

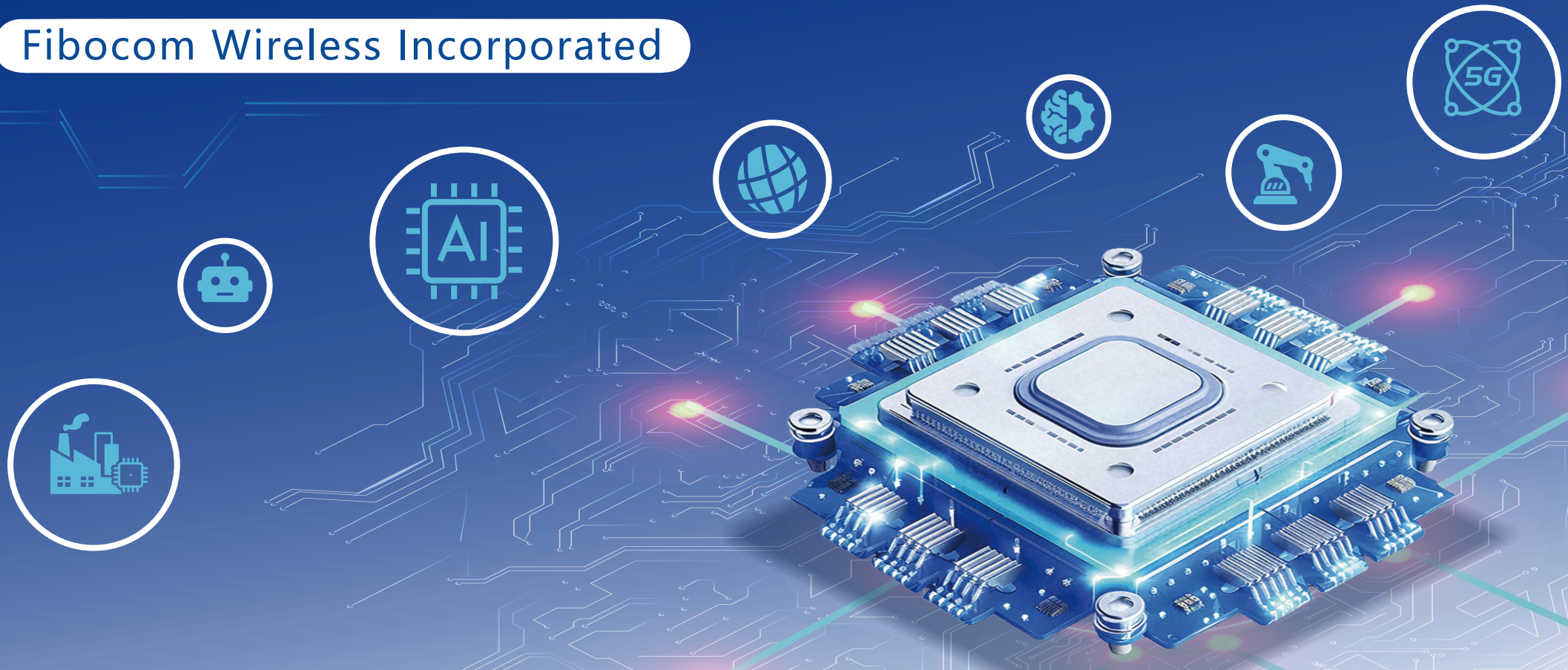
Fibocom

Stock Code: 300638.SZ 0638.HK

2025

Environmental, Social and Governance (ESG) Report

Fibocom Wireless Incorporated



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About This Report

Report Overview

This is the 6th annual Environmental, Social, and Governance (ESG) Report of Fibocom Wireless Incorporated (hereinafter referred to as the "Fibocom"). This report adheres to the principles of materiality, quantitative, balance, and consistency, providing detailed disclosure of Fibocom's environmental, social, and governance practices and performance in 2025. It aims to facilitate effective communication with all stakeholders and systematically address their expectations.

Glossary

This report is prepared based on the actual circumstances of Fibocom and in accordance with the following standards.

Reference Standards	
1	GRI Standards
2	the China Corporate Sustainability Reporting Guideline (CASS-ESG 6.0)
3	the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange-Sustainability Report (For Trial Implementation)
4	Self-Regulatory Guidance No. 3 for Companies Listed on the ChiNext Market of Shenzhen Stock Exchange-Preparation of Sustainability Report
5	Appendix C2, the Environmental, Social and Governance Reporting Code, of the Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited
6	United Nations Sustainable Development Goals (SDGs)
7	Task Force on Climate-Related Financial Disclosures

Report Scope

This report is an annual report covering the sustainability achievements of Fibocom and its subsidiaries from January 1, 2025 to December 31, 2025.

The scope of performance indicators in this report covers the core business operations of Fibocom Wireless Inc. Economic performance indicators encompass all entities included in the company's consolidated financial statements. Environmental and social performance indicators cover three entities: Fibocom Wireless Inc., Shenzhen Favalon Technology Co., Ltd. (hereinafter referred to as the "Favalon"), FAIOT Co., Ltd. (hereinafter referred to as the "FAIOT"). To enhance the comparability and completeness of the report, some content includes retrospective and forward-looking information.

Explanation about Company Name

For the convenience of presentation and reading, "Fibocom", "the company" and "we" in the report all refer to Fibocom Wireless Inc. and its subsidiaries.

Data Description

The financial data referenced in this report is extracted from the Company's 2025 Annual Report. In case of any inconsistency with the Company's Annual Report, the latter shall prevail. Other data is sourced from third-party certification bodies, relevant internal statistical reports, and related documents. The Board of Directors is responsible for the authenticity, accuracy, and completeness of the report's content.

Unless otherwise specified, the financial data in this report are all in Renminbi (RMB).

Access to the Report

To uphold the principles of low-carbon environmental protection and sustainable development, this report is published exclusively in electronic format. The report can be viewed and downloaded at:

The company's website: www.fibocom.com

Shenzhen Stock Exchange website: www.szse.cn

CNINFO website: www.cninfo.com.cn

Hong Kong Exchanges and Clearing Limited website: www.hkex.com.hk

Message from the Chairman



Against the backdrop of profound transformations in the global economic and technological landscape, the wave of digitalization and intelligentization continues to reshape industrial structures while placing higher demands on enterprises' long-term development capabilities and social responsibilities. Fibocom, as a key participant connecting the digital world, firmly believes that the company's steady growth stems not only from technological and market success but also relies on its long-term commitment to customers, employees, partners, and society.

In 2025, it marks a year of great significance in the development journey of Fibocom. The company has successfully listed on the Hong Kong stock market and entered a new stage of development. Listing is not an endpoint, but a new beginning. Standing on a broader international stage, we are presented with greater development opportunities while assuming clearer and more resolute responsibilities. Taking this milestone as a new starting point, Fibocom will continue to strengthen its corporate governance foundation, enhance transparency and standardization, and advance global expansion in a steady and sustainable manner.

In 2025, we set our direction through innovation. As a leading enterprise in the wireless communication module industry, we have deeply participated in and witnessed the accelerated advancement of 5G and next-generation communication technologies, driving the continuous integration of connectivity capabilities across diverse industry scenarios. Meanwhile, the rapid evolution of artificial intelligence is reshaping the boundaries of intelligent connectivity. Fibocom is actively advancing its presence in edge AI and related solutions, promoting the deep integration of AI and wireless communication, and progressively upgrading from "Connect Everything" to "Intelligent Connectivity," injecting sustained momentum into digitalization and intelligent transformation across industries.



Fibocom

In 2025, we strengthened our capabilities through systematic development. Fibocom consistently integrates sustainable development principles into its corporate strategy and daily operations. We remain committed to a people-oriented approach, continuously improving talent development and incentive mechanisms to unleash employee potential and creativity; we uphold a customer-centric philosophy, constantly enhancing product quality, safety, and reliability; we foster collaboration by working with global partners to build a standardized, stable, and responsible industry ecosystem; and we pursue innovation with prudence, advancing technological breakthroughs while proactively managing risks to create long-term enterprise value.

In 2025, we created value through shared responsibility. By supporting education initiatives, advancing industry-academia-research collaboration, and promoting community development, we actively participated in public welfare undertakings and contributed to society through tangible actions. Through strengthened compliance management, integrity culture development, and responsible supply chain management, we ensured that our business operations are conducted on a fair and transparent basis. We firmly believe that the value of technology lies not only in improving efficiency, but also in generating broader and more enduring positive impacts for society.

Looking ahead, Fibocom will continue to uphold its mission of "building the foundation of the digital world and enriching smart living, becoming a trusted enterprise." While further deepening technological innovation and expanding our global footprint, we will steadfastly advance the development of our sustainable development system and continuously enhance corporate resilience and sustainability capabilities. We look forward to working hand in hand with all stakeholders-seizing opportunities amid change, fulfilling responsibilities through growth, and jointly moving toward a more intelligent and sustainable future.

Tianyu ZHANG

Chairman, Fibocom Wireless Inc.

Fibocom 广和通

AI无界 智联未来



01

About Fibocom

- Overview of Fibocom
- Corporate Culture
- Business Overview
- Development History
- Honors

About Fibocom



Overview of Fibocom

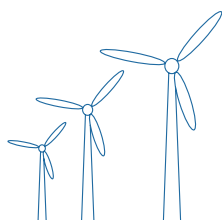


Fibocom Wireless Inc., founded in 1999, is a global leader in wireless communication modules and a pioneer in edge AI. It is also China's first wireless communication module company to achieve dual listing on both the A-share and H-share markets (Stock Codes: 300638.SZ, 0638.HK). Fibocom leverages wireless communication and AI as its core technologies to provide integrated hardware and software solutions that empower industry applications. These solutions accelerate the transformation from "Connect Everything" to "Intelligent Connectivity" across diverse industries.

The company employs 1,863 staff globally, with 63.50% dedicated to R&D. Operating worldwide, it serves numerous Fortune 500 enterprises. Its full stack solutions encompass AIoT modules, AI models, intelligent agents, global pricing plans, and cloud services, empowering digital and intelligent transformation across industries including smart robotics, consumer electronics, low-altitude economy, autonomous driving, smart retail, and smart energy.



Corporate Culture



Mission and Vision

Building the foundation for the digital world and enriching a smarter life. Be a trusted enterprise.

Empower Contribution

Core
Values

Continuous Innovation

Teamwork through Trust

Customer Dedication

Business Overview

Fibocom leverages three core technologies-wireless communication, AI, and data security-to deliver full stack intelligent product solutions for enterprise clients.



Fibocom's Technology and Product Values

Wireless Communication



Wireless Communication Modules

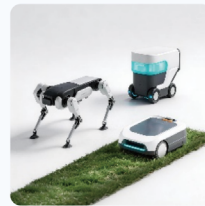
5G(eMBB, RedCap)
4G
Smart
LPWA
Wi-Fi
GNSS



IoT Solutions

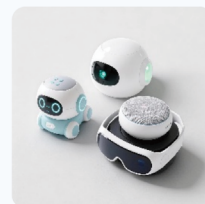
FWA
Smart POS
Drone Full-Connectivity
Smart Metering
Smart Handheld
Tracker
AI ECR

AI + Robot



Robotics Solutions

Embodied Intelligence Development Platform
Lawn Mowing Robot
Multimodal Fusion Localization



Edge AI Solutions

AI Companion
AI Conference
AI Camera
AI BOX

Smart Vehicles



Vehicle Communication Module

5G(eMBB, RedCap)
V2X T-BOX
5G AI-Enabled Smart Cockpit
Satellite

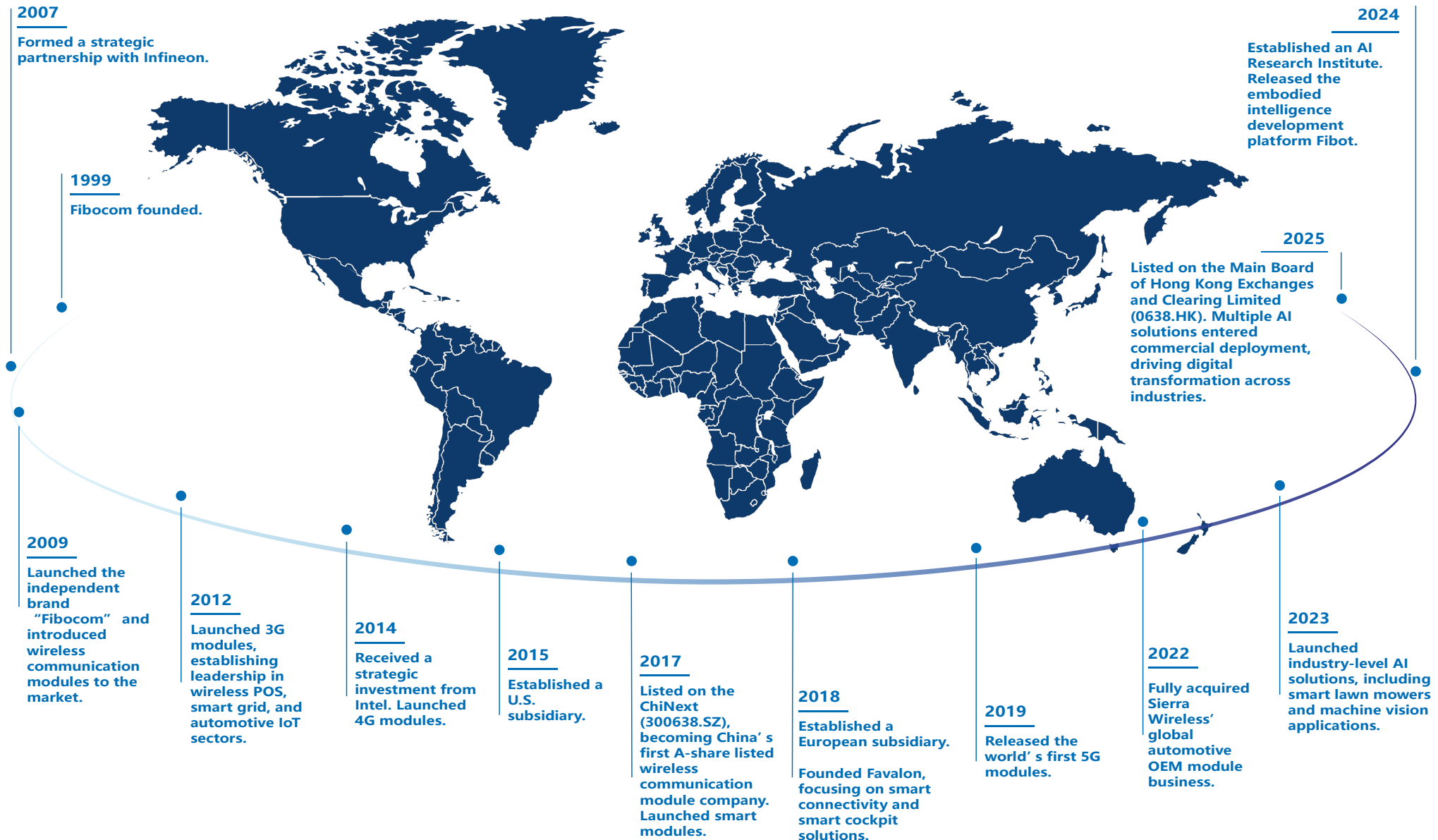


Automotive Intelligent Solutions

ADAS
AI-Driven 5G Network Optimization
T-BOX Software
5G Cabin Connectivity Integration
Cabin AI Integration
Human-Robot Interaction

Three Major Business Areas

Development History



Honors



Fibocom's machine vision and hearing solutions named to C114's "Hardcore" forces list for high-quality development in the information and communications industry.



Fibocom's AI solution wins gold award for "Mew Technology, New Application, New Model Achievements" at 2025 World IoT Expo.



AIoT Visual Technology Innovation Breakthrough Award.



Fibocom wins 2025 CLS ESG visionary award for "ESG Pioneer Enterprise".



Fibocom's dual-arm collaborative household robot system wins second prize at Embodied Intelligence Hackathon Competition.



2024 Outstanding Solution Provider in the Electronic Components Industry: Domestic Brand Enterprise.



MagiCore AI's lightweight large-model solution has successfully won the "AIoT Outstanding Solution Award" at the 22nd Elexcon Shenzhen International Electronics Exhibition.



2025 AI Toy Technology Innovation Award.



2025 Terminal Testing Quality Excellence Award.



02

Sustainability Strategy and Management

- Governance
- Strategy
- Risk Management
- Metrics and Targets
- Stakeholder Engagement
- Analysis of Material Topics

Sustainability Strategy and Management

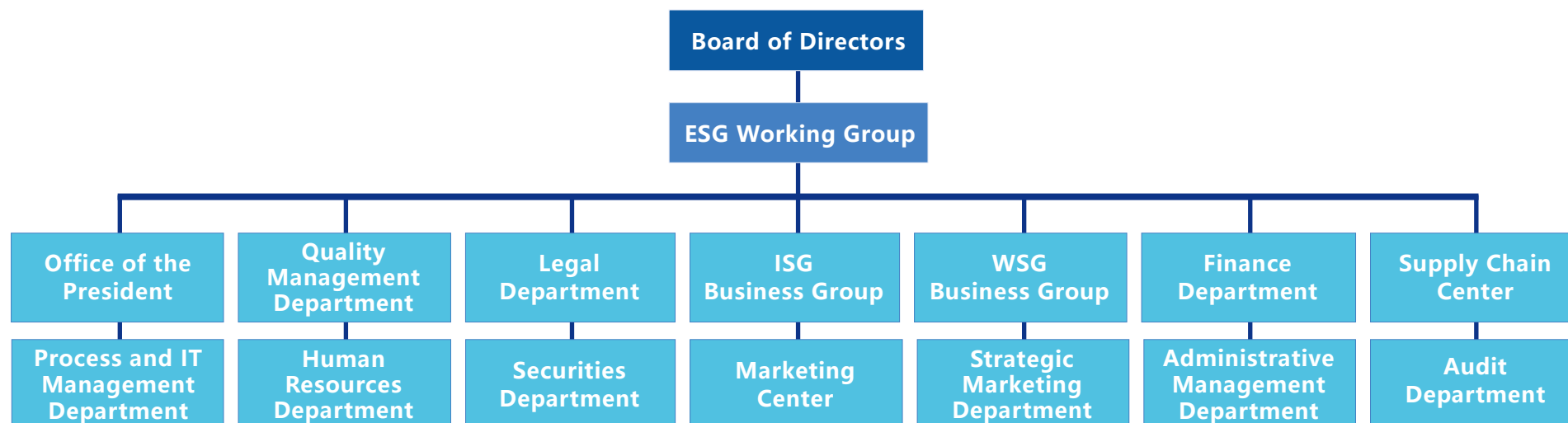
Governance

Governance Structure

Fibocom consistently upholds sustainable development values and actively responds to the national "Dual Carbon" strategy through concrete actions. The company integrates ESG principles into its strategic planning, technological innovation, and operational management processes, proactively assuming the responsibilities and commitments of a public company to advance the sustainable development of humanity and society.

To integrate sustainable development principles into corporate strategy and operations while enhancing sustainability capabilities, the company has established a three-tier ESG governance framework comprising strategic, tactical, and operational levels. The Board of Directors serves as the highest decision-making body for sustainability strategy, overseeing the establishment of an ESG Task Force to drive the implementation of sustainable development initiatives.

ESG Governance Framework



Functions and Responsibilities

ESG Responsibilities at Each Tier

Strategic level	Board of Directors	The Board of Directors serves as the highest decision-making body for the company's ESG strategy, responsible for formulating overall strategic objectives and deliberating on and deciding major matters related to ESG. It leads the establishment of a cross-departmental ESG working group to ensure the effective implementation and advancement of strategic goals.
Tactical level	ESG Working Group	Under strategic guidance, conduct in-depth research, analysis, and evaluation of the company's ESG status, propose development recommendations, and provide regular updates to the Board of Directors. Coordinate the implementation of specific ESG initiatives and oversee the preparation of ESG reports.
Operational level	All Departments	Each department shall implement the company's ESG-related requirements within its respective scope of responsibilities. Specifically, they shall be responsible for executing relevant systems, providing data, implementing measures, and providing feedback on outcomes. This will drive the integration of ESG management requirements into daily operations and management activities, supporting the achievement of the company's sustainable development goals.

Operating Mechanism

To ensure the orderly advancement of the company's sustainable development initiatives and comprehensively promote the achievement of corporate strategic and sustainability objectives, the company has established the ESG Working Group Operating Procedures. These procedures define the role of the ESG Working Group, outline the organizational structure and responsibilities related to ESG, and establish operational mechanisms. They clarify that the ESG Working Group will play a coordinating role in fostering collaboration across departments. Additionally, the group will regularly report to the Board of Directors on the progress of implementing ESG strategies.

Professional Skills

The members of Fibocom's Board of Directors and ESG Working Group possess extensive ESG expertise and practical experience. The company annually organizes all directors, the ESG Working Group, and internal/external stakeholders to engage in exchanges and learning sessions with ESG experts, participate in ESG-related training, and continuously enhance their understanding of sustainability topics and their ability to fulfill responsibilities. This ensures the professionalism and effectiveness of ESG-related decision-making.

Strategy

Fibocom integrates sustainability into its corporate strategy, centering on the company's vision. By combining 17 United Nations Sustainable Development Goals (SDGs) and industry trends, the company thoroughly analyzed the International Sustainability Standards Board (ISSB) IFRS S1&S2, Appendix C2, the Environmental, Social and Governance Reporting Code, of the Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited, and the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange-Sustainability Report (For Trial Implementation), thereby forming the Fibocom's sustainable development strategic concept.

Risk Management

Fibocom consistently positions risk management as a core pillar of its strategic development, safeguarding the company's steady and sustainable progress through a continuously optimized risk control system. The company has deeply integrated risk management with business development, establishing a four-part closed-loop risk management system encompassing strategy formulation, prevention assessment, dynamic monitoring, and emergency response. The company's Board of Directors identifies the primary risks faced by the company in each annual report and reviews the internal control self-assessment report to evaluate the soundness and operational status of the company's internal control system, thereby strengthening oversight of the company's overall risk management and the effectiveness of internal controls.

Risk Assessment

Each department within the company conducts qualitative and quantitative analyses of risks based on their likelihood of occurrence and potential impact. They formulate corresponding risk mitigation strategies, adopt a pragmatic and prudent approach toward high-risk operations, and make sound risk assessment decisions.

Risk Monitoring

Fibocom has established an internal audit department under the Audit Committee. Based on the company's actual circumstances, the audit department evaluates the effectiveness of internal controls, the accuracy and completeness of financial information, and the results of business operations to manage corporate risks.

Risk Treatment

Fibocom has established a risk management and emergency response mechanism. When a risk occurs, the responsible department head must report to the relevant company departments. Following the occurrence of a risk, the company develops a response plan based on available information. During risk resolution, the company addresses stakeholder concerns and promptly updates stakeholders on the progress of risk incident handling. Upon completion of risk resolution, the company promptly reviews internal management deficiencies, develops corrective measures, and prevents the emergence of new risks.

Metrics and Targets

Aspects	Targets	Progress in 2025
 Governance	- Ensure corporate governance complies with regularity requirements; - Enhance tax risk management; - Enhance risk management capabilities and strengthen the resilience of industrial chains.	- The Shenzhen Stock Exchange has received an A rating in its information disclosure assessment for eight consecutive years; - The company did not experience any embezzlement lawsuits throughout the year; - The company did not engage in any monopolistic practices or unfair competition throughout the year.
 Social	- Ensure accident-free information security management; - Continuously enhance supply chain stability and CSR management standards; - Prevent major product quality incidents; - Continuously strengthen R&D innovation capabilities; - Ensure compliant employment practices and comprehensively enhance employees' core competencies.	- No information security management incidents occurred throughout the year; - No supply chain disruptions occurred throughout the year; - Environmental/Social performance assessments covered 100% of core suppliers; - No major quality incidents occurred throughout the year; - R&D personnel accounted for 63.50% of the workforce; - Employee training coverage reached 91.5%.
 Environmental	- Ensure environmental compliance and prevent administrative penalties arising from environmental issues; - Improve resource utilization efficiency.	- The company experienced no environmental incidents throughout the year; - Comprehensive energy consumption decreased by 32.19% compared to 2024.

Stakeholder Engagement

Fibocom places high importance on establishing close and efficient communication channels with all stakeholders, continuously refining its routine communication mechanisms. Through diverse channels, the company accurately captures stakeholder demands and expectations, further deepening collaborative relationships with all parties to lay a solid foundation for sustainable corporate development.

 Stakeholders	 Government and Regulatory Authorities	 Shareholders and Investors	 Customers	 Suppliers and Partners	 Employees	 Community and Public Welfare Organizations	 Universities and Research Institutions
 Topics of Concern	• Compliance Management • Anti-Commercial Bribery and Anti-Corruption • Fair Competition • Data Security and Customer Privacy • Environmental Compliance Management	• Risk Management • Compliance Management • Investor Rights Protection • Innovation	• Product and Service Safety and Quality • Data Security and Customer Privacy • Customer Service • Equal Treatment of SMEs • Innovation	• Anti-Commercial Bribery and Anti-Corruption • Fair Competition • Supply Chain Security • Responsible Procurement	• Employees	• Climate Response • Waste Disposal • Social Contributions • Rural Revitalization	• Innovation • Ethics of Science and Technology
 Communication Channels	• Daily Reporting and Communication • Site Visits • Opinion Participation • Government Agency Meetings and Exchanges	• Information Disclosure • Shareholders' Meetings • Investor Meetings and Events • Official Website • Research and Surveys	• Client Visits • External Industry Trade Shows • Third-Party Training • Customer Satisfaction Surveys	• Business and Technical Research • Empowerment and Training • Supplier Audits • Periodic Surveys • High-Level Reciprocal Visits	• Internal Training • Performance Communication • Employee Evaluation and Grievance Mechanism • Organizational Climate Survey • Website and Forum	• Public Welfare Activities • Recruitment Events • Regular Information Disclosure • Community Outreach Activities • Survey and Questionnaire Responses	• Industry Conferences • Industry Association Member Project Collaboration • Internship and Research Bases

Analysis of Material Topics

Fibocom conducted a materiality assessment based on the latest disclosure rules from both domestic and international sources, including the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange-Sustainability Report (For Trial Implementation), Self-Regulatory Guidance No. 3 for Companies Listed on the ChiNext Market of Shenzhen Stock Exchange-Preparation of Sustainability Report, International Sustainability Standards Board (ISSB) IFRS S1 & S2, Appendix C2, the Environmental, Social and Governance Reporting Code, of the Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited and other relevant content. This assessment identified sustainability topics that significantly impact the company's long-term value and stakeholders.

During the dual materiality assessment process, the company collected stakeholder feedback through questionnaires, focusing on the financial materiality of sustainability for the company and the materiality of the company's external environmental and social impacts. By integrating the results of financial materiality and impact materiality assessments, a total of 28 materiality topics were identified. In this report, the company addresses each identified topic in the corresponding sections.

Dual Materiality Assessment Method

Fibocom conducts the dual materiality assessment for sustainability topics according to the following steps:

Step 1: Identify Sustainability Topics

The company identifies a list of sustainability topics relevant to its operations based on sustainability principles, international initiatives (such as SDGs, OECD, COP29, etc.), market trends, and corporate strategy and development needs, while considering its unique business characteristics.

Material Topics' Risks and Opportunities List

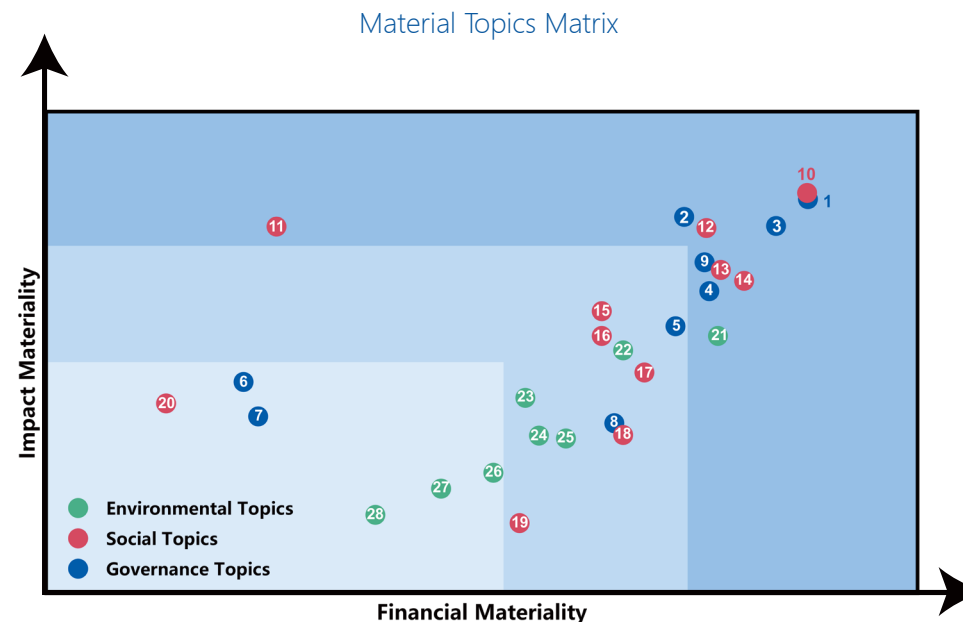
Serial Number	Material Topics	Impacted Stakeholders	Risks	Opportunities	SDGs
1	Climate Response	- Government and Regulatory Authorities - Suppliers and Partners - Customers	- Extreme weather or natural disasters may cause loss of owned assets and supply chain disruptions; - Forcing the company to adjust their product strategies in response to shifts in market preferences.	- Expand communication modules and wireless connectivity solutions for low-carbon application scenarios; - Enhancing operational efficiency and energy efficiency levels, thereby driving growth in demand for related products.	    
2	Environmental Compliance Management	Government and Regulatory Authorities	- Subject to regulatory penalties; - Operational stability will be affected.	- Meet domestic and international regulatory requirements and client review standards, reducing compliance uncertainty risks; - Enhance customer trust to support the continuous and stable development of the business.	
3	Waste Disposal	Community	- Increasing compliance costs; - Damage the company's reputation.	Reduce the company's environmental compliance risks and potential compliance costs.	
4	Pollutant Discharge	Government and Regulatory Authorities	- Subject to regulatory penalties; - Adversely impact the company's compliance operations and environmental image.	- Reduce pollutant disposal costs; - Delivering low-cost financing and green product advantages.	
5	Energy Utilization	Suppliers and Partners	Operating costs will rise and become vulnerable to fluctuations in external energy prices.	- Reduction in energy procurement costs; - Addressing customer and market concerns regarding product energy consumption performance.	
6	Water Resources Utilization	Government and Regulatory Authorities	- Generate potential compliance costs; - Damage the company's reputation.	- Meet regulatory and disclosure requirements; - Enhance investor and client confidence in corporate governance.	

Serial Number	Material Topics	Impacted Stakeholders	Risks	Opportunities	SDGs
7	Ecosystem and Biodiversity Protection	Government and Regulatory Authorities	Causing reputational risks or compliance concerns.	Mitigate potential environmental dispute risks.	 
8	Circular Economy	- Customers - Suppliers and Partners	Subject to penalties or loss of orders.	- Enhance product competitiveness; - Conserve resources and reduce costs.	
9	Data Security and Customer Privacy	- Customers - Suppliers and Partners	- Declining trust among customers and other stakeholders; - Trigger compliance penalties; - Customer claims or partnership adjustments.	- Enhance the company's credibility; - Strengthen customer partnership stability and business competitiveness.	
10	Innovation	- Customers - Suppliers and Partners - Universities and Research Institutions	- Declining product competitiveness; - Insufficient return on R&D investment.	- Enhance market competitiveness; - Support new customer acquisition and sustained growth of existing business.	
11	Product and Service Safety and Quality	- Customers - Suppliers and Partners	- Subject to regulatory penalties; - Declining market confidence.	- Meet regulatory and customer requirements for product quality; - Ensure business stability.	
12	Customer Service	Customers	Resulting in reduced orders or terminated partnerships.	- Enhance the efficiency of responding to and resolving customer issues; - Foster ongoing collaboration with customers.	
13	Supply Chain Security	Suppliers and Partners	- Supply chain disruptions have caused production delays and delivery obstacles; - Impacting customer partnerships and company performance.	- Ensure stable supply of critical materials and production capacity; - Reduce delivery uncertainties.	
14	Responsible Procurement	Suppliers and Partners	- Trigger supply chain compliance risks; - Result in failed customer audits or restricted cooperation.	- Ensure stable supply of critical materials; - Minimize the risk of supply chain disruptions caused by compliance issues.	

Serial Number	Material Topics	Impacted Stakeholders	Risks	Opportunities	SDGs
15	Employees	- Employees - Community and Public Welfare Organizations	- Lead to employee turnover, labor disputes, or decreased work efficiency; - Impact the company's operational order and business performance.	- Enhance employee engagement and operational efficiency; - Support daily company operations and business continuity.	  
16	Investor Rights Protection	- Government and Regulatory Authorities - Shareholders and Investors	- Attracting regulatory scrutiny and eroding investor confidence; - Impeding corporate operations and capital activities.	- Enhance the capital market's recognition of the company; - Support the company's financing activities.	
17	Equal Treatment of SMEs	Suppliers and Partners	- Causing partnership disputes; - Supply chain instability.	- Expand and stabilize cooperative resources; - Enhance the flexibility of supply and services.	
18	Social Contributions	Community and Public Welfare Organizations	- Attract external public attention or lead to a decline in social reputation; - Damage the company's image and external operating environment.	- Enhance the company's social image; - Create an external environment conducive to long-term operations.	
19	Stakeholder Engagement	Shareholders and Investors	Declining information transparency.	- Stay informed about relevant demands to reduce information asymmetry; - Support sound corporate decision-making and operational stability.	
20	Ethics of Science and Technology	Universities and Research Institutions	- Subject to regulatory penalties; - Declining market trust and damage to brand reputation.	Mitigate technology application risks and ensure business compliance.	

Serial Number	Material Topics	Impacted Stakeholders	Risks	Opportunities	SDGs
21	Rural Revitalization	Community and Public Welfare Organizations	Impact on corporate social responsibility performance and external evaluation.	Enhance the company's social image.	
22	Anti-Commercial Bribery and Anti-Corruption	- Government and Regulatory Authorities - Employees	Result in significant economic costs, legal consequences, operational risks, and reputational damage.	- Mitigate compliance risks; - Maintain the foundation of trust with customers, partners, and capital markets.	 
23	Fair Competition	- Government and Regulatory Authorities - Suppliers and Partners - Customers	- Trigger regulatory investigations, legal disputes, or a decline in market trust; - Impede business development and damage corporate reputation.	- Safeguard the legitimate rights and interests of consumers and partners; - Maintain the trust relationship between the company and its customers.	
24	Reporting and Protection of Reporters	- Government and Regulatory Authorities - Employees	- Resulting in the prolonged accumulation or concentrated exposure of non-compliance issues; - Causing compliance risks that undermine operational stability.	Detect violations or misconduct early to mitigate potential compliance and operational risks.	
25	Due Diligence	Community and Public Welfare Organizations	Trigger supply chain security issues and operational security issues for enterprises.	- Identify potential risks and opportunities; - Support sound decision-making and business expansion with controlled risks.	
26	ESG Governance Framework and Strategy	Shareholders and Investors	- Inadequate response to sustainability-related risks; - Damage external business operations and internal processes when regulatory or market requirements increase.	- Enhance the systematic nature of management systems; - Support the company in maintaining operational stability amid regulatory and market environment changes.	
27	Risk Management	Shareholders and Investors	Increase the cost of emergency response to incidents.	- Systematically identify potential risks arising from changes in operations, supply chains, and external environments; - Minimize the impact of unforeseen events on business advancement and resource allocation.	
28	Compliance Management	Government and Regulatory Authorities	Trigger regulatory inquiries, administrative penalties, or information disclosure risks.	Reduce the risk of regulatory scrutiny, penalties, or disputes arising from non-compliance.	

Serial Number	Governance Topics	Serial Number	Social Topics	Serial Number	Environmental Topics
1	Compliance Management	10	Product and Service Safety and Quality	21	Environmental Compliance Management
2	Investor Rights Protection	11	Innovation	22	Waste Disposal
3	Fair Competition	12	Employees	23	Climate Response
4	ESG Governance Framework and Strategy	13	Supply Chain Security	24	Pollutant Discharge
5	Anti-Commercial Bribery and Anti-Corruption	14	Customer Service	25	Energy Utilization
6	Risk Management	15	Equal Treatment of SMEs	26	Water Resources Utilization
7	Stakeholder Engagement	16	Data Security and Customer Privacy	27	Circular Economy
8	Due Diligence	17	Social Contributions	28	Ecosystem and Biodiversity Protection
9	Reporting and Protection of Reporters	18	Responsible Procurement		
		19	Rural Revitalization		
		20	Ethics Treatment of SMEs		



Step 2: Topic impact materiality assessment

The company conducted a stakeholder questionnaire survey to assess the impact of sustainability topics across economic, environmental, and social dimensions. This survey employed statistical methods such as weighted averages to quantify qualitative ratings (on a 1-5 scale) for each topic. Combined with weight allocations, these ratings were used to calculate composite impact scores, ultimately determining the importance level of each sustainability topic's impact.

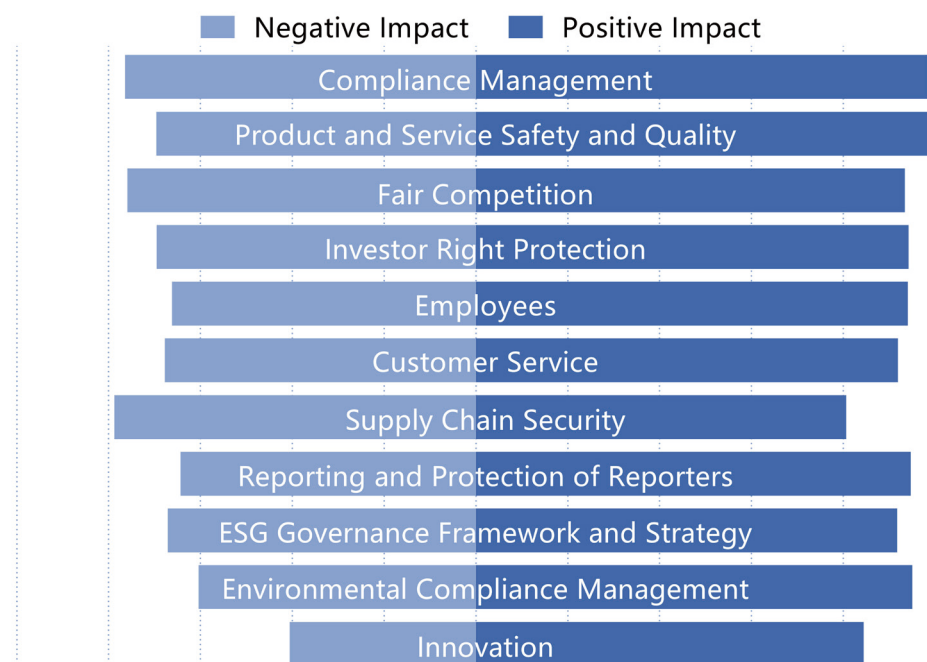
Step 3: Topic financial materiality assessment

The company conducts positive and negative impact analyses for various topics and carries out questionnaire surveys focusing on the "impact severity" and "likelihood of occurrence" for each impact. Impact severity refers to the adequacy of the company's management measures regarding the relevant topic and the degree of positive or negative impact it may have on the company's financial condition, operating results, or long-term development. Likelihood of occurrence refers to the probability of risks or opportunities arising from the relevant topic, considering the company's current internal and external operating environment.

Step 4: Topic dual-materiality assessment

Based on the assessment results of impact materiality and financial materiality described above, the company has identified 11 topics with dual-materiality.

Dual-Materiality Topics



Topics	Impact Materiality Assessment				Financial Materiality Assessment					
	Indicators	Economic	Social	Environmental	Indicators (IRIS)	Revenue Growth	Customer Satisfaction	Employee Cohesion	Operational Risk	Value Chain Collaboration
Environmental Compliance Management	Establishing and implementing a rigorous environmental compliance management system has a tangible impact on reducing potential non-compliance costs and enhancing the efficiency of energy and resource utilization for enterprises.	○	○	●	OI 1479 OI 0263 OI 0264 OI 1480 OI 1481	○	◐	○	◐	◐
Innovation	Evaluate the role of sustained R&D investment and technological innovation in supporting product differentiation capabilities, establishing technological barriers, enhancing core customer loyalty, and expanding new business growth opportunities. Assess the actual impact on the company's medium-to-long-term profitability and market position.	○	◐	●	PI 5478	●	●	○	◐	●
Product and Service Safety and Quality	Evaluate the actual impact of full lifecycle quality and safety management on the company's market competitiveness and profitability in terms of reducing the costs of quality failures, improving delivery reliability, and enhancing customer satisfaction; simultaneously assess the potential impact of claims, regulatory penalties, and damage to brand reputation resulting from major quality or safety incidents on the company's business continuity and long-term development.	●	○	○	PD 7899 PD 4861	●	●	○	○	◐

Note:
○ indicates a low impact of the topic on this indicator.
◐ indicates a moderate impact of the topic on this indicator.
● indicates a high impact of the topic on this indicator.

Topics	Impact Materiality Assessment				Financial Materiality Assessment					
	Indicators	Economic	Social	Environmental	Indicators (IRIS)	Revenue Growth	Customer Satisfaction	Employee Cohesion	Operational Risk	Value Chain Collaboration
Customer Service	Evaluate the actual impact of the customer service system's performance on the company's revenue sustainability, brand trust, and operational resilience, specifically in terms of improving response efficiency, reducing customer churn, and enhancing the stability of long-term partnerships.				PI 5478 PI 6065					
Supply Chain Security	By strengthening supplier onboarding, evaluation, and risk management mechanisms, assess their actual impact on ensuring the continuity of the company's production operations—specifically in safeguarding the stability of critical materials and production capacity, reducing supply disruptions, and lowering compliance remediation costs. Simultaneously, evaluate the role of collaborative supply chain management in supporting carbon emission control, ESG rating performance, and recognition from key customers.				PI 5478 PI 6065					
Employees	By implementing mechanisms for safeguarding employee rights, promoting diversity and equality, and fostering talent development, assess their actual impact on employee satisfaction, organizational stability, and the ability to attract and retain core talent. Furthermore, evaluate the long-term role of workforce development in supporting corporate execution efficiency, innovation capabilities, and overall competitiveness.				OI 0045 OI 0046 OI 0047 OI 0048 OI 0049					

Topics	Impact Materiality Assessment				Financial Materiality Assessment					
	Indicators	Economic	Social	Environmental	Indicators (IRIS)	Revenue Growth	Customer Satisfaction	Employee Cohesion	Operational Risk	Value Chain Collaboration
Investor Rights Protection	Assess the actual impact of information disclosure quality and the effectiveness of investor communication mechanisms on enhancing investor trust, mitigating governance risks, and stabilizing capital market expectations—specifically in terms of their influence on a company's financing capabilities, valuation levels, and long-term capital structure optimization.	●	◐	○	OI 7914	●	○	◐	●	◐
Fair Competition	Evaluate the actual impact of fair competition systems and enforcement mechanisms on safeguarding corporate client relationships, maintaining market order, and protecting core profit margins through their effectiveness in preventing false advertising, commercial disparagement, and unfair trade practices.	●	●	○	OI 7915	◐	●	◐	○	○
Reporting and Protection of Reporters	Evaluate the actual impact of reporting channel development and reporters protection mechanisms on the company's risk prevention capabilities and external credibility, specifically in terms of early identification of compliance risks, reduction of escalated compliance incidents, and enhancement of internal governance transparency.	○	●	○	OI 7916	○	○	●	●	◐

Note:
 ○ indicates a low impact of the topic on this indicator.
 ◐ indicates a moderate impact of the topic on this indicator.
 ● indicates a high impact of the topic on this indicator.

Topics	Impact Materiality Assessment				Financial Materiality Assessment					
	Indicators	Economic	Social	Environmental	Indicators (IRIS)	Revenue Growth	Customer Satisfaction	Employee Cohesion	Operational Risk	Value Chain Collaboration
ESG Governance Framework and Strategy	Assess the maturity of integrating ESG governance frameworks and strategies into business operations, evaluating their actual impact on enhancing cross-departmental collaboration efficiency, systematically identifying, and addressing sustainability risks, as well as their influence on corporate governance standards, external rating performance, and long-term strategic execution capabilities.				OI 7917					
Compliance Management	Evaluate the actual impact of compliance management arrangements covering the entire business process on the company's operational instability, reputation maintenance, and ability to continue operations, in terms of preventing legal and regulatory risks and ensuring compliance with information disclosure and business conduct.				OI 7915					

Note:
 indicates a low impact of the topic on this indicator.
 indicates a moderate impact of the topic on this indicator.
 indicates a high impact of the topic on this indicator.

Step 5: Analyze results and guide practice

Based on the identification and assessment of material topics, the company organized management to conduct a systematic analysis of the potential positive and negative impacts of each dual materiality topic, considering its business characteristics and stage of development. The analysis focused on identifying relevant risks and opportunities, evaluating their potential effects on business operations, value creation, and long-term sustainable development, thereby providing a basis for decision-making regarding subsequent management actions and information disclosure.

Assessment of Positive and Negative Impacts on Dual-Materiality Topics

Topics	The Importance to Fibocom	Impact Assessment		Response Strategies	Impacted Stakeholders					
		Positive Impacts	Negative Impacts		Customers	Investors	Government	Suppliers	Employees	Community
Environmental Compliance Management	Although Fibocom does not engage in large-scale manufacturing directly, its product production and supply chain operations involve multiple environmental compliance requirements. The company maintains a management system that ensures its own and its suppliers' production and business activities fully comply with environmental regulations, standards, and customer green requirements through systematic measures. Standardized environmental compliance management serves as the core foundation for Fibocom to pass supply chain audits by downstream brand customers, enhance ratings, and strengthen recognition in capital markets. It is also an essential prerequisite for the company to achieve green and sustainable development.	[Economic] The company's robust environmental compliance management and products' strong eco-friendly attributes enable it to meet domestic and international regulatory requirements and customer scrutiny, reduce compliance uncertainty risks, enhance customer trust, and support sustained and stable business development; [Social] Gain recognition from consumers, investors, and other stakeholders; establish a "green brand" image; enhance brand reputation; strengthen customer loyalty and market reputation; [Environmental] Establish a green benchmark effect within the industry, driving comprehensive optimization of production processes and reduction of environmental damage, thereby supporting enterprises in achieving their "Dual Carbon" goals. [Financial] Minimize penalties for order delays caused by extreme environmental events and costs of emergency logistics alternatives to optimize cash flow; avoid risks of inventory write-downs for high-pollution products and premature scrapping of outdated equipment to enhance asset turnover efficiency and asset value.	[Economic] Resulting in direct financial losses or damage to corporate reputation due to regulatory penalties, which in turn adversely affects operational stability; [Social] If the company and/or its upstream and downstream value chain engage in environmental violations, the brand-owning enterprise will face direct public accountability. This exposes it to risks such as consumer boycotts and suspension of cooperation by downstream clients, ultimately damaging its long-established social reputation; [Environmental] Inadequate environmental controls may lead to direct pollution of surrounding soil, water bodies, and air through actions such as wastewater leakage or excessive emissions of exhaust gases by enterprises and/or their upstream and downstream value chains, thereby damaging the ecological environment. Improper disposal of hazardous waste may also cause secondary pollution, requiring enterprises to bear joint remediation responsibilities; [Financial] Environmental compliance costs incurred or increased due to environmental regulations, third-party environmental audit fees, and expenses associated with establishing internal compliance teams will temporarily elevate corporate operating costs, directly squeezing profit margins.	● Achieved ISO 14001 Environmental Management System certification, establishing a systematic environmental management framework with clearly defined responsibilities and control processes; ● Developed and implemented multiple environmental control measures, enhancing comprehensive and refined management of pollutant emissions throughout the entire process; ● Promoted the reduction and standardized disposal of production waste, continuously lowering environmental compliance risks and operational pressures; ● Established an emergency response command team for sudden environmental incidents, refined environmental emergency management mechanisms, and conducted regular drills; ● Continuously conducted environmental protection training and green office advocacy to cultivate environmental responsibility awareness and execution capabilities among all employees.			√	√		√

Topics	The Importance to Fibocom	Impact Assessment		Response Strategies	Impacted Stakeholders					
		Positive Impacts	Negative Impacts		Customers	Investors	Government	Suppliers	Employees	Community
Innovation	Through continuous advancement in technological R&D and management innovation, Fibocom supports the iterative upgrading of its products and solutions. This enables the company to enhance its core technological capabilities, meet customers' long-term demands for product performance and technological evolution, and help the company break through the challenges of homogeneous market competition.	[Economic] Continuously advancing technological R&D and product innovation can enhance market competitiveness, support new customer acquisition, and drive sustained growth in existing business operations; [Social] Technological innovation by enterprises can drive suppliers to upgrade their technical capabilities simultaneously, thereby elevating the technological standards of the entire industry. By opening patents and fostering technical collaborations, enterprises can support the development of small and medium-sized businesses, improve the industry ecosystem, and enhance their image of corporate social responsibility; [Environmental] Focusing on technological innovation can reduce energy consumption during the product's usage phase and lower carbon emissions from downstream customers' equipment. Through material innovation, pollutant emissions during production and disposal phases are minimized, thereby reducing the environmental footprint; [Financial] Product premium and market share gains driven by technological innovation can directly boost a company's gross profit margin. Innovative achievements such as patents and trade secrets can be converted into intangible assets, enhancing the quality of the company's balance sheet and strengthening its financing capabilities and valuation advantages in mergers and acquisitions.	[Economic] If the company's R&D and innovation fail to align with market demand trends, it may lead to negative consequences such as diminished product competitiveness and insufficient returns on R&D investments.	● Establish an R&D system centered on the Central Research Institute to continuously advance technological innovation in wireless communication modules; ● Develop artificial intelligence technology research by establishing an AI Research Institute to drive sustained breakthroughs in related technologies; ● Create incentive mechanisms for R&D personnel, providing positive rewards for technological innovation and R&D achievements; ● Deepen industry-academia-research collaboration to support talent cultivation and technological innovation practices in higher education institutions.	√				√	

Topics	The Importance to Fibocom	Impact Assessment		Response Strategies	Impacted Stakeholders					
		Positive Impacts	Negative Impacts		Customers	Investors	Government	Suppliers	Employees	Community
Product and Service Safety and Quality	Fibocom builds its core management system by ensuring products fully comply with customer specifications, industry standards, and regulatory requirements throughout the entire process—from design, procurement, production, and testing to delivery. This guarantees reliability, consistency, and safe usage, thereby fostering customer trust, upholding brand reputation, and fulfilling social responsibilities. For Fibocom, fortifying product safety defenses and rigorously enforcing quality control standards not only safeguards end-user safety and protects consumer rights—aligning with ESG social responsibility requirements—but also reduces product return rates and after-sales costs. This enhances brand reputation and customer loyalty, securing higher ratings and market competitiveness for the enterprise.	[Economic] Continuously ensuring the safety and quality of products and services can guarantee business stability through regulatory oversight and customer quality requirements, thereby helping the company gain a competitive edge in the market; [Society] Publicly disclosing product quality inspection reports, safety certification qualifications, and after-sales service satisfaction data conveys the concept of a “responsible brand” to consumers and investors, enhancing brand reputation. Particularly in sensitive application scenarios, product safety and quality serve as core trust endorsements, significantly boosting customer loyalty and investor confidence; [Financial] Proactively implementing product safety and quality controls prevents financial losses from customer compensation claims, litigation costs, and product recall expenses due to defects. It also minimizes economic losses from order delays and customer attrition, thereby stabilizing corporate cash flow.	[Economic] If the company's products and services fail to meet regulatory requirements or customer standards in terms of safety and quality, it may face regulatory penalties, market access restrictions, and diminished market trust, ultimately impacting its business performance. [Social] If product safety or quality defects cause personal injury or property damage to customers, media exposure could trigger public condemnation, sharply erode consumer trust in the brand, and even precipitate an industry-wide quality crisis. Companies may also face collective consumer rights protection actions and accountability demands from public interest organizations, undermining their long-established social image. [Financial] Following quality incidents, companies must bear costs including customer compensation, crisis PR management, and production line rectification. Revenue declines and market share contraction due to customer attrition will have long-term negative impacts on corporate profits. In severe cases, companies may also face substantial fines from regulatory authorities.	● Establish a quality management system covering the entire product lifecycle to systematically control quality and safety risks; ● Set and decompose quality management objectives to ensure quality responsibilities are implemented across all business and management processes; ● Create standardized product return and exchange procedures to enhance efficiency in responding to and resolving quality issues; ● Refine the product recall mechanism to implement recalls, inspections, and corrective actions for defective products; ● Continuously advance quality culture development, strengthening quality awareness and management capabilities through Quality Day activities.	√		√	√	√	

Topics	The Importance to Fibocom	Impact Assessment		Response Strategies	Impacted Stakeholders					
		Positive Impacts	Negative Impacts		Customers	Investors	Government	Suppliers	Employees	Community
Customer Service	Fibocom enhances customer service management by establishing standardized customer communication and issue response mechanisms, thereby strengthening customer loyalty and reducing operational risks stemming from service-related issues.	[Economic] Enhancing customer service capabilities improves efficiency in addressing and resolving customer issues, supports smooth project execution, fosters ongoing client partnerships, and thereby stabilizes company revenue streams. [Social] Publicly disclosing metrics such as customer satisfaction rates, post-sales issue resolution rates, and service response timeliness communicates corporate responsibility and professional competence to the market, elevating brand reputation. In ESG evaluations, superior customer service demonstrates an organization's commitment to stakeholders, strengthening trust among investors and industry associations; [Financial] High-quality customer service reduces churn rates and minimizes marketing expenses for acquiring new clients. Prepayments from long-term partners and stable cash inflows improve cash flow stability while lowering bad debt risks associated with accounts receivable.	[Economic] If customer service fails to respond promptly or handles issues improperly, it may impact project timelines and client collaborations, leading to reduced orders or terminated partnerships, thereby adversely affecting the company's operating performance. [Social] If customer complaints escalate or end-users initiate rights protection actions due to service issues, it could trigger negative public perception of the brand and damage the company's long-established social image. Particularly through social media dissemination, minor service failures may escalate into industry-wide trust crises. [Financial] Service failures leading to customer attrition directly reduce revenue. Improper service may trigger customer claims or lawsuits, requiring the company to bear compensation costs, litigation fees, and other expenses. Additionally, public relations costs incurred to restore brand reputation further increase the company's financial burden.	● Develop and implement standardized procedures for handling customer complaints, formalizing response and resolution workflows; ● Optimize after-sales service and issue response mechanisms to enhance efficiency in addressing customer concerns; ● Prioritize customer complaints as critical management issues, conduct in-depth root cause analysis, and drive continuous improvement; ● Ongoing monitoring of customer feedback to promote sustained optimization of product and service quality; ● Conduct regular customer satisfaction surveys, review feedback issues, and implement corrective actions.	√					

Topics	The Importance to Fibocom	Impact Assessment		Response Strategies	Impacted Stakeholders					
		Positive Impacts	Negative Impacts		Customers	Investors	Government	Suppliers	Employees	Community
Supply Chain Security	Fibocom's supplier distribution and procurement practices (including responsible mineral sourcing), along with supplier sustainability risk assessment and management (covering environmental, labor, human rights, and other aspects). Strengthening supply chain management not only reduces environmental risks across the entire chain by selecting green suppliers and controlling pollutant emissions and energy consumption levels of upstream raw materials at the source, but also safeguards labor rights throughout the supply chain and ensures production compliance. A robust supply chain management system is also a key enabler for enhancing corporate ratings, meeting downstream brand customers' procurement standards, and strengthening industrial chain resilience and market competitiveness.	Fibocom's supplier distribution and procurement practices (including responsible mineral sourcing), along with supplier sustainability risk assessment and management (covering environmental, labor, human rights, and other aspects). Strengthening supply chain management not only reduces environmental risks across the entire chain by selecting green suppliers and controlling pollutant emissions and energy consumption levels of upstream raw materials at the source, but also safeguards labor rights throughout the supply chain and ensures production compliance. A robust supply chain management system is also a key enabler for enhancing corporate ratings, meeting downstream brand customers' procurement standards, and strengthening industrial chain resilience and market competitiveness.	[Economic] Supply chain instability or disruptions may lead to production delays, delivery obstacles, or cost increases, thereby impacting customer partnerships and company performance; [Social] If upstream suppliers engage in practices such as using conflict minerals or violating labor rights, or if manufacturing partners experience workplace safety incidents, public scrutiny will directly hold the brand accountable upon media exposure, accusing the company of supply chain management negligence; Particularly amplified by social media, minor violations may escalate into industry-wide trust crises, triggering consumer boycotts and client suspensions; [Environmental] If the company relocate production to regions with lower environmental standards to avoid geopolitical conflicts, contract manufacturers may reduce environmental investments due to lax oversight, increasing pollutant emissions. Simultaneously, large-scale logistics associated with cross-regional capacity shifts can temporarily boost carbon emissions, drawing scrutiny from environmental groups or downstream clients; [Financial] As geopolitical risks intensify and compliance standards evolve, companies must continuously invest in upgrading supply chain risk warning systems, conducting supplier compliance audits, and expanding new supply channels. Costs associated with adapting to international supply chain policy changes will also increase annually, adding to long-term financial burdens.	● Establish a comprehensive supply chain management system and implement tiered management of suppliers; ● Conduct monthly, quarterly, and annual supplier evaluations to systematically assess delivery, quality, and ESG performance; ● Define clear onboarding procedures for new suppliers, including necessary on-site audits and risk assessments; ● Implement exit and blacklist management for non-compliant suppliers to mitigate collaboration risks; ● Continuously advance supply chain cultural development, fostering capability enhancement and collaborative growth through supplier conferences.				√		

Topics	The Importance to Fibocom	Impact Assessment		Response Strategies	Impacted Stakeholders					
		Positive Impacts	Negative Impacts		Customers	Investors	Government	Suppliers	Employees	Community
Employees	Fibocom's systems and measures for managing workforce diversity and labor rights (including human rights policies, anti-discrimination, prohibition of forced labor, equal pay for equal work, minority hiring, and rights protection). We believe safeguarding employees' legitimate rights—such as compensation and benefits, occupational health, and skills training—enhances workforce stability and productivity while reducing turnover and management costs. This approach also aligns with social responsibility requirements for ratings, strengthening investor and customer trust.	[Economic] Refining systems and measures to safeguard employee rights can enhance workforce engagement and operational efficiency, supporting daily company operations and sustained business development. [Society] Publicly disclosing employee rights initiatives—such as equitable compensation, career advancement pathways, and health management systems—communicates corporate social responsibility to investors and clients, elevating brand reputation. Actively recruiting diverse talent and creating high-quality employment opportunities; implementing equal employment and diversity/inclusion policies can enhance corporate social recognition, attracting government industrial policy support and premium industry collaboration resources; [Financial] A robust compensation, benefits, and incentive system reduces core employee turnover, minimizing hidden costs associated with recruitment, training, and operational disruptions; efficient workforce management improves organizational operational efficiency, shortens R&D and order delivery cycles, accelerates cash recovery, and stabilizes cash flow.	[Economic] Without adequate safeguards for employee rights, companies may face staff turnover, labor disputes, or reduced productivity, ultimately disrupting operational order and business performance. [Social] Issues such as unfair compensation, excessive overtime culture, or blocked career advancement pathways can trigger employee complaints or rights protection actions. Media exposure of such incident's damages brand reputation. Mass resignations of key personnel may also raise market doubts about the company's operational stability, undermining investor confidence. [Financial] Following employee rights incidents, companies must bear expenses including compensation payments, litigation fees, and crisis management costs. Resulting customer attrition and order reductions inflict long-term negative impacts on revenue. In severe cases, regulatory fines may also be imposed.	● Establish clear principles of compliance, equality, and diversity in employment practices, and implement standardized talent recruitment and workforce management mechanisms; ● Offer diverse employee benefits beyond statutory requirements to enrich work and life experiences; ● Establish competitive compensation and recognition incentive systems to motivate employees to create value; ● Strengthen democratic management and communication mechanisms, creating multiple channels to listen to employee opinions and concerns; ● Develop a comprehensive talent development system to systematically enhance employees' professional and overall capabilities; ● Enhance occupational health and safety management, improve workplace safety protocols, and prevent sudden safety risks.			√		√	

Topics	The Importance to Fibocom	Impact Assessment		Response Strategies	Impacted Stakeholders					
		Positive Impacts	Negative Impacts		Customers	Investors	Government	Suppliers	Employees	Community
Investor Rights Protection	Fibocom safeguards investors' legitimate rights and interests by standardizing corporate governance structures and information disclosure mechanisms. A robust investor protection framework enhances trust in capital markets, supporting the company's valuation and long-term development.	[Economic] Strengthening investor rights protection through standardized information disclosure and effective investor communication enhances capital market recognition of companies, supporting their financing activities and long-term operational stability.	[Economic] Inadequate information disclosure or insufficient investor communication may trigger regulatory scrutiny and erode investor trust, thereby negatively impacting corporate operations and capital activities;	● Establish a multi-channel investor communication mechanism to safeguard shareholders' right to information, particularly for minority shareholders; ● Proactively address investor concerns through platforms like Interactive Easy and provide timely responses to relevant inquiries; ● Leverage regular reports and interim announcements to continuously enhance the timeliness and transparency of information disclosure.		√				
		[Social] Ensuring minority shareholders' voting rights, dividend entitlements, and other interests prevents majority shareholders from infringing upon minority rights, thereby reducing social disputes stemming from equity conflicts. Particularly after a company's IPO, safeguarding minority investors' interests helps maintain capital market stability and boost public confidence in corporate investments. [Financial] A strong track record in investor rights protection can elevate a company's credit rating, enabling access to loans and bond issuances at lower interest rates. It attracts long-term equity capital, reduces the debt-to-equity ratio, optimizes capital structure, and enhances risk resilience. This is particularly crucial given the high R&D investment typical in the industry, where a stable capital structure is paramount.	[Social] If a company engages in fraudulent disclosure practices and faces regulatory penalties, it will provoke media exposure and public skepticism. This undermines the company's transparent and compliant image, causing downstream clients and suppliers to question its operational stability and potentially terminate partnerships; [Financial] Shareholder rights protection incidents not only incur direct expenses like litigation fees and compensation payments but also cause stock price declines and diminish the value of pledged equity. This may trigger financial institutions to withdraw loans or demand additional collateral. Concurrently, customers and suppliers may delay payments or tighten cooperation terms, intensifying the company's financial pressure.							

Topics	The Importance to Fibocom	Impact Assessment		Response Strategies	Impacted Stakeholders					
		Positive Impacts	Negative Impacts		Customers	Investors	Government	Suppliers	Employees	Community
Fair Competition	Fibocom prohibits the use of dishonest means such as fraud, defamation, or theft of trade secrets to gain competitive advantage in its operations, thereby upholding a compliance framework that safeguards market fairness and ensures sustainable development. Adhering to anti-unfair competition principles is fundamental to earning investor trust, passing ESG audits within downstream brand clients' supply chains, and enhancing ESG ratings. More importantly, it helps establish the company's reputation for compliance and integrity in industry competition, laying a solid foundation for long-term growth.	[Economic] Regulating market competition behavior safeguards the legitimate rights and interests of consumers and partners, upholds trust between companies and clients, and promotes stable business development.	[Economic] Unfair competition practices may trigger regulatory investigations, legal disputes, or diminished market trust, impacting business development and corporate reputation.	● Establish a content review mechanism for marketing and promotional materials to prevent false advertising and misleading information; ● Implement multi-level review for externally released advertisements and promotional materials to ensure content accuracy and compliance; ● Clearly define rights and obligations in cooperation agreements to prevent the inclusion of unfair competition clauses; ● Standardize market operations and external cooperation activities through institutional constraints and process controls.	√	√	√			
		[Social] Fair competition measures prevent enterprises from cutting costs by exploiting suppliers or underpaying contract manufacturers, ensuring reasonable profits for upstream and downstream partners. Stable cooperative relationships enhance supply chain synergy, drive the joint development of small and medium-sized suppliers and contract manufacturers, and strengthen industrial ecosystem stability. [Financial] Fair competition drives enterprises to focus on technological innovation and product differentiation, avoiding inventory buildup caused by price wars. It reduces impairment losses from slow-moving products, improves inventory turnover rates, ensures efficient utilization of R&D funds, and enhances asset profitability.	[Social] If a company faces accusations of unfair competition—such as patent infringement or commercial defamation—from competitors, negative public sentiment will damage its brand image even if it ultimately prevails in court. If the allegations are substantiated, the company faces a public trust crisis. Chain reactions like client contract terminations and investor sell-offs further erode its social reputation; [Financial] Unfair competition leads to client attrition and order reductions, directly causing revenue declines. Unsold inventory requires significant impairment charges, while idle production lines necessitate fixed asset write-downs, further squeezing profit margins.							

Topics	The Importance to Fibocom	Impact Assessment		Response Strategies	Impacted Stakeholders					
		Positive Impacts	Negative Impacts		Customers	Investors	Government	Suppliers	Employees	Community
Reporting and Protection of Reporters	Fibocom implements stringent confidentiality measures for all reported information and whistleblower details, establishing a comprehensive whistleblower protection mechanism to prevent retaliation against whistleblowers by those reported. The company promptly verifies reported information, strengthens internal oversight, and enhances the effectiveness of compliance management.	[Economic] Establishing an effective whistleblowing and whistleblower protection mechanism helps companies detect violations or misconduct early, reducing potential compliance and operational risks; [Social] Public disclosure of whistleblowing and whistleblower protection mechanisms (e.g., policy documents, case studies) conveys to the public the company's commitment to compliance and respect for employee oversight rights. In ESG evaluations, this mechanism serves as a core indicator for assessing corporate governance standards, enhancing trust from governments, investors, and customers; [Financial] Compliance risks exposed early through whistleblowing mechanisms enable timely corrective actions, avoiding substantial fines from regulators. They also minimize losses from order cancellations or customer claims due to violations, thereby stabilizing corporate cash flow.	[Economic] Without a robust whistleblowing mechanism, violations may accumulate over time or surface abruptly, creating compliance risks for the company and undermining operational stability. [Social] Failure to implement core protections for whistleblowers can erode key employees' trust in the company. This erosion spreads through industry communities and job platforms, creating negative perceptions that directly impact recruitment efforts and erode the company's long-term talent appeal. [Financial] Brand crises triggered by whistleblowing incidents can lead to the loss of key clients and order cancellations, resulting in revenue declines and increased financing costs. Additionally, companies must incur substantial public relations expenses to restore brand reputation, further squeezing profit margins.	● Establish independent and accessible reporting channels to encourage employees and stakeholders to report violations; ● Implement standardized procedures for handling reports to enhance the effectiveness of internal oversight; ● Strictly address retaliatory actions to uphold the fairness and authority of the reporting mechanism.			√		√	√

Topics	The Importance to Fibocom	Impact Assessment		Response Strategies	Impacted Stakeholders					
		Positive Impacts	Negative Impacts		Customers	Investors	Government	Suppliers	Employees	Community
ESG Governance Framework and Strategy	Fibocom has integrated sustainability requirements into its corporate governance and operational management by establishing an ESG governance framework and management mechanisms, thereby enhancing its ESG management capabilities and overall rating performance.	[Economy] Integrating ESG principles into corporate governance and strategic decision-making helps enhance the systematicity of management, enabling the company to maintain operational stability amid changes in regulatory and market environments. [Finance] ESG-driven optimized resource allocation (such as phasing out inefficient and high-consumption production lines and focusing on high-value-added green products) can improve asset turnover ratio. In addition, supply chain ESG management reduces counterparty default risks, lowers bad debt losses on accounts receivable, and strengthens the company's long-term profitability.	[Economic] The absence of an ESG governance framework may result in inadequate responses to sustainability-related risks, impacting both external business operations and internal processes when regulatory or market demands intensify. [Financial] Negligence in ESG governance can trigger lawsuits over environmental violations or labor rights disputes, forcing companies to pay substantial litigation costs and compensation. For instance, lawsuits filed by contract factory workers over occupational health issues may lead to significant compensation payouts that erode corporate profits.	● Establish a three-tier ESG governance structure led by the Board of Directors, clearly defining responsibilities at each level; ● Position the Board of Directors as the highest decision-making body for ESG strategy, overseeing the company's ESG direction and objectives; ● Form an ESG Working Group to coordinate ESG-related initiatives and provide regular updates to the Board; ● Specify how each functional department implements ESG management requirements within its scope of responsibility; ● Integrate ESG principles into the company's strategic planning and daily operations management.		√				

Topics	The Importance to Fibocom	Impact Assessment		Response Strategies	Impacted Stakeholders					
		Positive Impacts	Negative Impacts		Customers	Investors	Government	Suppliers	Employees	Community
Compliance Management	Fibocom maintains robust compliance management systems to continuously mitigate legal and regulatory risks, thereby ensuring standardized operations, enhancing governance standards, and boosting market trust.	[Economic] Establishing and implementing a compliance management system helps the company reduce risks of regulatory attention, penalties and disputes arising from non-compliance in information disclosure, contract performance, investor communication and daily business operations. [Social] Compliance management covers employment contracts, occupational health and safety, salary and benefits for employees, which helps avoid labor disputes and enhance employees' sense of belonging. Extending compliance control over labor rights and interests to foundries (such as prohibiting child labor and ensuring overtime payment) can improve the treatment of frontline workers in the industrial chain, drive coordinated development of the supply chain, and elevate the overall social image of the industry. [Financial] A sound compliance management system enables the enterprise to avoid heavy fines in environmental protection, labor affairs, intellectual property, market access and other fields. It also reduces expenses caused by irregularities such as order cancellations, customer claims and public relations handling, so as to ensure stable cash flow. For instance, it prevents goods from being confiscated due to uncertified radio frequency products, or huge compensations payable for patent infringement.	[Economic] Compliance requirements vary across different countries/regions, requiring enterprises to tailor compliance solutions for distinct markets, thereby increasing adaptation costs in R&D, production, and sales. Failure to cover multi-regional standards may result in operational restrictions in certain markets. [Social] Non-standard compliance management may trigger regulatory inquiries, administrative penalties, or disclosure risks, negatively impacting corporate reputation and business operations. [Financial] Significant compliance risks may impose substantial expenditures such as fines, compensation payments, and order penalty fees. Concurrently, companies face dual pressures from revenue declines and customer attrition, potentially causing cash flow strain or even capital chain disruption.	- Continuously monitor and comply with all applicable laws, regulations, and regulatory requirements governing the company; - Conduct information disclosure and business operations in accordance with exchange and regulatory requirements; - Integrate compliance requirements into daily management practices to prevent compliance risks; - Support the company's compliant and stable operations through internal management and oversight mechanisms.			√			



03

Governance

Governance Performance Indicators

- Company Governance
- Board Remuneration and Performance
- Board Training and Empowerment
- Tax Transparency
- Investor Relations
- Compliance and Risk Management
- Business Ethics

UN Sustainable Development Goals (SDGs)



Governance

Governance Performance Indicators

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Company Governance

Governance System

Fibocom established a clear corporate governance structure in strict accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules for the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange, the Code of Corporate Governance for Listed Companies, and other laws and regulations, clarifying the responsibilities, rights and obligations of shareholders, directors, supervisors and senior management.

During the reporting period, the company convened a total of 5 general meetings of shareholders, 10 Board meetings and 9 meetings of the Board of Supervisors. All proceedings were conducted in compliance with applicable laws and regulations. Among these, the Board reviewed and approved one ESG-related proposal.

On 22 December 2025, pursuant to a resolution adopted at the company's fourth extraordinary general meeting of shareholders in 2025, the company dissolved the Board of Supervisors. In accordance with the Company Law, the Audit Committee under the Board of Directors shall lawfully exercise the corresponding supervisory functions and powers.

Members of the Board of Directors

As the governance body of Fibocom, the Board of Directors assumes leadership and oversight responsibilities, and makes decisions and formulates plans with the ultimate goal of achieving the company's long-term, stable and sustainable development.

The Board consists of 7 directors, including 3 independent non-executive directors and 1 employee representative director. During the reporting period, the Board convened 10 meetings, with a 100% attendance rate of directors.

For detailed information about the directors and the Board of Directors, please refer to the 2025 Annual Report of Fibocom Wireless Inc.

The company recognizes the importance of diversity among Board members for corporate governance and has established a Board Diversity Policy to ensure a balanced and diverse composition of the Board in terms of gender, age, nationality, cultural background, professional skills, and industry experience. In the recruitment, selection, training, evaluation, and day-to-day management of Board members, the company ensures that all procedures comply with legal and regulatory requirements and reflect the principles of fairness, impartiality, and transparency.

Name	Position	Gender	Age Group		
			50 and below	51–60	61 and above
Tianyu ZHANG	Chairman of the Board, Executive Director	Male		√	
Lingpeng YING	Executive Director	Male		√	
Ning XU	Executive Director	Male		√	
Ning WANG	Independent Non-Executive Director	Male			√
Jing ZHAO	Independent Non-Executive Director	Female	√		
Chenggang WU	Independent Non-Executive Director	Male	√		
Qihua CHEN	Employee Representative Director	Female	√		

Specialized Committees

The Board of Directors of the company has established the following special committees: the Audit Committee, the Strategy and Investment Committee, the Remuneration and Assessment Committee, and the Nomination Committee. Each committee performs its respective duties and collectively plays a role in decision-making and oversight.

Committee Name	Number of Members	Chairperson	Number of Independent Non-Executive Directors	Proportion of Independent Directors	Responsibilities
Audit Committee	3	Independent Non-Executive Director	3	100%	Responsible for communication, supervision, and verification of internal and external audits of the company.
Strategy and Investment Committee	3	Chairman of the Board	1	33.33%	Responsible for researching and providing recommendations on the company's long-term development strategies and major investment decisions.
Remuneration and Assessment Committee	3	Independent Non-Executive Director	2	66.67%	Responsible for formulating and assessing the performance evaluation criteria for the company's directors and senior management; responsible for formulating and reviewing the remuneration policies and plans for the company's directors and senior management.
Nomination Committee	3	Independent Non-Executive Director	2	66.67%	Responsible for the selection of the company's directors and senior management, the formulation of selection standards, the standardization of procedures, and making recommendations.

Board Remuneration and Performance

To strengthen the long-term interest alignment between the core team and the company's development, the company has formulated the Working Rules of the Remuneration and Assessment Committee of the Board of Directors. With reference to the remuneration levels of directors, supervisors and senior management of listed companies in the same industry, and in combination with the company's current actual operating conditions, the remuneration standards for directors, supervisors and senior management have been established. The remuneration of directors and supervisors is determined by the general meeting of shareholders, while the remuneration of senior management is determined by the Board of Directors.

In 2025, directors and supervisors who held specific management positions in the company received remuneration corresponding to their specific positions, and no longer received remuneration for their roles as directors or supervisors. Their remuneration consisted of basic salary and year-end bonus. Independent directors received independent non-executive director allowances.

For details on the remuneration of directors, supervisors and senior management during the reporting period, please refer to the 2025 Annual Report of Fibocom Wireless Inc.

Board Training and Empowerment

To ensure that the Board members perform their duties effectively in the strategic decision-making for the company's sustainable development, in December 2025, all directors of the company, the secretary of the Board, the securities department, and other ESG-related personnel participated in an ESG-related training session.

The Board of Directors has further enhanced its performance capabilities, compliance awareness, and understanding of the latest regulatory developments in the capital market, laying a solid foundation for the continuous optimization of the company's governance standards.

Tax Transparency

Tax Management System

The company has formulated the Specifications for Accounting of VAT Taxes Accounts in strict accordance with the Tax Collection and Administration Law of the People's Republic of China, the Enterprise Income Tax Law of the People's Republic of China and other relevant national laws, regulations and policies, which clearly stipulates the relevant requirements for tax management, tax processing procedures, responsibility division and approval authority, so as to ensure the standardization and accuracy of tax operations. The finance department of the company is responsible for tax declaration, planning and consulting, as well as researching changes in tax policies and their impacts on the company.

In terms of internal tax control, Fibocom strictly implements standardized work procedures and strengthens the monitoring of tax work through information-based means. Meanwhile, the company regularly reviews and updates its tax management system to adapt to changes in tax laws and regulations and the development of the company's business.

During the reporting period, leveraging standardized tax management and sound tax payment records, the company obtained multiple honors, including "Class A Taxpayer Credit Rating" and "Key Tax Source Enterprise".



Awards & Honors

Enterprise with Grade **A** Tax Payment Credit Rating; Key Tax Source Enterprise.

Tax-related Training

Fibocom places a high priority on training for tax-related personnel. The company's tax sharing center formulates tax management strategies and regularly delivers specialized tax training to finance personnel in accordance with such strategies, continuously improving the professional expertise and operational competence of tax staff.

During the reporting period, tax-related personnel of the company participated in 4 tax-related training sessions.

Based on its stringent tax compliance management and sound tax payment record, the company received multiple awards and honors during the reporting period.

Investor Relations

Minority Shareholder Protection

Fibocom respects and safeguards the full exercise of rights by all shareholders as owners of the company, and protects the legitimate rights and interests of minority shareholders against infringement.

The company strictly implements the Securities Law of the People's Republic of China, the Guidelines for Investor Relations of Listed Companies, and other laws and regulations. It has formulated an Investor Relations Management System, established a complete set of investor relations management procedures, continuously optimized the content and methods of investor communication, and strengthened the organization and implementation of investor relations management.

Through multiple channels such as Shenzhen Stock Exchange Interactive Easy Platform, the company takes the initiative to communicate and exchange with shareholders, especially minority shareholders, fully listens to their opinions and demands, and promptly responds to issues of concern to them.

Investor Rights Protection

The company has strengthened the development of its investor relations management system. The Board secretary serves as the person in charge of investor relations management, leading the securities department as the functional department responsible for related work. With a thorough understanding of the company's operations, management, business performance and development strategy, the department plans, arranges and organizes various investor relations activities and daily affairs.

The company attaches great importance to investor communication and has established a diversified and multi-channel investor communication platform, including but not limited to periodic reports and ad hoc announcements, performance briefings, shareholders' meetings, corporate website, one-on-one communications, mailings, telephone inquiries, on-site visits, analyst meetings and roadshows. Through various means, the company maintains timely, in-depth and extensive communication with investors to enhance their understanding of the company.

In 2025, the company actively responded to the concerns of stakeholders, improved the transparency of information disclosure and enhanced investor confidence.



Key Performance

Responded to **192** investor inquiries via Shenzhen Stock Exchange Interactive Easy Platform;

Released **181** relevant documents including interim announcements and IR records; Held **4** investor communication events.

Compliance and Risk Management

Fibocom has always maintained that compliance is the cornerstone of sustainable and steady development, and an essential requirement for achieving high-quality growth. We are committed to compliant operations, embedding a compliance culture throughout the organization, and building a comprehensive compliance management system covering all businesses and processes to safeguard the company's sustainable and healthy development.

The company has established a risk prevention and control system covering the entire business chain, with a dynamic mechanism featuring prevention in advance, control during operation, and improvement after the event. Adhering to the principles of comprehensiveness, prudence and effectiveness, the company integrates risk identification and control into strategic decision-making, business operations and internal management, ensuring risk management covers the full lifecycle of R&D, procurement, production, sales and other operations.

Principle of Comprehensiveness

Cover all businesses and processes of the company and run through the entire operation.

Principle of Prudence

The company's internal control shall be based on prudent operation and the prevention and mitigation of risks.

Principle of Effectiveness

The risk management provisions are highly authoritative and shall be fully implemented in every aspect of risk management.

By establishing a sound internal control organization system, Fibocom has formed a comprehensive risk prevention and control mechanism. The Board of Directors oversees the design and operational supervision of the internal control system. All functional departments formulate implementation rules based on their business characteristics, driving the transformation of risk management from passive response to proactive prevention.

For specific implementation, the company has established a four-in-one closed-loop risk management system: "strategy formulation – prevention and assessment – dynamic monitoring – emergency response". Through risk identification procedures, the company identifies and avoids internal and external risks. Risk control and emergency measures are adopted to prevent the escalation of existing risks and the recurrence of similar risks.

Risk Management Measures

Risk Management Measures	Details of Measures
Strategy Formulation	The Board of Directors and the Board of Supervisors determine the risk management strategy. All functional departments are responsible for implementing it in the company's business operations, assisting business departments in improving their business systems and processes, and inspecting and evaluating the implementation of the risk management strategy.
Prevention and Assessment	Each department conducts qualitative and quantitative analyses of risks from the perspectives of likelihood and impact, and makes rational risk assessment decisions.
Dynamic Monitoring	Under the guidance of the Audit Committee, the audit department evaluates the effectiveness of the company's internal control and risk management, the authenticity and completeness of financial information, and the efficiency of business operations, so as to prevent and control the company's risks.
Emergency Response	In the event of a risk, the person in charge of the relevant risk-responsible department shall immediately report to the relevant company departments and formulate and issue a response plan as soon as possible. During the risk handling process, the company shall properly manage relations with relevant parties, government authorities, and regulatory bodies. After the risk is resolved, timely reflections shall be made and rectification suggestions shall be provided to prevent the recurrence of new risks.

Business Ethics

Anti-Corruption Management System

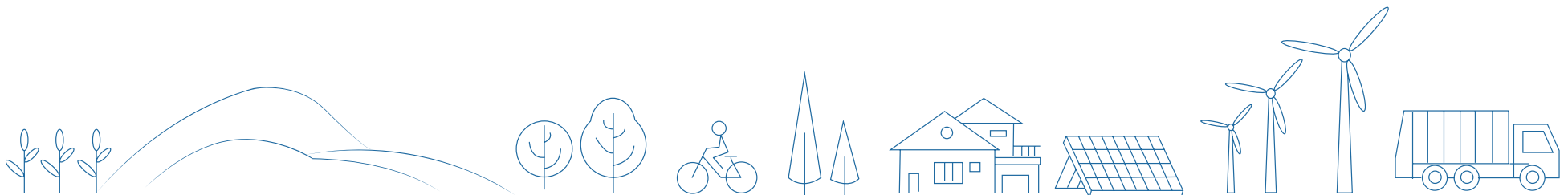
Fibocom strictly complies with laws and regulations against corruption, extortion, fraud and money laundering, including the Criminal Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, and the Provisions on Prohibiting Commercial Bribery.

It has also formulated management documents related to business ethics, such as the Anti-Fraud Management System, Employee Handbook, and Anti-Commercial Bribery Agreement.

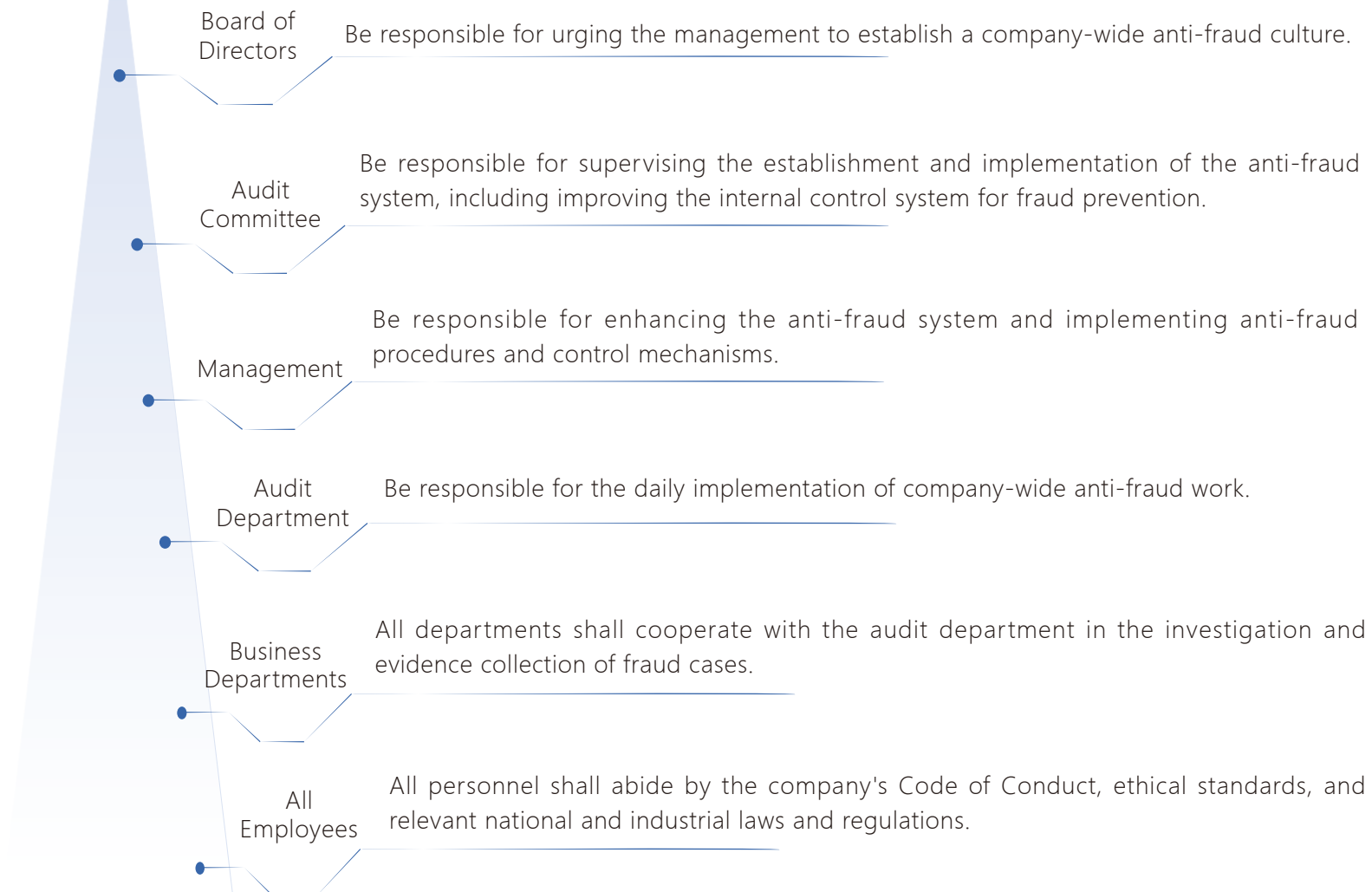
Meanwhile, the internal audit department conducts internal supervision over the company's businesses through compliance audits, special audits, annual internal control evaluations, fraud prevention and investigations. From an independent and objective third-party perspective, it helps the company strengthen internal control and prevent operational risks.

The company engages an external accounting firm to conduct annual audits each year. Through dual internal and external control mechanisms, it ensures the company's operations are legal and compliant.

The company has established a sound anti-corruption and anti-bribery organizational structure to ensure full coverage and efficient implementation. It adopts a zero-tolerance policy toward any serious violations of business ethics, regardless of employment tenure and position level.



Anti-Fraud Management Organizational Structure



Forms of Fraudulent Conduct

Seeking improper personal gains	- Engaging in unauthorized financial transactions with business partners; - Embezzling, misappropriating, transferring or stealing the company's assets; - Forging, altering or providing false financial information; - Other fraudulent acts that damage the interests of the company.
Seeking improper benefits for the company	- Selling nonexistent or fictitious assets; - Misstating or recording fictitious transactions, causing users of financial statements to make inappropriate investment and financing decisions; - Engaging in illegal and noncompliant business activities; - Evading taxes; - Other fraudulent acts conducted to obtain improper economic benefits for the company.

The company maintains close communication with relevant anti-corruption organizations to keep abreast of the latest anti-corruption developments, including the China Corporate Anti-Fraud Coalition.

The company adopts a zero-tolerance policy towards corruption and bribery. Upon discovery of any such misconduct, the company will promptly launch an investigation and impose appropriate disciplinary actions, including warning, fine, demotion, dismissal, and referral to judicial authorities, depending on the severity of the case.

Reporting and Protection of Reporters

To effectively prevent and punish corruption, the company has established independent reporting channels and relevant whistleblower protection provisions. It encourages employees and other relevant parties to report violations of laws, regulations and discipline, and accepts both named and anonymous reports. The audit department is responsible for handling all reporting-related matters internally.

To strengthen integrity and self-discipline, the company has set up diversified reporting channels, including hotline, WeChat, email and other means, to ensure unobstructed communication. Both internal employees and external parties may report any conduct or incident that violates professional ethics.

Employees who report violations of laws or discipline that are subsequently verified shall be given appropriate rewards based on the actual circumstances.

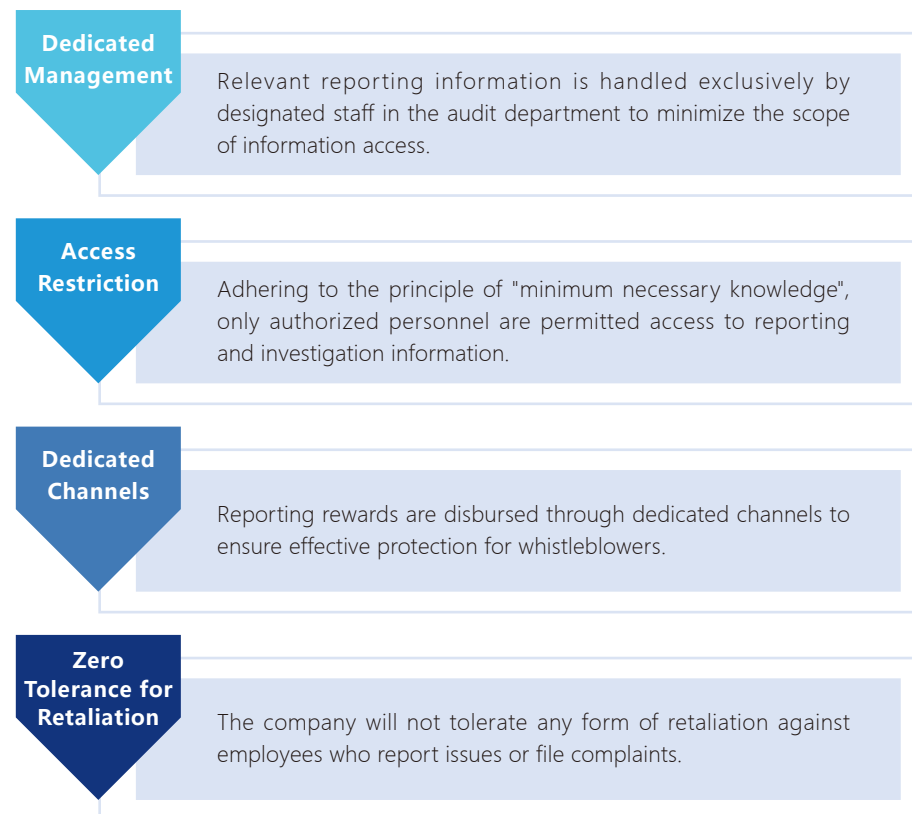
Reporting Channels



We have established a strict confidentiality system for whistleblower information, under which whistleblowers' information shall be kept strictly confidential. It is strictly prohibited to disclose the identity of whistleblowers, or to reveal whistleblowing materials and relevant information to the reported entities, reported individuals or other irrelevant personnel.

Meanwhile, it is explicitly stipulated that no one shall retaliate against whistleblowers in any form. Should whistleblowers suffer any form or degree of retaliation, Fibocom will promptly initiate intervention procedures and impose severe and stringent penalties on the retaliatory acts. Any act in violation of national laws and regulations shall be referred to the judicial authorities and competent departments in accordance with the law to pursue the legal liabilities of the parties involved.

Whistleblower Protection Measures



 **2025**

The company recorded **zero** incidents of commercial bribery or embezzlement throughout the year.

Integrity Culture Development

Fibocom strengthens integrity awareness through various measures to ensure employees fully understand and comply with the relevant provisions in the Employee Handbook and the Anti-Fraud Management System.

The company organizes employees to attend training on business ethics policies. Meanwhile, the audit department promotes anti-fraud initiatives on an irregular basis through the official website, emails, posters, training sessions, integrity quizzes and other channels.

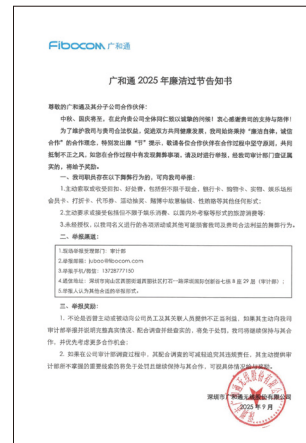


Case 1

Fibocom Notice on Upholding Integrity During Festivals in Year 2025

To continuously advance integrity culture development and strengthen the compliance awareness of employees and business partners, in September 2025, Fibocom issued a notice on upholding integrity during festivals to all employees and relevant partners. The notice released festival integrity reminders, advocating the code of conduct of integrity, self-discipline and honest cooperation.

Focusing on topics such as abiding by business ethics and standardizing business interactions, the company guided all parties to adhere to the bottom line of compliance in business cooperation, and jointly maintain a fair and transparent collaborative environment.



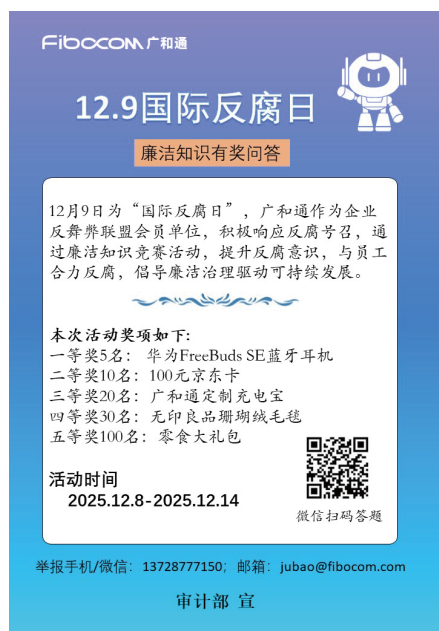
Fibocom Notice on Upholding Integrity During Festivals in Year 2025



Case 2

Fibocom International Anti-Corruption Day

On December 9, 2025, Fibocom, as a member of the Anti-Fraud Alliance, actively responded to the anti-corruption call and organized an Integrity Knowledge Competition. The initiative aimed to enhance employees' anti-corruption awareness and advocate that integrity governance drives sustainable development.



Integrity Knowledge Quiz with Incentives on
International Anti-Corruption Day



During the reporting period

A total of **47** management personnel and **457** employees participated in integrity culture-related training and activities.

Fair Competition

Fibocom strictly complies with relevant laws and regulations, including the Anti-Unfair Competition Law of the People's Republic of China and the Anti-Monopoly Law of the People's Republic of China, and firmly prohibits any form of unfair competition and monopolistic behavior.

The company has established a robust oversight mechanism, requiring multi-level review for all marketing activities, as well as advertisements and promotional materials released externally, to ensure content is truthful and lawful, and to eliminate false advertising and misleading information.

Furthermore, when signing contracts with business partners, the company explicitly stipulates the rights and obligations of both parties to prevent any clauses that may lead to unfair competition.



During the reporting period

The company recorded **zero** incidents of disputes related to fair competition and anti-monopoly.

04 Society



Social Performance Indicators

- Social Responsibility Management
- Employees
- Product and Service Safety and Quality
- Customer Right Protection
- Supply Chain Management
- Data Security and Privacy Protection
- R&D Innovation and Technology Ethics
- Rural Revitalization and Social Contribution
- Equal Treatment of SMEs

UN Sustainable Development Goals (SDGs)



Society

Social Performance Indicators

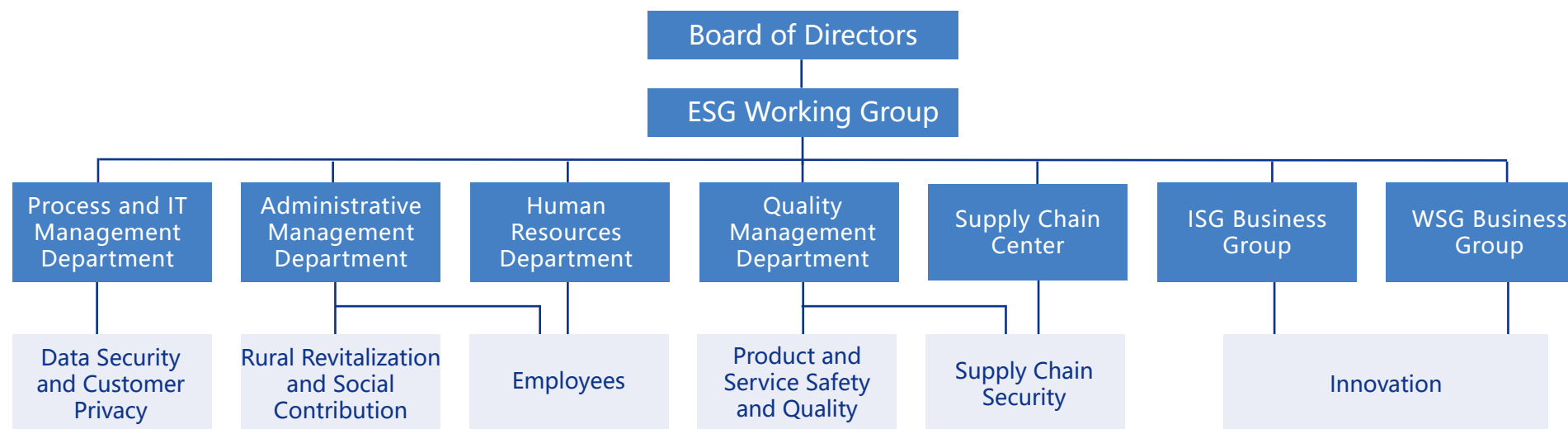
uibocon

 Innovation	Number of R&D Employees	1,183 Persons
	Proportion of R&D Employees	63.50%
	Number of Patent Applications	253 Items
	Annual Invention Patent Applications	168 Items
	Annual Utility Model Patent Applications	46 Items
	Annual Design Patent Applications	3 Items
	Annual PCT International Patent Applications	36 Items
	Annual Granted Patents	78 Items
	Number of Valid Patents	554 Items
 Employees	Labor Contract Signing Rate	100%
	Proportion of Female Employees	30.17%
	Total Number of Employee Training Sessions	645 Sessions
	Total Participation in Employee Training	11,000 Person-times
	Total Investment in Employee Training	RMB 1.09 million
 Supply Chain Security	Supplier Environmental/Social Impact Assessment Coverage Proportion	100%
 Social Contribution	Investment in Social Contribution	RMB 3.33 million

Social Responsibility Management

Governance

Against the backdrop of deepening global industrial digitalization and intelligent transformation, Fibocom integrates social responsibility management into its overall corporate governance system. Leveraging its global operations and technology-intensive business model, the company establishes a management framework and operational mechanism with clear responsibilities and collaborative divisions. This framework is led by the Board of Directors and addresses key social topics including supply chain security, product and service safety and quality, innovation, and employee welfare. Through top-down governance arrangements, the company ensures the effective implementation of social responsibility requirements in strategic decision-making, institutional development, and daily operations, laying a solid foundation for stable business performance and long-term value creation.



Governance Framework for Key Social Topics

Strategy

Fibocom regards social responsibility topics as critical strategic factors impacting the company's long-term competitiveness. The company systematically identifies potential impacts, risks, and opportunities arising from key social topics—including product and service quality, supply chain stability and compliance, employee development and protection, data security, and customer privacy safeguards—within its current global business model. These considerations are integrated into overall development planning and operational decision-making.

Risk Management

Fibocom has established a systematic mechanism for identifying and assessing risks related to social topics. By integrating its business model with changes in both internal and external environments, the company continuously evaluates the potential impact of relevant topics on its operations and compliance requirements. This process provides essential support for determining subsequent management priorities and formulating corresponding response measures.

Key Social Topics	Risks	Opportunities	Response Strategies
Innovation	Inadequate assessment of new technology maturity and application scenarios may lead to mismatched input-output ratios during new project development, thereby impacting the efficiency of R&D resource allocation and phased operational performance.	By continuously advancing technological innovation and adjusting R&D strategies in a timely manner, the company has the opportunity to break through homogeneous competition and price barriers, expand into emerging business areas such as artificial intelligence, and enhance its long-term competitive advantage and value creation capabilities.	The company has optimized its R&D management and technological strategy. While continuously strengthening its foundation in traditional communication technologies, it has increased strategic investments in cutting-edge technologies, established multiple R&D institutions, and consistently elevated its R&D expenditures.
Product and Service Safety and Quality	Downstream customers are increasingly demanding higher standards for product safety, environmental impact, and quality consistency. The company may fail to meet these stringent requirements in product design, supply chain management, and quality control, it may adversely affect customer access qualifications and order acquisition.	A rigorous customer review mechanism and product compliance requirements help drive the company to continuously enhance its product safety and quality management capabilities, strengthen customer trust and market recognition, and create conditions for deepening cooperation with core clients and expanding into high-end application scenarios.	The company continuously refines its product safety and quality management systems, conducts regular audits of contract manufacturers, effectively communicates product safety, environmental, and quality requirements to all production stages, and strengthens product lifecycle management.
Employees	As the company expands its business scale and increases organizational complexity, if the human resources management system fails to continuously align with the company's developmental stage in areas such as talent development, organizational collaboration, and incentive mechanisms, it may hinder the effective implementation of strategic objectives and compromise organizational operational efficiency.	Through systematic talent development and incentive mechanisms, the company continuously enhances employee expertise and organizational cohesion, building a workforce that supports technological innovation and business expansion. This provides a robust foundation for maintaining operational resilience and competitive advantage.	The company provides comprehensive technical and leadership training throughout employees' career development lifecycle. Combined with diverse incentive mechanisms, this approach fosters alignment between employee capability enhancement and corporate objectives, supporting continuous improvement in organizational effectiveness.

Key Social Topics	Risks	Opportunities	Response Strategies
Supply Chain Security	Under Fibocom's current business model, if contract manufacturers fail to consistently meet quality, environmental, and social compliance requirements in areas such as staffing, technical capabilities, or management standards, it may impact the progress of trial production and mass production. This could potentially pose risks to supply chain stability and business continuity.	Through a systematic supplier management and evaluation mechanism, the company can continuously enhance overall supply chain management capabilities, cultivate external manufacturing partners with long-term collaboration potential, and strengthen the supply chain's capacity to support business expansion and meet high-standard customer requirements.	The company has established a clear supplier evaluation process and defined responsibilities to ensure compliance with supply chain security and regulatory requirements, driving effective implementation of supply chain management standards among partners.
Data Security and Customer Privacy	In the collaborative process between clients and suppliers, as the application of information tools and emerging technologies continues to deepen, if existing information security management systems fail to promptly cover new technological scenarios such as artificial intelligence, there may be potential risks of non-intentional information leakage during data processing and information exchange.	The company's proactive social contribution initiatives can preemptively meet increasingly stringent ESG regulatory requirements, avoiding costly fines stemming from environmental and labor compliance issues. They also reduce emergency expenditures such as customer compensation and public relations management triggered by brand reputation crises, thereby stabilizing cash flow.	The company leverages its business strengths and resource advantages to actively engage in social welfare and community-building initiatives. It focuses on educational support, charitable donations, and volunteer services to address societal concerns through practical actions.
Social Contribution	If the company fails to adequately fulfill its social responsibilities, it may attract negative public attention or suffer a decline in social reputation. Furthermore, insufficient investment in corporate social contributions may make it difficult to meet increasingly stringent CSR requirements from external clients, potentially leading to a reduction in orders and consequently impacting the company's revenue performance.	The company's proactive social contribution initiatives can preemptively meet increasingly stringent ESG regulatory requirements, avoiding costly fines stemming from environmental and labor compliance issues. They also reduce emergency expenditures such as customer compensation and public relations management triggered by brand reputation crises, thereby stabilizing cash flow.	The company leverages its business strengths and resource advantages to actively engage in social welfare and community-building initiatives. It focuses on educational support, charitable donations, and volunteer services to address societal concerns through practical actions.
Rural Revitalization	When selecting suppliers, downstream clients incorporate contributions to rural revitalization into their ESG assessment frameworks, prioritizing socially responsible partners. Companies lacking involvement in rural revitalization initiatives will face disadvantages in client negotiations due to perceived shortcomings in their social responsibility credentials.	Empowering rural green development through technology reduces environmental compliance risks for partners, preventing penalties and order suspensions due to liability. Stable rural employment assistance mitigates social disputes and lowers public relations crisis management costs.	The company actively responds to the national rural revitalization strategy, participating in educational assistance and related social support initiatives within regulatory compliance. Through donation support and other forms of engagement, it contributes to talent cultivation and development in rural areas.

Metrics and Targets

To enhance the effectiveness and traceability of social responsibility management, Fibocom has progressively established and refined a system of indicators and targets centered on key social topics. This approach translates governance arrangements, strategic planning, and risk management requirements into trackable and assessable management elements. Through continuous monitoring and analysis of key indicators, the company supports management in evaluating the effectiveness of social topic management, provides reference for subsequent management optimization and decision-making, and drives the continuous improvement of social responsibility management.

Key Social Topics	Key Social Topics	Progress in 2025
Data Security and Customer Privacy	- Ensure accident-free information security management; - Comprehensively enhance employees' awareness of information security protection.	- The company reported zero information security incidents throughout the year; - No customer privacy breaches occurred during the entire year.
Supply Chain Security	- Manufacturing operations continue without interruption. - Continuously empower and manage suppliers to enhance overall CSR management standards across the supply chain.	- The company experienced no supply chain disruptions throughout the year; - Environmental/Social performance assessments covered 100% of suppliers; - No instances of child labor or forced labor were identified among suppliers.
Product and Service Safety and Quality	- Ensure no major product quality incidents occur to earn customer trust; - Continuously enhance customer satisfaction and reduce the number of customer complaints.	- General customer complaints decreased by 53%; - Zero major quality incidents occurred; - Market repair rate remained at just 174 ppm; - Incoming material conformity rate reached 99.82%.
Innovation	- Continuously enhance R&D innovation capabilities and expand the R&D team; - Increase the number of patent applications and grants.	- Established Fibocom central research institute; - The number of R&D employees reach 63.50%; - Number of patent applications: 253 items; - Annual invention patent applications: 168 items; - Annual utility model patent applications: 46 items; - Annual design patent applications: 3 items; - Annual PCT international patent applications: 36 items; - Annual granted patents: 78 items.
Employees	- Comprehensively enhance employees' core competencies and professional expertise; - Ensure compliance in employment practices to safeguard employee rights; - Provide comprehensive protection for employee health and safety.	- Employee training coverage reached 91.5%; 0 incidents of child labor or forced labor; 100% social insurance coverage for employees; 0 incidence of occupational diseases among employees; 0 work-related fatalities.

Employees

"Contributor-centric" is Fibocom's enduring philosophy toward our employees. We firmly believe that contributors are the driving force behind Fibocom's value creation and represent our most valuable asset. We regard contributors as fellow travelers, collaborating with them to create value, share opportunities, share benefits, and share in our collective growth.

Compliant Employment

Fibocom strictly complies with and implements the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other laws and regulations in all regions where it operates. It actively responds to international conventions such as the Universal Declaration of Human Rights, the International Labor Organization (ILO) Conventions, and the Convention on the Rights of the Child. The company establishes internal systems including the Recruitment Management System, Re-employment Management System, and Employee Handbook to effectively safeguard employee rights and interests.

We prohibit the use of child labor and forced labor. We continuously standardize employee recruitment identity verification procedures, requiring applicants to present valid personal identification documents for identity checks, and enter into legally compliant employment contracts with all employees.

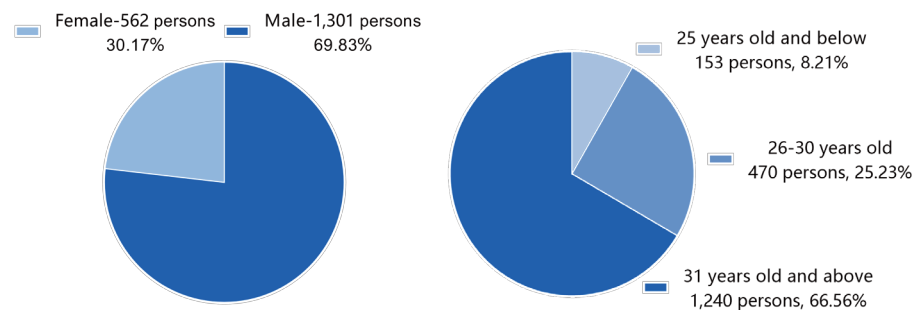
We guarantee employees' freedom to choose their occupation and reasonable working hours. Our Employee Handbook explicitly stipulates a 7.5-hour workday and an average weekly workweek not exceeding 40 hours. We strictly prohibit the use of forced or involuntary labor and impose severe penalties for any instances of forced labor.

Fibocom fully understands that talent is the core driving force behind corporate innovation and development. To meet the talent needs for the company's sustained, stable, and rapid development, we have established the Recruitment Management System, Internal Referral System, and Campus Recruitment Management System. These systems clarify recruitment implementation processes, establish and refine talent pool sharing mechanisms, and ensure talent quality. We have always believed that talent is Fibocom's most valuable asset. Through diverse recruitment channels and mechanisms—including campus recruitment, university-industry partnerships, social recruitment, internal referrals, and executive search—the company rapidly identifies and attracts outstanding young professionals to join Fibocom.



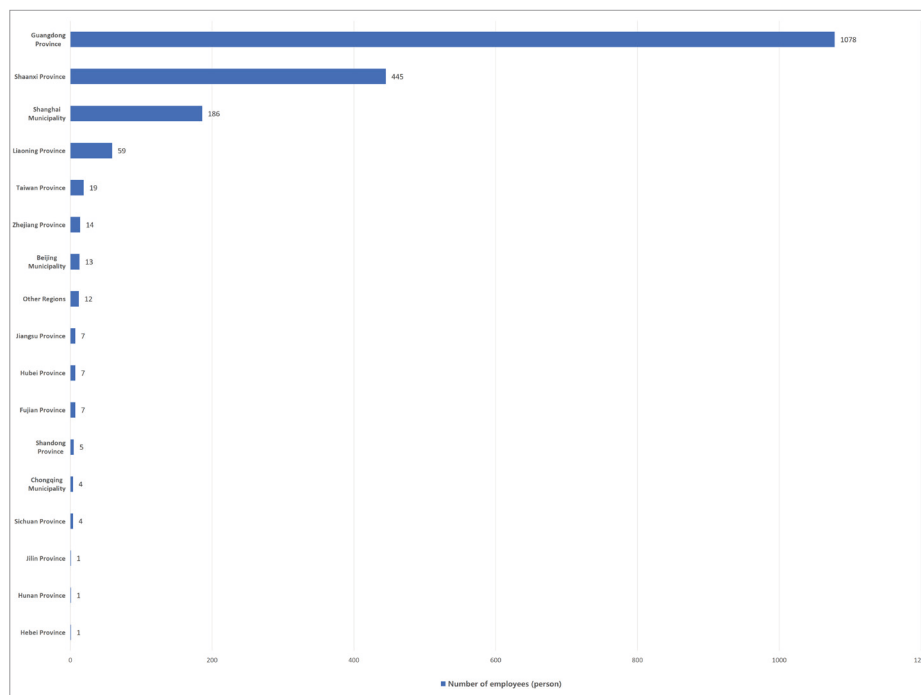
As of the end of the reporting period

Fibocom has a total of **1,863** employees, of whom **1,301** are male, accounting for **69.83%**, and **562** are female, accounting for **30.17%**.



Employee Gender Ratio

Employee Age Distribution



Employee Regional Composition

Diversity and Inclusion

Fibocom actively promotes a diverse and inclusive workplace culture, respecting and valuing the diverse backgrounds, experiences, styles, approaches, and perspectives of individuals. The company encourages employees from varied backgrounds to leverage their unique strengths, fostering team collaboration and business growth. We believe a diverse workforce brings greater innovative thinking and vitality, driving the company's vigorous development.

Protecting Women's Rights

Fibocom strictly adheres to relevant laws and regulations, including the Special Provisions on Labor Protection for Female Employees. The company explicitly prohibits any department from refusing to hire, dismissing, or reducing the wages of female employees based on reasons such as marriage, pregnancy, childbirth, or breastfeeding. In processes including employee grading, promotion, and salary adjustments, the company resolutely eliminates any form of gender discrimination, ensuring female employees enjoy equal compensation and career development opportunities.

The company places high importance on safeguarding the health and rights of female employees. Its Attendance and Leave Management System explicitly stipulates that female employees are entitled to paid maternity leave, prenatal check-up leave, breastfeeding breaks, and miscarriage leave. Additionally, the company has established nursing rooms in rest areas to assist pregnant employees in smoothly transitioning back to work, striving to create a more humane work environment for female staff.

Caring for Vulnerable Groups

Fibocom treats all employees fairly, evaluating work performance without regard to disability, race, religion, or other factors. We place high importance on employment placement for employees with disabilities, providing suitable job opportunities alongside equal access to training and career development support. This empowers employees with disabilities to enhance their capabilities and facilitates their better integration into society.

During the reporting period

The company has **2** employees with disabilities and organized a total of **11** cultural and sports events.

The Fibocom Employee Mutual Aid Fund provided financial assistance to **2** employees facing hardship, totaling RMB **80,000**.

Employee Welfare and Care

The company ensures employees and their families receive essential support and care through a comprehensive benefits system. It contributes to social insurance and housing provident funds for all employees under formal employment contracts. Additionally, based on the company's operational performance, annual performance bonuses are distributed to employees.

Fibocom prioritizes the quality of its employees' work and personal lives by establishing five major employee clubs across the group: basketball, badminton, soccer, dance, and running. Each year, the company organizes diverse cultural and sports activities, including festive events like the Mid-Autumn Festival and Dragon Boat Festival, as well as sports competitions such as badminton and basketball tournaments. These initiatives enrich employees' leisure time and strengthen team cohesion.

Additionally, the company has established an Employee Mutual Aid Fund, using compassionate assistance as a bond to extend mutual support and care to employees facing hardship. All current Fibocom employees may voluntarily join the mutual aid foundation by signing the Fibocom Employee Mutual Aid Fund Donation Agreement and become compassionate donors. The mutual aid fund will be used to assist employees in coping with major illnesses, accidents, death, and other unexpected emergencies.



Case 1

Women's Day Special Event

On the occasion of Women's Day, the company thoughtfully arranged festive corners in break rooms across all floors, presenting each female colleague with flowers and exquisite gift boxes to convey warmth and care amidst their busy work schedules. Additionally, the company launched the "Extraordinary Me" campaign on the Community platform, collecting and sharing inspiring stories from numerous Fibocom's women colleague to highlight the remarkable strength found in everyday lives.



Women's Day Special Event



Case 2

"Honor Our Founding Spirit, Ignite Our Future" Fibocom 2025 New Year Gala

Fibocom hosted a New Year's Gala on January 18, bringing employees together to review the achievements of the past year and discuss future development plans. Through cultural performances and other activities, the event provided a platform for employees to connect and showcase their talents, fostering teamwork and internal communication. This strengthened employees' sense of belonging and team cohesion, creating a positive and harmonious work environment.



"Honor Our Founding Spirit, Ignite Our Future" Fibocom 2025 New Year Gala



Case 3

The Third "Fibocom Cup" Badminton League

Fibocom hosted the third "Fibocom Cup" Badminton Tournament from July 30 to August 27, with 125 employees participating and forming 16 teams for the competition. Using sports competition as a platform, the event encouraged active employee participation in physical activities, promoted cross-departmental communication and teamwork, enriched employees' cultural and recreational lives, strengthened team cohesion, and fostered a healthy and positive corporate culture.



The Third "Fibocom Cup" Badminton League

Employee Compensation and Incentives

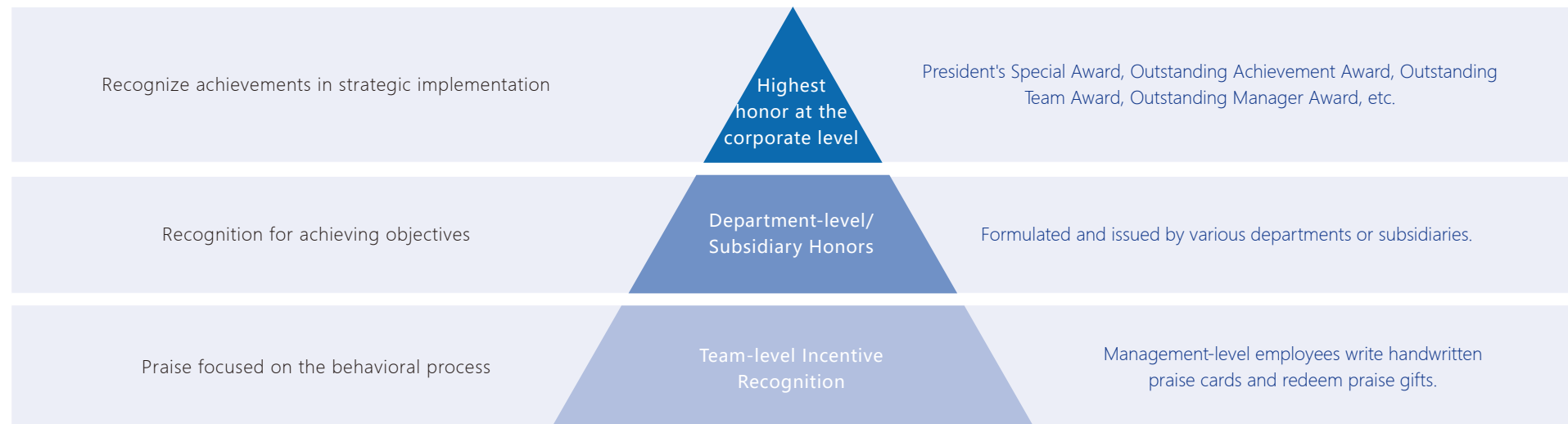
Fibocom strictly complies with the requirements of laws and regulations such as the Labor Contract Law of the People's Republic of China regarding compensation, social security, and working hours. The company has established a Compensation Management System to provide employees with remuneration and benefits that meet legal requirements, including minimum wage, overtime pay, paid leave, and other benefits.

The company provides employees with a competitive compensation package based on its strategic objectives, external market salary levels, and job responsibilities, while considering employees' job grades and capabilities. Annual compensation consists of monthly salary, supplementary wages, and bonuses. To ensure employee retention, the company also offers additional benefits such as meal allowances, communication allowances, and special position allowances.

The company adheres to the compensation management principle of "determining grades by position and determining salaries by grade," encouraging employees to earn salary adjustments by creating greater value. Each year, based on business performance, the company initiates a compensation review program to ensure the compensation system remains fair, transparent, and effectively motivates employee engagement.

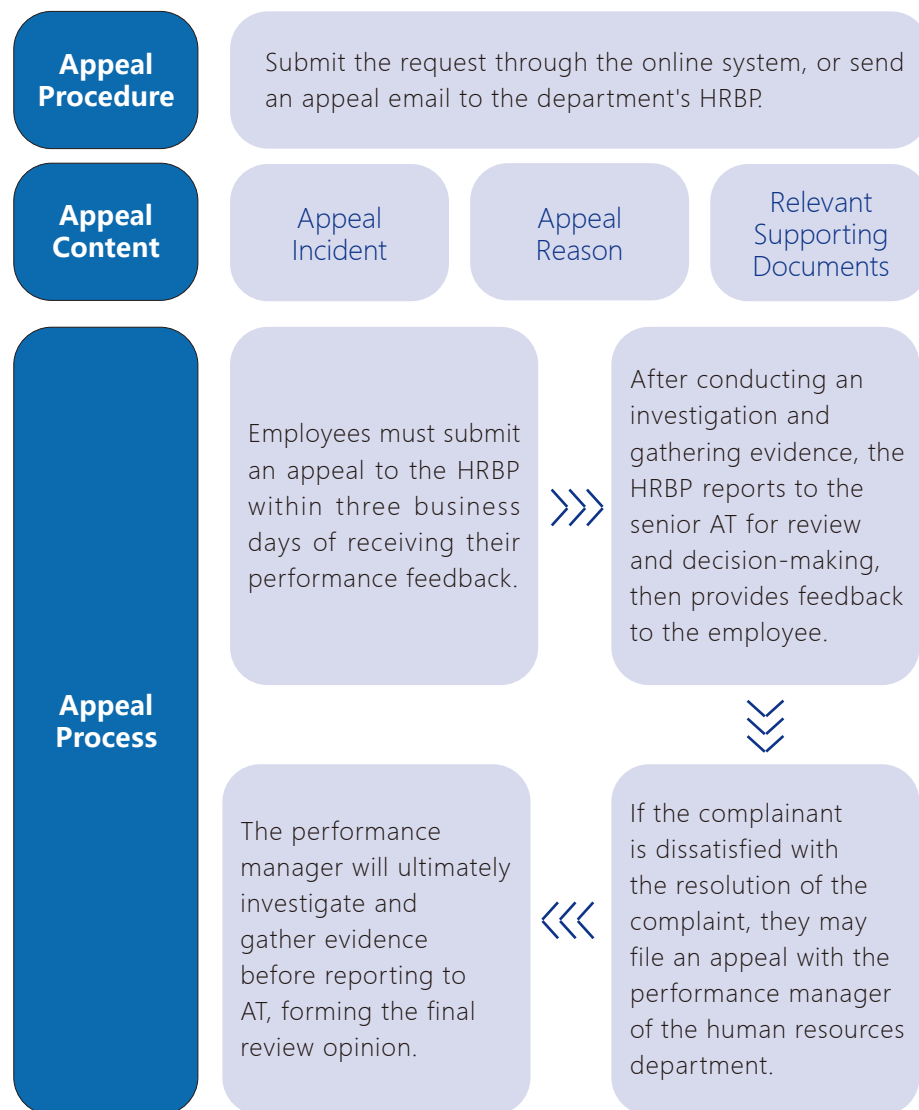
In addition to offering competitive compensation and benefits, the company provides equity incentives for mid-to-long-term contributors and has established a diverse and comprehensive honor system. Through various forms of recognition and commendation-including diverse honorary incentives and ceremonies-outstanding teams and individuals gain a heightened sense of honor. This sense of glory further inspires a greater sense of responsibility and mission among all employees, continuously strengthening the company's cohesion and unity. This drives individuals to continuously create value at Fibocom.

The company adheres to a culture-driven approach, leveraging dual drivers of "strategic significance" and "value contribution" to build a distinctive Fibocom pyramid-shaped honor incentive system. This system motivates employees to strive for excellence and surpass expectations on the Fibocom platform.



We conduct regular performance evaluations, establishing assessment criteria across multiple dimensions including company development, individual employee performance, job competency, and potential. Evaluation cycles are determined based on the needs of different developmental stages and the functional roles of each department. Organizational performance targets are set annually with reviews conducted every six months. Individual performance evaluations are tailored to each role's hierarchical level and business attributes, with annual and semi-annual assessments implemented accordingly.

Concurrently, we have established a system for employee performance feedback and appeals. Performance feedback involves a two-way communication process between managers and their subordinates regarding the performance evaluation results from the previous assessment cycle, as well as the work objectives and improvement plans for the next phase. This process takes the form of one-on-one meetings to encourage employees to maintain strong performance and sustained growth, while taking on greater responsibilities in the new assessment cycle. Following the completion of performance evaluations and feedback, employees may submit an appeal if they still have objections to the performance results.



Employee Appealing Mechanism

Democratic Management and Communication

Employee Communication

Fibocom places high importance on employee democratic rights, establishing multi-channel communication platforms to regularly gather employee feedback and suggestions, thereby safeguarding employees' rights to information, participation, and oversight. The company regularly holds all-staff meetings where the chairman communicates corporate culture and strategic direction to all employees, fostering a more comprehensive understanding of the company. Concurrently, management conducts regular face-to-face discussions with frontline supervisors to inspire a sense of responsibility and pride in participating in company management. Additionally, the corporate culture email platform features dedicated sections: "The Power of Role Models" and the "Fibocom People" journal, serving as windows for employees to stay informed about company developments, experience corporate culture, and learn from exemplary role models.

The company established a trade union organization in compliance with the Trade Union Law of the People's Republic of China. Acting as the representative and defender of employees' lawful rights and interests, the union operates independently and engages in equal negotiations with the enterprise. It also actively participates in the government-led tripartite consultation mechanism, effectively mitigating risks related to employees' labor rights, fully safeguarding their statutory rights and legitimate interests, and fostering a stable and reliable working environment for all staff.

Employee Satisfaction

To fully listen to employee voices, understand their opinions, and better improve the workplace environment for company staff, Fibocom conducts two comprehensive administrative satisfaction surveys annually, covering all employees. The administrative management department is responsible for designing, distributing, collecting, analyzing, and summarizing the questionnaires, which are distributed to all employees via DingTalk. The survey covers multiple dimensions including administrative services, communication initiatives, office environment, and workplace safety management to comprehensively gauge employee satisfaction. Through in-depth analysis of feedback, the company develops targeted improvement plans to continuously enhance management and service capabilities, thereby strengthening employees' sense of belonging.



Key Indicator

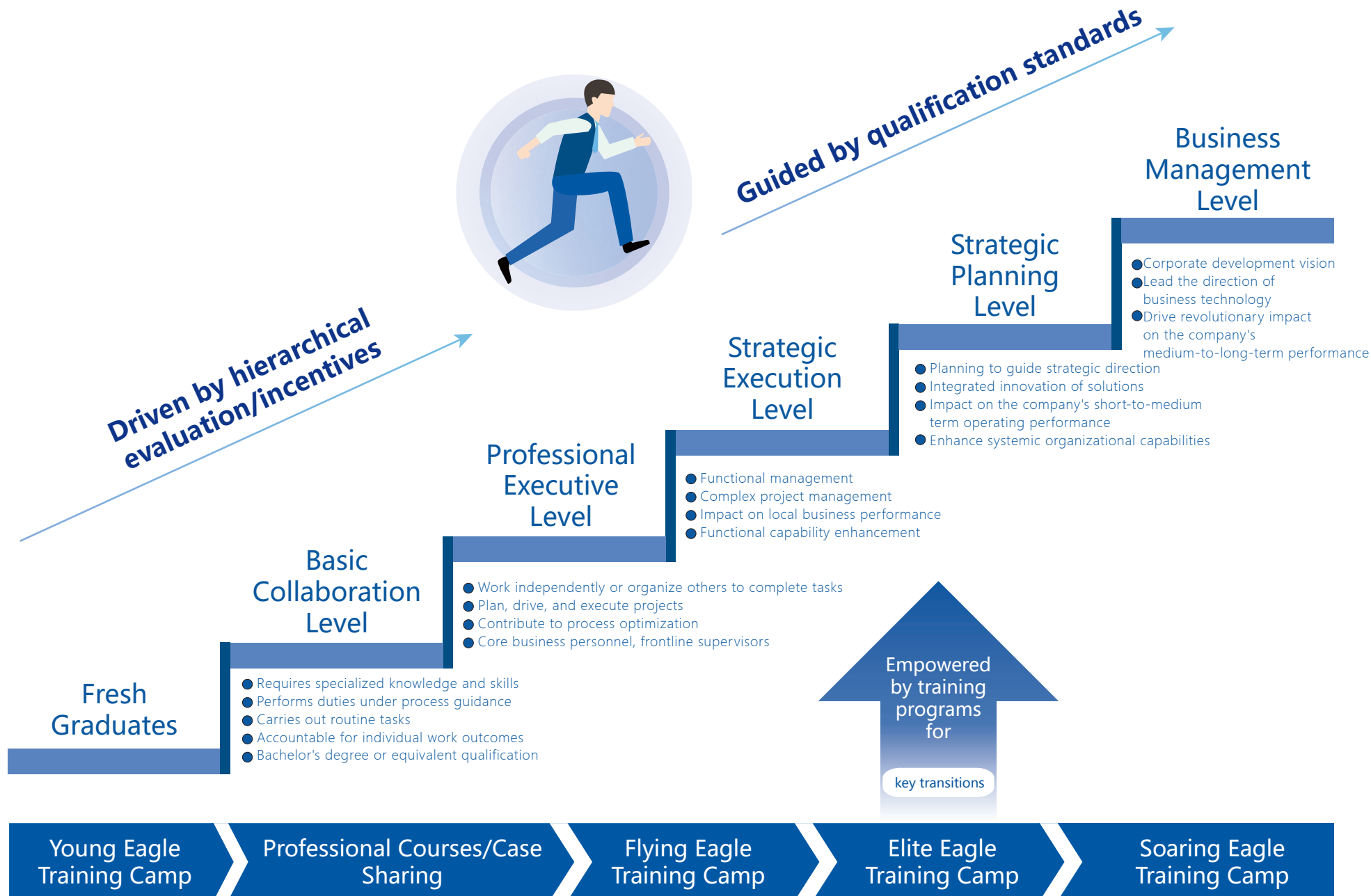
Fibocom conducts **2** company-wide administrative satisfaction surveys annually.

Employee Development System

Career Development Path

Fibocom places high importance on employee career development. Drawing from industry best practices, the company has established a 1-12 grade level system. Each grade corresponds to a specific position system, with distinct job titles established for management and professional career paths. Within the professional track, roles are further categorized into technical, product, marketing, supply chain, and functional groups. Considering the company's future need to establish its own manufacturing facilities, operational groups have been reserved to ensure fair and objective internal job evaluation.

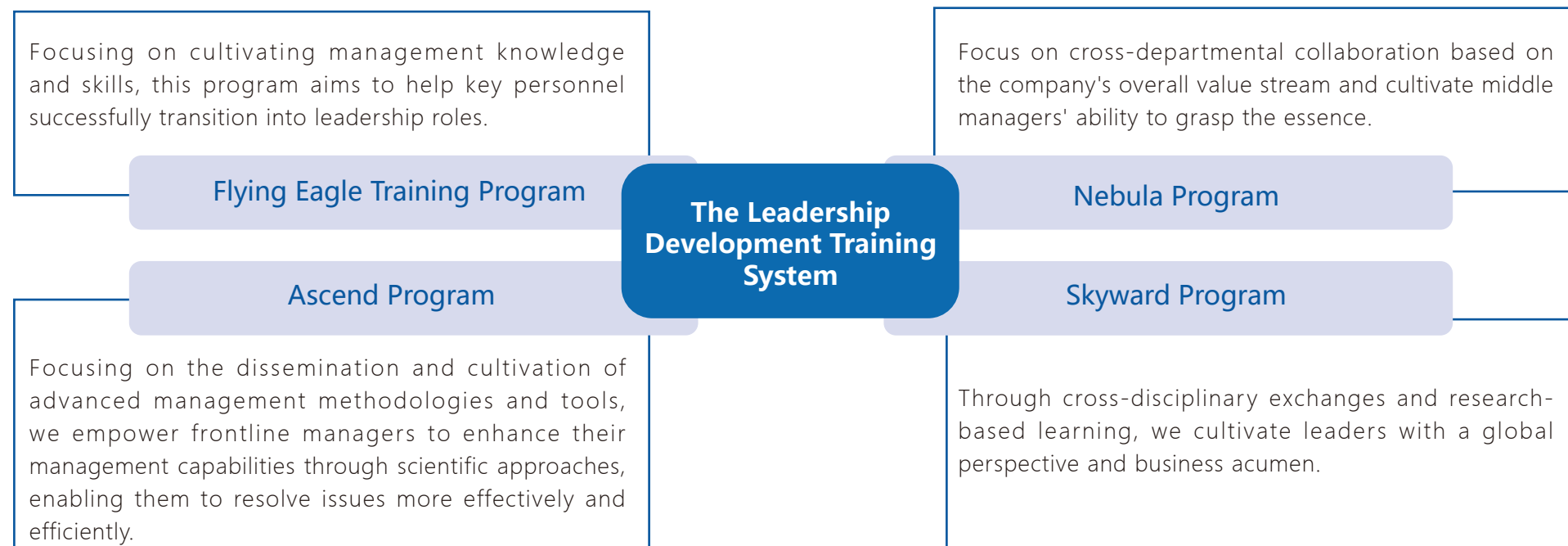
The company has established a comprehensive employee promotion mechanism, complete with corresponding qualification standards and career development pathways, guiding employees to enhance their capabilities in alignment with corporate benchmarks. An annual job level review is conducted to promote eligible employees, thereby achieving holistic improvement in both individual and organizational capabilities.



Employee Training

Fibocom continues to deepen its talent cultivation and development strategy by establishing the Fibocom Training Management System. This system builds a comprehensive, diversified, and tiered talent development framework for employees, empowering them to continuously enhance professional skills and broaden career pathways. Simultaneously, the company places significant emphasis on blended learning approaches combining online and offline training. It regularly maintains and manages training systems while formulating the E-learning Platform Operation Management Specifications. This systematic and standardized learning platform comprehensively safeguards employees' career advancement.

The company offers three major training systems for employees: leadership development training, professional competency training, and general competency training. The leadership development training system features four specialized programs—the flying eagle training program, ascend program, nebula program, and skyward program—tailored for entry-level new managers, frontline managers, mid-level directors/general managers, and senior VPs. The professional competency training system delivers specialized programs to enhance capabilities in product development, marketing, and delivery. The general competency training system provides comprehensive online and offline training for both domestic and international new hires, covering company overviews, policies, and professional development. It also offers tailored programs for recent graduates.



 During the reporting period

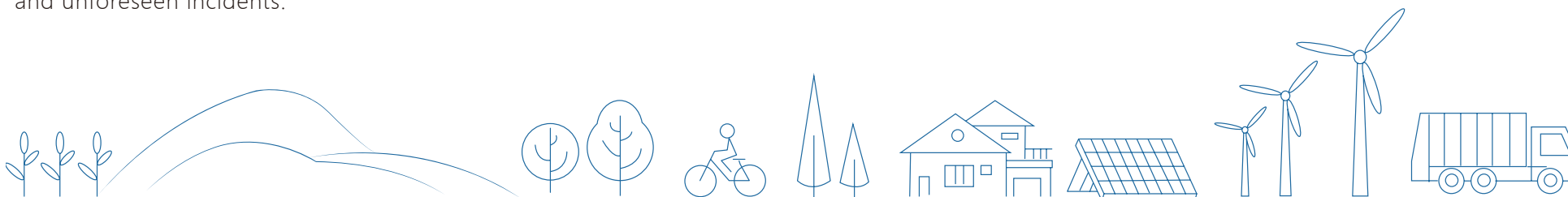
The company conducted a total of **645** training sessions, with a total of **11,000** participants, covering **91.50%** of the employees. The total annual training expenditure was approximately **1.09** million RMB.

Occupational Health and Safety

Workplace Safety Management

Fibocom strictly adheres to the Work Safety Law of the People's Republic of China, the Occupational Disease Prevention and Control Law of the People's Republic of China, and other national and local laws and regulations where it operates. The company has established a comprehensive safety emergency management organizational structure, with the chairman serving as the overall commander for corporate safety. It formulates health and safety management policies, with the administrative management department assuming the responsibilities of the emergency office to implement safety decisions. Through measures such as safety risk management, hazard investigation and control, occupational health management, emergency incident management, and safety education and training, Fibocom has developed an efficient occupational health and safety management system. This system provides a solid foundation for the company's sustainable development and the health and safety of its employees.

The company adheres to the safety management principle of "safety first, prevention foremost, and comprehensive management." It upholds three core safety management tenets: "people-centered," "equal emphasis on prevention and emergency response," and "unified leadership with tiered response." Internal regulations such as the Company Safety Management System and the Company Emergency Response Management System have been established to standardize safety management practices. These measures enhance the company's capability to handle emergencies, thereby maximizing prevention and minimizing damage or destruction to personnel, property, and the environment caused by natural disasters and unforeseen incidents.



Fibocom Safety Management Principles

People-Centered

Ensure that the safety of company employees and their property is the top priority. In responding to and handling emergencies, the primary objective is to prevent and minimize casualties.

Equal Emphasis on Prevention and Emergency Response

Strengthen preventive monitoring in daily operations, conduct emergency drills, enhance preparedness awareness, and minimize losses caused by emergencies.

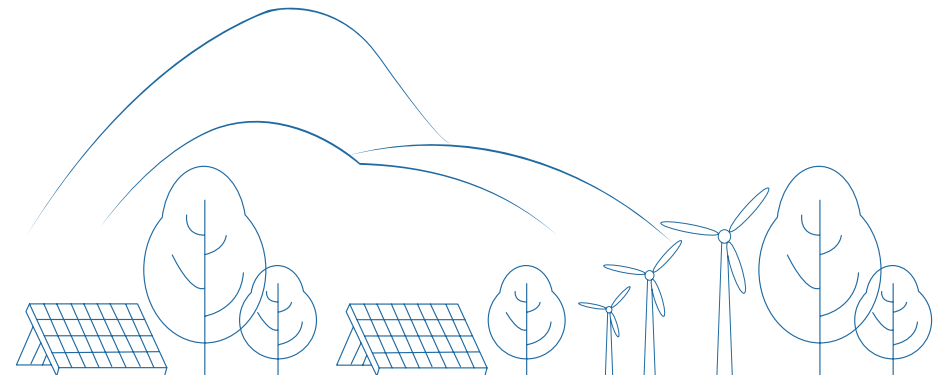
Unified Leadership with Tiered Response

Refine the allocation and implementation of emergency response responsibilities, activate different emergency procedures according to varying response levels, and ensure rapid and effective emergency response and incident handling.

The company has obtained ISO 45001 occupational health and safety management System certification. To ensure the effective operation of the system, internal and external audits of the occupational health and safety management system are conducted annually.



ISO 45001 Occupational Health and Safety Management System Certification



Workplace Safety Management Measures

Serial Number	Measures
1	Review fire safety points throughout the office premises and promptly replenish firefighting resources at high-risk locations (server rooms, laboratories, archives, etc.).
2	Develop internal regulatory documents including the Typhoon and Heavy Rain Emergency Response Plan, Holiday Safety Assurance Program, Fire Safety Management Manual, and Earthquake Preparedness Principles and Key Points. Train and guide security personnel in their implementation to ensure operational site safety.
3	Inspect fire extinguisher equipment monthly to ensure it is in proper working order.
4	Conduct daily inspections of the laboratory to prevent fire hazards.
5	Establish a permanent emergency response team to handle urgent and unexpected situations.
6	Set up safety and escape routes with clear signage. Designated personnel conduct daily inspections and maintain operational records.
7	Conduct monthly fire safety training for security personnel, quarterly fire safety training for departmental liaison personnel, and regularly promote fire safety awareness among all employees to enhance safety consciousness.

In 2025, Fibocom actively promoted workplace safety training initiatives to enhance employees' safety awareness. The company regularly conducted training and awareness campaigns on healthy and safe work practices, including safety knowledge training and energy-

saving work method training, standardizing employee performance and eliminating potential safety hazards. Additionally, the company actively organized Safety Month activities, designing safety posters to promote fire safety knowledge and conducting fire emergency drills.

In 2025, Fibocom did not experience any major traffic accidents.

Number and Rate of Work-Related Fatalities at Fibocom, 2023-2025

	2023	2024	2025
Number of Work-Related Fatalities (persons)	0	1	0
Rate of Work-Related Fatality (%)	0.00	0.05	0.00

Occupational Health Management

Fibocom has established a comprehensive occupational health management system in compliance with relevant laws and regulations, including the Occupational Disease Prevention and Control Law of the People's Republic of China and the Regulations on Occupational Health Management in the Workplace. The company regularly conducts occupational health awareness campaigns and training for its employees.

During the reporting period

The company conducted **2** occupational health and safety training sessions, with a total investment of RMB **10,000**.
Workers' compensation insurance coverage reached **100%** of employees.

Product and Service Safety and Quality

Quality Management System

Fibocom consistently regards product quality and safety as the lifeline of corporate development, establishing a quality management system that adheres to "legal compliance as the baseline, international standards as the foundation, and customer satisfaction as the benchmark." The chairman serves as the ultimate decision-maker for quality policies, overseeing the operation of the entire quality management system. The office of the president regularly formulates annual quality objectives, which are released after review by the chairman. Department heads assist in product quality management, coordinating the implementation of quality policies while driving execution and monitoring target fulfillment across divisions. The quality management department serves as the primary unit, actively advancing initiatives and ensuring quality actions are implemented at the operational level.

The company is committed to achieving excellence in quality and reliable safety throughout the entire product lifecycle, integrating principles such as sustainability and efficiency into its lifecycle management. It strictly adheres to the highest international and local health and safety standards. Currently, all products comply with the latest Restriction of Hazardous Substances Directive (RoHS Directive) and other environmental requirements.

The company has obtained ISO 9001 quality management system certification. Additionally, its laboratory has achieved CNAS national accreditation, with testing and calibration capabilities compliant with the international standard ISO/IEC 17025, providing a solid guarantee for product quality.



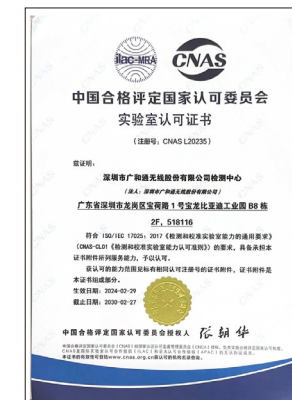
Fibocom



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ISO/IEC 17025 Laboratory Accreditation Certificate

Quality Management Objectives

Fibocom adheres to the quality policy of "Customer-oriented, Pursuit of Excellence; Wireless Connectivity, Boundless Perfection," establishing and achieving multiple annual quality management objectives.

Fibocom 2025 Annual Quality Objectives and Achievements

Ensure products are free from major quality incidents	Zero major quality incidents
Incoming Material Conformity Rate > 99.5%	Incoming material conformity rate reaches 99.82%
Market repair rate remained ≤ 30%	Market repair rate remained at just 174 ppm
General customer complaints decreased by 30%	General customer complaints decreased by 53%

2025 Quality Objectives

Achievements

Product Quality Control

Throughout the product lifecycle management process, the company fully implements a refined management philosophy. Centered on the Integrated Product Development (IPD) process as its core framework, it integrates product quality management requirements and objectives across the entire cycle—from R&D, design, inspection, and production to market withdrawal. This establishes a comprehensive, closed-loop management system that ensures continuous control over product quality and safety.

Whole Lifecycle Quality Management

Management Process	Coverage Period	Management Measures
Project Initiation Stage	From initiating the project proposal to finalizing the decision	Key measures include market and competitive analysis, initial product demand analysis, feasibility analysis, formulation of initial product development strategies, formulation of initial marketing strategies, and development of product package business plans.
Concept Planning Stage	From component project team to project plan decision review	Key measures include process and activity refinement, clarification of product design requirements, overall product design, product requirement decomposition, high-level design across domains, development of detailed project plans for each domain, output of marketing strategies and plans, and formulation of project budgets.
Development Verification Stage	From project plan approval to availability decision review	Detailed design across all domains, hardware development design, software development design, test design and product testing, pilot production development design, product certification, and trial production.
Release Stage	From the approval of the availability decision review report to the confirmation of general availability	Key measures such as product launches and project summaries.
Lifecycle Stage	From the end of confirmation of general availability to product discontinuation	Implement product business plans, continuously manage order execution and delivery, maintain ongoing attention to customer complaints and requirements, and persistently pursue cost reduction initiatives.

Product Recall Management

The company's Customer Return and Exchange Goods Deal Procedure stipulates that if internally discovered delivered products fail to meet requirements and must be returned for inspection, the Customer Quality Engineer (CQE) shall initiate the request, investigate the relevant causes, and confirm the recall plan. After product acceptance, decisions regarding acceptance into inventory, rework/repair, or scrapping shall be made based on inspection results.

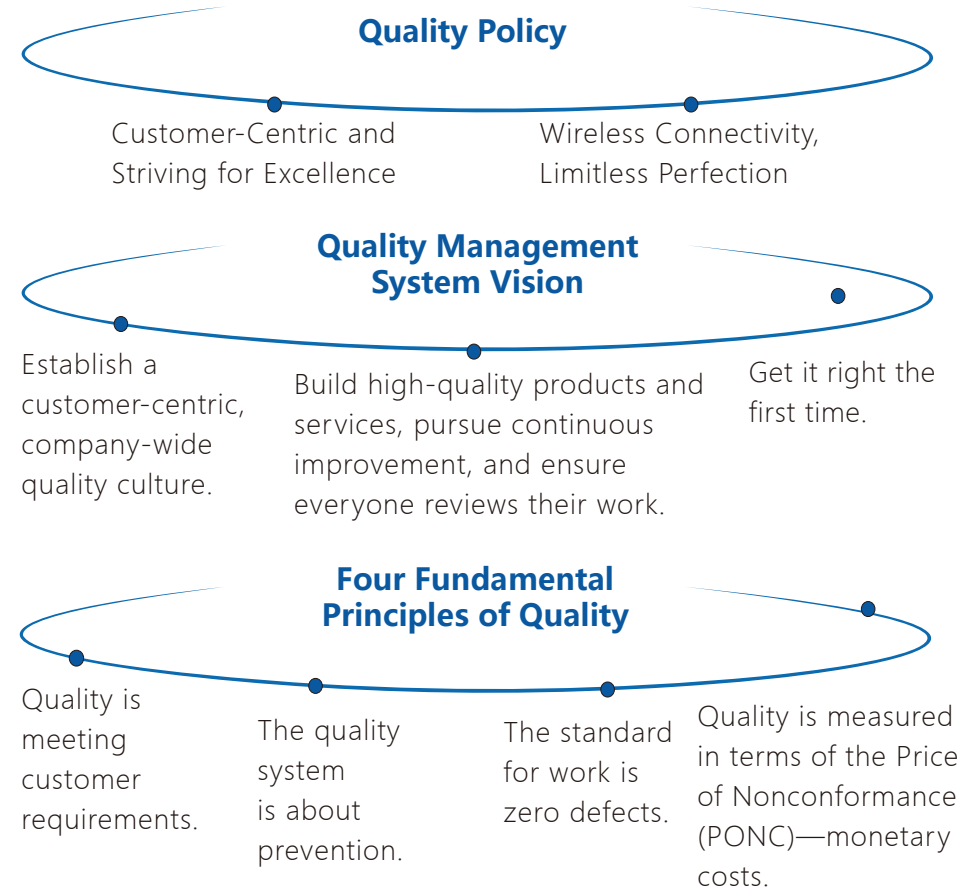
During the reporting period

The company experienced **zero** major product recall incidents, with a product recall rate of **0%**.

Quality Culture Development

To strengthen quality awareness among all employees, Fibocom has planned and launched a series of special initiatives to encourage staff to actively engage in quality improvement efforts and continuously enhance quality management standards.

Fibocom Quality Culture



 Case

Fibocom Sixth Annual Quality Day Event

To continuously strengthen the foundation of quality management and enhance the quality awareness of all employees, Fibocom organized the sixth Quality Day event during the reporting period. Centered on the theme "Enhancing Quality and Efficiency, Securing the Future Through Quality," the event systematically promoted the company's quality philosophy and quality management requirements. Centered on the core quality principles of "Everyone Participates, Everyone Improves, Prevention First, Get It Right the First Time," the event featured diverse formats including quality training workshops, quality knowledge competitions, experience sharing by quality exemplars, and case reviews of typical quality incidents. These activities guided employees in identifying and mitigating quality risks in daily operations, effectively translating quality management concepts into business practices. This initiative aims to continuously elevate product and service quality standards, thereby strengthening the company's core competitiveness.



Fibocom Sixth Quality Day Theme Event: "Enhancing Quality and Efficiency, Securing the Future Through Quality"

Customer Right Protection

Customer Service Management

We fully recognize that our customers form the foundation of the company's steady development. Strong customer relationships are not only crucial for business growth but also a vital manifestation of corporate social responsibility. The company strictly adheres to relevant national laws and regulations, providing high-quality after-sales service to customers and consumers. We rigorously implement standardized systems such as the Customer Request (Issues & Support & Complaints) Handling Process, optimize complaint response and after-sales service mechanisms, and enhance the efficiency of customer issue resolution.

Responsibilities of the Customer Service Management Organization

Field Application Engineer (FAE)



- Determine the category of customer feedback requests;
- Promptly resolve customer requests that can be handled independently;
- Timely escalate requests that cannot be resolved independently to support and customer complaint processes.

FAE Manager



- Review FAE bill of lading specifications and determine request priority level;
- Assign FAE specialists to customer requests.

FAE Specialist



- Promptly assist FAE in resolving requests within their scope of expertise;
- Process internal FAE expert requests.

Customer Compliant Management

Fibocom prioritizes customer complaint resolution by conducting in-depth analysis of feedback to pinpoint root causes, driving continuous service improvement. This ensures customer voices are fully heard and transformed into a catalyst for enhancement. The company strictly adheres to the Customer After-Sales Quality Issue Resolution Process, standardizing complaint handling procedures and implementing tiered management and resolution for all customer concerns.

Customer After-Sales Quality Issue Resolution Process

Serial Number	Processing Procedures
1	Customer feedback collection and preliminary issue assessment.
2	The system submits the Customer Complaint Maintenance Form along with a detailed description of the customer's issue.
3	Form a problem analysis team and organize a problem analysis meeting.
4	Organize R&D issue analysis.
5	Analyze R&D issues and provide internal improvement measures.
6	Organize process issue analysis.
7	Analyze process problem and provide internal improvement measures.
8	Organize raw material issue analysis.
9	Output internal analysis report.
10	Output customized analytical reports.
11	Convene relevant parties to conduct a retrospective analysis of the issue.

During the reporting period

The company maintains a **100%** resolution rate for customer complaints.

0 incidents of major product safety and quality accidents occurred.

Customer Satisfaction

Customer satisfaction serves as a key indicator for evaluating a company's customer relationship management capabilities and guiding the continuous improvement of service and product quality. The company has established internal management systems such as the Customer Satisfaction Management Process, conducts regular customer satisfaction surveys, and performs in-depth analysis and summarization of survey results to ensure that customer concerns receive timely responses and effective rectification.

Customer Satisfaction Survey Process

Serial Number	Survey Process
1	Develop a customer satisfaction survey plan and formulate the Customer Satisfaction Survey Plan.
2	Summarize and analyze customer feedback collected by Sales and CQE.
3	Summarize and analyze customer feedback gathered through visits.
4	Summary of customer issues and major quality problems.
5	Based on customer feedback, create the annual Customer Satisfaction Survey.
6	Distribute annual survey forms to the relevant clients.
7	Compile and analyze the collected survey data to produce the Customer Satisfaction Survey Report.
8	The quality management department is responsible for escalating customer complaints to the relevant departments.
9	All departments shall address and resolve the relevant issues within the specified timeframe.
10	Confirm with the client the results of improvements to relevant issues.



Responsible Marketing

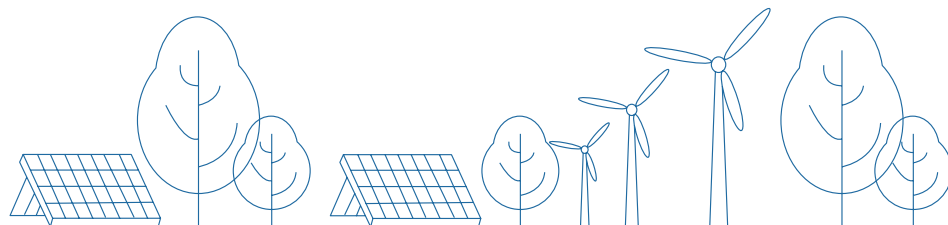
Fibocom strictly adheres to the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and other relevant laws and regulations to ensure the compliance and accuracy of promotional materials, marketing communications, labeling, and other information related to its products and services. As part of its product safety priorities, the company explicitly commits to providing customers with labels, manuals, and other relevant documentation to ensure they fully understand and safely use Fibocom's products.

The company leverages big data analytics and artificial intelligence to pinpoint target audiences with greater precision. This approach enhances marketing effectiveness while minimizing unnecessary resource waste, and fosters closer connections with consumers through platforms like social media.

During the reporting period

0 incidents of major violations occurred due to breaches of regulations concerning the promotion, information, and labeling of products and services.

0 litigation cases arose from false or unfair marketing practices.



Supply Chain Management

Supply Chain Management System

Fibocom adheres to the principle of win-win cooperation, strengthens procurement risk management, clarifies end-to-end management requirements for suppliers, and collaborates with partners to build a sustainable value chain, promoting the fair and orderly development of small and medium-sized enterprises. The company strictly implements supply chain management systems in compliance with laws and regulations, establishing policies such as the Supplier Quality Management Specifications and Supplier Certification Process. The Board of Directors leads collective decision-making on major supply chain security matters, with departments including quality management and procurement management collaborating to comprehensively oversee the company's supply chain security management system. Together, they ensure the security and stability of the supply chain.

By the end of 2025

The localization ratio of suppliers of the parent company of Fibocom reaches **83%**, and localization ratio of procurement reaches about **50%**.

The company implements tiered management for its suppliers, evaluating them through monthly, quarterly, and annual audits and assessments. These evaluations cover metrics such as incoming material qualification rates, online defect rates, major quality incidents, and quality-related losses. Based on assessment outcomes, suppliers are categorized into four tiers. These evaluation results will be linked to future collaborations, enabling continuous supplier management.

Supplier Classification

Level	Management Measures
Green Card	All suppliers are automatically assigned a green card status upon becoming qualified suppliers.
Yellow Card	The supplier shall conduct self-rectification, submit an improvement report, and present an on-site QBR.
Red Card	The customer participated in the on-site rectification; the supplier is prohibited from participating in new project selection and bidding, and payment terms are extended by 30 days.
Blacklist	Gradual phasing out (Upon confirmation of the facts, the supplier will be blacklisted following internal review and barred from further collaboration for five years. Any subsequent cooperation requires re-execution of the Supplier Certification Process).

Supplier Admission

Fibocom continuously optimizes its supplier onboarding processes to ensure high-quality and sustainable supply chains. During the supplier qualification phase, the company has established a Supplier Certification Process to screen suitable suppliers. When introducing new suppliers, Fibocom assembles an audit team led by Resource Development Engineers, comprising Supplier Quality Engineers (SQEs), R&D Engineers, and other relevant personnel. This team conducts on-site audits using the Fibocom System QSA Audit Checklist and the Fibocom QPA Audit Checklist.

Concurrently, during on-site audits of suppliers, we evaluate their environmental, social, and governance performance to ensure new suppliers align with the company's ESG strategic planning and that

their deliverables meet relevant ESG requirements. For instance, the company mandates that supplier products comply with environmental attributes stipulated by regulations such as RoHS, Halogen-Free, and REACH, and obtain certifications like the QC 080000 Hazardous Substance Management System.

Supplier Admission Process

Serial Number	Process
1	Suppliers may register independently or accept invitations to register via resource development email links.
2	Review supplier registration documents;
3	After the data review is approved, the SRM system generates potential suppliers and creates a supplier list.
4	Initiate and approve supplier resource requests.
5	Match applicable suppliers based on the supplier resource application form.
6	Sign confidentiality agreements with new suppliers for further cooperation needs.
7	Supplier qualification review.
8	Supplier on-site audit.
9	Conduct material certification for materials required to be supplied by vendors.
10	Sign a cooperation agreement with the supplier.
11	Initiate approval based on documents such as the introduction of organizations and categories, supplier resource application forms, qualification review forms, and on-site evaluation forms.
12	Release qualified supplier code.

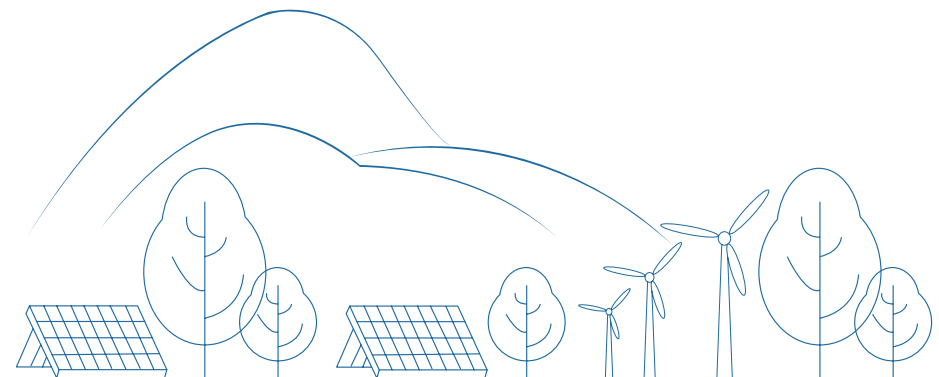
New Supplier Admission Review

Review Type	Review Results			
	Qualified	Qualified with conditions	Non-compliant	Note
Initial Review	Allow importing and entering compliant supplier lists and bulk purchases.	After identifying items requiring improvement, bulk purchasing may proceed.	Import and bulk purchasing are not permitted.	If the supplier fails to complete the issue improvement within the specified timeframe, the audit conclusion may be downgraded.
Review of Qualified with Conditions		Handle as "non-compliant."	The review period will be extended to six months or later for entries into the qualified supplier list and bulk procurement.	For cases deemed "non-compliant" during review, if an early re-review is required, the resource development engineer shall convene a meeting with review team members to evaluate and determine whether to approve the early re-review.
Review of Non-Compliant		After identifying items requiring improvement, bulk purchasing may proceed.	Stop the admission process.	

Supplier ESG Audit

To enhance supply chain resilience, the company has established a comprehensive supplier audit and evaluation mechanism. The Supplier Quality Management Specifications clearly define the audit requirements for onboarding new suppliers and the annual audit requirements for all qualified suppliers.

For qualified suppliers of existing deliveries, the SQE will organize the company's R&D and resource development engineers to formulate an annual supplier audit plan each year. Based on the type and volume of purchased materials, relevant auditors will be assigned to conduct on-site audits. The audit covers core business dimensions such as the supplier's quality system, design control procedures, and document control procedures, while also focusing on key indicators including labor rights protection, workplace safety, environmental protection, and business ethics compliance.



Supplier ESG Audit Form

Module	Review Content
Environmental	- Obtain necessary environmental permits, approvals, and filings; - Identify, manage, and reduce hazardous and general waste, ensuring responsible disposal and recycling; - Regularly account for Scope 1, 2, and significant Scope 3 greenhouse gas emissions; - Establish and implement a conflict minerals due diligence policy and management system.
Social	- No form of forced labor is permitted; - Child labor is prohibited; - Compliant employment practices (reasonable working hours, equal hiring opportunities, etc.); - Sound occupational health and safety management.
Governance	- No acts of corruption, extortion, misappropriation, or bribery shall be permitted; - Management and worker training programs shall be developed and maintained; - An anonymous complaint mechanism shall be established, with confidentiality measures implemented for whistleblowers and reported information; - Regularly assess facilities and operations of both internally and among subcontractors and downstream suppliers providing goods or services to Fibocom.

For issues identified during the review process, the company requires suppliers to implement corrective actions within a specified timeframe. Following the completion of corrective actions, a re-evaluation will be conducted. If the re-evaluation is satisfactory, cooperation on new projects may resume. If the re-evaluation is unsatisfactory, project cooperation will be suspended or continued while the re-evaluation process remains ongoing.

Concurrently, the company has established a clear supplier performance management mechanism, evaluating suppliers based on metrics such as incoming material qualification rate, online defect rate, major quality incidents, and quality-related losses. Based on these evaluation results, differentiated management strategies are implemented to optimize resource allocation and enhance the overall operational efficiency of the supply chain.



During the reporting period

Environmental and social impact assessments cover
100% of suppliers.

Supplier Exit

Fibocom strictly enforces its supplier exit mechanism. Suppliers exhibiting any of the following circumstances will be blacklisted and barred from resuming cooperation for five years.

Supplier Exit Mechanism

Serial Number	Supplier Red Lines
1	Receiving a C rating in performance evaluations for four consecutive months or three consecutive quarters;
2	A monthly or quarterly performance evaluation result of D;
3	Two product change notices (PCNs) or environmental compliance violations within one year;
4	Two major quality incidents occurred within one year;
5	Falsification of quality data or test reports (including specifications, environmental documentation, and material certification test reports, etc.);
6	Three instances of "red card" incidents (e.g., receiving a C rating in three consecutive months or two consecutive quarters; causing a major quality incident resulting in losses exceeding 300,000 yuan; or committing one PCN violation within a year).

Green Supply Chain Management

Fibocom remains committed to sustainable development principles, progressively integrating green development concepts into its supplier management system. We focus on environmental compliance and hazardous substance control within the supply chain across product design, material selection, and production processes. During the supplier qualification and audit process, the company prioritizes whether suppliers have established a comprehensive hazardous substance management system (e.g., through QC 080000 certification), whether they systematically identify and assess

environmental risks associated with hazardous substances during product design and material selection phases, and requires suppliers to provide corresponding environmental declarations, material composition lists, and other documentation for their key materials and auxiliary materials. Concurrently, the company monitors suppliers' compliance with environmental standards such as the RoHS Directive and REACH Regulation. It requires suppliers to extend Fibocom's green management requirements upstream in the supply chain through measures including relevant training programs and signing environmental agreements with upstream suppliers during the procurement process. This approach drives continuous improvement in the overall environmental risk management capabilities of the supply chain.

Supplier Cultural Development

Fibocom continues to advance supply chain culture development and supplier capability enhancement. Through systematic communication and collaborative mechanisms, we work with suppliers to identify optimization opportunities and promote synergistic improvements in the overall competitiveness of the industrial chain. On March 28, 2025, Fibocom convened its 2025 Global Supply Chain Strategic Partner Conference in Shenzhen under the theme "AI Era: Building the Future Together." The event was attended by 212 representatives from 106 suppliers.

Fibocom shared its medium-to-long-term development plans with suppliers, covering global supply chain trends, product iteration directions, and AI-driven solution strategies, while simultaneously communicating annual procurement targets and quality management requirements. The company explicitly advocated its collaborative philosophy of "long-term partnership, mutual benefit, innovative

breakthroughs, and creating value for customers." It reaffirmed its commitment to fairness and impartiality in supply chain cooperation, opposing improper practices such as bid rigging, price collusion, fraud, and commercial bribery. Suppliers were encouraged to actively propose improvement suggestions to advance the standardization and transparency of cooperative relationships.

Additionally, Fibocom recognizes partners who demonstrate outstanding performance in quality, technical support, and collaboration. This acknowledgment highlights their active contributions to maintaining supply chain stability and enhancing capabilities, further guiding suppliers to jointly participate in building a responsible and sustainable supply chain system.



"AI Era, Building the Future Together" 2025 Fibocom Global Supply Chain Strategic Partner Conference

Conflict Minerals Management

Fibocom is committed to establishing a responsible mineral sourcing supply chain, strictly adhering to the requirements of the Responsible Minerals Initiative. The company has published a Conflict Minerals Policy Statement on its official website, pledging not to support or use tin, tantalum, tungsten, gold, cobalt, or other mineral raw materials originating from the Democratic Republic of the Congo and adjacent conflict-affected regions, or from sources of unknown origin. The company actively supports the Responsible Business Alliance (RBA) and the Global e-Sustainability Initiative (GeSI) in conflict minerals management initiatives, committed to advancing sustainable supply chain practices and human rights protection.

Fibocom requires all suppliers to ensure the compliance of metal material sourcing, establishing this as a mandatory standard for supplier onboarding and ongoing collaboration. The company explicitly stipulates in the Fibocom System QSA Audit Form that suppliers must establish and implement due diligence policies by referencing the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework. This ensures the identification of risks associated with raw materials and components originating from conflict-affected and high-risk areas, and the implementation of appropriate measures to control such risks.

Based on these practices, Fibocom has established a closed-loop management system centered on "international standards as the driving force, supply chain penetration management, and multi-stakeholder co-governance," delivering verifiable responsible supply chain solutions to global customers.

Data Security and Privacy Protection

Information Security Management System

Fibocom values highly information security and privacy protection, and strictly complies with the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China and other domestic laws and regulations, as well as applicable requirements on information security and privacy protection in the jurisdictions of its overseas operations.

The company has adopted more than 40 internal systems and operating procedures, including the Sensitive Data Protection Procedures, Information Asset Classification Management Specification and Network Security Management Procedures, establishing a full-cycle information security assurance system.

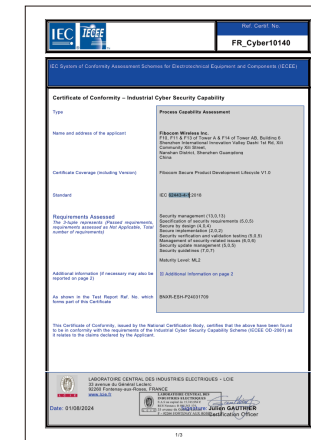
During the reporting period, the company has obtained ISO 27001 information security management system certification and IEC 62443-4-1 network security system certification.



Fibocom



Favalon



IEC 62443-4-1 Network Security Certification

Stakeholder Data Management and Protection

Protecting customer data privacy is the foundation for the Company to provide secure and reliable product experiences, and is also key to earning long-term trust from users.

The company has formulated the Privacy Information Protection Procedures and Sensitive Information Protection Procedures to clarify user data rights, departmental responsibilities and relevant processes. Based on this, and in reference to the requirements of the ISO 27001 Information Security Management System, the company manages the collection, use, storage, transmission and destruction of stakeholder data in a standardized manner throughout the data lifecycle, in compliance with the principles of legality, legitimacy, necessity and minimization.

Through hierarchical and classified management, access control, technical protection measures and regular risk assessments, the company reduces the risks of unauthorized access, data leakage and abuse. Meanwhile, through information security training for employees and the signing of confidentiality agreements with partners, the company promotes the effective implementation of data protection responsibilities in business cooperation, and continuously improves the level of data security and privacy protection for stakeholders.

Information Security Audit

To continuously enhance the system's capability in addressing data breach risks, Fibocom's professional internal audit team conducts annual reviews of information systems, data storage and network security policies. The reviews focus on the rationality of permission configuration, remediation of security vulnerabilities and implementation of internal systems, with follow-up on the rectification measures.

Meanwhile, the company has carried out external information security management system audits under ISO 27001 and SAP, ensuring that the company's internal confidential information is safeguarded securely and effectively.

Data Breach Response Procedures

Fibocom has formulated the Information Security Incident Management Procedures and established a complete data security incident management and emergency response mechanism to ensure rapid and coordinated handling of security incidents and effectively mitigate the impact of potential risks.

The company has defined key processes for data security incidents, including identification, reporting, response, recovery and review. Through cross-departmental collaboration and clear accountability, the company enhances the timeliness and effectiveness of incident response.

Meanwhile, the company continuously optimizes management processes and preventive measures based on incident handling results, reduces the likelihood of recurrence of similar incidents, and steadily strengthens the resilience and stability of data security management.

Information and Privacy Security Capacity Building

Fibocom emphasizes the development of a data security and privacy protection culture, and enhances employees' security awareness and practical capabilities through continuous training and education. During the reporting period, the company actively organized training sessions on information security and privacy protection. Meanwhile, information security publicity posters were displayed in public areas to further strengthen employees' awareness of information security protection.

The company also produced 10 animated videos on information security covering core areas such as password management, phishing prevention and data protection. These animation links were regularly pushed through the DingTalk notification function to strengthen the implementation of the information security management system, providing a solid guarantee for the company's digital operations and sustainable development.



Information Security knowledge Posters

R&D Innovation and Technology Ethics

R&D and Innovation System

Fibocom places great importance on product R&D and innovation, and continuously explores new ideas and practices for product development and innovation.

Adhering to the core value of "innovation and enterprise," Fibocom has continuously strengthened R&D and innovation management, increased investment in technology development, participated in the formulation of industry standards, rigorously managed its intellectual property rights, promoted the application of new technologies, and actively responded to the concerns of all stakeholders.

Fibocom has established a technology R&D matrix with the Central Research Institute as its core, consisting of the R&D platform department, including hardware, software, testing, certification, pilot production, AI Research Institute and Communications Research Institute. It is responsible for the pre-research of new technologies, the upgrading and development of technology platforms, the development of strategic new products, the incubation of new product lines, and the management of the company's overall R&D platform.

The company has continuously promoted systematic technological innovation of wireless communication modules, achieving comprehensive breakthroughs in ultra-compact design, radio frequency architecture, security protection, and system compatibility. It has developed wireless communication products with higher integration, stronger adaptability and higher reliability, providing a solid communication foundation for applications in various industries.

Fibocom's Breakthroughs
in Wireless Communication Technologies

No.	Key Technology	Description
1	Ultra-Compact Module Design	Adopts advanced packaging and layout technologies to meet the mechanical space requirements of miniaturized terminals.
2	Innovative RF Architecture Design	Enables multi-band compatibility and flexible configuration, reducing the complexity and cost of overall machine design.
3	5G SRS Design Technology Innovation	Improves uplink channel quality and transmission efficiency, enhancing connection stability in 5G scenarios.
4	Industry-Leading ESD Protection Performance	With ± 8 kV contact discharge and ± 15 kV air discharge, it ensures stable operation of the module in harsh environments.
5	Innovative Security Solution	Builds an end-to-end security system from hardware to software, providing industry-specific comprehensive security solutions.

Meanwhile, the company has actively stepped up its R&D layout in AI technologies. The central research institute has established an AI research institute, focusing on core technologies including model lightweighting and heterogeneous computing. It has independently developed and launched the Fibocom AI Stack technology platform.

This platform deeply integrates a variety of AI models such as machine vision, speech recognition, and generative AI, and has innovatively developed high-performance on-device AI inference models that enable compatible operation across chip platforms.

The AI research institute consists of the AI frontier research department, AI algorithm development department, AI software development department, AI software testing department, and AI project management department. With clear responsibilities across all departments, the institute jointly drives the company's sustainable development and innovation in the AI field, delivering superior on-device AI solutions to customers.

To encourage all R&D staff to make outstanding contributions in upholding customer-centric philosophy, ensuring project delivery and making proactive contributions, and build a high-performance R&D team, Fibocom has formulated the Administrative Specifications for Timely Incentives of the R&D Center.

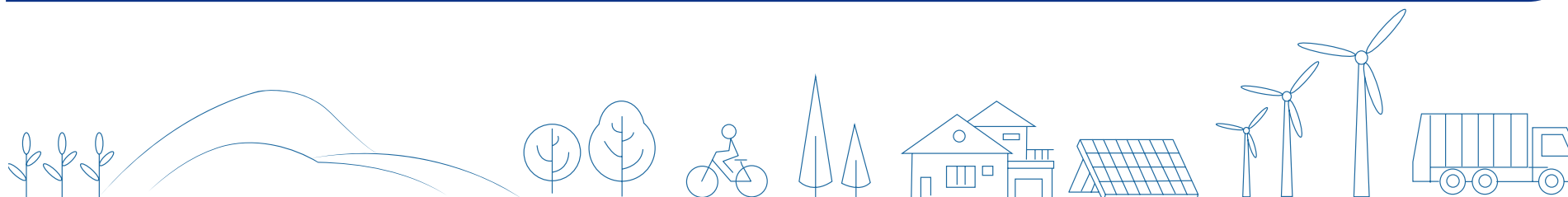
For R&D employees with excellent performance, the company has set up 12 positive incentive awards, including R&D Model Worker, Outstanding Newcomer, Excellent Mentor, Patent Award and Project Award, with corresponding incentive bonuses ranging from RMB 200 to RMB 30,000.

In addition, appropriate negative incentives will be imposed on R&D personnel involved in negative incidents such as major customer complaints, quality accidents, project management problems and loss of R&D assets, so as to reduce the occurrence of such negative incidents.

During the reporting period

The company invested RMB **508.85** million in R&D, accounting for **7.28%** of its operating revenue;

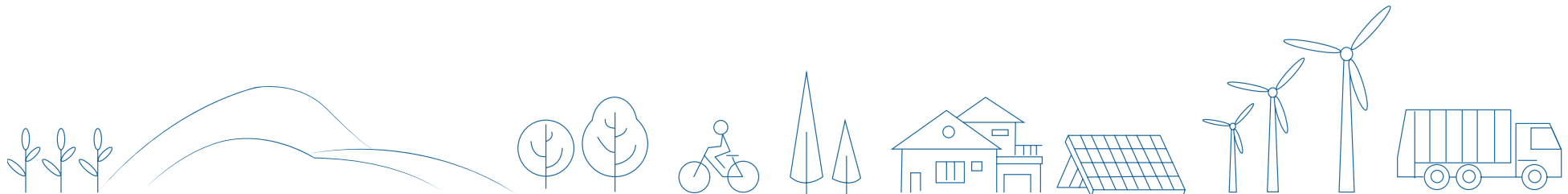
it had **1,183** R&D employees, representing **63.50%** of the total workforce.



Industry-University-Research Collaboration

Fibocom has continuously strengthened industry-university-research cooperation, conducted in-depth collaboration and exchanges with multiple partners, and shared cutting-edge innovation trends, contributing its strengths to the fields of wireless communications and AI technologies. Focusing on emerging sectors such as artificial intelligence, edge computing, and intelligent robotics, the company has enhanced the development of its talent training system and infrastructure. Through collaborative industry-university-research projects with universities, we are building a talent reserve for the industry. By integrating resources from all sectors, we work with experts across various fields to explore solutions for intelligent modules in diverse application scenarios.

By the end of 2025, Fibocom had established in-depth cooperation with dozens of universities, including Xidian University, University of Electronic Science and Technology of China, Hangzhou Dianzi University, Guilin University of Electronic Technology, Xi'an University of Posts and Telecommunications, Nanjing University of Posts and Telecommunications, South China University of Technology, Shanghai Jiao Tong University, Huazhong University of Science and Technology, Zhejiang University, and Hunan University. The cooperation covers joint curriculum development, co-construction of laboratories, faculty training, and innovation and entrepreneurship competitions. Fibocom has supported two national competitions listed in the National University Student Competitions (the National College Student Embedded Chip and System Design Competition and the National College Student Internet of Things Design Competition). These initiatives have benefited more than 45,000 teams and over 140,000 students from approximately 1,000 universities, cultivating a large number of practical and innovative talents for society in embedded systems, the Internet of Things, artificial intelligence, and related fields.



 Case 1

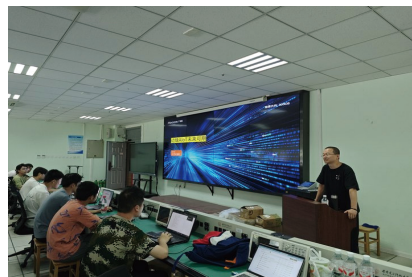
Fostering AIoT & IoT Talents via Industry-University-Research Collaboration

Fibocom has continuously promoted industry-university-research collaboration. Through information sessions, technical training, and joint curriculum development, the company supports universities in talent cultivation and teaching practice in the fields of AIoT and IoT.

During the reporting period, in line with its corporate development, product application and university cooperation plans, the company held online and offline briefings at a total of 14 universities, including Huazhong University of Science and Technology, Xiamen University, Guangdong University of Technology, Nanjing University, and Shenzhen University.

Leveraging its technical expertise, the company provided online and offline AIoT and IoT technical training for relevant participants from the University of Electronic Science and Technology of China, Shenzhen Technology University, South China Agricultural University, Xidian University, as well as for the National College Student Embedded Chip and System Design Competition and the National College Student Internet of Things Design Competition.

In addition, the company systematically developed and shared relevant course content. It collaborated with universities including Xidian University, University of Electronic Science and Technology of China, and Shenzhen Technology University to integrate AIoT and IoT courses into their teaching curricula, facilitating effective integration between industrial technologies and higher education systems.



Fibocom "Campus Outreach" Events

 Case 2

Empowering Student Technology Competitions to Foster Practical Innovation in AIoT and IoT

Fibocom has continuously supported university student technology competitions to promote practical innovation among students in the fields of embedded systems, IoT and AIoT. During the reporting period, the Company supported the 8th National College Student Embedded Chip and System Design Competition 2025 and the 12th National College Student Internet of Things Design Competition 2025, launching dedicated tracks for AIoT and IoT respectively.

The company provided participating teams with SC171 and L610 development kits, together with technical support including 141 video courses totaling nearly 20 hours. The two competitions attracted 830 student teams. Fibocom helped 104 teams from nearly 100 universities—including Huazhong University of Science and Technology, University of Electronic Science and Technology of China, Xiamen University of Technology, Wuhan University of Technology, Hunan University, and Lanzhou Jiaotong University—win national-level awards.

These efforts enabled university students to enhance their engineering practice and system design capabilities in real-world application scenarios, and further advanced industry-university-research collaboration and the cultivation of innovative talents.



National College Student Embedded Chip and System Design Competition; National College Student Internet of Things Design Competition

Intellectual Property Protection

Fibocom places high importance on the commercialization of innovation and the protection of intellectual property rights. We strictly adhere to laws and regulations such as the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, and the Trademark Law of the People's Republic of China. We have established a robust intellectual property risk management system to prevent intellectual property infringement risks. The company has progressively established and implemented a comprehensive system covering the entire process of intellectual property creation, utilization, protection, and management. In intellectual property management, the company has established and strictly adheres to internal systems such as the Fibocom Patent Incentive Program, the Fibocom Trademark Application Process Specifications, and the Patent Agency Management Specifications to conduct intellectual property management activities.

Regarding incentive mechanisms, the company has established the Fibocom Patent Incentive Program to enhance the motivation of R&D personnel to produce high-quality intellectual property. The company has established incentive arrangements centered on the two critical stages of patent application and authorization, implementing five reward measures. Qualified patent achievements receive corresponding incentives upon acceptance and authorization, guiding R&D personnel to continuously enhance the quality of patent portfolio planning and the level of innovation output.

In the realm of intellectual property protection, the company has established the Intellectual Property Confidentiality Control Procedure to effectively manage intellectual property risks, enhance the value of intangible assets, and provide a solid foundation for the company's innovative development and market competitiveness.

Concurrently, during the R&D process, the company provides information security training for its R&D personnel to enhance their awareness of technical confidentiality and ensure compliant and secure product development.

During the reporting period

The company has applied for **253** patents.

Annual granted patents reach **78** items.

Total number of valid patents reaches **554** items.

0 incidents of infringement of others' intellectual property rights.

Number of New Patent Applications and Grants for Fibocom in 2025

Patent Type	Invention Patents	Utility Model Patents	Design Patents	PCT International Patents
Number of patent applications (items)	168	46	3	36
Number of patents granted (items)	52	24	2	/

Ethics of Science and Technology

Fibocom is committed to advancing the research, development, and deployment of AI technologies while adhering to the latest AI policies and regulations. Throughout this process, the company places high importance on ethical principles and safety standards, striving to build AI systems that are fair, transparent, privacy-protective, and secure.

The company references laws and regulations such as the Opinions on Strengthening the Governance of Science and Technology Ethics and the Measures for Science and Technology Ethics Review (Trial), as well as industry guidelines including the Standardization Guide for Artificial Intelligence Ethics Governance and the White Paper on Artificial Intelligence Safety Standardization. Integrating these with existing internal systems and processes, the company conducts risk identification, oversight, and prevention for AI applications. It implements control measures during the core implementation phases of AI applications to ensure compliance in related business operations and promote the steady advancement of AI technology.

Social Contribution

Fibocom continues to advance its corporate social responsibility framework, actively fulfilling its obligations as a responsible enterprise. Through concrete actions, the company demonstrates its commitment to achieving a harmonious balance between economic performance and social value. As a Vice President unit of the Shenzhen Nanshan District Charity Association Council, Fibocom established the "Shenzhen Nanshan District Charity Association-Fibocom Foundation" in accordance with the Shenzhen Nanshan District Charity Association Special Fund Management Measures. Focusing on areas such as educational support, public welfare assistance, and social care, the foundation continuously carries out diverse public welfare activities

to support the development of social public welfare undertakings and promote the effective implementation of corporate social responsibility through concrete actions.



Case

Launching educational assistance initiatives

For years, Fibocom has consistently upheld its social responsibility by providing ongoing support to new students in the "Pearl Class" at Yao Ethnic Middle School in Guangxi Zhuang Autonomous Region, helping them pursue their academic dreams. Under this compassionate guidance, every supported student gained admission to undergraduate institutions, with two outstanding individuals realizing their dreams at Tsinghua and Peking Universities. This represents not only inspiring stories of seeds of perseverance sprouting and growing, but also demonstrates the company's unwavering commitment to deepening public welfare and advancing educational equity. It makes the power of "knowledge changing destiny" tangibly real while infusing the company's brand with a warm and profound humanistic foundation.



"Pearl Class" Study Tour

 During the reporting period

The company invested **3.33** million RMB in social contribution.

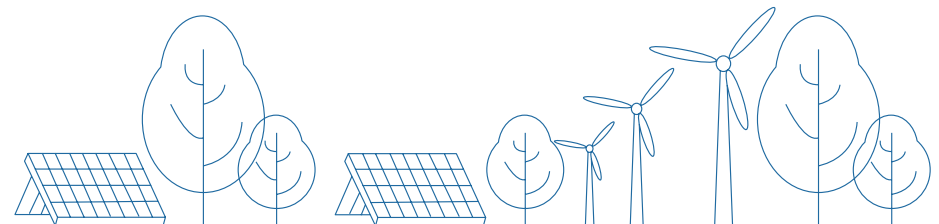
Equal Treatment of SMEs

Fibocom actively pursues transparent, green, and mutually trusting cooperative models, collaborating with domestic and international partners to build sustainable value chains and promote the fair and orderly development of small and medium-sized enterprises (SMEs). We continuously refine our corporate governance mechanisms, risk management, and supplier management systems, enhancing information transparency to ensure timely and symmetrical access to information for SMEs within our business value chain.

 During the reporting period

The company's management of accounts payable terms and settlement procedures for small and medium-sized enterprises complied with relevant national regulations and industry standards.

Fibocom



05

Environment

Environmental Performance Indicators

- Climate Response
- Environmental Compliance Management
- Green Products
- Energy Utilization
- Water Resources Utilization
- Pollutant Discharge
- Circular Economy
- Biodiversity Conservation

UN Sustainable Development Goals (SDGs)



Environment

Environmental Performance Indicators

fibocom

 Climate Response	Scope 1 GHG emissions (Fibocom, Favalon and FAIOT)	51.53 tonnes of CO ₂ e
	Scope 2 GHG emissions (Fibocom, Favalon and FAIOT)	983.59 tonnes of CO ₂ e
	Scope 3 GHG emissions (Fibocom, Favalon and FAIOT)	123,003.03 tonnes of CO ₂ e
	Total GHG emission (Fibocom, Favalon and FAIOT)	124,038.15 tonnes of CO ₂ e
 Environmental Management	ISO 14001 certificate	ISO 14001 certified
	Environmental protection investment	RMB 10,000
	Number of emergency drill training sessions	3
	Number of participants in emergency drills	67 person-times
	Total duration of emergency drill training	60 hours
	Number of environmental protection training sessions	3
	Total participants in environmental protection training	53 person-times
	Total duration of environmental protection training	50 hours
 Energy Management	Total energy consumption	256.61 tonnes of standard coal equivalent (tce)
	Energy consumption intensity	0.04 tonnes of standard coal equivalent (tce) per million RMB of revenue
	Energy conservation target	The Company successfully achieved its 2025 phased energy conservation target, with energy consumption decreasing by 32.19% year-on-year compared to 2024.
 Water Resources Management	Water consumption	2,537.00 tonnes
	Water intensity	0.36 tonnes per million RMB of revenue
 Pollutant Discharge	Pollutant emissions management target	No major administrative penalties or criminal liabilities were incurred due to non-compliance related to pollutant discharge.
 Circular Economy	Reclaimed water reuse volume	1,992 tonnes

Environment

Climate Response

Fibocom has always attached great importance to the impact of climate change on its business operations and development. The company conducts climate-related information disclosure in strict accordance with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) framework. It systematically identifies potential climate-related risks and opportunities throughout the entire process of production and operation, as well as the full product life cycle.



Governance

Fibocom has established a top-down climate governance framework to systematically manage and coordinate the advancement of all climate change-related matters.

As the company's highest decision-making and governing body, the Board of Directors is responsible for formulating overall climate-related strategies and reviewing major climate-related issues.

As the coordinating body, the company's ESG Task Force is responsible for decomposing climate-related strategic objectives, developing climate-related initiatives and overseeing their implementation, coordinating resources to ensure the execution of climate-related work, and reporting regularly to the Board of Directors.

As the implementation layer, all functional departments of the company are responsible for the concrete execution of various climate-related tasks and regularly report progress to the ESG Task Force.



Strategy

Fibocom deeply aligns with the national "Dual Carbon" strategic direction, taking scientific and technological innovation to empower the R&D and application of low-carbon products as its core focus, and integrating the concept of low-carbon development organically into the company's overall development strategy and business layout.

Furthermore, the company uses professional climate scenario analysis tools to systematically identify and assess the potential financial impacts of climate-related risks and opportunities. Based on the assessment results, it formulates specialized management measures and dynamically optimizes its development strategy, thereby continuously enhancing the climate resilience of its business and effectively contributing to green and low-carbon development.

Climate Risk and Opportunity Identification

To effectively identify and assess climate-related risks and opportunities, the company refers to the Shared Socioeconomic Pathways (SSP1-2.6, SSP1-4.5) from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) to systematically identify climate-related risks and opportunities, and evaluate their impacts on the company's operations and financial performance.

Taking into account industry characteristics and its own operational realities, the company adopts a three-dimensional time horizon for climate-related analysis: short-term (1-2 years), medium-term (3-5 years), and long-term (over 5 years).

Climate-Related Risks and Mitigation Measures

Risk Category	Name of Risks	Risk Description	Period of Impact ³	Financial Impact Level	Financial Impact	Impact on Value Chain	Risk Mitigation Measures
Physical Risks ¹	Typhoon	Headquartered in Shenzhen, a typhoon-prone area, the company's operations are susceptible to typhoon impacts, including risks such as damage to public premises, loss of life and property, and disruptions to energy supply.	Short-term	Medium	Increased operating costs; Increased capital expenditure	Core operations	- Establish a typhoon season emergency response mechanism and reinforce office and production facilities in advance; - Promote core suppliers to jointly establish an emergency reserve mechanism to reduce supply chain disruption risks.
	Extreme Precipitation	Extreme precipitation can easily trigger urban waterlogging, causing damage to office facilities, disruptions to water and power supply and communications, which may affect the normal operation of production activities.	Short-term	Medium	Increased operating costs	Core operations; Downstream	- Stock up on emergency supplies and establish a rapid recovery plan for production interruptions; - Regularly monitor weather forecasts and conduct hazard inspections and drills.
	Extreme High Temperature / Rising Temperature	Extreme high temperatures and rising temperatures lead to increased refrigeration demand and strained power supply, which may affect office and operational efficiency and increase energy costs.	Medium-term	Medium	Increased operating expenses	Upstream; Core operations	- Promote energy-saving renovation of office premises and optimize refrigeration and ventilation systems to reduce energy consumption; - Post energy-saving publicity posters to guide employees to practice low-carbon living.
	Water Scarcity	Water resource shortages may limit water supply guarantees, affect daily office operations, and potentially pose risks to supply chain operations.	Medium-term	Medium	Increased operating expenses	Core operations; Downstream	Promote water-saving technical renovation in office areas to improve the recycling rate of water resources.

Risk Category	Name of Risks	Risk Description	Period of Impact	Financial Impact Level	Financial Impact	Impact on Value Chain	Risk Mitigation Measures
Transition Risks	Policy and Legal Risk	Stricter environmental laws and regulations will increase compliance costs; failure to meet compliance requirements may result in fines, penalties, and operational restrictions.	Long-term	Medium	Increased operating expenses; Decreased operating revenue	Upstream; Core operations; Downstream	- Establish a dynamic tracking mechanism for environmental compliance to adapt to policy changes and formulate plans in advance; - Increase investment in low-carbon technology R&D to ensure products meet regulatory standards.
	Technology Risk	Technological iteration drives sustained growth in market demand for low-carbon products and green operations. If existing products fail to meet low-carbon development requirements, the company's revenue may be adversely affected.	Medium-term	Medium	Decreased operating revenue; Increased capital expenditure	Core operations; Downstream	- Deploy R&D on low-power, green communication and other low-carbon technologies to upgrade existing products; - Strengthen industry-university-research collaborative innovation platforms to accelerate the transformation and industrial application of low-carbon technological achievements.

Climate-Related Opportunities and Response Measures²

Opportunity Category	Opportunity Description	Period of Impact ³	Financial Impact Level	Financial Impact	Impact on Value Chain	Opportunity Response Measures
Market Opportunities	Driven by the national "Dual Carbon" goals, demand for low-carbon scenarios has surged. The company's low-power modules can empower green sectors; expanding related business is likely to increase operating revenue.	Medium-term	High	Increased operating revenue	Core operations; Downstream	- Intensify market expansion of low-power modules in low-carbon scenarios such as smart energy and green transportation; - Deepen joint R&D with core downstream clients to customize solutions for low-carbon scenario needs.
Resource Efficiency	The company takes the recycling of packaging materials as a key lever to continuously improve the circular economy system, which can effectively reduce operating costs.	Short-term	Medium	Reduced operating costs	Core operations	Promote technological renovation for packaging material recycling and establish a closed-loop recovery and reuse system.

Opportunity Category	Opportunity Description	Period of Impact	Financial Impact Level	Financial Impact	Impact on Value Chain	Opportunity Response Measures
Products and Services	The company has launched low-carbon products such as low-power modules and Tracker solutions, aligning with the global trend of low-carbon consumption, which is likely to increase operating revenue.	Medium-term	High	Increased operating revenue	Core operations; Downstream	- Step up global promotion of low-carbon products to expand clients in overseas scenarios such as smart energy and green logistics; - Strengthen low-carbon product performance certification to enhance competitiveness in the international market.
Adaptability	The company deepens end-to-end ESG governance, builds a climate-adaptive operational system, aligns with low-carbon development trends, and continuously enhances its adaptability to the green market.	Long-term	Medium	Increased operating revenue	Core operations	- Promote transparent ESG information disclosure and regularly respond to stakeholders' concerns to strengthen trust; - Deepen cross-departmental ESG collaboration to integrate the low-carbon concept into the entire product lifecycle (R&D, production, and delivery).

Against the backdrop of advancing the national "Dual Carbon" goals and intensifying climate uncertainty, Fibocom's operational development faces diverse climate-related risks and low-carbon transition opportunities, whose impacts run through all links of the company's value chain.

On the risk dimension, physical risks and transition risks impose dual constraints.

Physical risks: Short-term disasters such as typhoons and extreme precipitation directly threaten office and production facilities as well as delivery stability, driving up operational and restoration costs. Medium-term extreme high temperatures and water shortages intensify pressure on power supply, raise energy costs, and transmit risks to downstream segments through the supply chain.

Transition risks: Stricter long-term environmental regulations continue to increase compliance costs, and failure to meet requirements may result in fines and operational restrictions. Medium-term technological iteration and changing market demands exert simultaneous pressure: if existing products fail to adapt to low-carbon trends, operating revenue will decline, and lagging product strategies will lead to shrinking market share. Long-term reputational risks may arise from insufficient environmental information disclosure, weakening brand trust and constraining business expansion.

On the opportunity dimension, the low-carbon transition creates clear growth space for the company.

Market and product opportunities: Driven by the "Dual Carbon" goals, demand for scenarios such as smart energy and green transportation has been released. Low-power modules, Tracker solutions and other low-carbon products align with global consumption trends, which can boost operating revenue. Penetration can be further enhanced through deepened joint R&D with downstream core clients and expanded overseas market presence.

Resource efficiency and adaptability opportunities: In the short term, recycling packaging materials can reduce operating costs. In the long term, deepening end-to-end ESG governance and building a climate-adaptive operational system will not only strengthen the company's adaptability to the green market but also reinforce stakeholder trust through transparent disclosure.

The company addresses risks by establishing emergency response mechanisms, advancing energy-saving renovations, and strengthening compliance tracking. Meanwhile, it focuses on market expansion and technological upgrading to seize opportunities, continuously enhancing its climate resilience to solidify its competitive edge and unlock growth potential amid the wave of low-carbon transition.

Notes:

1. In physical risk assessment, the likelihood of a disaster occurring is not considered; instead, the assessment focuses solely on the extent of exposure that assets may face if that type of disaster were to occur;
2. Assuming that the scenario indicators selected for each transition risk and opportunity align with Fibocom's future business development direction;
3. In climate risk and opportunity assessments, the short-, medium-, and long-term timeframes are defined as follows: short-term (1–2 years), medium-term (3–5 years), and long-term (5 years or more).

Risk Management

To effectively manage climate-related risks and opportunities, the company refers to international and domestic regulatory standards, including the IFRS S2 issued by the International Sustainability Standards Board (ISSB) and the Self-Regulatory Guidelines for Listed Companies No. 3-Preparation of Sustainability Reports issued by the Shenzhen Stock Exchange (SZSE), and deeply integrates climate risk and opportunity management into its overall risk management system and business development strategy. Leveraging its top-down climate governance framework, the company has established a full-cycle closed-loop mechanism encompassing "Identification, Assessment, Management, and Oversight", to systematically manage climate-related financial impacts and operational risks.

1.Climate Risk and Opportunity Identification

The company integrates industry characteristics and operational realities, and refers to authoritative scenarios and a three-dimensional time horizon to build a comprehensive identification system. Focusing on two core types of risks-physical risks and transition risks-the company explores low-carbon development opportunities to ensure the comprehensiveness, materiality and compliance of the identification process.

2.Climate Risk and Opportunity Assessment

The company adopts a combination of qualitative and quantitative methods to conduct scientific assessment of climate-related risks and opportunities. It analyzes their potential impacts on operations and finance, defines risk levels and priorities, and forms assessment results to provide a basis for subsequent management.

3.Climate Risk and Opportunity Management

The company adopts differentiated response measures for different climate risks and establishes a standardized emergency management mechanism, forming a circular model of "response, review, and improvement". This effectively manages various climate risks and enhances the enterprise's resilience to climate risks.

4.Climate Risk and Opportunity Oversight

Overseen by the Audit Committee, the audit department conducts special supervision and evaluation covering core carbon emission management and control, ensuring the implementation of the management system and the compliance of information disclosure, and enhancing the precision of management and control.



Metrics and Targets

Fibocom has incorporated greenhouse gas emissions into its core key performance indicator (KPI) system and set scientific phased greenhouse gas emission reduction targets. The company is committed to implementing the "Dual Carbon" strategy, promoting energy conservation and carbon reduction across the entire value chain, and achieving green, low-carbon, and high-quality development.

Emission reduction target set by the company: Taking 2024 as the base year, the company aims to reduce greenhouse gas emissions by 20% by 2028.

Meanwhile, the company actively promotes collaborative carbon reduction across the entire supply chain and has established a systematic supplier carbon management system. It regularly collects greenhouse gas emission data from cooperative suppliers, comprehensively compiles energy consumption data during their operations, and accurately gathers full Scope 1, Scope 2, and major categories of Scope 3 greenhouse gas (GHG) emissions.

The company explicitly requires suppliers to set greenhouse gas emission reduction targets based on their own operational realities, establish a sound target implementation tracking mechanism, and regularly monitor the progress of emission reduction. Through various measures such as improving production processes, strengthening energy conservation and carbon reduction throughout the entire process, and promoting the use of clean energy, suppliers will systematically reduce greenhouse gas emissions and drive the low-carbon transformation of all links in the supply chain.

Greenhouse Gas Emissions of Fibocom (2022-2025)

GHG Emission Indicator	Unit	2022	2023	2024	2025	
					Shenzhen Headquarters ⁴	The Group ⁵
Scope 1 Emissions	tonnes CO ₂ e	24.43	30.97	36.91	45.86	51.53
Scope 2 Emissions	tonnes CO ₂ e	751.29	681.91	1,576.61	763.96	983.59
Scope 3 Emissions ³	tonnes CO ₂ e	41,658.52	48,062.82	86,218.30	105,283.24	123,003.03
Total Emissions	tonnes CO ₂ e	42,434.24	48,775.70	87,831.82	106,093.06	124,038.15

Greenhouse Gas Emissions Accounting Methods

Methods	2022-2024	2025 ⁶
Standards Used	2006 IPCC Guidelines for National Greenhouse Gas Inventories; GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard (2011); Guidelines on greenhouse gas emissions accounting issued by China's competent authorities for ecological and environmental protection.	GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard (2011); GHG Protocol Corporate and Reporting Standard (2004) 2006 IPCC Guidelines for National Greenhouse Gas Inventories; GB/T 2589-2020 General rules for calculation of the comprehensive energy consumption; Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Electronics Equipment Manufacturing Enterprises (for Trial Implementation).
Measurement Methods	Operational control	
Operational Boundaries	Covers three entities: Fibocom, Favalon and FAIOT.	
Scope 3 Accounting Boundaries	Procurement and transportation of raw materials upstream; employee travel; and transportation related to the sale of downstream products, as well as the subsequent processing, use, and disposal of sold products.	Category 1: Purchased goods and services; Category 2: Capital goods; Category 3: Fuel- and energy-related activities; Category 4: Upstream transportation and distribution; Category 6: Business travel; Category 7: Employee commuting; Category 10: Processing of sold products; Category 11: Use of sold products; Category 12: End-of-life treatment of sold products.

Notes:

- The greenhouse gases included in the calculations are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).
- The Global Warming Potential (GWP) values used are derived from data in the IPCC's Sixth Assessment Report (2021).
- During the reporting period, the company reviewed and calibrated the statistical boundaries, scope of entity aggregation, classification logic, and key parameter assumptions for Scope 3 greenhouse gas emissions data for 2022–2024, and updated historical data accordingly. Compared to previously disclosed figures, the differences in the updated data primarily stem from the standardization of the statistical scope, optimization of aggregation methods, and calibration of certain proxy assumptions and calculation parameters. These adjustments are intended to more accurately reflect the company's Scope 3 greenhouse gas emissions during the reporting period and do not constitute a material change in the company's operations.
- The data in the "Shenzhen Headquarters" column of the table represents Fibocom's greenhouse gas emissions for 2025, which have been verified by SGS, a third-party external certification body.
- The data in the "Group" column of the table represents consolidated data for 2025, covering the total greenhouse gas emissions of three entities: Fibocom, Favalon, and FAIOT. The quantification method used is consistent with that for "Shenzhen Headquarters."
- In the 2025 Scope 3 accounting boundary, emissions under "Category 5: Waste generated in operations" are included in the emissions under "Category 1: Purchased goods and services."

Environmental Compliance Management

Environmental Management System

Fibocom strictly complies with the environmental laws and regulations of its operating locations, including 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 Air Pollution Prevention and Control Law of the People's Republic of China, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, as well as relevant industry regulations.

To systematically identify the environmental factors that can be controlled or influenced by the company's business activities, products, and services, and scientifically evaluate those with significant environmental impacts, the company has formulated the Procedure for the Identification and Evaluation of Environmental Factors and the Management Procedure for Environmental Safety Monitoring and Measurement, clarifying the relevant work specifications and division of responsibilities.

The administration department acts as the leading department, responsible for organizing the identification and evaluation of environmental factors across the company. The person-in-charge of each department and the corresponding contact persons shall cooperate as required to assist the administration department in completing the identification and evaluation of environmental factors related to their respective departments.

Process for the Identification and Evaluation of Environmental Factors

Data Collection	The administration department takes the lead in collecting and collating environmental information related to the company's products and business processes, serving as the fundamental basis for subsequent evaluation.
Scope Definition	Investigations are conducted from multiple dimensions, including regulatory requirements, major environmental aspects, and past incidents. The assessment scope is clarified to cover air emissions, wastewater discharge, waste disposal, resource use, and noise pollution, encompassing normal, abnormal, and emergency operating conditions as well as all-time operational activities.
Information Submission	Department heads or their authorized representatives record investigation findings in the Environmental Aspect Investigation and Identification Form and clarify the environmental impact of various categories under different operational conditions.
Dynamic Review	The administration department conducts regular reviews of major environmental aspects. If any aspect or relevant regulations change, a re-assessment is promptly carried out.
Quantitative Assessment	A quantitative scoring method is adopted, focusing on three indicators: core influencing scope, impact severity, and occurrence frequency. The results are summarized into the List of Major Environmental Aspects.

During the reporting period

The company has successfully obtained the ISO 14001 Environmental Management System certification. Leveraging this standardized system, it has established a scientific and standardized environmental management framework, and invested approximately RMB 10,000 in initiatives related to environmental protection and green operation enhancement.

The company actively formulates and implements multiple environmental control measures, continuously strengthening refined management of pollutant discharge and promoting the reduction of production waste, earnestly fulfilling its firm commitment to environmental protection.

The company has recorded **zero** environmental violations, fines or incidents.



ISO 14001 Environmental Management System Certification

Environmental Emergency Management

On the premise of steadily implementing environmental compliance management, the company attaches great importance to the potential risks and impacts caused by environmental emergencies. In strict accordance with relevant plans such as the National Overall Emergency Response Plan for Public Emergencies and combined with its actual operational conditions, the company has formulated the company Emergency Management Policy to prevent and minimize damage to personnel and property from natural disasters and emergencies to the greatest extent.

The company has established an Emergency Rescue Command Group to comprehensively oversee emergency response to incidents, the handling and reporting of major accidents, as well as relevant emergency education and training, ensuring the full implementation of emergency management responsibilities.

The Chairman of the company serves as the Commander-in-Chief of the Command Group, assuming the highest decision-making and overall command responsibilities for emergency rescue, and coordinating the emergency response, resource allocation, and linkage with external rescue forces for various types of accidents.

The heads of all departments and subsidiaries form the emergency management execution team, responsible for implementing daily safety precautions and order maintenance, establishing specialized emergency response teams, receiving command instructions during emergencies, conducting on-site initial response, and assisting in guiding professional rescue forces.

Meanwhile, the company consolidates the foundation of emergency management through systematic material support and specialized funding guarantees.

During the reporting period, the company strictly implemented the environmental emergency management system, and no major environmental emergencies or related penalties occurred.

Environmental Emergency Control Measures

Reporting & Early Warning Phase

- On-site personnel report key information immediately and request external assistance if necessary.
- The emergency office implements a tiered response and synchronously transmits information to the command level.
- Real-time linkage and feedback are maintained between the on-site team and the command level.

Rescue Imple- mentation Phase

- Response is carried out in accordance with incident severity levels, led by the responsible department, Emergency Office, or Command Group as appropriate.
- On-site initial self-rescue is conducted to prevent escalation of the incident.
- When capacity is exceeded, external rescue forces are mobilized. Response is escalated if the situation deteriorates.

Post-Incident Disposal Phase

- The command group leads the incident investigation and formulates improvement measures.
- Incident-related information is reported in accordance with regulations.
- Lessons learned are summarized to optimize emergency protocols and training programs.

In addition, in accordance with the Company Emergency Management Policy, the company regularly conducts environmental emergency drills covering scenarios such as fires and environmental facility malfunctions, aiming to enhance employees' emergency response capabilities and strengthen the practical implementation of the emergency plan.

During the reporting period

The company organized a total of **3** emergency drills, with **67** participants in total, and the cumulative duration of the drills reached **60** hours, achieving a **100%** drill completion rate.

Case 1

Fibocom 2025 Fire Safety Emergency Drill

This year, Fibocom organized a fire safety emergency drill. Adhering to the principle of "prevention through practice and preparedness through simulation," the drill effectively strengthened the fire safety awareness of all employees, honed their abilities in fire escape, self-rescue, and initial fire suppression across various scenarios, comprehensively tested the emergency response and organizational coordination capabilities of management at all levels, and fully consolidated the fire safety defense line for the company's production and office operations.



Fire Safety Emergency Drill

Case 2

Fibocom 2025 CPR/AED Training

Fibocom carried out special training on CPR/AED, which focused on teaching the rapid identification of sudden cardiac arrest, the standardized procedures of cardiopulmonary resuscitation including chest compressions and artificial respiration, as well as the correct operation steps of automated external defibrillators.

The training adopted a mode combining theoretical explanation and simulated practice under the guidance of professional instructors. It was designed for ordinary employees, making the skills easy to learn and implement.

Mastery of such skills enables employees to seize the 4–6 minutes of golden rescue time in emergencies, effectively improving on-site first-aid capabilities and comprehensively enhancing the emergency first-aid literacy of all staff.



CPR/AED Training Practice

Environmental Culture Development

The company fosters a corporate environmental protection culture guided by the core principle of "Integration into Daily Work, Participation by All Employees," translating the green and low-carbon philosophy into actionable office codes of conduct for employees.

Led by the Administration Department, the company issued themed publicity posters including "Green Actions Start with Me" and "No Savings Are Too Small; Many Drops Make an Ocean," providing detailed energy-saving guidelines focusing on office scenarios.



Fibocom Green Office Themed Publicity Posters

Such promotional activities have facilitated the integration of environmental protection concepts into the entire office workflow, guided employees to form the consensus that "energy conservation and consumption reduction are everyone's responsibility," and gradually built a green office culture with the participation of all staff.

During the reporting period

The company organized a total of **3** environmental protection trainings, with **53** participants, and the total training duration reached **50** hours, with an investment of approximately RMB **8,000**.

Green Products



Product Green Design

Fibocom has always integrated the concept of green and sustainable development into the entire product design process. With low power consumption and compact size as core design principles, the company optimizes resource utilization efficiency through refined design, reduces the environmental impact of products throughout their life cycle, fulfills corporate environmental responsibilities, and supports the sustainable development of the IoT industry.

In terms of low-power design, the company focuses on optimizing energy consumption of IoT terminals. Through system-level low-power design and refined energy management technologies, energy loss during product operation has been significantly reduced. Taking the LE270-CN as an example, targeted designs effectively lower the overall energy consumption of IoT terminals under various operating states such as connection, idle and sleep modes, significantly extend device battery life, and reduce the frequency of battery replacement and on-site maintenance. This further reduces energy use intensity and carbon emissions during long-term operation, achieving efficient energy utilization.

In terms of compact design, the company adheres to the concept of "lightweight and intensive" design. On the premise that all product functions meet customer requirements, the company minimizes the use of raw materials by optimizing structural design. The LE270-CN adopts a compact structure, which effectively reduces raw material consumption in production and lowers resource loss and carbon footprint during transportation, storage and manufacturing.

In addition, with rich interface capabilities, the LE270-CN can be widely used in various IoT scenarios such as security, water monitoring and environmental monitoring. It reduces the complexity of terminal development and deployment, avoids redundant construction and resource waste, and helps customers achieve low-carbon, efficient and sustainable IoT applications.

In the future, Fibocom will continue to deepen the concept of green product design, further optimize low-power and compact design technologies, launch more eco-friendly products, and promote collaborative low-carbon development across the upstream and downstream industrial chain.



Green Product Supply Chain Management

The company has established systematic green product control requirements for suppliers to ensure the entire supply chain strictly complies with environmental regulations such as RoHS and REACH, as well as internal control standards. We explicitly require suppliers to establish the QC 080000 Hazardous Substance Management System, clearly defining controlled substances, control standards, regulatory basis, and sources, to ensure the system meets the company's compliance requirements.

During the product design and material selection stage, suppliers are required to simultaneously evaluate the environmental hazards of hazardous substances and provide hazardous substance test reports to verify compliance when necessary. Meanwhile, suppliers are required to conduct at least one special training on hazardous substance management covering regulations such as RoHS, Halogen-free and REACH each year to ensure relevant personnel fully grasp compliance requirements.

For supply chain materials, suppliers must provide environmental declarations, material composition declarations and third-party test reports valid for one year for all materials and auxiliary materials, while keeping complete audit records. For products with different environmental attributes, suppliers must ensure no material mixing during storage, production, packaging and transportation through document and process control. Special environmental labels shall be assigned to production lines and equipment used in manufacturing to avoid compliance risks from the source.

In addition, suppliers are required to implement environmental risk level control over raw materials and auxiliary materials. For high-risk materials involving hazardous substance transfer, such as injection molding and surface treatment, suppliers must set testing frequencies in strict accordance with risk levels. High-risk materials shall undergo continuous environmental testing at least once a month.

At the cooperation and performance level, suppliers are required to sign hazardous substance control standard documents and environmental agreements to clarify their compliance responsibilities. They shall conduct regular calibration and daily inspection of hazardous substance testing equipment to ensure testing in accordance with RoHS 2.0 or above standards on a homogeneous material basis. Meanwhile, suppliers shall standardize the frequency of material XRF or chemical testing through procedural documents, establish spot-check mechanisms and result ledgers to ensure green compliance across the entire chain.

Energy Utilization

Energy Use

Fibocom strictly abides by the Energy Conservation Law of the People's Republic of China and other relevant laws, regulations and standards on energy conservation, and actively fulfills its corporate social responsibility. Adhering to the core principle of "Energy Conservation First, Responsibility to Individuals, and Participation by All Employees," the company has formulated the Office Energy Management document, aiming to systematically reduce energy consumption and operating costs in office scenarios, continuously decrease carbon emissions, and support green and low-carbon development.

During the reporting period, the company's main energy consumption includes direct energy (such as gasoline and diesel) and indirect energy (mainly purchased electricity).

Based on its actual business development, the company has set phased energy-saving targets: Taking 2024 as the base year, the company aims to achieve a 3% reduction in electricity intensity per unit output value by 2025 and a 20% reduction in electricity intensity per unit output value by 2028.

At present, the company is steadily advancing the implementation of the targets in accordance with the established plan.

During the reporting period

The company's comprehensive energy consumption for production and operation was **256.61** tonnes of standard coal equivalent (tce), and it successfully achieved the 2025 phased energy-saving target, with comprehensive energy consumption decreasing by **32.19%** year-on-year compared with 2024.

Fibocom Energy Use (2022-2025)

Energy Indicator	Unit	2022	2023	2024	2025
Total Electricity Consumption	kWh	1,317,366.00	1,224,695.00	2,938,155.00	1,870,153.00
Gasoline Consumption	Liters	11,136.00	14,118.00	12,848.00	20,995.84
Diesel Consumption	Liters	/	/	2,798.00	3,373.29
Total Energy Consumption	tonnes of standard coal equivalent (tce)	174.07	165.94	378.41	256.61
Energy Consumption Intensity	tce per RMB 1 million revenue	0.03	0.02	0.05	0.04

Energy Conservation and Carbon Reduction

To further practice the concept of low-carbon energy conservation, the company has formulated and implemented a series of energy-saving management measures covering lighting, air conditioning, office equipment and environmental optimization in accordance with the Office Energy Management System, promoting the in-depth implementation of green office practices.

Energy Conservation Management Measures

Air Conditioning Energy Conservation	• Temperature control: Air conditioning may only be activated when the indoor temperature reaches $\geq 28^{\circ}\text{C}$ in summer, with the set temperature not lower than 26°C. • Standardized operation: Doors and windows shall be closed when the air conditioner is on; it shall be turned off 30 minutes before the end of work, and in unoccupied areas or meeting rooms immediately after use. • Maintenance: Professional cleaning and maintenance shall be carried out before the air conditioning season, and malfunctions shall be reported for repair promptly.
Lighting System Energy Conservation	• Prioritize natural lighting; artificial lighting shall be turned off in well-lit areas (illuminance $\geq 300\text{ lux}$). • Adopt zoned control switches and install motion-sensor lighting in public areas; all non-essential lighting shall be turned off after work. • Gradually phase out incandescent lamps and uniformly use energy-saving LED lamps; replace damaged lamps in a timely manner.
Office Equipment Energy Conservation	• Computer management: Set auto-sleep mode after 15 minutes of inactivity; turn off mainframes and monitors before leaving; avoid using multiple monitors unnecessarily; procure energy-certified devices, regularly clean dust, and phase out high-energy-consuming old equipment. • Other equipment: Printers and copiers shall be powered on only when in use, with default duplex printing mode.
Office Environment & Supplies Energy Conservation	• Rationally plan office layout to reduce space waste. • Encourage the use of recyclable office supplies to practice the concept of green office.

Water Resources Utilization

Affected by multiple factors such as climate change, environmental pollution and over-exploitation, the global volume of water resources is declining, further exacerbating regional contradictions between supply and demand. Recognizing that water resources are a critical foundation for production and operation, Fibocom strictly abides by the Water Law of the People's Republic of China and other applicable laws and regulations in the countries and regions where it operates. The company has always placed water conservation, efficient utilization and compliance management at a strategically important position.

During the reporting period, all water intake of the company was from municipal water supply, which was only used for daily basic water use in office areas. There was no groundwater extraction or intake from natural water sources, and the water intake process fully complied with the relevant regulations on municipal water supply. Meanwhile, the company adopted an outsourced production model, and its own operational activities did not involve productive water use or large-scale water consumption, thus having no significant impact on water resources.

The total water consumption of the company during the reporting period was 2,537 tonnes. To earnestly fulfill its corporate social responsibility and water resources protection obligations, the company has set clear targets for energy conservation and water savings: Taking 2024 as the base year, to achieve a 5% reduction in water intensity per unit output value by 2025¹ and a 20% reduction in water intensity per unit output value by 2028.

At present, the company is steadily advancing through a series of actions including full-process water use control and implementation of water-saving measures to ensure that all phased targets are achieved on schedule.

Fibocom Water Use (2022-2025)

Indicator	Unit	2022	2023	2024	2025
Water Consumption	m ³	702.00	679.00	1,896.00	2,537.00
Water Consumption Intensity	m ³ per RMB 1 million revenue	0.13	0.09	0.23	0.36

Notes:

1. Due to an optimization and adjustment of Fibocom's revenue structure (see the 2025 Annual Report of Fibocom Wireless Inc. for details), the company did not meet its interim water conservation targets for 2025 as scheduled. The company is continuing to implement various water conservation measures to achieve its 2028 water conservation targets.

Pollutant Discharge

Wastewater Management

Fibocom strictly complies with the Water Pollution Prevention and Control Law of the People's Republic of China, the Integrated Wastewater Discharge Standard, and relevant laws, regulations and environmental protection standards in the regions where it operates, fully implementing compliant discharge management for wastewater.

The company's office premises are located in a Grade A office building, which does not generate industrial wastewater, only a small amount of domestic wastewater. The domestic wastewater is discharged through the municipal sewage pipe network to a municipal wastewater treatment plant for centralized treatment, fully complying with environmental protection and regulatory requirements.

The company has established standardized wastewater and water resource control requirements for suppliers, explicitly requiring suppliers to sign compliant treatment agreements with qualified third-party treatment institutions. It also formulates specific discharge control requirements for wastewater and related pollutants, considering local laws and regulations, pollutant discharge limit standards, and the actual treatment capacity of third parties. Meanwhile, suppliers are required to establish systematic water resource management methods, conduct classification, control and testing of water sources, standardize water use and wastewater discharge, and strengthen control over pollution channels such as rainwater pipelines to effectively protect water resources. All wastewater must complete the full process of classification, monitoring, control and treatment as required before discharge or disposal, and the operation of wastewater treatment and control systems must be regularly monitored to ensure full compliance with regulations. In addition, suppliers are required to set targets for water conservation and wastewater reduction, formulate special implementation plans, and monitor progress regularly to continuously reduce water use and wastewater discharge.

During the reporting period, the company discharged 2,537 tonnes of domestic wastewater, and did not receive any major administrative penalties or criminal liability for violations of wastewater discharge regulations.

Waste Gas Management

Fibocom strictly complies with the Environmental Protection Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China and other applicable laws and regulations in the regions where it operates. The company has formulated the Environmental Operation Control Procedure to continuously strengthen the control of waste gas emissions.

The company's business and production activities do not involve waste gas emissions. Its core operations focus on R&D, office work and supply chain management, without any production processes or equipment that generate harmful waste gas, and therefore cause no air pollution.

In terms of supply chain collaboration on waste gas control, the company imposes special control requirements on suppliers' waste gas emissions. Suppliers are required to obtain, maintain and promptly update environmental protection permits, approvals and declaration materials related to waste gas emissions, and strictly comply with environmental operation and reporting regulations concerning waste gas discharge. They shall identify, manage and reduce harmful waste gas emissions during operations, and regularly monitor the performance of waste gas emission control systems to ensure full compliance with waste gas discharge regulations.

The company integrates special waste gas treatment requirements into its supply chain management system, strengthens collaborative control of waste gas emissions in upstream and downstream links, consolidates the foundation of corporate environmental governance with high-standard waste gas management, and builds a solid compliance line for waste gas emissions.

During the reporting period

There were **0** incidents of the company receiving major administrative penalties or being held criminally liable for violations of waste gas discharge regulations.

Waste Management

Fibocom continuously strengthens the standardized management and compliant disposal of waste, strictly abiding by the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and relevant laws and regulations on waste disposal. Guided by the environmental protection philosophy of waste reduction and consumption reduction, and compliant disposal, the company has established a full-chain management system covering internal operations and supply chain collaboration.

At the operational level, the waste generated from the Company's business and production activities is only domestic waste from office and daily operations, without any harmful categories such as industrial solid waste or hazardous waste, thus having no adverse impact on the surrounding ecological environment. All domestic waste is sorted and collected by the property management of the office premises in accordance with regulations, and then uniformly transported to a municipal domestic waste treatment plant for harmless disposal. Meanwhile, the company continuously promotes green office awareness through initiatives such as advocating paperless office, promoting recyclable office supplies, and popularizing knowledge on waste sorting, thereby reducing waste generation at the source and practicing the concept of waste reduction and consumption reduction.

At the supply chain waste management level, the company has set clear waste management requirements for suppliers, requiring them to use systematic methods to identify, manage and reduce hazardous waste and general waste, and conduct responsible disposal or recycling of waste. Suppliers must fully comply with regulatory requirements throughout the entire process from waste generation, transportation, storage to treatment, to reduce or eliminate pollution generation and emissions at the source, and strictly prohibit the illegal discharge of toxic and harmful pollutants. In addition, suppliers are required to set waste reduction targets, establish implementation plans, and monitor target achievement to continuously improve resource utilization efficiency and reduce waste generation.

During the reporting period

The total amount of waste generated during the company's production and operation was **87** tonnes;

And there were **0** incidents of the company receiving major administrative penalties or being held criminally liable for violations of waste discharge regulations.

Fibocom Waste Emission (2022-2025)

Indicator	Unit	2022	2023	2024	2025
Domestic Waste	tons	161.90	138.00	110.80	86.65
Waste Paper	tons	0.67	0.64	0.40	0.35

Fibocom's Packaging Material Usage in 2025¹

Types of Packaging Materials	Usage in 2025 (tons)
Labels	3.80
Trays/Blister Packs	13.87
Expanded polystyrene	0.62
Cardboard Boxes	55.96
Anti-static bag	1.43

Notes:

1. "Fibocom's Packaging Material Usage in 2025" refers solely to data on packaging materials used by the Shenzhen headquarters (Fibocom) in 2025.

Circular Economy

Circular economy is a sustainable development model that integrates ecological and economic values. Its core is to promote the efficient recycling of resources, reduce waste at the source, lower dependence on primary natural resources, ease the pressure on the ecological environment, and support the green and low-carbon development of the economy and society.

Fibocom actively practices the concept of circular economy, with resource recovery and reuse as its core focus, to build a low-carbon and environmentally friendly operation system, and continuously contributes to the achievement of sustainable development goals.

 During the reporting period

The company has achieved a recycled water recovery and utilization volume of **1,992** tonnes by advancing water resource circular utilization.

 During the reporting period

Neither the company's operating locations nor its contracted manufacturing partners are located in ecological protection redline areas or areas of high biodiversity value. The production and operation activities have **not** caused significant impacts on regional biodiversity.

Biodiversity Conservation

Ecological protection and biodiversity conservation are core supports for enterprises to practice the green development concept and consolidate the foundation of sustainable development. They are also important prerequisites for fulfilling environmental responsibilities and achieving harmonious coexistence between humans and nature.

Fibocom strictly abides by the Forest Law of the People's Republic of China, the Wildlife Protection Law of the People's Republic of China, the Biosafety Law of the People's Republic of China, the Opinions on Further Strengthening Biodiversity Conservation, and other relevant laws, regulations and policies. While practicing biodiversity conservation itself, the company extends this responsibility to supply chain management, explicitly requiring suppliers to strictly comply with applicable regulatory requirements in all operational activities and processes, focus on pollution reduction and environmental protection, conserve biodiversity, refrain from damaging forests, and protect land from contamination.

Through various measures implemented by the company and its supply chain, biodiversity conservation is practiced, effectively reducing the potential impacts of the product life cycle on ecosystems.

Fibocom



ESG Data Sheet

ESG Indicator	Unit	2025 Data
Environment		
Environmental Investment	RMB	10,000
Total Energy Consumption	tonnes of standard coal equivalent	256.61
Purchased Electricity Consumption	kWh	1,870,153.00
Gasoline Consumption	Liters	20,995.84
Diesel Consumption	Liters	3,373.29
The Group (Fibocom, Favalon and FAIOT) GHG Emissions		
Scope 1 GHG Emissions	tCO ₂ e	51.53
Scope 1 GHG Emissions Per Million in Revenue	tonnes of CO ₂ e per million RMB of revenue	0.01
Scope 2 GHG Emissions (Location-Based)	tCO ₂ e	983.59
Scope 2 GHG Emissions Per Million in Revenue (Location-Based)	tonnes of CO ₂ e per million RMB of revenue	0.14
Total Scope 1 and Scope 2 greenhouse gas emissions (Location-based)	tCO ₂ e	1,013.12
Total Scope 1 and Scope 2 GHG Emissions Per Million in Revenue (Location-based)	tonnes of CO ₂ e per million RMB of revenue	0.15
Scope 3 GHG Emissions	tCO ₂ e	123,003.03

ESG Indicator	Unit	2025 Data
Environment		
Scope 3 GHG Emissions Per Million in Revenue	tonnes of CO ₂ e per million RMB of revenue	17.60
Total GHG Emissions (Scope 1, Scope 2, and Scope 3)	tCO ₂ e	124,068.15
Total GHG Emissions (Scope 1, Scope 2, and Scope 3) Per Million in Revenue	tonnes of CO ₂ e per million RMB of revenue	17.75
Shenzhen Headquarters (Fibocom) GHG Emissions		
Scope 1 GHG Emissions	tCO ₂ e	45.86
Scope 2 GHG Emissions (Location-Based)	tCO ₂ e	763.96
Scope 3 GHG Emissions	tCO ₂ e	105,283.24
Total GHG Emissions (Scope 1, Scope 2, and Scope 3)	tCO ₂ e	106,093.06
Waste Discharge		
Domestic Waste	t	86.65
Waste Paper	t	0.35
Packaging Materials Usage		
Labels	t	3.80
Trays/Blister Packs	t	13.87
Expanded polystyrene	t	0.62
Cardboard Boxes	t	55.96
Anti-static bag	t	1.43
Total Water Intake	m ³	2,537
Domestic Wastewater Discharge	m ³	2,537
Industrial Wastewater Discharge	m ³	0

ESG Indicator	Unit	2025 Data
Social		
Localization Ratio of Suppliers (Parent Company)	%	83.00
Number of suppliers by region		
Local (Mainland China)	Suppliers	188
Hong Kong, China	Suppliers	30
Taiwan Province	Suppliers	3
Other Countries/Regions	Suppliers	6
Total Investment in Employee Training	RMB 10 thousand	108.90
Employee Training Coverage Rate	%	91.50
Total Number of Employee Training Sessions	Sessions	645
Total Participation in Employee Training	Person-times	11,000
Percentage of Trained Employees by Gender		
Percentage of Male Trainees	%	70.55
Percentage of Female Trainees	%	29.45
Percentage of Trained Employees by Employee Category		
Professional Collaborative Staff	%	48.50
Professional Executive Staff	%	51.17
Other Staff (Basic Collaborative, Strategic Executive, Management)	%	0.33
Average Employee Training Hours by Gender		
Average Training Hours for Male Employees	Hours	8.96
Average Training Hours for Female Employees	Hours	7.70
Average Employee Training Hours by Employee Category		
Professional Collaborative Staff	Hours	6.24

ESG Indicator	Unit	2025 Data
Social		
Professional Executive Staff	Hours	4.89
Other Staff (Basic Collaborative, Strategic Executive, Management)	Hours	1.00
Total Number of Employees	Persons	1,863
Total Number and Proportion of Employees by Gender		
Total Number of Male Employees	Persons	1,301
Proportion of Male Employees	%	69.83
Total Number of Female Employees	Persons	562
Proportion of Female Employees	%	30.17
Total Number of Employees by Region		
Guangdong Province	Persons	1,078
Shaanxi Province	Persons	445
Shanghai Municipality	Persons	186
Liaoning Province	Persons	56
Taiwan Province	Persons	19
Zhejiang Province	Persons	14
Jiangsu Province	Persons	7
Fujian Province	Persons	7
Hubei Province	Persons	7
Shandong Province	Persons	5
Sichuan Province	Persons	4
Chongqing Municipality	Persons	4
Hunan Province	Persons	1
Jilin Province	Persons	1

ESG Indicator	Unit	2025
Social		
Beijing Municipality	Persons	13
Hebei Province	Persons	1
Other Regions	Persons	12
Total Number of Ethnic Minority Employees	Persons	85
Total Number of Employees with Disabilities	Persons	2
Total Number of Employees by Age Group-		
25 years old and below	Persons	153
26-30 years old	Persons	470
31 years old and above	Persons	1,240
Employee Attrition Rate by Gender		
Male Employee Attrition Rate	%	2.20
Female Employee Attrition Rate	%	2.40
Employee Attrition Rate by Age Group		
25 years old and below	%	3.40
26-30 years old	%	2.50
31-35 years old	%	2.20
35-40 years old	%	1.60
41-45 years old	%	1.40
46 years old and above	%	3.50
Employee Attrition Rate by Region		
Employee Attrition Rate in Mainland China	%	2.20
Attrition Rate for Overseas Employees	%	6.00

ESG Indicator	Unit	2025
Social		
Number of Employees in Need Assisted	Persons	2
Number of Valid Patents	Items	554
Number of Patent Applications	Items	253
Annual Invention Patent Applications	Items	168
Annual Utility Model Patent Applications	Items	46
Annual Design Patent Applications	Items	3
Annual PCT International Patent Applications	Items	36
Annual Patents Granted	Items	78
Annual Invention Patents Granted	Items	52
Annual Utility Model Patents Granted	Items	24
Annual Design Patents Granted	Items	2
Number of R&D Employees	Persons	1,183
Proportion of R&D Employees	%	63.50
R&D Investment	RMB 10 thousand	50,885.48
R&D Investment as a Percentage of Operating Revenue	%	7.28
Number of Complaints Received Regarding Products and Services	Items	Confidentiality Restrictions
Incidence Rate of Occupational Diseases	%	0
Number of Work-Related Deaths	Persons	0
Number of Work-Related Injuries	Persons	2
Work-Related Injury Rate	%	0.11
Number of Workdays Lost Due to Work-Related Injury	Days	33
Investment in Social Contribution	RMB 10 thousand	332.66

ESG Indicator	Unit	2025 Data
Governance		
Total Number of Directors		
Number of Male Directors	Persons	5
Number of Female Directors	Persons	2
Proportion of Female Directors	%	29
Number of Independent Non-Executive Directors	Persons	3
Number of Non-Independent Directors	Persons	4
Number of Board Meetings Held	Times	10
Number of ESG Training Sessions for Board Members	Times	1

Fibocom



Benchmarking Sheet

Report Chapter		Appendix C2, the Environmental, Social and Governance Reporting Code, of the Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited	the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)	GRI Standards (Sustainability Reporting)
About This Report	Report Overview	Part A: Introduction - Clause 11	Article 3	2-1/2-2/2-3/2-6
	Basis of Preparation	Part A: Introduction - Clause 8	Article 1	
	Report Scope	Part B: Mandatory Disclosure Requirements - Clause 15	Article 4	
	Glossary	Part A: Introduction - Clause 4		
	Data Description			
	Access to the Report			
Message from the Chairman		/	/	2-22
About Fibocom				
Company Profile	Overview of Fibocom	Part A: Introduction - Clause 12	/	2-1
	Corporate Culture		/	/
	Business Overview		/	2-6
	Development History		/	2-6
	Honors	/	/	/
Sustainability Strategy and Management				
Governance	Governance Structure	Part B: Mandatory Disclosure Requirements - Clause 13 (i)	Article 12	2-14
	Functions and Responsibilities			
	Operating Mechanism			
	Professional Skills			
Strategy		/	Article 2, Article 17	2-22
Risk Management	Risk Assessment	Part B: Mandatory Disclosure Requirements - Clause 13 (ii)	Article 18	/
	Risk Monitoring			/
	Risk Treatment			/

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Sustainability Strategy and Management				
Metrics and Targets		Part B: Mandatory Disclosure Requirements - Clause 13 (iii)	Article 19	/
Stakeholder Engagement		Part A: Introduction - Clause 12 (iii)	Article 9, Article 53	2-16/2-26/2-29
Analysis of Material Topics	Dual Materiality Assessment Method	Part B: Mandatory Disclosure Requirements - Clause 14	Article 5, Article 14, Article 15, Article 16, Article 17	3-1/3-2/3-3
Governance				
Company Governance	Governance System	Part A: Introduction - Clause 5	Article 12	2-9/2-11/2-12
	Members of the Board of Directors			
	Specialized Committees			
Board Remuneration and Performance		/	Article 12	2-10/2-19/2-20
Board Training and Empowerment		Part B: Mandatory Disclosure Requirements - Clause 13 (iii)	Article 12	2-17
Tax Transparency	Tax Management System	/	/	207-1/207-3
	Tax-related Training	/	/	
Investor Relations	Minority Shareholder Protection	/	Article 53	2-29
	Investor Rights Protection	/		
Compliance and Risk Management		/	Article 52	2-27

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Governance				
Business Ethics	Anti-Corruption Management System	Part C: "Comply or Explain" Provisions-B7	Article 55	2-23/205-1/205-2/205-3
	Reporting and Protection of Reporters	/	/	/
	Integrity Culture Development	/	Article 55	205-2
	Fair Competition	/	Article 56	206-1
Social				
Social Responsibility Management	Governance	Part C: "Comply or Explain" Provisions-B	Article 11	/
	Strategy			
	Risk Management			
	Metrics and Targets			
Employees	Compliant Employment	Part C: "Comply or Explain" Provisions-B1, B4	Articles 49, 50	2-7/2-8/401-1/408-1/409-1
	Diversity and Inclusion			406-1/405-1/405-2
	Employee Welfare and Care			401-2/401-3
	Employee Compensation and Incentives			/
	Democratic Management and Communication	/		2-30/407-1
	Employee Development System	Part C: "Comply or Explain" Provisions -B3		404-1/404-2/404-3
	Occupational Health and Safety	Part C: "Comply or Explain" Provisions -B2		403-1/403-2/403-3/403-4/ 403-5/403-6/403-7/403-8/ 403-9/403-10

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Social				
Product and Service Safety and Quality	Quality Management System	Part C: "Comply or Explain" Provisions -B6	Article 47	416-1/416-2
	Quality Management Objectives			
	Product Quality Control			
	Product Recall Management			
	Quality Culture Development			
Customer Rights Protection	Customer Service Management	Part C: "Comply or Explain" Provisions-B6	Articles 44, 47	416-1
	Customer Complaint Management			/
	Customer Satisfaction			/
	Responsible Marketing		/	417-1/417-2/417-3
Supply Chain Management	Supply Chain Management System	Part C: "Comply or Explain" Provisions -B5	Article 45	/
	Supplier Admission			414-1/308-1
	Supplier ESG Audit			414-2/308-2
	Supplier Exit			/
	Green Supply Chain Management			/
	Supplier Culture Development			/
	Conflict Minerals Management			/

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Social				
Data Security and Privacy Protection	Information Security Management System	Part C: "Comply or Explain" Provisions - Paragraph B6 - KPIs B6.5	Article 48	/
	Stakeholder Data Management and Protection			418-1
	Information Security Audit			/
	Data Breach Response Procedures			/
	Information and Privacy Security Capacity Building			/
R&D Innovation & Tech Ethics	R&D and Innovation System	/	Article 42	/
	Industry-University-Research Collaboration	/		/
	Intellectual Property Protection	Part C: "Comply or Explain" Provisions - Paragraph B6 - KPIs B6.3		/
	Ethics of Science and Technology	/		/
Rural Revitalization and Social Contribution	Rural Revitalization	Part C: "Comply or Explain" Provisions-B8	Article 39	/
	Social Contribution		Article 40	413-1
Equal Treatment of SMEs		/	Article 46	204

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Environment				
Climate Response	Governance	Part D: Climate-related Disclosures-(I) Governance	Articles 21, 22, 23, 24, 25, 26, 27, 28	305-1/305-2/305-5
	Strategy	Part D: Climate-related Disclosures-(II) Strategy		
	Risk Management	Part D: Climate-related Disclosures-(III) Risk Management		
	Metrics and Targets	Part D: Climate-related Disclosures-(IV) Risk Management		
Environmental Compliance Management	Environmental Management System	Part C: "Comply or Explain" Provisions-A3	Article 33	/
	Environmental Emergency Management			/
	Environmental Culture Development			/
Green Products	Product Green Design	/	/	/
	Green Product Supply Chain Management	Part C: "Comply or Explain" Provisions -B5	Article 45	/
Energy Utilization	Energy Use	Part C: "Comply or Explain" Provisions - Paragraph A2 - KPIs A2.1, A2.3	Article 35	302-1/302-4
	Energy Conservation and Carbon Reduction			
Water Resources Utilization		Part C: "Comply or Explain" Provisions - Paragraph A2 - KPIs A2.2, A2.4	Article 36	303-1/303-2/303-3/303-5
Pollutant Discharge	Wastewater Management	Part C: "Comply or Explain" Provisions-A1	Articles 30, 31	303-4/306-1/306-2/306-3/306-4/306-5
	Waste Gas Management			
	Waste Management			
Circular Economy		/	Article 37	301-1/301-2/301-3
Biodiversity Conservation		/	Article 32	101-4/304-1/304-2/304-3/304-4

Feedback Form

Dear Readers,

To continuously improve the preparation of this report, we highly value your opinions and suggestions. We kindly invite you to help us complete the following questions:

Your Information:

Name (Optional)	
Phone Number (Optional)	
Email or Other Contact Information (Optional)	
Affiliation (Optional)	

Multiple Choice Questions (Please tick ✓ in the corresponding box)

1. What is your overall evaluation of this report?

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

2. Does this report fully and accurately reflect the Company's significant impacts on the economy, society, and the environment?

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

3. How would you rate the report's responses and disclosures regarding the concerns of stakeholders?

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

4. Is the information, indicators, and data disclosed in this report clear, accurate, and complete?

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

5. How would you rate the readability of this report, including its logical structure, content design, language, and layout?

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

Open-Ended Questions

1. Will you continue to follow our ESG reports in the future?
2. What aspect of this report do you find most satisfactory?
3. Which section of the report interests you the most?
4. What additional information would you like to know?
5. Do you have any suggestions for our future sustainable development reports?

If you have any comments or suggestions, please feel free to send an email to quality_management@fibocom.com. The company will strive to improve and refine.



Fibocom Wireless Inc.

Stock Abbreviation: Fibocom

Stock Code: 300638.SZ/0638.HK

