Huazhong In-Vehicle Holdings Company Limited

華眾車載控股有限公司

(incorporated in the Cayman Islands with limited liability)

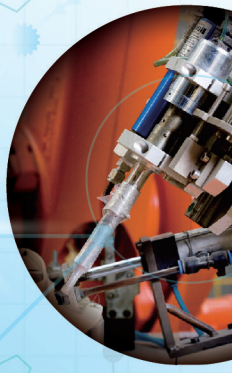
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2025

Environmental, Social and Governance Report









ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

The Board (the "**Board**") of Huazhong In-Vehicle Holdings Company Limited (the "**Company**") is pleased to present this Environmental, Social and Governance ("**ESG**") Report (the "**Report**"). The Report is intended to set out the initiatives adopted by the Company and its subsidiaries (collectively, the "**Group**" or "**we**" or "**us**") to achieve sustainable growth. The Report provides a detailed account of the Group's management strategies, governance structure, sustainability measures and performance in respect of environmental, social and governance matters. For information on our corporate governance, please refer to the section headed "Corporate Governance Report" in the Group's 2025 Annual Report.

REPORTING PERIOD AND SCOPE OF THE REPORT

The reporting period is from 1 January 2025 to 31 December 2025 (the "**Year**"). The scope of the Report is consistent with that of the prior year, primarily covering the business of Ningbo Huazhong Automotive Decorative Parts Technology Co., Ltd. ("**Huazhong Automotive Decorative Parts**"), the Group's principal subsidiary, which accounted for 73.96% of the Group's total revenue.

Reporting Standards and Principles

The Report has been prepared in accordance with the "Environmental, Social and Governance Reporting Code" under Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**ESG Code**"), and follows the four principles of materiality, quantitative, balance and consistency.

Principle	Response of the Group
Materiality	The Report identifies and discloses the process for identifying material ESG factors and the selection criteria, and explains the definition of key stakeholders, stakeholder engagement mechanisms and related outcomes.
Quantitative	The Report systematically presents and discloses key performance in environmental and social areas through quantitative data and specific indicators, enabling stakeholders to clearly grasp relevant corporate performance and the results of continuous improvement.
Balance	The Report fully presents the Group's achievements and challenges in sustainable development, objectively reflects the effectiveness of environmental, social and governance management, and truthfully reflects the Group's overall sustainability performance.
Consistency	Data disclosed in the Report are prepared using consistent statistical methods to enable stakeholders to conduct meaningful analysis and comparison; where statistical methods change, explanations will be provided in the relevant sections of the Report.

Feedback

The Group pursues excellence and welcomes stakeholders' feedback and suggestions on improving our ESG approach and performance. You may send your views to the Company through the following channels:

Principal place of business in Hong Kong: Suites 3005-7, 30/F, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong

Headquarters in China: No. 104 Zhenan Road, Xizhou Town, Xiangshan County, Zhejiang Province, China

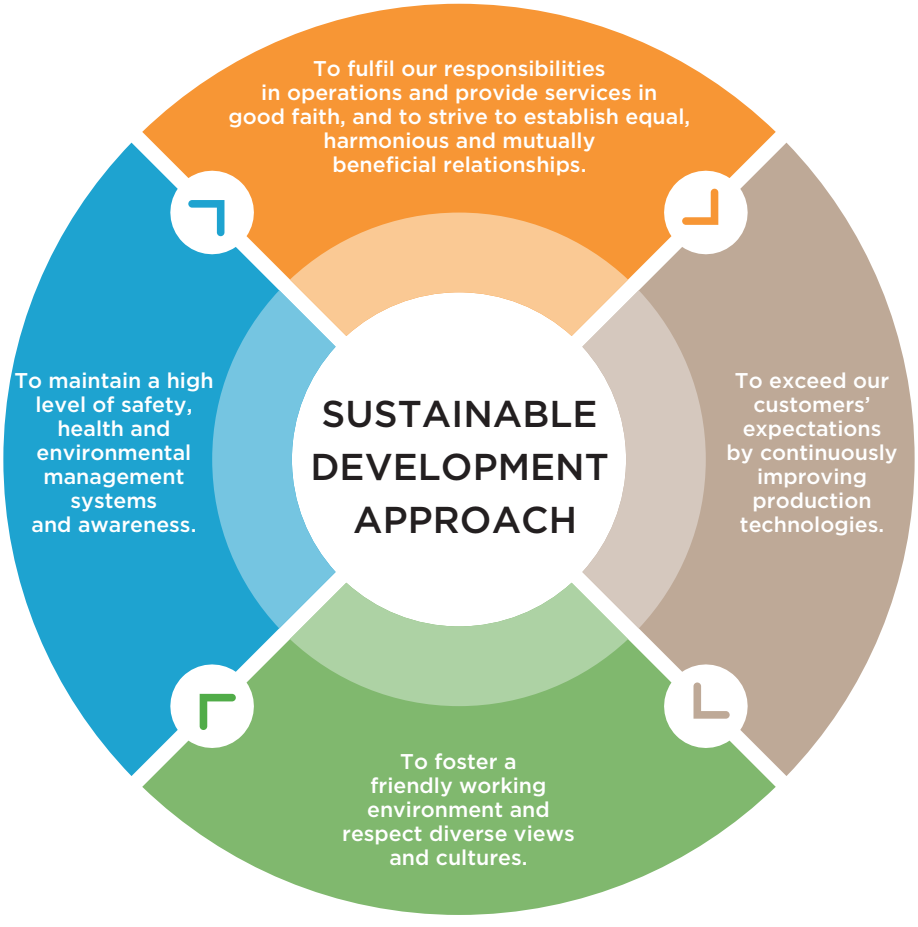
Email: volenhe@cn-huazhong.com

SUSTAINABLE DEVELOPMENT APPROACH

The Group integrates the principles of sustainable development into every aspect of its business and continues to devote its best efforts to meeting the challenges of global sustainable development. We strive to remain one of the world's leading automotive parts companies and to fulfil three corporate missions:

- to provide customers with high-value products and services;
- to enable employees to work happily and develop in good health, while creating value for shareholders; and
- to commit to sustainable development, actively assuming social responsibility, and ensure that our business operations are conducted around the four core concepts of "Integrity, Responsibility, Creativity and Sharing", in alignment with our corporate missions.

Building on the above vision, concepts and missions, we have formulated the following sustainable development approach:



BOARD STATEMENT

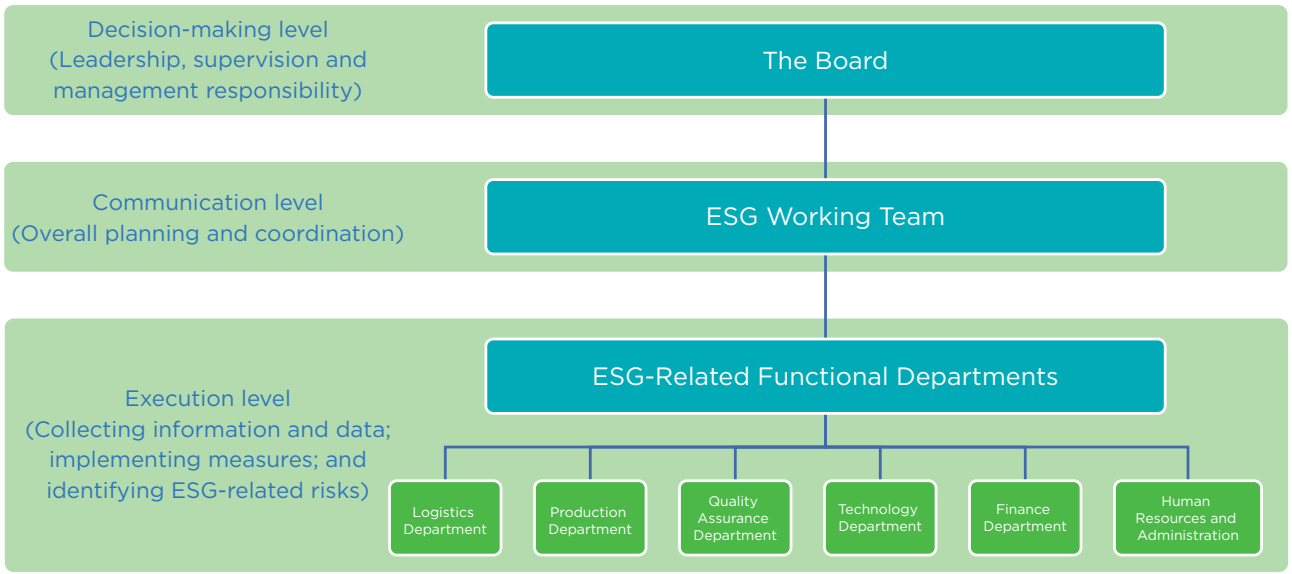
The board of directors (the "**Board**") plays a vital role in overseeing the Group's ESG matters. As the Group's highest decision-making body, the Board assumes ultimate responsibility for all ESG matters, including ensuring that strategy aligns with sustainable development objectives, establishing a sound ESG risk management framework, supervising and assessing ESG risks and opportunities, identifying and reviewing material ESG issues, determining priorities, and maintaining effective internal control systems.

To ensure that it has the appropriate expertise and competence to oversee climate-related risks and opportunities, the Board and the ESG working team continuously strengthen relevant professional capabilities by accessing online resources and training materials provided by the HKEX ESG Academy.

The Board has reviewed and approved the Report and confirms that, to the best of its knowledge, the Report accurately reflects the material ESG issues identified and truthfully presents the Group's ESG management approach and related performance.

ESG GOVERNANCE STRUCTURE

To drive ESG management effectively, the Group has established an ESG governance system centred on the Board to manage ESG matters on an ongoing basis. The Board, as the ultimate decision-making level for ESG matters, assumes overall responsibility for the Group's ESG strategy and performance. To support strategy execution, the Group has formed an ESG working team comprising major operating departments. The ESG working team serves as the execution unit responsible for coordinating and supervising the planning, implementation and promotion of sustainable development matters and ESG-related policies and measures, and for regularly reviewing progress towards ESG goals and indicators to advance the Group's sustainable development on an ongoing basis.



ESG (including climate change) governance structure	Principal responsibilities
Decision-making level	
The Board	• Overall responsibility for supervising the Group's sustainable development strategy, ESG (including climate change) governance and risk management; • Formulating sustainable development objectives and providing strategic guidance for their implementation. • Through reports from the ESG working team, conducting annual reviews of ESG-related objectives and progress, managing progress on relevant ESG risks (including climate change), and ensuring that Board-formulated policies and measures are effectively implemented in the Group's operations. • Approving the annual ESG Report. • Supervising the Group's risk management and internal control systems (including ESG risks), ensuring that internal control measures in place are effective, and integrating ESG matters into the Group's risk management processes.
Communication level and execution level	
ESG working team ESG-related functional departments	• Under the Board's mandate, identifying, assessing and managing ESG-related risks and opportunities (including climate change) and objectives, tracking progress towards those objectives, and reporting to the Board annually. • Assisting the Board in monitoring material climate-related risks and reporting annually to the Board on the latest ESG information and material climate-related matters. • Advising the Board on sustainable development strategy, work plans and objectives. • Reviewing and implementing ESG-related policies, procedures and measures. • Collecting ESG information and data for disclosure in the ESG Report.

VISION OF SUSTAINABILITY

We are committed to integrating the United Nations Sustainable Development Goals ("**UNSDGs**") into our business operations. We have identified the following 12 UNSDGs that are most relevant to our business operations for integration into the Group's sustainability scope.

UNSDGs	Core focus areas	Strategies and goals
	**Environmental protection**	**Strategy: Maintain a high level of safety, health and environmental management systems.** Goal: Reduce the environmental footprint of our operations by reducing greenhouse gas emissions and waste generation and by improving energy and water efficiency.
	**Fair and ideal working environment**	**Strategy: Foster a friendly working environment and respect diverse views and cultures.** Goal: Through providing employees with various communication platforms, strengthening vocational training and caring for employees' physical and mental health, enable employees to work happily and develop in good health.
	**Fulfilment of product responsibility**	**Strategy: Operate responsibly, serve in good faith, pursue eqaulity and mutual benefit, and achieve harmonious win-win outcomes.** Goal: Commit to responsible operations by ensuring product safety and quality and conducting responsible procurement.
	**Technological innovation**	**Strategy: Continuously improve production technologies to exceed customer expectations.** Goal: Provide customers with sustainable, quality products by keeping abreast of evolving production technologies in the industry.
	**Care for society**	**Strategy: Fulfil social responsibility and care for neighbouring communities.** Goal: Listen carefully to community needs, define appropriate community investment areas, and strive to provide more community resources and assistance to people in need.

STAKEHOLDER ENGAGEMENT

The Group values communication with stakeholders. Through various channels we understand stakeholders' expectations and concerns regarding ESG matters, which serve as important references for formulating and implementing our ESG strategies and for determining material ESG issues.

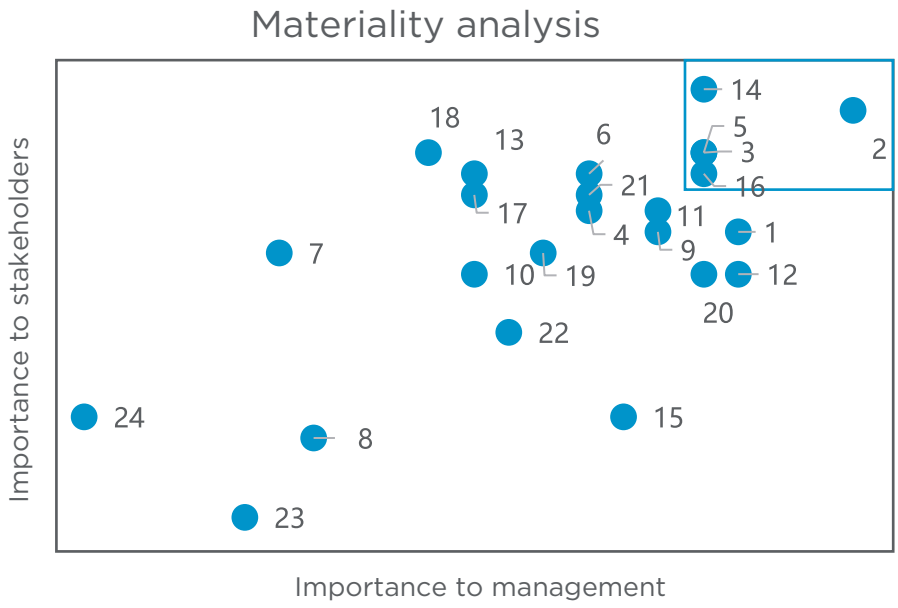
Stakeholder type	Issues of concern	Communication channels
Employees	• Employee remuneration and benefits • Occupational safety and health • Employee training and development • Equal opportunities, diversity and anti-discrimination	• Employee performance appraisals • Internal meetings • Diversified training • Team-building activities
Customers	• Product and service quality • Product safety and health • Protection of customer data and privacy	• Meetings and interviews • Wechat official accounts • Telephone hotline • Customer satisfaction surveys • On-site factory surveys
Suppliers	• Responsible supply chain • Mutual benefit and win–win outcomes • Industry cooperation and development	• Supplier assessment processes • Meetings and interviews • Site visits • Questionnaires
Investors and shareholders	• Economic performance • Transparency of information • Business strategy and financial performance • Protection of shareholders' rights and interests	• Annual general meetings • Other general meetings • Corporate communications • Annual and interim reports • Company website
Government departments and regulators	• Compliant operations • Economic performance • Safety and environmental protection • Employment promotion • Prevention of bribery and corruption	• Day-to-day operations or communication • Inspection visits • Regular statutory reporting
Community	• Participation in public welfare activities and charitable donations	• Social welfare activities • Routine visits
Other business partners	• Industry cooperation and development • Mutual benefit and win–win outcomes	• Day-to-day business communication • Meetings and interviews

MATERIALITY ASSESSMENT

Materiality assessment is an essential tool for identifying the Group's most important issues or related key performance indicators. In preparing the ESG Report, the Group invited stakeholders to complete online questionnaires to rate environmental, social and governance issues.

The materiality assessment process is as follows:

Steps	Content
Step 1: Identify relevant issues	Combining industry analysis with market conditions, ESG issues were preliminarily determined as the basis for stakeholder assessment.
Step 2: Stakeholder assessment	Online questionnaires were developed from the issue list and distributed to internal and external stakeholders to score the importance of corresponding ESG issues and collect views.
Step 3: Identify material issues and prioritise	Based on online questionnaire results from stakeholders, combined with the Group's development situation, ESG issues were analysed and ranked by importance to identify core issues through the materiality matrix.
Step 4: Determine material issues	The Board and senior management reviewed the list of material issues to confirm those to be prioritised and highlighted in reporting.



Product and Service responsibility	Operating practices	Quality of working environment	Environmental protection and green operations	Contribution to the community
1 Product and service quality 2 Product safety and health 3 Customer communication and satisfaction 4 Complaint handling 5 Protection of customer data and privacy 6 Protection of intellectual property 7 Research and development 8 Advertising and labelling management	9 Supply chain management 10 Suppliers' environmental and social risks 11 Prevention of bribery and corruption 12 Disaster and emergency response and management	13 Equal opportunities, diversity and anti-discrimination 14 Occupational safety and health 15 Employee training and development 16 Prevention of child and forced labour 17 Talent attraction and employee retention 18 Employee benefits	19 Exhaust and greenhouse gas emissions and control 20 Sewage and waste management 21 Use of resources 22 Green procurement and packaging 23 Climate change	24 Participation in public welfare activities and charitable donations

Based on the upper-right section of the materiality matrix, the Board considers that the sustainability issues most relevant and important to the Group and its stakeholders include: product safety and health, customer communication and satisfaction, protection of customer data and privacy, occupational safety and health, and prevention of child and forced labour. The Group will formulate its future sustainable development approach with reference to these identified material ESG issues.

PRODUCT RESPONSIBILITY

UNSDGs addressed in this chapter:



PRODUCT AND SERVICE QUALITY

The Group has always upheld the principle of excellence, striving for outstanding product quality, continuously optimising craftsmanship and technological innovation, and providing customers with high-quality products. From raw material procurement and processing of semi-finished goods through to delivery of finished products, strict quality control is implemented at every stage.

During the production process, the Group has established a comprehensive quality inspection system, conducting sampling inspections of raw materials, semi-finished and finished products in accordance with standards, and has a dedicated quality monitoring department to ensure that raw materials entering production meet specifications and that every product passes rigorous inspection.

The Group strictly complies with the Product Quality Law of the People's Republic of China and other applicable laws and regulations, and has obtained ISO 14001:2015 environmental management system certification and IATF 16949:2016 automotive quality management system certification as recognised by the international automotive industry.

PRODUCT SAFETY AND HEALTH

The Group has established comprehensive product safety standards and internal control procedures to ensure product quality and safety. The Group's quality monitoring department conducts sampling tests on automotive components in its in-house laboratory. Testing covers multiple physical and chemical indicators such as impact performance, flame retardancy, heat ageing performance and formaldehyde content to monitor product characteristics in a holistic manner. The Group also engages independent third-party testing organisations to examine product samples, ensuring compliance with international standards and market requirements.

To continuously enhance the level of quality management, the Group regularly conducts product quality assessments and evaluations. For departments and teams that demonstrate outstanding performance within the quality management system, the Group provides public recognition through its internal WeChat public account "Seeing Role Models" and at the annual summary and commendation conference, and rewards are granted under the performance mechanisms, thereby strengthening quality awareness across the workforce and encouraging all employees to continue to devote themselves to improving product quality.

CUSTOMER COMMUNICATION AND SATISFACTION

The Group attaches great importance to customers' views and needs and is committed to building smooth and efficient customer communication channels. We collect customers' opinions and feedback on products and services through various channels such as hotlines, customer satisfaction surveys, WeChat official accounts and the Group's official website, systematically analyse the relevant data, and formulate continuous improvement measures accordingly to optimise product quality and the service experience.

To obtain deeper insights into customer needs, the Group has formulated the Customer Service Control Procedure to regulate full-process customer service management, and regularly conducts customer questionnaires to fully understand customers' assessments and expectations regarding product quality, service attitude, price reasonableness, delivery efficiency and after-sales support, which serves as an important basis for product development, process optimisation and service enhancement. In addition, the Group's management regularly holds communication meetings with the quality monitoring department to follow up potential product risks and issues, jointly study quality improvement solutions, and ensure that customers' rights and interests are fully protected.

Regarding customer complaints, the Group has formulated the Customer Complaint Handling Control Procedure. When a customer complaint is received, we first classify and file the complaint, then conduct root-cause investigation and analysis covering product quality defects, service processes, internal communication and coordination, and other aspects, and propose practical solutions tailored to the nature of the problem in a timely manner to respond to customer concerns and consolidate long-term, stable cooperation with customers.

During the Year, the Group did not experience any material complaints regarding products or services. Building on our professional technology and extensive industry experience in "steel replacement with plastics", we will continue to drive technological innovation and product upgrades to provide customers with more competitive customised solutions and achieve sustainable development together with our customers.

RESEARCH AND DEVELOPMENT

With the Group's outstanding products, robust large-scale production and sophisticated manufacturing processes and advanced technology, we have been able to maintain sound relationships with customers. The ultrasonic-assisted precision injection moulding technology for automotive parts that we adopt has been included in Ningbo City's 2025 science and technology breakthrough project list. At the same time, through flexible and efficient operating strategies, competitive pricing mechanisms and consistently high quality control standards, the Group responds to and satisfies diverse and differentiated customer needs, continuously enhancing customer satisfaction and loyalty.

PRODUCT RECALL

The Group has formulated the Corrective and Preventive Action Control Procedure and the Customer Complaint Handling Control Procedure for regulating the handling mechanisms of customer complaints and problematic products. When a potential defective product arises, the Group will carry out orderly product-related investigation and communication, analyse root causes in depth, comprehensively review and optimise monitoring processes at all production stages, implement timely corrective and preventive actions, prevent recurrence of similar issues, and effectively safeguard customer rights and product safety. During the Year, the Group did not implement any product recalls for safety- or health-related reasons.

SUPPLY CHAIN MANAGEMENT

The Group understands that supply chain management is a critical element in implementing sustainable development. The Group insists on integrating concepts of environmental protection, quality and safety and risk management throughout supply chain management and the procurement process. Through rigorous raw material admission and quality assurance mechanisms, we ensure stability and reliability upstream and provide a solid foundation for product quality and safety.

In day-to-day operations, the Group procures a diverse range of raw materials, mainly including polymer resins such as polycarbonate/acrylonitrile butadiene styrene (PC/ABS) and polypropylene (PP), structural parts such as metal clips and screws, and key materials such as fabrics dedicated to the automotive sector. Fabric raw materials are mainly procured and supplied through the Group's jointly controlled entity Ningbo Roekona- Zoeppritex Tex-Line Co., Ltd. ("**Ningbo Hualete**") to ensure stable material quality and supply chain synergy. Given that different categories of resins, parts and accessories are subject to differing quality standards, technical specifications and testing requirements, the Group has established a standardised supplier screening, evaluation and management system, adheres to a principle of diversified sources, avoids over-reliance on a single supplier, reduces potential risks such as supply interruption and price volatility, ensures that raw material supply is stable, efficient and sustainable, and supports the Group's long-term steady operations.

Suppliers' distribution	**2025**	**2024**
Mainland China	**180**	145
Overseas		
– Germany	**4**	4
– United States	**3**	3
– Mexico	**1**	2
– Switzerland	**1**	1
– Portugal	**–**	1
– Belgium	**1**	–
– Turkey	**1**	–
Total	**191**	156

SUPPLIERS' ENVIRONMENTAL AND SOCIAL RISKS

To effectively identify and manage environmental and social risks in the supply chain and to promote green procurement and the use of environmentally friendly products and services, the Group has formulated the Supplier Development and Evaluation Control Procedure and a series of procurement management systems, applying full-process standardised control over supplier development, admission, evaluation and ongoing management. The Group strictly requires all suppliers to hold the internationally recognised IATF 16949:2016 quality management system certification. This system is based on the ISO 9001 standard and incorporates additional automotive industry-specific requirements. By implementing this strict certification requirement, the Group ensures that raw material procurement, parts supply and related services meet high industry standards, laying a solid foundation for product quality and safety. In addition, the Group has established a comprehensive supplier evaluation mechanism covering suppliers' basic background, qualifications, price competitiveness, technical capability, production capacity, delivery lead times, product and service quality, sustainability performance, and environmental and social risk management, among other key indicators. Only suppliers that pass comprehensive assessment and meet Group standards are included in the Approved Supplier List and managed dynamically. The quality monitoring department also continuously monitors supply quality, closely tracks product return rates and collects production-line quality feedback to ensure that suppliers continue to meet the Group's quality and management requirements.

To strengthen environmental protection and occupational health and safety management in the supply chain, the Group signs the Environmental/ Occupational Health and Safety Agreement with collaborative suppliers, clearly setting out suppliers' responsibilities and requirements regarding environmental protection, occupational health, safe production and resource conservation, urging suppliers to fulfil social responsibilities in production processes, reduce environmental pollution, and build a safe, green and responsible sustainable supply chain. The following summarises the requirements we set out in that agreement:

- **Quality and environmental policy:** People-oriented; focus on environmental protection; emphasise social responsibility; comply with laws and regulations; market-oriented; insist on continuous improvement; meet customer expectations.

- **Occupational health and safety management policy:** Safety first; prevention first; risk management; full participation; improve the environment; protect health; scientific development; continuous improvement; ensure that no material occupational health and safety incidents or material environmental pollution incidents occur.

To systematically follow up on the effectiveness of suppliers' environmental and safety management, the Group has formulated the Stakeholder Environmental and Safety Status Survey Form, requiring suppliers to report on environmental protection work and to propose environmental and safety improvement action plans, so as to ensure continuous improvement in suppliers' environmental and safety management.

If review reveals that a supplier's operating model or conduct is materially inconsistent with the Group's sustainable development principles, ESG management requirements and business ethics standards, and rectification is not completed within the prescribed period, the Group will consider terminating the collaboration relationship.

During the Year, the Group was not aware of any material adverse impacts from major suppliers in areas such as business ethics, environmental protection or labour practices.

PEOPLE-ORIENTED APPROACH

UNSDGs addressed in this chapter:



Employees have always been our focus and are the most powerful and effective drivers of the Group's sustainable development. To this end, the Group is committed to building a safe, healthy, fair and inclusive working environment for employees, strictly complying with relevant labour laws and occupational health and safety standards, continuously improving workplace facilities and environmental management, and safeguarding employees' physical and mental health and lawful rights and interests. We also value employees' personal growth and development and actively provide diverse training opportunities to retain talented people. To fully collect employees' views on the Group, we have established two-way communication channels, including employee opinion surveys and employee forums, in order to gain a deeper understanding of employees' satisfaction and the challenges they face at work.

LABOUR STANDARDS

The Group strictly follows the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China, the Regulations on Paid Annual Leave for Employees, the Labour Inspection Regulations, the Social Insurance Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Provisions on the Prohibition of Child Labour and other employment and labour-related laws, and strictly prohibits any form of child or forced labour. During recruitment, the Group verifies applicants' identity documents to prevent the employment of child labour; the Group has established regulated overtime management systems whereby overtime is premised on voluntary employee participation and requires supervisor approval before implementation. The Group has zero tolerance for child or forced labour; any violation discovered will be dealt with seriously. During the Year, the Group was not aware of any non-compliance involving child or forced labour.

EQUAL OPPORTUNITIES

The Group adheres to the principle of equal opportunity, practises anti-discrimination throughout the full human resources management process, and strives to build a fair, respectful and inclusive working environment, ensuring that employees are treated fairly in recruitment, training, development, remuneration, promotion and departure, without being affected by factors such as gender, age, marital status, religion, race, nationality or disability.

The Group conducts open recruitment through multiple channels such as recruitment agencies, campus recruitment and advertisements, and insists on merit-based hiring. To attract and retain talent, the Group regularly reviews remuneration structures with reference to market levels and has established an employee performance appraisal mechanism to provide rewards and promotion opportunities to outstanding performers based on qualifications, competence and performance.

When employees resign, the human resources department conducts exit interviews to understand reasons for leaving and gather feedback, which serves as an important basis for ongoing management improvement.

EMPLOYEE BENEFITS

The Group values employees' physical and mental health. Accordingly, we regularly organises diverse team-building activities to strengthen employees' sense of belonging and safeguard their physical and mental well-being. In addition, the Group provides various additional benefits for employees, including arranging health check-ups for employees and giving festive gifts on traditional holidays.



Chinese New Year Gala Dinner



Reunion Dinner

EMPLOYEE PROFILE ANALYSIS

	2025	2024
Total employees	**812**	635
By gender		
Male	**486**	341
Female	**326**	294
By employment type		
Full-time	**799**	620
Part-time	**13**	15
By employee category		
Senior management	**1**	1
Middle management	**15**	15
General and technical staff	**796**	619
By age		
Aged 20 or below	**29**	8
Aged 21-30	**159**	85
Aged 31-40	**225**	171
Aged 41-50	**237**	207
Aged 51-60	**147**	152
Aged 61 or above	**15**	12
By region		
Mainland China	**812**	635

EMPLOYEE TURNOVER ANALYSIS

	2025	2024
Overall employee turnover rate	**38.18%**	29.92%
By gender		
Male	**45.47%**	43.11%
Female	**27.30%**	14.63%
By age		
Aged 20 or below	**106.90%**	350.00%
Aged 21-30	**55.97%**	83.53%
Aged 31-40	**42.67%**	25.73%
Aged 41-50	**25.32%**	12.08%
Aged 51-60	**21.09%**	13.16%
Aged 61 or above	**20.00%**	16.67%
By region		
Mainland China	**38.18%**	29.92%

EMPLOYEE DEVELOPMENT

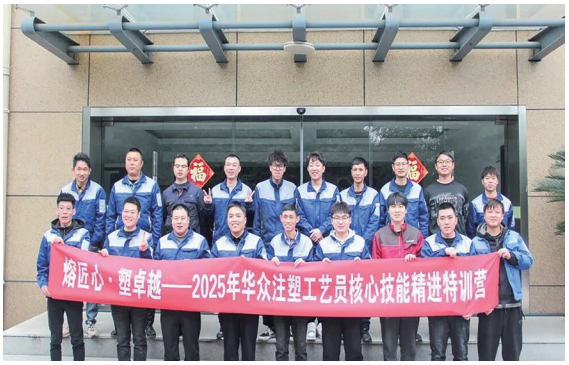
The Group firmly believes that the continuous enhancement of employee competence is a core driver of the Company's high-quality development. Accordingly, we fully support our employees in advancing their professional skills and capabilities. We design tailored training programmes closely aligned with the actual operational needs of each department. The training curricula cover key areas such as vocational skills, administrative management, production safety, and product quality. During the Year, training programmes conducted covered a diverse range of topics, including new employee induction, safety and environmental protection, quality control, technical process skills, and management system standards.



Team Leader Capacity Enhancement Intensive Training Camp



Material Control Specialised Training: Trainee Progress Presentations



Injection Moulding Process Technician Core Skills Advancement Intensive Training Camp



Comprehensive Management Capability "Excellence Leadership Camp" Intensive Training Programme

EMPLOYEE TRAINING RATIOS AND HOURS[1]

	2025	2024	Unit
Employee training analysis			
Total training hours	**6,126.48**	8,142.00	hours
Average training hours per employee	**5.46**	9.87	hours per person
Percentage of total employees trained	**57.31**	76.85%	%
Percentage of employees trained by gender			
Male	**53.97**	53.63%	%
Female	**46.03**	46.37%	%
Percentage of employees trained by employee category			
Senior management	**0.16**	0.16%	%
Middle management	**2.80**	2.37%	%
General and technical staff	**97.04**	97.47%	%
Average training hours of employees trained by gender			
Male	**4.54**	8.04	hours per person
Female	**7.03**	13.09	hours per person
Average training hours of employees trained by employee category			
Senior management	**0.50**	76.00	hours per person
Middle management	**27.73**	11.00	hours per person
General and technical staff	**5.08**	10.00	hours per person

[1] The percentage of total trained employees and the average training hours per employee are calculated including employees who have left the Company.

OCCUPATIONAL SAFETY

The Group attaches great importance to workers' health and workplace safety and seeks to minimise the occurrence of any accidents that may cause injury or death in the course of operations. To this end, the Group has established an occupational health and safety management system, strengthened full-process supervision of safe production, and provided employees with diversified safety training covering theory and practice to enhance safety awareness and responsiveness. Through regular safety inspections, potential safety risks are identified in a timely manner and improvement measures are implemented to prevent workplace injuries and effectively safeguard employees' occupational health and safety.

Our safety work strictly follows the following five basic principles:

FULL PARTICIPATION

- Senior management commits to adhering to occupational safety and health policy principles
- All personnel participate in and implement occupational safety and health management measures

PREVENTION FIRST

- Before commencement, all processes, roles, workplaces, facilities, and projects must be subject to risk identification and assessment, with appropriate safety measures established to mitigate risks.
- Regular inspections are conducted to identify safety hazards, with corrective actions and preventive measures implemented to prevent accidents.

SAFETY AND HEALTH

- Employees' lives and safety are the primary objective; safe production conditions are ensured; safe production training is provided
- Comprehensive safety and health management systems are formulated
- Safety and health knowledge is imparted to employees
- Occupational health examinations are arranged for employees regularly

LAWS-ABIDING

- Commitment to comply with laws, regulations, rules, systems and standards related to occupational safety and health

CONTINUOUS IMPROVEMENT

- Continuous improvement of occupational health and safety management to meet ever-updating regulatory requirements
- Application of Plan–Do–Check–Action management model

During the Year, the Group was not aware of any violation of laws and regulations and industry standards on occupational safety and health, including but not limited to the Labour Law of the People's Republic of China, the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Special Equipment Safety Law of the People's Republic of China, the Fire Protection Law of the People's Republic of China, the Regulations on Labour Protective Equipment, the Measures for the Administration of Emergency Response Plans for Work Safety Accidents, and the Measures for the Administration of National Occupational Health Standards.

We primarily implement the following measures to ensure employee safety:

- First-aid kits are provided at workplaces so that employees can receive timely initial treatment when injured or unwell.
- Each production workshop has at least one employee holding a valid first-aid certificate to respond to emergencies and provide emergency assistance.
- Employee safety awareness training and fire drills are conducted regularly to strengthen fire safety awareness and fire emergency response capability.
- Annual occupational health examinations are arranged for employees engaged in high-risk operations to prevent and reduce occupational diseases.
- An emergency leading group has been established to coordinate accident response, resource allocation and implementation of emergency plans to ensure timely and effective handling of emergencies.
- Smoking is prohibited in all indoor enclosed areas of plants and offices, and fire protection facilities are provided and maintained in accordance with relevant standards.

In addition, new employees receive relevant safety training before assuming their positions, and we also arrange safety production-related training from time to time to ensure employees pay attention to production safety. At the same time, to prevent heat stroke among employees in hot weather, we have installed air coolers to reduce workshop temperatures and, in summer, provide heat-relief supplies for employees.

The Group has not had any work-related fatalities in the past three years (including the Year). There was one injury in the workplace during the Year, in which an employee accidentally slipped and fell while walking to the warehouse, resulting in an injury to the right knee and 30 working days lost (2024: 1 case, 65 working days lost due to injury). We classify work-related injuries into four categories: minor injury, serious injury, major casualty and especially serious fatality. Work-related injuries are classified into four categories: minor injury, serious injury, major casualty and especially serious fatality. Because the severity of each type of accident differs, different handling procedures are formulated. Whenever an accident occurs, we analyse the causes in depth and formulate effective preventive measures to avoid recurrence. To the Directors' knowledge, during the Year the Group was not subject to any material administrative sanctions or penalties for failure to comply with relevant laws and regulations on providing a safe working environment and protecting employees from occupational hazards.

ENVIRONMENTALLY RESPONSIBLE PRODUCTION

UNSDGs addressed in this chapter:



Protecting the environment is an important part of corporate social responsibility and a global trend. We are committed to providing users with safer and greener automotive parts solutions. To achieve environmentally responsible production, the Group has achieved the following results:

- Obtained ISO 14001 environmental management system certification. We use low-pressure injection moulding ("**LPIM**") technology to produce automotive interior parts. Because this production technology does not require a gluing process, no glue or other chemicals are needed, yet interior parts can be firmly fixed to plastics, reducing resource use.
- Developed "steel replacement with plastics" production technology; by reducing the weight of the engine cooling system, vehicle weight is reduced by four to six kilograms, reducing fuel use and greenhouse gas emissions.
- No welding is required in the production process, and energy consumption during installation can also be reduced.

As a Ningbo municipal-level green factory, we will continue to promote technological innovation to reduce emissions and waste in the production process and actively fulfil our environmental protection responsibilities.

To reduce emissions and minimise environmental impact, the Group actively promotes process innovation and technological upgrades, implementing strategic initiatives across multiple key areas including magnesium-aluminium alloys, high-voltage wiring harnesses, underbody protection panels, and premium automotive fabrics. Through the research and development of new processes and the application of new materials, the Group is committed to achieving lightweight automotive components, thereby reducing the burden of business operations on the environment and natural resources and advancing green, low-carbon development. To encourage and recognise employees' active engagement in innovation and to affirm their innovative achievements, we also held the 2026 Summary Awards Ceremony and Spring Festival Gala to commend and reward outstanding employee performance.



2026 Summary Awards Ceremony and Spring Festival Gala



2026 Summary Awards Ceremony and Spring Festival Gala

ENVIRONMENTAL TARGETS

The Board is responsible for reviewing progress and performance against environmental targets set for the Group. The ESG working team is responsible for reporting annually to the Board on progress towards the targets. Environmental targets are as follows:

Indicator	Target[2]	Unit	Base year	2025	Measures to achieve the target	Status[3]
Greenhouse gas emission intensity	Using the year ended 31 December 2025 as the base year, reduce greenhouse gas emission intensity by 2% within five years.	tonnes CO_2e per thousand production units	4.62	4.62	For the associated measures, see the section "Exhaust emissions and energy conservation".	In progress
Energy consumption intensity	Using the year ended 31 December 2025 as the base year, reduce energy consumption intensity by 2% within five years.	MWh per thousand production units	20.36	20.36	For the associated measures, see the section "Exhaust emissions and energy conservation".	In progress
Water consumption intensity	Using the year ended 31 December 2025 as the base year, reduce water consumption intensity by 2% within five years.	cubic metres per thousand production units	3.44	3.44	For the associated measures, see the section "Water resources management".	In progress
Non-hazardous waste generation intensity	Using the year ended 31 December 2025 as the base year, reduce non-hazardous waste generation intensity by 1% within five years.	kilograms per thousand production units	30.18	30.18	For the associated measures, see the section "Waste emissions".	In progress

2 The targets and the methods used to set them have not yet been verified by an independent third party.

3 As it was the first time that the Group set quantitative targets during the Year, progress toward achieving these targets will be disclosed next year.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, the Group was not aware of any material violations of laws and regulations relating to environmental protection, including but not limited to the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, the Energy Conservation Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Marine Environment Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Measures for the Administration of Transfer of Hazardous Waste, and the Law of the People's Republic of China on the Prevention and Control of Noise Pollution.

CLIMATE CHANGE

As climate change intensifies, its impacts have extended across many dimensions. The following table summarises potential risks and opportunities that climate change may pose to the Group's business operations.

Description of risk/opportunity	Time horizon of impact[4]	Potential impact on the value chain	Potential financial impact	Response measures
Physical risks – direct financial risks associated with changing climate.				
Acute risks: Floods, typhoons and heavy rain Production plants and equipment may be damaged; interior parts production may stop. Supply chain transport may also be affected. In addition, employees' personal safety may be threatened.	Short term	Production plants may lose power or be damaged; supply chain transport and operations may be interrupted; employee attendance may be hindered.	Revenue ↓ Operating costs ↑ Costs to repair damaged assets ↑	Continuously monitor extreme weather events and provide timely internal warnings and alerts; formulate the Emergency Plan for Typhoon and Flood Prevention and the Human Resources and Administration Department Emergency Plan; establish an emergency leading group to closely follow national forecasts for flood and typhoon prevention and meteorology, and prepare response measures in all respects. At the same time, backup power is installed to maintain production continuity as far as possible. Furthermore, a decentralised layout strategy is adopted to reduce the impact of climate risks in a single region on the overall supply chain. Flexible working arrangements are also provided to protect employees' personal safety and the Company's physical assets.

[4] The targets and the methods used to set them have not yet been verified by an external independent third party.

Description of risk/opportunity	Time horizon of impact[4]	Potential impact on the value chain	Potential financial impact	Response measures
Physical risks — direct financial risks associated with changing climate.				
Chronic risks: High temperatures, drought and sea level rise may increase energy demand and consumption, leading to grid volatility and higher overall operating costs.	Medium to long term	Pressure on power and network infrastructure; production equipment may be damaged due to voltage instability.	Operating costs ↑	Use solar photovoltaic generation as far as possible to reduce purchased electricity.
Transition risks — financial risks related to transition to a low-carbon economy, including policy and legal risks, technology risks, market risks and reputational risks.				
Policies and regulations: As the importance of addressing climate change rises, governments and listing regulators will impose stricter environmental information disclosure and supervision requirements on enterprises, increasing compliance risk.	Medium term	The Company must comply with stricter carbon emission disclosure norms, increasing compliance costs.	Compliance costs ↑	Closely monitor regulatory changes.
Market: Shift in market demand (upgrade to green consumption).	Medium to long term	Failure to adapt in time to low-emission vehicle model needs may result in loss of whole-vehicle supply orders.	Revenue ↓	Optimise product structure; research and develop lower-VOC and lighter-weight environmentally friendly interior products.

Description of risk/opportunity	Time horizon of impact[4]	Potential impact on the value chain	Potential financial impact	Response measures
Opportunities				
Resource efficiency improvement: Green office practices and operations, such as reducing electricity and water use, can lower operating costs.	Medium term	Improving resource usage efficiency, including energy, electricity and water, helps the Group reduce operating costs.	Operating costs ↓ Net profit ↑	Strengthen green operations in the Company; encourage employees to commute in greener ways; reduce the Company's greenhouse gas emissions.
Products and services: Market demand is shifting; society attaches greater importance to sustainability and social responsibility; the market space for lightweight environmentally friendly interior products is increasing.	Medium to long term	Customers attach greater importance to sustainability and social responsibility; building a green environmentally friendly interior brand can increase product market share.	Revenue ↑ R&D costs ↑	Strengthen R&D investment in green environmentally friendly interior materials and production processes to meet market demand.

During the Year, the Group was not materially affected by any climate-related extreme weather events, but the Group will continue to monitor climate-related risks and take relevant measures to minimise the potential impact of climate change.

The Group has not yet incorporated carbon pricing into its decision-making processes, nor has it incorporated climate-related performance indicators into remuneration policies. In addition, during the Year the Group did not undertake material capital expenditure or financing activities specifically to address climate-related risks and has yet to establish climate-related transition plan.

CLIMATE RISK MANAGEMENT

The Board bears ultimate overall responsibility for the Group's ESG risk management. To effectively manage various ESG-related risks including climate change and supply chain environmental and social risks, the Group has fully integrated ESG risk management into its existing risk management system.

Each department and the ESG working team review climate-related risks and opportunities annually to track material climate issues and assess their potential impact on business and financial operations. Specific steps are as follows:

1. Identify risks and opportunities — We collect internal and external information through multiple channels to identify potential risks and opportunities that climate change may bring to our operations.

2. Assess likelihood and magnitude of impact — For each type of climate-related risk and opportunity initially identified, we analyse and assess the likelihood of occurrence and magnitude of impact.

3. Determine material risks and opportunities — Based on the assessment results, we determine climate-related risks and opportunities that may materially affect the Group's business development, and focus on reviewing existing response strategies, control measures and implementation mechanisms to enhance the Group's overall climate risk management capability and response.

The Board reviews the effectiveness of the ESG risk management system annually and, through reports from the ESG working team, reviews the setting of ESG-related objectives and implementation progress.

CLIMATE SCENARIO ANALYSIS

Climate scenarios are projections of future climate conditions based on different levels of greenhouse gas emissions. To assess the potential impact of climate-related risks, we have conducted scenario analysis using publicly available models with reference to the guidance on climate information disclosures under the HKEX ESG reporting framework. This Year we focused first on physical risk scenarios, because such risks may have broader potential impacts and more external analytical data are available. This process helps the Company to understand the potential impact of climate-related physical risks on business and operations under different future scenarios, so as to formulate strategies and continuously enhance climate adaptation capability.

We adopted the low-emissions scenario SSP1-2.6[5] and the high-emissions scenario SSP5-8.5[6] from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report. Using medium term (2030) and long term (2050) time horizons, we conducted a qualitative assessment of financial losses that may arise from changes in physical risks relative to the base year (2025) under each scenario.

The results show that under both scenarios, the frequency and intensity of extreme weather events and average temperatures will rise over time, with more pronounced changes under the high-emissions scenario, which may affect the Company's assets and business operations. For risks such as typhoons, exceptionally heavy rain and extreme high temperatures, the Company has established risk management mechanisms and formulated dedicated response measures, as described in the section "Climate-related risks and opportunities".

We recognise that uncertainty remains regarding the frequency and severity of future climate-related physical risks. In the long run, extreme weather events and global temperature rise may disrupt operating activities, affect asset safety and threaten employee safety. Therefore, the Company will continue to refine climate scenario analysis and strengthen risk response and mitigation strategies.

[5] IPCC SSP1-2.6 Low Greenhouse Gas Emissions Scenario: Global climate action is actively pursued and low-carbon transition is successfully achieved, limiting global warming to within 2°C above pre-industrial levels. Under this scenario, the frequency and intensity of extreme weather events as well as average temperatures will increase, but the magnitude of such increases will be relatively moderate.

[6] IPCC SSP5-8.5 Very High Greenhouse Gas Emissions Scenario: Global greenhouse gas emissions are uncontrollable and economic development is highly dependent on fossil fuels, leading to issues of high carbon emissions and severe climate change. Under this scenario, the frequency and intensity of extreme weather events as well as average temperatures will increase significantly.

During the Year, certain mandatory climate-related disclosures could not be fully provided, including but not limited to quantitative financial impact analysis, quantitative scenario analysis results, and specific transition and physical risk indicators. This is mainly due to the following reasons: (i) limitations in the Group's current internal capabilities, data coverage and modelling tools ("**Capabilities Relief**"); (ii) inability to obtain reasonable and verifiable relevant information without undue cost or effort, especially for climate risk data ("**Reasonable Information Relief**"); and (iii) at this stage, insufficiently reliable methods to quantify the financial impacts of existing and anticipated climate-related risks and opportunities ("**Financial Effects Relief**"). The Group will continue to gradually improve data access channels and climate risk assessment processes, and as relevant capabilities mature, further expand and deepen disclosures.

EXHAUST EMISSIONS AND ENERGY CONSERVATION

Exhaust and greenhouse gas emissions generated in the Group's production and operations mainly come from fuel consumption by on-site vehicles, forklifts and the staff canteen, as well as liquefied natural gas and electricity used to operate plant equipment. To strengthen full-process control, the Group has formulated systems such as the Energy and Resource Control Management Regulations to strictly supervise and regulate energy use and exhaust generation and emissions in production.

For exhaust emissions, the Group adopts mature environmental protection treatment processes such as activated carbon absorption and water spraying to treat exhaust generated in production and operations, effectively reducing pollutant emissions and impact on the surrounding environment. For energy saving and consumption reduction, the Group actively promotes equipment optimisation and technology upgrading; by introducing new high-efficiency injection moulders and leveraging their high speed and short cycle times to reduce electricity consumption; and by implementing constant temperature control in paint shops to avoid energy waste from repeated temperature adjustment, continuously improving energy efficiency.

To further implement energy saving and emission reduction targets, the Group has implemented the following specific measures:

- Air conditioning in office areas is uniformly set and maintained at above 25°C to reduce air conditioning energy use;
- Electricity management systems are in place to promptly switch off idle lighting, air conditioning, computers and other electrical equipment;
- Energy-saving tubes have been installed throughout plants and office areas, and daylighting design has been optimised to make full use of natural light to reduce electricity demand; and
- A dedicated energy saving and emission reduction working team has been established to monitor energy efficiency regularly, continuously identify improvement opportunities and drive implementation.

The Group adheres to the concept of sustainable development and seeks to gradually reduce reliance on conventional energy and actively promote renewable energy. During the Year, the Group's solar power generation totalled 4,462 MWh (2024: 1,183 MWh). Renewables still account for a relatively low share of the overall energy mix; going forward, the Group will continue to increase investment in renewables and gradually raise the proportion of clean energy.

Regarding compliance of exhaust emissions, the Group strictly complies with national and local standards such as Emission Standard of Air Pollutants for Industrial Coating Operations (DB33/2146 2018), Emission Standard of Air Pollutants for Industrial Furnaces (GB 9078 1996) and Standard for Fugitive Emission of Volatile Organic Compounds (GB 37822 2019), and exercises full-process monitoring of exhaust at all production stages. The Group regularly engages independent third-party organisations with professional qualifications to conduct monthly exhaust monitoring to ensure ongoing compliance of emissions. Monitoring results show that the emission concentrations and rates of organised exhaust (including toluene, xylene, non-methane hydrocarbons and ethyl acetate) and unorganised exhaust indicators meet the requirements of relevant standard limits.

WATER RESOURCES MANAGEMENT

The Group values efficient usage and sustainable management of water resources, actively promotes water recycling and reuse, and continuously improves water efficiency through advanced environmental protection technologies and water-saving measures, practising green production. The Group meets the Ningbo water-saving enterprise creation standards and requirements and has been successfully accredited as a Ningbo water-saving enterprise, reflecting sound water management systems and a solid foundation for water-saving work. The Group's water use is mainly divided into production water and domestic water. Production water is mainly used for process cooling; domestic water is mainly used for staff catering and sanitary facilities. To effectively control water consumption, the Group implements a number of water-saving management measures:

- Promote cooling water recycling systems to increase water reuse and reduce fresh water withdrawal;
- Assign dedicated personnel for daily inspection and maintenance of water facilities, repair faulty equipment in a timely manner, and eliminate leaks and drips;
- Adjust irrigation schedules for landscaping flexibly according to season and weather to optimise green water use; and
- Conduct monthly water consumption statistics and analysis, monitor water data, identify abnormal consumption in a timely manner, and optimise improvements.

For wastewater treatment, the Group has established standardised wastewater treatment processes to ensure that wastewater is properly treated and discharged in compliance. Wastewater is first pre-treated through a screening frame to intercept large solid debris; it then flows into a settling chamber for sedimentation to separate fine solid pollutants such as silt; oil is then removed through an oil separation device; finally, deep treatment is carried out in a purification unit to ensure that effluent quality meets relevant laws, regulations and standards such as the Law of the People's Republic of China on the Prevention and Control of Water Pollution and the Discharge Standard of Water Pollutants into Municipal Sewers. The Group regularly engages qualified third-party professional organisations to conduct wastewater monitoring. Monitoring results show that wastewater discharge complies with the Integrated Wastewater Discharge Standard (GB 8978-1996).

All production and domestic water used by the Group comes from the municipal tap water supply system; water sources are stable and there are no risks related to water sourcing.

WASTE EMISSIONS

To continuously promote waste reduction at source and efficient use of resources, the Group actively implements waste reduction and emission reduction strategies covering source reduction, recycling, sorted collection and proper disposal, seeking to reduce overall waste generation and improve resource efficiency.

Waste generated in the Group's production processes is mainly divided into two major categories, hazardous waste and non-hazardous waste. Hazardous waste is dominated by paint sludge; non-hazardous waste includes plastic scrap, metal scrap and waste cardboard. The Group strictly complies with waste management laws, regulations and industry standards to ensure that all types of waste are classified, stored and disposed of in a regulated manner, avoiding pollution of the environment and surrounding communities. The Group has engaged third-party professional companies with lawful qualifications to collect and dispose of hazardous waste on a regular basis.

To further promote source reduction and resource recycling, the Group has implemented a number of measures for non-hazardous waste to reduce waste generation:

- Recycle and reuse waste packaging cartons to improve packaging material utilisation;
- Reintroduce crushed plastic scrap into the production process to recycle and reuse production scrap;
- Engage compliant recycling operators to professionally recycle and valorize metal scrap;
- Promote electronic office work, replacing paper with email, online workflows and electronic documents to build a paperless office environment;
- Post energy-saving and waste-reduction reminder slogans in office areas to strengthen employees' environmental awareness;
- Set up dedicated recycling bins for waste paper and print consumables in offices to increase recovery rates of recyclables; and
- Encourage employees to use reusable tableware to reduce consumption of disposable tableware.

NOISE

To reduce the impact of noise generated in production on employees' health and the surrounding environment, the Group strictly complies with the associated requirements under the Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008) and continuously conducts noise monitoring and control. The Group regularly engages independent third-party organisations with professional qualifications to monitor daytime and nighttime noise emissions at the plant boundary, ensuring that emission levels meet national and local environmental standards. Monitoring results show that daytime and nighttime noise emissions at the plant boundary are below statutory limits and operations are compliant. At the same time, the Group values occupational health protection for front-line employees, provides earplugs and other personal protective equipment to employees in high-noise production workshops, and strengthens relevant protection guidance to minimise the potential impact of noise on employees' health and effectively safeguard occupational health and environmental safety.

KEY ENVIRONMENTAL PERFORMANCE DATA

	2025	2024	Unit
Exhaust			
Nitrogen oxides (NO_x)	293.07	250.51	tonnes
Sulphur oxides (SO_x)	4.81	4.11	tonnes
Particulate matter (PM)	10.94	9.35	tonnes
Greenhouse gases[7]			
Total greenhouse gas emissions[8]	119,326.03	102,960.95	tonnes CO_2e
Direct emissions (Scope 1) — liquefied natural gas, unleaded petrol and diesel use	113,207.58	96,789.85	tonnes CO_2e
Indirect emissions (Scope 2) — purchased electricity	6,118.45	6,171.10	tonnes CO_2e
Greenhouse gas emission intensity	4.62	4.66	tonnes CO_2e per thousand production units
Hazardous waste			
Hazardous waste generated and disposed of	15.48	22.47	tonnes
Hazardous waste generated and disposed of (intensity)	0.60	1.02	kg per thousand production units
Non-hazardous waste			
Total non-hazardous waste generated[9]	778.86	503.89	tonnes
Total non-hazardous waste disposed of	2.57	2.82	tonnes
Total non-hazardous waste recycled	776.29	501.07	tonnes
— Metal recycled	384.54	171.70	tonnes
— Paper recycled	316.34	170.41	tonnes
— Plastic recycled	75.41	158.96	tonnes
Non-hazardous waste generation intensity	30.18	22.81	kg per thousand production units

7 Regarding other indirect greenhouse gas emissions (Scope 3), emissions primarily originate from upstream and downstream value chain activities such as employee commuting, upstream transportation and delivery, and downstream transportation and delivery. Due to the significant challenges in measurement, we have not yet conducted statistical accounting for Scope 3 emissions. We will consider undertaking statistical accounting and management control of Scope 3 greenhouse gas emissions at an appropriate time in the future.

8 Boundary has been set using GHG Protocol's financial control approach and air pollutant and greenhouse gas emission data are calculated in accordance with the requirements stipulated in the "How to Prepare an ESG Report" published by the Stock Exchange, "The GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition)" issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), as well as the "2023 National Power Carbon Footprint Factor" issued by the Ministry of Ecology and Environment of China.

9 Domestic waste generated from offices and dormitories is collected by local environmental sanitation teams and has not been statistically accounted for.

	2025	2024	Unit
Packaging materials			
Paper packaging materials used	1,317.42	1,071.24	tonnes
Paper packaging material use intensity	51.05	48.49	kg per thousand production units
Energy consumption			
Total energy consumption	525,502.47	448,091.15	MWh
Purchased electricity	12,300.86	11,975.74	MWh
Liquefied natural gas	508,535.98	434,672.87	MWh
Unleaded petrol	157.69	233.60	MWh
Diesel	45.60	25.61	MWh
Renewables — solar photovoltaic generation	4,462.34	1,183.33	MWh
Energy consumption intensity	20.36	20.28	MWh per thousand production units
Water consumption			
Total water consumption	88,819.97	94,229.00	cubic metres
Water consumption intensity	3.44	4.27	cubic metres per thousand production units

CUSTOMER PRIVACY

The Group attaches great importance to protecting customer privacy, trade secrets and data security management as an important part of sustainable development and corporate responsibility. The Group strictly complies with the Personal Information Protection Law of the People's Republic of China, the Data Security Law of the People's Republic of China and other applicable laws and regulations, has established sound data protection mechanisms, and effectively safeguards customers' lawful rights and interests and the Group's information security.

The Group strictly prohibits employees from disclosing, using or leaking to third parties any trade secrets and confidential information without authorisation, including but not limited to sensitive content such as design drawings, technical documents, customer information and business information. All employees must sign confidentiality agreements upon joining, clearly setting out confidentiality obligations, scope of use and liability for breach, to prevent leakage of confidential information at source. At the same time, the Group implements strict information system access controls, setting tiered access in accordance with job duties, business needs and the minimum-necessary principle, ensuring that employees can only access and view information within the scope of their duties. If application for accessing information beyond authority is required for work, employees must submit a written application; temporary access may be opened only after approval at successive levels by relevant departments and management, with full traceability and strict monitoring, to prevent unauthorised access, copying, transmission or misuse of data and to effectively reduce the risk of data leakage and privacy breaches.

To the best of the Directors' knowledge, during the Year the Group was not in violation of laws and regulations related to personal privacy such as the Personal Information Protection Law of the People's Republic of China and the Data Security Law of the People's Republic of China.

INTELLECTUAL PROPERTY PROTECTION

The Group attaches great importance to intellectual property protection and management systems construction and treats them as important safeguards for technological innovation and sustainable development. The Group strictly complies with the Patent Law of the People's Republic of China and other intellectual property laws and regulations, and has established and implemented the Patent Management System to regulate the full process of patent application, maintenance, exploitation and protection, effectively protecting the Group's intellectual property arising from product development, technological innovation and process optimisation, and safeguarding R&D investment and innovation value.

To incentivise technological innovation and encourage employees to participate actively in R&D, the Group has established a patent reward mechanism and dedicated patent bonuses, granting corresponding rewards to employees who propose patent ideas, participate in technology R&D and successfully obtain patents, fully mobilising researchers' innovation enthusiasm and creativity. Regarding patent application management, the Group requires each business and R&D department to prepare an annual patent application plan each year, clarifying application directions, quantity targets and timelines, continuously optimising patent application processes and management of document drafting and filing, and improving patent application quality and efficiency. To prevent leakage of trade secrets and core technologies, the Group signs confidentiality agreements with relevant employees before patent applications, clearly setting out confidentiality obligations and responsibilities and strengthening full-process confidentiality regulation of core technical information. If infringement of the Group's patent rights is discovered, the R&D centre will be notified immediately and the intellectual property management department will initiate response procedures to protect the Group's rights through lawful means.

During the Year, the Group's intellectual property management system operated well and no infringement of patent rights occurred.

ANTI-CORRUPTION

The Group requires all members to strictly comply with laws and regulations on corruption, bribery and money laundering in jurisdictions where business is conducted, 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 Anti-Unfair Competition Law of the People's Republic of China, and maintains a zero-tolerance attitude towards any form of corruption.

The Group's Employee Handbook clearly regulates employee behaviour, prohibits employees from giving or receiving improper benefits, and requires signing Integrity Agreements with customers and suppliers to set out in writing both parties' anti-corruption responsibilities and jointly maintain a fair and honest business environment. The Group also operates dedicated reporting channels and supports employees to report any violations anonymously, effectively protecting whistle-blowers' rights. Upon receipt of a report, the Group will immediately launch an investigation; if verified, relevant personnel will be dealt with seriously, including disciplinary action, termination of employment, and referral to judicial authorities in serious cases.

During the Year, the Group did not receive any complaints or cases involving corruption, bribery, extortion, fraud and money laundering. In addition, the Group distributes anti-corruption information by email and other channels to continuously strengthen directors' and employees' awareness of integrity and anti-corruption.

CARE FOR SOCIETY

UNSDGs addressed in this chapter:



We actively listen to community needs and promote community development. To support education development in Mainland China, we donated RMB500,000 to the Xiangshan County People's Education Foundation, hoping to encourage and promote local education. In addition, we actively nurture employees' spirit of volunteer service and encourage them to participate in various volunteer activities to fulfil the Company's charitable responsibilities.