

A large yin-yang symbol is centered in the background. The left half of the yin-yang contains a close-up image of a solar panel with a grid of photovoltaic cells. The right half contains a satellite image of the Earth, showing green landmasses and blue oceans. The entire graphic is set against a dark blue background with a subtle grid pattern.

2024

Environmental, Social and Governance Report

Semiconductor Manufacturing International Corporation

In the bottom right corner, there are faint silhouettes of two people, a man and a woman, standing and facing each other. They are positioned in the lower right quadrant of the page.

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A Snapshot of SMIC IC Development

01

Semiconductor Manufacturing International Corporation (SMIC, 00981.HK/688981.SH) is one of the leading foundries in the world and is the front runner in manufacturing capability, manufacturing scale, and comprehensive service in the Chinese Mainland. SMIC Group provides semiconductor foundry and technology services to global customers on 8-inch and 12-inch wafers. Headquartered in Shanghai, China, SMIC Group has an international manufacturing and service base, with 8-inch and 12-inch wafer fabrication facilities in Shanghai, Beijing, Tianjin and Shenzhen. SMIC Group also has marketing and customer service offices in the U.S., Europe, Japan, and Taiwan, China.

- ◆ Letter from the Chairman
- ◆ 2024 ESG Performance Highlights
- ◆ Honors and Awards
- ◆ SMIC Milestones
- ◆ Board Statement



Letter from the Chairman



Dear Readers,

SMIC has consistently and comprehensively apply the new development philosophy, actively accelerating to establish a new pattern of development. We have positioned ESG as a cornerstone of our corporate strategy, steadfastly pursuing a high-quality development model that prioritizes ecological protection, resource conservation and efficient utilization, and green and low-carbon practices. Our efforts have yielded steady progress and enhanced quality across all operations, achievements that would not have been possible without the unwavering support and commitment of our stakeholders. On behalf of the Board of Directors and the Management of SMIC, I would like to extend my deepest gratitude and sincere appreciation to all who have supported and contributed to the Company's reform and development. Looking back on our ESG accomplishments over the year, they can be summarized in three key areas:

Advancing sustainable development strategies while enhancing governance systems and capabilities of the Company. Corporate governance serves as the cornerstone of ESG management, and SMIC has consistently integrated ESG principles into its modern corporate governance framework and management mechanisms with Chinese characteristics. We have established a comprehensive, vertically aligned sustainability governance system, clearly defining the ESG responsibilities of the Board of Directors and relevant specialized committees. This approach has enabled the holistic advancement and systematic deepening of the sustainability management system. SMIC has also set clear short-, medium-, and long-term goals for sustainable development, developing comprehensive action plans to embed sustainability principles across all business lines and operational processes. Adhering to the principle of customer primacy, we focus on creating lasting value for customers, actively build partnerships based on mutual trust, win-win cooperation and in-depth cooperation. Meanwhile, we intensify internal control and risk management efforts, rigorously supervise compliance across our supply chain partners, jointly cultivating a transparent and honest business environment.

Enhancing the mechanism for green and low-carbon development to strengthen the core competitiveness of high-quality development. Guided by the dual objectives of achieving carbon peak and carbon neutrality, we have synergistically advanced initiatives in carbon reduction, pollution control, green expansion, and economic growth. These efforts have led to the factory land intensification, harmless treatment of raw materials, clean production, waste recycling, and energy decarbonization. This year, SMIC procured 61,283 MWh of green electricity, fulfilled its carbon compliance obligations in the carbon trading market. Currently, five of our sites have been certified as green factories, and six main plants have received green building certifications both domestically and internationally. Meanwhile, safety in production remains our paramount priority. We have implemented a comprehensive production safety responsibility system across all levels, reinforced institutional frameworks, and increased safety investments, thereby substantially elevating its intrinsic safety standards and environmental protection management capabilities.

Adhering to the people-centered development philosophy while sharing the achievements of reform and development with the staff and society.

We are committed to our core mission of creating value for customers, delivering returns to shareholders, providing a platform for employees, and contributing to society. We place the enhancement of employees' sense of fulfillment, happiness, and belonging at the heart of our operations, fostering a shared community of interests, career aspirations, and destiny among the Company, its employees, and society at large. Furthermore, we continue to deepen reforms in our talent development system and mechanisms, optimizing our compensation, benefits, and training programs to offer employees diverse and personalized career development pathways, thereby establishing a hub for high-caliber innovative talent. In fulfilling its social responsibilities, SMIC actively promotes public welfare initiatives. The "SMIC Liver Transplant Program for Children" has raised nearly RMB 50 million over the years, enabling 943 children with liver disease to regain their health. Additionally, our employees have cumulatively invested nearly 24,630 hours in public welfare activities, benefiting numerous groups in dire need of assistance and winning widespread praise from all sectors of society.

The year 2025 signifies a transformative year for the Company as it comprehensively deepens reforms and drives high-quality development. SMIC's leadership and employees remain steadfast in focusing on advancing its core wafer fabrication business, and continuously enhancing its level of ESG governance capability. By fostering deeper collaboration and shared growth with partners across the industrial chain and stakeholders from all sectors, SMIC is committed to accelerating its journey toward becoming a world-class leader in integrated circuit manufacturing, a company that is both socially indispensable and widely respected.

Chairman of the Board of SMIC

Dr. Liu Xunfeng

2024 Performance Dashboard

Economic Performance

Sales revenue

US\$ 8.03 billion

Net profit attributable to shareholders of the listed company nearly

US\$ 0.49 billion

R&D investment nearly

US\$ 0.77 billion

Environmental Performance

Green Factory

Number of fabs certified as green factories

5

Environmental Protection Training

Times for environmental protection training

137

Total number of participants (person-times) in environmental protection training

30,069

GHG Emissions

GHG Emissions per unit

9.8

kg CO₂e/standard logic 8-inch equivalent wafer photomask layer

Energy

Power consumption per unit

12.08

kWh/standard logic 8-inch equivalent wafer photomask layer

Utilization of Water Resources

Water consumption per unit

0.093

Ton/standard logic 8-inch equivalent wafer photomask layer

Investment in energy-saving and CO₂-reduction projects

22.74 million yuan

Waste

Waste generated per unit

0.56

kg/standard logic 8-inch equivalent wafer photomask layer

Investment in water conservation projects

31.89 million yuan

Social Performance

People Orientation

Number of full-time employees

19,186

Number of fresh graduates recruited nearly

1,000

Give Back to Society

Number of participants in public welfare activities nearly

20,000 person-times

Hours of employees participating in charity activities nearly

24,630

Number of underprivileged children assisted through the "SMIC Liver Transplant Program for Children"

943

Cumulative donation amount of the "SMIC Liver Transplant Program for Children" nearly

50 million yuan

Career Development

Average training hours completed per employee

41.4

Number of employee training courses offered over

4,500

Health and Safety

Total times of safety training

1,831

Total number of participants (person-times) in safety training

138,814

Honors and Awards

In 2024, SMIC sustained good level in ESG rating in the assessment of the following ESG rating agencies:

HSI ESG Index

Rated A+

A+

Wind ESG

Rated A



China Securities
Index ESG

Rated A



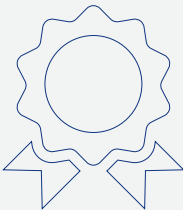
China National
Index ESG

Rated AAA
ranked 1st in the
semiconductor sub-industry



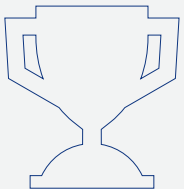
ESG Awards

- ◆ Selected as one of CCTV's "China ESG Listed Companies Pioneer 100" and "Yangtze River Delta ESG Listed Companies Pioneer 50".
- ◆ Winner of the *Mirror Post* Outstanding CSR Award since 2013.

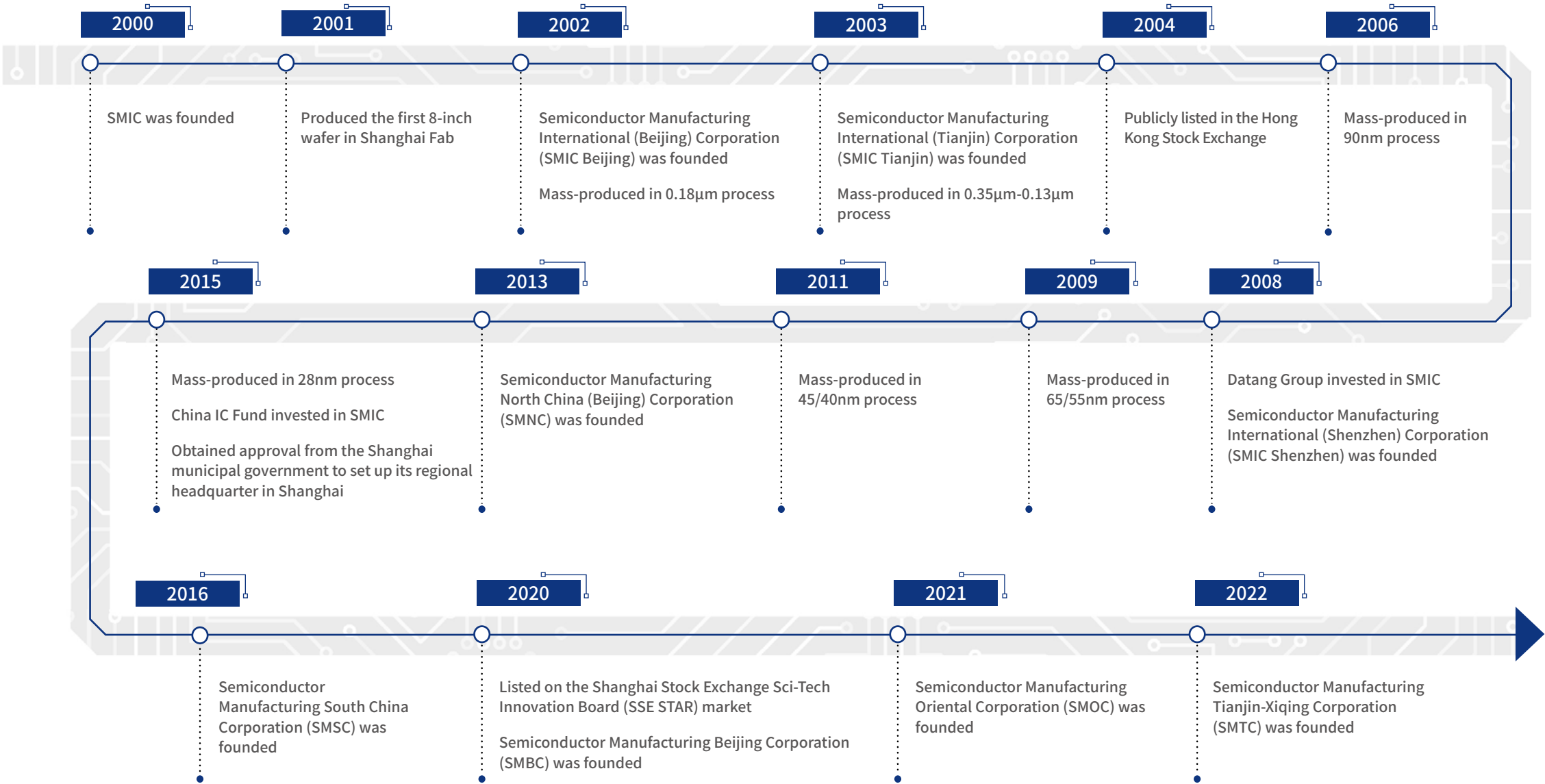


Corporate Honors

- ◆ Included in the List of Top 500 Publicly Traded Chinese Companies in 2024 released by *Fortune*.
- ◆ Achieved an **A-level** evaluation for the information disclosure work of listed companies for the 2023-2024 period from the Shanghai Stock Exchange.
- ◆ Received a **5A-level** evaluation for the performance of the board secretary of listed companies in 2024 from the China Listed Companies Association.



SMIC Milestones



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Board Statement

Responsibilities of the Board of Directors

As a responsible corporate citizen, SMIC deeply recognizes the core value of environmental, social, and governance (ESG) in our pursuit of shared development. We work closely with all stakeholders to build a more prosperous and harmonious future. The SMIC Board of Directors, serves as the ultimate authority of the ESG governance framework, is responsible for setting ESG strategies, goals, and monitoring progress, as well as overseeing ESG-related performance.

Under the Board of Directors, the ESG Steering Committee is established as the governing body for the Company's ESG-related initiatives. By analyzing both internal and external environments and aligning with the Company's development strategy, the ESG Steering Committee formulates ESG strategies, objectives, and direction. The ESG Steering Committee leads and oversees the ESG Committee in discussing, planning, and advancing ESG-related issues, while ensuring that all functional departments comply with legal standards and work towards achieving the Company's ESG goals, reflecting care for people, the environment, and society. The ESG Steering Committee is responsible for reviewing the annual ESG report and submitting it to the Board of Directors for approval.



Issue Analysis



The ESG Committee closely monitors both external developments and industry peers, maintains active communication with internal and external stakeholders, identifies and assesses material issues, and develops work plans aligned with ESG goals, regularly reviewing progress. The ESG Committee is responsible for identifying, managing, monitoring, and controlling the Company's ESG-related risks, providing the Board of Directors with risk analysis and decision-making support. The Board oversees significant ESG material issues.

Daily Implementation



An ESG Office has been set up at SMIC to optimize the ESG information collection system. Based on the deep understanding of the Company's business nature, the ESG Office analyses and formulates and implements tailored strategies, goals and action plans, comprehensively advancing the Company's ESG strategy. This ensures the integration of ESG principles into daily operations and continuously improves the Company's ESG governance ability.

Compliance and Governance for Stability

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SMIC considers a robust and efficient governance framework as the foundation for sustainable growth. The Company continuously enhances its risk management protocols, rigorously enforces business ethics and compliance standards, and strengthens its internal audit efforts, ensuring a strong foundation for sustainable operations. Furthermore, the Company has deeply embedded ESG principles into its corporate governance structure, steadily advancing its sustainable development ability. On this basis, the Company actively shares the development outcomes with all stakeholders, addressing the dynamic and complex challenges of the global market.

- ◆ Achieving Steady Development through Responsible Governance
- ◆ Driving Sustainability through Sound Governance
- ◆ Adhering to Integrity and Compliance



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Achieving Steady Development through Responsible Governance

SMIC firmly believes that the sound corporate governance is the cornerstone of sustainability. We actively implement a sound corporate governance system to ensure the Company's stable development under the leadership of the Board of Directors while actively embracing and fulfilling our social responsibilities.

Structure of the Board of Directors

Duties of the Board of Directors

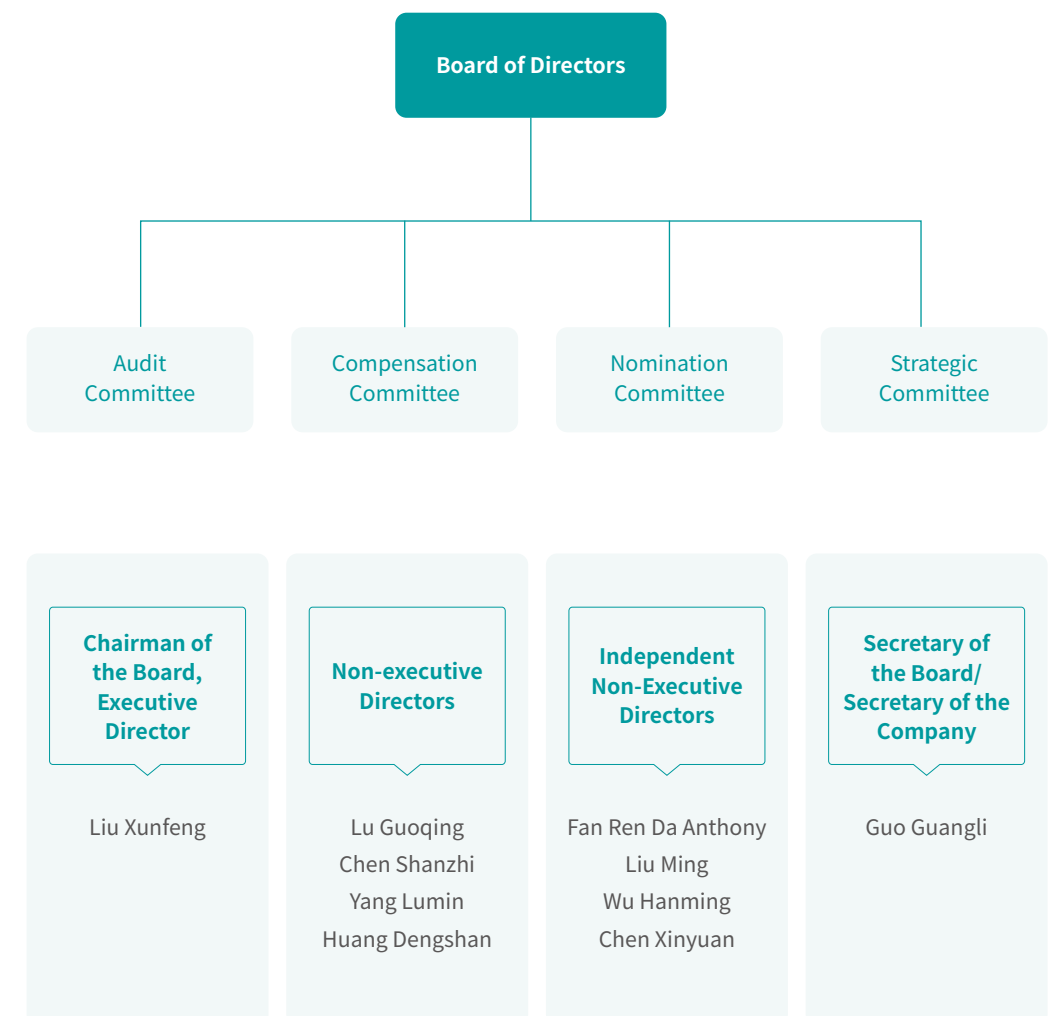
As the core institution of corporate governance, the Board bears key decision-making and supervisory responsibilities. The Board is responsible to the shareholders of the Company, overseeing and managing the Company's affairs, and making decisions that are in line with the best interests of the Company. The Board exercises its powers directly or through its subordinate committees, participates in and is responsible for establishing the overall strategy of the Company, setting corporate objects and targets, and supervising the implementation process. The Board is responsible for supervising the Company's financial performance and accounting preparation, developing corporate governance systems and policies, and reviewing the Company's internal control system. The management of the Company is responsible for the implementation of the overall strategy of the Company and its daily operations and administration. Each board member can consult or communicate with the senior management regarding the operations or financial situation of the Company.



Governance Structure of the Board of Directors

The Board consists of the Audit Committee, Compensation Committee, Nomination Committee and Strategy Committee. The committees assume their respective responsibilities of governance within the limits of their powers.

As of the end of the Reporting Period, the Board of Directors currently consists of 9 directors, including 1 chairman (executive director), 4 non-executive directors and 4 independent non-executive directors. The Board of Directors had the following structure:



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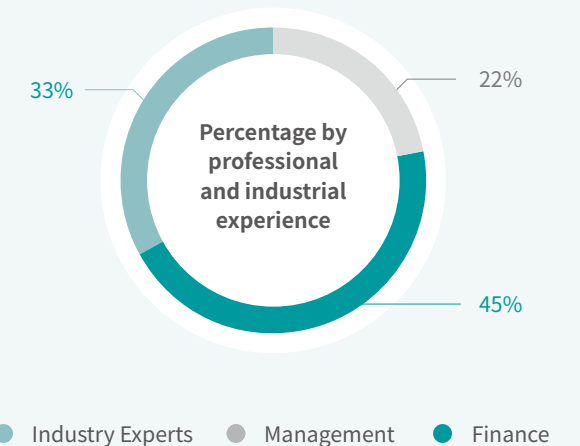
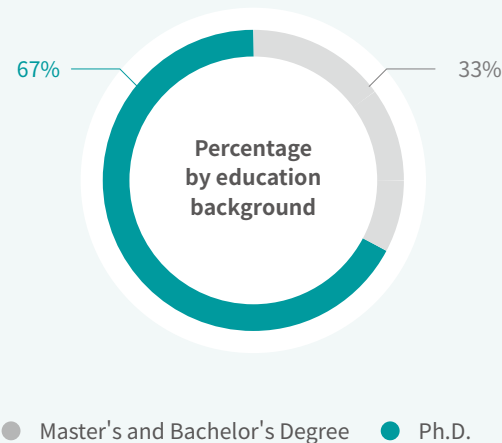
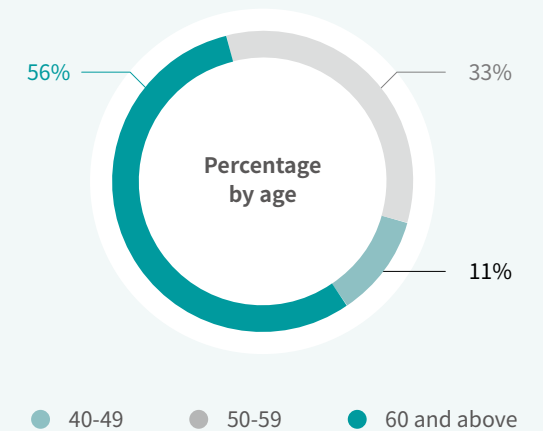
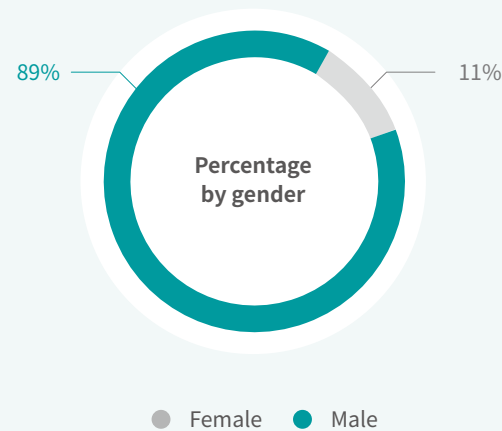
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The board members in the committees as of the end of the Reporting Period are as follows:

Board Member	Audit Committee	Compensation Committee	Nomination Committee	Strategic Committee
Liu Xunfeng			Chairman	
Lu Guoqing		Member		
Chen Shanzhi				Chairman
Yang Lumin				Member
Huang Dengshan			Member	
Fan Ren Da Anthony	Member	Chairman	Member	
Liu Ming	Member	Member		Member
Wu Hanming	Member		Member	Member
Chen Xinyuan	Chairman	Member	Member	

The Company has established a *Board Diversity Policy*, which outlines specific requirements for female representation on the Board. The policy is regularly reviewed to ensure its effective implementation, guaranteeing that the Board's composition reflects a balance of Directors' professional skills, backgrounds, industry experience, gender, age, and other factors, ensuring the Board maintains a high level of professionalism independence and diversity.



Driving Sustainability through Sound Governance

SMIC places great emphasis on comprehensive ESG governance and has established it as a core principle of corporate management. We refer to internationally recognized sustainability standards such as the United Nations Sustainability Goals (SDGs) and Responsible Business Alliance (RBA) while building and improving our ESG management system. We remain steadfast in our commitment to sustainability, striving not only for our own robust development but also fulfilling our social responsibilities and actively addressing the expectations of our stakeholders, ensuring the sustainability of the Company.

ESG Guidelines and Strategy

ESG Guidelines

Upholding the philosophy of "Caring for people, the environment and society", SMIC collaborates with all stakeholders to fulfill its sustainability commitment to promote social development, protect the ecological environment and fulfill ethical responsibilities with actions in daily operations to promote achievement of the sustainability goals.



To achieve these goals, SMIC:



Responds to the UN SDGs in an active manner, and constantly enhances ESG governance in consideration of the international trend and material ESG issues.



Supports and follows the *RBA Code of Conduct*, calling on industry partners to practice together.



Tries to create a healthy and safe workplace for employees by obtaining international certifications such as ISOs in environment, safety and health, while minimizing the negative impact of business activities on social and natural environments.



Continuously improves the ESG management system, implementing the ESG system in the management process.

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Responding to UN SDGs in an Active Manner

As part of a global agenda adopted in 2015 by the United Nations, the United Nations Sustainability Goals (UN SDGs) contain a total of 17 SDGs, which aim to tackle global social, economic and environmental problems around the world. In active response to the UN SDGs, SMIC has constantly improved its ESG management system according to the requirements of *China's National Plan on Implementation of the 2030 Agenda for Sustainability*.



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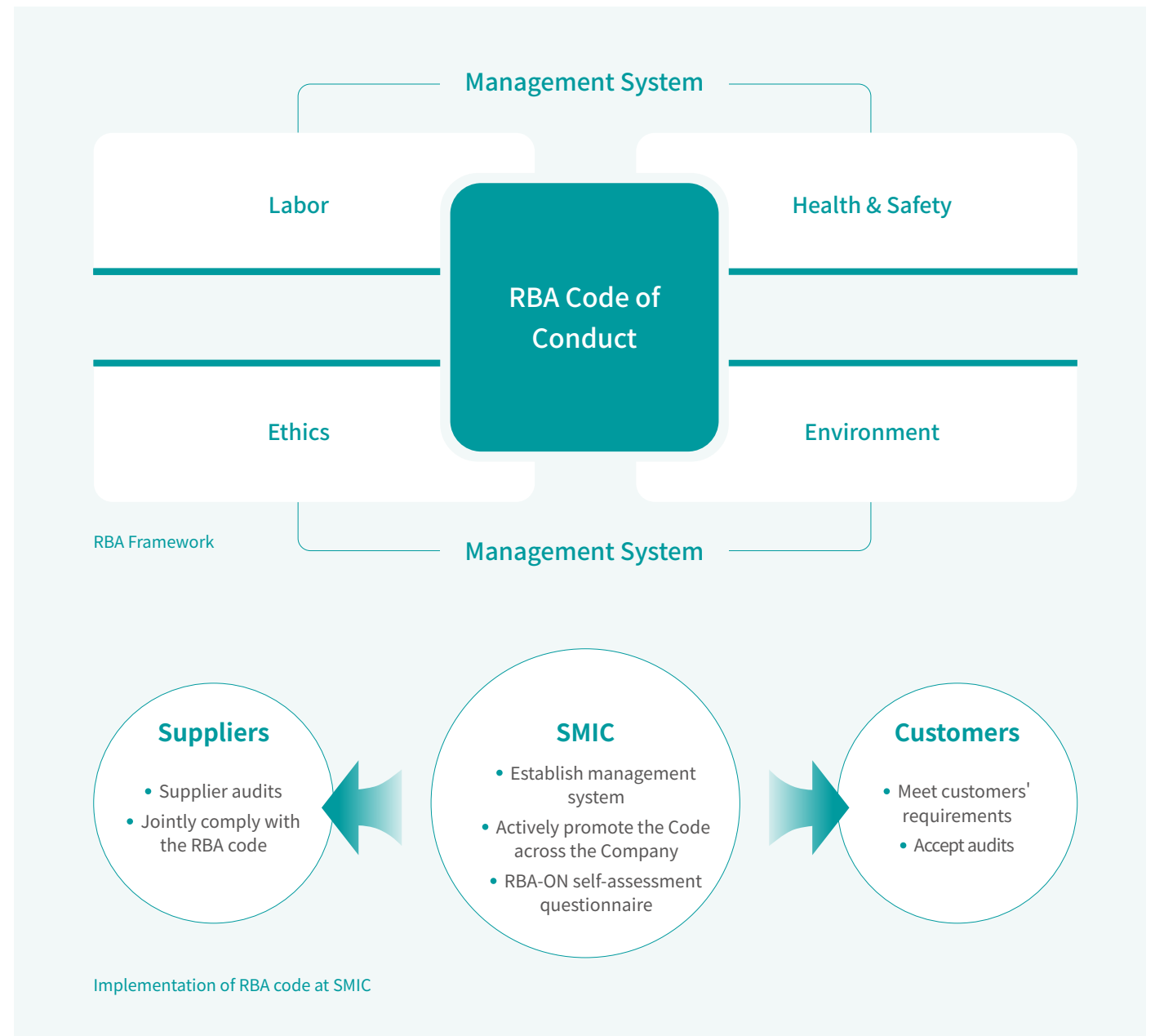
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Supporting RBA

The Responsible Business Alliance (RBA) is a global business alliance, especially emphasizing the social responsibility of member companies in environmental protection, labor rights, health and safety, business ethics and anti-corruption, aiming to promote the electronics industry and its supply chain to a more sustainable, fair and transparent direction of development. By formulating and implementing a series of strict codes of conduct and assessment systems, RBA encourages and helps member companies to continuously improve their social responsibility management level and promotes the sustainability of the industry.

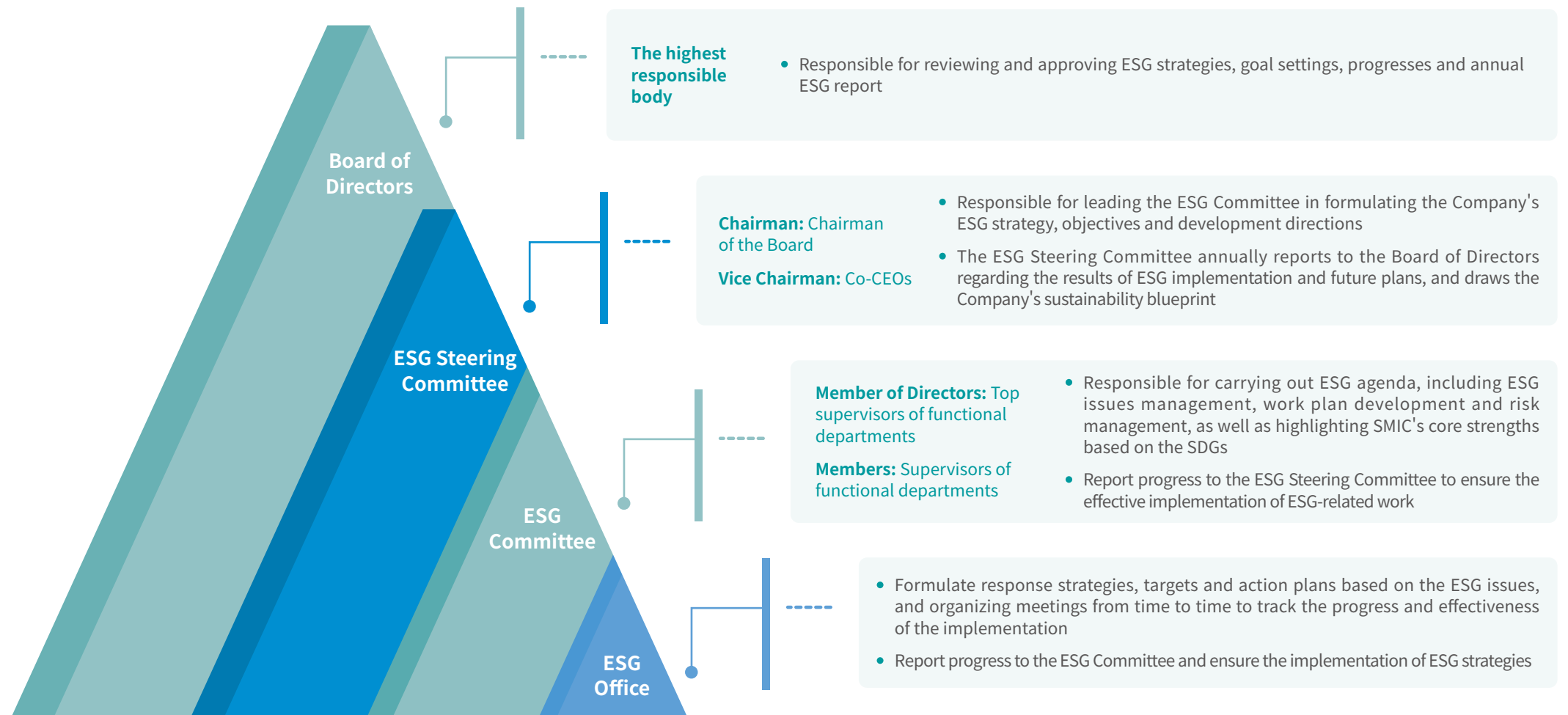
As one of the leading foundries in the world, SMIC has been actively fulfilling its social responsibilities. Since 2013, SMIC has adopted the RBA Online Risk Assessment System (RBA-Online) and timely completion of the Self-Assessment Questionnaire (SAQ). The RBA-developed standardized risk assessment template to assess the management of the Company as a whole and all its fabs regarding environment, health and safety, as well as labor rights and ethical management, and to establish improvement plans for existing risks. While committing to observing the *RBA Code of Conduct*, we urge our suppliers to engage in their business activities in accordance with such guidelines to ensure the sustainability and social responsibility of the entire supply chain.

We also actively respond to concerns of ESG and RBA SAQs from the stakeholders. In 2024, the Company was rated as low-risk upon assessment.



ESG Governance Structure

In order to promote the in-depth integration of the concept of sustainability and corporate governance, SMIC has established a four-tier sustainability governance system with the Board of Directors as the highest decision-making body. This scientific system is regarded as the cornerstone for the Company's ESG governance, clearly defining the roles and responsibilities of each department and ensuring effective collaboration and participation in advancing ESG initiatives. The comprehensive ESG governance structure reflects SMIC's strong commitment to sustainability and serves as a critical safeguard for the Company's long-term sustainable growth.



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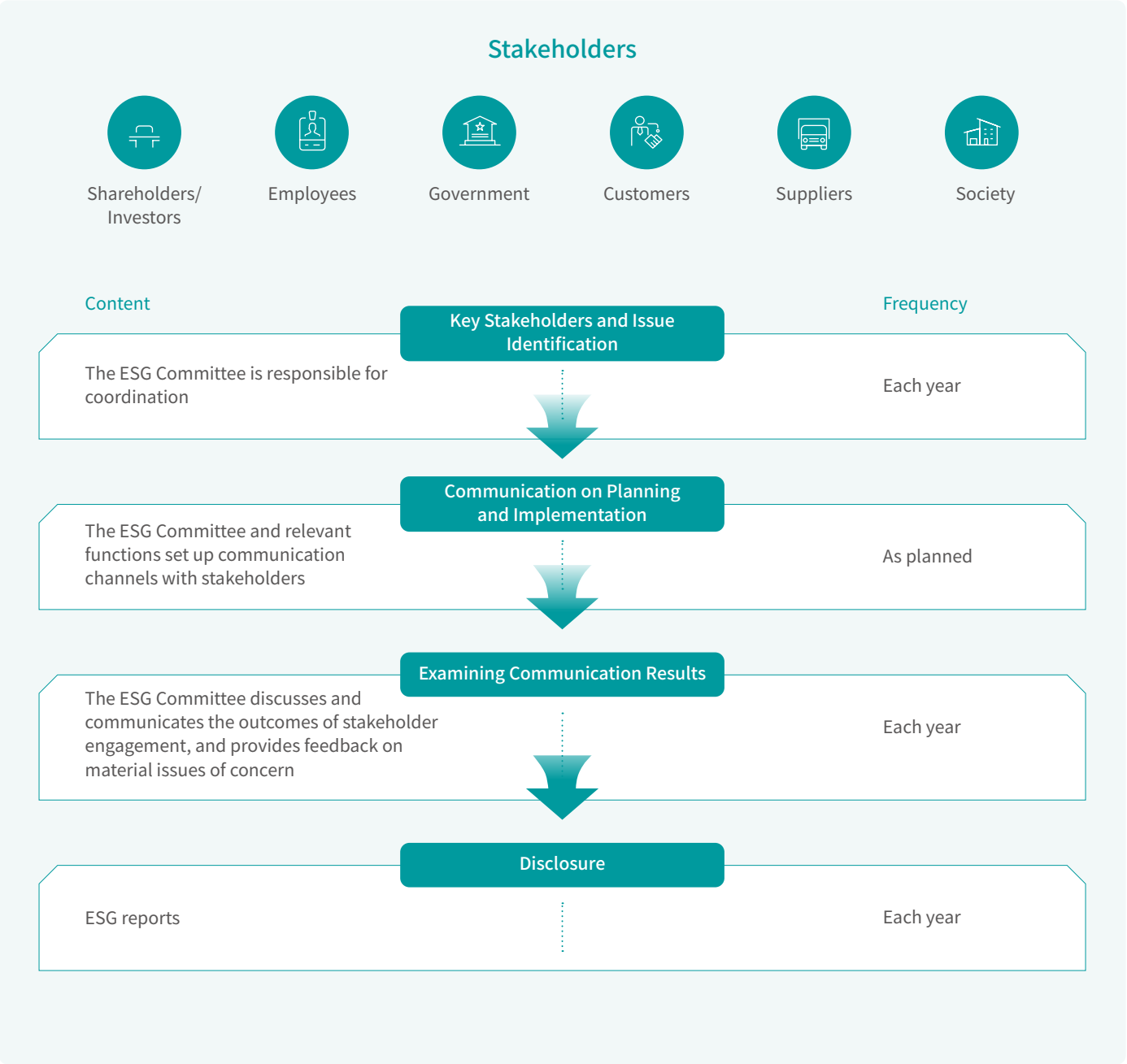
Communication with Stakeholders

SMIC places high importance on stakeholder engagement, actively listening to diverse voices to better guide the direction of our ESG initiatives. The ESG Committee reviews the annual ESG report and proactively shares the discussion outcomes with stakeholders, using their feedback to further refine ESG materiality issues. We have identified key stakeholders, including shareholders/investors, employees, governments, customers, suppliers, and society, and have established multiple communication channels, such as regular meetings, surveys, and public consultations, ensuring that we receive and respond to their input.

We recognize that sustainable development is not only about shareholder interests but also closely linked to employee well-being, customer trust, supplier collaboration, government policy support, and the fulfillment of social responsibilities. Through continuous listening and interaction, we are committed to working with all stakeholders to advance ESG goals and create long-term shared value.

The Company has set up an investor relations department staffed with dedicated professionals responsible for managing investor relations. By facilitating shareholder rights, enhancing information disclosure, fostering interactive communication, and addressing investor concerns, we aim to strengthen communication with investors, improve their understanding and recognition of the Company, and elevate corporate governance and overall value. Our goal is to respect, reward, and protect investors. To continuously optimize investor relations management, the Company has established and revised the Investor Relations Management System during the Reporting Period, in accordance with the latest regulations from the China Securities Regulatory Commission (CSRC) and the Shanghai Stock Exchange (SSE), as well as our practices since listing.

Communication channels with investors include but are not limited to the Company's official website, WeChat official account, investor hotline and email box, stock exchange's investor relations interactive platform, announcements, general meetings of stakeholders, earnings calls/webcasts, roadshows and reverse roadshows, investor and broker research sessions, brokerage conferences, promotional materials, media interviews, and other legally effective channels and platforms to maintain communication with investors, fund managers, analysts, and other stakeholders.



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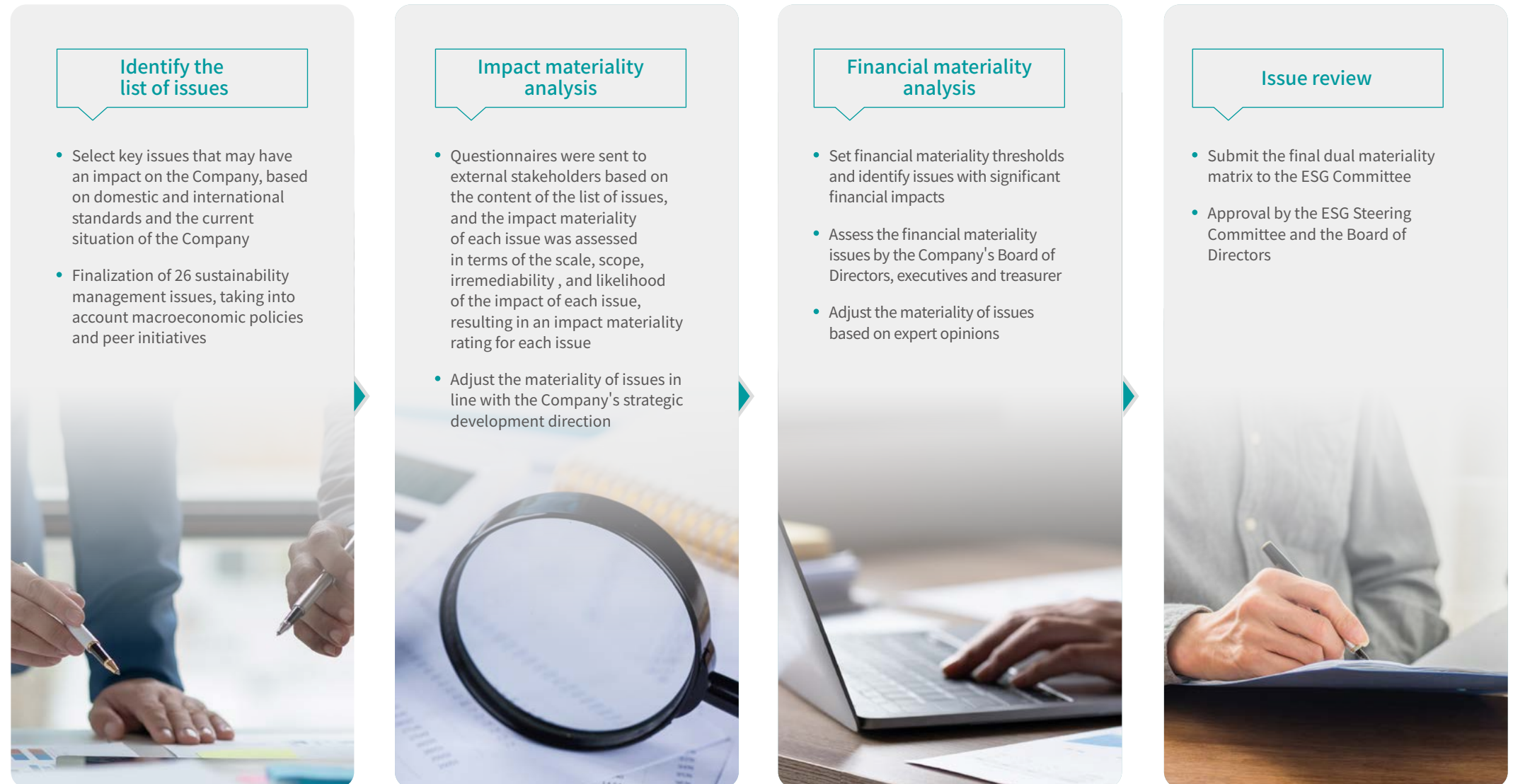
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Stakeholders	Subjects of Communication	Communication Channels and Forms		Issues of Concern	
Employee 	<ul style="list-style-type: none"> All employees 	<ul style="list-style-type: none"> Employee communication meetings Employee engagement surveys WeChat official account Company-wide announcement emails 	<ul style="list-style-type: none"> Internal website Hotline for ethic breach reporting Other kinds of employee activities 	<ul style="list-style-type: none"> Employee welfare and benefits Future growth potential The Company's competitive edge in the industry Talent retention 	<ul style="list-style-type: none"> Employee training and education Physical and mental health of employees Employees' personal development Corporate governance
Shareholders/ investors 	<ul style="list-style-type: none"> Shareholders/Investors Fund Managers Analysts Statutory disclosure media Hong Kong Stock Exchange (HKEX) Shanghai Stock Exchange (SSE) 	<ul style="list-style-type: none"> The Company's official website and WeChat official account Investor hotline and email box Stock Exchange Investor Relations Interactive Platform Announcement General Meetings of Shareholders Earnings calls/webcasts Roadshows and reverse roadshows 	<ul style="list-style-type: none"> Investor and broker research sessions Brokerage conferences Promotional materials Media interviews Other legal and effective channels, platforms and methods 	<ul style="list-style-type: none"> Industry prosperity Changes and impact of industrial policies Business Strategy Core Competitive Advantages 	<ul style="list-style-type: none"> Business performance Capital expenditure and capacity building Competition among peers
Customers 	<ul style="list-style-type: none"> Global customers 	<ul style="list-style-type: none"> Customer satisfaction survey Business/quality/technology assessment meetings for customers 	<ul style="list-style-type: none"> Technology seminars Other daily communication with customers 	<ul style="list-style-type: none"> Customer service and satisfaction Innovation management The Company's competitive advantage in the industry 	<ul style="list-style-type: none"> Product quality control Confidential information protection Business ethics
Suppliers 	<ul style="list-style-type: none"> Raw material suppliers Equipment suppliers 	<ul style="list-style-type: none"> Assessment and scoring On-site review 	<ul style="list-style-type: none"> Quality questionnaires 	<ul style="list-style-type: none"> Quality, price, delivery and service Compliance with laws and regulations Business ethics 	<ul style="list-style-type: none"> Supplier sustainability management Anti-corruption
Government 	<ul style="list-style-type: none"> National and local government institutions National and local industry associations 	<ul style="list-style-type: none"> Policy teach-ins Seminars 	<ul style="list-style-type: none"> Marketing fairs Other conferences and meetings 	<ul style="list-style-type: none"> Future growth potential Outlook on semiconductor industry The Company's competitive advantages in the industry 	<ul style="list-style-type: none"> Pollution prevention and control Innovation management
Society 	<ul style="list-style-type: none"> Print media: newspapers, magazines Electronic media: Internet, television, radio, social media Public welfare organizations, living quarters 	<ul style="list-style-type: none"> News release Interviews and features Press conferences 	<ul style="list-style-type: none"> Social media Public welfare activities Environmental protection promotion 	<ul style="list-style-type: none"> Corporate governance Economic benefits Innovative management Anti-corruption 	<ul style="list-style-type: none"> Social engagement External cooperation Biodiversity conservation

Double Materiality Analysis

The double materiality of ESG issues serves as the foundation for sustainability governance and management, enabling the Company to allocate resources effectively for sustainability initiatives across short-, medium-, and long-term horizons while clearly defining the focus of sustainability management. During the Reporting Period, SMIC conducted a double materiality assessment, considering the unique characteristics of our industry and business operations, to evaluate the materiality of issues based on financial materiality and impact materiality. This assessment helps us fully understand the sustainability risks and opportunities associated with our business activities. Below is an overview of our double materiality assessment process:



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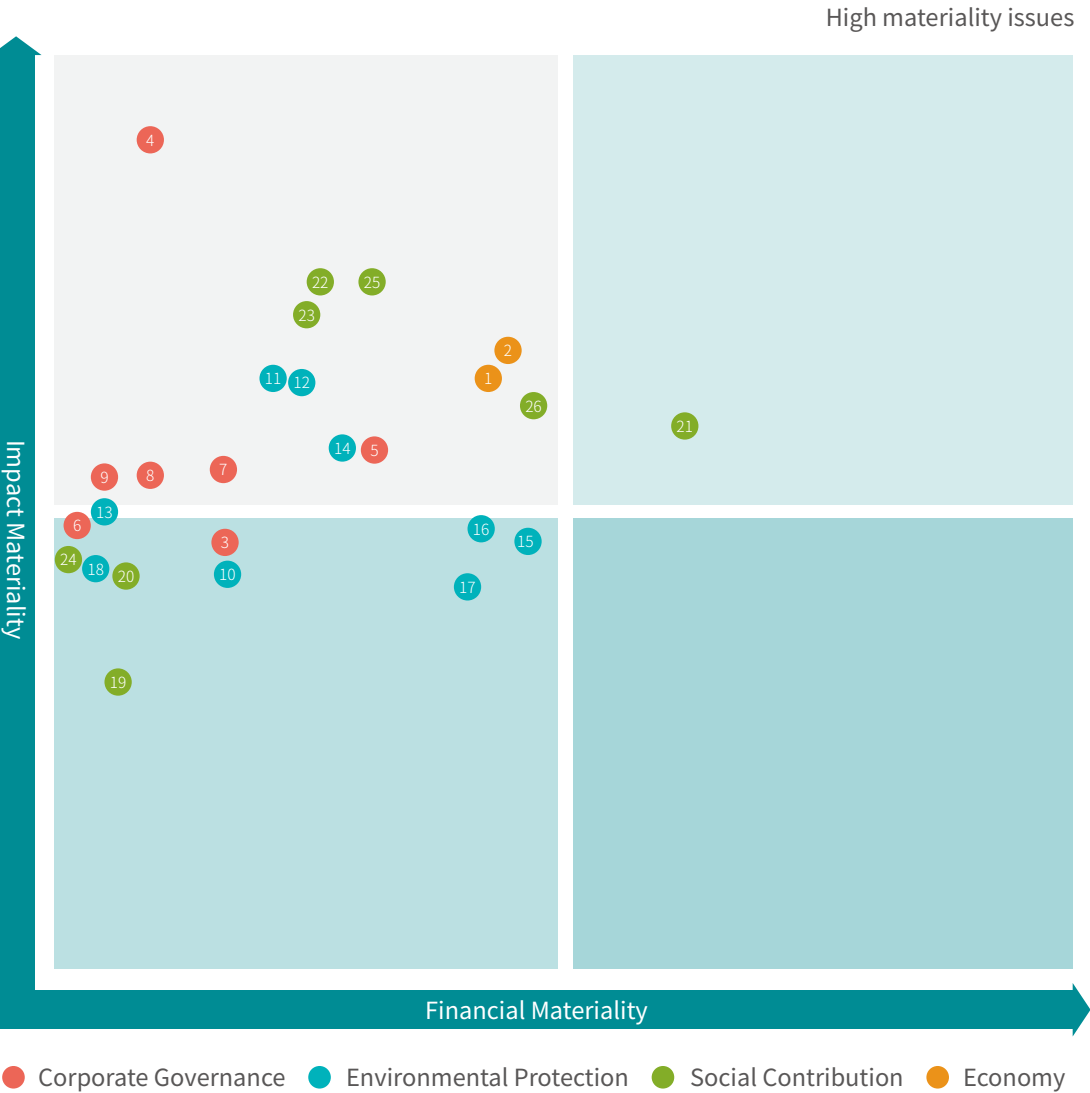
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SMIC has formed a matrix of materiality issues for 2024 based on the double materiality assessment methodology by combining a multi-dimensional analysis of the Company's development strategy, ESG practices and industry development, and through numerous communications with the Company's stakeholders, as described below:



S/N	Issues	Scope (Corporate Governance/ Economy/ Environment/ Society)
1	Competitive advantages and growth of the Company	Economy
2	Economic performance	Economy
3	Corporate governance	Corporate Governance
4	Regulation compliance	Corporate Governance
5	Risk management	Corporate Governance
6	Due diligence	Corporate Governance
7	Communication with stakeholders	Corporate Governance
8	Anti-bribery and anti-corruption	Corporate Governance
9	Anti-unfair competition	Corporate Governance
10	Response to climate change	Environmental Protection
11	Pollutant emissions	Environmental Protection
12	Waste management	Environmental Protection
13	Ecosystem and biodiversity conservation	Environmental Protection

S/N	Issues	Scope (Corporate Governance/ Economy/ Environment/ Society)
14	Environmental compliance management	Environmental Protection
15	Energy utilization	Environmental Protection
16	Water resource utilization	Environmental Protection
17	Circular economy	Environmental Protection
18	Green products	Environmental Protection
19	Rural revitalization	Social Contribution
20	Social contribution	Social Contribution
21	Innovation-driven	Social Contribution
22	Safety and quality of products and services	Social Contribution
23	Supply chain security	Social Contribution
24	Equal treatment of small and medium-sized enterprises	Social Contribution
25	Data security and customer privacy protection	Social Contribution
26	Employees	Social Contribution

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Adhering to Integrity and Compliance

SMIC adheres to the principle of integrity and incorporates compliance concepts into every aspect of its business management. We have established a robust risk management system to ensure that our operations are compliant with laws and regulations, and through regular internal audits, we continuously optimize our internal control mechanisms. We uphold the highest ethical standards for our employees and partners, continuously deepening our risk, compliance, and operational management training and promotion work, promoting the concept of integrity and compliance from within the Company to suppliers and agents, and creating a fair, transparent, clean, and efficient business environment together.

Risk Management

SMIC regards risk management as one of the core areas of business management and is committed to establishing and continuously improving a risk management system that covers all aspects of risk identification, assessment, response and monitoring to enhance the Company's risk management capabilities.

The Company has established a robust risk management framework, integrating risk management into its core operations and business processes. By conducting multi-dimensional regular assessments of various risks and implementing multi-level prevention and control measures, we continuously enhance the Company's risk management level.



SMIC Risk Management Structure

Based on the *Charter of the Risk Management Committee*, and in conjunction with external regulatory norms and excellent industry practices, SMIC has established risk management framework as follows.

Decision-Making Level



Risk Management Committee

- Carry out coordinated management and decision-making of risks, and define key risk management priorities for the year
- Keep a close eye on the uncertainties in the internal and external environment of the Company and assess their potential impact on the Company and stakeholders
- Guide the Risk Management Working Group to engage in risk management activities for effective control of risks
- Regularly report the risk management process to the Board of Directors

Implementation Level



Risk Management Office

- Establish a comprehensive risk management mechanism
- Closely track the dynamics of major risks to ensure timely responses

Risk Management Working Group

- Collaborate with the Risk Management Office to identify, assess and analyze risks and control measures, and particular in regular meetings and discussions
- Effectively implement the risk management decisions of the Risk Management Committee and the management within the function, collect and organize the feedback in the implementation process, and ensure the effective implementation and continuous optimization of the decisions

SMIC has established a company-wide risk database for strategic, financial, market, operational and compliance, aiming to monitor all types of risks comprehensively, enhance the Company's ability to prevent, identify and respond to risks, and improve the risk management capabilities.

Examples of Risk Categories — Potential Risks

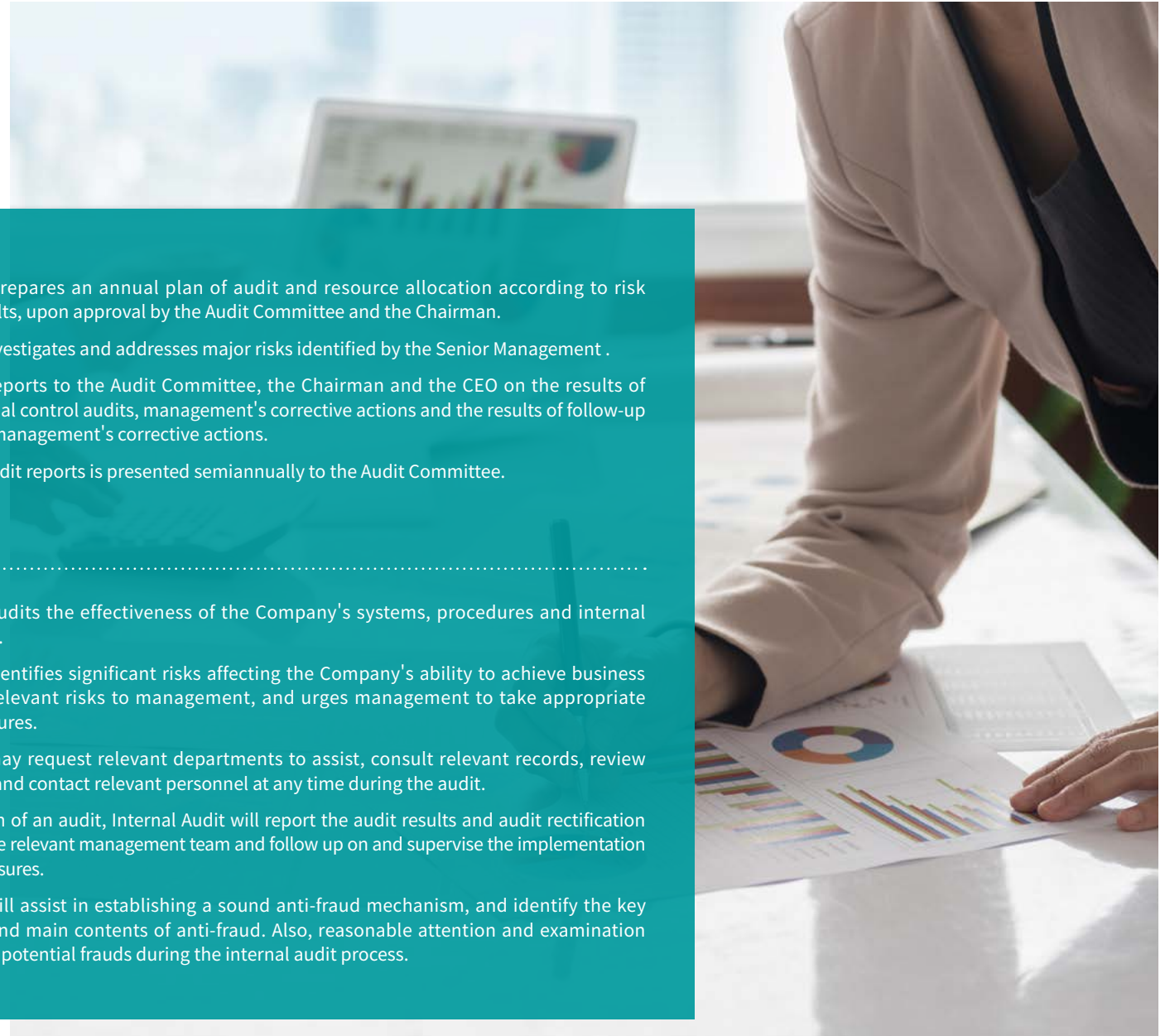
Strategic	Macroeconomics and situation/strategic planning and resource allocation/regulatory policy
Financial	Budget management/financial market/asset value management
Market	Market changes and competition/customer structure and relationship maintenance/product structure and price
Operational	Disaster and crisis management/supply chain/R&D
Compliance	Contracts/Intellectual property management/information disclosure

To ensure business continuity in the face of unexpected events, SMIC has established and continually refines its business continuity management system. This system proactively identifies internal and external risks and prepares detailed response strategies for potential business disruptions. We regularly review, test, and update our incident response plans, and maintain close collaboration with customers and stakeholders to minimize the impact of interruptions, expedite recovery, and reduce downtime.

During the Reporting Period, two of SMIC's fabs obtained ISO 22301 certification, while the remaining fabs are also set to initiate the certification process as planned, confirming that our business continuity management aligns with international standards.

Internal Audit

SMIC regularly conducts internal audits to assess and enhance its risk management, internal control and governance systems, so as to ensure the healthy and stable development and long-term competitiveness of the Company.



Planning and Reporting

- Internal Audit prepares an annual plan of audit and resource allocation according to risk assessment results, upon approval by the Audit Committee and the Chairman.
- Internal Audit investigates and addresses major risks identified by the Senior Management .
- Internal Audit reports to the Audit Committee, the Chairman and the CEO on the results of significant internal control audits, management's corrective actions and the results of follow-up assessments of management's corrective actions.
- A summary of audit reports is presented semiannually to the Audit Committee.

Functions and Authorities

- Internal Audit audits the effectiveness of the Company's systems, procedures and internal control activities.
- Internal Audit identifies significant risks affecting the Company's ability to achieve business goals, reports relevant risks to management, and urges management to take appropriate preventive measures.
- Internal Audit may request relevant departments to assist, consult relevant records, review relevant assets, and contact relevant personnel at any time during the audit.
- Upon completion of an audit, Internal Audit will report the audit results and audit rectification suggestions to the relevant management team and follow up on and supervise the implementation of corrective measures.
- Internal Audit will assist in establishing a sound anti-fraud mechanism, and identify the key areas, aspects and main contents of anti-fraud. Also, reasonable attention and examination shall be made to potential frauds during the internal audit process.

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Legal Compliance

As a red-chip enterprise established in the Cayman Islands and listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange's Sci-tech Innovation Board, SMIC's business activities extend across multiple regions in China and abroad. SMIC and its subsidiaries strictly adhere to the laws and regulations in the regions where they operate, ensuring lawful and compliant business practices. This commitment helps establish a reputation for integrity and responsibility in the global market.

Export Compliance

SMIC has set up numerous subsidiaries in China and overseas regions, forming a cross-border business network. Consequently, cross-border compliance construction and management are of utmost importance to us. By conducting thorough research and strictly complying with the laws and regulations of different countries, strengthening the publicity and training on legal compliance, and refining compliance management processes, we ensure that our global business activities are conducted in a legally compliant manner.

Legal Training

To enhance the Company's ability to mitigate legal risks, we publicize legal compliance requirements to all departments through a combination of online and offline forms, as well as collective and case-by-case approaches. We also conduct regular legal awareness training for employees. During the Reporting Period, we conducted training on contract signing, information disclosure, intellectual property rights, and export control. The training program significantly enhanced company-wide employees' awareness of contract risk prevention and established standardized practices for their business conduct.

Export Control Compliance System Building

SMIC has established a comprehensive export control compliance mechanism covering all types of import and export activities of the Company, and is committed to ensuring that its operations comply with all applicable export control requirements. During the Reporting Period, amid a rapidly changing international regulatory landscape and growing export control complexities, we reviewed and updated the *Internal Compliance Program Manual*, to provide detailed guidance on identifying, assessing and managing export control compliance risks, strengthen SMIC's competitive edge in global compliance and establish a strong foundation for the Company's long-term healthy growth.



Business Ethics

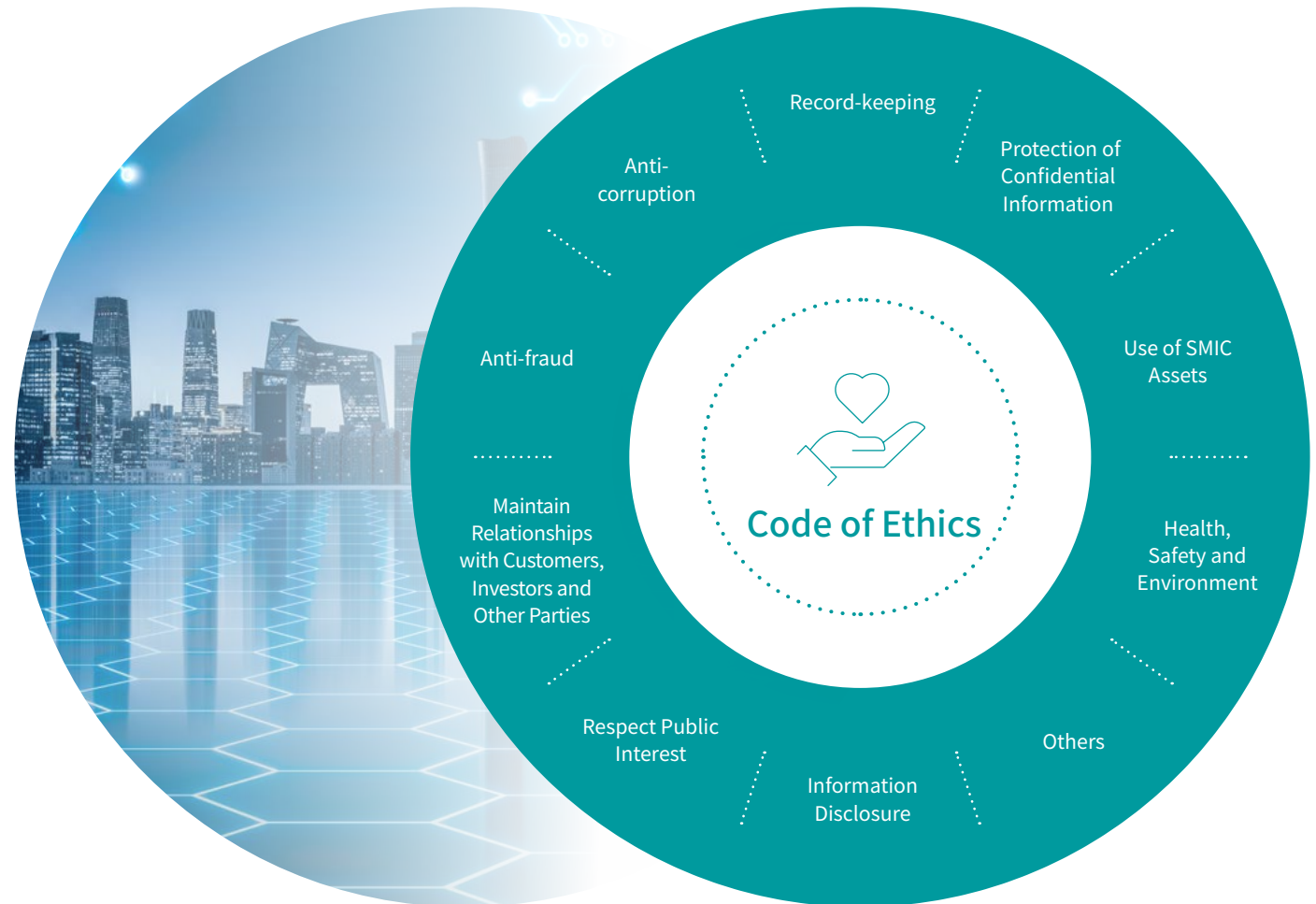
With the commitment of creating a favorable corporate atmosphere of integrity across the Company, SMIC highly values business conducts and ethics, makes continuous efforts to strengthen integrity and ethical performance, and explicitly prohibits corruption, fraud, or other behaviors violating the business ethics in any forms. Furthermore, by integrating the compliance management of integrity into daily operations, the Company steadily improves the business ethics management level, thereby laying a solid foundation for integrity building and driving sustainability of the Company.

Business Conduct and Ethical Standards

The Company has established the *Code of Business Conduct and Ethics (Code of Ethics)* and made it applicable to all employees, directors, contractors, consultants, agents and business partners, so as to ensure that the Company complies with the requirements of relevant laws and regulations and standards of business conduct. The *Code of Ethics* of the Company aims to regulate ethical matters including anti-corruption, anti-fraud, protection of public interests and intellectual property rights, as well as safety and environment.

Ethics Compliance Office

The Company has an independent Ethics Compliance Office ("ECO") under the Audit Committee of the Board of Directors, which is responsible for ethics compliance management and independent investigations, enables anonymous reporting channels for any potential violations, and reports to the Audit Committee from time to time. The ECO is responsible for formulating policies and procedures related to ethics compliance, monitoring and ensuring the compliance of the professional ethics and business practices of the Company and employees with the Code of Ethics of the Company, managing and maintaining ethics reporting leads, promptly investigating any fraud leads and conducting legal responsibility in case of a suspected legal violation, and organizing ethics compliance trainings for employees to raise their awareness and inform the use of ethics reporting hotline.



The Code of Ethics of SMIC

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Establishing a Business Ethics and Compliance Framework

SMIC is dedicated to fostering a transparent and fair business environment and has established a comprehensive business ethics compliance system encompassing areas such as anti-corruption, anti-unfair competition, and equal treatment of small and medium-sized enterprises (SME). We continuously strengthen our business ethics by implementing rigorous monitoring mechanisms, and promoting a robust culture of integrity through various activities.

In terms of anti-corruption, we conduct annual assessments of risks related to commercial bribery, occupational embezzlement, etc., formulating corresponding preventive measures and training programs based on the results. These efforts strengthen the prevention and control of integrity risks, ensuring the integrity and compliance of our operations. We also actively promote a culture of integrity and self-discipline by requiring all employees to sign the *Commitment to Integrity and Self-Discipline*, which includes provisions on preventing commercial bribery, avoiding conflicts of interest, respecting intellectual property rights, and adhering to information security. Additionally, the Company requires all suppliers to sign the *Supplier Commitment to Corporate Social Responsibility* upon entry, ensuring the integrity and compliance of the supply chain. During the Reporting Period, the Company did not engage in any commercial bribery or corruption.

In terms of anti-unfair competition, we adhere to the principle of fair competition, firmly oppose any form of unfair competition, and actively foster a healthy business environment. We have established and implemented the *SMIC Fair Competition Monitoring Procedures*, which clearly defines the division of responsibilities and the process system for fair competition monitoring, and specifies the preventive and management measures against unfair competition, ensuring promptly identify and effectively curb any actions that may disrupt fair competition. During the Reporting Period, the Company did not engage in any unfair competition behavior resulting in litigation or significant administrative penalties.

In terms of equal treatment of SMEs, we consistently adhere to the principles of fairness, impartiality, and transparency in our collaborations with SMEs. We provide SMEs with the same business opportunities and respect as large enterprises, fostering a market environment characterized by fair competition and mutual benefit. During the Reporting Period, there were no instances of overdue payments to SMEs.

During the Reporting Period,

100%

of the new employees signed the
Commitment to Integrity and Self-Discipline

100%

of the suppliers signed the *Supplier
Commitment to Corporate Social
Responsibility*



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Implementing the Training on Ethical Compliance

For the purpose of continuously raising the internal ethical compliance awareness and ensure compliant operations of the Company, we consistently organize anti-corruption, anti-fraud, and other ethical compliance trainings for the directors and all employees, thereby popularizing and normalizing ethics education. In the fourth quarter, our training on *Code of Business Conduct and Ethics* primarily included the following three aspects:

Policy Promotion

Clearly define and demonstrate the Compliance-related policies, especially policies for anti-corruption, anti-fraud, and conflict of interest prevention

Frauds and Crimes with High Incidence

Elaborate the main crimes related to fraud, and focus on the offences of passive bribery of non-State officials and infringement of trade secrets by means of vivid warning cases

Risk Prevention

Enumerate the behaviors, hazards and potential consequences of frauds and publicize internal reporting channels and whistleblower protection system

Optimizing Ethical Reporting and Investigation Mechanism

The Company has established a perfect complaint and reporting mechanism, with accessible channels for complaints and reports via emails and hotline. We ensure to keep the information of all whistleblowers confidential and prohibit any form of retaliation against whistleblowers.

SMIC Reporting Channels



Email: code@smics.com



Hotline: +86(21)20812121

During the Reporting Period

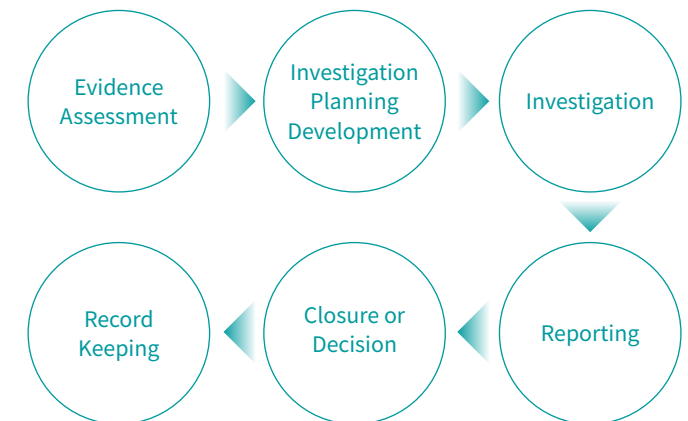
Coverage rate of the Business Conduct and Ethics Standards Training among employees

100%

Coverage rate of the Business Conduct and Ethics Standards Training among directors

100%

Upon receipt of a complaint or report, the Compliance Supervisor of SMIC will promptly review the received information, create a log for each reported case for tracking the receiving, investigation and resolution thereof, and report material violations to the Audit Committee.

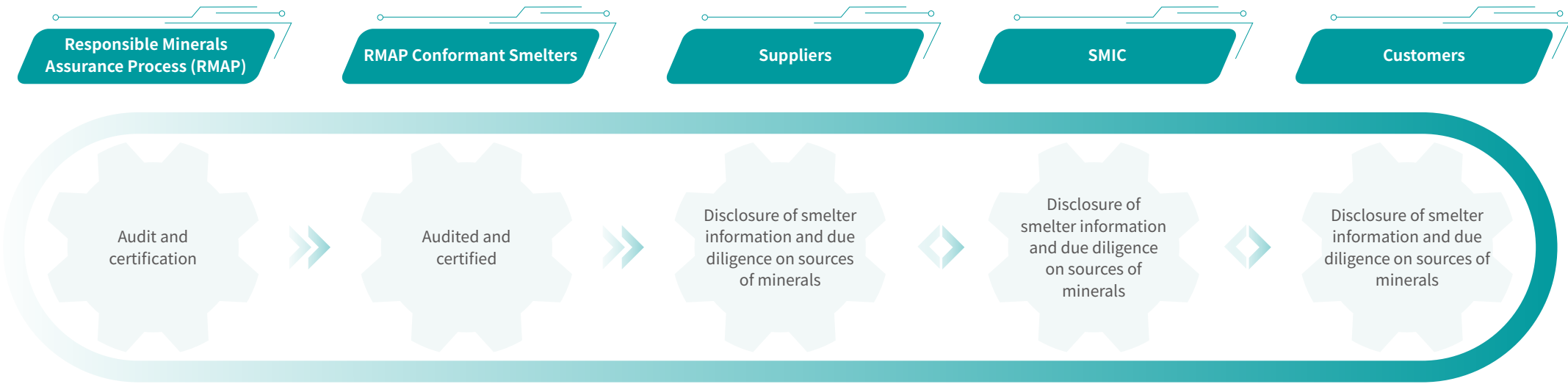


Ethical Compliance Investigation Process

Responsible Minerals Management

SMIC actively fulfills social responsibility and is committed to implementing a responsible minerals management strategy, firmly opposing any actions that harm the environment, violate human rights, contribute to armed conflict, or violate business ethics. We collaborate closely with our upstream and downstream partners to promote sustainable procurement practices while ensuring a conflict-free supply chain.

To continuously monitor and assess conflict minerals risks in our supply chain, we have established a responsible minerals management team comprising legal, procurement, customer engineering, corporate social responsibility, and other relevant departments. We adhere to the *SMIC Responsible Minerals Policy*, strictly implement the responsible minerals control mechanism, and conduct regular audits of our supply chain. Following the *Due Diligence Guidance for Responsible Minerals Supply Chains* of Organization for Economic Cooperation and Development (OECD), we utilize tools such as the *Conflict Minerals Reporting Template* (CMRT) and *Extended Minerals Reporting Template* (EMRT) created by the Responsible Minerals Initiative (RMI) to conduct rigorous due diligence on all suppliers, ensuring compliance and sustainability in mineral procurement.



Responsible Minerals Management Mechanism at SMIC

Furthermore, SMIC actively responded to due diligence of our customers by submitting related information in a timely and effective manner to disclose smelter and mineral sourcing compliance.

During the Reporting Period

100%

of the suppliers have
completed due diligence

100%

of smelters were
compliant

232

investigations concerning conflict minerals from our customers were
performed

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SMIC has steadfastly integrated sustainability and green development into our long-term strategic planning. We are fully aware that ensuring environmental friendliness and efficient utilization of resources while pursuing technological leadership and production capacity enhancement is an important cornerstone for us to achieve our sustainability goals and lead the industry in green transformation.

- ◆ Embarking on a New Journey in Climate Action and Low-Carbon Development
- ◆ Safeguarding the Environment for a Greener Future



Embarking on a New Journey in Climate Action and Low-Carbon Development

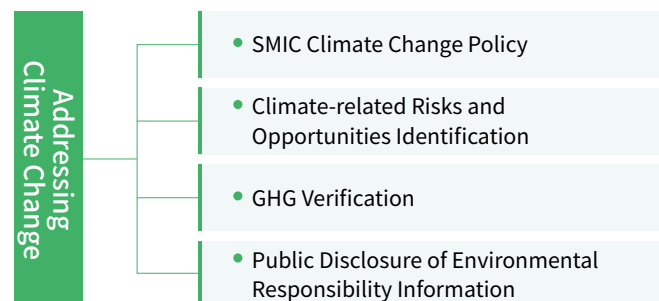
As a vanguard in the semiconductor industry, SMIC consistently positions green development at the heart of the corporate sustainability strategy. The Company actively practices the concept of green operation, not only devoting itself to technological innovation and productivity improvement, but also considering energy conservation, emission reduction, and environmental protection as its own responsibility, which is deeply integrated into every aspect of its daily operation. By adopting advanced energy-conservation technologies and equipment, and optimizing production processes, the Company effectively improves energy efficiency and reduces GHG emissions, demonstrating its strong commitment to addressing climate change.

Response to Climate Change

In the face of increasingly severe global climate change, actively addressing climate change has become the key to realizing corporate sustainability. With reference to the disclosure framework and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company conducted a comprehensive and in-depth assessment of the climate-related risks facing the Company. We identified potential impacts of climate change on our operations, supply chain stability, and long-term financial performance, developed a comprehensive transformation plan to address climate-related risks and opportunities. A series of targeted and effective initiatives have been implemented accordingly. SMIC conducts annual greenhouse gas (GHG) quantification across all its fabs, with the aim of contributing to global climate governance.

Governance

SMIC has established a robust climate change governance system, consisting of the Board of Directors, the ESG Steering Committee, the ESG Committee, and the ESG Office. The Board of Directors, serving as the paramount decision-making authority, is tasked with the oversight and appraisal of strategies, ensuring the efficacious execution through methodical management process. The ESG Steering Committee and the ESG Committee are charged with the formulation of climate strategies, goals, and directives for climate risk governance. The ESG Office carries out climate work in an orderly manner based on the strategies and goals, regularly tracks the work progress, and reports to the ESG Committee on a regular basis. We have also established a comprehensive climate change response framework to assist the Company in addressing potential climate risks.



Framework for Addressing Climate Change at SMIC

Strategy

SMIC actively responds to the challenges and opportunities brought by climate changes, and firmly believes that business opportunities can be sought for from climate changes. By analyzing the possible financial impacts on the Company's operation and development strategy resulted from climate change, we plotted a matrix of climate-related risks and opportunities to provide better support for the climate change decision-making and response strategies of the Company.



Matrix of Climate-related Risks and Opportunities

Transition Risks

- 1 Regulation and requirements for existing products
- 2 Environmental information disclosure
- 3 Innovation risks in decarbonization technology development
- 4 Change in customers' preference for low-carbon consumption
- 5 Stakeholders' growing concern about negative feedback

Physical Risks

- 1 Typhoons
- 2 Floods
- 3 Droughts
- 4 Extreme precipitation
- 5 Rising temperature
- 6 Sea level rise

Opportunities

- 1 Developing green products
- 2 Building a sustainable supply chain
- 3 Innovating and developing low-carbon and energy-saving projects
- 4 Obtaining green building certifications
- 5 Expanding renewable water sources



A Snapshot of SMIC IC Development	Analysis of Climate Change Risks				
Compliance and Governance for Stability	Type of Risks	Climate-Related Risk	Potential Financial Impacts	Time Scope	SMIC's Countermeasures
03 Nature Revived through Devoted Efforts	Physical Risks	Typhoons	The operations of the Company in Shanghai and Shenzhen are vulnerable to extreme weather such as typhoons, which may cause power outages and water loggings, resulting safety accidents or suspension of R&D and production, further resulting in an increase in operating costs.	<div><div></div></div>	<ul style="list-style-type: none">Regularly assessing the possibility of the Company's operations being affected by extreme weather, and formulate a comprehensive emergency plan and response mechanism for climate risk.Conducting annual emergency drills for extreme weather.Reserving emergency materials in fabs on a timely manner.Regularly improving our response strategies, all functional departments work together to ensure the continuity of production.
		Floods	Global warming will intensify water-related risks, including river floods and flash floods. Our production and R&D centers in Shanghai are at risks of flooding, which will damage the infrastructure and related facilities of the operations and plants, resulting in financial losses.	<div><div></div></div>	
		Droughts	Our operation in Beijing is exposed to a moderate to high risk of droughts. Droughts will cause water supply shortage and stricter control on water resources, which will lead to increased water costs, or even insufficient water supply, increasing operating costs.	<div><div></div></div>	
		Extreme precipitation	Extreme precipitation will affect the production and transportation processes of suppliers in the supply chain. Companies are required to deploy countermeasures, which may increase the operating costs.	<div><div></div></div>	
		Rising temperature	In hot summers, rising temperatures will result in increased refrigerant demand and possibly increased operating costs.	<div><div></div></div>	
		Sea level rise	Our major operations are currently located in northeastern, eastern and southern coastal areas of China, which may be threatened by rising sea levels, resulting in operation damages.	<div><div></div></div>	
Embarking on a New Journey in Climate Action and Low-Carbon Development	Transition Risks	Regulation and requirements for existing products	National and local laws and regulations, as well as emerging policies, may impose more stringent requirements and supervision on factories and products, which will increase operating costs.	<div><div></div></div>	<ul style="list-style-type: none">Establishing a legal risk identification platform, regularly integrate and interpretate policy and regulation updates, and actively respond to satisfy compliance requirements.
Unity in Spirit for Collective Success		Environmental information disclosure	With the improvement and implementation of management measures in carbon emissions and carbon trading, countries and regions, as well as stock exchanges and capital markets, have raised requirements for corporate environmental information disclosure. It is required for companies to disclose environmental indicators. Failure to such disclosure in a timely manner may expose SMIC to compliance risks.	<div><div></div></div>	<ul style="list-style-type: none">Verifying and calculating company's GHG emission inventory every year, according to the ISO 14064 Greenhouse Gas Emission Inventory System.Disclosing the emission information in the annual ESG report.
		Innovation risks in decarbonization technology development	To actively control the carbon emissions of products, it is necessary to enhance the effectiveness of environmental protection process development, improve the use of new technologies, and update clean production equipment to meet the demands for low-emission products. This may lead to an increase in operating costs in the short term.	<div><div></div></div>	<ul style="list-style-type: none">Actively optimizing our own production process, continuously promoting emission reduction technologies, and encouraging low-emission production process innovation.As of the end of the Reporting Period, we have implemented the concept of cleaner production in all fabs.
		Change in customer consumption preference	Customers tend to choose greener products. If we fail to meet their requirements in sustainability performance such as energy-saving and consumption reduction, SMIC may face the risk of losing customer, which will lead to revenue decline.	<div><div></div></div>	<ul style="list-style-type: none">Taking energy-saving and consumption reduction into account, during product design and production process upgrading.Setting up a professional department to manage and advance toward our energy-saving and consumption reduction targets.Reviewing the targets every year to achieve low energy consumption and high production efficiency.
		Appendix	Stakeholders' growing concern about negative environmental feedback	As concepts such as carbon neutrality and sustainability grow in popularity, customers, investors and other stakeholders are paying more attention to environmental information disclosure. When the information disclosed falls short of their expectations, the image and reputation of the Company as well as capital market recognition may be adversely affected.	<div><div></div></div>
	<div><div></div> Short-term <div><div></div> Mid-term <div><div></div> Long-term</div></div></div>				

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Impacts, Risks and Opportunities Management

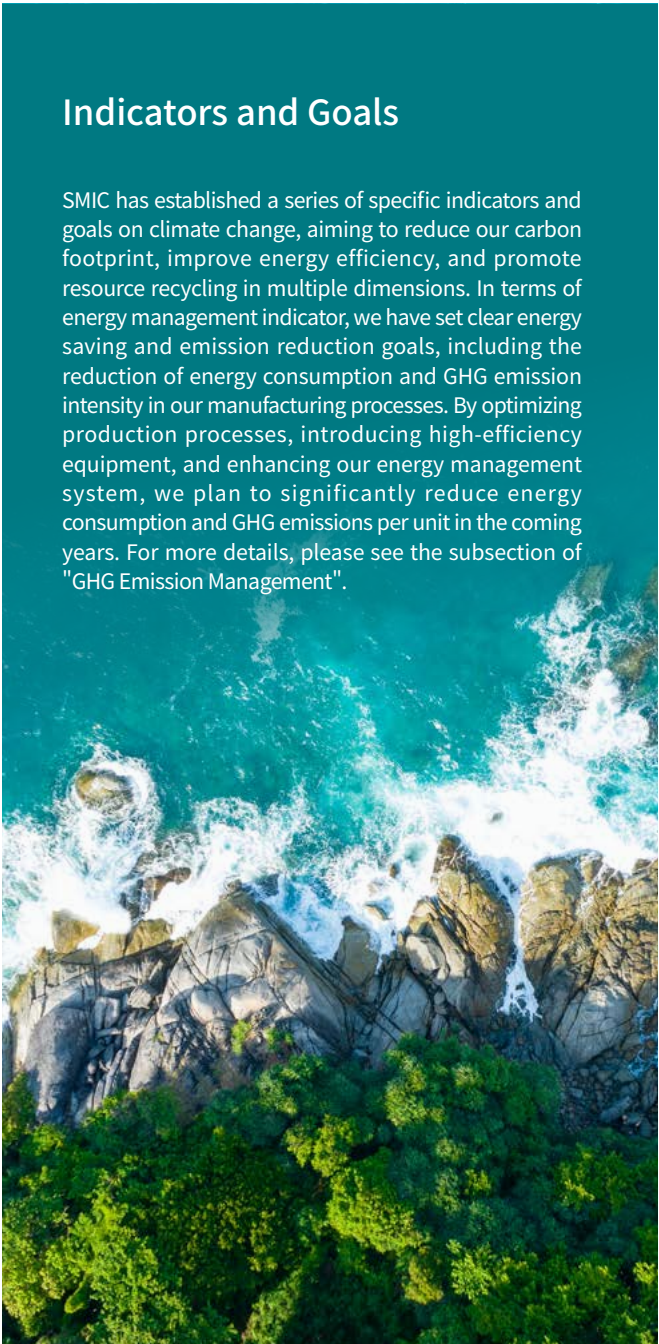
SMIC has integrated climate change response into our risk management system to address the long-term impact of climate change on our business operations. Through a refined climate-related risks and opportunities identification, monitoring, and management process, we comprehensively identify potential climate-related risks and take targeted measures to minimize the specific impact of these risks on our operations. Our systematic process of identifying, monitoring and managing climate-related risks and opportunities ensures that we can maintain stable operations in the long term in the face of the climate change challenges.

	Identification of Climate-related Risks and Opportunities	<ul style="list-style-type: none">• Identify climate-related risks that could potentially impact business operations, such as extreme weather events, supply chain disruptions, and energy price fluctuations, by collecting and analyzing climate-related historical data, industry reports, and policy documents.• The identified risks are organized into a checklist that identifies the specific manifestations of each risk, the probability of its possible occurrence and the potential scope of its impact.
	Climate Change Risks and Opportunities Assessment	<ul style="list-style-type: none">• The identified climate-related risks are prioritized using a matrix that combines the probability of occurrence and the level of potential impact of the risk.• Invite industry experts and internal management personnels to participate in the risk assessment process to ensure the objectivity and accuracy of the results.
	Addressing to Climate Change Risks and Opportunities	<ul style="list-style-type: none">• Taking into account the characteristics of our own operations, formulate specific and effective response measures, such as enhancing infrastructure resilience, optimizing energy structure and diversifying supply chain layout in the light of the identification and assessment results.
	Climate Change Risks and Opportunities Monitoring	<ul style="list-style-type: none">• Regularly monitor the trends of climate-related risks and opportunities to take timely actions.• The Company's risk management team reviews the risk management activities over a period of time, assesses the effectiveness of the strategy, and adjusts and optimizes the risk management measures in a timely manner.

Climate -related Risk and Opportunity Identification Process

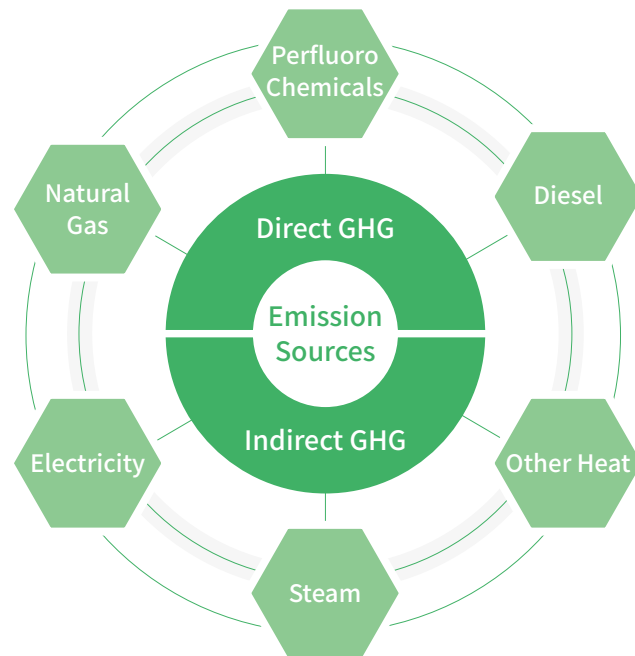
Indicators and Goals

SMIC has established a series of specific indicators and goals on climate change, aiming to reduce our carbon footprint, improve energy efficiency, and promote resource recycling in multiple dimensions. In terms of energy management indicator, we have set clear energy saving and emission reduction goals, including the reduction of energy consumption and GHG emission intensity in our manufacturing processes. By optimizing production processes, introducing high-efficiency equipment, and enhancing our energy management system, we plan to significantly reduce energy consumption and GHG emissions per unit in the coming years. For more details, please see the subsection of "GHG Emission Management".



GHG Emission Management

SMIC attaches great importance to the management of GHG emissions and has established a comprehensive and efficient GHG emission management system. We actively adopt international standards and conduct a detailed and systematic annual GHG emissions inventory of each fab in accordance with ISO 14064 Greenhouse Gas Emission Inventory System, which provides solid data support for the Company to formulate scientific and reasonable emission reduction strategies. During the Reporting Period, our plant sites initiated GHG inventory assessments for Scope 3 in accordance with the ISO 14064 standard, continuously advancing towards the goal of low-carbon transition.



SMIC's Primary Sources of GHG Emission

In active response to the national call to address climate change, SMIC is committed to becoming a practitioner and promoter of the Carbon Peaking and Carbon Neutrality Goal. We have implemented a series of carbon reduction measures such as energy-saving equipment upgrades, process modifications, and green offices to realize direct reductions in GHG emissions.

To reduce Scope 1 GHG emissions, we have established a rigorous protocol for monitoring the operational efficiency of our refrigeration systems, ensuring the timely replacement of aging refrigerants that are susceptible to leakage. In tandem with these efforts, we are methodically transitioning to low-GWP (Global Warming Potential) refrigerants, replacing those with higher GWP values, thereby addressing GHG emissions at their inception. During the Reporting Period, we introduced a series of energy conservation initiatives aimed at optimizing our local natural gas-powered exhaust treatment infrastructure, which reduced approximately 689 tons of CO₂ equivalent; we operated a total of 46 new energy vehicles, reducing diesel fuel consumption by 310.99 tons for the year.

To mitigate Scope 2 GHG emissions, the Company reduces energy consumption in office areas by optimizing the office environment, such as using natural lighting and energy-efficient lighting systems. In addition, we have carried out several energy saving and emission reduction projects, such as the renewal of aging equipment, energy-saving technology upgrades, intelligent system loading, waste heat recovery, which have resulted in a reduction of GHG emissions by approximately 22,503 tons of CO₂ equivalent. For more details, please see the subsection of "Energy Management".

To mitigate Scope 3 GHG emissions, we have proactively championed the green office initiative, comprehensively implementing a paperless working environment. This strategic approach has significantly minimized our carbon footprint through optimized paper consumption, reduced printer energy usage, and decreased waste paper generation.

Total number of carbon reduction projects implemented in 2024:

44 projects

Annual reduction of GHG emissions:

23,192 tons of CO₂ equivalent



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Arrangements for paperless listing mechanism

In compliance with the regulations established by the Hong Kong Stock Exchange regarding the expansion of the paperless listing mechanism and the prioritization of electronic dissemination of corporate communications, SMIC further implemented the new arrangement for issuing corporate communications electronically in April 2024.

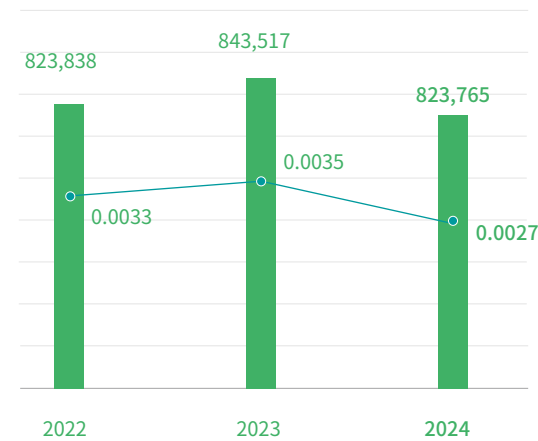
During the Reporting Period, the implementation of these measures enabled the Company to conserve approximately 73,000 sheets of paper, which effectively minimized environmental impact caused by the waste of paper.



GHG Emission in 2022-2024

Scope 1 GHG Emission

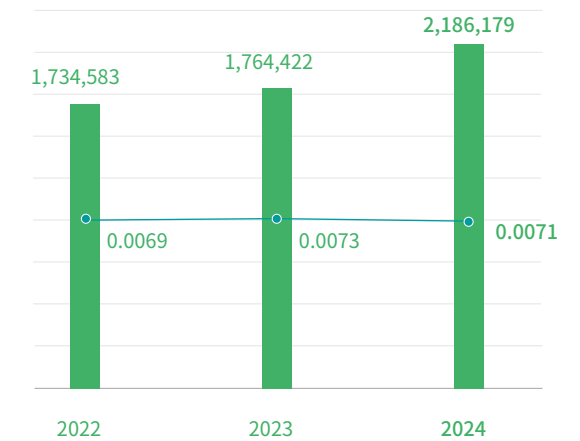
- Scope 1 GHG Emission (ton CO₂-eq)
- Scope 1 Emission Intensity (ton CO₂e/standard logic 8-inch equivalent wafer photomask layer)



Note: The sources of direct GHG emissions include the direct combustion emissions from fuels such as natural gas and diesel, chemical vapor deposition and fluoride gas emission during dry etching process, organic waste gas emission from combustion, refrigerant gas leaks, wastewater treatment emissions, and pure water treatment emissions. Direct GHG emissions are calculated based on the discharge coefficient and mass balance provided in the *2019 IPCC Guidelines for National Greenhouse Gas Inventories*, and the consolidation method adopts the operational control approach.

Scope 2 GHG Emission

- Scope 2 GHG Emission (ton CO₂-eq)
- Scope 2 Emission Intensity (ton CO₂e/standard logic 8-inch equivalent wafer photomask layer)



Note: The sources of indirect GHG emissions include the emissions from outsourced energy such as electricity, steam, and heat. Indirect emissions are calculated based on the discharge coefficient and mass balance provided in the *2019 IPCC Guidelines for National Greenhouse Gas Inventories*, and the consolidation method adopts the operational control approach.

Energy Management

SMIC is committed to corporate social responsibility and endeavors to build a green and low-carbon production and operation model. We are fully aware of the importance of energy management in realizing sustainability, and we continue to improve our energy management capability. We have set up a three-tier energy management structure and fully implemented the system of energy management accountability in the production and operation process. During the Reporting Period, our main fabs achieved ISO 50001 Energy Management System certification.

The Company proactively responds to the national energy transition strategy, actively purchasing green electricity as well as China Certified Emission Reduction (CCER) credits. This strategic approach aims to optimize the energy structure, promote green and low-carbon production, and contribute to the realization of the country's dual-carbon goal. During the Reporting Period, we successfully purchased a total of 61,283 MWh of green electricity and fulfilled the annual carbon compliance obligations in the carbon trading market.

We keep focusing on improving energy efficiency in our operations, formulate relevant plans and targets every year, and monitor the progress of target implementation. To achieve our energy efficiency targets, we formulated the energy indicator incentive policy, set up and rewarded special awards for energy-saving achievements to departments with performed well in achieving key energy-saving performance targets, and stimulated various departments' initiative in energy conversion and emission reduction to effectively achieve a significant reduction in energy consumption. During the Reporting Period, we invested a total of RMB22.74 million in energy saving and emission reduction projects, saving 7,940,032 kWh of electricity, 10,991 tons of steam and 5,404,611 cubic meters of natural gas, and carried out more than 40 energy saving and emission reduction projects.

The main energy saving and emission reduction initiatives including:

Minimized Energy Consumption Increases Caused by Aging Equipment

The aging of equipment parts can lead to reduced performance and increased energy consumption. By replacing old parts or retrofitting equipment, the performance of the equipment is restored and additional energy consumption due to aging is reduced.

Cooling Tower Upgrade

With the extension of the service life, the cooling towers suffer from reduced efficiency and lower energy efficiency ratio during operation. During the Reporting Period, we upgraded two cooling towers, and the temperature drop of the cooling tower's heat dissipation capacity was increased from 5.1°C to 5.9°C, resulting in an annual electricity saving of 1.53 million kWh, and an annual reduction in GHG emissions of approximately 924.1 tons of CO₂ equivalent.

Air Conditioning Preheating Coil Replacement

During the Reporting Period, we replaced the aging preheating coils in the air conditioning system to improve the heat exchange efficiency while guaranteeing a secure supply. After the coil replacement, the hot water valve opening was reduced by 10% under the same external air temperature, reducing the steam consumption in the heating season by 463 tons, and an annual reduction in GHG emissions of approximately 136.4 tons of CO₂ equivalent.

Enhanced Energy Efficiency Through Technology Upgrades

Newer generations of equipment are designed with more advanced technologies and materials, allowing the equipment to achieve higher efficiencies at the same load. These new machines typically have lower energy consumption and higher output capabilities, resulting in significant reductions in energy consumption.

Aging Ice Machine Replacement

During the Reporting Period, we replaced two aging ice machines with new ice machines of Grade I energy efficiency to ensure that the system capacity meets the production requirements, while simultaneously reducing the unit's energy consumption. Consequently, we have achieved annual energy savings of approximately 11.91 million kWh, and an annual emission reduction of approximately 719.6 tons of CO₂ equivalent.

VOC Thermal Oxidizer Incinerators Upgrade

We upgraded the VOC thermal oxidizer incinerators by using energy-saving direct-fired burners and improving the insulation performance of the furnaces, saving 50,000 kWh of electricity per year, and achieving annual GHG emission reductions of about 376.1 tons of CO₂ equivalent.

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Intelligent Management

Numerous new equipment is equipped with intelligent management systems that can further reduce energy waste by optimizing operating parameters and monitoring equipment status in real time. The intelligent operation and management approach allows equipment to operate with greater precision to control energy consumption and improve overall energy efficiency.

Intelligent Systems Reduce Energy Waste

We improved the lighting of 50 air conditioning boxes by replacing ordinary lights with LED energy-saving lights and added a new lighting delay control box to control the opening and closing time of the lights, reducing the phenomenon of forgetting to turn off the lights, saving 40,000 kWh of electricity annually. In addition, we utilized the automatic control system to close the air conditioners in the uninhabited areas on a regular basis, saving 130,000 kWh of electricity per year. Equipped with the electrical intelligence system, the annual GHG emission reduction can achieve about 222.5 tons of CO₂ equivalent.

Waste Heat Recovery

The wasted thermal energy can be converted into useful energy through waste heat recovery, thus improving the overall energy utilization efficiency.

Waste Heat Recovery Project

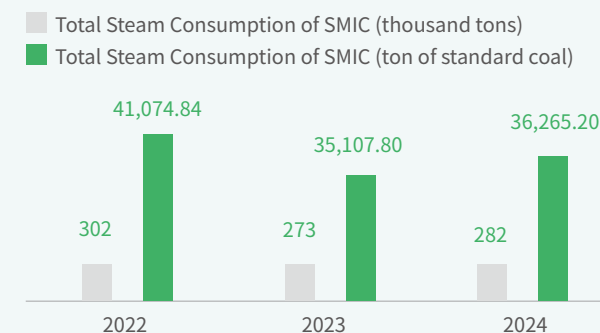
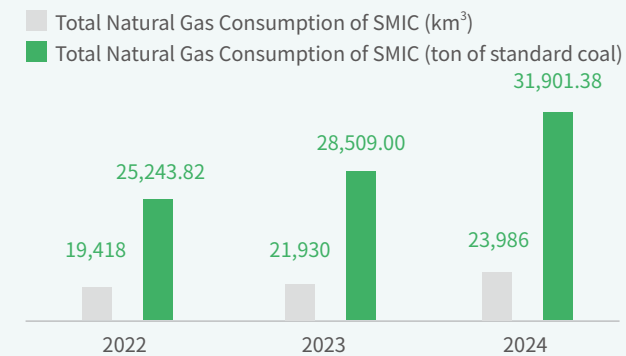
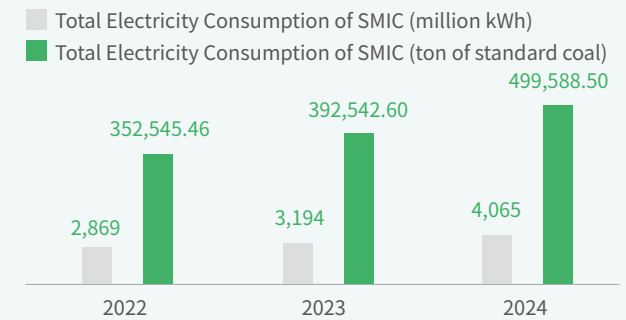
Traditional semiconductor plants use a large amount of purchased heat sources as the heat source supply for the plant. To reduce the amount of purchased heat sources, the Company has adopted the method of recycling equipment heat dissipation, saving 5.17 million m³ of natural gas per year, and achieving 11,199.4 tons of CO₂ equivalent of annual GHG emission reduction.

Steam Energy Saving Project

In summer, steam is stopped, and cooling water heat recovery is used to supply heat for air-conditioning fans, saving 836 tons of steam per year, and achieving a reduction in GHG emissions of approximately 139.8 tons of CO₂ equivalent.

Energy Consumption in 2022-2024

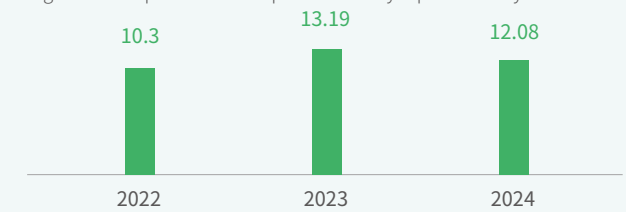
Total Energy Consumption



Energy Consumption Intensity

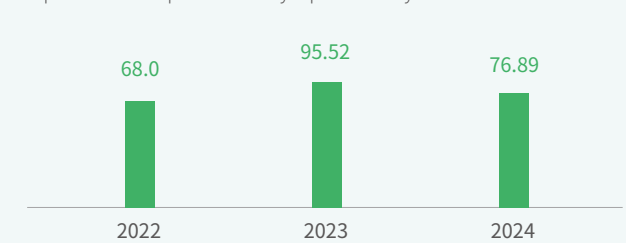
Electricity Consumption Intensity of SMIC (kWh/standard logic 8-inch equivalent wafer photomask layer)

Note: The intensity of electricity consumption shown is per standard logic 8-inch equivalent wafer photomask layer produced by SMIC



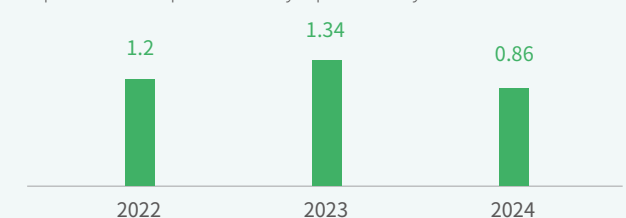
Natural Gas Consumption Intensity of SMIC (m³/standard logic 8-inch equivalent wafer photomask layer)

Note: The intensity of natural gas consumption is per standard logic 8-inch equivalent wafer photomask layer produced by SMIC



Steam Consumption Intensity of SMIC (kg/standard logic 8-inch equivalent wafer photomask layer)

Note: The intensity of steam consumption is per standard logic 8-inch equivalent wafer photomask layer produced by SMIC



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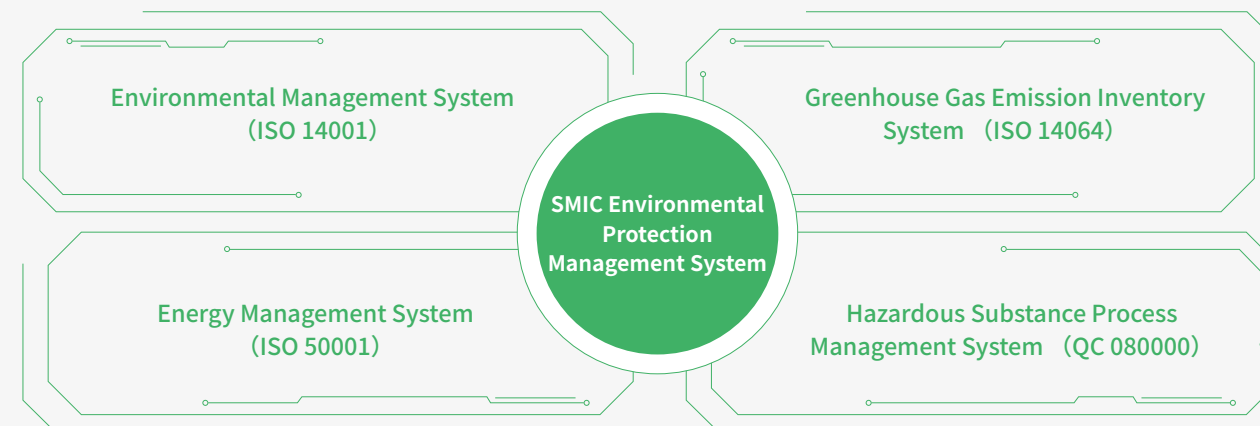
Safeguarding the Environment for a Greener Future

Environmental protection is not only the Company's social responsibility, but also an inevitable choice to safeguard the long-term development. Considering environmental protection as the cornerstone of corporate survival and development, SMIC actively assumes the responsibility to reduce environmental pollution, strictly complies with environment-related laws and regulations, and proactively seeks innovative solutions that go beyond the standard, to minimize the negative impact on the natural environment during the production and operation activities.

Environmental Protection Management

SMIC complies with relevant environmental protection laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, *The Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, as well as national and local standards. We have established a comprehensive environmental management system and are committed to fulfilling our firm commitment to environmental protection through continuous optimization of environmental protection measures such as strict management of pollutant emissions, introduction of advanced pollution control technologies, real-time monitoring of emission data. During the Reporting Period, all operating fabs of SMIC passed ISO 14001 Environmental Management System certification.

To ensure environmental compliance, we conduct regular external environmental audits and annual environmental monitoring. In addition, environmental emergency plan has been prepared and filed with the local government at each of our fabs, and environmental emergency drills are conducted on a regular basis in accordance with the emergency response plans. During the Reporting Period, SMIC did not receive any environmental violation fines or experience any environmental violation incidents. SMBC won the third prize in the 2024 Environmental Emergency Management Competition in Tongzhou District, Beijing.



We have formulated the *SMIC Environmental Protection, Safety & Health Policy* to comprehensively guide and regulate the Company's environmental management and safety & health practices. The policy not only defines SMIC's specific goals to reduce environmental pollution, energy conservation, emission reduction, and resource recycling in the production process, but also emphasizes a strong commitment to production safety, promoting occupational health, and building a green working environment.

Our Commitments

- Comply with environmental, safety and health regulations as well as international conventions to meet customer requirements
- Hold environmental quality improvement and employee health and safety assurance as the primary responsibilities of every supervisor
- Strengthen the prevention and control of accidents, and enhance resilience and recovery capabilities
- Implement the on-site environmental protection, safety and health management system involving voluntary groups
- Establish a green industrial chain, achieve green production, and provide customers with green products

Our Measures

- Propose and implement environmental protection measures and promote energy saving and emission reduction
- Carry out waste classification, collection and recycling
- Supervise and manage the diversion and safe disposal of hazardous waste as well as the qualification of waste disposal vendors
- Control the content of hazardous substances in products
- Organize regular environmental protection monitoring and carbon emission verification with result disclosure

Environmental Goal Progress and Updates

SMIC has set up multiple environmental goals to better guide the direction of annual environmental work. We regularly track and review the progress and updates of these goals. As of the end of the Reporting Period, the Company's environmental goals were achieved well.

Energy Goal

By 2030, we will further improve the energy management system to enhance energy efficiency.

- Optimize energy structure by increasing use proportion of renewable energy.
- Improve process flows to reduce the energy use intensity of production.

Waste Goal

By 2030, we will further strengthen waste management and reduce waste emission intensity.

- Increase the proportion of waste recycling.
- Actively explore innovative and recycled materials to advocate green procurement.

Carbon Reduction Goal

By 2030, we will make efforts to reduce carbon emissions year by year.

- Build a corporate-level carbon emission management system to keep tracking carbon emission data and develop emission reduction plans.
- Increase the investment in renewable energy and strive to build low-carbon factories.

Water Saving Goal

By 2030, we will increase investment in water-saving technologies and processes to improve water efficiency.

- Actively explore water-saving equipment and process.
- Increase the use of recycled water and reduce water intensity.



Green Factory

Green manufacturing is a global necessity for sustainable development and an inevitable choice for the industry's advancement towards high-end growth. SMIC is committed to promoting green practices throughout the entire production process by adopting efficient and clean production technologies and workflows. We strive for intensive land use, harmless raw material utilization, clean production, resourceful waste management, and low-carbon energy applications, building a sustainable intelligent manufacturing system. As of the end of the Reporting Period, SMIC has a total of 5 fabs certified as green factories:

- SMIC Northern Fab (2017)
- SMIC Beijing Fab (2023)
- SMIC Tianjin Fab (2018)
- SMIC Shenzhen Fab (2023)
- SMIC Shanghai Fab (2023)

SMIC is committed to enhancing and optimizing energy efficiency. In the planning and design of our facilities, we consistently integrate green principles, optimizing layout, design, and construction from the outset to create a highly energy-efficient production environment. As of the end of the Reporting Period, a cumulative total of 5 of SMIC's fabs have been awarded the LEED Gold certification, and 3 fabs have been awarded the 3-star-level green building certification.



LEED Gold Certification

- SMIC Northern Fab (2015)
- SMIC Tianjin Fab (2019)
- SMIC Southern Fab (2019)
- SMIC Beijing P1 Fab (2023)
- SMIC Beijing P2 Fab (2023)

3-star-level Green Building Certification

- SMIC Northern Fab (2019)
- SMIC Beijing P1 Fab (2022)
- SMIC Oriental Fab (2024)

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Environmental Protection Advocacy

At SMIC, we advocate the concept of "Environmental protection is everyone's responsibility" and deeply embed the concept into our corporate culture. We organize annual activities to promote environmental protection and energy conservation, aiming to raise the environmental awareness of all employees and encourage employees to take small but impactful actions in their daily work. During the Reporting Period, while driving scientific and technological innovation, we actively pursued green development by continuously promoting environmental protection, calling on employees to reduce paper use, and promoting waste classification.

In addition, to enhance the environmental protection management capacity, SMIC actively organized relevant departments to carry out various environmental protection knowledge and vocational skill training sessions. During the Reporting Period, we organized a total of 137 environmental-related training sessions, involving 30,069 participants.

Clean Production

During the Reporting Period

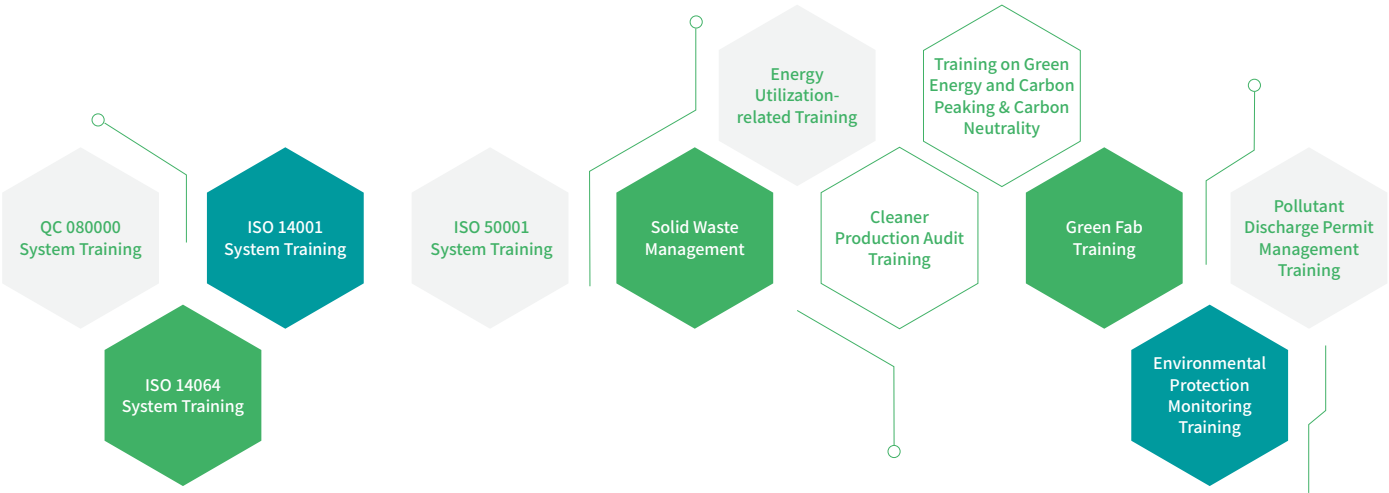
SMIC conducted clean production audits at

2 of its sites and implemented

20 clean production projects

With an investment of approximately

RMB 20.629 million



System Training

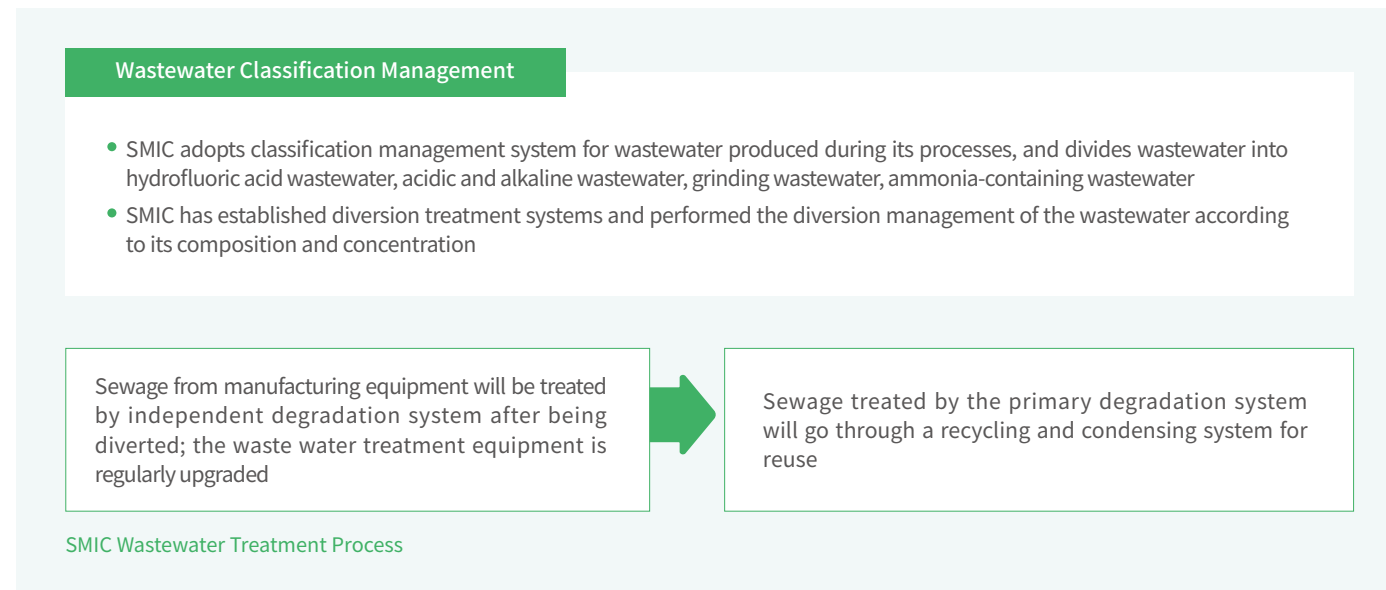
During the Reporting Period, SMIC invited external experts to provide relevant trainings related to environmental management system for internal departments to strengthen the environmental management capabilities of relevant personnel and lay a solid foundation for consolidating the management system.

	QC 080000 Hazardous Substances Management System Training	ISO 14064 Greenhouse Gas Inventory System Training	ISO 14001 Environmental Management System Training	ISO 50001 Energy Management System Training
Total training sessions	9	10	7	8
Total participants	5,759	2,156	5,856	5,614



Waste Water Management

In strict accordance with relevant discharge laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Integrated Wastewater Discharge Standard*, and other laws and regulations of the location of operations, SMIC continuously improves the efficiency of sewage treatment by classification and management of wastewater based on its source and composition and secondary wastewater treatment process and reduces the negative environmental impacts of wastewater discharges.

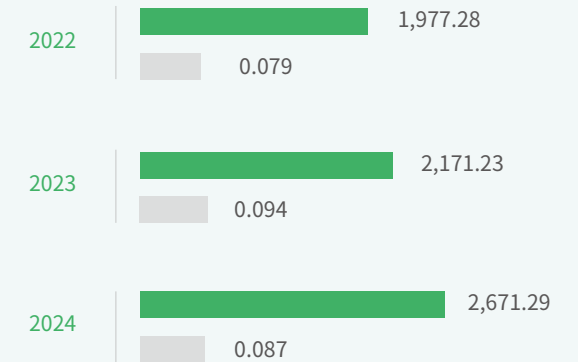


To minimize the impact of emergencies on wastewater treatment, the Company strictly monitors the quality of wastewater at each fab. Continuous monitoring devices for water quality and quantity are installed at the outlets of wastewater treatment facilities, enabling real-time data collection and transmission. Through this real-time monitoring, we can swiftly identify and address potential environmental risks, significantly enhancing our emergency response capabilities. Besides, in light of compliance with the wastewater discharge standards, the Company has also taken targeted improvement measures to reduce chemical oxygen demand (COD) and suspended solids that are directly associated with wastewater quality, thereby minimizing the environmental impact of wastewater discharge.

Please see the monitoring data released by SMIC for detailed information: SMIC-Health, Safety & Environment (smics.com)

During the Reporting Period, SMIC's wastewater discharge was as follows:

- Total amount of wastewater discharge (ten thousand tons)
- Amount of wastewater discharge per wafer photomask (ton/standard logic 8-inch equivalent wafer photomask layer)



Fab Domestic Wastewater Improvement Project

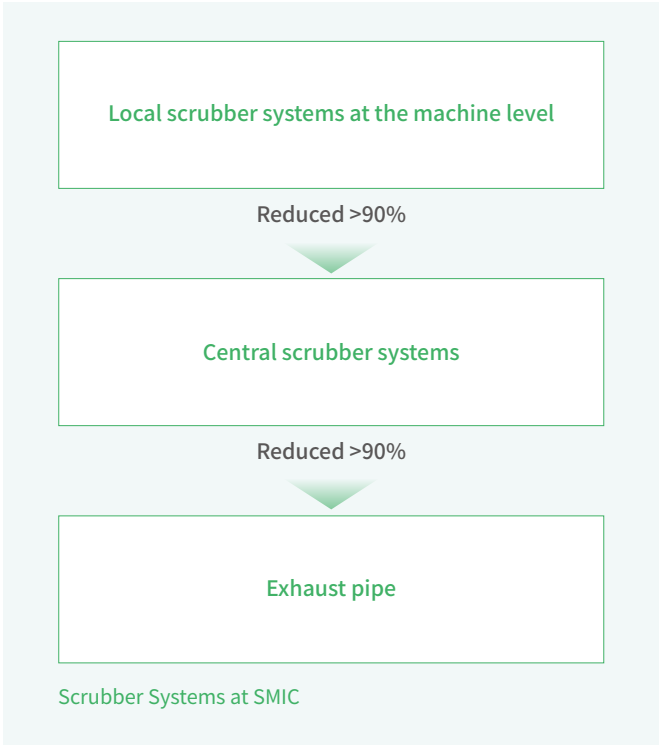
During the Reporting Period, SMIC built a new domestic wastewater conditioning tank and lifting equipment to condition the domestic sewage in the fab before discharge. This project effectively addressed the odor issues previously caused by the process of extracting wastewater via lifting pumps and treating it through the neutralization system T-D101 prior to discharge.



Air Emissions Management

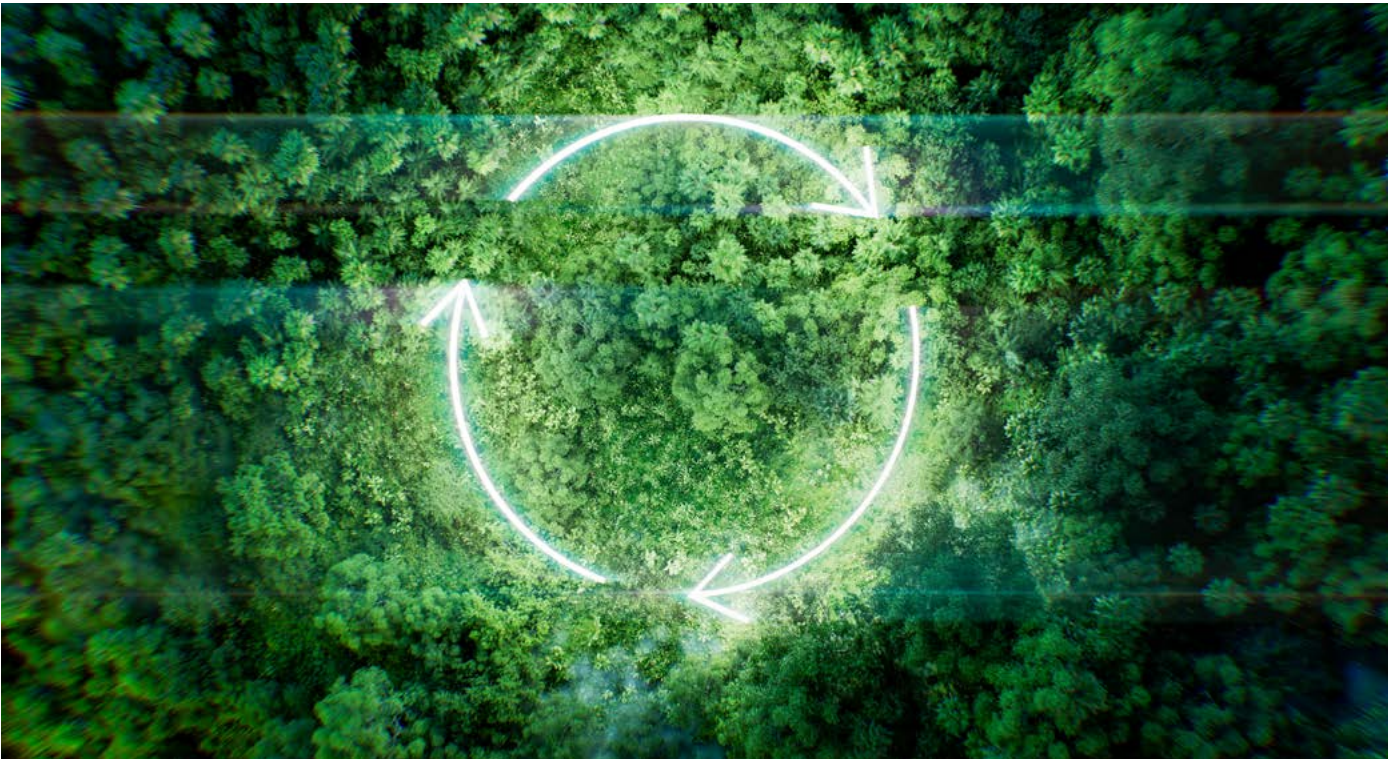
SMIC strictly complies with the requirements of laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*. We continuously enhance our air emission management system by introducing advanced waste gas treatment technologies and equipment, optimizing production processes, and ensuring that emissions from every production stage are treated and discharged in compliance with national standards.

We divide the air emission pollutants treatment into two levels, respectively at the machine level and the fab level, to classify the exhaust gas pollutants and ensure that the emissions comply with the relevant national regulations. In addition, we engage third-party agencies to regularly test the air emissions of all fabs and publicly disclose the monitoring data in accordance with the requirements of the local government through SMIC-Health, Safety & Environment (smics.com)



During the Reporting Period, SMIC's air emissions were as follows:

Category of exhaust gases or pollutants	2022	2023	2024
Sulfur dioxide emissions SO ₂ (ton)	14.0	14.8	38.0
Nitrogen oxide emissions NO _x (ton)	113.0	171.9	234.0
VOCs emissions (ton)	36.0	40.2	50.0
Total air emissions (ten thousand m ³)	6,247,676	8,248,471	8,491,497



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Waste Management

SMIC has established a comprehensive waste management system in strict accordance with the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes* and relevant waste disposal laws and regulations, to ensure the 100% compliance in disposal of all kinds of waste. We have established a comprehensive waste classification system, which categorizes solid waste into general solid waste, hazardous waste, and domestic waste, and strictly control the generation, collection, internal diversion, storage, transportation, utilization, treatment, and other steps involved in waste management through the proper disposal method. During the Reporting Period, SMIC Tianjin has passed the "No Waste Factory" evaluation, SMNC has obtained the "Star of No Waste" certificate from the Beijing Economic-Technological Development Area in recognition of its contributions to the "Zero Waste City" initiative.

The types and definitions of waste are as follows:

Waste Classification	Definition	Utilization/Disposal Method
General Solid Waste	Refers to non-hazardous solid waste generated directly or indirectly during the production process, such as water treatment sludge, equipment parts, pipes, clean room gloves, wooden boards and waste cartons, and foamed plastics.	The majority is comprehensively recycled and reused, while a small portion is disposed of through standardized methods such as landfill and incineration.
Hazardous Waste	Refers to waste included in the <i>National Catalogue of Hazardous Wastes</i> , such as acid waste, alkali waste, medical waste, rags contaminated with hazardous chemicals, and waste fluorescent tubes.	A portion of hazardous waste is primarily recycled and reused through methods such as solvent recovery, regeneration of acids and alkalis, and other comprehensive utilization techniques. The remaining hazardous waste is mainly treated through incineration, landfill, physico-chemical treatment, and co-processing in cement kilns.
Domestic Waste	Refers to waste generated in daily life, such as beverage packaging, used batteries, waste paper and food residues.	Standardized disposal processes such as landfill and incineration are employed.

Shanghai Living Quarter Waste Management

In the Shanghai Living Quarter, five waste sorting drop-off points have been established. We regularly arrange special staff to provide guidance and supervision to ensure that residents correctly separate and put out their garbage. In addition, the property works with professional recycling companies docking to collect bulky garbage, such as beds, mattresses and other furniture and other recyclables, for regular recycling and processing, which improves the recycling rate of resources. For hazardous waste, including used batteries and expired medicines, we have installed specialized collection containers and arranged for professional recycling to prevent environmental pollution.

Actively assuming its corporate environmental responsibilities, SMIC closely tracks and strictly controls waste after transferred to waste disposal vendors. Requirements for the waste disposal vendors are as follows:

- All waste disposal vendors must be accredited by the government.
- All waste disposal vendors must attain a satisfactory score from our assessment before signing contracts.
- Waste disposal vendors are subjected to on-site or on-board inspection.
- Waste Transferring manifest management system for waste storage and transfer must be implemented strictly, and the waste transfer process must be fully standardized.

Hazardous Waste Management

Adhering to the principle of "minimization, resource utilization, and non-hazardous", SMIC cooperates with professional waste treatment organizations and strictly follows their treatment processes to ensure that each step is legally compliant and does not cause any pollution to the environment. In addition, the Company actively adopts a series of innovative initiatives aimed at reducing the generation of hazardous waste at source and lowering the amount of hazardous waste disposed of by optimizing the production process and enhancing the efficiency of resource utilization. During the Reporting Period, we significantly reduced the disposal of hazardous waste, specifically waste nitric acid, by adjusting equipment emission methods, thereby mitigating the environmental impact of hazardous waste.

The Company attaches great importance to the capacity building and safety awareness cultivation of hazardous waste management related personnel. We provide HSE training for new employees and those transferred to new jobs regularly, covering the identification of hazardous waste, safety operation procedures and emergency disposal measures, to ensure that each new employee fully understands the correct classification, storage, transportation and disposal of hazardous waste. At the conclusion of the training, assessments are administered to evaluate learning outcomes, thereby significantly improving the team's safety management standards and environmental responsibility.

Waste Generated

The waste generation data of SMIC:

Type of Waste	2022	2023	2024
General Solid Waste (ton)	46,141	57,059	72,579
Domestic Waste (ton)	2,075	4,184	3,854
Hazardous waste (ton)	58,268	67,529	94,876
Total (ton)	106,484	128,772	171,309

Water Management

For SMIC, water management is not only an integral part of our daily operations but also a crucial cornerstone in achieving our sustainability goals and fulfilling our environmental responsibilities. Therefore, we are actively working to expand diversified water sources, including exploring innovative solutions such as rainwater harvesting and wastewater recycling, to reduce our reliance on natural water resources.

Meanwhile, we are also vigorously carrying out water conservation projects, from optimizing production processes, improving equipment efficiency to cultivating employees' awareness of water conservation, to build an efficient recycling system for water resources and promote green production. During the Reporting Period, SMIC Shanghai was awarded the title of 'Shanghai Water-Saving Enterprise' by the Shanghai Water Authority and the Shanghai Municipal Commission of Economy and Informatization.



Shanghai Living Quarter Water Resource Conservation Project

Shanghai Living Quarter Water Resource Conservation Project

During the Reporting Period, SMIC conducted thorough inspections and repairs of the sewage pipe network in Shanghai Living Quarter. A total of 16 broken sewage pipes were replaced, effectively preventing domestic sewage from seeping into the ground and causing soil and groundwater contamination. In addition, we strengthened the inspection of about 4,000 meters of rainwater and sewage pipeline networks in the living quarter to prevent the mixed discharge of rainwater and sewage, thereby protecting the campus water resources from pollution.

Diversifying Water Resources

SMIC flexibly makes area-specific adjustments in the water utilization strategies in places where we operate, actively exploring diversified water sources. We use a variety of water resources including external water sources (tap water and external reclaimed water), and condensate from the air conditioning and natural water (rainwater and mountain spring water).

Improving Water Use Efficiency

SMIC recognizes that water recycling can effectively reduce the pressure on natural water sources and alleviate the problem of water shortage. In strict compliance with the *Water Law of the People's Republic of China*, we continuously improve our production water management system at each of our fabs. At the beginning of each year, we set up monthly water usage plans and quarterly water management goals based on our business operations. In order to better manage our water usage objectives, we continue to carry out a series of wastewater recycling initiatives, converting wastewater that might otherwise burden the environment into reusable water resources, which helps mitigate the risk of polluting natural water bodies and promotes the efficient recycling of water resources.

Condensate Recovery Project for Air-conditioning Boxes

We extended the condensate drainpipe from the air-conditioning unit to the catch basin to prevent discharge into rainwater wells, thereby avoiding water quality pollution. Additionally, to enhance water resource efficiency, we sealed the rainwater drainage outlet of the catch basin and pumped the water from the basin into the MAU sewage tank. This allowed us to successfully achieve the recycling of condensate after treating the water to meet the required standards.

Summary of Water-Saving Projects

Project investment

31.89 million yuan

Annual water saving

3,742,314 ton

Annual savings

28.07 million yuan

During the Reporting Period, the water consumption of SMIC was as follows:

Index	2022	2023	2024
Total consumption (thousand tons)	24,713	26,932	31,946
Total consumption intensity ¹ (ton/standard logic 8-inch equivalent wafer photomask layer)	0.088	0.107	0.093

¹ Note: The intensity of water consumption is per standard logic 8-inch equivalent wafer photomask layer produced by SMIC.

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Circular Economy

The circular economy, as a sustainability model, aims to maximize resource utilization, minimize waste discharge, reduce reliance on natural resources, alleviate environmental pressure, and foster green economic growth. SMIC actively embraces the principles of the circular economy, driving specific goals and plans for circular economic practices. The Company is dedicated to integrating resource recycling and reuse processes into its production and operations, fostering the development of a low-carbon, environmentally friendly, and efficient economic system, thereby contributing to the achievement of sustainable development goals. As of the end of the Reporting Period, our comprehensive utilization rate of waste recycling is approximately 75%.

Organic and Acid-Base Wastewater Recycling Project

In the semiconductor manufacturing process, low-concentration acid and alkaline wastewater, as well as organic wastewater, are typically discharged. To minimize the loss and waste of water resources, we reprocess and reuse this type of wastewater after recovering the drainage water. Through biochemical treatment, MBR membrane filtration, RO reverse osmosis membrane advanced treatment, and other processes, we ensure that the quality of the recycled water meets the required standards. The treated water is then replenished into the tap water pool to be reused as production water.

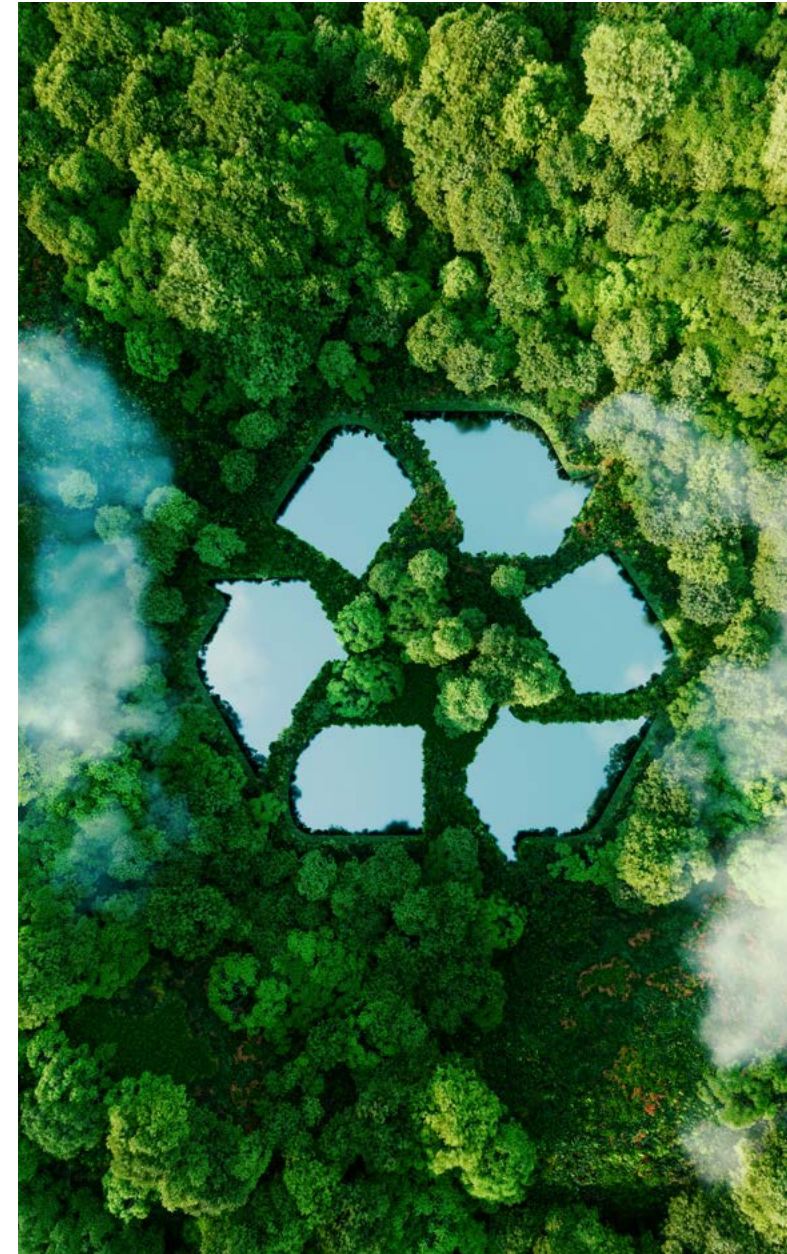
Recycled Backwash Wastewater Recovery Project

During the production process, the resin tower and filter media tower require periodic regeneration and backwashing. To enhance the utilization of water resources, we have implemented a backwash water recycling system that utilizes UF membrane filtration and RO membrane advanced treatment. This ensures that the treated wastewater meets production water standards and can be reused in the production process, thereby promoting the efficient recycling of water resources.

Waste Recycling

SMIC has established a comprehensive cleaner production management system including collaborating with professional recycling organizations to recycle and reuse materials, safely disposing of hazardous waste, and treating wet and dry waste through biodegradation or incineration for power generation. By striving to achieve the concept of "minimization, resource utilization, and non-hazardous treatment", SMIC actively contributes to environmental protection and the advancement of a circular economy.

- We implement pollution source reduction and optimization initiatives at the source, integrate waste minimization into our production and operational management strategies, and reduce waste generation by enhancing the efficiency of raw material utilization.
- We actively explore the recyclability of general solid wastes and strive to ensure that recyclable materials enter the recycling cycle, thereby maximizing resource utilization. For materials that cannot be recycled on-site, they are transferred to companies with recycling capabilities for proper disposal.



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Biodiversity Conservation

While pursuing technological innovation and industrial development, SMIC is committed to respecting ecological redlines and preserving natural habitats, actively contributing to biodiversity conservation.

We deeply recognize that maintaining the integrity and diversity of the Earth's ecosystems is fundamental to the sustainability of human society. Therefore, SMIC strictly adheres to environmental protection laws and regulations during manufacturing operations, secures necessary approvals from governmental authorities before commencing project construction, and ensures that all activities are conducted in a manner that avoids irreversible harm to natural ecosystems.

We are dedicated to adopting environmentally friendly technologies to reduce our dependence on and consumption of natural resources. Simultaneously, we actively engage in biodiversity conservation initiatives, promoting ecological restoration and species protection, and strive to contribute to building a future where humans and nature coexist harmoniously.

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Environmental Protection and Public Welfare

SMIC is dedicated to enhancing employees' environmental awareness and embedding the concept of harmonious coexistence with the nature into the hearts of every employee. We have organized a variety of environmental awareness activities to encourage all employees to actively participate in environmental protection practices and collectively foster a green corporate culture.

Empowering with Heart, the 2nd SMIC Beach Cleanup Public Welfare Activity Successfully Held in Four Places

In October 2024, SMIC successfully organized the public welfare activity in four places simultaneously (Four-place joint action) for the second time, attracting 216 employees and family members from Beijing, Tianjin, Shanghai, and Shenzhen. The increasing participation highlights SMIC's dedication to corporate social responsibility.

Volunteers gained insights into the hazards of littering and environmental protection knowledge from this activity, and collected approximately 230 kilograms of waste, contributing a valuable effort towards environmental conservation.



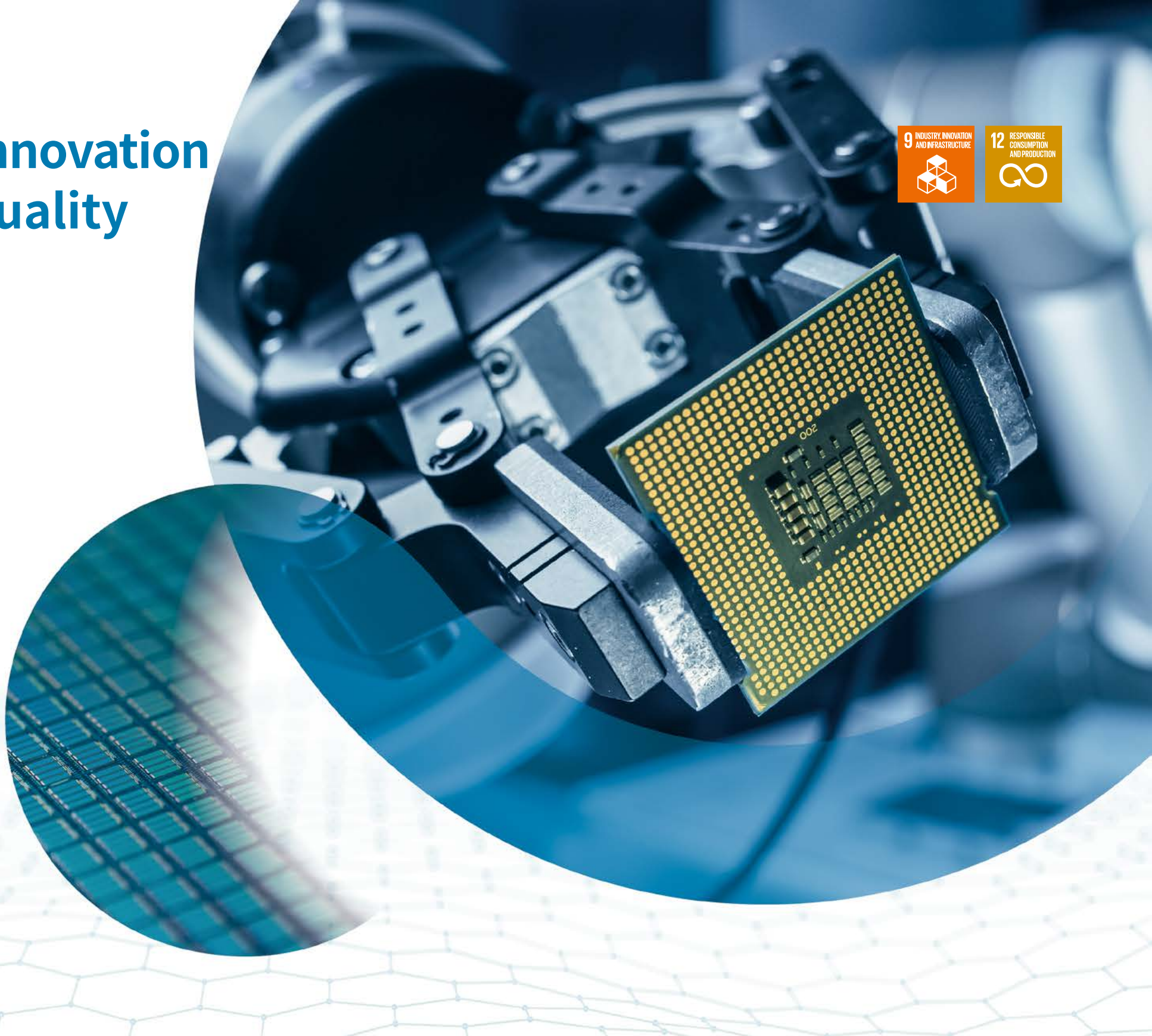
SMIC Volunteers Participate in "Beach Cleanup Public Welfare Activity"

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SMIC is dedicated to advancing independent R&D and innovation while enforcing rigorous product quality management to maintain technological leadership and ensure product excellence. We have established a robust data security system and implemented comprehensive measures to protect customer privacy and ensure smooth, efficient business operations. Additionally, we integrate sustainability strategies into supply chain management, empowering our supply chain partners and jointly exploring new pathways to sustainability.

- ◆ Pursuing Innovation and Driving R&D Breakthroughs
- ◆ Prioritizing Quality and Delivering Superior Service
- ◆ Optimizing Supply Chain and Building Mutual Success



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Pursuing Innovation and Driving R&D Breakthroughs

SMIC places significant emphasis on innovation, R&D, and quality management to ensure the Company's long-term development and sustainability. We have established a robust innovation management and quality management system, supported by comprehensive regulations and a professional, highly skilled R&D team. This foundation strengthens our capabilities in technological innovation and ensures the highest standards of product quality.

Innovative Research and Development

SMIC consistently regards technological innovation and R&D as the core driving force behind our corporate development. To this end, we have established clear and forward-looking R&D and innovation strategies and goals. By continuously investing in R&D resources and enhancing technological innovation, we have achieved significant progress in advancing industry-wide technology development.

Governance

The Board of Directors of SMIC is responsible for overseeing and managing the operations, formulating the Company's long-term development strategy, and deliberating on the direction of R&D development. Annually, the Board assesses the Company's objectives, which encompass the setting and execution of R&D targets, thereby promoting the Company's sustainable development.

At the executive level, the R&D Department ensures the effectiveness of the R&D policy and management system, implements the innovation and R&D strategy, monitors progress and outcomes.

Strategy

Continuous innovation and R&D are the core element of SMIC's strategy to build long-lasting trust with customers, business partners, and other stakeholders. In order to continuously strengthen our R&D and innovation management capabilities, we conduct comprehensive R&D and innovation risk identification and assessment, so as to clarify the business and financial impacts on the Company and formulate management strategies based on the assessment results. Relying on the comprehensive and effective strategy, during the Reporting Period, the Company did not experience any significant events related to R&D, innovation and intellectual property rights issues, and there were no significant financial impacts arising therefrom.





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Analysis of R&D and Innovation Risks

Risks	Business Impacts	Financial Impacts	Time Scale	SMIC's Countermeasures
R&D and technology upgrade iteration risk	The IC foundry industry is highly technology-intensive, requiring multidisciplinary expertise, and has the characteristics of fast process technology iteration, large capital investment, long R&D cycle, etc. The Company depends on its own R&D capabilities and intellectual property rights. Insufficient investment could lead to technological obsolescence and a decline in competitiveness.	<ul style="list-style-type: none">Increased R&D Investment Leads to Higher Costs: To maintain its technological leadership and competitiveness, SMIC must continuously increase its R&D investment. This could lead to a significant rise in R&D costs, potentially putting pressure on short-term financial profits.Loss of Market Share Due to Technology Lag: If R&D investment is insufficient and competitors surpass SMIC technologically, the Company may lose market share, leading to a decline in sales revenue. Over the long term, this could negatively impact profitability and market position.Asset Impairment Risk: If an R&D project fails to achieve its expected outcomes or if a technology upgrade is unsuccessful, the value of related R&D assets (such as patents or equipment) may be impaired. This could necessitate asset impairment provisions, further affecting the Company's financial position.	<p>Short-term (within 1 year): The accelerated speed of technology iteration has intensified competitive pressure in the market.</p> <p>Medium- and long-term (more than 1 year): including potential technological backwardness and a decline in market share.</p>	Establish an innovation and R&D management system, continue to invest resources in attracting talents, ensures our processes and technology platforms are better matched to market demands and remain competitive by aligning market and R&D efforts to plan the technology roadmap.
		<ul style="list-style-type: none">Increased Recruitment and Training Costs: To address the talent shortage, SMIC may need to intensify recruitment efforts, raise compensation levels, and increase training costs for new hires, all of which will elevate the Company's operating expenses.Decrease in Productivity and Quality: The loss of talent may result in vacancies in key positions, negatively impacting productivity and product quality. This could lead to reduced customer satisfaction and fewer orders, ultimately affecting sales revenue and profitability.Risk of Intellectual Property and Technological Backwardness: In recent years, the number of IC companies has been growing rapidly, resulting in a relatively huge gap between the supply and demand of outstanding technical talents in the industry, and the competition for talents is fierce. If a large number of outstanding technical R&D personnel quit, and the Company is unable to recruit or cultivate experienced technical personnel in a short period of time, the Company's R&D progress may be affected, which has an adverse impact on the Company's sustainable competitiveness.	<p>Short-term (within 1 year): decreased productivity, project delays, and other problems.</p> <p>Medium- to long-term (more than 1year): consequences such as decline in innovation capability and technological backwardness.</p>	
Risk of shortage or loss of technical talent	The IC foundry industry is highly talent-intensive, involving thousands of processes and dozens of professional disciplines. It requires professionals with specialized knowledge, long-term technical expertise, strong comprehensive skills, and extensive experience.			Formulate a relatively reasonable talent policy and salary management system, and implement multiple incentive measures, including share incentives for outstanding talents, to retain and attract technical talents.
Risk of technology leakage	Due to limitations in technical secret protection measures, the mobility of technical personnel, and other uncontrollable factors, the Company still faces the risk of core technology leakage.	<ul style="list-style-type: none">Direct Economic Loss: A leakage of core technologies could cause SMIC to lose its technological advantage and market share to competitors, resulting in direct economic losses.Damage to Brand Image: A technology leakage incident could harm the Company's brand image and reputation, undermining customer trust and loyalty. This may lead to customer loss and a decline in orders, negatively impacting long-term financial performance.	<p>Short-term (within 1 year): Negative impacts such as reduced customer trust.</p> <p>Medium- to long-term (more than 1 year): Decline in the Company competitiveness and damage to brand image.</p>	Enhance the trade secret management system, formulate strict and complete internal confidentiality measures, and sign confidentiality agreements and competitive restriction agreements with relevant technical personnel to ensure the confidentiality of core technologies.

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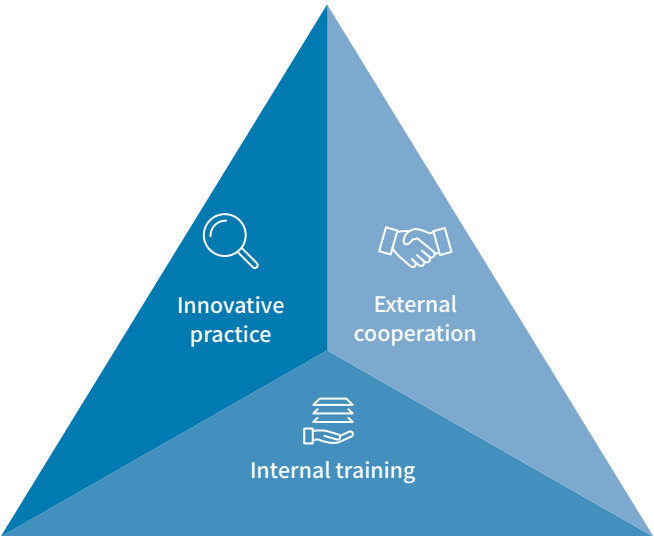
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Analysis of R&D and Innovation Opportunities

Opportunities	Business Impacts	Financial Impacts	Time Scale	SMIC's Countermeasures
Technological innovation	In the realm of technology research and development, we have consistently achieved significant breakthroughs, particularly in pivotal technology domains. By steadfastly pursuing technological refinement and fostering innovative practices, SMIC is poised to bolster its technological prowess and elevate its competitive standing in the market.	<ul style="list-style-type: none">• Revenue Growth and Profitability Improvement: As the market expands and the product line diversifies, SMIC's sales revenue will experience steady growth. At the same time, profitability will improve through technological innovation and effective cost control.• R&D Investment Returns: Ongoing R&D investments will secure SMIC's long-term technological edge and market competitiveness. These investments will eventually yield higher revenues and profits, delivering increased value for the Company.	<p>Short-term (within 1 year): R&D innovation breakthroughs bring market expansion.</p> <p>Medium- and long-term (more than 1 year): Strengthen its comprehensive capabilities and brand influence.</p>	We are committed to amplifying our investment in research and development, broadening the horizons of technological innovation, and strengthening collaborative ties with universities and research institutions. By driving technological advancements and breakthroughs, we aim to holistically elevate our overall competitiveness.

To realize the standardization, normalization, and professionalization of innovation management, we have established a comprehensive and efficient innovation management system consisting of internal training, external cooperation, and innovation practice.



SMIC Innovation Management System

We have implemented a comprehensive R&D management process and assembled a professional R&D team, and we are committed to fostering in-depth research and development of application platforms to strengthen our technological foundation and construct a robust technological barrier for protection.

During the Reporting Period, SMIC continued to increase its investment in R&D

The number of R&D personnel comprised

12.1 %
of the Company's total workforce

The total R&D investment amounted to

US\$770 million

Representing

9.5 %
of revenue



SMIC Product R&D Workflow



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SMIC has been actively responding to the call for technological innovation and is committed to advancing semiconductor technology. In 2024, we undertaken a number of R&D and innovation projects including logic products, high-voltage display drivers, power management, RF front ends, embedded storage, and other areas, with the goal of exploring more technological possibilities.

During the Reporting Period, we further strengthened our collaborative relationships with numerous external research institutions, actively expanding our strategic cooperation network and focusing on the deep integration of industry, academia, research, and application. We successfully established a regular communication mechanism with well-known universities and research institutes in China, effectively fostering in-depth cooperation across these sectors. Through external collaborations, we drove the continuous advancement of semiconductor technology while cultivating a new generation of

industry talent, providing enduring momentum for the Company's long-term development.

Through the unremitting efforts of our R&D team, we have successfully achieved a variety of key technological innovations. These innovations have not only further solidified SMIC's technological foundation but also had a far-reaching impact on advancing the development of new, high-quality productivity.

Project Namet	Progress and Milestone	Specific Application Prospect	Impacts
28nm ULL Technology Platform R&D Project	PDK V1.0 has been released, multiple leading customers' products have entered mass production. More products are continuously being introduced.	Mainly applied to various IoT, mobile communication and other industries to meet the needs of smartphones, digital TVs, set-top boxes, image processing and other products demand.	The 28nm ULL process completes the Company's technology jigsaw puzzle in low-power logic, while also laying the technological foundation for the development of the 28nm featured process
55nm HV Display Driver Gen2 Technology Platform R&D Project	PDK V1.0 has been released, key IP layout has been completed. Leading customers' products are continuously being introduced. More customers' new products are under designing.	Mainly applied to small and medium-sized LCD and OLED display driver chips.	Holistically enhanced the competitiveness of the 55nm HV display driver technology platform which will further boost the market share in the relevant market segment
65nm RF-SOI Technology Platforms Continuous R&D Project	PDK V1.0 has been released, multiple products have entered mass production. More products are continuously being introduced.	Mainly applied to RF chips in RF frontend modules for smartphones, Wi-Fi and etc.	The Company's first self-developed RF front-end SOI technology platform, its stable mass production marks the Company's development of new technology areas and markets
90nm BCD Technology Platform Continuous R&D Project	The phase 2 of development of process and devices for 90nm BCD platform has been completed, and PDK V1.0 is in progress.	Mainly applied to intelligent power management, audio amplifiers, intelligent motor drivers and automotive chips.	We continuously expand our 90nm BCD product applications, extending the applicable products from power supply applications to signal chain applications to maintain our industry-leading position
8"BCD and Analog Technology Platform Continuous R&D Project	The new generation of low-voltage BCD technology platform has entered mass production. The process development of next generation of low-voltage BCD platform has been completed. The PDK V1.0 of the latest generation of medium and high voltage BCD platform has been released, customers' products are continuously being introduced.	Mainly applied to power management, industrial applications and automotive chips.	It covers BCD processes of different voltage segments, including low-voltage, medium-voltage and high-voltage, and continuously improves through iteration, strengthening its leadership in both breadth and depth
0.18μm eNVM for Automotive Electronics Technology Platform R&D Project	The process and devices development have been completed. Reliability verification has been completed, PDK V1.0 has been released and the IP is under development.	Mainly applied to industrial applications and automotive chips.	Introduced a process technology platform for power management and microcontroller integration, adapting to the development trend of in-vehicle and industrial applications and enhancing system integration and safety
8" HV Display Driver Technology Platform Continuous R&D Project	PDK V1.0 for medium size of OLED display driver technology platform has been released, customers' products are under designing. The platform process for new generation of medium to large-sized LCD display driver platform has been completed, PDK V1.0 is in progress.	Mainly used in medium and large-sized screen display driver chips and car screen display driver chips.	Continuously enriched the technology variety of medium- and large-size display driver platforms, further enhancing the Company's competitiveness in the display driver field



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As an integrated circuit manufacturing enterprise, our primary business is to provide chip manufacturing services to our clients. During the Reporting Period, the Company's main operations did not involve scientific research activities in areas sensitive to technology ethics. Nevertheless, we remain vigilant and continuously monitor global developments in technology ethics governance, strictly adhering to all relevant ethical requirements.

The Company attaches great importance to the protection of intellectual property rights and has implemented a series of measures to ensure that intellectual property rights are fully and effectively protected. The Company adheres to the principle of respecting others' intellectual property rights and safeguarding its own, promptly applies for registrations to protect its intellectual property rights in a timely manner, and follows up on the latest policies and requirements in the field of intellectual property rights on a continuous basis. We also regularly conduct IPR monitoring activities to actively protect our rights and interests.

Focusing on the goal of enhancing our core competitiveness in the IC foundry industry, we have promoted intellectual property protection in all aspects. Not only have we strengthened our layout in China, but we have also actively applied for patents and trademarks globally to ensure that our intellectual property rights are fully protected and effectively utilized.

- We deepen the patent mining layout around the core products and key technologies, promote the integration of patents to support the Company's innovation and development of technical solutions.
- We have implemented the full-process electronic management in all aspects of excavation, proposal, evaluation, application and assessment.
- We encourage employees to actively innovate by implementing a patent training mechanism and an incentive mechanism.
- We pay attention to trademark applications, maintenance, and defense of rights to ensure the validity of domestic and foreign trademarks.
- We have established a comprehensive business secret management system to fully protect the Company's business secrets, especially proprietary technologies.

SMIC Intellectual Property Management Initiatives



As of the end of the Reporting Period,

SMIC obtained cumulatively
13,964 authorized patents

Patents for inventions	Utility model patents
12,112	1,852

SMIC obtained cumulatively
94 layout design rights

Innovative Research and Development

Risk Management

To ensure the effectiveness of our management strategy, we further categorize risks into sub-risks based on the issues involved in R&D and innovation. We assess and quantify the feasibility and impact of these identified sub-risks, and weigh the results to determine their management priority. Additionally, we have established management systems and workflows for the higher-priority sub-risks, and have authorized a dedicated team to regularly monitor and record risk levels. Furthermore, we have implemented risk management initiatives aimed at minimizing the impact of R&D and innovation risks on both internal and external stakeholders.

Risks and Opportunities Inventory Creation

- Analyze the risks and opportunities of innovation and R&D based on SMIC's current business situation and peer practices.
- Discuss with risk owners on the innovation and R&D risk and opportunity inventory.

Risks and Opportunities Analysis and Identification

- Identify specific risks and opportunities applicable to the Company, based on industry characterization as well as inputs from stakeholders and external experts.
- Scenarios are selected based on the principle of high comparability, balance, and a science-based approach, in order to analyze the risks and opportunities faced by the Company and to develop management strategies and implementation plans.

Risks and Opportunities Assessment and Management

- Factors such as the likelihood, impact, adaptability and resilience of risks and opportunities are assessed in order to prioritize relevant management strategies.

SMIC R&D Risk Management Process

Indicators and Goals

In order to continuously improve our innovation and R&D management and enhance management transparency, we have established a comprehensive monitoring system and set clear R&D goals to track and manage regular performance indicators and ensure public disclosure.

Goals		2024 Progress
Technology R&D	<ul style="list-style-type: none">• Meet the market demand for product innovation and rapid iteration, and strive to provide the Company with new business growth points.	<ul style="list-style-type: none">• In alignment with the overall strategy, the Company's R&D center is customer-needs-driven, continuously enhancing process R&D and innovation capabilities, strengthening platform development, and improving product performance.• R&D projects are fully benchmarked against product technical requirements from the initial stage, ensuring efficient utilization of R&D resources, guaranteeing output quality and reliability, and shortening the cycle from R&D to mass production.
Intellectual Property Protection	<ul style="list-style-type: none">• While continuously improving our competitiveness, we reasonably protect and utilize the achievements of scientific and technological innovation to support the Company's high-quality development.	<ul style="list-style-type: none">• The Company has a professional team dedicated to intellectual property protection and management.• In accordance with laws and regulations, the Company flexibly formulates intellectual property protection strategies that align with its development, taking into consideration the actual situation, the advancements in technological innovation, and the needs of the market environment.
Strengthening Industry-Academia-Research Cooperation	<ul style="list-style-type: none">• Accelerate the expansion of strategic cooperation, focus in-depth on the utilization of industry, academia, and research, and establish a regular exchange mechanism with well-known domestic universities and re-search institutes to facilitate in-depth cooperation between industry, academia, and research.	<ul style="list-style-type: none">• Establish a regular exchange mechanism with well-known domestic universities and research institutes.

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Prioritizing Quality and Delivering Superior Service

Product quality is not only critical to a company's market performance but also essential for its long-term development. SMIC consistently places product quality at the forefront, continuously enhancing its quality management systems and delivering exceptional customer service. This commitment enables us to secure market share, earn customer trust, and ensure sustainable growth in the future.

Quality Management

SMIC is committed to delivering high-quality products that meet high standards to our customers on time. We constantly refine our processes, optimize our procedures, and relentlessly pursue and achieve excellence in comprehensive quality management.

Quality Management System

Following industry standards, SMIC has established a comprehensive internal management system. As of the end of the Reporting Period, we have achieved the Quality Management System Accreditation (ISO 9001), Quality Management System Accreditation for Telecommunication Industry (TL 9000) and Quality Management System Accreditation for Automotive Supply Chain (IATF 16949).

During the Reporting Period, several of our fabs obtained industry certifications, which further enhanced the Company's market competitiveness and brand influence.

Certification Updates for SMIC Subsidiaries

Semiconductor Manufacture Beijing Corporation (SMBC) received IATF 16949 and TL 9000 certification

Semiconductor Manufacturing Oriental Corporation (SMOC) received ISO 9001 certification

Quality Management Initiatives

We have implemented a comprehensive product quality control process that covers the entire product manufacturing and service flow, including technology development, wafer production, quality and reliability monitoring, and customer satisfaction. In light of the expansion of our automobile product lines, we adopted VDA6.3 process audit to enhance our process quality management and implemented continuous optimization and improvement measures for 17 key processes. During the Reporting Period, SMIC did not experience any major liability incidents related to the safety and quality of our products and services.

SMIC Product Quality Management System

Statistical Process Control(SPC)

Impose the SPC on product performance during production through a strict auditing mechanism to ensure the stability and reliability of product quality.

Recipe Management System (RMS)

Control product quality more accurately through centralized management and key parameter monitoring to provide customers with reliable products.

Unified Management

Optimize settings for all equipment and process recipes, and unify process management to achieve consistent product quality levels.

Diversified Labs and Tools

Cover chemical and raw material analysis, product failure analysis, yield improvement, reliability inspection and monitoring.

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Product Quality Assessment and Recall

SMIC has formulated strict product quality assessment and product recall procedures, and controlled product safety and health risks according to the Hazardous Substances Process Management System (QC 080000), to ensure that our products comply with relevant domestic and international regulations and customer requirements. During the Reporting Period, there were no recalls of sold products due to safety and health concerns.

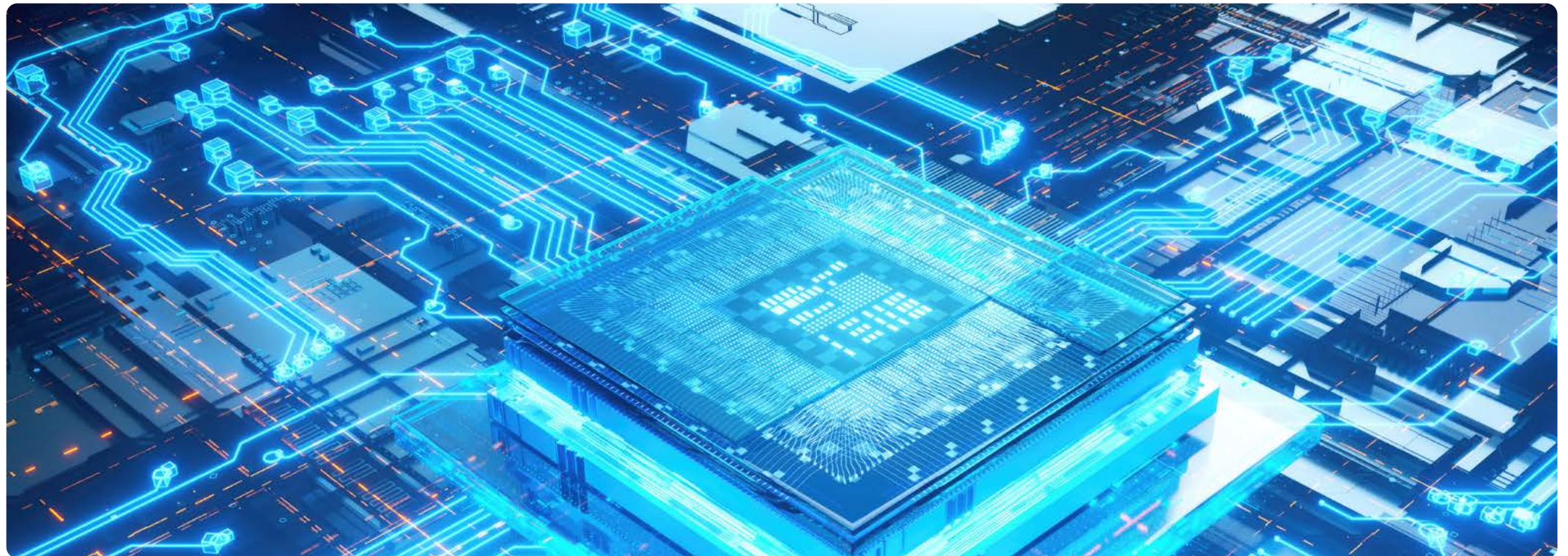
The Company adheres to the principle of "Quality First, First Time Right" and carries out a variety of quality improvement activities around product quality with the aim of deepening quality culture construction, encouraging all employees to participate in quality management, and improving quality awareness. SMIC's Special Testing Center of Automotive Chip Reliability is now operating smoothly. We follow the AEC-Q100 (Stress Testing Certification Standard for Integrated Circuits) standards to provide a full range of reliability testing services for automotive chips. SMIC has got the CNAS certification during the Reporting Period.

Quality Culture Promotion

In 2024, SMIC organized quality culture promotion activities including Continuous Improvement (CIT), Lean Six Sigma (SS), and Quality Month. Through a variety of promotional activities aimed at enhancing efficiency and quality control, we optimized the production process. The success of these activities effectively raised the quality awareness of all employees and encouraged the fabs to continuously pursue quality optimization and improvement, laying a solid foundation for the sustainability of the Company.

Quality Culture Training

In 2024, the Company fully provided quality and reliability-related courses through online and offline training, with training content covering 50 courses including FECP, FMEA, SPC, 8D tools, and quality systems. The initiative aims to fully raise the employees' awareness of quality to enable the engineers to have a better understanding and enhance implementation capabilities of quality processes, and to further enhance employees' proficiency in using product quality tools and improve the quality level.



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Customer Services

Always being customer-oriented, SMIC strictly follows domestic and international laws and regulations throughout our product design, manufacturing and after-sales services, to ensure the consumer safety and product performance. We make continuous efforts in technological innovation to create long-term value for customers and to build mutually beneficial and win-win cooperative relationships. In order to better serve global customers, SMIC has professional customer service teams in Shanghai, Beijing, Tianjin, Shenzhen, Taiwan, China, California (USA), Munich (Germany), Milan (Italy), Tokyo (Japan). providing customers with a comprehensive range of high-quality services at multiple levels.

Global Landscaping



Improving Customer Satisfaction

SMIC has established a comprehensive customer complaints system to improve customer satisfaction. Relevant departments are required to investigate all customer complaints timely and conduct in-depth review and summary. In response to customer feedback on quality issues, we have established a detailed and rigorous process to address these concerns. Through professional analysis, we identify opportunities for improvement, and continuously optimizes production control. During the Reporting Period, all the customer complaints at SMIC were promptly handled in line with relevant procedures.

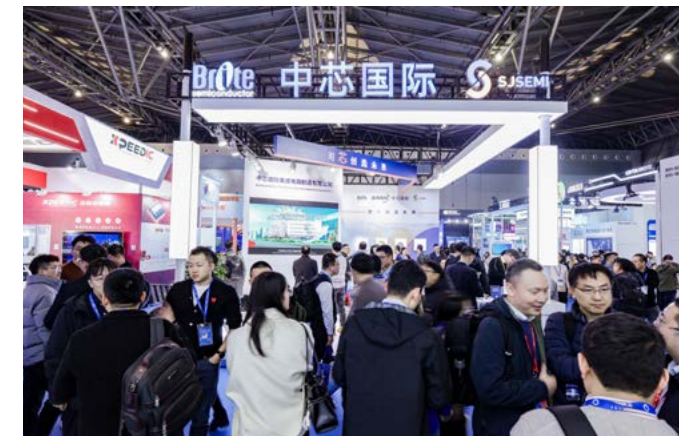
To gain an in-depth understanding of customer needs, we have updated and adjusted customer satisfaction questionnaires in a timely manner, actively collecting their feedback and suggestions. During the Reporting Period, SMIC's average customer satisfaction score was about 84 points.

Industry Communication

During the Reporting Period, SMIC actively participated in industry seminars and exchanges events, collaborating with partners across the upstream and downstream of the supply chain, as well as leading figures in the technology sector, to reflect on past experiences and chart the future development roadmap of the industry.

SMIC Participated the Shanghai Integrated Circuit 2024 Annual Industry Development Forum and the 30th Integrated Circuit Computer Aided Design Exhibition (ICCAD-EXPO)

In December 2024, SMIC was invited to participate in the Shanghai Integrated Circuit 2024 Annual Industry Development Forum and the 30th ICCAD-Expo, themed "Smart Shanghai, Smart World". The event covered all aspects of the IC industry chain, bringing together more than 300 outstanding IC companies and 6,000 industry elites from around the globe. During the exhibition, we had in-depth exchanges and discussions with partners from all over the world regarding industry trends, and collaborated with upstream and downstream enterprises within the industry chain to promote the healthy development of the industry ecosystem.



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Information and Data Security

SMIC places a high priority on information security and customer privacy protection, and strictly complies with the national laws and regulations such as of the *Cyber Security Law of the People's Republic of China*. By constructing a comprehensive internal management system and implementing a variety of security education and training activities, SMIC ensures that information collection, security maintenance, and data processing are managed efficiently and controllably at every step of the process.

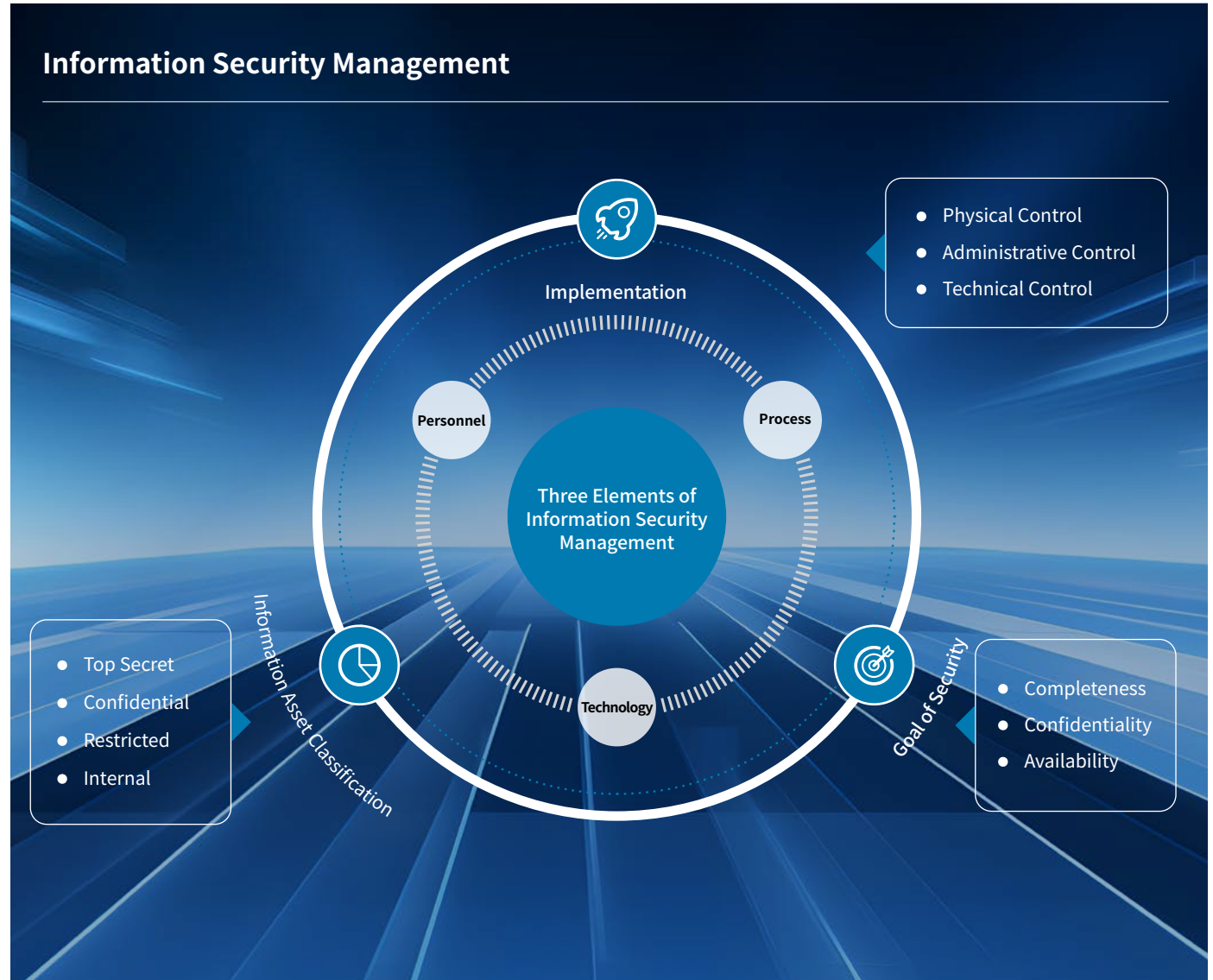
Information Security Management System

We have established a comprehensive information security protection system, following secure independent data storage and cyber environments, and strictly controlling the use of information in production. The information security management was expanded to third parties including customers, visitors and suppliers so as to realize physical security, data security, production area security, and personal information security. As of the end of the Reporting Period, all SMIC's main operation sites have been accredited by the ISO 27001 Information Security Management System. Meanwhile, SMIC has established a complete confidential information technology defense and monitoring system. This robust system encompasses data classification and protection strategy, data partitioned storage management, data collection workflows, regular review mechanisms, instantaneous monitoring system, and audit processes, to ensure the security and compliance of confidential information in all aspects. During the Reporting Period, SMIC did not experience any material cybersecurity or commercial information leakage incidents.

During the Reporting Period,

the coverage of supplier information security inspection reached

100%



Information Security Management Structure at SMIC

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Technology Defense and Monitoring System

We constantly strive for excellence and enhance the strength and depth of customer information security protection. We have established a complete confidential information technology defense and monitoring system. Based on a sound organizational structure for information and data security, SMIC continuously upgrades various information security technologies such as physical environment control, network access control, and data confidentiality controllability.

Data Classification	• Strictly conduct the hierarchical management of confidential intellectual property information and continuously strengthen the classification of confidential level of information assets.
Data Partition	• Divide different levels of controlled areas according to the degree of business confidentiality, and take physical protection solutions with the corresponding levels.
Data Collection	• Establish a platform for log collection, analysis and management to carry out big data collection and analysis in daily operations, detect and track the breaches in a timely manner.
Data Inspection	• Perform around 500,000 inspections each month including sensitivity inspection on information security, compliance inspection when entering and leaving the Company, electronic equipment inspection, mail inspection, and information security compliance inspection for suppliers/visitors, with wide coverage and high intensity of inspection.
Data Monitoring	• Implement the access control mechanism for confidential information of the Company and customers, follow the principle of authorized access and on-demand access, and strengthen the Company's entry and exit management through visitor registration, access control and surveillance system.
Data Audit	• Perform regular data audits for access, transmission and storage of specific confidential information, to ensure the effectiveness and compliance of data control measures.

To effectively address information security breaches, we have developed a rigorous corrective action plan and emergency response plan. This plan encompasses enhanced physical security checks, established emergency response procedures, regular emergency simulation drills, and comprehensive information security training, ensuring robust protection of data and information.

SMIC has built an in-depth intelligent protection platform for the chip manufacturing industry, transitioning from threat-oriented passive defense to business-oriented intelligent active security protection. The platform offers resilient and adaptive security protection through network-wide linkage, AI, and big data intelligent analysis. It includes intelligent threat detection, analysis, control, and disposal mechanisms. This platform provides comprehensive "anti-virus", "anti-hacking", and "anti-leakage" protection for the five major protection objects of the industrial Internet, ensuring security elasticity and dynamic adaptability.

Information Security Training

SMIC regards information security training as a key component in ensuring the organization's information security. Based on the ISO 27001 Information Security Management System, we continuously optimize our information security communication channels to ensure that our employees are promptly informed of our information security policies. At the same time, we continuously educate all employees on information security management to comprehensively enhance their information security awareness and information protection capabilities.

During the Reporting Period, 100% of new employees and in-service employees received annual training, and 100% of the suppliers and visitors received information security training, which included but was not limited to:

- Training on information leakage risks
- Training on confidential information protection policy and confidential information classification
- Training on the measures of information security management
- Training on information security management



Information Security Month Activity

In 2024, SMIC organized an Information Security Month activity for all employees, including information security awareness training and examinations, phishing email drills, and the promotion of a security platform. Through these diverse activities, SMIC enhanced employees' awareness of information security and their ability to identify potential security vulnerabilities in their daily work. This effectively fortified the Company's information security defenses and laid a solid foundation for its sound development.

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Optimizing Supply Chain and Building Mutual Success

SMIC adheres to the principle of win-win cooperation and builds a sustainable supply chain based on fairness and transparency. We collaborate closely with our supplier partners on product quality, ESG performance, and other key areas to drive industry development. Together, we aim to create a low-carbon semiconductor supply chain.

Supply Chain Management

Supply Chain Management and Planning

SMIC conducts rigorous supplier audits and implements a hierarchical management model that spans the entire supply chain lifecycle. We have established and continuously improved our supplier management system and processes, ensuring strict control over bidding, finalization, contracting, and settlement stages to prevent any potential violations or fraudulent behavior by employees.

In addition, SMIC has established detailed systems for key aspects of supplier management, including access, evaluation, and daily operations. Covering multiple critical areas such as strategic supply chain management, raw materials, and spare parts procurement, we have developed a global supply chain management plan to effectively ensure product quality and service levels within the supply chain.

Supplier Access and Evaluation

SMIC has established an objective and quantifiable supplier management system organizing quality, HSE, procurement and other departments to participate in the evaluation for procurement areas such as production equipment, raw materials, fab facilities, and professional services, ensuring the strict compliance across the supply chain. We have developed a comprehensive and scientific supplier access assessment mechanism, incorporating sustainability factors like product quality, service quality, environmental protection, health and safety, and business ethics to ensure the sustainability of our supply chain.

For Suppliers in Cooperation

- Contracted suppliers are scored regularly by SMIC based on QCDSE (Quality, Cost, Delivery, Service, Environment). The evaluation indicators include quality indicators, service indicators and safety and environmental protection indicators, and so forth.
- If any project fails to meet our standards or indicator requirements, the supplier must provide an improvement plan and rectify within a specified time limit. Those that refuse to rectify or remain lagged behind after rectification will be removed from the Company's list of approved suppliers.

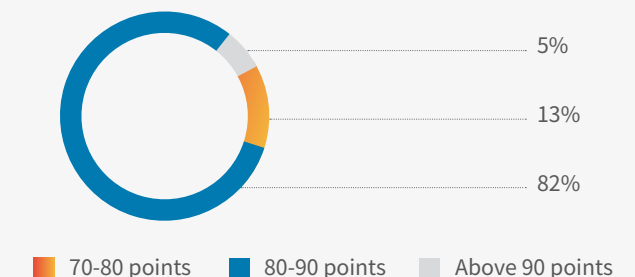
For New Suppliers

- For new suppliers, we provide multi-level quality improvement assistance according to the criticality priority to ensure the quality supply chain. During the Reporting Period, we completed a total of 11 joint quality improvement programs, 22 continuous quality improvement programs and 81 on-site audits.

In order to enhance the stability of the overall quality of our supply chain, we adopt the Quality System Assessment (QSA) to achieve more comprehensive and professional evaluation of suppliers, ensuring that their quality management systems comply with the relevant standards and requirements. We conduct regular supplier audits to continuously monitor supplier operations and maintain the stability and reliability of the supply chain.

During the Reporting Period, our supplier evaluation results are as follows:

Supplier Assessment Results in 2024



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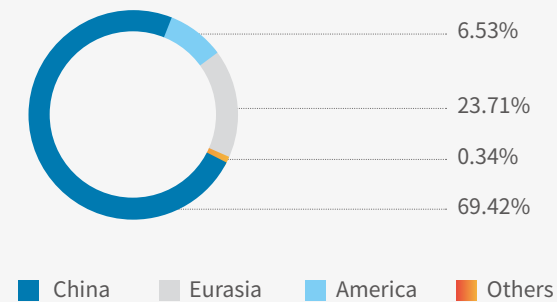
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Distribution of Material Suppliers

SMIC actively builds a diversified supplier distribution pattern to reduce supply risk, ensure stable supply of raw materials, and enhance supply chain flexibility and competitiveness.

Regional distribution of the number of SMIC raw material suppliers in 2024



Supply Chain Security

SMIC is committed to enhancing supply chain resilience and attaches great importance to the safety management capability of cooperative suppliers. To ensure the safety and stability of the supply chain, we have established a robust supply chain risk control mechanism, regularly carry out risk identification work, and continuously improve the level of risk management.

Building Ethical Compliance Capabilities Among Suppliers

We conduct comprehensive evaluations annually, considering actual production needs and supplier assessment outcomes, to select partners with robust supply chain security capabilities. Furthermore, we place significant emphasis on the sustained stability of the supply chain and the ESG performance of our suppliers. While strengthening local procurement, we actively strive to achieve a balanced procurement strategy across different regions, thereby ensuring the safety and stability of our supply chain.

SMIC requires its suppliers adhere to the principles of integrity, fair competition, and transparency, strictly complying with national laws and regulations in their business activities. Suppliers are required to establish a comprehensive ethical compliance management system and conduct self-assessments. On this basis, SMIC will review the ethical compliance management systems of its suppliers to verify their compliance. Based on the review results, SMIC will assess the compliance levels of suppliers and provide targeted improvement recommendations and professional support.



Deepening Suppliers' Awareness of Safety Responsibilities

To ensure the safety of our contractors and their comprehensive understanding of SMIC's safety operation standards, we regularly organize safety operation training for all construction personnel. The training covers the company's HSE (Health, Safety, and Environment) regulations, on-site safety construction knowledge and requirements, safety precautions for high-risk operations, and emergency response procedures in case of accidents. Additionally, an assessment is conducted, and only those who pass the assessment are qualified for construction work. These trainings aim to effectively enhance the safety operation capabilities of workers, ensure high-standard safety practices during construction, and minimize potential safety risks in construction activities. During the Reporting Period, we conducted 940 HSE training sessions for suppliers, cumulatively covering 48,243 person-times.

During the Reporting Period,

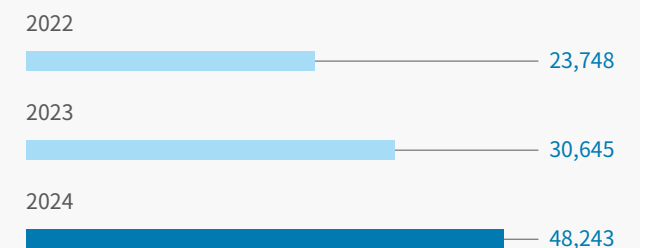
we conducted

940 HSE training sessions
for suppliers

cumulatively covering

48,243 person-times

Suppliers HSE Training (Unit: person-times)

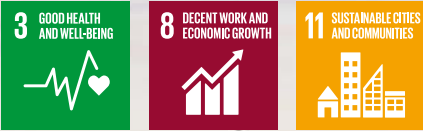


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SMIC firmly believes that employees are the core driving force for sustainability. We provide every employee space to develop freely in a safe and stable workplace with an equal and diversified working atmosphere. Upholding the people-oriented philosophy, we care for the well-being of our employees, and continuously improve our welfare system, having established advanced training systems, and set up various employee communication channels. We spare no effort to respond to employees' expectations for a bright future and draw a beautiful blueprint together.

- ◆ Attracting Top Talents and Empowering Their Growth
- ◆ Protecting Rights and Interests with People Orientation



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Attracting Top Talents and Empowering Their Growth

SMIC adheres to the people-oriented philosophy, safeguarding employees' fundamental rights and interests and actively fostering an equitable, harmonious, and dynamic workplace environment. We continuously optimize and enhance our talent recruitment and management systems, offering competitive compensation and benefits, and clear career development pathways, promoting the personal growth and development of employees and building a high-caliber and professional talent team.

Recruiting Talents

SMIC strictly abides by the employment laws and regulations, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Protection of Minors*. We constantly improve our internal employment systems such as the *SMIC Employment Policy*, the *Employee Recruitment System*, and the *Implementation Rules of SMIC Campus Recruitment* to ensure that the recruitment and hiring processes are compliant, fair, and transparent.

We recruit excellent talents extensively from all over the world through diversified recruitment channels. We provide employment opportunities for talents from different countries, nationalities and cultural backgrounds as well as people with disabilities. We firmly believe that a diversified talent pipeline will help us to fuel innovative capacity into our corporate development, to improve scientific research efficiency, and to better meet the complex and diverse customer demands, thus driving our business growth.

SMIC Employee Diversity Philosophy

Gender Diversity

Maintaining workplace gender equality while building talent teams.

Function Diversity

Our employees are categorized into operation and production staff, research and development staff, marketing and sales staff, and platform support staff. The diversity of various functions in each business unit enables the sustainability of SMIC.

Age Diversity

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

Region Diversity

Our employees are from more than 20 countries and regions around the world.

SMIC Employee Recruitment Channels

On-Campus Recruitment

- SMIC attaches great importance to graduates selection. We have been collaborating with major universities to organize on-campus recruitment for many years and have formed a set of virtual recruitment systems combining online and offline activities. To facilitate our campus recruitment, we launched the Campus Ambassador program to help students learn more about SMIC during our talent selection. During the Reporting Period, SMIC has held more than 60 online live broadcasts and presentations, recruiting nearly 1,000 of outstanding graduates through on-campus recruitment.
- In terms of education background, mostly are students with master's and doctoral degrees.
- In terms of specialty, mostly are from the specialties of electronic information, materials, physics, chemistry, mechanical engineering, optics, and environment.

Social Recruitment

- Based on our business development and current human resources assessment, SMIC has formulated a series of recruitment plans for professionals from all walks of life, and developed multiple recruitment methods and channels, including online recruitment, on-site job fairs and professional headhunting services. In addition, we have also established an internal referral mechanism for high-level talents to boost our high-potential talent pipeline. During the Reporting Period, SMIC recruited over 1,000 outstanding talents through various social recruitment channels.
- Mainly recruited professional talents and high-end experts.

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Our employees were aged

32

on average

SMIC recruited more than

2,000

new employees from all over the world.

As of the end of the Reporting Period

The number of full-time employees was

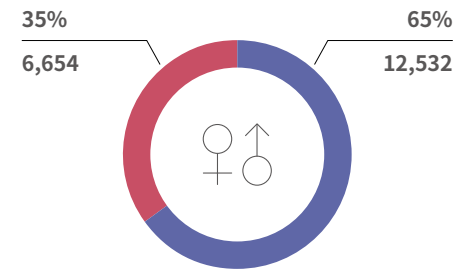
19,186

With a labor contract signing rate of

100%

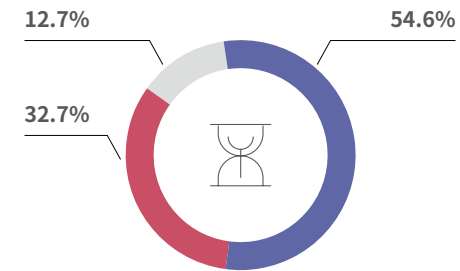
Data of employment diversity are as follows

Proportion of employees by gender



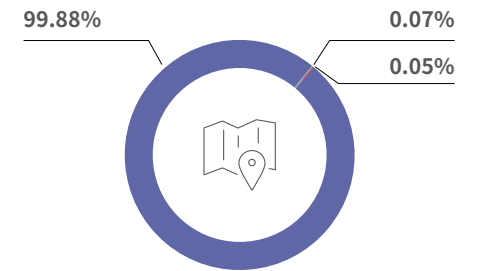
■ Male employees ■ Female employees

Proportion of employees by age



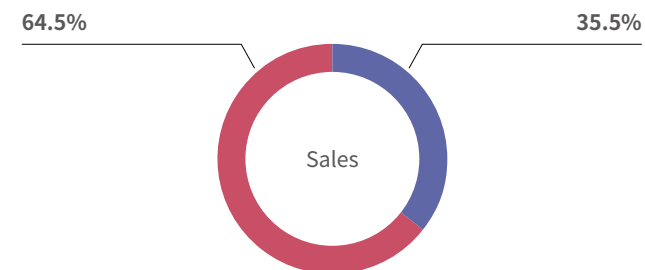
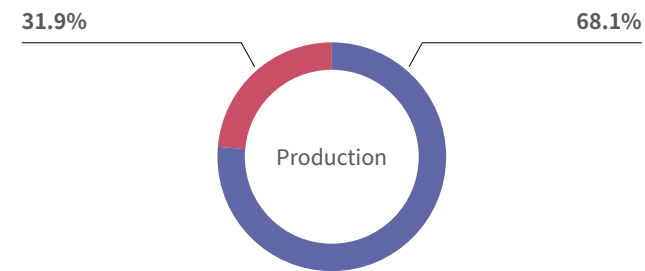
■ Aged 30 and below ■ Aged between 30 and 40
■ Aged 40 and above

Proportion of employees by region

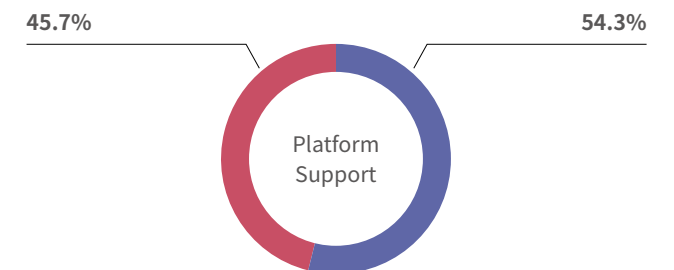
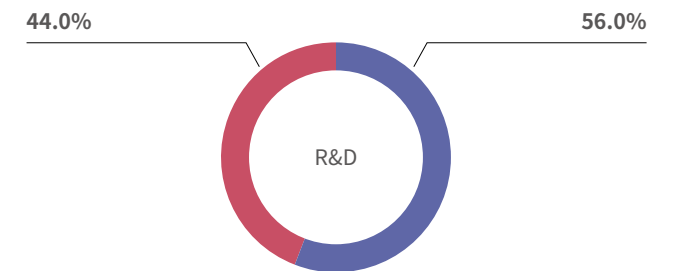


■ China ■ USA ■ Eurasia

Proportion of employees by function



■ Male ■ Female



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Talent Retention

Employees are the most valuable assets of SMIC. We cherish the efforts and contributions of every employee. By reinforcing the financial incentives in our salary system and building a medium- and long-term incentive and restraint mechanism, we provide employees with competitive remuneration and benefits. We constantly deepen employees' sense of belonging and identity to the Company to retain outstanding talents and enhance the core team cohesion as well as our corporate completeness.

The Company listens attentively to the employee voice, being problem-oriented, and actively promote reforms of relevant systems. The Company has introduced various optimization measures such as improving the welfare system and working environment, and broadening career development opportunities to better satisfy the demands and expectations of all kinds of

employees. During the Reporting Period, the Company ensured timely and full payment of employee salaries and adhered strictly to national regulations by contributing to social insurance and housing provident funds. Notably, there were no significant labor disputes or personnel changes. The overall voluntary employee turnover rate was 12.33% during the Reporting Period, details on employee turnover distribution are as follows:

- Employee turnover by region: 99.92% in China, 0.08% in America, and 0.0% in Eurasia.
- Employee turnover by gender: 73.8% in male; 26.2% in female.
- Employee turnover by age: 59.9% aged 30 and below, 36.4% between 30 and 40, and 3.7% aged 40 and above.

Share Incentive

In order to create a benefit-sharing mechanism between employees and owners, realize the consistency of interests of the Company and its shareholders and employees, attract and retain excellent management talents and business backbones, enhance staff cohesion and the Company's competitiveness, the Company introduced A-share long-term incentive mechanism on the basis of the HKEX Stock Incentive Plan, and implemented the SSE STAR Market Class B Restricted Stock Incentive Plan in 2021, with the aim of building and continuously improving the comprehensive compensation system, motivating and retaining outstanding talents of the Company and further stimulating their enthusiasm and creativity, and ensuring the achievement of the long-term strategic goals of the Company. The Company's incentive targets include senior management, core technicians, middle and senior business managers, technical and business backbone personnel.

On July 19, 2021, the Company granted 67.5352 million shares to the incentive recipients for the first time, benefiting a total of 3,944 employees; on June 21, 2022, we granted 8.1152 million reserved shares to a total of 1,175 incentive recipients. The Company will complete the phased vesting of the granted shares as planned for the purposes of motivating and retaining talents.

In order to fully mobilize employees' motivation and retain excellent elites, talents the Company will continue to establish and improve the medium and long-term incentive restraint mechanism by increasing positive incentives and implementing salary diversification, so as to effectively attract and retain excellent talents, enhance the cohesion of core teams and sharpen the core competitiveness of the Company.

On July 19, 2021, the Company granted

67.5352 million

shares to the incentive recipients for the first time

On June 21, 2022, the Company granted

8.1152 million

reserved shares

Dedicated Awards

Dedicated awards are granted to motivate teams and individuals to drive cost optimization and revenue growth by adopting innovative ideas.

Long Service Employee Incentive

The Company granted long-term service souvenirs to employees who have completed 5, 10, 15 and 20 years of continuous services at the Company, in recognition of their created value and contribution to the development of the Company and to enhance their sense of belonging and honor.



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Career Development

SMIC always believes that shaping and presenting of employees' personal value is an important component of the Company's overall value. We provide employees with a well-established training system, and comprehensive supporting resources. Moreover, we have designed a variety of career paths for employees, including career development paths, rapid development channel, and two-way development channel.

Career Development Paths

Benchmarking with world-class companies for a long time, SMIC has launched and optimized our career ladder system. We have presented complete and clear career paths for employees by continuously improving our five sequences of positions.

- Managerial
- Technical and R&D
- Professional & Supporting
- Administrative
- Operational

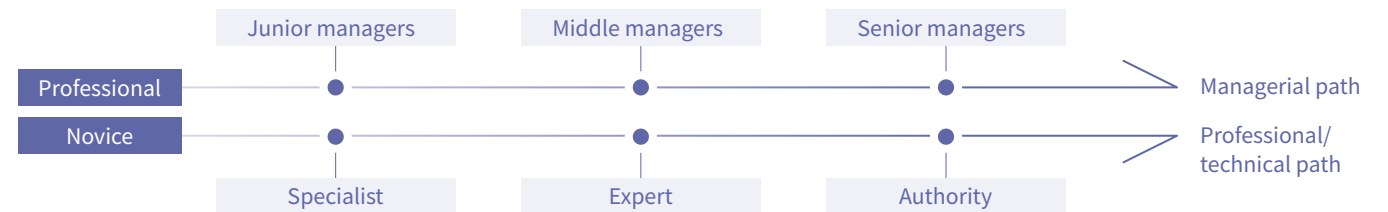


Rapid Development Channel

The Company has launched a rapid development program in the technical sequence, aiming to build a rapid development channel, attract talents with great potential, and cultivate a group of high-level technical experts through a targeted training mode.

Two-way Development Channel

The Company has established a two-way career development channel for managerial and professional/technical talents, supported by corresponding systems and incentive measures, enabling employees to grow together with SMIC.



Vertical Development Channel - Promotion

The Company provides promotion opportunities for employees with excellent performance and abilities, and offers incentives in terms of salary, bonus, and development opportunities.

Horizontal Development Channel - Transfer

The Company publishes internal recruitment information on the intranet according to its business needs for employees to apply for based on their personal career plans, interests, and strengths. The horizontal development channel can fully mobilize the employees' initiative and enthusiasm, and optimize the Company's human resources allocation.

Career Development Booster

SMIC values talent training. We have launched diversified talent training solutions based on different business demands and employees' potential, and built a complete internal training mechanism, firmly guaranteeing a shared, high-quality development between employees and the Company through career development boosters such as leadership training courses, online learning platforms, and further education programs.

Training Types

New employee orientation, management training for frontline managers, capacity development programs and for middle and senior managers

Multi-dimensional Content

Training on corporate culture, professional skills, general skills, management and leadership development

Multiple Training Styles

Face-to-face teaching, on-the-job training, job rotation, study group, reading group, online learning platform, knowledge base

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During the Reporting Period, the Company provided employees at different positions with a variety of training programs for all-round skills enhancement, including expertise and teamwork, to enable better employee development.

• Supervisor Training Camp

Enable supervisors at the grassroots level to better complete role recognition and transformation and enhance their sense of responsibility for team motivation and cohesion, so as to help organizations achieve business goals

• Frontline Team Leader

Help frontline team leaders improve their production line skills to enhance their managerial and collaborative capabilities

• Management Trainee Program

Targeting high-performing employees with management potential across all organizations within the Company, the program aims to cultivate a leadership pipeline through a two-year project-based development initiative, continuously strengthening the reserve of future managers and supervisors

• Production Assistant

Help production assistants to adapt to their teams quickly through "WAAT -We are a Team" bootcamps and mentor training camps, to enhance managerial and collaborative capabilities across frontline teams

• Technical Trainee Program

Through a four-stage training scheme over three years, foster out-standing fresh graduates into young technical backbones, thereby forming a solid talent pool

• Fresh Graduates

Organize training camps for fresh graduates to imbue them with the cultural values of the Company, and strengthen their teamwork and general abilities

• Senior Key Employee

Offer online courses on general competencies for employees independently and flexibly to improve their overall occupational literacy



As of the end of the Reporting Period, the employee training data of SMIC was as follows:

The number of courses provided by the Company over	Total employee training attendance	Per employee training hours: about	Course duration
4,500	494,577	41.4 hours	794,533 hours
Average training hours of R&D personnel	Average training hours of production personnel	Average training hours of sales personnel	Average training hours of platform support personnel
35.8 hours	43.8 hours	17.9 hours	27.5 hours
Average training hours of female employees	Average training hours of male employees	Training coverage	
31.7 hours	46.6 hours	100%	

To enable employees to learn at any time, the Company has established an online E-learning platform. In 2024, we continued to upgrade and optimize the course content and training system of the platform to meet the development needs of employees in the new era. By the end of the Reporting Period, the online platform had provided over 4,200 courses, including knowledge on semiconductor technology.

Online learning platform - The number of views by employees

447,447

The number of articles published on knowledge management system (KMS)

21,469

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Protecting Rights and Interests with People Orientation

SMIC respects and safeguards employees' rights and interests by establishing a comprehensive welfare system, organizing a series of consolation and recreational activities, striving to achieve a harmonious and mutually beneficial vision with employees. We continuously focus on the physical and mental well-being of employees, making every effort to prevent occupational health risks and endeavoring to create a safer, healthier working environment.

Employee Rights and Interests

SMIC strives to fully protect the rights and interests of employees in strict accordance with labor-related laws and regulations in the places where we operate, including:

- *Labor Law of the People's Republic of China*
- *Labor Contract Law of the People's Republic of China*
- *Employment Promotion Law of the People's Republic of China*
- *Law of the People's Republic of China on the Protection of Women's Rights and Interests*
- *Special Rules on the Labor Protection of Female Employees*
- *Law of the People's Republic of China on the Protection of Minors*
- *Trade Union Law of the People's Republic of China*

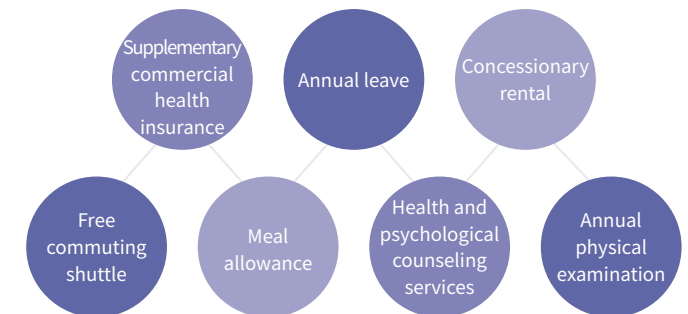
We have formulated and improved the following regulations for internal management:

- *SMIC Management Procedure of Labor and Human Rights Objectives*
- *SMIC Identification and Update Procedure of Labor and Human Rights Related Laws and Regulations*
- *SMIC Employment and Protection Procedure of International Juvenile Employees and Interns*
- *SMIC Risk Assessment and Prevention Procedure of Labor and Human Rights*
- *SMIC Internal Audit and Corrective Procedure of Labor and Human Rights*
- *SMIC Supplier Verification Procedure of Labor and Human Rights*

SMIC has established and implemented a labor rights and interest management system based on the *principles of Responsible Business Alliance (RBA)* and SA8000. After years of accumulation and summarization, this management system has become increasingly developed and sophisticated. We promise and guarantee to provide an equal, healthy and free working environment for all employees. During the Reporting Period, SMIC did not encounter any labor disputes.

Employee Welfare

SMIC has established a holistic benefits system for employees to provide them with comprehensive and multi-dimensional welfare such as sick leave, paid leave, and physical and mental health care. According to relevant national and local laws, pay social insurance such as pension, medical care, work-related injury, maternity, and unemployment for in-service employees.



SMIC Employee Welfare System

SMIC places a high value on the communication and exchange with employees. We have built various communication channels and feedback mechanisms for employees, enabling them to express their willingness and needs in different situations, and encouraging them to make suggestions for the development of the Company.

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Work Safety

SMIC adheres to the principle of "Production Safety is of Paramount Importance and Involves Heavy Responsibility", consistently prioritizes the occupational health and safety of its employees, creating and maintaining a safe, reliable and comfortable working environment, and commits to ensuring employees' well-being while promoting economic development. During the Reporting Period, we invested RMB 21,128 thousand in employees' work injury insurance, covering 100 % of employees.

Since its establishment, the Company has consistently adhered to international standards of ISO 45001 Occupational Health and Safety Management System in establishing an occupational health and safety management system. We have established a full-process and comprehensive risk identification, assessment, and control system, as well as rules and regulations, in accordance with the dual prevention mechanism of safety risk classification and control & hidden danger investigation and management, and the construction of safety standardization, to achieve the goal of eliminating hidden dangers, eliminating accidents, and building a healthy and safe working environment. In order to ensure the effective implementation of the relevant management system, we fully implement the safety production responsibility system for all employees in accordance with the principle of "three controls and three musts", so as to effectively manage and control employees' occupational health and safety risks.

During the Reporting Period, all mature operating facilities of the Company have obtained ISO 45001 Occupational Health and Safety Management System certification.

In order to enhance the safety awareness of employees, the Company conducts safety knowledge promotion through a combination of online E-Learning platform and on-site training, and strengthens safety publicity during incident cases to remind employees to pay attention to safety issues at all times. Over the past three years, there have been no work-related fatalities of the Company. During the Reporting Period, the Company recorded a total of 6 reportable injury incidents, with a work injury rate of approximately 0.03 per hundred employees.

During the Reporting Period

We invested

RMB **21,128** thousand

in employees' work injury
insurance

With a work injury rate of
approximately

0.03

per hundred employees

Safety Training and Drills

To ensure employee safety, the Company regularly completes the preparation and filing of safety emergency plans for each facility and continuously enhances employees' emergency response capabilities. The Company actively conducts safety trainings and emergency drills, such as training in safety expertise such as the use of personal protective equipment, the use of firefighting and emergency response equipment, and disaster response drills for fires, chemical spills, gas leaks, etc. At the same time, we conduct fab-wide evacuation drills twice per year, with the aim of raising the safety awareness of all employees and manufacturers, cultivating the evacuation ability of all employees, and familiarizing them with the evacuation routes and gathering points in all areas of each fab. Through these drills, the Company has identified problems and shortcomings, improved the evacuation process, and enhanced the evacuation awareness and ability of all employees and manufacturers. During the Reporting Period, SMIC conducted a total of 1,831 safety-related training sessions, covering 138,814 participants, and organized 793 emergency drills, involving 48,877 participants.



Emergency drill



Large-scale Fire Rescue Field Training



Smoke Evacuation Drill



"Search for Potential Safety Hazards" Campaign

In order to motivate employees to find hidden hazards, SMIC HSE Department implemented the campaign of "Search for Potential Safety Hazards". This program encourages all employees to eliminate potential safety hazards at work through instant incentives.

Under the joint implementation and promotion of all factories, 1,066 employees participated in the program in 2024, and reported 3,748 hidden hazards of various types and sizes on their own initiative. HSE Department selected excellent cases every month and uploaded a booklet to the Company's official website for easy access and study. Through the study of excellent cases, the employees have gradually transformed from "I am required to be safe" to "I want to be safe", and to "I am able to be safe".

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SMIC Safety Production Month

In June 2024, the Company launched a series of diverse and impactful safety activities centered around the theme of the 23rd National Safety Month, "Everyone Talks Safety, Everyone Can Respond—Ensuring Clear Pathways for Life". With a total participation of 77,584 person-times, the Company focused on the critical task of "ensuring clear pathways for life" by strengthening accountability and promoting a culture of safety through both online and offline initiatives. Activities included safety-themed environmental board games, legal scenario performances, safety singing competitions, speech contests, group movie screenings, and calligraphy and photography exhibitions, all of which fostered a strong safety culture.

To enhance emergency response capabilities, the Company emphasized comprehensive management measures in "human, technical, physical, and managerial defenses". Emergency rescue skills competitions were organized to strengthen teamwork and emergency response abilities. Additionally, the Company innovatively integrated VR technology into training, combining virtual accident simulations with emergency rescue exercises. This immersive approach allowed employees to learn risk identification and rescue methods in a realistic setting, significantly improving the effectiveness and engagement of the training.

While the Safety Month activities concluded successfully, the Company's commitment to safety remains unwavering. Adhering to the principles of "Safety First, Prevention Focused, Comprehensive Management", the Company will continue to uphold a mindset of "constant vigilance", further elevate safety awareness, solidify safety foundations, and improve safety systems, thereby building a robust safety line for the sustainability of the enterprise.



Emergency Safety Games



VR Experience

Prevention of Occupational Diseases

SMIC has always been concerned about the health and safety of its employees. According to the pro-visions of the *Law of the People's Republic of China on the Prevention and Control of Occupational Dis-eases*, employees exposed to occupational hazards are subjected to occupational general physical examination, while those not exposed to occupational hazards will accept general health screening once a year. During the Reporting Period, 6,043 employees underwent occupational general physical examination, realizing 100% coverage of the management of health monitoring files of employees undergoing occupational general physical examination.

Specialized Training Series for Chemical Burn Accidents and Treatments

The mandatory Chemical Burn Accidents and Treatments training series, organized by SMIC's health centers nationwide, is designed to enhance the emergency response capabilities of employees in positions exposed to corrosive chemicals such as acids and alkalis. Conducted in training classrooms from March to November 2024, the program combined offline and online lectures with hands-on demonstrations and online assessments. A total of 46 sessions were held, with 3,213 participants. Upon completion, employees gained a deeper understanding of the risks associated with chemical burns, mastered emergency response methods, procedures, and follow-up measures, and improved their theoretical and technical knowledge in handling chemical accidents. The program received unanimous praise from participants.



Safeguarding Employees' Physical Health

SMIC adheres to a people-oriented approach, prioritizes the physical and mental well-being of its employees and provides customized, integrated health management services including the new "Love Care Card" program. This program aims to address the urgent, challenging, anxious, and anticipated concerns of employees through tangible actions. Launched in April 2024, the "Love Care Card" program provides services such as expedited outpatient appointments, accompaniment for hospitalization, surgery, and medication procurement, as well as emergency assistance for core employees and their families. The service has received positive feedback from employees.

In 2024, a total of 259 on-site health promotion activities were carried out in all fabs, and 53 online or offline health education articles were published, with participation for over 10,322 person-times, with the aim of helping employees raise the self-awareness of health, providing positive guidance for employees, and emphasizing the importance of health for labor creation and a happy life. The activities covered themes such as "Caring for Women's Health", "Understanding and Preventing 'Four Highs' Risks", "Prevention First: Treating Before Illness and Enjoying the Future", and "Influenza Prevention: Ensuring Wellness for Everyone".

SMIC has established health centers at each fab, staffed with experienced medical personnel and equipped with adequate medical facilities. These centers provide free medical services and emergency assistance to employees, enabling the treatment of common ailments within the Company. In 2024, a total of 42,997 individuals received health assessments or consultations at these centers.

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Health Promotion Series on "Treating Before Illness and Enjoying the Future"

In the fast-paced modern life, health issues are increasingly becoming the focus of attention for working people. In response to the national "Healthy China" development strategy and in line with the Company's "people-oriented" development philosophy, the Shanghai and Shenzhen health management departments organized a series of health promotion activities in November 2024 under the theme "Prevention First: Treating Before Illness and Enjoying the Future". Through inviting famous doctors to hold health lectures for employees, on-site interactions, prize quizzes and other forms. The activity brought the wisdom of Chinese medicine into daily life, so that employees have a more in-depth understanding of Chinese medicine "treating the future disease" and pay more attention to their own dietary and living habits in the future to prevent the occurrence of diseases. The activity has been warmly welcomed by the vast number of employees and received unanimous praise.



Public Training on Cardiopulmonary Resuscitation (CPR) and ERT

From May to June 2024, the Company conducted the "2024 Work Safety Emergency First Aid Skills Enhancement", aiming to enhancing employees' emergency response capabilities by popularizing their knowledge of emergency care, CPR operation methods, AED use and other skills. During the Activity, all fabs made CPR a regular training program, and a total of 98 offline first-aid lectures were held, combining video playback and simulator practice with intelligent assessment, with a cumulative total of 3,374 participants. Additionally, a CPR competition was held in conjunction with the Safety Month, attracting 314 participants and effectively improving the emergency rescue ability of employees.



Emergency Equipment Configuration and Training

In 2024, SMIC added a total of 39 first aid kits, 159 chemical emergency boxes and 9 Automated External Defibrillators (AED) in all fabs. As of the end of the Reporting Period, a total of 211 first aid kits, 428 chemical emergency boxes and 36 AEDs were available in all fabs.

Red Cross Society Emergency Rescuer Training

In order to enhance the first aid awareness and rescue ability of our employees, in June 2024, we invited the Red Cross Society to conduct a training program for our employees, which included an introduction to the Red Cross movement and rescue, trauma rescue and practical exercises. A total of 333 employees participated in this activity and passed the examination, obtaining the Red Cross First Aid Certificate (Junior), which significantly improved the emergency rescue ability of the employees and provided a strong guarantee for the safe production of the fabs.



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Caring for Psychological Health

SMIC pays great attention to the psychological health of our employees and continuously assists them in building up their psychological health. With 7 psychological counseling rooms, 3 psychological activity rooms, and 1 featured psychological reading room, the Company has carried out a series of online and on-site activities and provided training to help employees learn psychological health knowledge and improve their personal ability of psychological adjustment.

In addition, the Company has also provided annual "psychological examination" to help employees understand their psychological status and advantages through psychological tests. In 2024, the number of participating employees reached 5,438, which plays a role in "early prevention, early detection, and early intervention" for potential psychological risks.

The Company actively promotes a mental health culture by consistently publishing a mental health magazine named "Voice of the Mind" on the event bulletin board of the official website monthly. This magazine attracts significant attention from employees. The Company's internal network platform includes a specialized column called "Psychological Assessment and Health", which has published 87 psychological articles throughout the year, effectively helping employees understand their own psychological state and prevent psychological risks.

"Creating a Happy World With Heart" Mental Health Month Campaign



From October to November 2024, we organized the mental health month campaign titled "Explore Your Positive Self, Creating a Happy World With Heart", which included 21 activities such as the prize-winning mental health knowledge quiz, engaging group psychological salons incorporating OH cards, dancing, clay creation, painting, and other expressive art forms, lectures by psychology experts, expert clinics, and more, with a total of more than 5,700 people participated. The campaign aimed to help employees improve their mood and sense of well-being through more creative and participatory forms centered on the "sense of happiness", which in turn improves work efficiency, promotes teamwork, and jointly creates a positive working atmosphere.

Organized

21 mental health month campaigns

With a total of more than

5,700 people participated

Psychological Health Training

As of December 9, the Psychological Care Department has organized 59 on-site mental health training sessions and 46 various interesting group salons (in the forms of reading activities, OH card group salons, sand tray group salons, meditation relaxation groups, mindfulness salons, grief counseling groups, among others), with a total of 3,613 participants. We conduct various kinds of expert lectures, such as:

- To facilitate prompt identification of employee psychological issues by managers and ensure timely provision of support, we conducted a training program titled "Identification and Response to Common Psychological Problems in the Workplace";
- For employees with children's education problems, we conducted "Making Family Life Lively - Common Psychological Problems in Adolescence and Positive Psychological Perspective Response", "Understanding Children Can Help Children";
- For today's common anxiety problems, we conducted "the Spiritual Void in the Age of Anxiety - How to Find the True Meaning of Life lecture".

In 2024,

the Psychological Care Department has organized

59

on-site mental health training sessions



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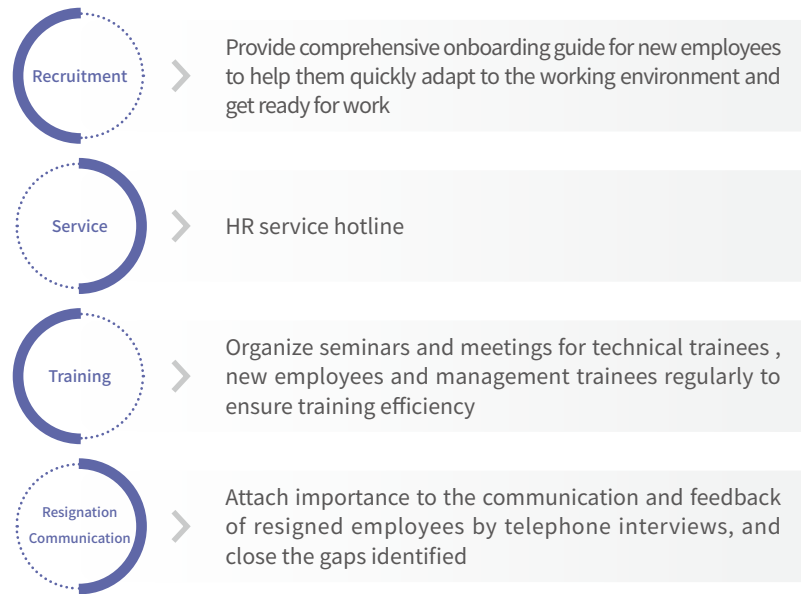
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Caring for Employees

SMIC always prioritizes employees' well-being in its corporate development strategy. We have constructed an efficient employee communication mechanism, launched regular employee condolence and welfare programs, and continuously optimized the living facilities and conditions of our employees, to express our deep concern for our employees through practical actions. We also carefully plan and organize various kinds of cultural and sports activities, aiming at enriching employees' leisure life and promoting team cohesion.

Communication with Employees

SMIC places a high value on the communication with employees. We have built various communication channels and feedback mechanisms for employees, enabling them to express their willingness and needs in different situations, and encouraging them to make suggestions for the development of the Company.

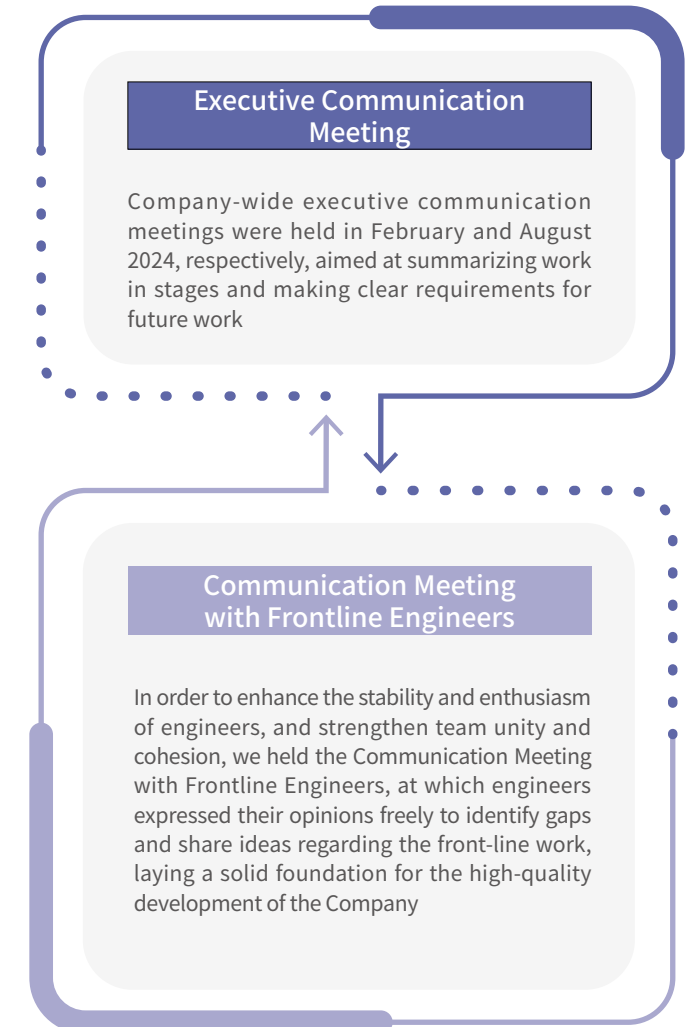


Communication Channels for Employees in Different Contexts



Different Types of Communication Meetings

During the Reporting Period, SMIC held several meetings to communicate with different types of staff:



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Solicitude Benefits

SMIC effectively implements national laws and regulations, establishes Labor Unions and related management systems, and ensures employees' rights to participate in democratic management and supervision. During the Reporting Period, the labor union organized several caring activities, such as Solicitudes at New Year's Eve, Women's Care, and Sending Coolness in Summer, which enhanced employees' sense of belonging and happiness.

Solicitudes at New Year's Eve

On the night of 2024 New Year's Eve, SMIC Labor Union held activities in all fabs. We organized luck draw and other activities for the staff on duty to express our sincerest New Year blessings on behalf of the Company.



Sending Coolness in Summer

Because of frequent high temperature warnings in the summer of 2024, the Company's management team attached great importance to summer production safety, especially employee health. In active response to the notice and call of the municipal labor union and for effective heatstroke prevention and cooling, SMIC Labor Union carried out "sending coolness" activities for frontline employees who work outdoors in hot weather, conveying care and ensuring a safe and healthy summer life for employees.



Women's Care

On Women's Day 2024, the SMIC Labor Union organized "Caring for Female Employees - Gathering Women's Strength - Goddess Day Series Activities", prepared exquisite gifts and flowers for all female employees, held several women's themed courses and lectures, and carried out the selection and recognition of advanced female employees to express care and blessings in all aspects, enhancing the happiness and sense of belonging of female employees.



Recreational and Sports Activities

SMIC cares about the life of employees, builds a platform for employees to showcase their talents, organizes various recreational and sports activities to enrich the leisure life of employees and harmonize labor-management relations.

Ball Games

In order to enrich the leisure life of employees and further enhance team cohesion and cooperation, a series of sports events were organized at various locations, including table tennis, badminton, basketball, soccer, and billiards, attracting a total of nearly 2,000 employees to participate. These events allowed employees to use the platform to strengthen their physical fitness, enhance friendship, strengthen communication, and improve cohesion, thus helping to build a more harmonious and united SMIC family.



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Choral Performance and Theme Speech Contest in Celebration of the 75th Anniversary of the Founding of the People's Republic of China at SMIC

On September 20, 2024, in celebration of the 75th anniversary of the founding of the People's Republic of China, "Advancing in the Core Journey, Casting New Chapters Together--Choral Performance and Theme Speech Contest in Celebration of the 75th Anniversary of the Founding of the People's Republic of China at SMIC" was grandly held at the Shanghai headquarters. Hundreds of employees from all fabs performed on stage, and executives from all levels of the Company were invited to attend and witness the event, in order to better unite SMIC's strength, show the unity and spirit of all organizations, and help the Company achieve its overall development goal.



Festive Activities

Labor Unions in various regions organized a number of festive activities, including lantern riddles for the Lantern Festival, lectures on the theme of the Goddess Day, and intangible culture heritage handicraft classes for the Secretary's Day and Dragon Boat Festival, to have fun, unite and cohesively celebrate the festive season with employees.



The Voice of SMIC

To mark the significant milestones of the 103rd anniversary of the founding of the Communist Party of China, the 75th anniversary of the founding of the People's Republic of China, and the 20th anniversary of the founding of SMIC Tianjin, SMIC Tianjin's Labor Union organized a "My Chinese Heart" singing event. This event aimed to enrich the cultural and sports activities of employees while encouraging employees to vocalize their patriotism through red songs, thereby inspiring them to be more passionate, energetic, and motivated.



Series of Activities Themed on Finding the New Masters

In order to effectively increase the communication and interaction among employees of various departments, establish a good teamwork spirit, and enhance the internal cohesion and centripetal force of the enterprise, the Labor Union of SMIC Shenzhen organized a series of activities themed on finding various masters, which included singing contests, talent contests, knowledge contests, game contests, etc. During the Reporting Period, a total of 1,032 people participated in the contests and 79 prizes were awarded. This series of activities enriched the working life of employees, released their work pressure and stimulated their enthusiasm.



Family Day and Employee Carnival

SMIC Labor Union Shenzhen and Tianjin regularly hold Corporate Family Day every year, warmly inviting the family members of our employees to come to SMIC and experience the warm atmosphere of the Company.



Living Facilities

SMIC actively practices the core philosophy of "Building a fab is also building a home" and is committed to creating an all-round environment for employees to work efficiently and live happily. In order to achieve this goal, the Company comprehensively considers the living needs of employees in all aspects, provides comfortable living quarters, delicious canteen meals and free commuting shuttle buses, and continuously improves the quality of life of employees.

Living Quarter

Tianjin Living Quarter

Tianjin Living Quarter has 176 apartments and 225 dormitories. The dormitories are equipped with facilities such as beds with tables, air conditioners, independent bathrooms, while the common areas are equipped with refrigerators, washing machines, drinking fountains, and centralized heating is provided in winter. Meanwhile, in order to meet the accommodation needs of specific employees, the Company rented the group dormitory and the engineer dormitory of Huizhi Center.



Shenzhen Living Quarter

The Shenzhen Living Quarter has 1,090 apartments. In addition, there are also 840-bed group dormitory, currently housing 606 people. The internal facilities of the group dormitory are fully equipped, including beds with tables, closets, chairs, air-conditioners, electric water heaters, electromagnetic stoves, range hoods, toilets, videophones and electronic fingerprint locks.



Shanghai Living Quarter

Shanghai Living Quarter has 2,404 apartments. In addition, the Manufacturing Assistant Dormitory offers 1,270 beds, while the Engineer Dormitory has 2,301 beds. Each housing unit in the apartments and engineers' dormitories in the Shanghai Living Quarter is equipped with independent toilet and bathroom, while the Manufacturing Assistant Dormitory area is specially equipped with a public self-service laundry room to meet the laundry needs of employees.

We have meticulously developed Lingang Living Quarter, offering 408 housing units for our employees, including apartments, single rooms, and double rooms to cater to diverse living preferences. Each unit is outfitted with modern amenities such as central air conditioning, underfloor heating, and gas systems. Additionally, dormitories are furnished with tailored essentials, including bedding, desks, chairs, curtains, and wardrobes, ensuring a comfortable and convenient living experience for employees.



Beijing Living Quarter

SMIC Beijing Garden Apartments provides diversified housing solutions for our employees, with 367 apartments, 371 single apartments, and 1,957 beds in group dormitory. In order to meet the accommodation needs of more grassroots employees, the Company rented group dormitory with a total of 2,343 beds, and 1,985 people moved in. Meanwhile, in order to solve the housing problem of employees with families, 43 white-collar apartments and 52 public housing units were leased in 2024, totaling 95 housing units for employees and their families.



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Dining Management

SMIC has set up canteens of varying scales according to the number and demands of employees in different fabs and monthly catering subsidies are provided for employees to improve their dining quality. At the same time, the Company makes continuous efforts to optimize the supervision and inspection mechanism to ensure that the canteen contractor provides high-quality services as well as healthy and safe food to our employees, and comprehensively guarantee the quality and experience of employees' dining.

SMOC Takes Multiple Steps to Improve Dining Experience

Constantly Adding New Dishes

A new coffee bar and buffet area were built, and 12 stalls were opened. The restaurant serves breakfast with 42 dishes, lunch 69, dinner 44, night snacks 8, and early-breakfast 15 every day.

Continuously Improving Service Level

Since the beginning of 2024, a total of 48 training sessions have been organized for restaurant staff, with 1,200 individuals participating. The training mainly covered service standards, personal safety, fire safety management, food safety control, and product enhancement. Consequently, the service awareness and professional skills of restaurant staff have progressively enhanced, resulting in an average annual catering satisfaction score exceeding 4.0 points (on a 5-point scale).



Strengthening Food Safety and Hygiene Management

We strictly enforce the food safety management system by conducting regular traceability checks on ingredients, strictly overseeing ingredient procurement channels, and ensuring the freshness and high quality of all ingredients. Additionally, we enhance kitchen and restaurant hygiene management through routine cleaning and disinfection procedures, and promptly complete annual cleaning and maintenance tasks for flue ducts and hoods.

Increasing Interaction Between the Restaurant and Employees

12 Canteen Committee meetings were held throughout the year, collecting a total of 288 opinions and suggestions from employees; a catering service group was established, 500 employees gave timely feedback on the food and beverage situation and made suggestions. The General Affairs Department combined with actual conditions to supervise catering company to optimize and rectify.

12 Canteen Committee meetings

were held throughout the year

288 opinions and suggestions

were collected from employees

Successfully Holding Food Festival Activities

The restaurant held "Snack Food Festival" and "Winter Warm Heart Food Festival" activities, such as handmade DIY mooncakes and tangyuan, 180 people participated in the DIY activities, and more than 700 employees participated in the food festival, which was highly praised by the staff.

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Catering Enhancement at SMIC Shanghai

In 2024, in accordance with the annual work objectives and KPI assessment indicators, the Shanghai Catering Team achieved significant improvements in restaurant hardware facilities, management enhancements, and meal quality, while ensuring food safety and kitchen fire safety controls (with no safety incidents throughout the year).

• Kitchen Safety Improvements

Introduced new technological prevention systems: Three kitchens installed early warning systems for unattended cooking in May, achieving early warnings for unattended cooking from a systemic perspective. Meanwhile, constant-temperature electric frying pans were introduced, limiting frying operations to these pans to prevent open flames due to excessively high oil temperatures.

Enhanced management measures: After each meal, each restaurant conducted kitchen fire shut-off inspections and reported the results to ensure that fires were extinguished when personnel left. An additional dedicated safety officer was added to the night shift to strengthen kitchen fire safety during nighttime and food hygiene inspections.

• Food Hygiene Assurance

Each restaurant had a dedicated food safety officer fully responsible for food safety. Additionally, catering vendors were required to strictly control the quality of incoming ingredients, reporting daily with purchase receipts and inspection and quarantine certificates, which were subject to spot checks by restaurant safety officers (pesticide residues and quarantine compliance reached 100%). Furthermore, catering companies were strictly required to adhere to food processing norms, including ingredient acceptance, soaking, cleaning, cutting, and processing. In terms of food hygiene testing, the Catering Team arranged for third-party units to conduct door-to-door sampling inspections of 63 food samples per month and arranged 12 spot checks of tableware cleanliness, totaling 360 pieces, actively screening for hygiene issues, identifying weak links, and strengthening food hygiene control efforts.

• Catering Quality Enhancement

Throughout the year, two kitchen hardware facility upgrades were completed (adding a new self-service weighing station and a new roasted meat station), 16 new product series were introduced successively, and 10 large-scale food festivals were held regularly, with a total of 7,200 people tasting various delicacies. Popular dishes were added to the menu, further enriching the supply variety.



Shuttle Buses

In order to effectively address the transportation and commuting needs of employees, SMIC has set up shuttle bus lines between fabs and living quarters, which comprehensively cover the main living areas and workplaces, and provide employees with efficient, convenient, and safe shuttle services.

Listen to Employee Suggestions and Optimize Shuttle Bus Services

To further optimize the shuttle bus service, we actively conducted employee shuttle bus satisfaction surveys, collected employee suggestions, adjusted the shuttle schedules and optimized the number of trips to enhance employee satisfaction.

During the Reporting Period, we achieved employee shuttle satisfaction ratings of 4.91 points (on a 5-point scale).



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While pursuing business development, SMIC actively fulfills social responsibility. We invite our employees to actively participate in social welfare programs to convey our love and warm to the society with love. During the Reporting Period, approximately 20,000 person-times of SMIC participated in public benefit activities, involving a total of nearly 24,630 hours.

- ◆ Caring for Others and Warming Their Lives
- ◆ Educating to Foster Future Generations



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Caring for Others and Warming Their Lives

As a responsible company, SMIC always actively fulfills its social responsibilities by giving back to the society with heart while leading the industry in technological progress and industrial upgrading. We understand that our growth cannot be achieved without the support of society, and we are committed to spreading this goodness to more people in need. In 2024, we will continue to increase our investment in medical assistance and donations to contribute to the harmonious development of society.



Medical Assistance

SMIC always cares for the well-being of teenagers. We have initiated a number of philanthropic healthcare programs to bring hope to more young patients.

SMIC Liver Transplant Program for Children

SMIC adheres to the philosophy of people-oriented and "given back to society with love". From April 2013, SMIC launched the "SMIC Liver Transplant Program for Children" (SLTPC) with China Soong Ching Ling Foundation and Shanghai Renji Hospital, which is used to support impoverished end-stage liver disease children in accepting liver transplantation surgery. To date, with the joint efforts of all parties, the program has made significant progress and successfully transformed into a philanthropy brand jointly attended by employees, enterprises in the integrated circuit industry chain, and caring individuals from all walks of life. During the Reporting Period, the "Core Liver Baby Program" joined hands with over 2,000 employees to donate a total of 2.438 million yuan to the project. The amount of employee donations reached a new high in history. A total of 106 partner companies actively responded, raising 3.214 million yuan.

In 2024, the SLTPC donated a total of

5.652 million yuan

As of the end of the Reporting Period,

the SLTPC has donated nearly

50 million yuan

Helping

943 children in need



SMIC held the 12th Donation Ceremony of "SMIC Liver Transplant Program for Children"

On the afternoon of September 26, 2024, the 12th Donation Ceremony of "SMIC Liver Transplant Program for Children" was held at Shanghai Renji Hospital. Dr. Liu Xunfeng, Chairman of SMIC, Professor Xia Qiang, President of Shanghai Renji Hospital, and Ms. Liu Ying, Deputy Director of the Fund Department of the China Soong Ching Ling Foundation attended the donation ceremony and delivered speeches. At the ceremony, parents of assisted children presented small gifts to SMIC and representatives of caring enterprises to express their deep gratitude to the community.



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Charitable Donations

As a socially responsible enterprise, SMIC actively carries out charitable donation projects, sharing the benefits of development with the society. We have always been caring for the underprivileged, and have always passed on more warmth.

Rural Revitalization

We actively respond to the strategy of rural revitalization and pay attention to the welfare of education in remote areas. We donate computer equipment to schools in towns and villages in order to raise the level of education in remote areas and to promote positive interaction between education and the countryside and joint development.

Charitable Donation to Village and Town Schools

In 2024, SMIC actively responded to the rural revitalization strategy by donating 100 computer units and 100 monitors to Yuantou Village Primary School and Tangtianshi Town Middle School in Shaoyang, Hunan Province. This donation aims to enhance the informatization teaching conditions in rural schools, promoting educational equity and quality improvement. By providing advanced hardware equipment, we have opened the door to the digital world for rural students, igniting their interest in learning and unleashing their innovative potential.



Other Charitable Donations Projects

SMIC encourages employees to donation blood every year to contribute to society and enhance their sense of social responsibility. In addition, we always uphold the concept of "Corporate Citizenship", and actively advocate and encourage our employees to incorporate the sense of public welfare into their daily lives, and participate in the clean-up of garbage on beaches and riverbanks.

SMIC Shanghai Conducts Blood Donation Activity

In 2024, SMIC Shanghai successfully held the 21st annual employee blood donation activity. With the strong support of the Company's leadership and the enthusiasm of the employees, a total of 221 employees participated in the blood donation activity, among which 8 people donated up to 400ml, and the total blood donation amounted to 45,800 ml. We empower lives, spreading love and responsibility.



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Educating to Foster Future Generations

In addition to its own development, SMIC doesn't forget to give back to the society. We have been deeply engaging in the field of education, actively established schools, and dedicated to cultivating and reserving young talents for the country. SMIC School continues to optimize curriculum design, improve teaching quality, deepen teaching research, explore teaching innovation, and provide students with an excellent development platform. We are committed to research and practical innovation in teaching, working with famous schools to broaden students' horizons, and setting up generous scholarships to help students realize their dreams of the future. Since its establishment, SMIC School has cultivated numerous outstanding talents. Looking forward, we will continue to dedicate ourselves to the education cause and bring benefits to society.

Shanghai SMIC Private School

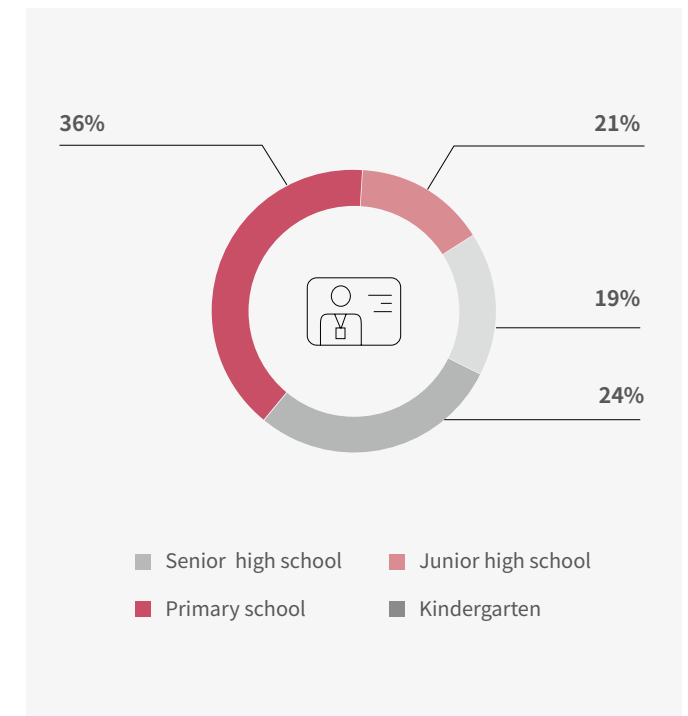
School Overview

Founded in September 2001, Shanghai SMIC Private School has developed into a 15-year system private school integrating education from kindergarten to high school. Adhering to the people-oriented principle, Shanghai SMIC Private School believes that every student is endowed with great potential and entrusted with important responsibilities. Therefore, the School attaches great importance to the personality development of students and provides them with a wide variety of extracurricular activities to help them explore their own specialties.

Over the past years, the School has been awarded many honors, such as "National Excellent Private Primary and Secondary School", "Featured National Demonstrative School", "Featured National Advanced School", "Featured Project School", and "King Lead China International School Practitioner on Teenager Research". Through unremitting efforts of generations of "SMIC people", SMIC School has become a high-quality private school recognized by the government, satisfied by society, loved by students, and trusted by parents.

During the Reporting Period, we had a total of 518 teachers, of which 19% were senior high school teachers, 21% were junior high school teachers, 36% were primary school teachers and 24% were kindergarten teachers. Among them, foreign teachers accounted for 27% of the total number of faculty and staff.

As of the end of the Reporting Period, the distribution number of faculty and staff:



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Cultivating Students with SMIC Philosophy

Since its establishment, Shanghai SMIC Private School has set the philosophy of "Character First, Pursuit of Excellence, Caring for the World, Happy Growth" to cultivate talents with high moral character, outstanding ability, international vision and positive life attitude. Through unremitting efforts of generations of "SMIC people", SMIC School has become a high-quality private school recognized by society.

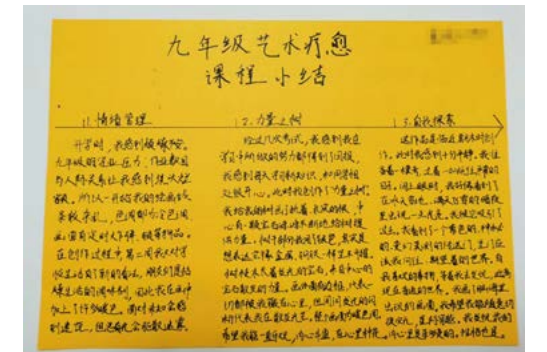
Walking Into the Museum: Starting an Aesthetic Journey

On November 29, 2024, the Chinese Department of the primary school launched a "Walking Into the Museum" program. We abandoned the traditional lecturing method and led students out of the limitations of books, allowing them to immerse themselves in the museum exhibition halls for an immersive real-life experience and to wander through the wonderful world where knowledge and humanities intertwine. In the organic integration of "learning" and "travelling", the "Walking Into the Museum" program released its unique educational value, and also increased students' aesthetic experience and activated their deep cultural confidence.



Interdisciplinary Integration: Art Therapy Program

Our junior high school opened an emerging interdisciplinary course - the Art Therapy Program which skillfully combines art and psychology to help students create artwork that reveals their deepest emotions and confusion through non-verbal expression. The program helps students vent and express their inner emotions by creating visual artworks using different media. It helps students grow through creating, writing, sharing and giving feedback.



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Awards and Honors Shanghai SMIC Private School Received in 2024



2024 King Lead Top International Schools in China
with Math and Science Features



2024 King Lead Top 100 List of China International
Schools by Innovative Competitiveness



2024 Outstanding
Organization Award
for Shared Curriculum
Experience in Zhangjiang
School District

2024 Outstanding Organization
Award of Zhangjiang School
District Teachers' Essay
Exchange Exhibition and
Competition

In order to promote the all-round development of students, we carefully carried out a series of recreational, sports, and public benefit activities for students to help them grow in all aspects.

Joyful Athletics: Fun Games for Primary and Junior High School Students

In October 2024, the Fun Games of junior high school and primary school were held in turn. The students actively and enthusiastically participated and showed their youthful style on the field. This Fun Game not only promoted the construction of school sports culture, but also enabled students to enhance their physical fitness and sharpen their will in competition, and cohesion of team strength and friendship through class competitions, which filled the whole campus with vigor and passion.



Bookish Journey: Reading Week Activities

In September 2024, the annual Reading Week of the Primary School was formally started. From "Reading and Traveling China Day" to "Lighting Up Reading Day", then to "Exploring Reading Day" and "Wonderful Vocabulary Show", each day had different themed in-depth situational activities, allowing children to immerse themselves in the joy of reading and stimulating their love for reading.



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Exploring Science and Technology: Engineering Day

In December 2024, the 4th and 5th grade students from the International and Chinese Departments jointly organized the Engineering Day. During the activity, the students were given two challenging tasks: "Building a Dome" and "Bridge Making". The children gave full play to their creativity in the collision of ideas, discovered problems through practical exploration, and strengthened the connection between knowledge learning and social practice.



Passing on the Love: Charity Bazaar

We have been organizing the Charitable Bazaar since 2004. This year, with the theme of "Heart to Heart, Love to Follow", we invited teachers, students and parents from all departments of the school to participate actively. Through this activity, we raised money and donated it to "Shanghai CEDAR Charity Foundation and Zhejiang Xin Hua Compassion Education Foundation". These funds would be used to sponsor three teachers, providing them with teaching and living support to ensure that children in remote areas can enjoy quality classes. At the same time, we also sponsored 18 "pearl students" who have difficulties in their families but are excellent in their studies, providing them with three years of high school living expense subsidies to help them get out of the mountains, return to school and move towards the future.



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Beijing SMIC Private School

School Overview

Founded in September 2005, Beijing SMIC Private School is located in the Yizhuang New City of Beijing Economic-Technological Development Zone. With over 3,000 teachers and students from 19 countries and regions, it has a diverse cultural atmosphere and an international educational platform.

Over the past 19 years, the school has provided education for students according to the educational philosophy of "Character First, Pursuit of Excellence, Caring for the World, Happy Growth", with "bilingual and bicultural, small classes and personalized services" as its distinctive features. With the mission of "working together with families and communities to create an educational environment suitable for students' lifelong learning and development, and to cultivate leaders who will walk freely in the world of the future", the school has successfully walked out of the road of personalized, differentiated, distinctive, and internationalized development, and has been providing reputable quality educational resources for the families in the Economic-Technological Development Zone and even in the surrounding areas. During the Reporting Period, the school had a total of 416 teachers, of which 9% were senior high school teachers, 10% were junior high school teachers, 42% were primary school teachers, and 39% were kindergarten teachers. Foreign teachers accounted for 17% of the total number of faculty and staff.



Caring for Our Students

Upholding the educational philosophy of "cultivating key abilities, promoting comprehensive development, and able to walk freely in the future world", Beijing SMIC Private School helps students explore the joy of learning and find their future growth direction.

In 2024, Beijing SMIC Private School achieved great results in many competitions.

The 10th Beijing-Tianjin-Hebei Middle and Primary School Students Debate Competition

After winning the 6th Beijing Middle and Primary School Debate Competition in 2023, the debate team of Beijing SMIC Private School took part in the 10th Beijing-Tianjin-Hebei Middle and Primary School Students Debate Competition on July 23 and 24, 2024. From July 28 to August 2, 2024, 17 students from the school formed two teams to participate in the National Middle and Primary School Debate Competition, and won the Best Breakthrough Award and the Judge's Recommendation Award, and 6 people won the "Best Debater" respectively.



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The 3rd Athletic Games of the Economic-Technological Development Zone

In September 2024, Beijing SMIC Private School's primary and middle school teams won the first and third place in the total team score at the Third Athletic Games of the Economic-Technological Development Zone. The school's cheerleading team, girls' football team and volleyball team all won the championship in the Games.



The 4th Student Art Festival Drama Showcase of the Economic-Technological Development Zone

In September 2024, the "Chinese Young Boys" performed by the recitation and hosting club of Beijing SMIC Private School won the gold medal in the 4th Student Art Festival Drama Showcase of the Economic-Technological Development Zone.



Beijing Middle and Primary School Students' Badminton Competition

In the 2024 Beijing Middle and Primary School Students' Badminton Competition, Beijing SMIC Private School Badminton Team won the

"Dong Jiong Cup"
again.



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We deeply understand that the key to students' all-round development lies in a diversified growth environment. Therefore, we create a diversified cultural and sports atmosphere to help students achieve all-round development of morality, intelligence, physical, aesthetics and skills.

"Gratitude Blooms, Love Spreads Everywhere" Charity Event

In December 2024, Beijing SMIC Private School held its annual large-scale charity event "Gratitude Blooms, Love Spreads Everywhere". During the event, thousands of people from more than 600 families of Beijing SMIC Private School gathered in Nanhaizi Park to complete a 3.5-kilometer charity run. Primary school students went into malls and middle school students went into enterprises for charity sales. The charity performance was wonderful, with nearly 70 different types of performances including dances, performance songs, musicals, group comedies.

By the evening of the charity had performance, the teachers and students of Beijing SMIC Private School had raised nearly RMB 180,000 through charity runs, charity sales, and charity performances. These funds would be donated to "Beijing Zhishan Medical Assistance Family" to help families of children with serious illnesses who come to Beijing for medical treatment.

The teachers and students of
Beijing SMIC Private School
raised nearly

RMB **180,000**

through charity runs



"Writing a New Chapter for the Prosperous Renaissance, and Making China Stronger with Young People" Interdisciplinary Integration Activity

From October to November 2024, Beijing SMIC Private School organized a subject integration activity with the theme of "Writing a New Chapter for the Prosperous Renaissance, and Making China Stronger with Young People", which was cleverly integrated with the annual "I Love My Home" Creative Design Competition. Through this activity, students deeply realized the importance of conserving resources, protecting nature, coexisting harmoniously with nature, and building an eco-friendly civilization. The students actively participated in the practice of "Strong Country with Me" in a unique way, while the unique role of art in "Life Moral Education" was also fully demonstrated. For this purpose, the school specially built a Creative Competition Platform, aiming to promote students to shape "a better me", build "a better home", and create "a better world" in the process of mutual learning and communication.



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About this Report

Introduction

This is the Annual Environmental, Social and Governance (ESG) Report (hereinafter referred to as "This Report") released by Semiconductor Manufacturing International Corporation (hereinafter referred to as "SMIC", "the Group", "we" or "the Company"). This Report discloses the ESG performance of SMIC in 2024 on the principles of openness and transparency.

Reference Standards

This Report is prepared in accordance with the *Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange, Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* and the *Guide No.4 for Self-Regulatory Supervision on Listed Companies of the Shanghai Stock Exchange—Compilation of Sustainable Development Reports (Draft for Comments)*, the *Environmental, Social, and Governance ("ESG") Reporting Guide* contained in Appendix C2 of the *Listing Rules of the Stock Exchange* issued by the Stock Exchange of Hong Kong Limited and relevant provisions based on principles of materiality, quantitative, balance and consistency, with appropriate reference to the *Global Reporting Initiative (GRI) Sustainability Reporting Standards* (GRI Standards), the *Guidelines for the Preparation of Social Responsibility Reports for Chinese Enterprises* (CASS-ESG 5.0) issued by the Academic Division of Economics of the Chinese Academy of Social Sciences, the *Corporate Social Responsibility (CSR) Guide for China's Industrial Enterprises and Industrial Associations* of the China Federation of Industrial Economics (CFIE), the *Guidance on Social Responsibility of Information and Communication Technology Industry* (SJ/T 16000-2016) of China Electronics Standardization Association (CESA) and the main principles of the *Guidance on Social Responsibility* (ISO 26000:2010) by the International Organization for Standardization (ISO).

Reporting Scope

The Reporting Scope of this Report covers Semiconductor Manufacturing International Corporation and its subsidiaries which is consistent with the scope of the Annual Report. For ease of expression, the "country", "domestic", "Chinese Mainland" and "the government" in this Report refer to the People's Republic of China and its administrative organs.

Reporting Period

The Reporting Period of this Report is from January 1, 2024, to December 31, 2024. To make this Report more readily understandable, some content and data can be traced back to prior and/or subsequent years.

Description of Report Preparation and Data Source

Members of the ESG Committee served as editors for this Report, while each functional department provided ESG-related business information and data. The Company's ESG Office collected and edited the data, which was then reviewed and con-firmed by members of the ESG Committee. The financial data quoted in this Report are sourced from the 2024 consolidated financial statements, which have been independently audited by Ernst & Young Hua Ming LLP. Other information and data are mainly from relevant internal statistical reports or documents of the Company. Unless otherwise specified, the currency amounts of financial statements data included in this Report are measured in USD, while the currency amounts of non-financial statements data included in this Report are denominated in CNY.

Release Cycle

This Report is an annual report, which is usually re-leased in the first quarter of the year subsequent to the reported year.

Confirmation and Approval

After being confirmed by the Management, this Report was confirmed by the management and ap-proved by the Board of Directors on Mar 27th, 2025.

Report Release

This Report is released in both paper and electronic editions in Chinese (simplified and traditional) and English. To browse the electronic version of this Report, please visit the website of Semiconductor Manufacturing International Corporation.

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Summary of ESG Performance

Performance indicators		Unit	Figure		
			2022	2023	2024
Economic	Revenue	Billion USD	7.27	6.32	8.03
	Net profit attributable to shareholders of listed company	Billion USD	1.82	0.90	0.49
	R&D expenses	Billion USD	0.73	0.71	0.77
Social	Number of employees	Person	21,619	20,223	19,186
	Proportion of female employees	%	36	37	35
	Labor contract signing rate	%	100	100	100
	Employee training coverage rate	%	100	100	100
	The average training hours completed per employee	Hour	39	31	41
	Number of work-related fatalities occurred in the past three years	Person	0	0	0
	Lost days due to work injury	Day	232	447	122
	Annual number of new occupational diseases	Case	0	0	0
	Cumulative number of occupational diseases	Case	0	0	0
	Time of safety trainings	Time	930	1,178	1,831
	Number of safety training participants Safety training	Person-time	92,666	118,406	138,814
	Number of safety production accidents (according to national standards)	Time	0	0	0
	The amount of work-related injury insurance invested ²	Thousand RMB	/	/	21,128
	Employee volunteer hours	Hour	40,987	24,640	24,630
	Cumulative number of patents applied	Piece	18,799	19,443	20,108
	Accumulative number of patents granted	Piece	12,869	13,450	13,964

Performance indicators		Unit	Figure		
			2022	2023	2024
Environmental	Total wastewater discharge	10,000 tons	1,977.28	2,171.23	2,671.29
	Total volume of air emissions	10,000 m ³	6,247,676	8,248,471	8,491,497
	Total volume of sulfur dioxide emissions	Ton	113	172	234
	Total volume of sulfur dioxide	Ton	14	15	38
	Volatile organic compounds	Ton	36	40	50
	Total GHG emissions	Ton of CO ₂ e	2,558,421	2,607,939	3,009,944
	Total direct emissions (Scope 1)	Ton of CO ₂ e	823,838	843,517	823,765
	Total indirect emissions (Scope 2)	Ton of CO ₂ e	1,734,583	1,764,422	2,186,179
	Hazardous waste	Ton	58,268	67,529	94,876
	General industrial solid waste	Ton	46,141	57,059	72,579
	Domestic Waste	Ton	2,075	4,184	3,854
	Total electricity consumption	Million kilowatt hours	2,869	3,194	4,065
	Total natural gas consumption	1,000 m ³	19,418	21,930	23,986
	Total steam consumption	Kiloton	302	273	282
	Total water consumption	Kiloton	24,713	26,932	31,946
	Total amount of packaging materials used for finished products	Ton	521	339	343
	Intensity of packaging materials used for finished products	kilogram / million USD	7.72	5.36	4.27
	Times for environmental protection training	Time	69	103	137
	Number of participants in environmental training	Person-time	12,661	28,111	30,069
	Passing rate for ISO 14001 certification	%	100	100	100

² This performance indicator has been newly introduced for the current year.



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Index of Indicators

HKEX Environmental, Social and Governance Reporting Guide

ESG KPIs			Disclosure Paragraph
Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Embarking on a New Journey in Climate Action and Low-Carbon Development
	KPI A1.1	The types of emissions and respective emissions data.	Embarking on a New Journey in Climate Action and Low-Carbon Development Safeguarding the Environment for a Greener Future
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Embarking on a New Journey in Climate Action and Low-Carbon Development
	KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Safeguarding the Environment for a Greener Future
	KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Safeguarding the Environment for a Greener Future
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	Safeguarding the Environment for a Greener Future
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Safeguarding the Environment for a Greener Future
	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Safeguarding the Environment for a Greener Future
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Embarking on a New Journey in Climate Action and Low-Carbon Development
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Safeguarding the Environment for a Greener Future
A2: Use of Resources	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Embarking on a New Journey in Climate Action and Low-Carbon Development
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Safeguarding the Environment for a Greener Future
	KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced	Summary of ESG Performance

ESG KPIs			Disclosure Paragraph
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources	Safeguarding the Environment for a Greener Future
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Safeguarding the Environment for a Greener Future
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	Embarking on a New Journey in Climate Action and Low-Carbon Development
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Embarking on a New Journey in Climate Action and Low-Carbon Development
Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Attracting Top Talents and Empowering Their Growth
	KPI B1.1	Total workforce by gender, employment type, age group and geo-graphical region	Attracting Top Talents and Empowering Their Growth
	KPI B1.2	Employee turnover rate by gender, age group and geographical region	Attracting Top Talents and Empowering Their Growth
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Protecting Rights and Interests with People Orientation
B2: Health and Safety	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Summary of ESG Performance
	KPI B2.2	Lost days due to work injury	Summary of ESG Performance
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Protecting Rights and Interests with People Orientation



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ESG KPIs			Disclosure Paragraph
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Attracting Top Talents and Empowering Their Growth
	KPI B3.1	The percentage of employees trained by gender and employee category	Attracting Top Talents and Empowering Their Growth
	KPI B3.2	The average training hours completed per employee by gender and employee category	Attracting Top Talents and Empowering Their Growth
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Protecting Rights and Interests with People Orientation
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Protecting Rights and Interests with People Orientation
	KPI B4.2	Description of steps taken to eliminate such practices when discovered	Protecting Rights and Interests with People Orientation
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	Optimizing Supply Chain and Building Mutual Success
	KPI B5.1	Number of suppliers by geographical region	Optimizing Supply Chain and Building Mutual Success
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Optimizing Supply Chain and Building Mutual Success
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Optimizing Supply Chain and Building Mutual Success
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Optimizing Supply Chain and Building Mutual Success

ESG KPIs			Disclosure Paragraph
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Prioritizing Quality and Delivering Superior Service
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Prioritizing Quality and Delivering Superior Service
	KPI B6.2	Number of products and service related complaints received and how they are dealt with	Prioritizing Quality and Delivering Superior Service
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Prioritizing Quality and Delivering Superior Service
	KPI B6.4	Description of quality assurance process and recall procedures	Prioritizing Quality and Delivering Superior Service
B7: Anti- corruption	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Prioritizing Quality and Delivering Superior Service
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Adhering to Integrity and Compliance
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Adhering to Integrity and Compliance
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Adhering to Integrity and Compliance
B8: Community Investment	KPI B7.3	Description of anti-corruption training provided to directors and staff	Adhering to Integrity and Compliance
	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Caring for Others and Warming Their Lives Educating to Foster Future Generations
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Caring for Others and Warming Their Lives Educating to Foster Future Generations
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area	Caring for Others and Warming Their Lives



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Index to the 'Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Reporting (Trial)' of the Shanghai Stock Exchange

Dimension	Number	Issue	Article	Chapter
Environment	1	Response to climate change	Articles 21 to 28	Embarking on a New Journey in Climate Action and Low-Carbon Development
	2	Pollutant emissions	Articles 30	Safeguarding the Environment for a Greener Future
	3	Waste management	Articles 31	Safeguarding the Environment for a Greener Future
	4	Ecosystem and biodiversity conservation	Articles 32	Safeguarding the Environment for a Greener Future
	5	Environmental compliance management	Articles 33	Safeguarding the Environment for a Greener Future
	6	Energy utilization	Articles 35	Embarking on a New Journey in Climate Action and Low-Carbon Development
	7	Water resource utilization	Articles 36	Safeguarding the Environment for a Greener Future
	8	Circular economy	Articles 37	Safeguarding the Environment for a Greener Future
Social	9	Rural revitalization	Articles 39	Caring for Others and Warming Their Lives
	10	Social contribution	Articles 40	Caring for Others and Warming Their Lives Educating to Foster Future Generations
	11	Innovation-driven	Articles 42	Pursuing Innovation and Driving R&D Breakthroughs
	12	Ethics in technology	Articles 43	Pursuing Innovation and Driving R&D Breakthroughs
	13	Supply chain security	Articles 45	Optimizing Supply Chain and Building Mutual Success
	14	Equal treatment of small and medium-sized enterprises	Articles 46	Adhering to Integrity and Compliance
	15	Safety and quality of products and services	Articles 47	Prioritizing Quality and Delivering Superior Service
	16	Data security and customer privacy protection	Articles 48	Prioritizing Quality and Delivering Superior Service
	17	Employees	Articles 50	Attracting Top Talents and Empowering Their Growth Protecting Rights and Interests with People Orientation
Governance related to sustainable development	18	Due diligence	Articles 52	Adhering to Integrity and Compliance
	19	Communication with stakeholders	Articles 53	Driving Sustainability through Sound Governance
	20	Anti-bribery and anti-corruption	Articles 55	Adhering to Integrity and Compliance
	21	Anti-unfair competition	Articles 56	Adhering to Integrity and Compliance



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GRI Standards Guide

Statement of Use	SMIC has reported the information cited in this GRI content indexes for the period from January 1, 2024 to December 31, 2024 with reference to the GRI Standards.	
GRI 1 Used	GRI 1: Foundation 2021	
Disclosure Issues/Items	Title of Disclosure Item	Chapter Index
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	A Snapshot of SMIC IC Development
2-2	Entities included in the organization's sustainability re-reporting	About This Report
2-3	Reporting Period, frequency and contact point	About This Report
2-4	Restatements of information	About This Report
Activities and workers		
2-6	Activities, value chain and other business relationships	A Snapshot of SMIC IC Development
2-7	Employees	Protecting Rights and Interests with People Orientation
2-8	Workers who are not employees	Driving Sustainability through Sound Governance Optimizing Supply Chain and Building Mutual Success
Governance		
2-9	Governance structure and composition	Achieving Steady Development through Responsible Governance Driving Sustainability through Sound Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Achieving Steady Development through Responsible Governance Driving Sustainability through Sound Governance
2-13	Delegation of responsibility for managing impacts	Achieving Steady Development through Responsible Governance

Disclosure Issues/Items	Title of Disclosure Item	Chapter Index
2-14	Role of the highest governance body in sustainability re-reporting	Achieving Steady Development through Responsible Governance
Strategy, policies and practices		
2-23	Policy commitments	Driving Sustainability through Sound Governance
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Driving Sustainability through Sound Governance
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Driving Sustainability through Sound Governance
3-2	List of material topics	Driving Sustainability through Sound Governance
3-3	Management of material topics	Driving Sustainability through Sound Governance
Economy		
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	2024 ESG Performance Highlights
201-2	Financial implications and other risks and opportunities due to climate change	Embarking on a New Journey in Climate Action and Low-Carbon Development
201-3	Defined benefit plan obligations and other retirement plans	Protecting Rights and Interests with People Orientation
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	Adhering to Integrity and Compliance
205-3	Confirmed incidents of corruption and actions taken	Adhering to Integrity and Compliance
Environment		
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Summary of ESG Performance



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Disclosure Issues/Items	Title of Disclosure Item	Chapter Index
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Embarking on a New Journey in Climate Action and Low-Carbon Development
302-3	Energy intensity	Embarking on a New Journey in Climate Action and Low-Carbon Development
302-4	Reduction of energy consumption	Embarking on a New Journey in Climate Action and Low-Carbon Development
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Safeguarding the Environment for a Greener Future
303-4	Water discharge	Safeguarding the Environment for a Greener Future
303-5	Water consumption	Safeguarding the Environment for a Greener Future
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Embarking on a New Journey in Climate Action and Low-Carbon Development
305-2	Energy indirect (Scope 2) GHG emissions	Embarking on a New Journey in Climate Action and Low-Carbon Development
305-4	GHG emissions intensity	Embarking on a New Journey in Climate Action and Low-Carbon Development
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Safeguarding the Environment for a Greener Future
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Safeguarding the Environment for a Greener Future
306-2	Management of significant waste-related impacts	Safeguarding the Environment for a Greener Future
306-3	Waste generated	Safeguarding the Environment for a Greener Future
Society		
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Attracting Top Talents and Empowering Their Growth
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Protecting Rights and Interests with People Orientation

Disclosure Issues/Items	Title of Disclosure Item	Chapter Index
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Protecting Rights and Interests with People Orientation
403-2	Hazard identification, risk assessment, and incident investigation	Protecting Rights and Interests with People Orientation
403-3	Occupational health services	Protecting Rights and Interests with People Orientation
403-5	Worker training on occupational health and safety	Protecting Rights and Interests with People Orientation
403-6	Promotion of worker health	Protecting Rights and Interests with People Orientation
403-8	Workers covered by an occupational health and safety management system	Protecting Rights and Interests with People Orientation
403-9	Work-related injuries	Protecting Rights and Interests with People Orientation
403-10	Work-related ill health	Protecting Rights and Interests with People Orientation
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Attracting Top Talents and Empowering Their Growth
404-2	Programs for upgrading employee skills and transition assistance programs	Attracting Top Talents and Empowering Their Growth
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Achieving Steady Development through Responsible Governance Attracting Top Talents and Empowering Their Growth
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Attracting Top Talents and Empowering Their Growth
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Protecting Rights and Interests with People Orientation
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Protecting Rights and Interests with People Orientation
GRI 416: Customer Health and Safety 2016		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Prioritizing Quality and Delivering Superior Service

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Vision of the Future

In recent years, global competition in the semiconductor manufacturing industry has become increasingly fierce, with development opportunities and challenges coexisting. As the front runner in manufacturing capability, manufacturing scale, and comprehensive service in the Chinese Mainland, SMIC relies on the strong support of the domestic market, adheres to the concept of sustainability, carries out reasonable strategic layout and leading technology, is moving steadily forward amidst a new round of industrial transformation, and continues to consolidate and expand the leading position in the industry.

Meanwhile, responding to the national call of carbon peaking and carbon neutrality, SMIC has made flexible and scientific adjustments to its environmental goals based on its business development and future plans, and in combination with trends of the chip industry. The Company actively constructs and implements the environmental governance system, and through the establishment of a sound ESG management system, it deeply integrates energy conservation, emission reduction, and environmental efficiency objectives into all aspects of its daily production and operations. In addition, the Company continues to improve its internal environmental indicator incentive policy, sets up special awards for energy-saving achievements, and promotes the transformation of factory lands. Currently, five of our sites have been certified as green factories, and six main plants have received green building certifications³ both domestically and internationally.

Looking ahead, SMIC will continue to adhere to the core concept of sustainability of "People Oriented, Environmentally Friendly and Giving Back to Society", unswervingly implement long-term sustainability goals, work hand in hand with all stakeholders, deepen cooperation, and build a harmonious and win-win society.

While continuing to operate in compliance with laws and regulations, SMIC is committed to:

Deepening cooperation

Join hands with customers and other stakeholders to promote further communication and collaboration through transparent and effective multi-directional channels, grasp the pace of production expansion stably, and jointly drive the business development.

International Layout

Keep up with the development trend of the global chip industry, rely on the domestic market, deeply integrate into the global industrial chain, and promote the international development of the industry.

Low-carbon Operation

Make constant efforts to optimize ESG governance system, advocate and practice the concept of green and low-carbon operations, and gradually improve the environmental protection management system.

Green Development

Implement the Concept of green development, accelerate the development of low-carbon and energy-saving projects, and continuously improve the level of environmental protection innovation and technology to help the Company realize the goal of green transformation.

Care for Employees

Optimize the employee benefits, stimulate employees' development potential, and create a workplace environment featuring safety, health and humanistic care.

Giving Back to Society

Actively fulfill our corporate social responsibilities, participate in charity activities and donation projects, provide assistance to vulnerable groups.



³ The list of main plants certified as green buildings is presented in the subsection "Safeguarding the Environment for a Greener Future - Environmental Protection Management".

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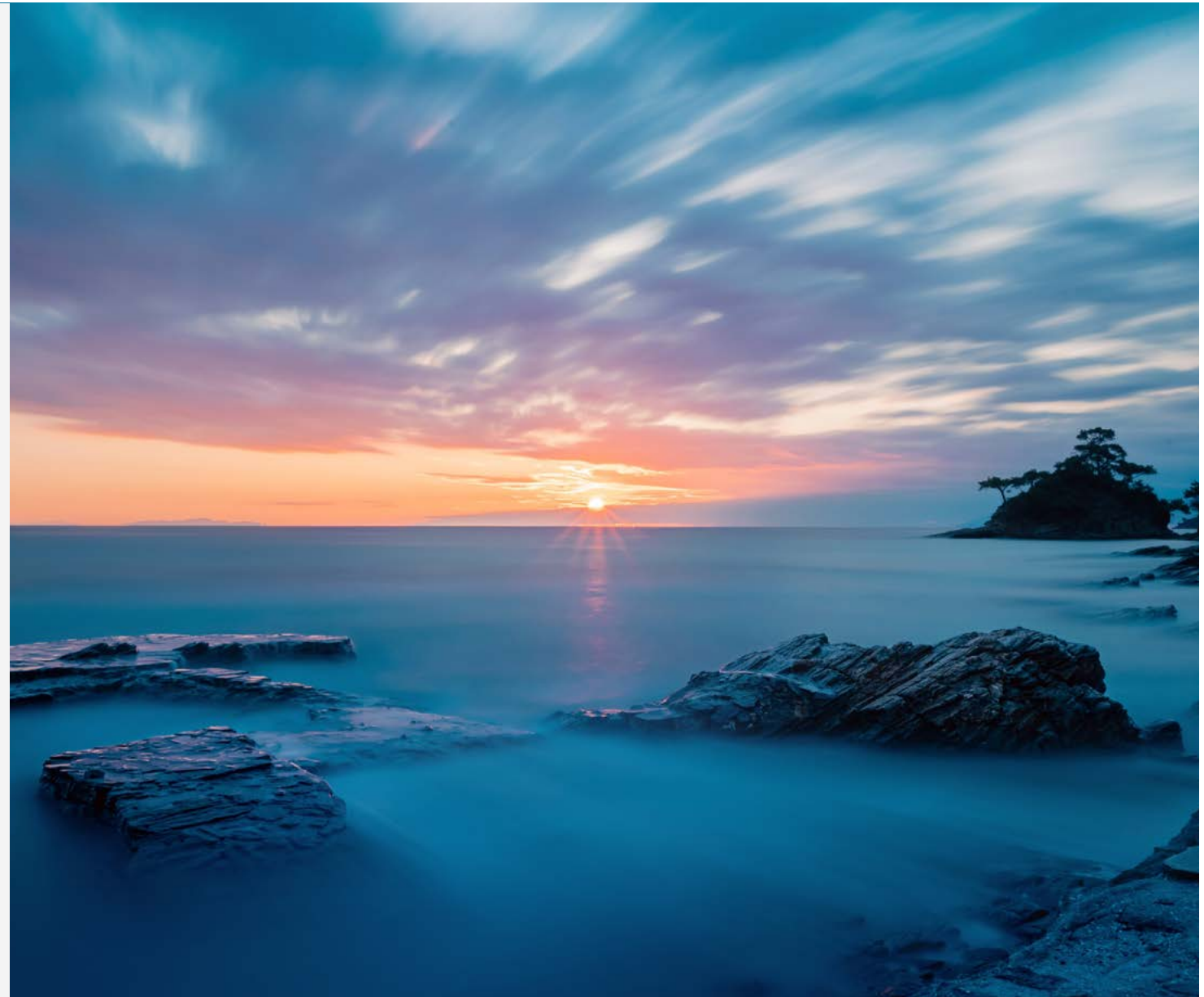
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Risk Warning



This Report mainly summarizes the Company's ESG performance over the past year, and some sections may contain forward-looking or aspirational statements. Such statements, which are included in "Letter from the Chairman", "Vision of the Future" and the policy overview in each chapter, are SMIC's forecasts of future events based on the current situation and estimates according to its best judgment, and should not be used as a primary basis for investment. These statements are inherently subject to known or unknown risks and uncertainties, including, but not limited to, risks in geopolitics, supply chain, customer, R&D and production, the semiconductor industry cycle and market, order or judgment of pending litigation, intellectual property litigation common to the IC industry, macroeconomic conditions, and currency exchange rate fluctuations.

In addition to this Report's contents, readers or investors should primarily consider other documents disclosed by SMIC in real time to the HKEX and the SSE. Other unknown or unpredicted risk factors may also adversely affect SMIC's future performance or development. The forward-looking or aspirational statements do not reflect events occurring after the date of release of the Report, and SMIC assumes no liability for the contents of such forward-looking or aspirational statements, except as required by applicable laws and regulations.



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Feedback Form

This is SMIC's 2024 Environmental, Social and Governance (ESG) Report released to the public. To continuously improve our ESG management and ability to fulfill social responsibility, we would love to hear your comments and suggestions. We sincerely request your assistance in answering questions listed in the feedback form, and sending it back to us by email, post and online response.



Email: ESG@smics.com



Mailing address: No. 18, Zhangjiang Road,
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To: ESG Office



Zip code: 201203

1. What do you think of the SMIC ESG Report in general?

☐ Good ☐ Fairly good ☐ Average ☐ Poor

2. How often would you like SMIC to disclose ESG report?

☐ annually ☐ semi-annually ☐ quarterly

3. What issues in this Report do you concern most?

- ☐ Regulatory compliance ☐ Occupational safety and health
- ☐ Risk management ☐ Confidential information Protection
- ☐ Climate change and GHG management
- ☐ Customer service and satisfaction
- ☐ Product quality control ☐ Others

4. Do you think this Report can reflect SMIC's significant economic, social, environmental and corporate governance impacts?

☐ Yes ☐ To some degree ☐ No ☐ I don't know

5. How accurate and complete do you think the information disclosed in this Report is?

☐ High ☐ Fairly high ☐ Medium ☐ Relatively low ☐ Low

6. What aspects of this report do you think need improvement?

- ☐ Layout ☐ Data type
- ☐ Issue covered ☐ References

Your comments and suggestions on SMIC's ESG work as well as this Report are appreciated.



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