

# 2025

## Environmental, Social and Governance Report



**PURSUE EXCELLENCE**

**PRINX CHENGSHAN HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)

## About This Report

This is the 2025 Environmental, Social and Governance (ESG) report of Prinx Chengshan Holdings Limited (hereinafter referred to as the "Company" or "Prinx Chengshan", together with its subsidiaries, collectively referred to as the "Group" or "the Group"), primarily elaborating on the ESG performance of Prinx Chengshan and its subsidiaries.

### Report Scope

Unless otherwise stated, this report covers the overall environmental and social performance of Prinx Chengshan's manufacturing plant ("Shandong Plant") and its headquarters base located in Rongcheng City, Shandong Province, China (collectively, "Shandong Operations"), and its plant in Thailand ("Thailand Plant") for the period from January 1, 2025, to December 31, 2025 ("Report Period"). The third production base, the Malaysia Plant, is under construction during the reporting period, as well as the company's operations in North America, Europe, and Shanghai, China, do not have significant environmental and social impacts and contribute less to the Group's total revenue; therefore, they are not included in the report scope.

### Report Principles

This report follows the four major reporting principles required by the Environmental, Social and Governance Reporting Code ("ESG Reporting Code" or "the Code") contained in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"): Materiality, Quantitative, Balance and Consistency. The report also applies the eight reporting principles of the Global Reporting Initiative ("GRI") Standards published by the Global Sustainability Standards Board ("GSSB"): Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness, and Verifiability, to ensure the quality of the reported information and present it in an appropriate manner. The applied reporting principles are summarized as follows:

**Accuracy** --- Qualitative information in the ESG report is disclosed based on available evidence. Quantitative key performance indicators ("KPIs") are formulated, which can be measured and effectively compared under appropriate conditions; information on the standards, methodologies, assumptions, and/or calculation tools used, as well as the sources of conversion factors, has been disclosed where applicable.

**Balance** --- The content of this report objectively reflects the facts, providing a fair disclosure of both positive and negative information related to the company.

**Clarity** --- The information in the ESG report is presented in a clear and understandable manner. The content is concise without losing necessary details, and a content index is attached to facilitate readers' quick access to relevant information.

**Comparability** --- This report discloses ESG quantitative performance indicators for the reporting period and, where possible, corresponding historical data, enabling users to conduct meaningful comparative analysis of the relevant data over time.

**Completeness** --- The activities, events, and their impacts covered during the reporting period are fully presented, and no necessary information that would help understand the Group's overall impact has been omitted.

**Sustainability Context** --- The Company identifies its material ESG issues based on a dual materiality perspective, considering the characteristics of its industry and business operations.

**Timeliness** --- This report is an annual report, published simultaneously with the Company's 2025 Annual Report, providing timely information for stakeholder decision-making.

**Verifiability** --- The decision-making process for preparing the ESG report is documented to facilitate the review of important decisions and processes. The Group has established robust internal control measures and systematically organizes relevant documentation to support the smooth conduct of various verification procedures. The data and textual information in this report have been assured by the international independent third-party assurance body TÜV SÜD Certification and Testing (China) Co., Ltd. based on the AA1000 Assurance Standard (Version 3) (AA1000AS v3) and the International Standard on Assurance Engagements 3000 (Revised) (ISAE 3000), and an assurance opinion has been issued.

## Report Reference Standard

The content disclosed in this report is prepared by reference to the Environmental, Social and Governance Reporting Code in Appendix C2 to the Listing Rules of the Hong Kong Stock Exchange. The content covered in this report complies with the mandatory disclosure requirements and the "comply or explain" provisions of the Code. Reference has also been made to the Global Reporting Initiative ("GRI") Standards published by the Global Sustainability Standards Board ("GSSB"). The climate-related disclosures are aligned with the framework of the IFRS Sustainability Disclosure Standard 2: Climate-related Disclosures ("IFRS S2"). The Group officially joined the United Nations Global Compact ("UNGC") in 2024, and therefore this report has taken its Ten Principles into consideration.

## Stakeholders' Feedback

The Group is committed to improving its ESG management and strives for excellence. The Group welcomes stakeholders to provide comments on its ESG approach and performance. Please submit suggestions or comments through the following channels:



### Email:

investor@prinxchengshan.com



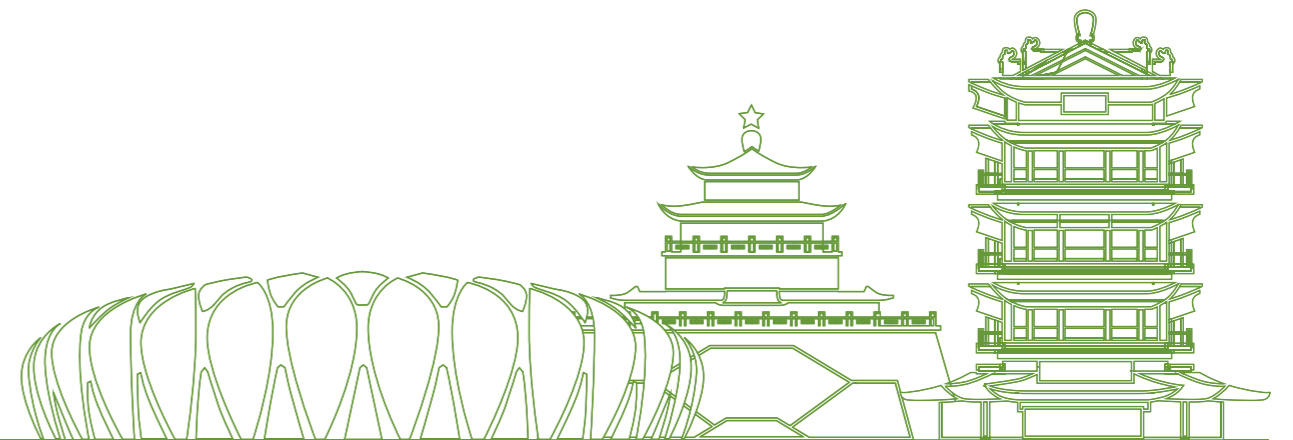
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# About Prinx Chengshan


## Company Introduction

Prinx Chengshan's business originated in 1976. Headquartered in Rongcheng City, Shandong Province, China, the Company is a modern enterprise specializing in tire design, R&D, manufacturing, sales, and the provision of full life-cycle tire services. It is also a leading manufacturer in the domestic commercial all-steel radial tire replacement market and one of the most influential tire enterprises in China. The Company has always been committed to leading tire innovation, developing green and safe tires, and providing high-quality, convenient services, striving to continuously contribute to smart mobility and sustainable development for global users, thereby achieving a better life.



**Mission & Vision**

**Leading in tire innovation, contributing to smart travel and sustainable development, and achieving a better life**



**Core Values**

**Customer first, being responsible, devotion and professionalism, innovation and opening up**

## Business Layout

The Group adheres to "Cost leadership, Efficiency driven, Differential competition, Global operations" as its core strategy, committed to global development. It has established two major production bases in China and Thailand, initiated the construction of a production base in Malaysia during the reporting period, and set up three major sales centers in China, North America, and Europe, forming a global business layout. The Group owns four major tire brands: Prinx, Chengshan, Austone and Fortune, with three major tire categories: Truck and Bus Radial tires ("TBR tires"), Passenger Car Radial tires ("PCR tires"), and Bias tires ("Bias tires"), covering passenger vehicles, commercial vehicles, industrial vehicles, agricultural vehicles, and some special vehicle tires. During the reporting period, the Group launched a new Off-The-Road ("OTR") tire project, focusing on the synergistic development of emerging markets and high-end product categories, which will help the Group optimize and upgrade its product structure.

## Membership and Honors

**Membership**

	Tire Dynamics Collaborative Innovation Alliance			Tire Branch of China Rubber Industry Association	
	Shandong Rubber Industry Association			China Tire, Rim, and Valve Standard Yearbook Council	
	Carbon Black Sub-Technical Committee of the National Technical Committee on Rubber and Rubber Products Standardization			Council of China Rubber Industry Association	
	Council of Tire Industry			Council of the Chinese Enterprises Association in Thailand	
	Thailand Rubber Association			Manufacturing Branch of the Chinese Enterprises Association in Thailand	
	Automotive Branch of the Chinese Enterprises Association in Thailand			Rayong Industrial Park Branch of the Chinese Enterprises Association in Thailand	



During the reporting period, the Group received the following awards and honors

March 2025: Prinx Chengshan won the "2024 China Talent Development Lighthouse Award - Excellent Enterprise in Knowledge Management" organized by CSTD (Chinese Society for Talent Development)

January 2025: Prinx Chengshan participated in the EcoVadis rating for the first time and won a Bronze medal

September 2025: The project "Development and Application of a New Intelligent Tire Information Platform" by Prinx Chengshan (Shandong) Tire Co., Ltd. was selected as the first prize in the 2025 Shandong Provincial Enterprise Technology Innovation Outstanding Achievement Promotion Catalog

September 2025: Prinx Chengshan won the "Most Brand Value Listed Company" award at the 2025 Global Business News Economic Forum & "Golden Kungpeng" China Financial Value Awards

October 2025: Prinx Chengshan Tire (Thailand) Co., Ltd. received the "Eco-Champion" certificate from the Industrial Estate Authority of Thailand (IEAT)

Ranked 21st in the "Tire Business" Global Top 75 Tire Companies

December 2025: Prinx Chengshan won the "Most Investment Potential Company" award at the 10th Zhitong Finance Listed Company Selection

December 2025: Prinx Chengshan won the "Annual Outstanding High-End Manufacturing Enterprise" award under the "Golden Grid Award - Annual Outstanding Company" by Gelonghui

Ranked 6th in "China Rubber"'s ranking of Chinese Tire Enterprises

August 2025: Prinx Chengshan received an A rating in the Wind ESG rating

March 2025: Prinx Chengshan (Shandong) Tire Co., Ltd. was rated as one of the "Top 50 Enterprises in Comprehensive Strength in Shandong Rubber Industry"

October 2025: Prinx Chengshan (Shandong) Tire Co., Ltd. was selected by the China Rubber Industry Association as a benchmark enterprise for "Energy Efficiency Leader" in key products of the rubber industry for 2024 - for all-steel radial tires and semi-steel radial tires.



China Brand Value Certification Notice



EcoVadis Bronze medal

September 2025: The project "Research and Application of Key Technologies for Acoustic Characteristics of New Energy Vehicle Tires and Vehicle NVH Performance" by Prinx Chengshan (Shandong) Tire Co., Ltd. won the second prize of the Shandong Rubber Industry Science and Technology Award

September 2025: The project "Development and Application of Digital Storage and Transportation Technology for Passenger Tire Green Tires" by Prinx Chengshan (Shandong) Tire Co., Ltd. won the third prize of the Shandong Rubber Industry Science and Technology Award

Sept 2025: Prinx Chengshan (Shandong) Tire's real-time cost control project, driven by predictive AI and industrial big data, was listed in Shandong's Enterprise Brand Innovation Achievements (II Innovation)



China Talent Development Lighthouse Award - Excellent Enterprise in Knowledge Management

# 2025 ESG PERFORMANCE SUMMARY

## Economic performance

### Revenue

RMB  
**11,806.8** million

### Net Profit

RMB  
**1,087.6** million

Note: The above economic performance data is the overall data of the Group and does not represent the scope of this report

## Corporate Governance

- The Board of Directors oversees the overall implementation of ESG strategies and the improvement of governance effectiveness;
- The Development Strategy and Risk Management Committee assists the Board in ESG policy research and implementation supervision;
- The ESG Decision-making Committee coordinates and makes the Group's ESG-related decisions;
- Further integration of professional functional departments into the ESG working group to strengthen execution capabilities;
- Revised the "Prinx Chengshan Integrity and Compliance Code", continuously improving the company's integrity and compliance system;
- 100% of Board members received anti-commercial bribery and anti-corruption training; 100% of senior and middle management received such training; the number of other employees participating in anti-commercial bribery and anti-corruption training continues to grow.

## Environment

- 100% coverage of factories certified with ISO 14001:2015 Environmental Management System;
- Shandong Plant awarded the "Green Factory" certification;
- Shandong Plant won the title of Energy Efficiency Leader in Key Industries of Shandong Province;

## Green Product R&D

Low Rolling Resistance Products percentage for commercial vehicle

**55** %

Low Rolling Resistance Products percentage for passenger car

**50** %

The Proportion of Green Products

**37.8** %

## Employees and Employee Benefits

Total Number of Employees

**6,834** People

The Proportion of Employees in Shandong Operations are Covered by Collective Bargaining Agreements

**100** %

## Employee Training and Occupational Health

The Proportion of ISO 45001:2018 Occupational Health and Safety Management System Certification (Shandong Plant & Thailand Plant)

**100** %

Employee Training Coverage

**100** %

Average Training Time Per Employee

**46.78** Hours

Occupational Health and Safety Training Coverage

**100** %

Average Training Time Per Employee

**10.75** Hours

## Operational Practices

- Both the Shandong plant and the Thailand plant have obtained ISO 9001:2015 Quality Management System certification, achieving a factory coverage rate of 100%
- **100%** coverage of ISO 27001:2022 Information Security certification; **100%** of key position employees have completed information security certification training
- Added **5** invention patents, **73** utility model patents and **21** design patents

## Community Care

- Total investment of approximately RMB **2.0783** million by the company and employees in social welfare
- **2** employees of the Shandong Plant received honors for active participation in community welfare, and the company's labor union received a pennant from the community
- Thailand Plant participated in Children's Day donations, social welfare activities, and fire rescue support in its local community, receiving several letters of thanks

# 01

## Optimizing Governance System to Strengthen ESG Foundations

SDGs addressed in this section:



## Corporate Governance

### Governance Structure

The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Listing Rules as its own code of corporate governance. Throughout the reporting period, the Company has complied with the applicable code provisions under Part B of the CG Code. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

## Board Diversity

In the selection of Board members, the Company is committed to promoting diversity and has adopted the Board Members Diversity Policy<sup>1</sup>. The term of office for Executive Directors and Non-executive Directors is three years, while Independent Non-executive Directors are appointed for a term of one year / three years. Directors are required to retire by rotation and stand for re-election at general meetings in accordance with the Articles of Association. The Nomination Committee annually reviews the structure, size, composition and diversity of the Board (including gender, age, cultural and educational background, ethnicity, skills, knowledge and experience) and assists the Board in maintaining the Board Skills Matrix. As at the end of the reporting period, the Board comprises 9 Directors, including 3 Independent Directors (accounting for 33.33%) and 1 female Director (accounting for 11.11%). The current Board members possess diverse backgrounds and professional expertise across the tire industry, finance, business administration, law and other fields. They collectively contribute to the management and performance of the Group, promote sound corporate governance and enhance the Group’s sustainable development.

<sup>1</sup>: Board Members Diversity Policy : <https://www.prixchengshan.com/index.php?id=3645>

Board Structure of Prinx Chengshan (2025)

Type	Name	Professional Committee Membership			Professional Competence				
		Audit	Nomination & Remuneration	Development Strategy & Risk Management	Industry Experience	Financial Management Experience	Business Administration	Legal Practice	R&D
Executive Director(CEO)	Mr. Che Baozhen				✓		✓		
Executive Director	Mr. Shi Futao				✓	✓	✓		
Executive Director	Mr. Jiang Xizhou				✓		✓		✓
Non-executive Director(Chairman)	Mr. Che Hongzhi			✓ (Chairman)	✓		✓		
Non-executive Director	Mr. Shao Quanfeng				✓	✓	✓		
Non-executive Director	Ms. Wang Ning		✓		✓		✓	✓	
Independent Non-executive Director	Mr. Jin Qingjun	✓	✓ (Chairman)	✓			✓	✓	
Independent Non-executive Director	Mr. Choi Tze Kit Sammy	✓ (Chairman)	✓			✓	✓		
Independent Non-executive Director	Mr. Wang Chuansheng	✓		✓	✓				✓

As the Group's market presence and operational scale continue to expand both domestically and internationally, the Group plans to reference international and local best practices to ensure an appropriate balance in the diversity of its Board members. The Group is committed to maintaining an appropriate proportion of members on the Board with capabilities and experience in international operations, risk management and sustainable development. This will support the implementation of the Group's internationalization strategy and provide solid talent support for ESG governance and overall business development.

## Remuneration Policy

To establish a fair and transparent incentive mechanism, the compensation of the company's executive directors and mid-to-senior level management is determined based on the following core principles and structure. The Remuneration Committee conducts evaluations and makes decisions in an objective and independent manner, ensuring that no director participates in decisions regarding their own compensation, thereby complying with fair and reasonable corporate governance standards.

### Remuneration Determination Principles

- Individual performance: assessment of performance of duties, management capabilities and target achievement;
- Unit Performance: The company has fully integrated ESG indicators into the KPI assessment systems of its Shandong plant and Thailand plant, where such indicators account for over 50% of the evaluation and are directly linked to executive compensation within each assessment unit, thereby driving deep integration of ESG concepts into production and operations. Under this framework, the customer dimension focuses on order plan achievement rate and claims rate; the operations dimension emphasizes quality control, operational efficiency, and compliance; the environmental dimension prioritizes energy consumption intensity control during production; and the team dimension covers employment compliance, employee training, corporate culture development, and safety management, with the DART incident rate as the core assessment indicator;
- Overall Group performance: linked to the achievement of the Company's financial and strategic objectives; incorporated the responsibility safety accident indicator into its overall performance indicator with a weighting of 5%;
- Market benchmark: reference to remuneration levels of comparable companies in the same industry or of similar scale to ensure competitiveness;
- Authority and length of service: reflecting job value, scope of responsibilities and contributions to the Company's long-term development.

### Remuneration Structure

- Fixed remuneration: including monthly basic salary, meal allowance and transportation allowance;
- Variable remuneration (performance bonus): mainly annual bonus directly linked to the Group's annual performance, Unit performance and Individual performance.



## ESG Governance

### Board Statement

#### 🌐 Oversight of ESG Matters by the Board

The Board bears ultimate responsibility for the Group's ESG governance. To ensure effective oversight, the Board has established a top-down ESG governance structure. The Board is responsible for approving the Group's ESG strategies, objectives and material policies, and retains ultimate accountability for ESG performance.

#### 🌐 ESG Management Policy and Strategy

The Board's ESG management policy is to deeply integrate ESG into corporate strategy and operations, so as to drive long-term value creation and effectively manage related risks.

### Core Strategies

#### ● Strategic Integration

The Company firmly believes that ESG objectives are the cornerstone of the Group's long-term and stable development. The Company is committed to integrating ESG considerations into business decision-making, new market development, customer service, talent attraction and investor relations management.

#### ● Compliance and Leadership

Based on strict compliance with laws and regulations relating to environmental protection, labor rights, consumer protection and other aspects, it aspires to lead high-quality ESG performance with higher-standard industry best practices.

#### ● Risk and Opportunity Management

Through a systematic process to assess, prioritize and manage material ESG-related matters .

**Assessment:** The Board identifies the Group's actual and potential impacts on the economy, environment and society, as well as risks and opportunities posed by ESG issues to the business through various meetings and management reports.

**Prioritization:** During the reporting period, the Board explicitly included "assessing material climate-related risks and opportunities" and "determining priorities and management approaches for material ESG issues" as key agenda items to ensure resources are focused on the most critical topics.

**Management:** The Board regularly reviews risk mitigation measures (such as climate change resilience) and has incorporated core ESG performance into the Group's key performance indicators (KPIs) and incentive schemes to enhance management effectiveness.

## Review of ESG Objectives and Their Alignment with Business

The Board has established a regular review mechanism for ESG objectives to ensure the objectives are implemented and closely linked to business development.

### ESG Objectives Review Mechanism

#### Regular Review Cycle

The Board conducts independent assessments of the Group's ESG performance on a quarterly/annual basis. Senior management regularly reports to the Board on ESG project progress and performance data. Following review, the Board provides feedback and improvement requirements, which are implemented by management.

#### Alignment of Review with Business Operations

##### Safeguarding Business Continuity and Enhancing Operational Resilience:

- Environmental objectives including reducing exhaust emissions, increasing the proportion of green products, and using sustainable materials are directly linked to production compliance, energy and resource efficiency, and long-term raw material supply security. They serve as core measures to control environmental costs, mitigate regulatory risks, and adapt to the green and low-carbon transition.
- Objectives such as information security, anti-corruption, and sustainable supply chain management systematically form a "firewall" for corporate operations, protecting data asset security, maintaining business reputation, stabilizing the supply chain, and providing a sound internal environment for business development.

##### Key to Driving Innovation, Winning Markets and Talent:

- Green product and sustainable material objectives respond to strong market demand for low-carbon and eco-friendly products, representing a strategic path to drive product and technological iteration, open new growth curves, and build differentiated brand advantages.
- Comprehensive employee rights protection, living wage and other objectives not only fulfill social responsibilities but also fundamentally support the attraction, motivation and retention of core talents, improve production efficiency and team stability, forming the Company's core human capital competitiveness.

#### Capacity Building

To ensure effective oversight, Board members engage in continuous learning. The Group provides annual specialized ESG training for Board members and regularly shares policy updates and best practices to enhance their ability to oversee ESG matters and their alignment with business.



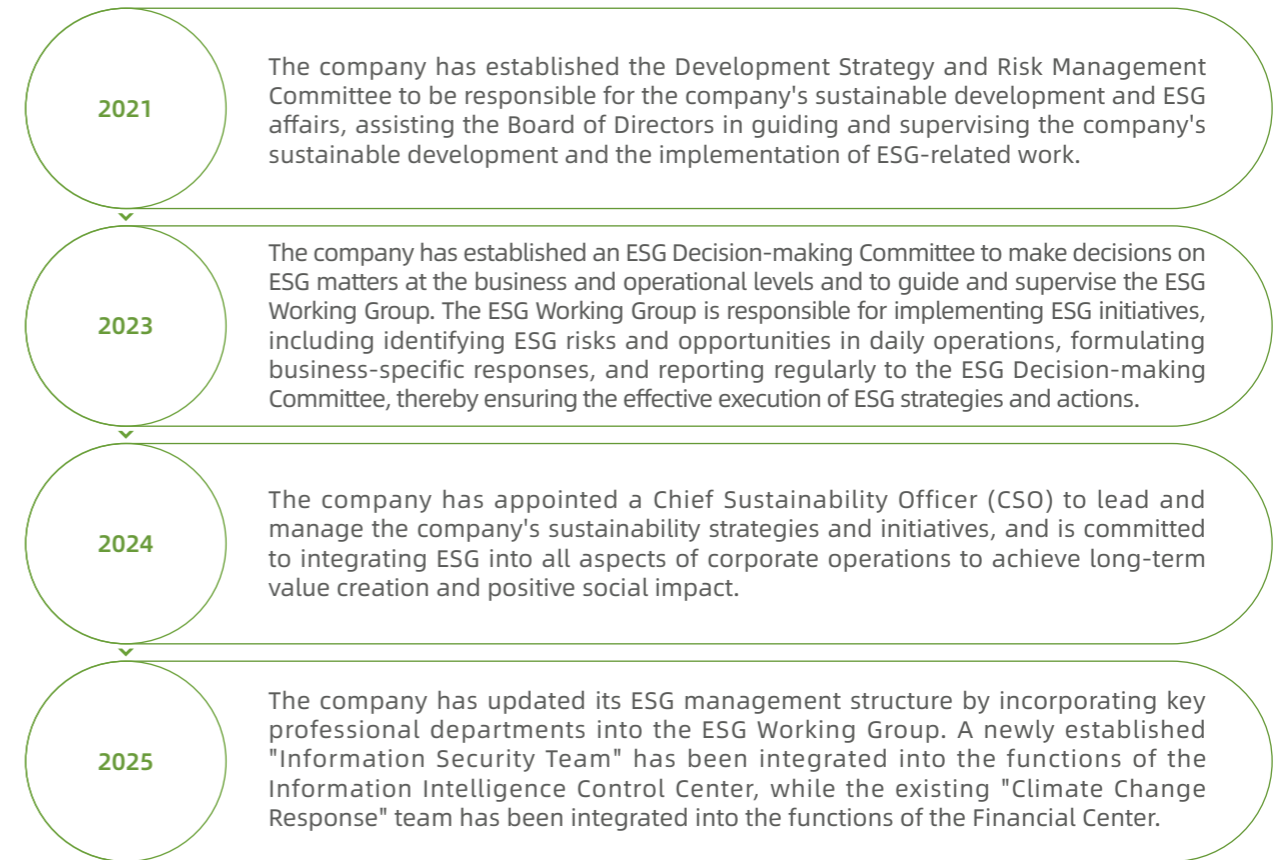
## ESG Governance Structure

To enhance the Group's ESG performance, the company has established a multi-level, fully covered ESG governance framework, clearly defining the roles and responsibilities of each entity to ensure the effective implementation of ESG strategies and actions.

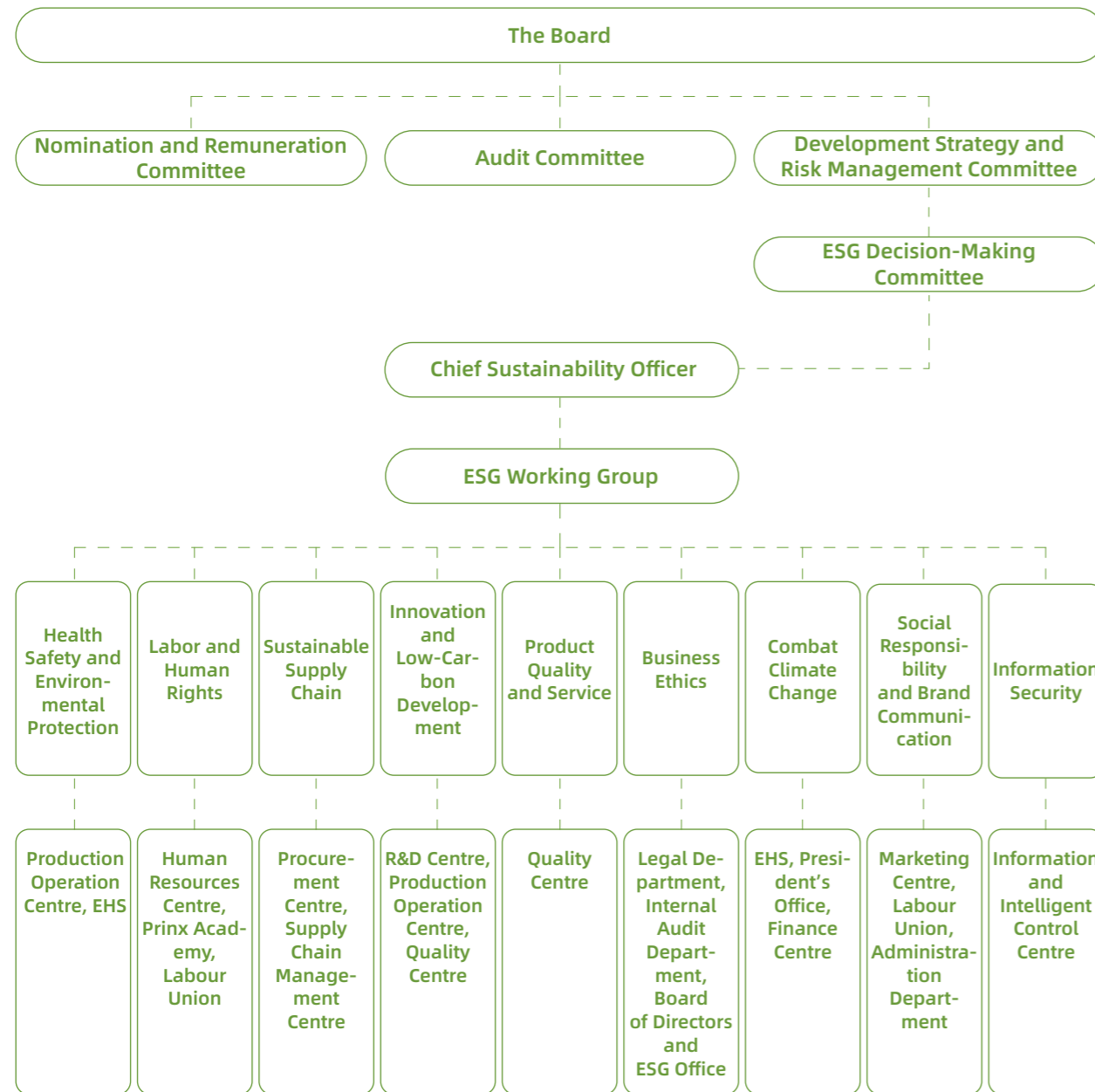
The Development Strategy and Risk Management Committee serves as the core governance body, responsible for the overall planning and oversight of the Group's sustainable development and ESG-related affairs. Senior management submits ESG project progress reports and performance evaluation results to the Board of Directors on a quarterly basis for review and decision-making. Based on the review, the Board of Directors provides targeted feedback and optimization recommendations, and senior management takes the lead in implementing various improvement measures, forming a closed-loop management mechanism of "Reporting - Review - Feedback - Implementation". Effective March 30, 2026, the Strategy and Risk Management Committee was renamed the Strategy and ESG Committee, to further strengthen the ESG governance framework.

To further enhance ESG governance and execution efficiency, the Group has established the ESG Decision-making Committee as an execution-level decision-making body, headed by the Executive President. It formulates dedicated operational decisions on ESG matters at the business and operational levels, assesses material ESG risks and opportunities affecting the Group's business, and reports regularly to the Development Strategy and Risk Management Committee. It also provides guidance and oversight to the ESG Working Group, ensuring all ESG initiatives are fully aligned with the Group's overall strategy.

The dedicated ESG Working Group serves as the operational implementation body, responsible for delivering and advancing specific ESG initiatives.



Evolution and Upgrade of the ESG Governance System



ESG Governance Structure

Members at all levels possess the professional capabilities to advance sustainable development initiatives. The Development Strategy and Risk Management Committee consists of directors with extensive industry experience, legal expertise, and R&D technical support, and is responsible for integrating ESG into the Company's overall strategy. Members of the ESG Decision-making Committee cover the three pillars of environment, social and governance, and are responsible for reviewing major ESG issues and supervising their implementation. The nine dedicated ESG Working Group under its purview are staffed by relevant business professionals, who are fully responsible for target delivery, performance improvement, and integration into daily operations. Through clearly defined roles and collaborative mechanisms, members at all levels effectively advance ESG work in line with their professional responsibilities. The Board of Directors also enhances its governance capabilities through continuous training, ensuring that ESG management maintains both strategic alignment and effective execution.

**Responsibilities of Each Level in the ESG Governance Structure**

- **Development Strategy and Risk Management Committee**
  - Oversee and supervise the Group's sustainable development affairs, ensuring their integration into the Group's overall strategy, operations and risk management system.
- **ESG Decision-making Committee**
  - Make decisions on the Group's ESG related matters at the business and operational levels, assisting the Development Strategy and Risk Management Committee in overseeing sustainable development and ESG initiatives of the Group. It also provides recommendations to the Board regarding the Group's sustainable development strategies, policies, ESG related risks and opportunities, and other material issues;
  - Supervise the implementation of sustainable development strategies, coordinate necessary resources, and provide guidance and oversight for the ESG Task Force in carrying out ESG-related work.
- **ESG Working Group**
  - Assist the ESG Decision-making Committee in ESG-related work and implement and advance ESG projects in accordance with its requirements;
  - Formulate short-term, medium-term and long-term ESG objectives, implement corresponding measures, and provide recommendations on ESG work to the ESG Decision-making Committee;
  - Conduct self-inspections to ensure the effective achievement of ESG objectives;
  - Perform ESG gap analysis and develop ESG improvement plans;
  - Collect internal and external feedback on ESG work and provide suggestions for improvement
  - Assist in the preparation of the ESG report;
  - Organize regular ESG training, learning and sharing sessions.

**Due Diligence**

The Board of Directors and senior management have always adhered to the principle of diligent operation. The Group is systematically committed to identifying, preventing and mitigating potential negative impacts of its business activities on the economy, environment and people, and integrates respect for and protection of human rights throughout its entire operation and management process. After identifying potential negative impacts, the Group will formulate corresponding preventive or mitigation measures. Should the Group's business operations cause actual negative impacts, the Group will make every effort to remedy such impacts.

In terms of environment and safety, the Company strengthens management effectiveness through systematic monitoring. For instance, the Group's Thailand plant engages independent third-party environmental monitoring institutions to conduct comprehensive environmental testing. In terms of supply chain responsibility, the Group continuously promotes responsible procurement practices. Through unannounced inspections and on-site supplier audits, the Group consistently assesses and drives its partners to improve their environmental, social and governance performance.

## Business Ethics

In its corporate operations and governance, the Company upholds the core values of integrity, impartiality and fairness at all times. The Company fully recognizes that maintaining a market order of fair competition not only contributes to the harmonious development of society, but also effectively stimulates economic vitality and innovation momentum. The Company firmly opposes all forms of corruption, safeguards social equity and justice, and earnestly protects the legitimate rights and interests of stakeholders.

To implement the above principles, the Company has formulated the Business Ethics and Compliance Management System, which explicitly prohibits and continuously prevents all acts of corruption, money laundering, extortion, fraud, graft, bribery and kickbacks. During the reporting period, the Company revised the Prinx Chengshan Code of Integrity and Compliance, firmly eliminating the pursuit of competitive advantages or disruption of market order through improper means, thereby fulfilling its commitment to sustainable and responsible business practices.

The Company strictly complies with the laws and regulations in the places where it operates, including but not limited to the following:

- Anti-Unfair Competition Law of the People's Republic of China
- Anti-Monopoly Law of the People's Republic of China
- Anti-Money Laundering Law of the People's Republic of China
- Criminal Law of the People's Republic of China
- Civil and Commercial Code Act (No. 24) B.E. 2567 (2024)
- Criminal Code, B.E. 2499 (1956)
- Consumer Protection Act B.E. 2522 (1979)
- Anti-Money Laundering Act, B.E. 2542 (1999)

Group's Ethical Culture Goals and Performance During the Reporting Period		
Indicators	Goals	Progress in 2025
Anti-Corruption Goals	Conduct anti-bribery training once a year, ensure that all staff employees receive anti-bribery training by 2030, and achieve an annual employee participation rate of <b>90%</b> in anti-bribery training.	During the reporting period, the Group carried out anti-bribery training, with an employee participation rate of <b>79.39%</b> .
Anti-Conflict of Interest Goals	Conduct conflict of interest training for key positions once a year, ensure that all staff employees receive conflict of interest training by 2030, and achieve an annual employee participation rate of <b>90%</b> in conflict of interest training.	During the reporting period, the Group carried out conflict of interest training for key positions, with an employee participation rate of <b>79.39%</b> .
Anti-Fraud, Anti-Monopoly and Anti-Competition Goals	By 2026, all employees will receive thematic education on anti-fraud, anti-money laundering and anti-competition.	During the reporting period, the Group carried out thematic education on anti-fraud, anti-money laundering and anti-competition for employees, with a training coverage rate of <b>54.2%</b> .
	By 2028, all employees will receive thematic education on anti-fraud, anti-money laundering and anti-competition.	

## Anti-corruption

To clarify the principles and standards of the anti-corruption policy, the Company has formulated a series of systems including the Anti-fraud Management System, Detailed Rules for Anti-fraud Operation Guidelines, Measures for the Administration of Anti-fraud Reporting and Disposal, and Provisions on Employee Code of Conduct, Rewards and Punishments, so as to strengthen the prevention and crackdown on corruption and establish an effective anti-corruption supervision system. The Group has established impartial procedures for investigating corruption cases to ensure fair and transparent investigations into suspected corruption.

The Company has developed the Whistle-blower Policy and Procedures, which provide a sound protection mechanism for whistle-blowers. Whistle-blower reports are received by the Internal Audit Department. After approval by the Development Strategy and Risk Management Committee, cases are registered for investigation. Investigation reports are issued and submitted to the Board of Directors, with follow-up and disposal actions tracked continuously. The Prinx Academy is responsible for organizing annual anti-fraud training for employees to ensure their full understanding of the requirements for integrity in practice.

The Company has established a clearly defined, tiered anti-fraud governance structure, which specifies the respective responsibilities of the Board of Directors, the Development Strategy and Risk Management Committee, the Internal Audit Department, the management team, business departments and the Human Resources Department in anti-fraud efforts, forming a comprehensive management and control system covering top-level supervision to frontline implementation.

### Anti-Fraud Prevention and Control System

#### ◆ Sound Prevention Mechanism

The Company has formulated codes of business ethics and relevant rules and regulations, and conducts anti-fraud training and communication through various forms. Personnel at manager level and above are required to sign the Commitment on Integrity and Self-Discipline, while integrity and ethics education is provided to all new employees.

#### ◆ Unobstructed Supervision Channels

Multiple reporting channels have been established, including a reporting email address, an ethics hotline, and an online platform, to ensure the feasibility of anonymous reporting. The Company strictly protects whistleblower information and clarifies the reporting handling procedures and confidentiality mechanisms for fraud cases.

#### ◆ Strengthened Process Control

Internal control measures have been established for high-risk areas such as financial fraud, unauthorized exercise of authority by management, bidding and procurement, and project settlement, so as to strengthen business process control from the source. Annual guidance and oversight are performed by the Board of Directors and the Risk Management Committee.

#### ◆ Severe Penalties for Fraudulent Acts

Employees involved in fraud shall be held accountable in accordance with the principle of "one refund plus thirtyfold compensation"; those suspected of committing crimes shall be transferred to judicial authorities. Relevant parties that provide improper benefits shall be blacklisted and held liable for breach of contract. Meanwhile, the Company encourages proactive reporting and grants leniency and protection to those who actively cooperate with investigations.

### Prinx Chengshan Reporting Channels

#### General Employee Reporting Channels

General Employee Reporting Channels  
 Ethics Hotline: 0631-7520235  
 DingTalk: Prinx Chengshan Internal Audit Department  
 Reception Office: Room A213, East Office Area, Prinx Chengshan

#### Senior Management Reporting Channel

Email:  
 whistleblower@prinxchengshan.com

The Company has established a sound whistleblower protection and confidentiality mechanism. By strictly safeguarding whistleblower information, prohibiting any form of discrimination or retaliation, imposing severe penalties on violators, and standardizing the management of report records, the Company ensures that reporting channels remain open and effective, fostering a safe, fair and transparent compliance environment.

Whistle-blower Protection and Confidentiality Mechanism

Protecting Whistle-blowers

Any form of discrimination, retaliation or hostile conduct against employees who make legitimate reports or participate in investigations is strictly prohibited. Whistle-blower information is strictly protected, and job positions or work locations may be adjusted in accordance with the whistle-blower's wishes when necessary.

Severe Punishment for Violations

Individuals who retaliate against whistle-blowers or disclose reporting information shall be subject to sanctions including demotion, reassignment, dismissal and termination of labor contract, depending on the severity of the case. Those suspected of committing a crime shall be transferred to judicial authorities for criminal liability.

Standardized Record Management

Report records are managed uniformly by dedicated personnel. Access to, extraction of, copying of or borrowing such records requires approval from authorized leaders, and unauthorized disclosure or dissemination is strictly forbidden.

Anti-Corruption Related Training Performance

During the reporting period, all directors received training on anti-commercial bribery and anti-corruption, with a participation rate of 100%. The coverage rate of anti-commercial bribery and anti-corruption training for mid-to-senior level management is 100%, and the proportion of other employees participating in such training continues to grow. In the same period, no corruption incidents occurred in the Company.

Anti-Unfair Competition

The Company fully recognizes the importance of preventing market monopolies in the tire manufacturing industry and firmly believes that market monopolies restrict competition and hinder the improvement of economic efficiency. The company is committed to preventing market monopolies, avoiding anti-competitive practices that restrict market competition and harm the interests of fellow industry operators and consumers. The Group ensures that all product pricing is based on actual market conditions. To this end, the Company has issued the Business Ethics and Compliance Management System, provided anti-unfair competition training to all employees, and established public reporting channels. Internal procedures cover reporting, investigation and punishment. In cases involving third parties, the Company will terminate the contract and pursue legal liabilities.

Anti-Unfair Competition Training Performance

During the reporting period, the Company was not involved in any pending or concluded legal proceedings concerning any unfair competition practices or violations of anti-monopoly law.

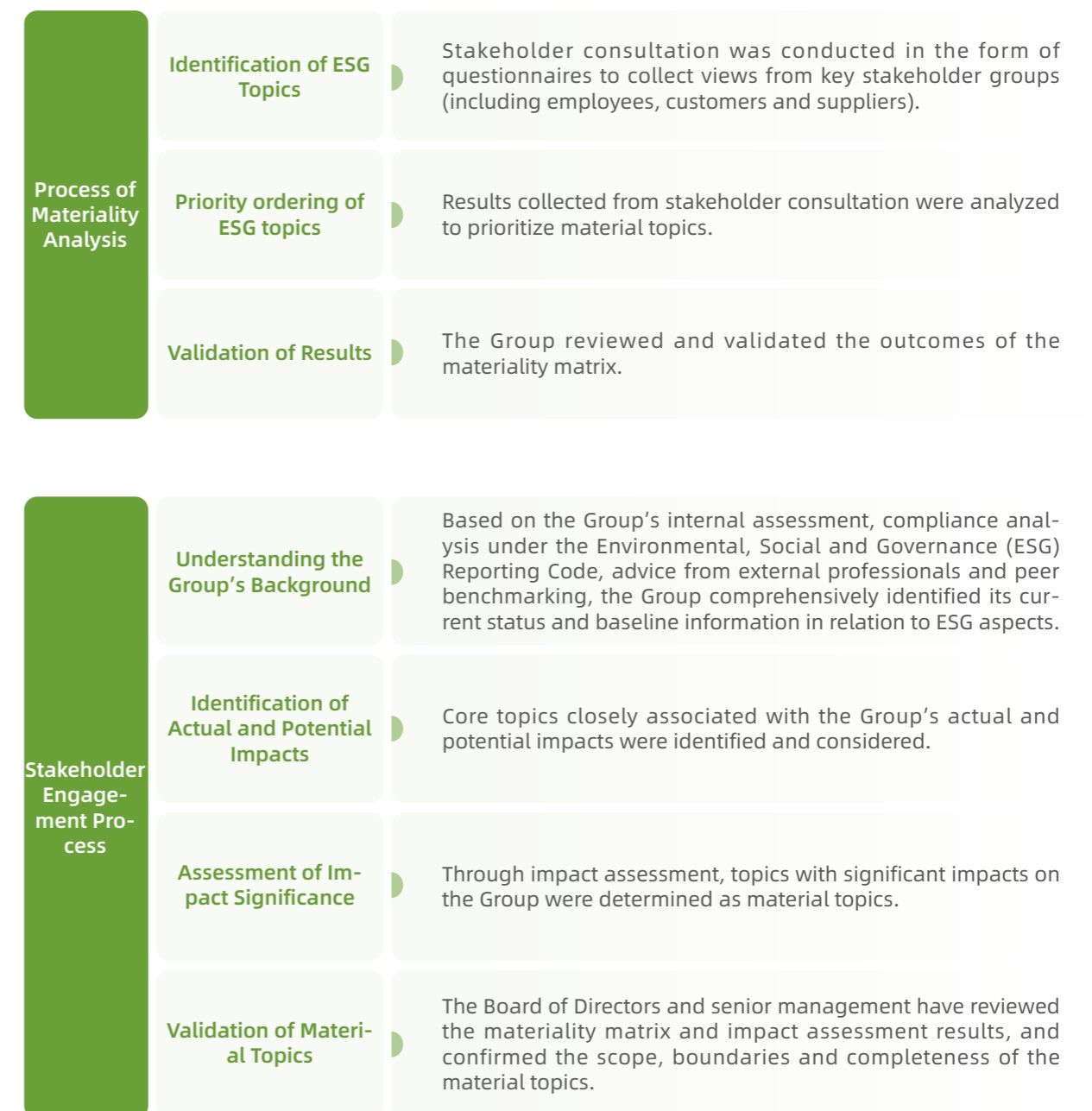
## Stakeholder Engagement

The Group maintains daily interaction and close cooperation with its key stakeholders, including shareholders/investors, members of the Board of Directors, employees (including senior management, managers, supervisors and frontline employees), customers and suppliers, governments and regulators, as well as industry associations, to continuously understand their needs, concerns and objectives. Through the following activities, the Group regularly solicits opinions from internal and external stakeholders on the Company's operations and performance.

Stakeholder Category	Engagement Approach	Material Topics of Concern to Stakeholders
Shareholders / Investors	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Questionnaire surveys</li> <li>Information disclosure /Regular announcements</li> </ul>	<ul style="list-style-type: none"> <li>Financial Performance</li> <li>Corporate Governance</li> <li>R&amp;D and Innovation</li> <li>Product Quality and Safety</li> </ul>
Board Members	<ul style="list-style-type: none"> <li>Board meetings / Written resolutions / Committee meetings</li> <li>Director training</li> <li>Questionnaire surveys</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>R&amp;D and Innovation</li> <li>Financial Performance</li> <li>Product Quality and Safety</li> <li>Supply Chain Management</li> <li>Environmental Management and Compliance</li> <li>Employee Rights Protection</li> <li>Customer Service</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Daily communication</li> <li>Meetings /Symposiums</li> <li>Employee satisfaction / Questionnaire surveys</li> </ul>	<ul style="list-style-type: none"> <li>Compensation and Benefits</li> <li>Employee Rights Protection</li> <li>Employee Training and Development</li> <li>Prevention of Child and Forced Labor</li> <li>Occupational Health and Safety</li> </ul>
Customers and Suppliers	<ul style="list-style-type: none"> <li>On-site visits</li> <li>Annual conferences/Meeting</li> <li>Exhibitions</li> <li>Regular communication (telephone, WeChat, email, questionnaires, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Product Quality and Safety</li> <li>R&amp;D and Innovation</li> <li>Business Ethics</li> <li>Climate Change</li> <li>Energy Management</li> <li>Environmental Management and Compliance</li> <li>Employee Rights Protection</li> <li>Occupational Health and Safety</li> <li>Prevention of Child and Forced Labor</li> <li>Supply Chain Management</li> </ul>
Government and Regulatory Authorities	<ul style="list-style-type: none"> <li>Visits and on-site investigations</li> <li>Statistical reports</li> </ul>	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Employee Rights Protection</li> <li>Environmental Management and Compliance</li> <li>Climate Change</li> </ul>
Industry Associations	<ul style="list-style-type: none"> <li>Annual conferences</li> <li>Exhibitions</li> <li>Regular communication (telephone, WeChat, email, questionnaires, etc.)email, questionnaires, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Financial Performance</li> <li>Corporate Governance</li> <li>R&amp;D and Innovation</li> <li>Supply Chain Management</li> </ul>

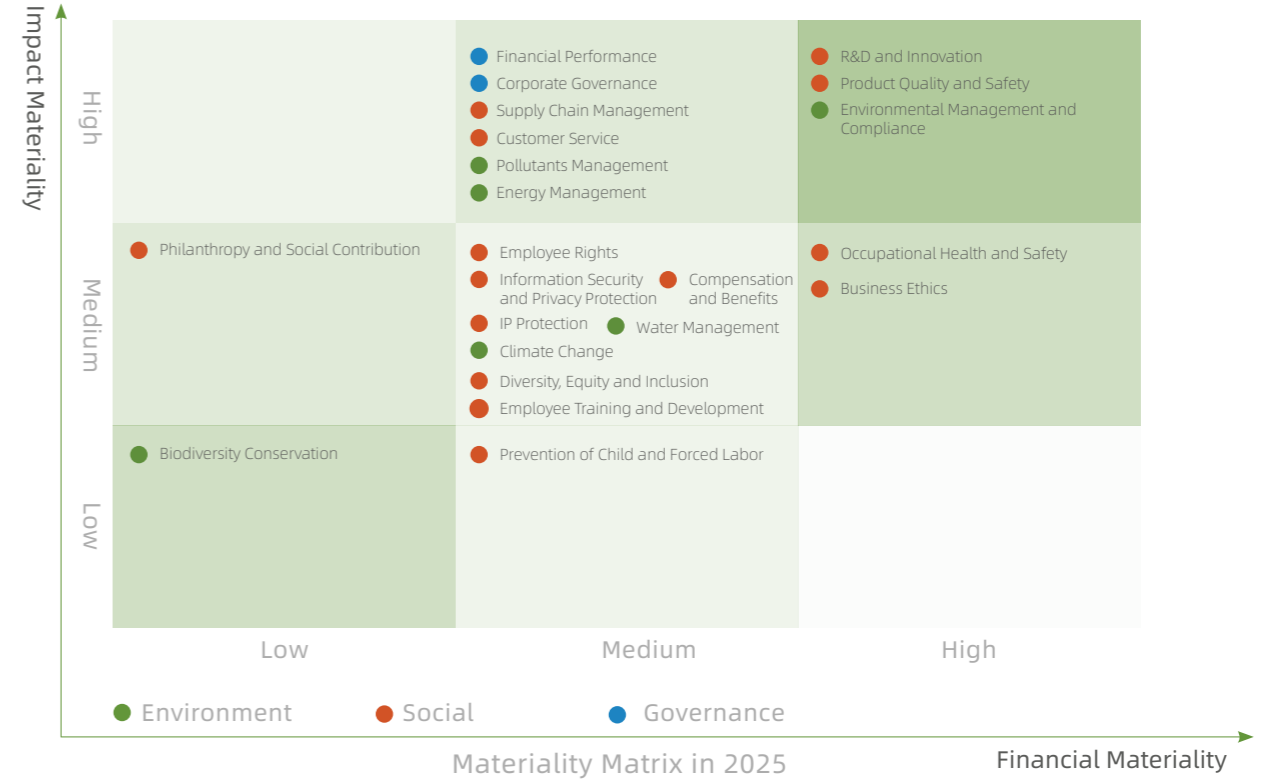
## Analysis of Material Topics

In 2025, in accordance with the requirements of the Environmental, Social and Governance (ESG) Reporting Code of The Stock Exchange of Hong Kong Limited, and combined with feedback from stakeholder engagement and advice from internal and external experts, the Group systematically reviewed and consolidated 42 material topics from the previous year, resulting in 22 core topics. Through assessing the impact and financial significance of these topics, we further defined their priority ranking and established a materiality matrix accordingly. This report focuses on these material topics and systematically elaborates on the Group's management practices and performance in relevant areas.



**Changes in 2025 Material Topics of Prinx Chengshan**

Environment	
Materiality Topics	Reason for Change
Environmental Protection and Compliance	Topic consolidation to strengthen systematic disclosure of environmental governance and align with regulatory requirements
Water Resource Management	Title aligned with the standard terminology of Aspect A2 of the ESG Reporting Code to enhance disclosure compliance
Emissions Management	Topic consolidation, uniformly categorized under Aspect A1 (Emissions) of the ESG Reporting Code to standardize the disclosure framework
Climate Change	Topic name changed to match the climate disclosure requirements in Part D of the ESG Reporting Code
Social	
Materiality Topics	Reason for Change
Employee Rights Protection	Topic consolidation, uniformly categorized under Aspect B1 (Employment) of the ESG Reporting Code
Compensation and Benefits	Description optimized to align with the relevant requirements of Aspect B1 (Employment) of the ESG Reporting Code
Employee Development and Training	Description optimized to align with the requirements of Aspect B3 (Development and Training) of the ESG Reporting Code
Diversity, Equity and Inclusion	Topic consolidation, uniformly categorized under Aspect B1 (Employment) of the ESG Reporting Code
Product Quality and Safety	Topic consolidation, uniformly categorized under Aspect B6 (Product Responsibility) of the ESG Reporting Code
Customer Service	Topic consolidation, uniformly categorized under Aspect B6 (Product Responsibility) of the ESG Reporting Code
R&D Innovation	Title simplified to highlight R&D's support for product responsibility, aligning with the requirements of Aspect B6 (Product Responsibility) of the ESG Reporting Code
Governance	
Materiality Topics	Reason for Change
Business Ethics	Topic consolidation, aligned with the requirements of Aspect B7 (Anti-corruption) of the ESG Reporting Code



# 02

## Preserving the Ecological Foundation and Pursuing Green Operations

SDGs addressed in this section:



# Environmental Compliance and Emission Management

As a key player in the domestic tire manufacturing industry, Prinx Chengshan fully recognizes the importance of complying with environmental laws, regulations, and standards. The Group continuously assesses the potential environmental impacts of its business operations and is committed to minimizing disruption to the natural environment. The Group firmly believes that proactive environmental management not only helps maintain ecological balance and protect community health but also serves as the cornerstone for the Group's sustainable development.

## Environmental Compliance Management

The Group has established a unified environmental management framework centered on the systematic principles of "source reduction, process control, and end-of-pipe treatment," and is committed to preventing pollution and improving resource efficiency throughout its operations. To address relevant risks, the Group will continuously monitor environmental impacts and make timely adjustments to comply with updated laws and regulations.

### The Group strictly complies with relevant laws and regulations that have a significant impact on its business

#### The Group's Shandong plant in China strictly complies with

- ◆ Environmental Protection Law of the People's Republic of China
- ◆ Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution
- ◆ Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution
- ◆ Law of the People's Republic of China on the Prevention and Control of Water Pollution
- ◆ Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste
- ◆ Environmental Impact Assessment Law of the People's Republic of China
- ◆ Law of the People's Republic of China on the Promotion of Clean Production

#### The Group's Thailand plant strictly complies with

- ◆ Enhancement and Conservation of National Environmental Quality Act, B.E. 2535 (1992)
- ◆ Factory Act, B.E. 2535 (1992)
- ◆ Hazardous Substance Act, B.E. 2535 (1992)
- ◆ Industrial Estate Authority of Thailand Act, B.E. 2522 (1979)

### During the Reporting Period

The Group continued to pay environmental protection tax on taxable emissions in accordance with the Environmental Protection Tax Law of the People's Republic of China.

### To minimize harm to the environment and human health, the Group ensures that its business operations strictly adhere to the following industry regulations and standards

- Requirements for prohibited substances on automobiles (GB/T 30512-2014)
- Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation
- Regulations on Urban Drainage and Sewage Treatment
- Administrative Measures for the Prevention and Control of Environmental Pollution by Electronic Waste
- Emission Standards for Odor Pollutants (GB 14554-93)
- Emission Standards of Pollutants for Rubber Products Industry (GB 27632-2011)
- Regional and Integrated Emission Standard of Air Pollutants in Shandong Province(DB 37/2376-2019)
- Energy Management System – Requirements and Guidelines for Use (GB/T 23331-2020)
- General rules for energy measuring instrument equipping and managing of energy user (GB17167-2025)
- Requirements of the United Nations Economic Commission for Europe (ECE)
- Requirements of EU Regulation No. 117
- Technical Specification for Application and Issuance of Pollutant Permit – Rubber and Plastic Products Industry
- Regulations on Automatic Monitoring of Stationary Pollution Sources in Shandong Province
- Performance Grading Management Standards for Key Industries Under Heavy Air Pollution Weather in Shandong Province (Trial)
- National Hazardous Waste List (2025 Edition)
- Classification Management Catalogue for Environmental Impact Assessment of Construction Projects (2021 Edition)

In terms of risk management, the Group has established a comprehensive emergency response mechanism for environmental incidents. Regarding environmental risk identification and control, during the reporting period, the Group organized and conducted special training sessions in two key areas: environmental aspect identification and on-site hazardous waste storage management. Specifically, the "Environmental Aspect Identification and Control" training was provided to internal auditors, with one session covering 45 participants. The "On-Site Hazardous Waste Storage Management" training was provided to personnel in the Materials Management Department involved in hazardous waste storage, with one session covering 12 participants.

The Group is committed to building a systematic and standardized environmental management system, the professionalism and effectiveness of which have been widely recognized. The Group has established and continuously maintains an environmental management system compliant with the ISO 14001:2015 standard, covering its Shandong and Thailand factories, and passed the annual surveillance audit during the reporting period. To continuously enhance management efficiency, during the reporting period, the Group organized the revision and release of core environmental policies, including the Management System for Automatic Pollution Source Monitoring Facilities, the Environmental Protection Responsibility System, and the Solid Waste Pollution Prevention and Control System, further improving a scientific and rigorous environmental management framework.

During the reporting period, the Group strictly adhered to the bottom line of compliant operations. The environmental operations and management of its Shandong plant in China remained stable and compliant, with no environmental violations or non-compliant incidents occurring.

Case

Turning Challenges into Drivers – Thailand Plant Awarded "Eco-Champion" for Effective Remediation

In August 2025, the Group's Thailand plant received a temporary suspension order from the local industrial estate regulatory authority due to two issues: the handling of carbon black packaging bags suspected of violating Thailand's industrial waste treatment regulations, and the pending acceptance inspection of waste emissions from its expanded production line. Following the incident, the Group placed great emphasis on environmental compliance management in its overseas operations. A special emergency response mechanism was immediately activated, enabling the factory to confront the issues head-on and conduct a rapid review. In strict accordance with Thailand's environmental laws and regulations, the factory comprehensively implemented systematic corrective actions covering hardware facilities, management processes, and personnel training. All corrective items were completed on schedule and verified by regulatory authorities, and normal production resumed in early September 2025. Seizing this opportunity, the Company further upgraded its environmental compliance management system, raising operational standards and internal control levels. The remediation results received full recognition from the Industrial Estate Authority of Thailand. In October 2025, the factory was awarded the "Eco-Champion" certificate by the Ministry of Industry of Thailand, demonstrating through concrete actions a sense of responsibility grounded in regulatory respect, continuous improvement, and the pursuit of excellence.



Thailand Plant "Eco-Champion" Certificate

The Group will continue to strengthen environmental risk control and deepen communication with various stakeholders, ensuring that all operational activities consistently comply with and strive to exceed the environmental laws and regulatory requirements of the jurisdictions in which it operates.

## Air Emission Management

The Group's Shandong plant in China strictly complies with the Emission Standards for Odor Pollutants (GB 14554-93) and the Emission Standards of Pollutants for Rubber Products Industry (GB 27632-2011) established by the Ministry of Ecology and Environment of the People's Republic of China. Its Thailand plant strictly complies with the Factory Act, B.E. 2535 (1992) and the Atmospheric Pollution Control Act, B.E. 2535 (1992). To ensure continued compliance, the Group conducts third-party air pollution testing in accordance with regulatory requirements and has installed online monitoring equipment throughout the production process.

Air Pollutant Emissions				
Pollutant	Unit	2025	2024	2023
Nitrogen Oxides (NOx)	kg	194	366	377
Sulfur Dioxide (SO <sub>2</sub> )	kg	3	11	14
Respirable Suspended Particles (RSP)	kg	17	17	18
RTO Respirable Suspended Particles (RSP)	kg	3,979	/	/

Note: Among the above air pollutants, RSP from RTO is calculated based on monitoring data. The remaining pollutants are primarily derived from gasoline and diesel consumed by the Group's owned vehicles, as well as liquefied petroleum gas (LPG) and natural gas consumed in the canteen operations of the Shandong and Thailand factories. Their emissions are calculated using the emission factors and methodologies set out in the Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Code Appendix C2 and Appendix 2: Reporting Guidance on Environmental Key Performance Indicators.

Group's Emission Reduction Targets and Reporting Period Performance				
Indicator	Base Year (2021)	Reporting Period (2025)	Target	2025 Progress
Non-methane hydrocarbon (NMHC) emissions per unit of product (kg/tonne of output)	0.25	0.10	Reduce NMHC emissions per unit of product by 28% by 2025; reduce by 32% by 2030	NMHC emissions per unit of product decreased by 60%, achieving the short-term target

## Air Emission Measures and Actions

To reduce the environmental impact of its emissions, the Group, building upon its systematic environmental management system, focuses on technological upgrades and management refinement to drive continuous improvement in emission performance. By strengthening its annual environmental monitoring plan and utilizing advanced online monitoring and testing equipment, the Group achieves precise monitoring and closed-loop management of various emission types. During the reporting period, the Group invested resources in implementing several improvement measures:

### In terms of source and process control

The Group replaced traditional fuel-powered vehicles with new energy vehicles (including company buses and forklifts) to reduce fuel consumption, thereby directly reducing tailpipe emissions of pollutants such as nitrogen oxides (NO<sub>x</sub>), sulfur dioxide (SO<sub>2</sub>), and particulate matter.

### In terms of end-of-pipe treatment upgrades

The Group continues to advance technological retrofits and make significant investments in treatment facilities. At the Thailand plant, a new biomass steam boiler was put into operation, and qualified third-party external agencies are commissioned twice a year to conduct boiler flue tests. At the Shandong plant, the Group has focused on the targeted treatment of key emission sources. The installation and commissioning of a large-volume regenerative thermal oxidizer (RTO) for high-concentration volatile organic compounds (VOCs) in the second-phase mixing workshop, along with its supporting online monitoring system, have been completed. This significant investment has notably improved treatment efficiency stability and data transparency, marking an important milestone in the Group's advanced treatment technologies. Under its long-term plan, the Group will continue to increase investment in this area, with plans to add another large-volume treatment system in 2026 to build a more comprehensive and efficient waste gas treatment system.

The Group regularly evaluates and improves the above measures, sets new targets based on evaluation results, and communicates with stakeholders through various channels to encourage their participation in emission policies.



## Wastewater Management

In its operations, the Group strictly complies with the Regulations on Urban Drainage and Sewage Treatment and the Emission Standards of Pollutants for Rubber Products Industry (GB 27632-2011) established by the Ministry of Ecology and Environment of the People's Republic of China, as well as other regional laws, regulations, and emission standards. The Group has established a systematic wastewater management policy and an annual monitoring plan.

The Group first transports production wastewater to the factory's wastewater treatment station for processing. After treatment, most of the wastewater is reused in the production process, while the remaining concentrated water is discharged into the municipal sewer network. During the reporting period, the Group had no incidents of non-compliance with wastewater discharge regulations and received no related penalties. Furthermore, the Group's wastewater discharge contains no heavy metals.

Wastewater Discharge				
Indicator	Unit	2025	2024	2023
Total Wastewater Discharge	m <sup>3</sup>	334,713	337,137	303,408
Wastewater Discharge Intensity	m <sup>3</sup> /tonne of output	0.483	0.51	0.49

Group's Waste Reduction Targets and Reporting Period Performance				
Indicator	Base Year (2021)	Reporting Period (2025)	Target	2025 Progress
Wastewater discharge per unit of product (m <sup>3</sup> /tonne of output)	0.897	0.483	Reduce wastewater discharge per unit of product by approximately 50% by 2030 compared to 2021	Wastewater discharge per unit of product decreased by approximately 46.18% compared to 2021

## Wastewater Measures and Actions

During the reporting period, the Group strictly implemented a patrol inspection system for water use and drainage facilities. The Shandong plant has installed an online monitoring system at its main wastewater discharge outlet, which provides real-time monitoring of flow rate, pH, COD, and ammonia nitrogen. The Thailand plant commissions third-party testing institutions to conduct regular testing of wastewater discharge.

The Group regularly evaluates and reviews the above measures, and formulates or adjusts subsequent emission reduction and reuse targets based on the evaluation results. At the same time, the Group discloses wastewater management performance and policies to stakeholders through various channels, including report publication and community communication, and actively solicits feedback to promote continuous management improvement.

## Waste Management

In its operations, the Group has always strictly complied with the requirements of laws, regulations and standards including the National Hazardous Waste List (2025 Edition), the Standard for Pollution Control on Hazardous Waste Storage (GB 18597-2023), and the Administrative Measures for the Transfer of Hazardous Waste established by the Ministry of Ecology and Environment of the People's Republic of China. The Group adheres to the principle of "reduce, reuse, recycle" and has established and strictly implements a management system covering the entire lifecycle of waste.

Total Waste and Waste Intensity				
Indicator	Unit	2025	2024	2023
Total Hazardous Waste	tonnes	917	699	271
Hazardous Waste Intensity	tonnes/tonne of output	0.001	0.001	0.0004
Total Non-Hazardous Waste	tonnes	20,130	18,093	9,689
Non-Hazardous Waste Intensity	tonnes/tonne of output	0.029	0.030	0.020

### Group's Waste Reduction Targets and Reporting Period Performance

Indicator	Base Year (2021)	Reporting Period (2025)	Target	2025 Progress
Non-Hazardous Waste Intensity (tonnes/tonne of output)*	0.029	0.029	Reduce general waste generated per tonne of product by <b>4.3%</b> by 2030 compared to 2021	General waste generated per tonne of product decreased by <b>1.48%</b> compared to 2021
Hazardous Waste Intensity (tonnes/tonne of output)	0.001	0.001	Reduce hazardous waste generated per tonne of product by <b>18.2%</b> by 2030 compared to 2021	Due to updated regulations in Thailand, the factory has identified an increased number of hazardous waste categories, resulting in no current reduction in hazardous waste intensity. The Group will continue to strengthen classified management and compliant disposal, and implement initiatives such as lubricating oil reuse to consolidate waste reduction performance

Note: \*Upon verification, the Group's non-hazardous waste intensity base year (2021) actual value was 0.02947, and the 2025 actual value was 0.02903. The 2025 indicator is already below the base year level, achieving an effective reduction.

## Waste Management

The Group deeply understands the dual significance of waste management for environmental protection and operational costs, and is committed to minimizing the environmental burden of its operations and promoting the efficient circulation of resources throughout the value chain through source reduction, recycling, and compliant disposal. Based on this principle, the Company reduces material loss at the source by optimizing product packaging design (e.g., recyclable packaging solutions – see the Packaging Materials Management section for details) and implementing refined control using the Amoeba model in production processes. At the same time, the Group actively promotes paperless offices, uses ECC automated systems, encourages double-sided printing, and sets up classified recycling points in office areas to facilitate the recovery of recyclable materials such as waste paper. The office waste paper recycling rate increased during the reporting period.

For hazardous waste (mainly including waste batteries, waste lubricating oil, waste oil drums, laboratory waste liquids, waste fluorescent lamps, waste from air treatment facility replacements, oily sludge, etc.), the Group has set up dedicated storage areas within the factory for classified temporary storage and entrusts all such waste to government-certified third-party processors for safe disposal. To reduce hazardous waste generation, the Group actively promotes initiatives such as lubricating oil reuse, provides necessary protective equipment for relevant employees, conducts specialized training, and establishes emergency response measures to protect occupational health and safety. For non-hazardous waste (mainly including office waste paper, metal scrap, wood-plastic materials, waste packaging materials, waste rubber compounds, etc.), the Group cooperates with professional recycling companies to maximize the recovery and reclamation of various resources.

The Group is fully aware of the environmental impact of waste generated throughout the value chain, and therefore actively encourages upstream suppliers to use reusable packaging materials and is committed to promoting green products and services to downstream customers to establish sustainable long-term relationships. The Company regularly evaluates the effectiveness of solid waste management measures, hazardous waste management systems, operating procedures, and third-party processors, and improves and adjusts strategies accordingly. At the same time, the Group communicates waste management policies and progress to all stakeholders through various channels, including internal bulletin boards, email, events, external reports, and community communication.

## Sustainable Use of Water Resources

The Group regards water resources as a valuable strategic asset and is committed to achieving efficient, circular, and responsible water use throughout its production operations. In accordance with the Energy Management System – Requirements and Guidelines for Use (GB/T 23331-2020) of the People's Republic of China, the Group has established a systematic water resource metering, monitoring, and management system. The core objective of this system is to continuously reduce water withdrawal per unit of product while maximizing water recycling efficiency. To this end, the Group has developed and applied the water balance diagram as a scientific management tool to enable precise tracking and management of all aspects, including water intake, usage, discharge, and reuse. Energy management in Thailand is primarily governed by the key local legislation, the Energy Conservation Promotion Act, B.E. 2535 (1992), which applies to "controlled factories" and "controlled buildings." At the same time, a standardized eight-step energy management process has been established to achieve the most efficient use of energy.

### Water Consumption Overview

During the reporting period, daily operations at the Group's Shandong and Thailand factories were not disrupted due to water-related issues.

Indicator	Unit	2025	2024	2023
Total Freshwater Consumption	m <sup>3</sup>	628,349	696,682	653,902
Water Intensity	m <sup>3</sup> /tonne of output	0.91	1.05	1.06
Total Water Recycled	m <sup>3</sup>	408,890	454,781	546,292

### Water Conservation Targets and Measures

Indicator	Base Year (2021)	Reporting Period (2025)	Target	2025 Progress
Water Intensity (m <sup>3</sup> /tonne of output)	1.86	0.91	Reduce water consumption per tonne of output by approximately 50% by 2025 compared to 2021	Water consumption per tonne of output decreased by approximately 51.16% compared to 2021
			Reduce water consumption per tonne of output by approximately 50% by 2030 compared to 2021	

To achieve the above water conservation targets, the Group has implemented a series of specific measures encompassing engineering retrofits and management optimization, committed to building a water resource management system that integrates "reduction, recycling, and substitution":

- Advanced Treatment and High-Rate Reuse of Production Wastewater

At the Shandong plant, the Group has constructed and operates a reclaimed water treatment station with a consistently high and stable reuse rate, significantly reducing freshwater intake and wastewater discharge pressure. At the Thailand plant, the Company has established a dedicated wastewater recovery and reuse system, where production wastewater undergoes advanced treatment before being reused.

- Collection and Utilization of Non-Conventional Water Resources

Taking into account the climatic conditions of the Thailand plant's location, the Group has implemented a systematic rainwater harvesting program, collecting and utilizing 38,000 m<sup>3</sup> of rainwater annually for non-production purposes such as landscaping and cleaning, thereby diversifying the Group's water supply sources.

- Implementation of Refined and Intelligent Management

The Company has formulated and strictly enforces a comprehensive water and energy inspection system, conducting regular inspections of water-use units. The Group's core management tool is the water balance diagram, which provides a panoramic view of the factory's entire water system and serves as a scientific basis for identifying leakage points, evaluating project effectiveness, and making informed decisions on optimization measures.

- Forward-Looking Plans and Continuous Improvement

The Group has already achieved the recovery of steam condensate for replenishing production and fire protection systems. In the future, the Company will further explore water-saving potential to comprehensively enhance cascade water use efficiency. The Group is committed to continuously evaluating and adopting advanced water-saving technologies and processes to ensure ongoing improvement in water resource management performance.

The Group will continue to deepen the refined management of water resources, enhance water recycling efficiency through technological innovation and system optimization, and strive to achieve effective control of total water consumption while pursuing business growth.

## Environmental and Natural Resource Protection

Prinx Chengshan upholds a profound responsibility for the Earth's ecology and natural resources. The Group integrates green initiatives and green innovation throughout the entire lifecycle of its tires, strictly complies with relevant requirements including the Requirements for prohibited substances on automobiles (GB/T 30512-2014) of the People's Republic of China, the EU End-of-Life Vehicle Directive (2000/53/EC, ELV Directive), and the EU Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation, and continuously pursues the philosophy of sustainable development. In terms of green initiatives, the Group controls hazardous substances at the source and, through its Environmental Policy for The Entire Product Lifecycle and Prinx Chengshan Sustainable Procurement Policy, works collaboratively with its supply chain to reduce environmental impact.

In terms of green innovation, the Group is guided by the 4R principles (Reduce, Reuse, Recycle, Recover) and digital intelligence, embracing green, digital, and intelligent transformation as new productive forces. It is committed to increasing the proportion of bio-based and circular materials, striving to achieve 100% application of sustainable materials by 2050. The Group's existing production facilities are all located within planned industrial zones in China and Thailand, and do not involve ecologically sensitive areas such as ecological conservation red lines or nature reserves. Additionally, the Group integrates ecological planning standards into its new projects and continuously deepens its eco-friendly operational practices.

## Green Research & Development

The Group continues to reduce its reliance on non-renewable fossil-based materials by increasing the proportion of bio-based materials (e.g., bio-based oils) and recycled materials (e.g., recycled carbon black) in product formulations, thereby lowering the carbon footprint and resource consumption at the source. The Group is committed to developing high-performance, long-life green tires that significantly reduce vehicle fuel consumption and CO<sub>2</sub> emissions during the use phase. The Company has established a digitalized green tire R&D system, which indirectly reduces raw material extraction and waste generation by extending tire life. For product innovation and green initiatives, please refer to the "Product Innovation and Green Initiatives" section under "Building a Green Home Together, Towards a Low-Carbon Future"; for green innovation and intelligent transformation, please refer to the "Green Innovation and Intelligent Transformation" section under "Driving Green Innovation to Develop Sustainable Products."



## Product Recycling and Reuse

The Group actively practices the circular economy concept, committed to extending the lifecycle of tire products and promoting the efficient recycling of resources.

### Case 1 • Mobile Tire Retreading Project – Practicing the "Reuse" Principle

To address the situation where China generates over ten million tonnes of waste tires annually while the industry retreading rate remains far below international levels, Prinx Chengshan has innovatively launched a containerized mobile tire retreading platform. This model integrates a complete set of pre-cure retreading process equipment into a standard shipping container, transforming it into a "mobile factory" that can be deployed directly to fleet locations, significantly lowering the investment and logistics barriers for retreading. Actual road tests have shown that the resource consumption of its 12R22.5 retreaded tires is only 86% that of new tires. This project not only extends tire life through economical and convenient services, creating value for customers, but also directly improves the societal tire retreading rate through business model innovation, providing a practical and feasible industry solution for resource conservation and circular utilization.



Mobile Tire Retreading Platform

### Case 2 • Application of Recycled Materials Delivering Direct Economic Benefits – Practicing the "Recycle" Principle

In 2025, to enhance resource utilization efficiency and reduce production costs, the Group systematically implemented several specialized technical projects, including Optimization of Tire Core Formulation, innovatively applying recycled materials from the production process to new products. These initiatives saved the Company RMB 4.7 million over the year. This practice successfully transforms high-quality waste tire resources into components of new products, reducing raw material consumption and environmental footprint while achieving substantial economic benefits, vividly demonstrating the business value of the circular economy.

# 03

## Building a Green Home Together toward a Low-Carbon Future

SDGs addressed in this section:



# Addressing Climate Change

The Group recognizes climate-related systemic risks associated with rubber supply and tire manufacturing, while capturing sustainable opportunities in green tires and circular materials. The Group discloses chemical sector-specific quantitative indicators in compliance with IFRS S2, including energy consumption intensity, greenhouse gas emission intensity, sustainable material utilization ratio and waste resource recovery rate. The Company proactively responds to global carbon emission reduction initiatives, integrates climate-related factors into corporate strategies and daily operations, and strengthens supply chain resilience as well as low-carbon competitiveness.

## Climate-Related Risk Governance

The Group has established and continuously improves a three-tier climate governance structure consisting of "Oversight, Management, and Execution." This structure is designed to ensure that climate issues are effectively addressed and monitored at the strategic, management, and operational levels.

### Oversight

#### Board of Directors – Development Strategy and Risk Management Committee

The Board bears ultimate responsibility for climate change matters, exercising specific oversight functions through its subcommittee, the Development Strategy and Risk Management Committee. This Committee explicitly includes the management of climate-related risks and opportunities within its core responsibilities, ensuring that ESG (including climate issues) is deeply integrated into the Company's governance processes, directing management to address climate risks through existing business processes and assess their impact on the Company's overall strategy

The Board is responsible for overseeing the effectiveness of climate-related risk management. Climate-related risk management has been incorporated into the regular responsibilities of the Board's Development Strategy and Risk Management Committee, with oversight conducted through routine practices such as regular meetings, discussions, report reviews, and the formulation of relevant measures. For details on the Group's ESG governance structure, please refer to the Board Statement section of this report

The Board monitors the achievement of climate change targets through an internal ESG Special Committee or Working Group. Members of this Working Group are primarily drawn from key internal functions across the Group, including but not limited to Production Operations, EHS, Supply Chain Management, and R&D. They have in-depth knowledge of the Company's operational details and, through regular assessments of key indicators closely related to climate change targets – such as the Group's carbon emission data and energy efficiency – promptly identify issues in target implementation, thereby providing more targeted decision-making recommendations to the Board. For the Group's specific decarbonization commitments and targets, please refer to the Climate Targets and Performance Indicators section of this report

### Management

#### Board of Directors and ESG Office

Responsible for consolidating and coordinating the Group's ESG information, reporting to the Board on a quarterly basis to ensure the timeliness and accuracy of information reporting

Continuously promotes awareness of ESG and climate change concepts among all Group employees

In collaboration with Prinx Academy, leverages the Academy's digital learning platform to conduct regular training and awareness sessions on climate and environmental regulations, policies, and trends

#### Internal Control Department

Responsible for formally integrating climate change and its risks into the Group's daily decision-making processes and enterprise risk management system, developing and updating internal policies to promote compliant operations and sustainable development

In accordance with national and local regulations, has developed site-specific Extreme Weather Disaster Emergency Plans and Corporate Strategies for Low-Carbon Transition Risks at the Shandong plant, and Flood and Typhoon Prevention Management Regulations at the Thailand plant, adopting sustainable development as a core management principle

### Execution

#### EHS Management Department

Regularly reviews authoritative climate change research reports (e.g., IPCC) to stay current with the latest climate science and monitors industry association research findings on the impacts of climate change

Engages professional environmental consulting firms to conduct environmental impact assessments for construction projects, including surveys of the natural environment, climate, and natural disaster conditions in the area, and predicts pollutant impacts on the surrounding environment based on meteorological characteristics.

Carries out preventive measures against cold spells, rain, snow, and freezing weather, conducting on-site inspections and vulnerability assessments of factories, including checks on building structures, equipment layouts, drainage systems, and flood prevention facilities, to ensure they can effectively address climate risks

At the Thailand plant, implements local regulatory-compliant EHS Management Regulations, integrating disaster prevention and emergency response into daily operational management



## Identification of Climate-Related Risks and Opportunities and Response Strategies

### Risk and Opportunity Identification

To address the growing threats of climate change, the Group has systematically identified and mapped relevant risks and opportunities under the Board's climate risk oversight framework, determining the time horizons, trends, and potential financial impacts of each issue. Due to limitations in current quantitative assessment capabilities and accounting frameworks, quantitative data regarding climate-related financial impacts cannot be fully disclosed at this stage. The Group will continue to align with industry best practices and standards, refine relevant assessment mechanisms and data systems, and progressively advance quantitative disclosure in due course.

Definition of Time Horizons		
Time Horizon	Years	Definition
Short-term	1-5	Covers the period during which the Group faces severe and rapidly emerging climate risks. Short-term strategy focuses on addressing the most urgent threats and implementing gradual recovery measures
Medium-term	5-10	During this period, the Group must consolidate its short-term climate risk management efforts and generate deeper impacts across its business operations and value chain
Long-term	10 or more	This period extends to a time when the Group must address the long-term, systemic effects of climate change. In the long term, structural changes can be implemented to mitigate and adapt to far-reaching climate impacts

Identification of Climate-Related Risks and Opportunities			Identification of Climate-Related Risks and Opportunities			
Category	Risk/Opportunity	Time Horizon	Potential Financial Impact	Risk/Impact Level	Trend	
Physical Risk	Extreme Weather	Short-term	Power outages and production stoppages due to extreme weather conditions such as typhoons and thunderstorms; disruption of outdoor logistics; delayed order delivery; price volatility caused by unstable raw material supply	Medium	Increasing	
		Long-term	Extreme weather events may also cause physical damage to infrastructure, production raw materials, and products, resulting in repair and maintenance costs Employees may face safety risks during extreme weather events Prolonged high temperatures may increase the risk of fire, thereby increasing the probability of loss of life and property			
Transition Risk	Tightening of climate-related policies	Long-term	Tightening of climate-related policies, such as the imposition of carbon taxes in countries or regions where the Group operates or sells its products, may increase costs to meet such requirements. May also increase operating costs, insurance costs, and compliance penalties	High	Increasing	
	Cost of transitioning to low-emission technologies	Long-term	Replacing existing technologies and equipment with energy-efficient and renewable energy alternatives to meet sustainability standards may incur costs for R&D of new tire products	Medium	Increasing	
	Changes in customer behavior	Short-term	Shifts in customer or user behavior and preferences, such as failure to meet stakeholder expectations regarding climate risk management and targets, may lead to loss of customers and revenue	Medium	Increasing	
Opportunity	Reputational risk	Medium-term	Changes in customer or user preferences may increase the probability of stakeholders providing negative feedback on existing products and services, thereby affecting the Group's reputation	High	Increasing	
	Material innovation	Medium to short-term	As environmental requirements increase, the Company explores the use of recycled and bio-based materials to open new markets and meet consumer demand for environmentally friendly products. Material innovation may reduce production costs, enhance product competitiveness, and attract more environmentally conscious consumers. Climate change is driving material innovation in the automotive tire industry to ensure transportation safety under special climatic and geographical conditions	High	Increasing	
	Service model transformation	Short-term	Smart monitoring systems based on climate data can provide consumers with precise tire maintenance reminders and replacement recommendations, creating new value-added service revenue streams. Enhances consumer experience, builds brand loyalty, leading to repeat purchases and long-term returns. Climate change is leading the transformation of service models in the automotive tire industry	Medium	Increasing	

## Response Strategies and Transition Plan

The Group follows HKEX's Climate Disclosure Guidance and adopts turquoise and brown climate scenarios. Drawing on IPCC reports, the assessment addresses climate transition and physical risks. Aligned with the Paris Agreement, the turquoise scenario serves as the core basis for the Group to evaluate climate-related impacts and develop climate adaptation strategies. The analysis covers medium-term (up to 2060) and long-term (up to 2100) horizons, covering all operational facilities, production processes and supply chain.

Climate Scenario Analysis			
Climate Scenario	Global Average Temperature Rise	Key Impacts	Likelihood
Turquoise Scenario	Approximately 1.7°C by 2060, approximately 1.8°C by 2100	Shift toward green technologies	High
		Emphasis on societal changes in mobility and consumption patterns	
		Increased investment in low-carbon innovation	
		Integration of advanced technologies	
		Maintaining current lifestyles while reducing emissions	
		Continued development of sustainable materials	
		Prioritization of energy efficiency and renewable energy measures	
Brown Scenario	Approximately 2.4°C by 2060, approximately 4.4°C by 2100	Phased elimination of coal use in manufacturing processes	Medium
		Potential disruptive impacts on the environment and society	
		Increased regulatory pressure	
		Need for significant changes in consumer behavior and corporate practices	

Based on the above scenario analysis, the Group has developed a corresponding transition plan, and quantitative assessment of its related financial impacts is also being planned and progressed.

Comprehensive Transition Strategy			
Strategy Dimension	Current and Expected Impact on Business Model	Current and Expected Risk Response Strategies/Responses	Current and Expected Opportunity Capture Strategies/Actions
Policy and Market Risks/Opportunities	Incentivizes corporate transformation and upgrading, promoting the shift toward low-carbon and green development	Optimize energy structure, boost resource efficiency, and drive green product design to cut GHG emissions. Embed carbon costs into investment decisions, participate in policy dialogue, build low-carbon tech reserves, and explore internal carbon pricing to strengthen resilience.	Developing low-rolling-resistance, high-durability tires and "Fuelwise" smart tires to meet market demand for energy efficiency, as well as anti-cracking and extreme-cold anti-skid tires to address diverse safety needs arising from climate change.
Technology and Cost Risks/Opportunities	Transition to low-carbon technologies may entail upfront costs but will enhance long-term competitiveness	Develop renewable energy, participate in carbon reduction projects, and establish environmental protection targets	Innovative application of nitrogen-oxygen hybrid materials, bio-based materials, and recycled materials (such as recycled carbon black) in tire formulations reduces environmental footprint while enhancing overall product performance. Promoting a mobile retreading platform to extend tire life and offer cost-effective circular solutions. Leveraging smart tire data to develop fleet management & predictive maintenance services for new revenue streams.

Key Action Initiatives			
Strategy Category	Strategy Description	Time Horizon	Effectiveness
Energy Efficiency Improvement and Carbon Reduction Measures	Implement a series of deep energy efficiency projects, including compressed air system optimization, motor upgrades, and zero-air-consumption dryer retrofits	Short-term/Medium-term	High
Photovoltaic Project Construction	Continuously expand PV installed capacity and increase the proportion of clean energy (see the Energy Efficiency Targets and Initiatives section of this report for specific installed capacity, power generation, and carbon reduction achievements)	Medium-term/Long-term	High



Forklift



Photovoltaic Facility

## Product Innovation and Green Initiatives

Product innovation is the Group's core strategic response to seizing climate transition opportunities. In response to the identified opportunities in "material innovation" and "service model transformation," the Group is committed to embedding green and low-carbon principles throughout the entire tire lifecycle. Through systematic R&D and innovation, the Group not only effectively manages climate risks but also proactively creates market differentiation advantages, driving sustainable development across the industrial value chain.

The Group's R&D activities are supported by a solid system and professional capabilities. The Group has established an efficient R&D system spanning from basic research to industrial application, and leverages specialized equipment such as tire single-body noise testing machines and dynamic ozone aging testers, as well as advanced digital simulation platforms, to ensure that products are endowed with superior environmental and high-performance characteristics from the design stage. The Group ensures that all raw materials comply with domestic and international environmental regulations, including the Requirements for prohibited substances on automobiles (GB/T 30512-2014) and the Limit Requirements for Restricted Substances in Tires (GB/T 38529-2020) of the People's Republic of China, and is committed to using environmentally friendly raw materials to replace high-energy-consumption and hazardous materials. The Company's R&D efforts are closely focused on the following core directions:

● **Ultra-Low Rolling Resistance and Energy Efficiency Improvement**

The Group's self-developed "Fuelwise" series of commercial vehicle tires is dedicated to achieving excellent fuel economy from the product design stage. Leveraging innovative low-rolling-resistance compounds and optimized tread patterns, this series effectively reduces vehicle fuel consumption during operation. At the material level, hybrid materials are innovatively incorporated into the compound, which not only reduces rolling resistance but also achieves overall performance improvements in wear resistance and tear resistance, addressing the durability shortcomings traditionally associated with low-rolling-resistance tires.

● **Specialty Products for Climate Change Response**

In response to the increasing frequency of extreme weather events, the Group has developed targeted products. At the safety level, the Company has optimized its compound protection system to enhance tire resistance to ozone aging, achieving no cracks in dynamic ozone testing (50 pphm, 15 hours) and effectively preventing sidewall cracking. For extreme cold environments, the developed all-season low-temperature rolling resistance tire maintains excellent performance with rolling resistance below 9 N/kN at -20°C, supporting the winter range of new energy vehicles. Additionally, all snow tires launched by the Company in the North American market have passed ASTM (American Society for Testing and Materials) snow testing.

● **Intelligent Business Model**

To effectively translate the energy-saving potential of its products into tangible customer benefits, the "Fuelwise" series integrates an intelligent monitoring system. This system enables real-time, precise monitoring of tire pressure, temperature, load, and tread depth. By analyzing these key data points, the system not only provides safety alerts and maintenance reminders but also helps fleet managers identify hidden factors contributing to increased fuel consumption, such as improper tire pressure and poor driving habits, achieving a leap from "passive safety" to "active energy efficiency management."

**Case** ● **Integrating Intelligence and Energy Efficiency to Deliver Tangible Customer Value**

To effectively translate the energy-saving potential of its products into tangible customer benefits, Prinx Chengshan launched real-vehicle road validation of its 12R22.5 FH138A commercial vehicle tire integrated with an intelligent monitoring system at the end of 2024. The results show that the product achieves an average predicted mileage of over 500,000 kilometers, far exceeding market and customer expectations. Its intelligent system enables real-time monitoring of key data such as tire pressure and temperature, providing energy efficiency optimization and safety alerts. This practice marks the Group's successful transition from offering a single tire product to providing a comprehensive solution of "high-performance products + digital energy efficiency management," not only enhancing customer experience and brand loyalty but also keeping pace with the market trend toward digital services.

The Group has begun conducting tire product carbon footprint assessments for its key product lines to quantify emission reduction achievements and actively respond to the growing demand from the downstream supply chain for greater transparency in environmental data. The Group will continue to focus on green and low-carbon technologies and firmly advance its long-term vision of achieving 100% sustainable materials in tire manufacturing by 2050, leading the industry's green transformation through technological innovation.

Group's Green Product Innovation Targets and Reporting Period Performance		
Indicator	Target	2025 Progress
Green Product Target	Increase the proportion of green products to over <b>80%</b> by 2035	During the reporting period, the Group's green product proportion reached <b>37.8%</b>
Sustainable Materials Target	Strive to achieve <b>100%</b> sustainable materials in tire manufacturing by 2050	During the reporting period, the Group achieved <b>41%</b> sustainable materials in tire manufacturing

**Climate Risk Management and Resilience Building**

To effectively address the identified climate-related risks, the Group has deeply integrated climate change into its strategic decision-making and enterprise risk management system. The Company has established a systematic management process, implementing specific measures and conducting continuous review and improvement to enhance operational resilience and ensure long-term, stable business development.

**Establishment of the Risk Management System**

Based on the likelihood and impact of identified risks, the Group classifies them into three levels – High, Medium, and Low – and implements differentiated controls. This classification serves as the basis for the Group to allocate management resources and formulate response strategies, ensuring that significant risks are prioritized for management.

The Group has made climate risk considerations proactive and institutionalized. For all new construction, expansion, and renovation projects, the Group strictly implements environmental impact assessment procedures during the pre-construction phase to systematically incorporate climate characteristics and disaster risk considerations.

Risk Level	Definition of Overall Risk Level
High	Risks at this level may lead to severe consequences. They are highly likely to have a certain impact on the Group, hindering the Group from achieving its strategic goals
Medium	Risks at this level may lead to severe consequences, but with low probability of occurrence. Conversely, they may also lead to minor consequences, but with a relatively high probability of occurrence
Low	Risks at this level have limited harm and consequences for the Group's ability to achieve its strategic goals, with a low probability of occurrence

## Risk Response Measures and Climate Resilience Building

The Group has established a systematic climate risk response mechanism, focusing on enhancing overall resilience through improved emergency plans, strengthened operational resilience, and optimized supply chain management.

### Emergency Plans and Response Mechanisms

To address the impact of natural disasters and other emergencies on the supply chain and operations, the Group has developed a Product Supply Emergency Plan. Under this framework, the Group has established specific emergency management mechanisms based on local laws and regulations at its operating locations. In China, in accordance with the Emergency Response Law of the People's Republic of China and the National Meteorological Disaster Emergency Plan, the Group has formulated Extreme Weather Disaster Emergency Plans and corporate strategies for low-carbon transition risks. At the Thailand plant, EHS Management Regulations have been established in accordance with local regulations to define emergency preparedness and response procedures. Additionally, the Group has established a dedicated emergency rescue leadership team and conducts regular full-process drills. These systems and measures collectively ensure that when extreme weather events (classified into four emergency levels) occur, the Group can efficiently execute the entire process from early warning and response to recovery.

### Operational Resilience Enhancement

At the Thailand plant, to address extreme heat and drought risks, the Group continuously maintains an automatic watering control system in key areas of the facility to prevent fire risks that may arise from extreme high-temperature and drought conditions. Furthermore, the factory's boilers use wood-based biomass fuel as a substitute for fossil fuels. This initiative not only reduces carbon emissions but also enhances the localization and stability of energy supply.



Automatic Watering Control System

### Significant Breakthroughs Achieved in Smart Logistics through Independent Development

Since launching the "Smart Logistics" strategy in 2022, the company's Supply Chain Collaborative Information Intelligence Control Center has adhered to an implementation path of "small-step fast iteration and modular upgrades." Without the involvement of any external professional teams, and built upon the TMS and WMS systems as the foundation, the center has independently developed and launched over 30 digital functional modules, including "one-click ride sharing, automatic order reminder, vehicle self-check-in, real-time in-transit tracking, and electronic receipt." These advancements have effectively driven the comprehensive upgrade of logistics operation services toward visualization and intelligence.

### Domestic Prepositioned Warehouse Network Optimization

By optimizing prepositioned warehouses in Guangzhou, Linyi, and other locations, the Group consolidated scattered orders into direct full-truckload shipments, significantly reducing transfer points and empty load rates. In 2025, this initiative saved approximately RMB 730,000 in fuel costs and reduced overall transportation costs by approximately RMB 4.25 million.

The Group has established a routine review mechanism, monitoring environmental performance and the effectiveness of key climate risk management measures every six months. At the same time, the Group continuously monitors the latest developments in climate-related laws and regulations to promptly improve management measures, ensuring compliant operations and continuous improvement in climate resilience.

## Climate Targets and Performance Indicators

The Group has embraced green and low-carbon development as its long-term vision, actively fulfilling climate governance responsibilities and proactively addressing the global challenge of climate change. The Company actively responds to China's "3060" carbon peak and carbon neutrality strategic goals and, leveraging its global production footprint, has systematically laid out a pathway for energy conservation and carbon reduction. The Company plans to achieve a carbon emissions peak before 2030 through the implementation of a series of diversified emission reduction initiatives, including internal reductions and clean energy alternatives, steadily consolidating its reduction foundation and making continuous efforts toward carbon neutrality before 2060.

### Greenhouse Gas Emissions

The reported greenhouse gas emissions include the following activities and scopes:

- Direct (Scope 1) Greenhouse Gas Emissions: Consumption of stationary and mobile fuel sources (including LPG/natural gas, biomass fuel, diesel, and gasoline), as well as fugitive emissions from the use of refrigerants.
- Energy Indirect (Scope 2) Greenhouse Gas Emissions: Purchased electricity and steam.
- Other Indirect (Scope 3) Greenhouse Gas Emissions: Municipal freshwater use and wastewater treatment, business air travel emissions, and waste paper landfilling.

GHG Emission Scope	Emissions (tCO <sub>2</sub> e) 2025	Emissions (tCO <sub>2</sub> e) 2024	Emissions (tCO <sub>2</sub> e) 2023	Emission Intensity (tCO <sub>2</sub> e/tonne of output) 2025	Emission Intensity (tCO <sub>2</sub> e/tonne of output) 2024	Emission Intensity (tCO <sub>2</sub> e/tonne of output) 2023
Scope 1 Direct Emissions	63,682	62,681	57,320	0.092	0.090	0.090
Scope 2 Energy Indirect Emissions	419,301	401,063	389,586	0.605	0.610	0.630
Scope 3 Other Indirect Emissions (municipal freshwater use and wastewater treatment, business air travel emissions, and waste paper landfilling)	1,339	1,603	1,115	0.002	0.002	0.002
<b>Total</b>	<b>484,322</b>	<b>465,347</b>	<b>448,021</b>	<b>0.699</b>	<b>0.700</b>	<b>0.730</b>

Note 1: Unless otherwise stated, emission factors have been prepared with reference to the Listing Rules Appendix C2 of the Hong Kong Stock Exchange and its designated documents.

Note 2: During the reporting period, the Group continued to adopt the greenhouse gas accounting methodology applied in previous years, with no changes to emission factors and relevant assumptions, so as to ensure data comparability. The Shandong plant in China adopts the national average electricity emission factor (0.5306 tCO<sub>2</sub>e/MWh) from the Ministry of Ecology and Environment's Announcement on the Release of 2023 Carbon Dioxide Emission Factors for Electricity. The Thailand plant adopts the factor (0.5394 tCO<sub>2</sub>e/MWh) disclosed by the Electricity Generating Authority of Thailand (EGAT) in its Sustainability Report 2022.

Note 3: Scope 3 greenhouse gas emissions are calculated using the available emission factors referred to in the Listing Rules Appendix C2 and its reference documents.

Note 4: tCO<sub>2</sub>e represents tonnes of carbon dioxide equivalent greenhouse gases (primarily carbon dioxide, methane, and nitrous oxide).

Note 5: Business air travel includes only air travel expenses incurred for business purposes.

Note 6: Greenhouse gas emissions do not include photovoltaic power generation.

Note 7: Self-generated steam at the Thailand plant is not included in the calculation of greenhouse gas emissions.

### Group's Emission Reduction Targets and Reporting Period Performance

Indicator	Base Year (2021)	Reporting Period (2025)	Target	2025 Progress
Greenhouse Gas Emissions per Unit of Product (tCO <sub>2</sub> e/tonne of output)	0.99	0.699	Reduce carbon emissions per tonne of product in tire production (including tire retreading) by <b>27%</b> by 2030 compared to 2021	Carbon emissions per tonne of product in tire production (including tire retreading) decreased by <b>29.35%</b> compared to 2021
Solar Power Generation (MWh)	11,772	41,038	By 2030, solar power generation will reach more than <b>3</b> times the amount generated in 2021	In 2025, solar power generation reached <b>3.5</b> times the 2021 level – target achieved
Proportion of Low Rolling Resistance Products – Commercial Vehicle Tires / Passenger Vehicle Tires	/	55%/50%	Achieve <b>45%</b> and <b>50%</b> low rolling resistance product proportion for commercial vehicle tires and passenger vehicle tires, respectively, by 2025	Low rolling resistance product proportion reached <b>55%</b> for commercial vehicle tires and <b>50%</b> for passenger vehicle tires

### Emission Reduction Measures and Actions

To systematically reduce greenhouse gas emissions in support of the Group's climate targets, the Company, building on its robust environmental management system, focuses its management efforts on energy structure optimization, energy efficiency improvement, and low-carbon technology innovation. The Group has established clear emission reduction targets and a monitoring system, continuously tracking greenhouse gas emission data to drive performance improvement and target achievement. During the reporting period, the Company took the following specific actions:

- To reduce indirect emissions from business travel, the Group promotes and encourages the use of electronic communication methods (e.g., online conference calls) for communication with business partners. All business air travel requires prior management approval, and relevant records must be properly maintained for tracking and review, thereby avoiding unnecessary travel.
- In terms of energy structure transformation, the Group is firmly committed to expanding the application of renewable energy.
- The Group is dedicated to developing innovative tire products using low-energy-consumption raw materials and low-carbon, high-performance designs.

The Group has established core ESG targets—including carbon emission intensity, solar power generation, and the proportion of low rolling resistance products—though the target setting methodology has not yet been third-party verified. The ESG Decision-making Committee reviews targets semi-annually and on an ad-hoc basis, with monthly KPI tracking and quarterly/annual reviews. The original 2030 energy saving targets have been adjusted to short-term operational controls, and no new long-term quantitative targets have been set. Additionally, due to challenges in defining Scope 3 boundaries and the lack of standardized accounting, the Group has not set Scope 3 targets, linked climate performance to compensation, or utilized carbon credits or internal carbon pricing, though these measures are being actively considered for feasibility.

## Energy and Circular Economy

The Group has established and continuously maintains an integrated management system that strictly adheres to international and national standards, including the Energy Management System – Requirements and Guidelines for Use (GB/T 23331-2020) and the General rules for energy measuring instrument equipping and managing of energy user (GB 17167-2025) of the People's Republic of China. This system covers the synergistic operation of energy management, metering management, and informatization-industrialization management to achieve lifecycle control of energy and materials. To systematically implement these controls, the Group has established an Energy Conservation Management Committee and formulated internal policies such as the Energy and Energy Conservation Management Measures, advancing various tasks through a closed-loop process of "recording – analysis – feedback – optimization." In the process of developing and optimizing energy conservation policies and procedures, the Group emphasizes internal communication and actively collects employee feedback. Each operating department is responsible for recording energy consumption data, while the cost management department conducts analysis and evaluation and provides optimization recommendations. After policies are implemented, special training ensures that employees fully understand the latest energy conservation standards, targets, and work requirements.

During the reporting period, the Group implemented a series of specific energy conservation measures, such as replacing vulcanizer insulation panels and optimizing air compressor operation, and continues to promote energy-saving technologies. At the same time, the Group's circular economy principles of "reduce, reuse, recycle" are embedded in waste reduction efforts throughout production operations and the exploration of product resource utilization. For related measures, please refer to the Waste Management and Environmental Impact of Business Activities and Management sections of this report, respectively.

### Energy Consumption Structure

Energy Consumption Source	2025	2024	2023
LPG for Canteen Operations (MWh)	146	190	246
Natural Gas for Canteen Operations (MWh)	200	196	399
Natural Gas for RTO Environmental Facilities (MWh)	2,609	/	/
Gasoline for Group-Owned Vehicles (MWh)	746	1,830	2,671
Diesel for Group-Owned Vehicles (MWh)	1,358	4,750	6,077
Wood Chips for Boilers (MWh)	135,924	140,062	120,469
Steam for Factory Production and Manufacturing (MWh)	364,768	348,401	353,723
Electricity for Daily Operations (MWh)	515,476	489,520	444,004
Photovoltaic Power Generation (MWh)	41,038	41,278	37,089
Total Energy Consumption (MWh)	1,062,265	1,026,226	964,678
Total Energy Consumption Intensity (MWh/tonne of output)	1.53	1.55	1.56

## Energy Efficiency Targets and Initiatives

The Group has established clear, quantifiable, and challenging energy efficiency and structural transformation targets:

**Shandong Operations**

Energy consumption limit per unit of all-steel and semi-steel tires (kilogram of standard coal per tonne of qualified product)	By 2025, the energy consumption limit per unit of all-steel and semi-steel tires will reach <b>175/226</b> kilograms of standard coal per tonne of qualified products <hr style="border-top: 1px dashed #ccc;"/> By 2030, the energy consumption limit per unit of all-steel and semi-steel tires will reach <b>168/219</b> kilograms of standard coal per tonne of qualified products	During the reporting period, energy consumption limit per unit of all-steel and semi-steel tires reached <b>170/225</b> kg kilogram of standard coal per tonne of qualified product
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**Thailand Plant**

Energy consumption limit per unit of all-steel and semi-steel tires (kilogram of standard coal per tonne of qualified product)	By 2025, the energy consumption limit per unit of all-steel and semi-steel tires will reach <b>199/243</b> kilograms of standard coal per tonne of qualified products <hr style="border-top: 1px dashed #ccc;"/> By 2030, the energy consumption limit per unit of all-steel and semi-steel tires will reach <b>191/234</b> kilograms of standard coal per tonne of qualified products	During the reporting period, energy consumption limit per unit of all-steel and semi-steel tires reached <b>178/228</b> kilogram of standard coal per tonne of qualified product
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To optimize the energy structure and drive target achievement, the Group has systematically implemented comprehensive initiatives covering the entire production chain, including technology upgrades, process optimization, management innovation, and circular expansion, to comprehensively strengthen and enhance energy efficiency management.

### Summary of Key Initiatives and Achievements:

- Synergistic Advancement of Production System Technology Upgrades and End-of-Pipe Treatment**

The Group has systematically carried out technological retrofits for high-energy-consumption equipment and environmental facilities. In terms of energy efficiency improvement, measures include compressed air system optimization (pressure reduced to **0.58** MPa, saving **3.05 million** kWh annually), waste heat recovery and utilization (**9,118** tonnes of steam recovered during the reporting period, equivalent to reducing standard coal consumption by over **1,000** tonnes), upgrading mixing workshop motors to permanent magnet drive systems (reducing carbon by **1,500** tonnes annually), zero-air-consumption retrofit of **six** dryers (saving RMB **1.49 million** in electricity costs annually), and nitrogen recovery (**5,137,616** Nm<sup>3</sup> recovered at a recovery rate of **55.0%**, reducing carbon by **1.246 million** kgCO<sub>2</sub>). In terms of end-of-pipe treatment, a new biomass boiler was commissioned at the Thailand plant with an annual inspection mechanism established; at the Shandong Plant, installation of a large-volume RTO and online monitoring system in the mixing workshop was completed, significantly improving treatment efficiency and stability.

- In-Depth Process Optimization**

The Group continuously taps into energy-saving potential through process innovation. Specific measures include: improving radial tire pre-curing and calendaring efficiency, achieving annual electricity savings of approximately **200,000** kWh; introducing high-speed tandem mixers, increasing production efficiency by **51%** while reducing energy consumption by **10%**; and implementing new curing processes, improving efficiency for individual specifications by approximately **6.4%** and saving approximately **3,000** tonnes of steam annually. Additionally, the development of high-efficiency energy-saving molds has been initiated, with expected deployment in 2026.

- Green and Intelligent In-Factory Logistics**

The Group has fully replaced fuel-powered forklifts with **99** electric forklifts, utilizing peak/off-peak electricity pricing for charging, saving RMB **2.22 million** annually in fuel and maintenance costs and RMB **340,000** annually in electricity costs, achieving zero-emission in-factory transportation. Meanwhile, an AGV (Automated Guided Vehicle) system has been deployed at the Shandong intelligent warehouse, enabling unmanned precision handling and improving warehouse efficiency.

- Comprehensive Institutionalization of Management Mechanisms and Forward-Looking Planning**

The Group has deeply integrated energy-saving concepts into management and operations. Through the implementation of an Amoeba unit management model covering the entire process, the Group has mobilized all employees to drive improvement. Energy-saving initiatives such as intelligent lighting control, centralized temperature control, and carpooling for business travel have been institutionalized, establishing a refined management and control network. Based on its medium- to long-term green development plan, the Group has planned further deep retrofit projects, including intelligent coordinated control of air compressor clusters and broader adoption of permanent magnet motors, to continuously explore energy-saving potential.



Manufacturing Execution System (MES) system integration enables electronic work instructions, reducing waste and improving efficiency

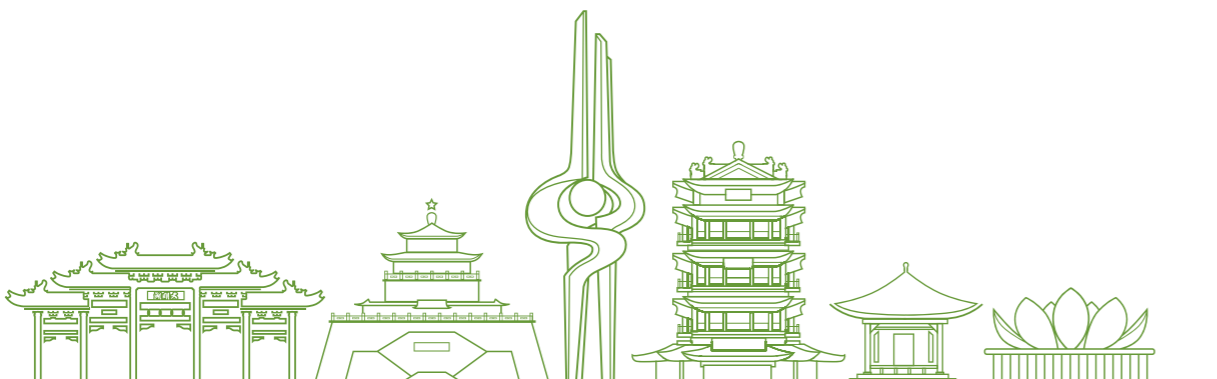


Office air conditioning uniformly set to 24°C



Sign for turning-off lights after use

Through the implementation of the above solid measures, the Group achieved significant energy savings, consumption reduction, and economic benefits during the reporting period, while also laying a solid foundation for achieving its medium- to long-term targets. The Company firmly believes that through continuous technological and management innovation, the Group can lead the tire manufacturing industry in its transformation toward a greener, lower-carbon, and more circular sustainable development model.



## Packaging Materials Management

During the reporting period, the Group's total consumption of packaging materials for finished tire was 986.3 tonnes, with an intensity of 1.422 kg/tonne of output. These materials mainly include cartons, wrapping paper, adhesive tapes, and cable ties required for product delivery. Compared with the previous reporting period, total consumption increased. This increase is primarily attributable to two factors: first, the expansion of product series has led to a corresponding increase in packaging types; second, a higher proportion of products in the domestic market require independent packaging for sale. The Group has taken note of this trend and is actively responding by optimizing packaging design and promoting circular packaging solutions.

To reduce resource consumption and environmental footprint in the packaging process, the Group has implemented a series of management measures and innovative practices:

### Green Procurement and Design

While meeting customer requirements, the Group prioritizes the use of recyclable and environmentally friendly materials. All packaging materials must undergo strict quality inspection before use to ensure they meet standards. The Company requires all suppliers to conduct quality testing before each batch delivery; only materials that pass inspection can be put into use. The Group has developed comprehensive internal product packaging procedures and standards for all employees to follow, aimed at ensuring the safe and reasonable use of packaging materials, thereby striking a balance between product protection, after-sales cost reduction, product appearance enhancement, and environmental responsibility, while resolutely avoiding excessive packaging.

### Innovative Packaging Circular Model

The Group actively promotes the reuse of packaging containers and explores circular economy models. Plastic returnable containers used for product transportation are systematically recovered and recycled. Currently, approximately 192 packaging units are shipped per month for relevant products, with a 100% recovery rate for plastic returnable containers. These circular packaging containers account for 52% of total shipped packaging. This initiative not only reduces the consumption of single-use cartons but also saves approximately RMB 102,000 annually in related transportation and packaging costs. In addition, for other waste packaging materials that cannot be directly recycled, the Group ensures that they are disposed of by qualified recycling companies to achieve closed-loop resource management.



Before Packaging Change



After Packaging Change

### Supply Chain Collaboration and Future Commitments

The Group will continue to communicate with upstream and downstream partners to jointly explore more sustainable packaging solutions. The Company will regularly update customers on packaging optimization progress and actively collect feedback through after-sales services to continuously evaluate and improve relevant strategies, ensuring that the use of packaging materials meets the latest environmental standards and market demands.

# 04

## Driving Green Innovation to Develop Sustainable Products



SDGs addressed in this section:



# Green Innovation and Intelligent Transformation

Against the backdrop of the accelerated shift toward sustainable development in the global transportation industry, Prinx Chengshan drives green and intelligent development through systematic innovation. The Company integrates energy conservation and environmental protection with high performance via green technologies such as low rolling resistance and high wear resistance, and enhances production efficiency and product quality through an intelligent manufacturing system.

## Green Innovation

Prinx Chengshan adheres to the concept of green innovation and development, implements the requirements of the "Shandong Province Action Plan for Promoting the Development of New Quality Productivity in the Tire Industry (2024-2027)", and under the guidance of the company's "Product Lifecycle Environmental Protection Policy", clarifies its environmental commitments and responsibilities throughout the entire product lifecycle, including design, production, use, collection, and disposal. Through systematic technological innovation, the company has achieved the application of multiple core green technologies, realizing comprehensive breakthroughs in energy efficiency, durability, and safety throughout the entire lifecycle of its tires.

### Long-Life Design for Green Products

#### High wear resistance and anti-uneven wear technology

Tire wear resistance has been improved to **124%**, effectively extending tire life, reducing tire replacement frequency, and lowering resource consumption.

#### Endurance and bead enhancement technology

Reduces bead strain energy amplitude by more than **20%** and improves the endurance by **80%**, with durability under severe aging conditions far exceeding industry standards.

#### New dual-tread process

Enhances tire endurance by **20%**, with comprehensive advantages of low heat build-up, low rolling resistance and high wear resistance.

#### Overload technology

Improves tire puncture resistance by **43%**, with load capacity reaching international first-class levels to meet the high-load demands of new energy vehicles and light trucks.

#### Environmentally Friendly Formulation

Uses nano-reinforced materials and new-type resins to improve performance while reducing environmental impact during production and use.

### Energy Saving and Efficiency Improvement for Low-Carbon Mobility

#### Low rolling resistance technology

Extends tire service life by more than **10%**, effectively improves the driving range of new energy vehicles, and provides high-load and long-mileage durability for commercial vehicles.

#### Low-temperature rolling resistance technology

Maintains a rolling resistance coefficient below **9.0 N/kN** at **-20°C**, significantly alleviating the range attenuation of new energy vehicles in winter.

### Case • Intelligent Transformation of Tire Management Driven by Intelligence

The Group has independently developed an intelligent tire management system, realizing intelligent full life cycle management of tires based on Internet of Things (IoT) technology.

#### Core Functions:

- Real-time positioning and tracking
- Intelligent analysis of driving behavior
- Full life cycle traceability of tires
- Intelligent early warning and maintenance

#### Safety Monitoring Coverage:

- Real-time tire pressure monitoring
- Real-time tire temperature monitoring
- Real-time tire load monitoring
- Tire tread depth monitoring

This system optimizes driving behavior, improves driving safety, extends tire service life, and effectively reduces energy consumption and operating costs, supporting users in achieving refined and green management. It is an innovative practice of the Company's deep integration of intelligent and sustainable development.



Intelligent Tire Management System

## Intelligent Transformation

Intelligent transformation has become a core driver of manufacturing upgrading. The Company has comprehensively introduced intelligent control systems and automated equipment in key production processes such as mixing, extrusion, building and curing, significantly improving production efficiency, product pass rate and quality consistency. Through intelligent logistics and the Manufacturing Execution System (MES), the Company has achieved full-process data linkage and lean management, laying a solid foundation for the continuous production of high-quality and high-performance products.

### Intelligent Transformation Driving Green and Efficient Production

#### ● Tandem Mixer

Adopting series intermixing and constant temperature control technology of tandem mixer, it increases production efficiency by **51%** and reduces energy consumption by **10-15%**, supporting the digital and intelligent transformation of green production.

#### ● Intelligent Extrusion System for the Components

Real-time monitoring and automatic adjustment raise the process qualification rate to **99%** and ensure product uniformity.

#### ● Automatic Building

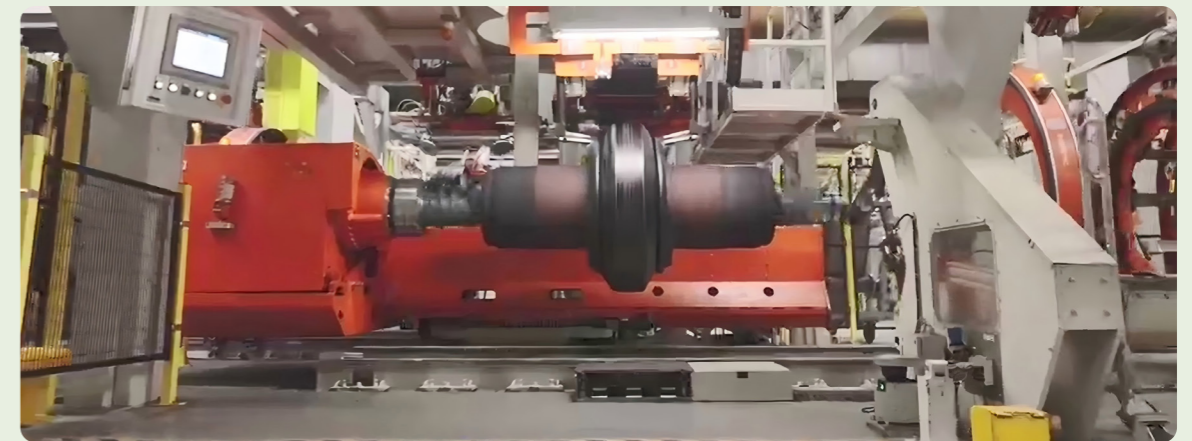
Full-process automation in building achieves high-precision and stable production, reducing labor intensity by **50%**.

#### ● Intelligent Logistics

Radio frequency identification (RFID) technology enables automatic material identification and error prevention. Full-process automatic transportation and real-time monitoring are realized through AGVs (Automated Guided Vehicles), EMS (Electric Monorail System) and stereoscopic warehouses, ensuring efficient and continuous production and stable quality.

### Case • First developed in China: Five-Station Intelligent Building System for TBR Tires

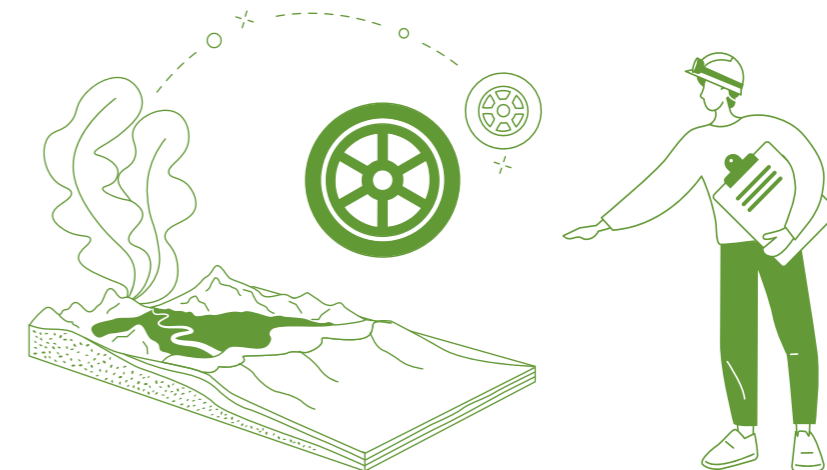
The five-station building machine adopts a “five-in-one” intelligent building technology, integrating cyclic operation of dual belt drums, dual shaping drums and tread winding process. Relying on IoT technology, it realizes automatic pressing of shoulder wedge and automatic splicing of belt layers, significantly improving automation level and product quality. This technology fills the domestic gap in the field of highly automated truck and bus tire building, and has won the Shandong Provincial Enterprise Brand Innovation Excellent Achievement Award.



Cyclic Operation of Dual Shaping Drums

### Case • MES-Driven Full-Process Intelligent Operational Transformation

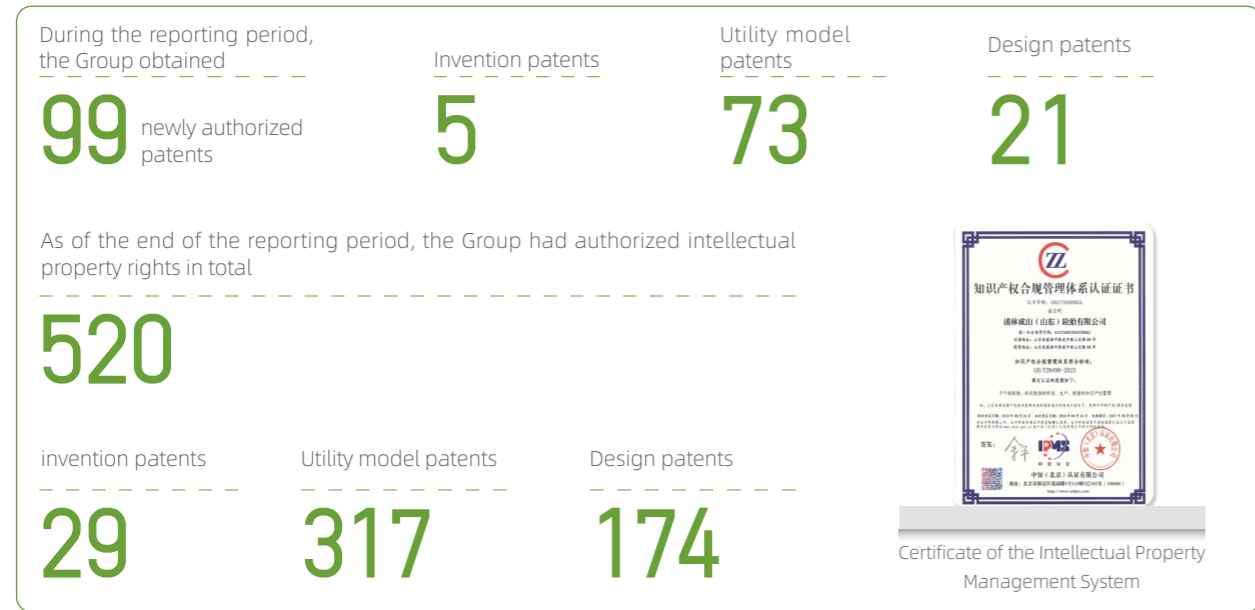
In its digital transformation, the Group takes the Manufacturing Execution System (MES) as a key pillar, which runs through the entire process from raw material input to finished product delivery. Centered on data, the system promotes the implementation of lean production and quality management concepts, achieving transparency in the production process, agile response, and closed-loop control. It lays a solid foundation for the efficient operation of the smart factory.



# Intellectual Property Protection

The Group has established a systematic intellectual property protection system, strictly abiding by national and local laws and regulations, and formulated the Intellectual Property Management System. It implements standardized whole-process management for all categories of trade secrets such as patents, trademarks and software copyrights. Through the strict protection of core technologies and the compliant operation of brand assets, the Group provides a solid guarantee for the core competitiveness of tire technology and product innovation.

### Key Performance Indicators



### Newly Authorized Invention Patents of Prinx Chengshan in 2025



# Product Quality and Customer Service

The Group regards quality and service as the cornerstone of sustainable development, ensuring product safety and reliability through a full-lifecycle quality management system, and optimizing customer experience via digital production and omni-channel services. The company continuously promotes sustainable procurement and supplier collaboration, while actively fulfilling its social responsibilities by supporting community welfare and industry development, striving to align economic benefits with social value.

### Product Quality

The Group regards quality as its lifeblood and cornerstone of development, and takes full life cycle quality management as a core corporate strategy. The Company adheres to safety first and green production, builds brand value with excellent quality, and strengthens market competitiveness through customer trust.

- Quality Control System**  
The Group has established a rigorous quality control and production management system, strictly complies with the "Product Quality Law of the People's Republic of China", fully implements the IATF 16949 international standard, and systematically improves operational efficiency and product consistency by setting annual quality objectives and key performance indicators.
- Full Process Quality Risk Management**  
The Group carries out systematic risk assessments throughout product design, production and supply chain processes, collaborates with suppliers to build quality standards, and implements preventive control to ensure controllable quality risks across the full link.
- Continuous Improvement Mechanism**  
The Group has established a sound customer complaint management and product recall system to ensure rapid response and closed-loop handling of quality issues. By setting core KPIs such as cost of poor quality and zero-kilometer PPM, it continuously monitors and drives performance improvement across all links.
- Stakeholder Communication**  
The Group systematically collects and analyzes feedback from various parties through internal quality meetings, supply chain audits, customer satisfaction surveys, investor communication and other channels, continuously optimizes the quality management system, and forms a closed-loop improvement.

### Key Performance Indicators

During the reporting period, the Group's quality control system for product health, safety, and related compliance operated effectively, with

0 violations

0 product recall incidents

## Customer Service

The Group upholds a "customer-oriented" service philosophy and has established a full-cycle, closed-loop customer feedback management system. It incorporates customer experience management into the core link of the Group's strategic operations to ensure that customer voices effectively drive the continuous optimization of products and services.

### Customer Demand Insight and Product Innovation

Customer-oriented design orientation: The Group gains in-depth insights into the diverse needs of customers across different regions and cultural backgrounds. By integrating cutting-edge industrial design concepts with localized insights, the Group develops innovative products with strong market competitiveness. This not only ensures products deliver advanced performance but also enables them to closely fit customers' actual application scenarios, faithfully fulfilling the Group's mission.

### Closed-Loop Customer Feedback Management System

#### Unified Access and Rapid Response

Feedback from all channels is integrated through the 400 hotline (400-618-8899) and dedicated email as core entry points. A hierarchical response mechanism is implemented: classification within 1 hour, transfer within 1.5 hours; major issues are escalated to management for approval.

#### Systematic Handling Process

Routine complaints are rectified within a specified time limit and followed up for verification. Major issues are handled by a special task force and supervised by the management team. For product defects, repair and replacement are promptly initiated in accordance with the Unqualified Product Recall Procedure.

#### Verification and Continuous Optimization

Satisfaction follow-up surveys are conducted after closed-loop resolution, and the effectiveness of improvements is tracked over the long term. Feedback data is systematically analyzed to drive optimization of products, services and operations.

### Proactive Communication and Relationship Deepening

Through regular on-site visits, on-site technical support and a diversified communication mechanism, the Group continuously deepens customer relationships. The voices of customers are integrated into the entire process of product design, service improvement and operational upgrading.

### Quality Compliance and Commitment Fulfillment

The Company strictly abides by relevant laws and regulations on product safety, advertising, labeling and privacy, and fully fulfill its commitments to customers. During the reporting period, there were no major violations related to the above aspects.

**Case** Won the "Leader" of Enterprise Standards in two categories, setting a new benchmark for industry quality

In 2025, the Shandong Plant was awarded the certification of "Leader of Enterprise Standards for Passenger Car Tires and Truck & Bus Tires" by Beijing Industrial Research and Design Institute Co., Ltd. This marks that the Company has reached the industry-leading level in tire product technical standards and quality system construction.

### Quality Management System Certification

IATF 16949 Certification      ISO 9001:2015 Quality Management System Certification      ISO 10012:2003 Measurement Management System Certification      CNAS Laboratory Accreditation

### Operational Practices and Performance

During the reporting period, the Group managed the full-cycle customer experience systematically in accordance with the Service Management Procedure:

Efficiently handled **80** complaints, all of which were closed-loop and followed up.

Systematically gained insights into customer needs to accurately improve service effectiveness.

Regularly conducted satisfaction surveys and service evaluations to promote continuous process optimization.

## Information Security and Privacy Protection

The Group attaches great importance to customer privacy and data security, strictly complies with the "Cybersecurity Law of the People's Republic of China", the "Personal Information Protection Law of the People's Republic of China", the EU "General Data Protection Regulation" (GDPR), and Thailand's "Personal Data Protection Act" (B.E. 2562). Furthermore, through internal policies such as the "IT Equipment Usage Management Measures" and the "Email Management Regulations", the Group ensures the security of sensitive information of employees and customers, and prevents leakage, misuse, and improper management.

During the reporting period, the Group continued to increase investment in information security and privacy protection, and completed the following: updating the external network and Web application firewalls, upgrading the core network and adding new switching equipment, and replacing some key business servers, with a total investment of RMB 2.95 million. No information security incidents or customer privacy breaches occurred during the reporting period.

### Case • Cross-industry joint marketing campaign facilitates the launch of color tires

To precisely target and serve young car owners, the company partnered with Xiaomi Commercial Marketing to launch the "My Color, My Decision" integrated marketing campaign, effectively reaching and deeply engaging the target audience. Catering to young car owners who seek individuality, the company introduced the "Prinx Chroma Sprite series" color tires, featuring an innovative self-developed color rubber compound and available in multiple color options such as vibrant orange, fresh green, dynamic blue, and joyful yellow. The tires offer dual protection against UV and ozone, ensuring long-lasting resistance to fading and cracking, and are specially equipped with built-in sound-absorbing cotton on the inner side for effective noise reduction.



New Product Launch Event of Prinx Chroma Sprite series

The campaign achieved remarkable results through online-offline synergy, with total online exposures exceeding **22 million**, significantly boosting brand visibility and user engagement. At the same time, it successfully expanded online sales channels by signing the first group of Douyin matrix agents, laying a critical foundation for the brand's strategic push toward younger demographics and digital transformation.

### Data Security and Privacy Protection System

The Group has established a data security and privacy protection system to safeguard customer data security and compliance management through the following measures:

#### • Data Storage and Backup

Core data is stored on encrypted servers, with weekly backups (retained for **four weeks**) and monthly archiving (retained for **five years**).

#### • Anti-Leakage and Control

Terminal encryption and full coverage of firewalls are implemented; a hierarchical authority and approval system is adopted; regular security audits are conducted to prevent unauthorized access.

#### • Personnel and Process Management

Employees sign the Information Collection and Use Consent Form and participate in mandatory information security training. Under the hybrid cloud architecture, regular vulnerability scanning is conducted jointly with third parties. A data life cycle management system is established, and data is cleared within one month after employee resignation or cooperation termination.

#### • Emergency Response

The Network and Information Security Emergency Response Plan has been formulated, including real-time monitoring, hierarchical response, equipment isolation and link interruption mechanisms, to ensure rapid risk control and business continuity.



ISO 27001:2022 Information Security Certification (Shandong)



ISO 27001:2022 Information Security Certification (Thailand)

### Customer Service Awards in 2025



Best Collaboration Award of Hanma Technology | Global Strategic Partner of Otai Tire | SAIC Maxus Quality Excellence Award | Dongfeng Huashen Brand Upgrading Outstanding Contribution Award | Zhengzhou Nissan Excellent Delivery Award | Karry New Energy Best Partner Award

## Information Security Emergency Drills and Training

During the reporting period, to ensure the security of customer privacy and core data assets and improve business continuity, the Company organized information security training and disaster recovery drills.

### ● Full-Staff Information Security and Privacy Protection Training

The Company held a special training session on information security and privacy protection covering all employees, strengthened awareness of customer data protection and operational standards, and all employees passed the assessment.

### ● Core System Disaster Recovery Live Drill

In November 2025, the Company conducted a live disaster recovery drill for core systems carrying customer and business data including SAP, CRM and MES by simulating scenarios such as power supply interruption and server & database failures.

### Group Information Security Objectives and Period Performance

Indicator	Objective	2025 Progress
Information Security Objective	By the end of 2025, achieve full coverage of IT security risk assessments for all sites and key business processes of the Company, and maintain a <b>100%</b> rectification rate of potential security risks.	During the reporting period, the Group achieved full coverage of IT security risk assessments for all sites and key business processes, with a <b>100%</b> rectification rate of potential information security risks.
	Conduct at least one special information security training for all employees each year with <b>100%</b> coverage, and achieve over <b>90%</b> completion rate of in-depth security certification training for key position employees.	During the reporting period, the Group's special information security training achieved full staff coverage, and <b>100%</b> of employees in key positions completed in-depth security certification training.



## Sustainable Procurement and Supplier Management

The Group regards sustainable procurement and supplier management as key links in fulfilling corporate social responsibility and building a resilient supply chain. For this purpose, the Company has established a systematic supplier management system to ensure high product quality and sustainability from the source.

### Sustainable Procurement

The Group has established a standardized supplier management system and conducts comprehensive reviews of suppliers through a preset evaluation system. Only qualified suppliers can be included in the procurement list. The Group regularly reviews cooperating suppliers, and clearly incorporates sustainability performance such as EcoVadis, REACH and ESG into the evaluation system in the Raw and Auxiliary Materials Supplier Management System, and provides priority support in order and payment arrangements for suppliers with excellent performance.

### Supplier Management System

To enhance supply chain resilience and ensure business continuity, the Group has established a full-process supplier risk management system, which dynamically monitors quality, delivery, environmental protection and legal compliance, and proactively identifies and addresses potential risks through an early warning mechanism to fully control operational risks.

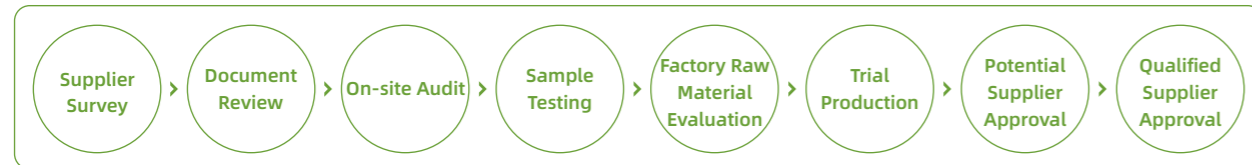
Meanwhile, the Group has formulated the Supplier Manual, Sustainable Procurement Policy and Prinx Chengshan Supplier Code of Conduct, which systematically regulate suppliers' codes of conduct and sustainability commitments in environmental, social, business ethics and conflict minerals management, and require compliance with ISO 14001:2015 and ISO 45001:2018 management system standards. Through access audits, annual evaluations, unannounced inspections and monthly special audits, the Group continuously promotes suppliers to fulfill their commitments and jointly build a sustainable supply chain.



Supplier Certifications

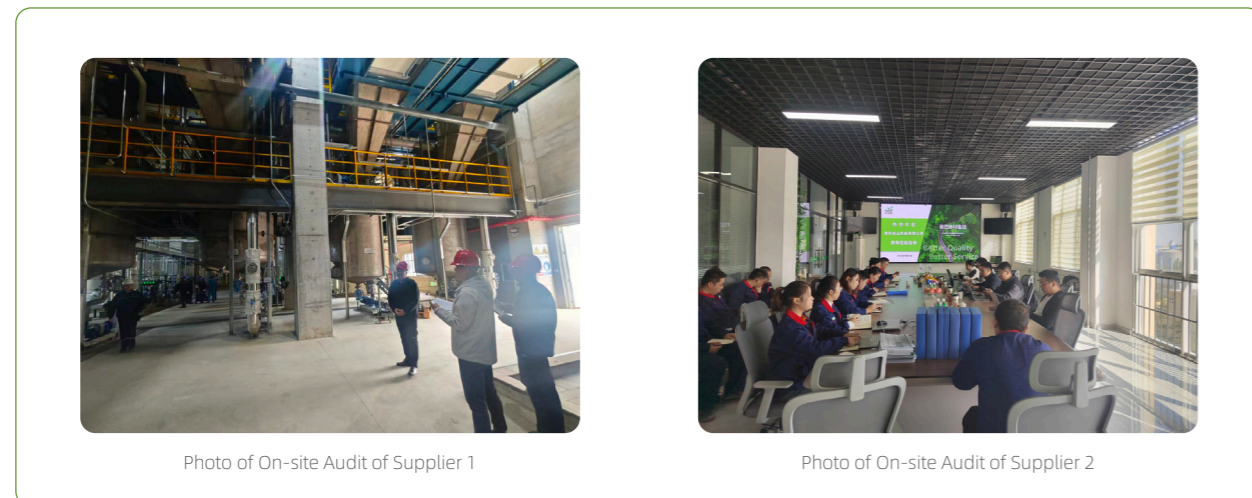
### Supplier Admission Audit

In the access audit of new suppliers, while evaluating the quality management system and production processes, the Group focuses on their compliance performance in Environment, Health and Safety (EHS), including the implementation of environmental protection policies, control of pollutant emissions, and the efficiency of resource use such as water, land and energy.



### Supplier Evaluation and Risk Supervision

The Group has established a supplier evaluation system combining daily monitoring and regular reviews, requiring suppliers to regularly provide test reports issued by authoritative or third-party institutions. Through unannounced inspections and annual comprehensive reviews, the Group systematically supervises the implementation of suppliers in terms of occupational safety, health management and employee training, comprehensively identifies and controls potential risks.



### Key Performance Indicators

- During the reporting period, the Company's supply chain management system was continuously improved and operated effectively, with no incidents of quality and safety issues, child labor or forced labor.
- The Company completed the revision of the Procurement and Bidding Management System, further clarifying and strengthening supplier management responsibilities. A total of **310** suppliers signed the Supplier Code of Conduct, with a **100%** signing rate among core suppliers; a total of **264** rounds of supplier CSR questionnaires were conducted, achieving **100%** coverage of core suppliers, further consolidating the foundation for compliant cooperation.
- During the reporting period, **236** suppliers were evaluated in total, with **100%** coverage of core suppliers. Also, **27** unannounced on-site inspections were carried out for suppliers, with a **100%** rectification rate of identified problems, effectively ensuring compliance with supply chain codes of conduct.

### Group Sustainable Procurement Objectives and Period Performance

Indicator	Objective	2025 Progress
Percentage of target suppliers that have signed the sustainable procurement charter / Supplier Code of Conduct	The signing rate of the Supplier Code of Conduct (including sustainability requirements) will reach over <b>90%</b> by 2025.	During the reporting period, the Group achieved a signing rate of <b>93%</b> for the Supplier Code of Conduct (including sustainability requirements)
	The signing rate of the Supplier Code of Conduct (including sustainability requirements) will reach over <b>95%</b> by 2030.	
Percentage of suppliers with contracts containing clauses on environmental, labor and human rights requirements	The proportion of contract suppliers that have signed agreements containing environmental, labor, and human rights requirements will reach over <b>95%</b> by 2025.	During the reporting period, the Group achieved a rate of <b>95%</b> for signing contracts with suppliers containing environmental, labor and human rights requirements
	The proportion of contract suppliers that have signed agreements containing environmental, labor, and human rights requirements will reach over <b>97%</b> by 2030.	
Percentage of target suppliers that have completed CSR assessment (e.g. questionnaire)	Update the Supplier CSR Questionnaire, add new CSR content, and require the annual increase in supplier CSR completion rate, with an annual increase of at least <b>5</b> suppliers by 2030	During the reporting period, the Supplier CSR Questionnaire was updated, and <b>2</b> suppliers obtained CSR certification
Percentage of target suppliers that have completed on-site CSR audit	Conduct on-site audits of suppliers on CSR and other related content, with an annual completion rate of at least <b>5</b> suppliers by 2030	During the reporting period, on-site audits on CSR and other related content were completed for <b>8</b> suppliers
Percentage of procurement personnel in all regions that have received sustainable procurement training	Develop a sustainable procurement training plan and provide sustainable procurement training to purchasers in all regions, with the proportion of trained purchasers reaching over <b>90%</b> by 2025	During the reporting period, participation rate of the Group's procurement personnel in sustainable procurement training reached <b>93%</b>
	Develop a sustainable procurement training plan and provide sustainable procurement training to purchasers in all regions, with the proportion of trained purchasers reaching over <b>95%</b> by 2030	
Percentage or number of audited / assessed suppliers participating in improvement actions or capacity building	Select at least <b>5</b> manufacturers for improvement actions or capacity building pilots by 2030	During the reporting period, improvement actions were carried out for <b>5</b> suppliers
Other CSR KPIs for suppliers	The certification rate for major raw material suppliers obtaining ISO 14001:2015 environmental management system certification will reach over <b>40%</b> by 2025 and exceed <b>60%</b> by 2030.	During the reporting period, supplier ISO 14001:2015 environmental management system certification rate reached <b>44%</b>

# 05

## Partnering with Communities, Empowering Industry Development

SDGs addressed in this section:

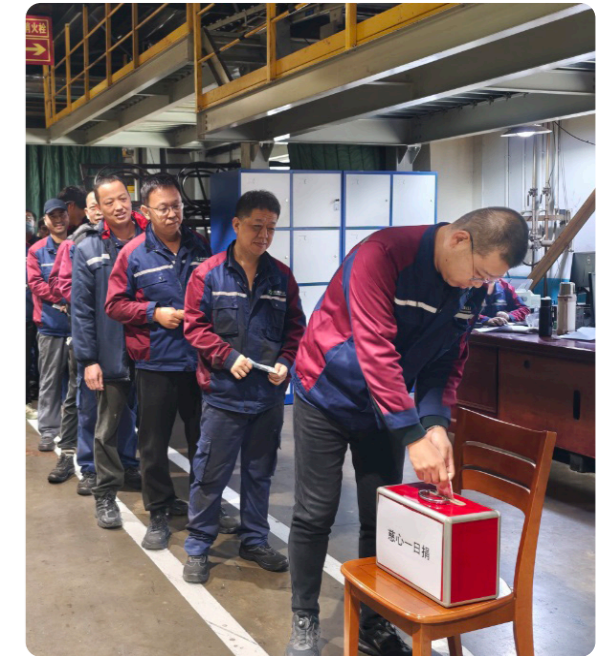


# Community Charity

The Group regards corporate social responsibility as a key pillar of local development. By continuously implementing projects in areas such as education support, community co-development, livelihood assistance, and cultural and sports philanthropy, the Group actively participates in community building. At the same time, the Company is committed to providing local employment opportunities, supporting talent development and skills enhancement, and contributing to regional sustainable development.

During the reporting period, the Group focused its philanthropic efforts on the following areas. The total annual contribution by the Company and its employees to social welfare initiatives amounted to approximately RMB 2,078,300. Selected philanthropic contributions are detailed below:

Focus Area	Activity	Beneficiary/Donation Recipient	Resources Donated	Business Unit
Education Support	Donation of study supplies to three village primary schools on Children's Day	Village Primary Schools	THB 9,970	Thailand Plant
	Provision of learning gifts to Nong Sua Chang Children's Development Center	Nong Sua Chang Children's Development Center	THB 2,995	
	Donation of trash bins, student supplies, etc., to Nong Sua Chang Primary School	Nong Sua Chang Primary School	THB 20,000	
	Donation of trash bins, student supplies, etc., to the Primary school of Nong Yai District	Primary school of Nong Yai District	THB 10,000	
Community Support	Donation of laundry powder, instant noodles, and other supplies to community villagers	Village 4, T. Nong Sua Chang	THB 31,517	Shandong Plant
	Sponsorship of marathon event	Marathon Event in T. Nong Sua Chang	THB 5,000	
	Donation to Wat Sutharudi Wanaram to support religious and cultural heritage activities	Industrial Estate Authority of Thailand (IEAT)	THB 100,000	
	Holiday care and material donations for veteran Party members and elderly individuals living alone	Yulong Community	RMB 4,000	
Government & Community	Donation of supplies in support of Songkran Festival	Nong Yai District Government	THB 6,000	Thailand Plant
	Provision of drinking water for the Ploughing Festival	Nong Yai Town Government	THB 2,000	
	Donation to flood relief efforts in Southern Thailand	Flood-affected residents in Southern Thailand	THB 300,000	Shandong Plant
	Organization of "Charity One-Day Donation" event	Shandong Charity Federation	RMB 214,000	
	Support for residents affected by the fire in Wang Fuk Court, Tai Po, New Territories	Hong Kong Red Cross	HKD 2,000,000	



Photos of Charitable Donation Events



Employee Voluntary Blood Donation



Group Photo of Children's Day Donation at Thailand Plant



Breakfast Donation Event at Village Primary School



Donation Event at Village Meeting - Thailand Plant



Flood Relief Donation Event in Southern Thailand



Songkran Festival Donation Event at Thailand Plant

# Industry Development

Prinx Chengshan regards promoting the common development of the industry as an important part of its corporate responsibility. The Company has long been committed to integrating its own development into industry progress. By actively participating in the formulation of domestic and international industry standards, technical seminars, and exhibition exchanges, the Company pragmatically promotes industry technology advancement and healthy market development. During the reporting period, the Group was deeply involved in the formulation of **2** international standards and participated in the revision of **6** national standards. To date, the Company has participated in the formulation or revision of a total of **87** industry standards across various categories, continuously contributing practical experience and professional expertise to the technological progress and sustainable development of the industry.



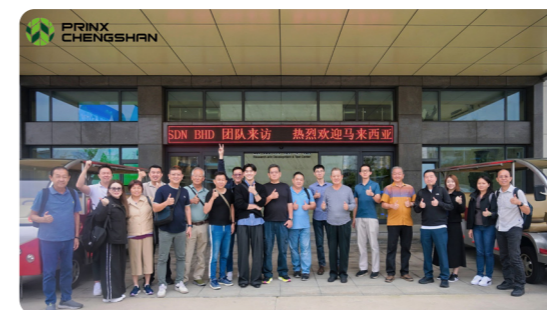
Shandong Top 50 Rubber Industry Enterprises by Comprehensive Strength



Singapore Distributor Event



Panama Distributor Event



Malaysia Customer Visit to Shandong Plant for Exchange



SEMA Show - Las Vegas, USA



Autopromotec - Bologna, Italy



China (Guangrao) International Rubber Tire & Auto Parts Exhibition



The 20th China International Tire & Wheel Fair

# 06

## Protecting Employee Rights and Fostering a Diverse Workplace



SDGs addressed in this section:



# Employee Rights Protection and Recruitment

## Employee Rights Protection

The Group strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Labor Protection Act (B.E. 2541) and the Civil and Commercial Code of Thailand and relevant labor laws and regulations in its operating locations. It has established a compliance management system covering the entire employee lifecycle (recruitment, promotion, and termination). In the process of employment termination, the Company has established standardized dismissal procedures and grievance mechanisms to ensure transparency and legal compliance, while safeguarding the rights and sentiments of departing employees.

To protect employee rights, the Group has established trade union organizations in accordance with the law and set up diversified employee communication mechanisms. Through regular employee representative assembly, employee forums, and cultural festivals, the Group ensures that employees' concerns are addressed and resolved in a timely manner. The Company places great importance on employee satisfaction and conducts regular anonymous satisfaction surveys, taking employee feedback as a key basis for optimizing management and enhancing benefits.

At the same time, the Company actively follows international human rights and labor standards such as the Core Conventions of the International Labour Organization (ILO). During the reporting period, the Group found no violations of laws or regulations—such as child labor or forced labor—in key personnel processes including recruitment, promotion, and termination, fostering a respectful, equal, and harmonious working atmosphere.

- 100% of recruited employees and outsourced workers signed employment contracts; all employees were covered by statutory insurance;
- No human rights violations such as child labor or forced labor occurred during the reporting period;
- 1 employee representative assembly held, with 5 employee-related policies reviewed and approved;
- 8 employee communication sessions conducted during the reporting period;
- A total of 5,112 employees participated in the satisfaction survey (participation rate: 74.8%), achieving an overall satisfaction score of 86.4 out of 100, against a target of 85.



Employee Representative Assembly



Employee Consultation and Exchange



Quarterly New Employee Interview

## Workplace Diversity and Inclusion

The Group strictly adheres to and implements the principle of equal employment. Its Recruitment Management Policy explicitly prohibits discrimination based on race, color, gender, religion, age, disability, sexual orientation, health status, or any other factors. During the reporting period, no discrimination incidents occurred within the Group. The Company actively promotes multicultural inclusion by organizing local cultural activities and employee exchanges at its overseas branches, integrating the concept of inclusion into daily management and the entire talent development process.

To ensure fair hiring from the outset, the Company has established a "Discrimination Prevention Assessment Mechanism" at interview and other employment stages, systematically identifying potential unfair employment practices such as background or gender discrimination and developing preventive measures. At the same time, the Company firmly opposes and prohibits child labor, forced labor, and any form of workplace harassment or abuse. If such violations occur, employees may provide feedback, either nominally or anonymously, through channels such as the Human Resources Department. During the reporting period, the Group recorded no discrimination or harassment incidents in recruitment, promotion, or employment management, complying with local laws and regulations and international labor standards.

- The Company issued an Employee Diversity Policy and revised its Recruitment Management Policy, expanding the scope of application and business authority, while optimizing recruitment processes and standards to further promote inclusiveness and standardization in talent selection.
- The Group employs ethnic minorities and persons with speech or hearing disabilities. During the reporting period, the Company employed 45 individuals with disability certificates.

### Case Promoting Cultural Integration and Building a Diverse and Inclusive Workplace

To foster integration and diverse development within its overseas teams, Prinx Chengshan Thailand continued to organize a series of activities combining local Thai and Chinese cultures throughout 2025. During the Spring Festival, the Company hosted traditional festive events such as a New Year's Eve dinner and New Year blessings for Chinese and Thai employees, conveying a "family" culture of care. During the Songkran Festival, the Company organized cultural experience activities including traditional Thai paper flower making and a "Songkran Goddess" contests, with the participation of Chinese, Thai, and Myanmar employees. Through two-way cultural interaction, the Company not only enhanced the cohesion of its cross-cultural teams but also demonstrated its respect for and embrace of multiculturalism, continuously promoting the integration and co-development of workplace cultures overseas.



Cultural Integration Promotes Diverse Development at Thailand Plant

### Case International Women's Day Activities Promote Workplace Diversity and Inclusion

To continuously foster a diverse and inclusive workplace environment, strengthen team cohesion, and actively demonstrate support for the development of female employees, Prinx Chengshan organized team activities on March 7, 2025, in Rongcheng, Shandong, under the theme "Chengshan She Power · Blooming with Vitality." Activities included choir performances, tug-of-war, and fun collaborative games.



Tug-of-War at the International Women's Day Event - "Chengshan She Power · Blooming with Vitality"



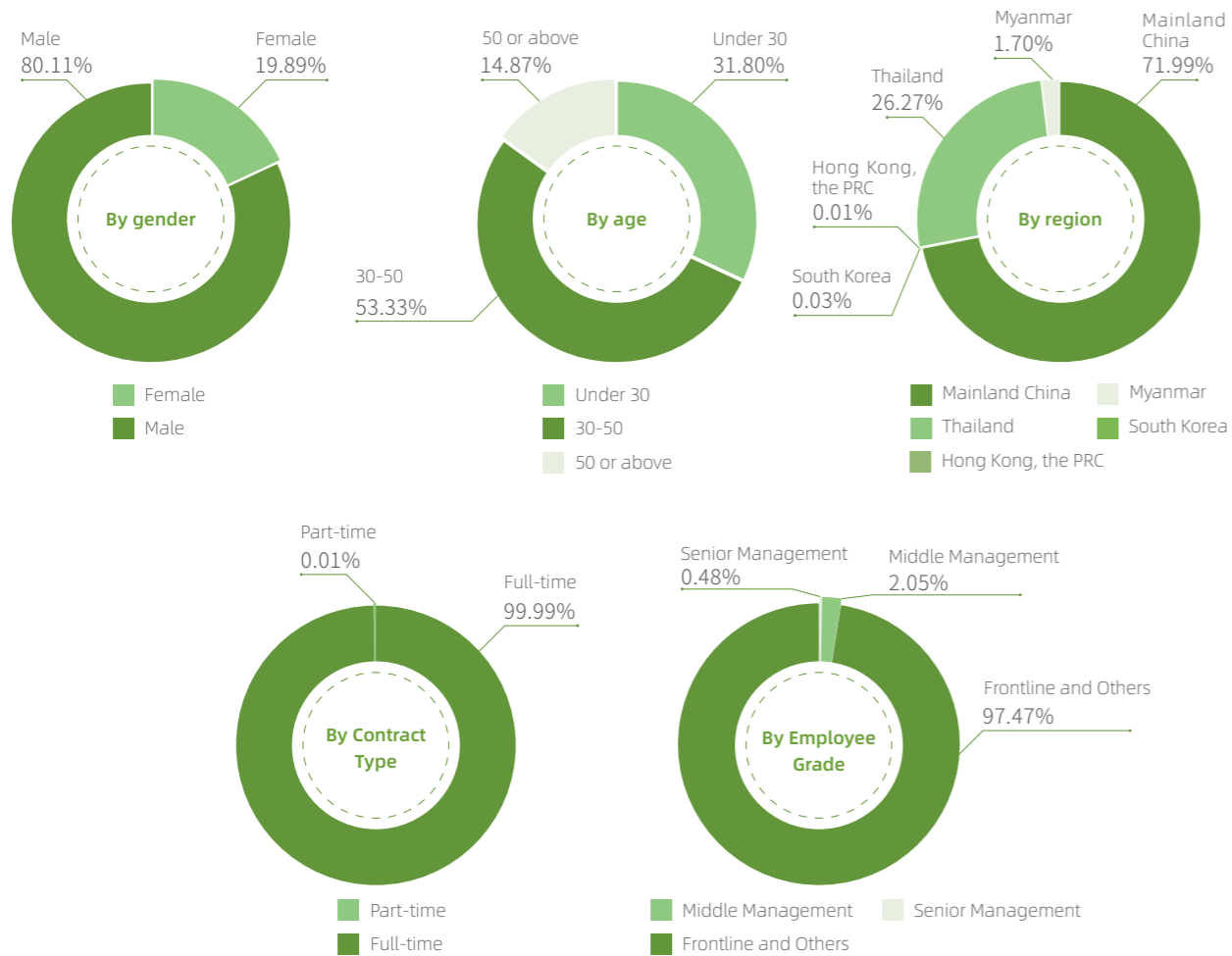
New Year Celebration at Thailand Plant



"Zongzi-Themed Event - China-Thailand Joint Celebration" Event at Thailand Plant

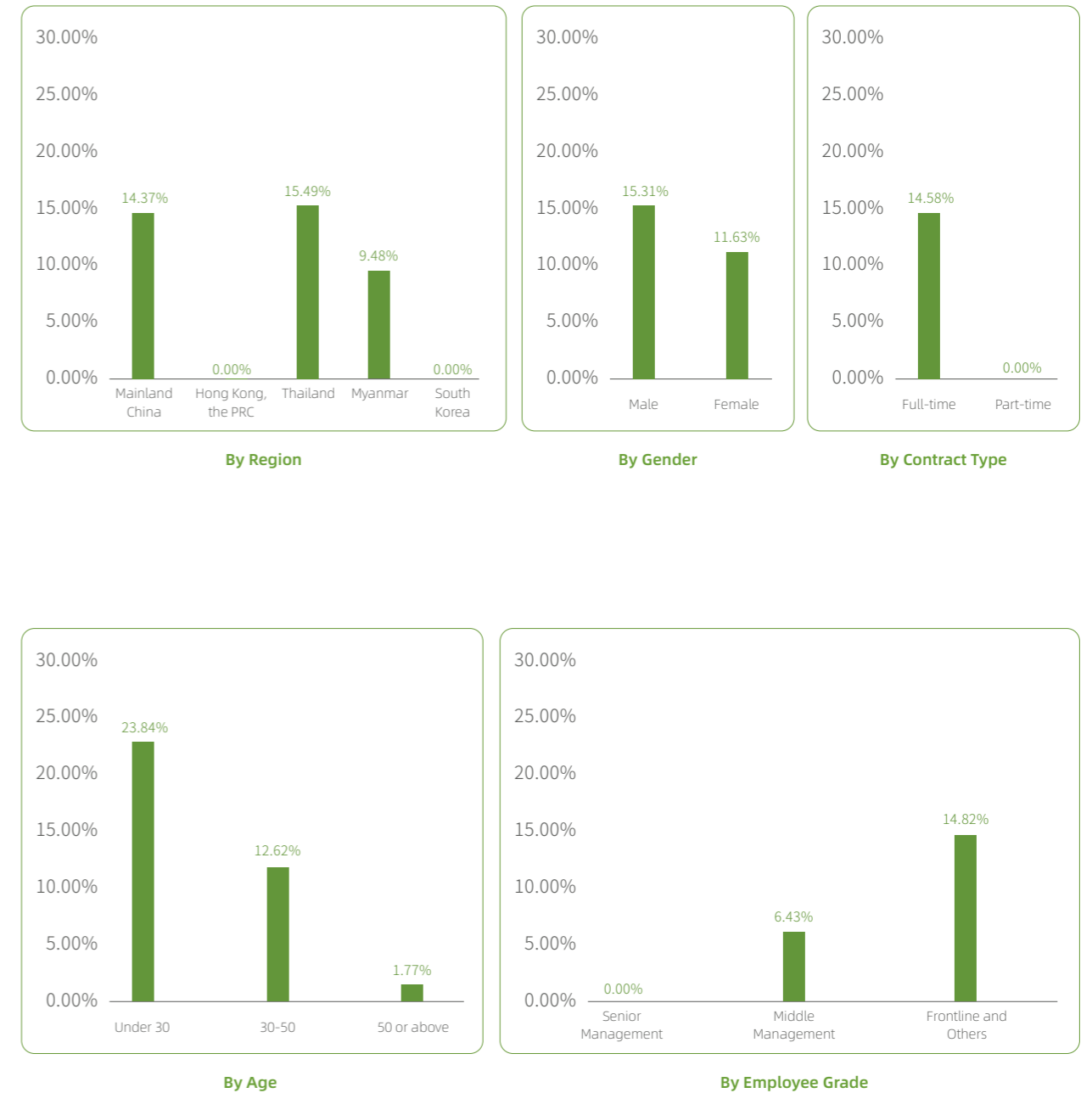
### Employee Diversity Structure

As of the end of the reporting period: Total number of employees: **6,834**, of which the majority are full-time employees (**99.99%**). The charts below show the percentage distribution of employees by various categories.



### Employee Turnover Rate

During the reporting period, the group's overall employee turnover rate was **14.57%**. The detailed breakdown by region, employee Grade, age, contract type, and gender is as follows:



# Compensation and Benefits Mechanism

## Compensation Mechanism

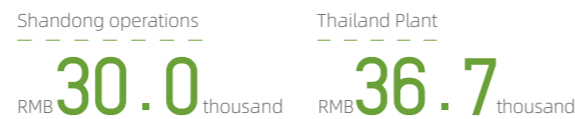
To achieve the goals of "attracting, retaining, and motivating talent," the Group has established a scientific and standardized compensation and benefits management system. This system strictly adheres to five principles: legality, fairness, competitiveness, motivation, and economy, and is implemented on the basis of the Salary Management System to ensure effective execution.

During the reporting period, the Group continuously optimized its compensation and benefits mechanism, comprehensively revised its performance appraisal system, further refined evaluation rules, and strengthened the linkage between performance results and rewards and penalties. It also clarified the promotion path of "position-salary matching, performance orientation." At the same time, the Group further advanced the "Partner Sharing Plan," increasing incentive shares to core talents with outstanding performance and promotions, so as to further aligning employee development with the Company's long-term growth and deepening value co-creation and sharing.

### Key Performance

During the reporting period, the Group comprehensively revised the Employee Performance Appraisal and Evaluation Management Regulations, integrating the original performance management systems at the company level, staff level, and frontline worker level. This revision further refined appraisal rules and cycles, clarified the composition of annual performance evaluations for employees at all levels, and directly linked employees' annual reward and penalty scores to performance results, making performance appraisals more standardized, systematic, and effective.

#### Minimum Living Wage Standard:



Group Employee Benefit Targets and Reporting Period Performance		
Indicator	Target	2025 Progress
Living Wage Target	During the annual general salary adjustment, the salary adjustment range for employees below the living wage shall be <b>2%</b> higher than that of other employees. Starting from 2025, through measures such as general salary adjustments, this group will be reduced by <b>0.15%</b> annually. The Company expects to gradually achieve a situation where all employees earn above the living wage level by around 2028.	During the reporting period, the Group reduced this group by <b>0.19%</b> through measures such as general salary adjustments.

Note: The living wage refers to the wage level necessary to provide a decent standard of living for workers and their families, taking into account the circumstances of the country/region and calculated based on work completed during normal working hours.

## Benefits Mechanism

To actively fulfill its commitment to safeguarding employee rights and benefits, the Group strictly complies with national laws and regulations as well as local requirements regarding working hours and overtime compensation in all jurisdictions where it operates. Depending on the nature of different positions, the Group adopts standard working hours, comprehensive working hours, or flexible working hours, ensuring that overtime arrangements are compliant and that subsidies are provided in accordance with applicable laws. At the same time, the Group pays social insurance and housing provident fund for all employees in accordance with the law, and provides supplementary coverage such as accident insurance based on job requirements, steadily advancing the goal of universal medical insurance coverage for all employees. In addition, the Group provides comprehensive leave benefits under the Attendance and Leave Management System, and continues to improve a diversified benefits system including health checkups, meal subsidies, high temperature and heating allowances, and holiday care, truly attending to employees' physical and mental health and quality of life.

During the reporting period, the Group revised the Attendance and Leave Management System, clarifying the implementation of policy requirements for employees working in Shandong Province, providing eligible employees with **15** days of marriage leave, with an additional **3** days for those who participate in pre-marital medical examinations. The system also stipulates that dispatched employees enjoy the same statutory holiday rights as formal employees.

Group Employee Benefit Targets and Reporting Period Performance		
Indicator	Target	2025 Progress
Health Protection Target	By 2030, maintain <b>100%</b> of employees covered by medical insurance.	Medical insurance coverage rate for formal employees has reached <b>100%</b> .
Labor Relations Target	By 2030, maintain <b>100%</b> of Shandong operations employees covered by collective bargaining agreements.	During the reporting period, Shandong operations employees remained fully covered by collective bargaining agreement protections.

# Employee Development and Training

## Employee Development

The Group places great emphasis on the long-term development of its employees and has established a systematic talent cultivation system to continuously enhance employees' professional capabilities and comprehensive competencies. Under the overall planning of the Talent Development Committee, through annual talent reviews and a tiered, category-based talent incubation mechanism, the Group designs targeted growth paths for employees at different job types and levels. By comprehensively utilizing special training, on-the-job practice, and mentorship programs, the Group systematically enhances employees' professional skills and overall qualities, supporting the sustainable development of both employees and the Company.

During the reporting period, the Company systematically advanced employee development at all levels with a focus on talent review. By concentrating on key groups such as high-potential talents, newly appointed cadres, and core backbone employees, the Company conducted comprehensive assessments across four dimensions: competency, management capability, leadership, and values. The evaluation process emphasized the integration of work examples and measurable outcomes, providing a basis for subsequent targeted training. By linking talent reviews with specialized training, the Company continuously strengthened its talent pipeline, effectively supporting organizational capability enhancement and the achievement of strategic goals.

### Case • Building a Closed-Loop Talent Management System to Support Globalization Strategy

To effectively support the implementation of the globalization strategy and systematically improve the quality of the organization's talent reserve, the Group officially launched a targeted review and development plan for key position talent pipelines in 2025. This plan covered management personnel at supervisor level and above across headquarters departments, Shandong Plant, and Thailand Plant. Based on competency models, tiered assessments were conducted to accurately identify high-potential talents and match them with customized development plans. By establishing a closed-loop management system of "pooling - empowering - exiting," the Group systematically advanced talent pipeline development and strategic job rotation, continuously enhancing the organization's human resource allocation capabilities.



Talent Management Committee Reviewing the Sustainable Talent Pipeline Development Plan

### Case • University-Enterprise Collaboration to Build Future Talent Reserve

In September 2025, Prinx Chengshan launched its 2026 campus recruitment campaign under the theme "Embark on a New Journey with Chengshan," recruiting young talents from universities worldwide. Leveraging its business network covering over 100 countries, the Company provides international practice platforms, a dual-mentor cultivation mechanism, and dual career paths (technical/management) for fresh graduates.



University-Enterprise Talent Needs Exchange Symposium

### Case • Leadership Training Program Successfully Concludes, Forging a High-Quality Management Team

To support the Group's long-term strategy and systematically build a leadership pipeline, the Company organized mid-to-senior level managers to participate in the "Peking University Business Administration (Leadership) Training Program" starting in September 2024, which was successfully completed in October 2025. This training program focused on the practical needs of corporate operations and management, offering precisely tailored core courses such as management optimization and innovative marketing strategies aligned with business scenarios. The program comprehensively assisted mid-to-senior level managers in enhancing their overall management capabilities and strategic vision, injecting strong momentum into the Group's high-quality development.



Leadership Training Program Graduation Ceremony

## Enabling Training

The Group continues to build a diversified, hierarchical empowerment training system, covering key groups such as high-potential talents, newly appointed cadres, production and sales core backbone employees, technical engineers, and fresh graduates, while continuously improving internal and external training mechanisms. To date, a two-tier training management system featuring "company coordination + departmental linkage" has been systematically established. The annual training plan fully applies the "531" rule (5 takeaways, 3 applications, 1 action) and the concept of "integration of practical training with theory," strengthening the connection between training content and practical work, and promoting the effective transformation of learning outcomes.

### Case • Prinx Academy's "Trinity" Talent Incubation and Organizational Empowerment Practice

As the core vehicle for corporate strategic empowerment, Prinx Academy is positioned on the "trinity" of talent cultivation, knowledge accumulation, and cultural shaping, and has established a systematic talent incubation model. During the reporting period, focusing on strategic development needs, the Academy conducted targeted training programs for key groups including high-potential talents, newly appointed cadres, core mid-to-senior level managers, and frontline backbone employees. By combining the "531" learning-application transformation mechanism, micro-course development, internal trainer empowerment, and university-enterprise collaboration, the Academy achieved effective knowledge accumulation and resource sharing, comprehensively enhancing organizational capabilities and talent reserve quality, and strongly supporting the Company's sustainable development.

### Case • Model Workers Leading: "Mentorship, Helping, and Guiding" to Empower Talent Pipeline Development

Prinx Chengshan actively participated in the "Craftsmanship Builds Dreams, Glory Inherits" theme event organized by Chengshan Group Co., Ltd. ("Chengshan Group") in April 2025. Through the selection of 50 frontline model workers and the organization of mentor-apprentice pairing and signing ceremonies, the Company established a skill inheritance platform of "model worker leadership and mentor-apprentice guidance." The event promoted the inheritance of skills through experience sharing and case study exchanges, accompanied by the establishment of a tracking and evaluation mechanism, continuously strengthening the corporate talent cultivation system and providing talent support for sustainable development.



Group Photo at Model Worker Recognition Ceremony



Prinx Academy Course Development



Frontline Manager Empowerment Training



Outdoor Team Building Activity for University Graduates



Chinese Language Learning Class for Thai Employees



Women's Leadership Empowerment Training



Thai Manager Empowerment Program

## Employee Health and Safety

The Group strictly complies with national laws and regulations such as the Work Safety Law of the People's Republic of China and the Occupational Disease Prevention and Control Law of the People's Republic of China, and fully implements local regulatory requirements at each production base. It continuously improves the occupational health and safety management system and proactively preventing work-related risks.

### Safety Management System

The Group's plants in Shandong and Thailand have both obtained ISO 45001:2018 Occupational Health and Safety Management System certification. By establishing a Work Safety Committee and an Environment, Health and Safety (EHS) Department, the Company systematically promotes the implementation of the safety and occupational health management system and encourages all employees to actively express their opinions and concerns regarding occupational health and safety issues at the meetings of Work Safety Committee. During the reporting period, the work safety responsibility system has been effectively implemented at all levels and across all positions within the Group. All outsourced construction units have signed safety management agreements and participated in safety training as required.



Prinx Chengshan ISO 45001:2018 Occupational Health and Safety Management System Certificate



Safety Training Session for External Construction Units

### Key Performance

Occupational health and safety management system covers **100** % of employees

During the reporting period, more than **20** safety management systems were revised

Full staff work safety responsibility system **100** % employees have signed

Safety production investment **4.04** million RMB

Of outsourced construction units **100** % have signed safety agreements

## Occupational Health Protection

The Group is committed to continuously improving the employee working promoted environment and reducing the risk of occupational injuries. During the reporting period, the Group solidly advanced the construction of a "dual prevention system" (risk grading control and hidden hazard investigation), comprehensively strengthening risk management through comprehensive, regular, special, seasonal, and pre/post-holiday hazard investigations and graded rectification. The Group organized each production line to revise the Job Safety Operating Procedures, further clarifying work preparation requirements and personal protective equipment (PPE) wearing requirements, continuously consolidating a safe and reliable working environment and promoting the development of standardized operating habits.

In terms of occupational health management, the Group continuously improved its management system to effectively protect employees' occupational safety and health. During the reporting period, to better maintain employees' health, the Group further strengthened regular monitoring and early warning management for employees with "three highs" (high blood pressure, high blood sugar, high blood lipids). In addition, to enhance emergency rescue capabilities, the Group purchased 5 AED training devices and organized regular drills to ensure employees master first aid skills and are "able and willing to perform rescue."

### Key Performance

#### During the reporting period,

- The Group had no compliance incidents with significant operational impact in terms of the provision of a safe working environment and prevention of occupational disease hazards;
- Work-related fatalities: **0**; number of work-related injuries: **18**; work days lost due to work-related injuries: **962** days;
- The Company conducted **64** hazard investigation campaigns, identifying **2,496** hazard rectification items, with a hazard rectification rate of **100%**;
- The Group inspected and optimized the fire monitoring, alarm, and response systems, as well as explosion-proof and pressure relief systems for Shandong Plant 2.6 Million Sets TBR Workshop
- Third-party monitoring of heat, lighting, and noise in the Thailand Plant workshop confirmed compliance with Thai regulatory requirements, and reports were submitted;
- Cash rewards totaling RMB **12,393** were distributed under the Safety Production Rationalization Suggestions and Improvement Proposal Incentive Program.



## Occupational Health and Safety Production Culture

The Group conducts occupational health and safety training every year to enhance all employees' ability to avoid risks and respond to emergencies. During the reporting period, training focused on employee safety awareness, emergency response, occupational disease prevention, fire prevention, electrical safety, and education for special operations personnel. During the reporting period, 100% of employees received occupational health and safety training.

### Case • Safety Incentives, Joint Hazard Management - One Hundred Badges Witnessing Full Participation

To create a positive atmosphere where "everyone talks about safety and everyone manages safety," the Thailand Plant encourages employees to proactively report safety hazards and improvement suggestions around them. For valid reports verified by the EHS Department, dedicated personnel will present customized safety badges on-site as recognition and thanks. Each badge issued signifies that a safety hazard has been promptly identified and addressed.

Through such positive and timely incentives, the Company promotes the transformation of safety management from "passive inspection" to "active prevention," effectively improving on-site safety standards and gradually building a safety culture of joint construction, joint management, and shared responsibility among all employees.



### Key Performance

During the reporting period, employee health examination coverage rate

**100** %

During the reporting period, a total of

**27,877** safety training sessions were conducted, covering all employees

During the reporting period, a total of

**267** emergency safety drills were conducted



Safety First Lesson at Work



Safety Training



Electrical Safety Hazard Inspection



Hazard Inspection On-Site Briefing



Confined Space Emergency Drill



Fire Safety Emergency Drill



Forklift Safety Competition



Nitrogen Leak Drill

## Food Health and Safety

Food quality and safety are critical to the health of employees and visitors. The Group strictly complies with relevant food safety laws and regulations, has established a systematic food safety management system and emergency response plans, and has set up a special task force to ensure effective response. The Company strictly implements annual employee health examinations and a food procurement traceability system, ensuring that the sources of food ingredients, supplier qualifications, and inspection results are clearly traceable and fully documented. At the same time, regular random food safety assessments are conducted, and the cleaning and disinfection of kitchen utensils and tableware are implemented. Through the above multi-dimensional controls, the Group continuously ensures food safety and effectively protects the health of all personnel.

## Employee Care

The Group regards its employees as its core asset, striving to create a healthy, equal, and sustainable working environment while effectively protecting employees' rights. By continuously improving the benefits and care system, the Group promotes the mutual growth of employees and the Company, laying a solid talent foundation for the Company's long-term development.

### Case • Diverse Activities Deepen Employee Care

To promote employee health and team cohesion, the Group launched a "Sports + Health" theme month in June 2025. Through various activities such as walking challenges, health lectures, ball games, and traditional Chinese medicine experiences, more than 500 employee participations were recorded. The activities effectively relieved employee stress, enhanced their sense of belonging, and further practiced the corporate philosophy of "Healthy Living, Happy Working."

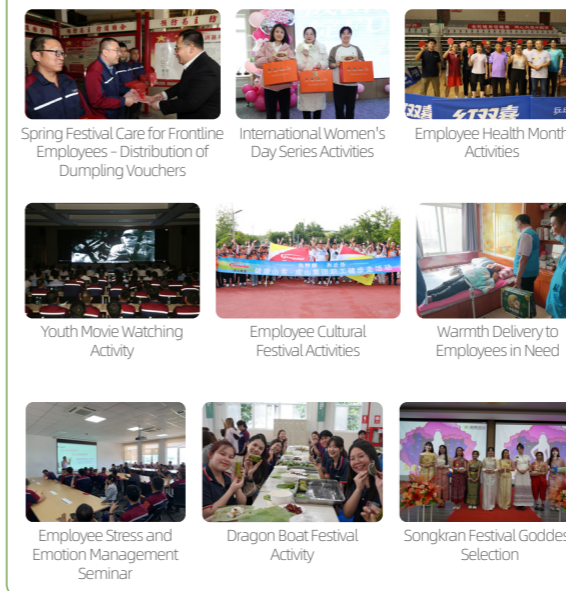


### Case • Cross-Regional Unity, Care Without Boundaries

During the 2025 Spring Festival, the Group launched a series of care activities for domestic and international employees based on the concept of "family culture." The activities included distributing gratuity payments and conducting home visits to 119 families of employees posted to Thailand, providing holiday food to frontline employees at the Shandong production base, and presenting New Year gift boxes to long-serving employees with 35+ years of service. The activities cumulatively covered more than 3,000 employees and family members, effectively conveying the Company's appreciation and respect for its employees and their families, while continuously strengthening corporate cohesion and cultural identity.



Company Representatives Visiting Family Members of Employees Posted to Thailand



# Appendix

## Appendix 1: Summary of Performance Data

Environment				
Greenhouse Gas (GHG) Emissions				
Scope of GHG Emissions	Shandong Operation Emission (tCO <sub>2</sub> e)	Thailand Plant Emission (tCO <sub>2</sub> e)	2025 Group Total (tCO <sub>2</sub> e)	2025 Group Emission Intensity (tCO <sub>2</sub> e/tonnes production)
Scope 1 Direct Emissions	3,486	60,196	63,682	0.092
Scope 2 Indirect Energy Emissions	337,110	82,191	419,301	0.605
Scope 3 Other Indirect Emissions	1,135	203	1,339	0.002
<b>Subtotal</b>	<b>347,731</b>	<b>142,590</b>	<b>484,322</b>	<b>0.699</b>

Emissions			
Emissions	2025	2024	2023
GHG Emissions (tCO <sub>2</sub> e)	484,322	465,347	448,021
<b>Air Emissions – Non-GHG (Kg)</b>			
Sulfur Dioxide	3	11	14
Nitrogen Oxides	194	366	377
Inhalable Particulate Matter	17	17	18
Inhalable Particulate Matter from RTO	3,979	-	-
<b>Waste (tonne)</b>			
Hazardous Waste	917	699	271
Non-hazardous Waste	20,130	18,093	9,689
Sewage (m3)	334,713	337,173	303,408

Note 1: Since the 2024 reporting year, the carbon black bags and small material bags from the Thailand Plant are included in the hazardous waste calculations.

Note 2: Since the 2024 reporting year, domestic waste and restaurant swill from Shandong Operation are taken into account for non-hazardous waste.

Use of Resources			
Use of Resources	2025	2024	2023
<b>Energy (MWh)</b>			
Liquefied Petroleum Gas (LPG) for Canteen Operations	146	190	246
Natural Gas for Canteen Operations	200	196	399
Natural Gas for RTO Environmental Protection Facilities	2,609	-	-
Petrol for Group-owned Vehicles	746	1,830	2,671
Diesel for Group-owned Vehicles	1,358	4,750	6,077
Wood chips For Boilers	135,924	140,062	120,469
Steam for Manufacturing in The Plant	364,768	348,401	353,723
Electricity For Daily Operation	515,476	489,520	444,004
Power Generation Photovoltaic	41,038	41,278	37,089
Total Energy Consumption	1,062,265	1,026,226	964,678
<b>Water Consumption (m<sup>3</sup>)</b>	<b>628,349</b>	<b>696,682</b>	<b>653,902</b>
<b>Packaging Materials (tonnes)</b>	<b>986</b>	<b>976</b>	<b>887</b>

Social						
Distribution of the Workforce	2025		2024		2023	
	Count		Count		Count	
Overall Workforce	6,834		6,818		6,532	
Workforce Category	Count	Percentage	Count	Percentage	Count	Percentage
<b>By Gender</b>						
Female	1,359	19.89%	1,373	20.14%	1,328	20.33%
Male	5,475	80.11%	5,445	79.86%	5,204	79.67%
<b>By Contract Type</b>						
Full-time	6,833	99.99%	6,817	99.99%	6,530	99.97%
Part-time	1	0.01%	1	0.01%	2	0.03%
<b>By Geographical Region</b>						
Mainland China	4,920	71.99%	4,799	70.39%	4,705	72.03%
Hong Kong, the PRC	1	0.01%	1	0.01%	-	0.00%
South Korea	2	0.03%	2	0.03%	1	0.02%
Thailand	1,795	26.27%	1,934	28.37%	1,786	27.34%
Myanmar	116	1.70%	82	1.20%	40	0.61%

Social						
Distribution of the Workforce	2025		2024		2023	
Workforce Category	Count	Percentage	Count	Percentage	Count	Percentage
<b>By Age</b>						
Below 30	2,173	31.80%	2,183	32.02%	2,078	31.81%
30-50	3,645	53.33%	3,711	54.43%	3,605	55.19%
50 or above	1,016	14.87%	924	13.55%	849	13.00%
<b>By Employee Grade</b>						
Senior Management	33	0.48%	25	0.37%	23	0.35%
Middle Management	140	2.05%	193	2.83%	148	2.27%
Frontline and Other Staff	6,661	97.47%	6,600	96.80%	6,361	97.38%
<b>Full-time Workforce By Geographical region</b>						
<b>By Geographical regions</b>						
Mainland China	4,919	71.99%	4,798	70.38%	4,703	72.02%
Hong Kong, the PRC	1	0.01%	1	0.01%	-	0.00%
South Korea	2	0.03%	2	0.03%	1	0.02%
Thailand	1,795	26.27%	1,934	28.37%	1,786	27.35%
Myanmar	116	1.70%	82	1.20%	40	0.61%
<b>Part-time Workforce</b>						
<b>By Geographical Region</b>						
Mainland China	1	100%	1	100%	2	100%
Hong Kong, the PRC	-	0.00%	-	0.00%	-	0.00%
South Korea	-	0.00%	-	0.00%	-	0.00%
Thailand	-	0.00%	-	0.00%	-	0.00%
Myanmar	-	0.00%	-	0.00%	-	0.00%

New Employee Hires				
New Employee Hires Data	2025 Count	2025 Percentage	2024 Count	2024 Percentage
Overall New Hires	1,796	26.28%	2,361	34.63%
<b>By Gender</b>				
Female	269	19.79%	366	26.66%
Male	1,527	27.89%	1,995	36.64%
<b>By Geographical Region</b>				
Mainland China	1,203	24.45%	1,545	32.19%
Hong Kong, the PRC	-	0.00%	-	0.00%
South Korea	-	0.00%	-	0.00%
Thailand	528	29.42%	746	38.57%
Myanmar	65	56.03%	70	85.37%
<b>By Age</b>				
Below 30	1,092	50.25%	1,367	62.62%
30-50	688	18.88%	962	25.92%
50 or above	16	1.57%	32	3.46%

Note: New employee hires rate = Number of new employees in the specified category/Total number of employees at the end of the Reporting Period in the specified category.

Turnover			
Turnover	2025	2024	2023
Overall Turnover	14.57%	18.36%	28.77%
<b>By Gender</b>			
Female	11.63%	14.93%	22.67%
Male	15.31%	19.23%	30.32%
<b>By Contract Type</b>			
Full-time	14.58%	18.37%	28.77%
Part-time	0.00%	0.00%	0.00%
<b>By Geographical Region</b>			
Mainland China	14.37%	21.05%	19.40%
Hong Kong, the PRC	0.00%	0.00%	0.00%
South Korea	0.00%	0.00%	0.00%
Thailand	15.49%	12.15%	53.70%
Myanmar	9.48%	8.54%	17.50%

Turnover			
Turnover	2025	2024	2023
<b>By Age</b>			
Below 30	23.84%	26.84%	51.68%
30-50	12.62%	17.41%	21.64%
50 or above	1.77%	2.16%	2.94%
<b>By Employee Grade</b>			
Senior Management	0.00%	0.00%	17.39%
Middle Management	6.43%	5.18%	6.76%
Frontline and Other Staff	14.82%	18.82%	29.32%

Note: Turnover rate = number of employees leaving the specified category/total number of employees at the end of the Reporting Period of the specified category.

Employee Training						
Employee Training	2025 Average Training Hours	2025 Percentage	2024 Average Training Hours	2024 Percentage	2023 Average Training Hours	2023 Percentage
Overall Employee Training	46.78	100%	43.69	100%	46.37	100%
<b>By Gender</b>						
Female	48.03	100%	43.05	100%	44.88	100%
Male	46.47	100%	43.85	100%	46.75	100%
<b>By Employee Grade</b>						
Senior Management	45.15	100%	103.88	100%	48.11	100%
Middle Management	46.04	100%	43.36	100%	46.38	100%
Frontline and Other Staff	46.81	100%	43.47	100%	46.37	100%
<b>By Age</b>						
Below 30	49.53	100%	42.21	100%	42.62	100%
30-50	45.97	100%	44.18	100%	47.69	100%
50 or above	43.80	100%	45.20	100%	49.99	100%

Note: Percentage of employees trained = (total number of employees participating in training/total number of employees as of the end of the Reporting Period)\* 100%

Employee Health and Safety						
Work-Related Injury Data	2025 Shandong Operation	2025 Thailand Plant	2024 Shandong Operation	2024 Thailand Plant	2023 Shandong Operation	2023 Thailand Plant
Case of Work-related Death (Work-related Fatality Rate)	0%	0%	0%	0%	0%	0%
More Than 3 Lost Days Due to Work-related Injuries	14	4	12	0	23	0
3 or Less Lost Days Due to Work-related Injuries	0	0	1	0	0	0
Case of High-consequence Work-related Injuries (Days Lost ≥ 6 Months; excluding the number of deaths)	0	0	2	0	0	0
Total Lost Days Due to Work-related Injuries	962	0	1,392	0	2,041	0
Rate of Recordable work-related injuries (per million hours worked)	1.14	0.86	0.79	0	2.10	0
Rate of High-consequence Work-related Injuries (Days Lost ≥ 6 Months; excluding the number of deaths) (per million hours worked)	0	0	0.18	0	0	0

Note: The calculation of the work-related injury rate per million hours worked = (the number of work-related accidents at the site during the Reporting Period/the total number of working hours at the site during the Reporting Period)\* 1,000,000

Supplier Management					
Supplier Categories	Country/Region	Suppliers of Shandong Operation	Suppliers of Thailand Plant	The Total Number of Sharing Suppliers	Total Number of Suppliers for the Group (excluding sharing suppliers)
Raw Materials	Mainland China	247	107	107	247
	South Korea and Japan	6	5	5	6
	Europe and the Americas	22	22	22	22
	Southeast Asia	5	40	5	40
Equipment	Mainland China	601	601	601	601
	South Korea and Japan	4	4	4	4
	Europe and the Americas	17	17	17	17
	Southeast Asia	0	20	0	20
Equipment Components	Mainland China	429	429	429	429
	Southeast Asia	0	46	0	46
Engineering Projects	Mainland China	109	25	25	109
	Southeast Asia	0	84	0	84
<b>Total</b>		<b>1,440</b>	<b>1,400</b>	<b>1,215</b>	<b>1,625</b>

Percentage of Products Sold or Shipped That Were Recalled for Safety and Health Reasons		
Reporting Period		Percentage
2025		0%
2024		1.93%
2023		0%

Number of Complaints Related to Products and Services Received		Number of Corruption Legal Proceedings Concluded	
Reporting Period	Number of Complaints	Reporting Period	Case
2025	80	2025	0
2024	106	2024	0
2023	126	2023	0

Total Number of Intellectual Property Rights Obtained			
	Invention Patents	New Utility Model Patents	Design Patents
New patents added in 2025	5	73	21
Total Number of Patents Held by the Company as of the End of 2025	29	317	174

Note: Patents that expired during the Reporting Period are excluded.

## Appendix 2:

### Index of the Hong Kong Stock Exchange Environmental, Social and Governance Reporting Code

Subject Areas, Aspects, General Disclosures and KPIs		Refer to the corresponding section (comply or explain)	Page
<b>A. Environmental</b>			
<b>Aspect A1: Emissions</b>			
General Disclosure		Environmental Compliance and Emission Management	P31-P32
KPI A1.1	The types of emissions and respective emissions data.	Environmental Compliance and Emission Management	P34-P37
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Compliance and Emission Management	P37
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Compliance and Emission Management	P37
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Compliance and Emission Management	P34-P37
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Compliance and Emission Management	P37-P38
<b>Aspect A2: Use of Resources</b>			
General Disclosure		Sustainable Use of Water Resources Energy and Circular Economy	P37 P58-P62
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy and Circular Economy	P58
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Sustainable Use of Water Resources	P39
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy and Circular Economy	P59-P60
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Sustainable Use of Water Resources	P39-P40
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Energy and Circular Economy	P62

Subject Areas, Aspects, General Disclosures and KPIs		Refer to the corresponding section (comply or explain)	Page
<b>A. Environmental</b>			
<b>Aspect A3: The Environment and Natural Resources</b>			
General Disclosure		Environmental and Natural Resource Protection	P41-P42
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental and Natural Resource Protection	P41-P42
<b>B. Social Employment and Labour Practices</b>			
<b>Aspect B1: Employment</b>			
General Disclosure		Employee Rights Protection and Recruitment	P87-P88
KPI B1.1	Total workforce by gender, employment type (for example, full- or part time), age group and geographical region.	Employee Rights Protection and Recruitment	P89
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Rights Protection and Recruitment	P89
<b>Aspect B2: Health and Safety</b>			
General Disclosure		Employee Health and Safety	P96-P97
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix 1: Summary of Performance Data	P106
KPI B2.2	Lost days due to work injury.	Appendix 1: Summary of Performance Data	P106
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Health and Safety	P96-P99
<b>Aspect B3: Development and Training</b>			
General Disclosure		Employee Development and Training	P93-P95
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix 1: Summary of Performance Data	P105
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix 1: Summary of Performance Data	P105
<b>Aspect B4: Labour Standards</b>			
General Disclosure		Employee Rights Protection and Recruitment	P88
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Rights Protection and Recruitment	P88
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Rights Protection and Recruitment	P88

Subject Areas, Aspects, General Disclosures and KPIs		Refer to the corresponding section (comply or explain)	Page
<b>B. Social Operating Practices</b>			
<b>Aspect B5: Supply Chain Management</b>			
General Disclosure		Sustainable Procurement and Supplier Management	P76-P78
KPI B5.1	Number of suppliers by geographical region.	Appendix 1: Summary of Performance Data	P107
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Sustainable Procurement and Supplier Management	P77-P78
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Procurement and Supplier Management	P77-P78
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Procurement and Supplier Management	P77-P78
<b>Aspect B6: Product Responsibility</b>			
General Disclosure		Product Quality and Customer Service	P70-P75
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Quality and Customer Service	P71
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Quality and Customer Service	P71-P73
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection	P69
KPI B6.4	Description of quality assurance process and recall procedures.	Product Quality and Customer Service	P70-P71
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security and Privacy Protection	P74-P75
<b>Aspect B7: Anti-corruption</b>			
General Disclosure		Business Ethics	P21-P24
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Business Ethics	P23-P24
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics	P21-P24
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics	P23
<b>B. Social Community</b>			
<b>Aspect B8: Community Investment</b>			
General Disclosure		Community Charity and Industry Development	P81-P82
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Charity and Industry Development	P81-P82
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Charity and Industry Development	P81

**Climate-related Disclosures**

Disclosure requirement	Refer to the corresponding section (comply or explain)	Page
<b>(I) Governance</b>		
<b>An issuer shall disclose information about:</b>		
(a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
(i)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Addressing Climate Change P45-P46
(ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Addressing Climate Change P47-P50
(iii)	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Addressing Climate Change P47-P50
(iv)	how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	Addressing Climate Change P57
(b)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
(i)	whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Addressing Climate Change P45-P46
(ii)	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Addressing Climate Change P46
<b>(II) Strategy</b>		
<b>Climate-related risks and opportunities</b>		
An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:		
(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Addressing Climate Change P47-P50
(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk	Addressing Climate Change P49-P50
(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons - short, medium or long term - the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Addressing Climate Change P47-P50
(d)	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Addressing Climate Change P47-P50

Disclosure requirement	Refer to the corresponding section (comply or explain)	Page
<b>(II) Strategy</b>		
<b>Business model and value chain</b>		
An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:		
(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Addressing Climate Change P49-P50
(b)	a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Addressing Climate Change P49-P50
<b>Strategy and decision-making</b>		
An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:		
(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any))	Addressing Climate Change P47-P57
(b)	information about how the issuer is resourcing, and plans to resource, the activities.	Addressing Climate Change P51-P54
(c)	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods.	Addressing Climate Change P54-P59
<b>Financial position, financial performance and cash flows</b>		
<b>Current financial effect</b>		
(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Addressing Climate Change The Group has applied the financial impact relief, and is currently providing primarily qualitative disclosures, while building capacity for quantitative measurement.
(b)	the climate-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Addressing Climate Change P47-P50

Disclosure requirement	Refer to the corresponding section (comply or explain)	Page
<b>Financial position, financial performance and cash flows</b>		
<b>Anticipated financial effect</b>		
(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and	Addressing Climate Change
		The Group has applied both the financial impact relief and the capability relief. Disclosures of quantitative climate-related financial information are not currently practicable and will be developed over time.
(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Addressing Climate Change
		The Group has invoked the applicable reliefs. Disclosures of expected changes in climate-related financial position and cash flows are not currently practicable and will be developed over time.
<b>Climate resilience</b>		
(a)	the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	Addressing Climate Change
		P47-P51
(b)	how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used; (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	Addressing Climate Change
		P51

Disclosure requirement	Refer to the corresponding section (comply or explain)	Page
<b>(III) Risk Management</b>		
(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses; (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks; (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Addressing Climate Change
		P51-P55
(b)	the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Addressing Climate Change
		P47-P52
(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Addressing Climate Change
		P54-P55
<b>(IV) Metrics and Targets</b>		
<b>Greenhouse gas emissions</b>		
(a)	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as: Scope 1 greenhouse gas emissions; Scope 2 greenhouse gas emissions; and Scope 3 greenhouse gas emissions	Addressing Climate Change
		P56
(b)	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Addressing Climate Change
		P56
(c)	disclose the approach it uses to measure its greenhouse gas emissions	Addressing Climate Change
		P56-P57
(d)	for Scope 2 greenhouse gas emissions disclosed, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	Addressing Climate Change
		P56
(e)	for Scope 3 greenhouse gas emissions disclosed, disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Addressing Climate Change
		P56

Disclosure requirement		Refer to the corresponding section (comply or explain)	Page
<b>Climate-related risks and opportunities</b>			
(a)	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to: (i) climate-related transition risks; and (ii) climate-related physical risks.	Addressing Climate Change	P49-P50
(b)	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Addressing Climate Change	The Group has invoked the applicable reliefs. Disclosures of the amount and percentage of assets and business activities associated with climate-related opportunities are not currently practicable and will be developed over time.
<b>Capital deployment, Internal carbon prices, Remuneration and Industry-based metrics</b>			
(a)	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Addressing Climate Change	P47
(b)	An issuer shall disclose: (i) an explanation of whether and how the issuer is applying a carbon price in decision making (for example, investment decisions, transfer pricing, and scenario analysis); and (ii) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Addressing Climate Change	P57
(c)	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	Addressing Climate Change	P57
(d)	In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Addressing Climate Change	P2
<b>Climate-related targets</b>			
(a)	An issuer shall disclose (i) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (ii) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	Addressing Climate Change	P56
(b)	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	Addressing Climate Change	P56-P57
(c)	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Addressing Climate Change	P56
(d)	For each greenhouse gas emissions, an issuer shall disclose: (i) which greenhouse gases are covered by the target; (ii) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (iii) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target; (iv) whether the target was derived using a sectoral decarbonisation approach; and (v) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target.	Addressing Climate Change	The Group has applied the capability relief. Disclosure of sector-specific decarbonisation approaches has not been provided, as relevant capabilities are currently under development.

## Appendix 3: Ten Principles of the United Nations Global Compact

Ten Principles of the United Nations Global Compact	Description	Section(s)
<b>Human Rights</b>	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.	Protecting Employee Rights and Fostering a Diverse Workplace
<b>Labour</b>	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.	Protecting Employee Rights and Fostering a Diverse Workplace
<b>Environment</b>	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Building a Green Home Together, Advancing Toward a Low-Carbon Future
<b>Anti-corruption</b>	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Optimizing Governance System to Strengthen ESG Foundations

## Appendix 4: GRI Standard Content Index

GRI standard content index		
<b>Notices of Use</b>	Prinx Chengshan Holdings Limited has reported the situation for the period from January 1, 2025 to December 31, 2025 in accordance with the GRI standards.	
<b>GRI 1 Used</b>	GRI 1 : Foundation 2021	
GRI Standards	Disclosure	Section(s)
<b>GRI 2: General Disclosure 2021</b>		
2-1	Organisational details	Company Introduction
2-2	Entities included in the organisation's sustainability reporting	Report Scope
2-3	Reporting period, frequency and contact point	Report Scope, Stakeholders' Feedback
2-5	External assurance	Appendix 5: Independent Assurance Statement
2-6	Activities, value chain and other business relationships	Business Layout
2-7	Employees	Appendix 1: Summary of Performance Data
2-9	Governance structure and composition	Corporate Governance
2-10	Nomination and selection of the highest governance body	Corporate Governance
2-11	Chair of the highest governance body	Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance
2-13	Delegation of responsibility for managing impacts	ESG Governance
2-14	Role of the highest governance body in sustainability reporting	ESG Governance
2-15	Conflicts of interest	Corporate Governance
2-16	Communication of critical concerns	ESG Governance
2-17	Collective knowledge of the highest governance body	Corporate Governance
2-18	Evaluation of the performance of the highest governance body	Corporate Governance
2-19	Remuneration policies	ESG Governance
2-22	Statement on sustainable development strategy	Board Statement
2-23	Policy commitments	Employee Rights Protection
2-24	Embedding policy commitments	Corporate Governance
2-25	Processes to remediate negative impacts	Employee Rights Protection
2-26	Mechanisms for seeking advice and raising concerns	Stakeholders' Feedback
2-27	Compliance with laws and regulations	Environmental Compliance and Emission Management, Employee Rights Protection and Recruitment
2-28	Memberships associations	Membership and Honors
2-29	Approach to Stakeholder engagement	Stakeholder Engagement, Materiality Assessment
2-30	Collective bargaining agreements	Employee Rights Protection and Recruitment
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	Materiality Assessment
3-2	List of material topics	Materiality Assessment
3-3	Management of material topics	Addressing Climate Change
<b>GRI 206: Anti-competitive Behavior 2016</b>		
206-1	Anti-competitive legal actions, antitrust and monopolistic acts	Business Ethics

GRI Standards	Disclosure	Section(s)
<b>GRI 301: Materials 2016</b>		
301-1	Materials used by weight or volume	Energy and Circular Economy
301-2	Use recycled materials as input	Energy and Circular Economy
<b>GRI 302: Energy 2016</b>		
302-1	The amount of energy consumed internally by the organisation	Energy and Circular Economy
302-3	Energy intensity	Energy and Circular Economy
302-4	Reduce energy consumption	Energy and Circular Economy
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and turnover	Appendix 1: Summary of Performance Data
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational Health and Safety Management System	Employee Health and Safety
403-2	Hazard identification, risk assessment, and accident investigation	Employee Health and Safety
403-3	Occupational health services	Employee Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Health and Safety
403-5	Worker training on occupational health and safety	Employee Health and Safety
403-6	Promotion of worker health	Employee Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Health and Safety
403-8	Workers covered by an occupational health and safety management system	Employee Health and Safety
403-9	Work-related injuries	Appendix 1: Summary of Performance Data
<b>GRI 409: Forced or Compulsory Labour 2016</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Rights Protection
<b>GRI 416: Customer Health and Safety 2016</b>		
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality, Customer Service
<b>GRI 418 : Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Service

# Appendix 5: Independent Assurance Statement

**Independent Verification Statement**

Verification Statement: EIV2 131783 0002 Rev. 00

**To the management and stakeholders of Prinx Chengshan Holdings Limited,**

TÜV SÜD Certification and Testing (China) Co., Ltd. (hereinafter referred to as "TÜV SÜD") has been engaged by Prinx Chengshan Holdings Limited (hereinafter referred to as "Prinx Chengshan" or "the Company") to perform an independent third-party verification on its *2025 Environmental, Social, and Governance (the "ESG") Report* (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with Prinx Chengshan and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on all the data and information collected by Prinx Chengshan and provided to TÜV SÜD. The scope of verification is limited to the given data and information. Prinx Chengshan shall be held accountable for the authenticity and completeness of the provided data and information (contains assumptions, projections, and/or historical facts).

**Scope of Verification**

Time frame of this verification:

- The Report contains the data disclosed by Prinx Chengshan during the reporting period from 01/01/2025 to 31/12/2025 including environmental, social and governance data and information, methods for management of material issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

- The on-site verification sampling took place at below listed location:  
No. 98, Nanshan North Road, Rongcheng City, Weihai City, Shandong Province, China.

Scope of data and information for the verification:

- The scope of the verification is limited to the data and information pertaining to the manufacturing plant of Prinx Chengshan located in Shandong (the "Shandong Plant"), the head office in Rongcheng City, Shandong Province, China (collectively referred to as the "Shandong Operations"), and the plant in Thailand (the "Thailand Plant") as covered in the Report.

The following data and information are beyond the scope of this verification:

- Any relevant data and information beyond the reporting period;
- The data and information of Prinx Chengshan's suppliers, partners and other third parties;
- The financial data and information disclosed in the Report that have been audited by an independent third party are not verified again herein.

**Limitations**

- The verification process is conducted in the above scope. Sampling and verification are adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the Company are interviewed;
- The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before 01/01/2025 are beyond the scope of this verification.
- The verification conclusions are based on the analysis of the data and information collected by TÜV SÜD and may not identify all problems and conditions, nor constitute any guarantee of the credibility or status of the subject of verification.

ID: CCB\_EIV\_F\_10.03E Version: 4 Effective Date: 02 Mar 2026 Page 1 of 3

TÜV SÜD Certification and Testing (China) Co., Ltd.  
Floor 1-4, Building B, No.37, Tuanjie Road(Middle), Xishan Economic and Technological Development Zone, Wuxi, Jiangsu, P.R. China

**Independent Verification Statement**

Verification Statement: EIV2 131783 0002 Rev. 00

**Verification Methodology**

This verification process was conducted by TÜV SÜD's expert team with extensive experience in environmental, social and governance and other relevant areas and drew the conclusions thereof. The verification conforms to the following requirements:

- AA1000 Assurance Standard v3, Type2, Moderate Assurance
- International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, Limited Assurance
- Sustainability Report Verification Operation Rule (CCB\_EIV\_GR\_002E Rev04)

In order to perform adequate verification in accordance with the contract and relevant assurance standards, and provide reliable verification for the conclusions, the verification team conducted the following activities:

- Preliminary investigation of the relevant information before on-site verification;
- Confirmation of the presence of the topics with high level of materiality and performance in the Report;
- On-site verification review of all supporting documents, data and other information provided by Prinx Chengshan; tracing and verification of key performance information;
- Special interview with the representative of Prinx Chengshan's management; and held interviews with the employees related to collection, compilation and reporting of the disclosed information;
- Other procedures deemed necessary by the verification team.

**Verification Conclusions**

According to the verification, we believe that the data and information presented in Prinx Chengshan's Report are objective, factual and reliable, without systematic problems.

The verification team has drawn the following conclusions on this Report :

<b>Inclusivity</b>	Prinx Chengshan has fully identified both internal and external stakeholders of the company, including shareholders/investors, board members, employees (including senior management, managers, supervisors, frontline workers), customers, suppliers, government and regulatory bodies, industry associations, etc., and has established a stakeholder engagement mechanism to regularly collect stakeholders' authentic concerns.
<b>Materiality</b>	Prinx Chengshan has established a materiality assessment process for important ESG themes, rating them across dimensions such as corporate operations, environmental and social issues, based on the Report and the company's development strategy, thereby identifying economic, environmental, and social topics that are material and have significant relevance to the group's operations. It has formed a materiality matrix.
<b>Responsiveness</b>	Prinx Chengshan clearly discloses topics with financial materiality and/or impact materiality, as well as the measures taken to address their associated impacts, in order to fully respond to stakeholders' demands and expectations, such as environmental protection and compliance, R&D and innovation, product quality and safety, and occupational health and safety.
<b>Impact</b>	Prinx Chengshan has established a Development Strategy and Risk Management Committee (renamed as the Development Strategy and ESG Committee in 2026), responsible for the company's sustainable development and ESG matters; it has appointed a Chief Sustainability Officer to lead and manage the company's sustainable development strategies and initiatives, committed to integrating ESG concepts into all aspects of corporate operations.

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TÜV SÜD Certification and Testing (China) Co., Ltd.  
Floor 1-4, Building B, No.37, Tuanjie Road(Middle), Xishan Economic and Technological Development Zone, Wuxi, Jiangsu, P.R. China

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**Recommendations on Continuous Improvement**

- All improvement opportunities and ongoing enhancement recommendations were communicated on-site by the verification team to the ESG staff of Prinx Chengshan.

**Statement on Independence and Verification Capability**

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specializes in testing, certification, auditing and advisory services. Since 1866, the company has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. Through expert teams represented by more than 28,000 employees, it adds value to customers and partners by enabling market access and managing risks. By anticipating technological developments and facilitating change, TÜV SÜD inspires trust in a physical and digital world to create a safer and more sustainable future.

TÜV SÜD Certification and Testing (China) Co., Ltd is one of TÜV SÜD's global branches and has an expert team whose members have professional background and rich industrial experiences.

TÜV SÜD and Prinx Chengshan are two entities independent of each other and both TÜV SÜD and Prinx Chengshan and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral. All the data and information in the Report are provided by Prinx Chengshan. TÜV SÜD has not been involved in preparation and drafting of the Report, except for the verification itself and issuance of this Independent Verification Statement.

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AA1000  
Licensed Report  
000-437/V3-AKC5B

**Signature:**

**On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd.**

Wenjun Zhu  
TÜV SÜD Certification and Testing (China) Co., Ltd. Technical Certifier  
Shanghai, China, 17/04/2026

Note: In case of any inconsistency or discrepancy, the traditional Chinese version "Independent Verification Statement" of this verification statement shall prevail, while the English translation are used for reference only.

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## Reader Feedback Form

Thank you for reading this report. To continuously improve our ESG practices and enhance sustainable development management, we invite you to complete the relevant questions in this feedback form. Your valuable opinions will serve as an important reference for us to improve ESG performance and advance sustainable development. Thank you for your support of our ESG initiatives!

1.Your identity in relation to Prinx Chengshan Holdings Limited:

- Employee
- Supplier
- Customer
- Industry Association
- Public Welfare & Community Organization
- Media
- Government or Regulatory Authority
- Others (please specify) \_\_\_\_\_

2.Your overall rating of the Environmental, Social and Governance Report of Prinx Chengshan Holdings Limited:

- Excellent
- Good
- Fair
- Poor
- Very Poor

3.How do you rate our performance in environmental aspects?

- Excellent
- Good
- Fair
- Poor
- Very Poor

4.How do you rate our performance in social aspects?

- Excellent
- Good
- Fair
- Poor
- Very Poor

5.How do you rate our performance in corporate governance?

- Excellent
- Good
- Fair
- Poor
- Very Poor

6.Do you have any other suggestions on our fulfillment of social responsibility and this report?

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