



2025 Sustainability Report

Lanpec Technologies Limited

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About This Report

Reporting Scope

This report covers Lanpec Technologies Limited and its subsidiaries (collectively referred to as "LANPEC", "the Company" or "We"). Unless otherwise specified, the reporting scope is consistent with that of the Company's consolidated financial statements for the same period.

List of Company Names and Abbreviations Appearing in This Report

Full Name	Abbreviation
Lanpec Technologies Limited	LANPEC, the Company, We
LANPEC (Shanghai) Petrochemical Equipment Co., Ltd.	LANPEC (Shanghai)
Machinery Industry Lanzhou Petrochemical Equipment Testing Institute Co., Ltd.	Lanzhou Testing Institute

Reporting Period

The reporting period is from 1 January 2025 to 31 December 2025. Unless otherwise specified, the data in this Report refer to the period covered.

Basis for Preparation

This report was prepared in accordance with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* (April 2024) (hereinafter referred to as the *Guidelines*), the *Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Standardised Operations (Revised in May 2025)*, the *Guidelines No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Preparation of Sustainability Reports*, and with reference to the *GRI Standards* [2021] issued by the Global Sustainability Standards Board (GSSB).

Data Description

The data and cases in this report are derived from official records of the actual operation of the Company. The financial data in this report are all in RMB. In case of any discrepancies between the financial data and the Company's annual financial report, the annual financial report shall prevail.

Report Access

This report is published in electronic form and can be viewed on the Company's official website (www.lanpec.com) or the Shanghai Stock Exchange website (www.sse.com.cn).

Principles of Preparation

Materiality

The Company has identified material topics related to its operation that all stakeholders are concerned about as the highlights of this report. The presentation of material topics in this report focuses on the characteristics of the industry in which the Company operates and the nature of its business activities. For details on the process and results of the materiality analysis, please refer to the "Double Materiality Analysis" section of this report.

Accuracy

This report ensures that the information is as accurate as possible. In particular, the measurement of quantitative information has been stated in terms of data scope, calculation basis, and assumptions to ensure that the margin of error in the calculation is not misleading to users of the information. The quantitative information and the accompanying information are detailed in the "ESG Data Tables and Notes" section of this Report.

Balance

The content of this report reflects objective and true facts, and presents balanced disclosures of both positive and negative information relating to the Company.

Clarity

This report is published in Simplified Chinese and English versions. This report contains tables and model diagrams as an aid to understanding the textual content of this report. To facilitate faster access to information for stakeholders, this report provides a table of contents and a cross-reference index of ESG standards.

Quantification

This report discloses key quantitative disclosures and, where possible, historical data.

Comparability

The statistical methods and disclosure practices for the same quantitative disclosure in this report are consistent across reporting periods. If there are any changes in the data collection, measurement, or calculation methods, the relevant data are retrospectively adjusted, with explanations of the adjustments and their reasons provided in the notes to this report so that stakeholders can conduct meaningful analyses and assess the trend of the Company's ESG performance level.

Integrity

The scope of the disclosures is in line with that of the Company's consolidated financial statements.

Timeliness

This is an annual report covering the period from 1 January 2025 to 31 December 2025. The Company strives to publish this report as soon as possible after the end of the reporting year to provide timely information for stakeholders' decision-making.

Verifiability

The cases and data in this report were derived from the original records or financial reports of the Company's actual operations, and the sources and calculation processes of the disclosed data are all traceable.

The Letter from the Chairman

2025 is an important year in the development history of LANPEC. In the face of the severe challenges posed by the complex and ever-changing global economic landscape and profound industry restructuring, all LANPEC people, with unflinching courage and unwavering resolve, broke through adversity and achieved renewal amid transformation. We not only achieved a historic turnaround in operating performance, but also made solid progress on the path of sustainable development. Here, on behalf of the Company's Board of Directors, I would like to extend our most sincere gratitude and highest respect to leaders at all levels, partners, and friends from all sectors who have long cared for and supported LANPEC, and to every employee and family member who have selflessly devoted themselves to LANPEC's rebirth!

Adhering to green development and driving the low-carbon transformation of industries through innovation

As a national champion in the field of energy and chemical equipment, we deeply recognise that green development is the defining feature of high-quality development, and an even greater responsibility that we cannot shirk in this era. The Company closely aligns with the national "Dual Carbon" strategy, focusing on the two major fields of petroleum and petrochemical equipment and new energy equipment. We use technological innovation to drive industrial innovation, further strengthen our heat exchange, mass transfer, and separation technologies, and promote the iterative upgrading of core products towards greater efficiency, energy saving, and lower carbon emissions. We deeply participate in the research, development and manufacturing of clean energy equipment. A number of benchmark projects we undertake at home and abroad help customers achieve their energy saving and carbon reduction goals through breakthroughs in our technologies, contributing LANPEC's expertise to the building of a new energy system. At the manufacturing end, we comprehensively implement lean management, optimise production processes, strengthen resource recycling, and integrate green principles throughout the entire value chain of research and development, procurement, production, and services, striving to build a modern factory that is environmentally friendly and resource-efficient, and taking practical action to safeguard our environment.

Putting people first and harnessing the strength of dedicated employees through care

Employees are the most valuable asset of an enterprise and the core driving force behind sustainable development. We uphold the philosophy of "Building a Fulfilling Community, Empowering Ambitious Employees", and remain committed to providing every member of LANPEC with a platform to pursue excellence and realise their professional aspirations. By continuously optimising the organisational structure and implementing the "Small Front-end, Large Platform" model, we have enabled more employees with ideals and capabilities to temper and grow through practical experience. We deepen the reform of the remuneration and performance appraisal system, and care for our employees with dedication and compassion. From the continuous improvement of shuttle buses, dormitories, and canteens, to condolences extended to the families of employees on overseas projects and the establishment of a two-way family visit mechanism, the warmth of the organisation permeates the hearts of every employee. At the same time, we have always regarded work safety as the lifeline of the enterprise, and, with a strong sense of responsibility that keeps us constantly vigilant, we strengthen our safety defences, maintaining a stable workplace safety record for consecutive years, so that every employee can work with peace of mind and live with dignity in a safe and healthy environment.

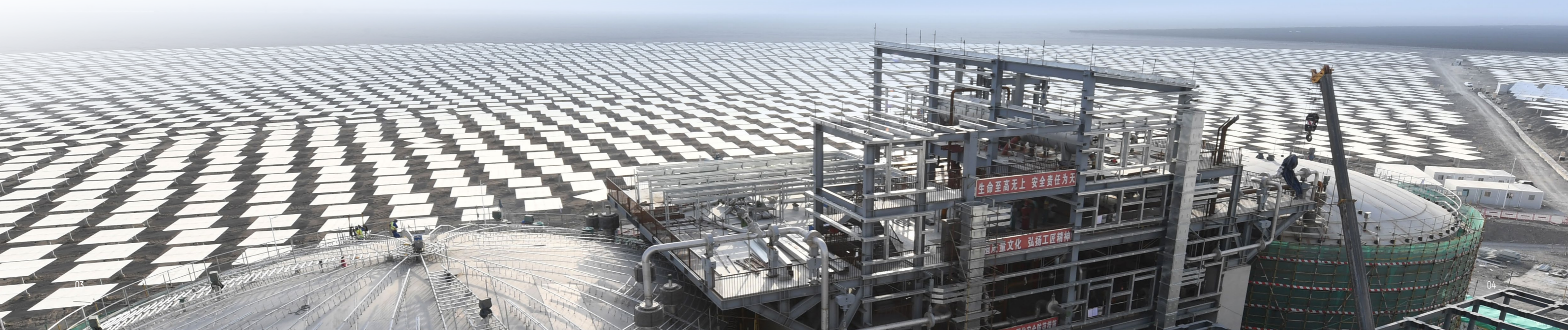
Strengthening the foundation of governance, with compliance safeguarding sustainable success

Corporate governance is the cornerstone of sustainable development. In 2025, we continued to improve the corporate governance structure, optimise the decision-making mechanism, strengthen institutional execution, and advance the Company's governance towards greater standardisation, transparency, and efficiency. We have established a full-process risk prevention and control system featuring "pre-event warning, in-process control, and post-event improvement", embedding compliance requirements into every stage of operational decision-making to ensure that we maintain steady and sustainable development in a complex and ever-changing environment. We deeply advance the development of a culture of integrity and foster a sound atmosphere of probity, dedication, and entrepreneurship. It is precisely because of our persistent efforts in governance and compliance that the Company's reputation and image in the capital market have steadily improved, our ESG rating has risen to the forefront of the industry, and we have been selected as an Outstanding Practice Case in Sustainable Development by the China Association for Public Companies. This not only recognises our past efforts, but also inspires us to uphold the ESG philosophy to higher standards in the future and create greater value for society.

Grateful for the opportunities of the times, shouldering our responsibility to create a better future

LANPEC's rebirth and development would not have been possible without the steadfast support and dedicated guidance of our shareholders, the care and support of local governments, the trust and recognition of our customers, and the concerted efforts of all employees. We always remain grateful, and transform this altruistic spirit into practical actions to serve national strategies and respond to society's expectations. We actively participate in rural revitalization and public welfare initiatives, drive local development through industrial assistance, and strive to become a responsible and caring corporate citizen.

Looking ahead to the 15th Five-Year Plan, we will accelerate our transformation from a "single equipment manufacturer" into an "integrated energy and chemical equipment solutions provider with core equipment manufacturing capabilities", and build a full-chain service system covering "design, manufacturing, engineering, and operation and maintenance". We will continue to deepen our ESG philosophy, make sustained efforts in environmental responsibility, social responsibility, and governance responsibility, strive to become a leader in sustainable development in the energy and chemical equipment sector, create more sustainable value for employees, shareholders, and society, and jointly move towards a brighter future that is more resilient, more dynamic, and warmer!



About LANPEC

Company Profile

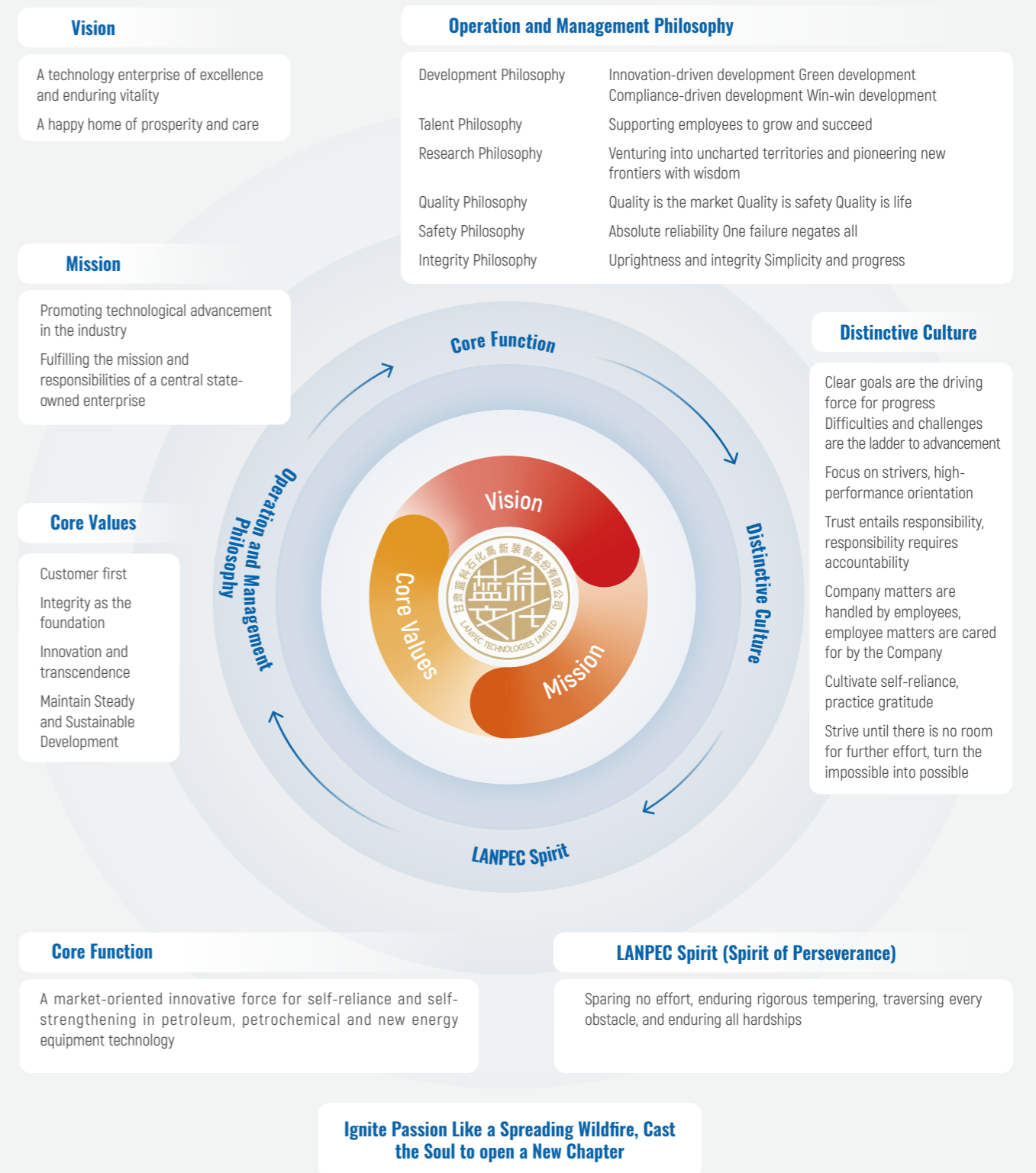
LANPEC was listed on the Main Board of the SSE in 2011. For decades, LANPEC has consistently pursued innovation-driven growth, guided by market demand, and strengthened by lean manufacturing. Focusing on its core expertise in heat transfer, mass transfer, and separation technologies, the Company has evolved into a technology-focused enterprise specialising in petroleum/petrochemical energy equipment and new energy equipment sectors. LANPEC delivers integrated system solutions covering products, engineering, and services to customers worldwide.

Company Profile

	Company name	甘肃蓝科石化高新装备股份有限公司
	English name	Lanpec Technologies Limited
	Registered address	8 Lanke Road, Anning District, Lanzhou City, Gansu Province
	Principal businesses	The Company is principally engaged in the research and development, design, manufacturing, installation and technical services of specialised equipment for the petroleum, petrochemical and new energy sectors, as well as quality and performance inspection and testing services for petroleum and petrochemical equipment. Our products and services mainly include heat exchangers, air coolers, crude oil production separation and processing equipment, fibre liquid membrane separation technology and complete systems, membrane separation technology and products, spherical tanks, molten salt tanks, towers, vessels, petroleum drilling and production equipment, and inspection and testing services. The products are mainly used in industries such as petroleum, chemicals, power, shipbuilding, light industry and food, pharmaceuticals, and textiles.
	Business Layout	<p>The Company's production facilities are located in two key regions - Lanzhou and Shanghai. The total area is approximately 620 mu, with the production floor space covering 150,000 square meters. The facilities feature a maximum lifting capacity of 500 metric tons.</p> <ul style="list-style-type: none"> Lanzhou Base: The facility occupies approximately 110 mu of land, with nearly 40,000 square meters of production area. It holds the A1-grade pressure vessel manufacturing certification and primarily produces various high-end petrochemical products including high-efficiency energy-saving heat exchangers, advanced tower vessels, and LNG spherical tanks, with a maximum lifting capacity of 200 metric tons. Shanghai Base: The facility spans approximately 510 mu of land, with about 110,000 square meters of workshop area. Holding the A1-grade pressure vessel manufacturing certification, it primarily undertakes production of high-pressure hydrogenation equipment, fertilizer production devices and plate-type series products, featuring a maximum lifting capacity of 500 metric tons.

Corporate Culture System

LANPEC's Corporate Culture System



Major ESG Honours and Recognition

ESG Rating System	ESG Rating Performance
 Wind ESG Rating	 A Update date: 2025 Q4
 SynTao Green Finance ESG Rating	A- Update date: 2025 Q4
 CCXGF ESG Rating	A- Update date: 2025 Q4
ESG Honours Issuing Organisation	ESG Honour Performance
Shenzhen Value Online Information Technology Co., Ltd.	 2025年度上市公司 ESG价值传递奖 蓝科高新 (601798)
China Association for Public Companies	 证书 蓝科高新 (601798)
China Enterprise Confederation Office	The "Complete Technology and Equipment for High-Temperature Molten Salt Storage Tanks in Molten Salt Energy Storage Systems" was shortlisted as one of the 2025 Outstanding Practice Cases for Enterprise Green and Low-Carbon Development.

Sustainability (ESG) Management

ESG Governance and Management Structure

To improve the ESG management system, the Company has formulated and implemented the *ESG Management System*. In 2025, the Company reviewed and approved the *Proposal on Renaming the Strategy Committee of the Board of Directors and Revising the Committee's Working Rules*, renaming the Strategy Committee of the Board of Directors as the Strategy and Sustainable Development Committee of the Board of Directors, and simultaneously revising the *Working Rules for the Strategy and Sustainable Development Committee of the Board of Directors*, with the aim of further strengthening the Board's strategic guidance and supervision functions in sustainable development and enhancing the Company's sustainability capabilities.

LANPEC's Sustainability Management Structure



In 2025, the Strategy and Sustainable Development Committee of the Board of Directors performed its duties and reviewed and approved the Company's 2024 Sustainability Report. In addition, to enhance the professionalism and standardisation of the Company's ESG work, the Company coordinated and advanced multi-level, multi-dimensional ESG capacity-building activities: organising certain senior managers and relevant employees to participate in ESG report preparation training held by the Shanghai Stock Exchange, to gain an in-depth understanding of regulatory requirements and disclosure standards; working with ESG consulting experts to hold the "Independent Directors Lecture" and the 2025 ESG Work Kick-off Meeting, providing centralised training and seminars for the Company's independent directors, senior managers, and relevant personnel from various functional departments, systematically studying the ESG governance framework, strategic integration, and practical approaches, and effectively strengthening employees' awareness and execution capabilities in ESG.

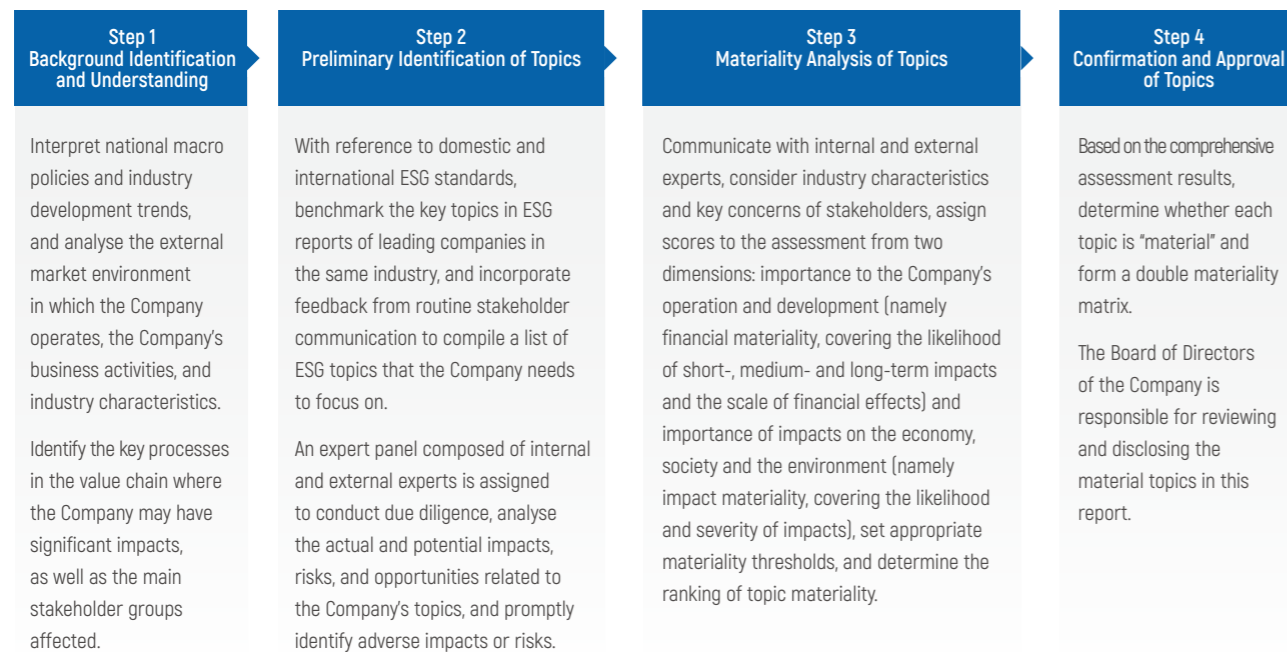
Double Materiality Analysis

Double Materiality Analysis

In 2025, the Company systematically conducted a double materiality analysis of ESG topics in accordance with the requirements of the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) and the Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Standardised Operations (Revised in May 2025), while also referring to mainstream domestic and international sustainability policies and disclosure standards, and considering industry characteristics, the Company's strategic direction, and actual operating conditions.

This process fully considered the key concerns of the Company's internal and external stakeholders, preliminarily identified and screened topics, and assessed and prioritised topics from the two dimensions of "financial materiality" and "impact materiality", thereby forming a double materiality matrix for focused disclosure and response in this report.

LANPEC's Double Materiality Analysis Process in 2025



Due Diligence and Communications with Stakeholders

In the management of the Company's ESG topics, an expert panel composed of internal and external experts carries out due diligence by coordinating departmental interviews, research, seminars, and other methods. Centring on each material topic, it systematically identifies the impacts, risks, and opportunities faced in the Company's operations, providing a basis for optimising resource allocation and setting management priorities.

The Company attaches great importance to communication with stakeholders and cares about their demands and expectations. In 2025, based on business and operational realities, the Company communicated with key stakeholders including shareholders and investors, customers, employees, government and regulatory authorities, suppliers and partners, as well as communities and the public. Through mechanisms such as regular meetings, management systems and project interactions, the Company extensively collected expectations and suggestions regarding ESG management and actively responded in daily management and operations, thereby enhancing the transparency of ESG management.

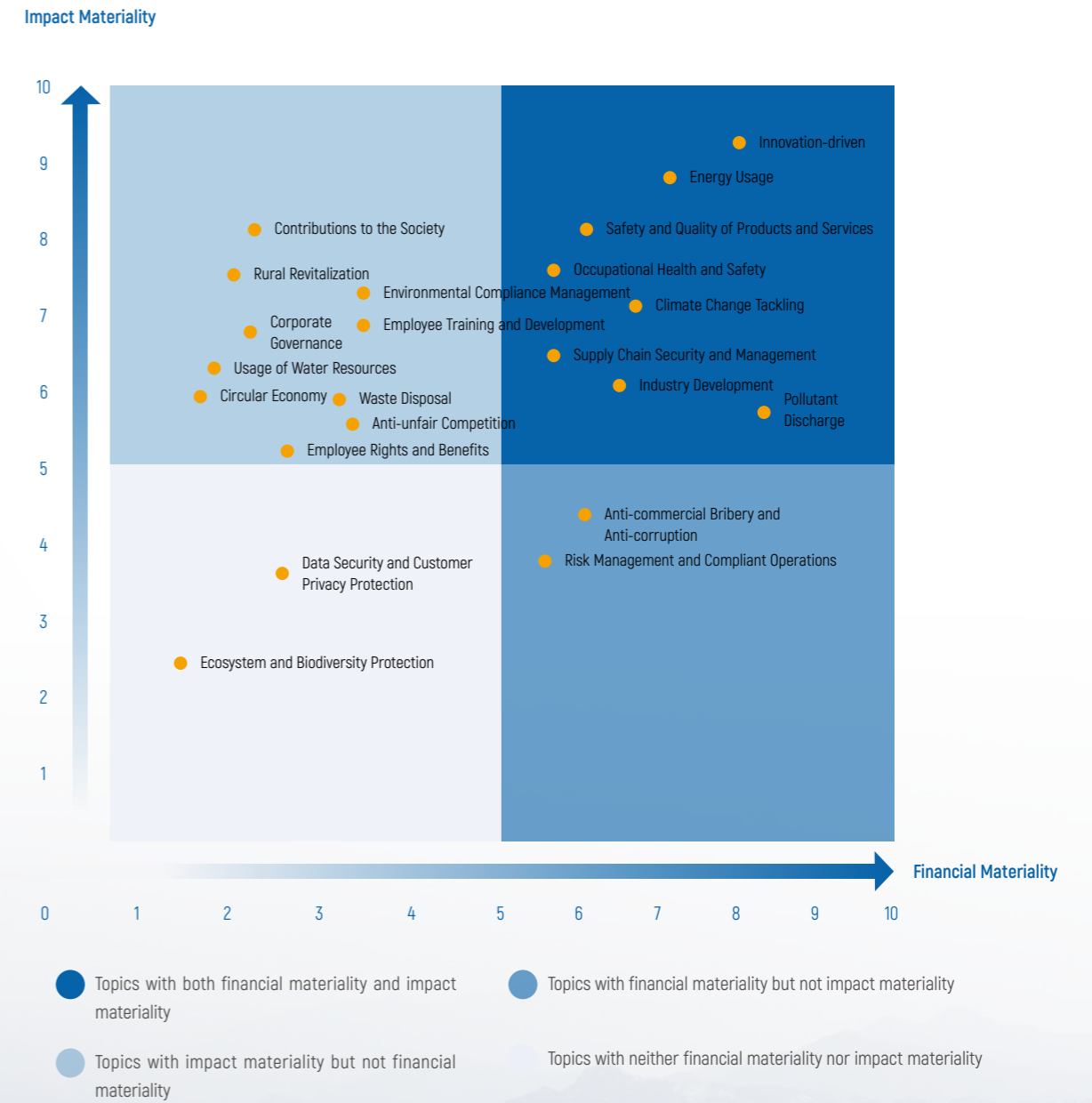
LANPEC's Key Stakeholders, Topics of Concern and Responses

Key Stakeholders	Topics of Concern	Communication Channels and Responses
 Shareholders and Investors	<ul style="list-style-type: none"> Corporate Governance Risk Management and Compliant Operations Anti-commercial Bribery and Anti-corruption Anti-unfair Competition Safety and Quality of Products and Services Innovation-driven 	<ul style="list-style-type: none"> Shareholders' Meeting Results Briefings Investor Communication Activities
 Customers	<ul style="list-style-type: none"> Climate Change Tackling Environmental Compliance Management Energy Usage Circular Economy Supply Chain Security and Management Safety and Quality of Products and Services Data Security and Customer Privacy Protection Innovation-driven Industry Development 	<ul style="list-style-type: none"> Customer Satisfaction Survey After-sales Service and Complaint Channels Customer Exchanges ESG Information Disclosure Climate Change Tackling Actions
 Employees	<ul style="list-style-type: none"> Employee Rights and Benefits Occupational Health and Safety Employee Training and Development 	<ul style="list-style-type: none"> Employee Welfare Activities Employee Training System Employee Appraisal and Promotion Employee Congress and the Labour Union
 Government and Regulatory Authorities	<ul style="list-style-type: none"> Climate Change Tackling Environmental Compliance Management Waste Disposal Pollutant Discharge Rural Revitalization Anti-commercial Bribery and Anti-corruption 	<ul style="list-style-type: none"> Climate Change Tackling Actions Information Disclosure Institutional Visits Participation in Relevant Meetings
 Suppliers and Partners	<ul style="list-style-type: none"> Supply Chain Security and Management Data Security and Customer Privacy Protection Industry Development 	<ul style="list-style-type: none"> Supplier Training Public Tender Meetings Public Tendering Exchanges and Mutual Visits Industry-academia-research Cooperation Projects
 Communities and the Public	<ul style="list-style-type: none"> Usage of Water Resources Waste Disposal Pollutant Discharge Ecosystem and Biodiversity Protection Contributions to the Society Rural Revitalization Anti-unfair Competition 	<ul style="list-style-type: none"> ESG Information Disclosure Information Disclosure on the Company's Official Website and Social Media Rural Revitalization and Social Contribution Projects

Conclusions of Materiality Analysis



LANPEC's Materiality Matrix in 2025



Note: Among the 21 topics set out in the SSE Guidelines, the topic of "Equal Treatment to Small and Medium-sized Enterprises" is not applicable to the Company; the two topics of "Communication with Stakeholders" and "Due Diligence" are necessary processes for the Company to identify and analyse ESG topics, and are addressed in the "Double Materiality Analysis" section, not included in the matrix; all other topics in the Guidelines were included in the matrix and addressed in the main body of this report; the Company independently identified the topics of "Industry Development", "Risk Management and Compliant Operations", and "Corporate Governance".

01

Building on Green Foundations, Thriving in Ecological Harmony

- Environmental Compliance Management
- Energy Usage
- Usage of Water Resources
- Waste Disposal
- Pollutant Discharge
- Circular Economy
- Climate Change Tackling
- Ecosystem and Biodiversity Protection




Environmental Compliance Management

LANPEC's production and operations comply with the requirements of laws, regulations, and other regulatory requirements such as the *Environmental Protection Law of the People's Republic of China*, and the Company has formulated internal systems such as the *Safety/Environmental Management Procedures* and the *Environmental Protection Management System*. The Company and its subsidiary LANPEC (Shanghai) have obtained ISO 14001:2015 Environmental Management System certification, ensuring the systematic and standardised operation of environmental management.

In 2025, the Company had no material environmental violations or non-compliance incidents, received no penalties from the local municipal emergency management authorities, ecological environment authorities, or relevant authorities, and had no complaints from relevant parties, demonstrating good environmental compliance performance.

In 2025



The Company had **no** material environmental violations or non-compliance incidents



ISO 14001:2015 Environmental Management System Certification
(Valid Until 3 December 2026)

In terms of environmental compliance management, the Company strengthened environmental protection inspections, deepened risk identification, and enhanced emergency response capabilities to build an environmental compliance control system, effectively reinforcing the line of defence for environmental safety.

LANPEC's Key Actions and Achievements for Environmental Compliance Management in 2025

Category	Key Actions and Achievements
✓ Environmental inspections and issue rectification	<ul style="list-style-type: none"> Conducted regular self-inspections of environmental compliance, covering key aspects such as pollutant discharge, standardised management of solid waste (hazardous waste), and the operating status of environmental protection facilities. Established a closed-loop management mechanism covering identification, rectification and acceptance. Incorporated all non-conformities identified during self-inspections into the issue register, clarified the responsible departments and rectification deadlines, and implemented rectification measures, with all rectification items passing review and acceptance, effectively eliminating hidden risks in environmental management.
✓ Environmental risk identification and assessment	<ul style="list-style-type: none"> Conducted environmental factor identification and risk assessment annually, covering the entire process of production activities, products and services, and kept major environmental risks under control through risk management.
✓ Environmental training and emergency capacity building	<ul style="list-style-type: none"> Formulated tiered annual environmental training plans and carried out specialised training on environmental regulations, internal systems and operating procedures for management and operational staff. Prepared the <i>Environmental Emergency Risk Assessment Report</i> and emergency plans, and organised comprehensive emergency drills throughout the year as planned, verifying the effectiveness of the emergency plans and enhancing rapid response and coordinated handling capabilities in the event of environmental emergencies.

Emergency Rescue Drills

In July 2025, LANPEC organised a simulated drill in the chemical raw materials warehouse on the emergency response process for paint leakage causing ground pollution, to test employees' emergency response capabilities in the face of sudden environmental pollution emergencies and verify the completeness and operability of the emergency plan.



Emergency Rescue Drill Site

Energy Usage

Energy used by LANPEC during production and operations mainly includes electricity, natural gas, petrol and diesel. Among them, electricity is the main source of power for production activities, and also supports the daily operation of lighting, air conditioning and office equipment in office areas; natural gas is mainly used for gas heat treatment furnaces in the production process, boiler heating, and cooking in the staff canteen; petrol and diesel are used for transportation by the Company's official vehicles, forklifts for on-site material transfer, and lorries.

Governance

The Company complies with the requirements of laws, regulations, and other regulatory requirements such as the *Energy Conservation Law of the People's Republic of China*, and has formulated internal systems such as the *Energy Conservation and Emission Reduction Management System* and the *Energy Conservation and Emissions Reduction Responsibility System* to standardise energy usage management. For details of the governance structure, please refer to the "Climate Change Tackling" section of this report.

Strategy

If the Company, as a manufacturer of metal pressure vessels, specialised equipment for petroleum drilling and extraction, and refining and chemical processing, practices extensive energy efficiency management in the production processes and fails to effectively recover waste heat resources, this may exacerbate regional carbon emissions and environmental burdens. If we fully leverage our technological advantages in efficient heat exchange, surplus energy utilisation, and system integration to promote cascade utilisation of energy and process optimisation, we can provide customers with integrated solutions for energy conservation and efficiency enhancement, supporting the green transformation of the industrial sector.

The Company reviews the environmental impacts and potential risks arising from the energy usage process, identifies challenges such as tightening policies and market access, while also seizing development opportunities brought by energy efficiency improvement and green finance, and has formulated and implemented response strategies covering system enhancement, technological upgrading, and behavioural guidance.

LANPEC's Risks and Opportunities Analysis for "Energy Usage"

Risks and Opportunities	Timeframes of Impact	Financial Impacts	Response Strategies
<p>Policy risk</p> <p>The national "Dual Carbon" strategy and local "Dual Control" policies on total energy consumption and energy intensity continue to intensify, with tighter constraints on energy consumption indicators, which may increase compliance costs and restrict the development of high-energy-consuming projects.</p>	Short, medium, and long term	Increase in compliance costs	<ul style="list-style-type: none"> Track policies and regulations in a timely manner, incorporate the latest regulatory requirements into the management system, implement the energy conservation and emissions reduction responsibility system, establish a unified appraisal system, and reinforce energy management responsibilities at all levels. Carry out energy efficiency diagnostics for high-energy-consuming processes, and formulate phased energy-saving technological transformation plans. Conduct diversified publicity and professional training in conjunction with the Energy Conservation Week to enhance all employees' awareness of and skills in energy conservation.
<p>Market risk</p> <p>Customers and the supply chain have imposed higher requirements on suppliers' carbon footprint and green manufacturing standards, and low energy efficiency may lead to order losses or restricted market access.</p>	Medium and long term	Decrease in operating revenue	
<p>Resource efficiency opportunities</p> <p>Measures, such as improving energy efficiency, recovering waste heat, and shifting electricity use to off-peak periods, can effectively reduce energy procurement costs and enhance profitability.</p>	Short, medium, and long term	Decrease in operating costs	
<p>Financing opportunities</p> <p>Good energy performance and green factory qualifications help to improve green credit standing and enhance the ability to obtain green credit, transition finance, and relevant policy support.</p>	Medium and long term	Decrease in financing costs	

Impacts, Risks and Opportunities Management

To effectively manage the energy usage-related impacts, risks, and opportunities, the Company adheres to an institutionalised, refined, and technology-driven approach, continuously improving energy efficiency and optimising the energy usage structure while ensuring production and operations.

LANPEC's Key Actions and Measures for Energy Usage in 2025



Energy management implementation

- Implemented the *Energy Conservation and Emission Reduction Management System* and the *Energy Conservation and Emissions Reduction Responsibility System*, refined control requirements for various types of energy, including electricity, natural gas, petrol and diesel, established the statistical principle of "who consumes, who records", and implemented unified appraisal, rewards and penalties for energy consumption.



Electricity use optimisation

- Made full use of the power company's time-of-use electricity pricing policy, scheduled high-power equipment (such as resistance furnaces) to operate during off-peak hours, and effectively reduced basic electricity expenditure and energy consumption per unit of product.
- Phased out high-energy-consumption mobile lighting equipment such as iodine tungsten lamps, promoted the use of 36-volt safe and energy-saving lighting fixtures, uniformly upgraded workshop lighting to LED energy-saving lamps, and installed sound-and-light-controlled switches in some areas, with the workshop illuminance improved while significantly reducing energy consumption following the lighting system upgrade.
- By standardizing the use of compressed air and introducing an area-based responsibility system, we curbed leakage and waste, and reduced the operating time of air compressors.
- Completed and successfully commissioned a 1.6 MW installed capacity rooftop distributed photovoltaic power generation project at the office premises in December 2025. Made full use of idle rooftop resources at the office premises, delivered localised development and utilisation of renewable energy, and effectively reduced the Company's reliance on traditional grid electricity.



Gas control enhancement

- Arranged heat treatment operations scientifically and reasonably, implemented centralised heat treatment of workpieces, reduced furnace opening frequency, and encouraged continuous boiler operation to save start-up and shutdown energy consumption, significantly improving natural gas utilisation efficiency and substantially reducing equipment idling and ineffective operating time.
- Established a three-tier gas leak detection mechanism (with operating teams, electromechanical maintenance, and the canteen personnel assuming respective responsibilities), regularly used professional instruments to inspect valves and joints, and strictly implemented the principle of "extinguishing the flame and closing the valve when leaving," effectively controlling pipeline leakage risks and ensuring gas safety and conservation.



Publicity and education activities

- Closely followed the themes of publicity week and low-carbon day, hung energy-saving themed banners in prominent locations, posted popular science posters in public areas, and played the *Energy Conservation Week Promotional Video* on a loop on the electronic screen in the canteen, vividly showcasing the application scenarios of cutting-edge energy-saving technologies.
- Organised personnel from the energy conservation and ecological environmental protection management functions to participate online in the Energy Conservation Week training.



Energy Conservation Week Poster



Energy Conservation Week Promotional Video

18

Special Training and Lectures for Energy Conservation Week

In June 2025, the Company conducted special training for Energy Conservation Week. Closely aligned with the national "Dual Carbon" strategic goals, the training effectively disseminated the latest policies and technical pathways for energy conservation and emissions reduction by organising relevant professionals to watch the Group's featured broadcasts, study green transformation knowledge, and carry out dedicated enhancement training for production management personnel. This strengthened all employees' awareness of energy conservation and carbon reduction, and laid a solid ideological foundation and talent support for the subsequent promotion of dynamic energy consumption control and the implementation of energy-saving technological transformation measures.

Organised production management personnel and team leaders to watch the promotional video for the 2025 National Energy Conservation Week, and carried out training to enhance energy-saving awareness;

Organised personnel from the management functions of carbon peak and carbon neutrality, energy conservation, and ecological environmental protection to participate online in the Sinomach Group's Energy Conservation Week training, and watch the excellent works showcase for Sinomach Group's 2025 Energy Conservation Week.

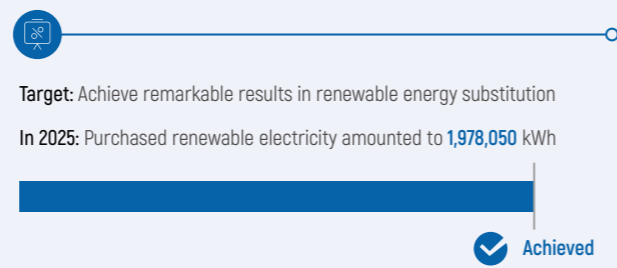


On-site Special Training and Lectures for Energy Conservation Week

Indicators and Targets

The Company takes improving energy usage efficiency as its core objective and closely aligns with the national "Dual Carbon" strategy, continuously improving its energy management system. The Company tracks the progress of relevant indicators, optimises energy resource allocation and production scheduling plans, dynamically adjusts the direction of energy-saving technical transformation, and promotes the transition of energy management from experience-driven to data-driven, ensuring the continuous improvement of energy efficiency.

LANPEC's "Energy Usage" Targets and Progress



Usage of Water Resources

The water used for production and operations of LANPEC is entirely supplied by the municipal water supply system. The Company has a low level of dependence on water resources, and the risk of water scarcity is low.

The Company strictly complies with the requirements of laws, regulations, and other regulatory requirements such as the *Water Law of the People's Republic of China* and the *Water Pollution Prevention and Control Law of the People's Republic of China*, and has formulated internal systems such as the *Energy Conservation and Emission Reduction Management System*, incorporated water resource management into daily operations, and effectively improved water utilisation efficiency.

In 2025, the Company adhered to the principle of conservation first, regulated water utilisation behaviour by strengthening infrastructure maintenance, implementing monitoring at key points, and optimising the management of end-use appliances.

LANPEC's Key Actions and Achievements for Usage of Water Resources in 2025

Category	Key Actions and Achievements
Infrastructure maintenance	<ul style="list-style-type: none"> Formulated and implemented a rigorous inspection plan to carry out regular inspection and maintenance of facilities such as the water supply system, fire-fighting water pipelines, tap water pipelines, heating pipelines, and various types of taps. Focused on checking vulnerable parts such as pipeline connections and valve interfaces, and promptly identified and addressed potential leakage points. Effectively eliminated leakage, overflow, dripping and seepage in the pipeline system. Completed repairs at the earliest opportunity on pipeline damage or tap failures identified during inspections, thoroughly eliminated the hidden risk of continuously running water and ensured the sealing integrity and operational efficiency of the water supply system.
Water storage facility monitoring	<ul style="list-style-type: none"> Designated fire-fighting water storage tanks and pressure test water storage tanks as key monitoring objects, and regularly inspected the water level status and operation of water level control valves. Paid particular attention to potential failure risks of water level control valves, so as to prevent direct overflow caused by excessively high water levels due to faults in the automatic water replenishment system. Strengthened water level monitoring and valve maintenance for key facilities, effectively avoided concealed water wastage caused by equipment malfunction, safeguarded emergency water reserves, and achieved precise control over the water replenishment process.
Optimisation of end-use water fixtures	<ul style="list-style-type: none"> Carried out regular inspections and maintenance of delayed-action valves for washbasins in public areas. Focused on identifying issues such as excessively long valve delay times or untimely reset, and promptly replaced or repaired valves that did not meet water-saving requirements, so as to ensure that flushing water was supplied as needed and stopped in a timely manner, promoted more standardised water use behaviour in public areas, and substantially shortened unnecessary running water time.

Waste Disposal

The wastes generated during LANPEC's production and operations mainly comprise general industrial solid wastes and hazardous wastes.

The Company complies with the requirements of laws, regulations, and other regulatory requirements such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, and has formulated internal systems such as the *Environmental Protection and Hazardous Waste Pollution Prevention and Control Management Responsibility System* and the *Hazardous Waste Management System* to implement standardised whole-process management of waste. In 2025, 100% of the wastes generated by the Company were disposed of in compliance.

LANPEC's Main Types of Waste and Disposal Measures

Type	Main Types of Wastes	Main Generation Process	Main Disposal Measures
General industrial solid waste	Steel plate offcuts and scrap, iron filings	Production process	<ul style="list-style-type: none"> All waste is temporarily stored in the designated area of the workshop, and regularly entrusted to qualified entities for disposal.
	Waste mineral oil	Equipment maintenance process	
Hazardous waste	Waste emulsion liquid	Machining process	<ul style="list-style-type: none"> All hazardous waste is collected by category, stored in dedicated containers, and temporarily stored in an independent hazardous waste temporary storage room. The hazardous waste temporary storage room is subject to standardised anti-corrosion hardening and anti-seepage treatment for the floor and skirting corners, and is equipped internally with bunds and anti-seepage trays to prevent the spread of leakages. The Company regularly engages qualified hazardous waste disposal entities for collection, transfer, and harmless disposal, and strictly implements the hazardous waste transfer manifest system.
	Waste developer (fixer) solution	Flaw detection process	
	Waste paint containers	Production process	
	Wastewater treatment evaporated concentrate	Wastewater treatment system treatment process	

Pollutant Discharge

Pollutants involved in the operations of LANPEC include exhaust gases such as particulate matter, volatile organic compounds, nitrogen oxides, as well as wastewater and noise. The Company complies with the requirements of laws, regulations, and other regulatory requirements such as the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Environmental Impact Assessment*, and regards environmental compliance as the basic prerequisite for production and operation. In 2025, the Company's wastewater and exhaust gas emissions all met the relevant standards, and there were no incidents of penalties imposed by regulatory authorities due to excessive pollutant emissions or non-compliant discharges.

Governance

The Company has formulated internal systems such as the *Environmental Protection Management System* and the *Measures for the Management of Environmental Protection Equipment and Facilities* to ensure the effective control of pollutant discharge. For details of the related governance structure, please refer to the "Climate Change Tackling" section of this report.

Strategy

During the production and operation process, if the pollutants generated by the Company are not properly managed, they will pose potential pressure on the quality of the surrounding environment, water safety, and soil health. The Company systematically identifies the environmental impacts and market challenges arising from pollutant discharge, and seizes the development opportunities brought by the green transition, implementing response strategies covering source reduction, process control, and end-of-pipe treatment.

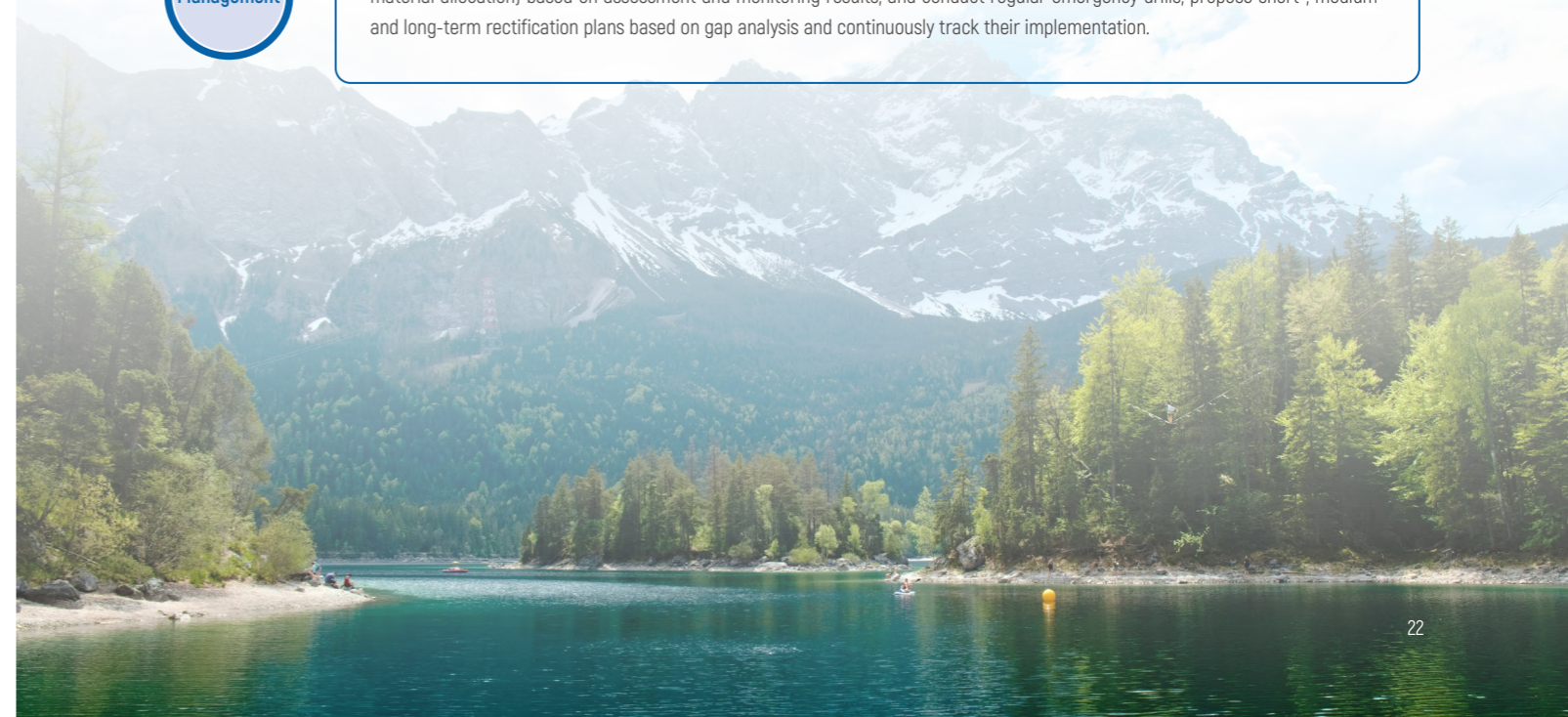
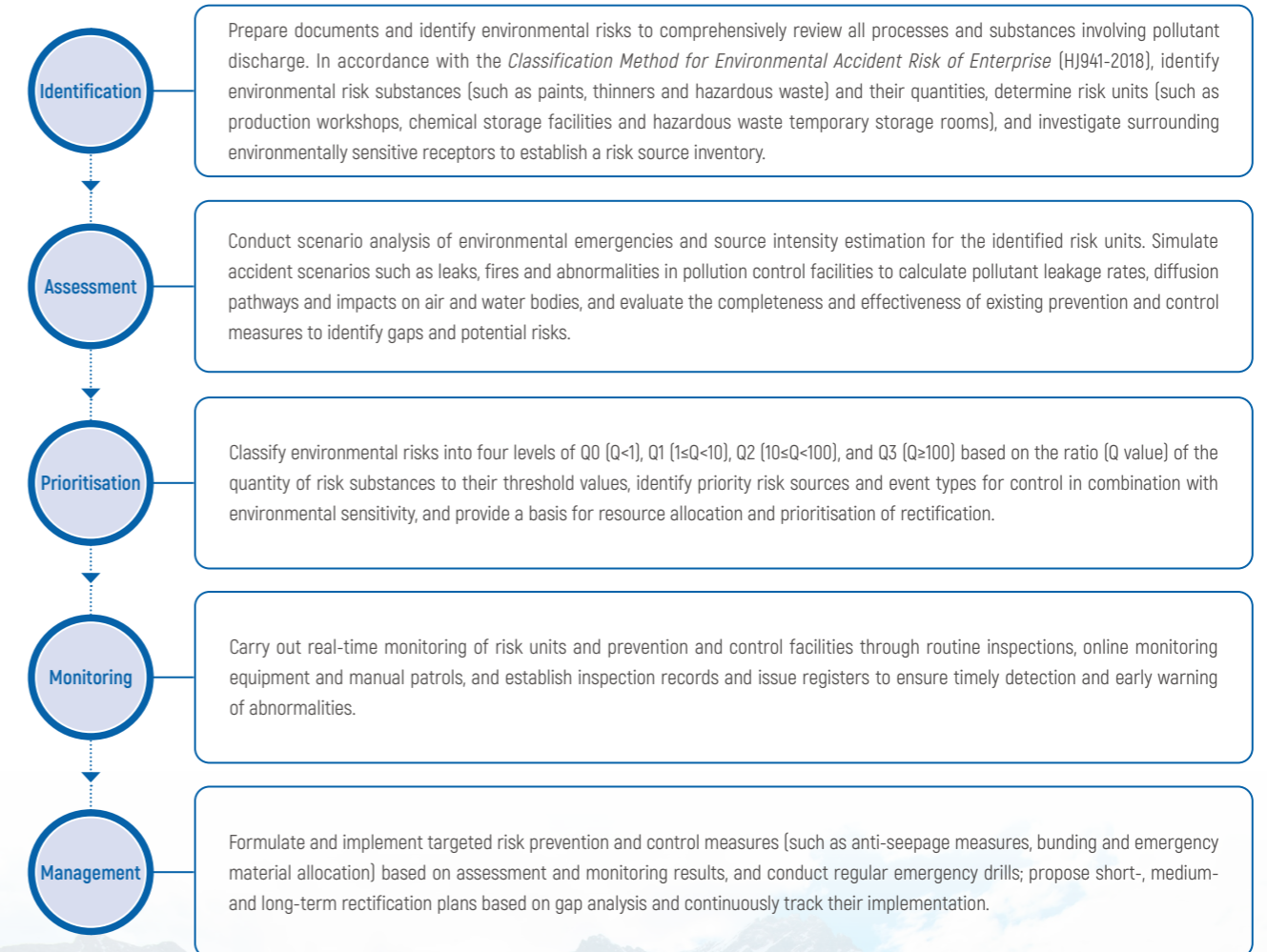
LANPEC's Risks and Opportunities Analysis for "Pollutant Discharge"

Risks and Opportunities	Timeframes of Impact	Financial Impacts	Response Strategies
Policy risk National and local environmental protection regulations continue to become more stringent, and pollutant discharge standards are continuously tightened, which may increase the costs of treatment facility upgrades and compliance monitoring, and impose institutional constraints on corporate production and operations.	Short, medium, and long term	Increase in compliance costs	<ul style="list-style-type: none"> Establish a systematic, dynamic management process, and conduct annual environmental factor identification and risk assessment to achieve precise full-process control of pollutant discharge.
Reputation risk If production bases trigger complaints from surrounding communities or environmental penalties due to odour, dust emissions, or improper hazardous waste disposal, this may affect the Company's brand image and social reputation.	Medium and long term	Decrease in operating revenue	<ul style="list-style-type: none"> Conduct professional treatment of wastewater, exhaust gas and noise to ensure stable, compliant discharge.
Technology and market opportunities The environmental technologies and green production experience accumulated in the process of pollutant treatment can be transformed into the Company's differentiated competitive advantages, enhancing value in the green supply chain.	Medium and long term	Increase in operating revenue	

Impacts, Risks and Opportunities Management

In response to the impacts, risks and opportunities related to pollutant discharge, the Company has established a systematic, dynamic management process covering identification, assessment, prioritisation, monitoring and continuous improvement, and has established a sound collection and compliant disposal system.

LANPEC's Pollutant Management Process



LANPEC's Main Types of Pollutants and Disposal Measures

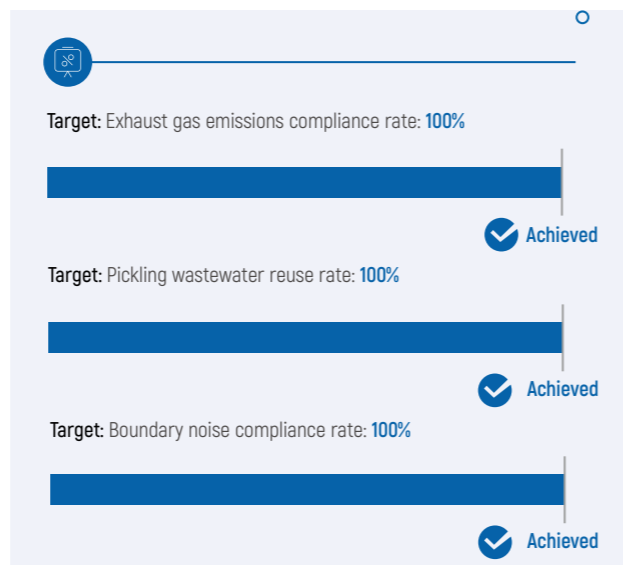
Type	Main Types of Pollutants	Main Generation Process	Main Disposal Measures
Waste gas	Organised emissions		
	Particulate matter (PM)	Shot blasting chamber operations	After secondary dust removal and filtration by an expansion settling chamber + cartridge dust collector, emissions are discharged through an 18 m exhaust stack
	Benzene, toluene, xylene, non-methane total hydrocarbons	Paint spray booth operations	After treatment by a fully enclosed spray-painting booth + activated carbon adsorption + fibre filter dry filtration system, emissions are discharged through a 20 m exhaust stack
	SO ₂ , NO _x , particulate matter	Trolley-type gas-fired heat treatment furnace	Low-nitrogen combustion technology is adopted, and emissions are discharged through 21 m and 28 m exhaust stacks, respectively
		Natural gas boiler	After treatment by the dust collector, emissions are discharged through a 15 m exhaust stack
Nitric acid mist (NO _x), fluorides	Pickling and passivation production line	After treatment by a sodium sulphide spray tower + calcium hydroxide spray tower, emissions are discharged through a 20 m exhaust stack	
Wastewater	Fugitive emissions		
	Particulate matter, benzene series compounds, non-methane total hydrocarbons, etc.	Welding process, fugitive volatilisation at the plant boundary	Mobile fume purifiers are used; workshop ventilation is strengthened; fugitive emissions at the plant boundary are monitored on a regular basis
Wastewater	Wastewater from the pickling process (including COD, SS, total chromium, nickel, fluoride, ammonia nitrogen, etc.)	Pickling and passivation production line (workpiece cleaning, wastewater from exhaust gas scrubber discharge)	Wastewater is treated by self-built wastewater treatment system (low-temperature heat pump evaporation), and reused in production after treatment; the concentrated evaporation liquid is disposed of as hazardous waste
	Domestic sewage	Washing and toilet flushing in office and living areas	After treatment through a septic tank and upon meeting the Level 3 standard of the <i>Integrated Wastewater Discharge Standard</i> , wastewater is discharged into the municipal sewage pipeline network and ultimately enters the wastewater plant
	Kitchen oily wastewater	Staff canteen	Wastewater is discharged into the plant wastewater pipeline after pre-treatment in a grease trap
	Initial rainwater	Initial surface runoff within the plant area	Wastewater is collected through the rainwater pipe network and discharged at multiple nearby outlets into the municipal rainwater pipeline
Noise	Fans, machining equipment, grinders, riveting operations, etc.		Measures such as installing soundproof doors and windows, reducing equipment vibration, and equipping certain devices with silencers are adopted; equipment maintenance is strengthened to ensure that boundary noise levels meet the Class 3 standards of <i>Emission Standard for Industrial Enterprises Noise at Boundary</i>

Indicators and Targets

The Company aims to ensure that all types of pollutants are discharged in stable compliance with applicable standards, and achieves precise whole-process control over pollutant discharge by tracking the completion of relevant indicators.



LANPEC's "Pollutant Discharge" Targets and Progress



Circular Economy

LANPEC upholds the core philosophy of resource conservation and efficient utilisation, and has formulated internal systems such as the *Energy-saving Management Measures for the Production System*, the *Measures for Raw Materials and Low-value Consumables of the Production Department*, and the *Management Measures for Recycling and Utilisation of Scrap Materials*, integrating the concept of the circular economy into production and operations, thereby reducing operating costs and improving economic benefits while enhancing core competitiveness for sustainable development.

The Company moves the circular economy concept forward to the product development and process design stages, reducing resource consumption and waste generation at source. During the processes of product development and design and the formulation of production processes, the Company gives priority to advocating the use of new products, new processes, new materials, and new technologies that are easy to recycle, easy to dispose of, or environmentally friendly.

The Company attaches great importance to the recycling and reuse of various types of waste generated during the production process and strictly implements the *Management Measures for Recycling and Utilisation of Scrap Materials*. We have introduced professional nesting layout software, and carried out classified collection and centralised management of recyclable materials such as steel plate offcuts and iron filings generated during the production process, and established channels for resource utilisation. In 2025, the total amount of waste recycled and reused by the Company reached 3,286.49 tonnes.

Application of Professional Nesting Layout Software to Improve Steel Plate Utilisation Rate

In 2025, in response to the continuous increase in the generation of steel plate offcuts and residual materials during the production process, the Company promoted the application of professional nesting layout software. Based on the shape, dimensions, and process requirements of components, the software uses intelligent algorithms to carry out automated high-density optimised layout on steel plates, significantly reducing gaps and waste areas generated during cutting. After more than one month of on-site testing, compared with the original nesting software, the average utilisation rate increased by approximately 6%.

At the same time, during the layout process, tooling auxiliary materials required for subsequent procedures were consciously pre-arranged in residual material areas, enabling the immediate reuse of residual materials and effectively advancing resource circularity and lean production.

Climate Change Tackling

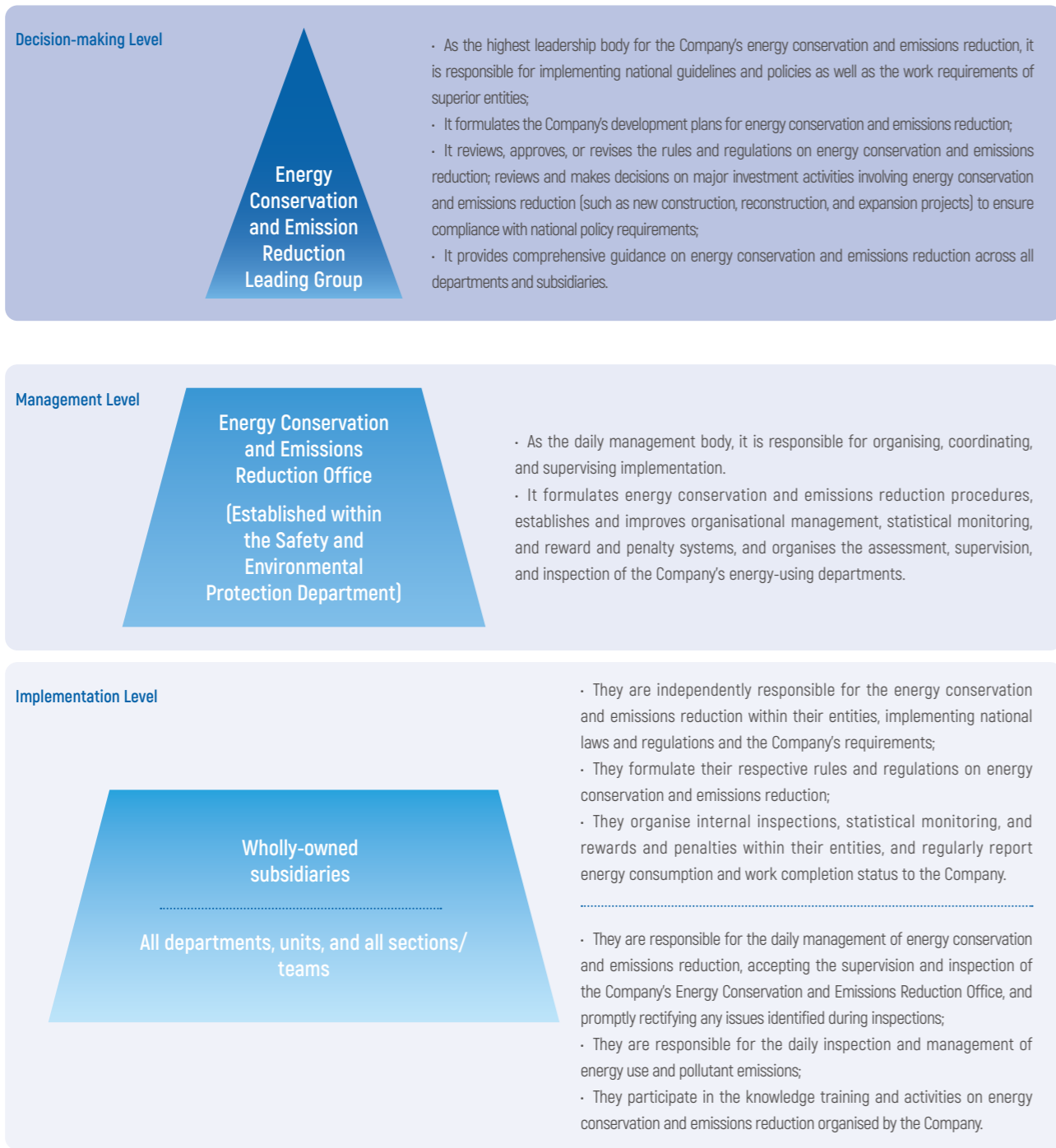
Global climate change has become a major challenge jointly faced by human society. Against this background, China clearly put forward the strategic goals of "achieving carbon peaking by 2030 and carbon neutrality by 2060", elevated climate change tackling to a national strategy, and accelerated the comprehensive green transformation of economic and social development.

Governance

LANPEC has incorporated climate change tackling into the scope of strategic management, using energy conservation and carbon reduction as a starting point, and continuously advancing production process optimisation, clean energy substitution, and resource recycling and reuse, thereby striving to mitigate the impact of operations on the climate.

The Company has established an energy conservation and emissions reduction governance structure with clear powers and responsibilities and efficient coordination, taking a systematic approach to advancing the comprehensive governance of environmental areas such as energy usage, pollutant discharge, and climate change tackling.

LANPEC's Climate Change Tackling Governance Structure



Strategy

Energy consumption and greenhouse gas emissions in the Company's production process are direct sources of the Company's climate impact. Through the downstream application of energy-saving equipment developed by the Company, society as a whole is helped to reduce carbon emissions, thereby generating positive indirect impacts. Based on the realities of an equipment manufacturing enterprise, the Company integrates climate change tackling into its daily operations and technological planning, effectively identifies climate-related risks, seizes opportunities arising from the iteration of green technologies, formulates response strategies, and achieves green growth on the premise of controllable risks.

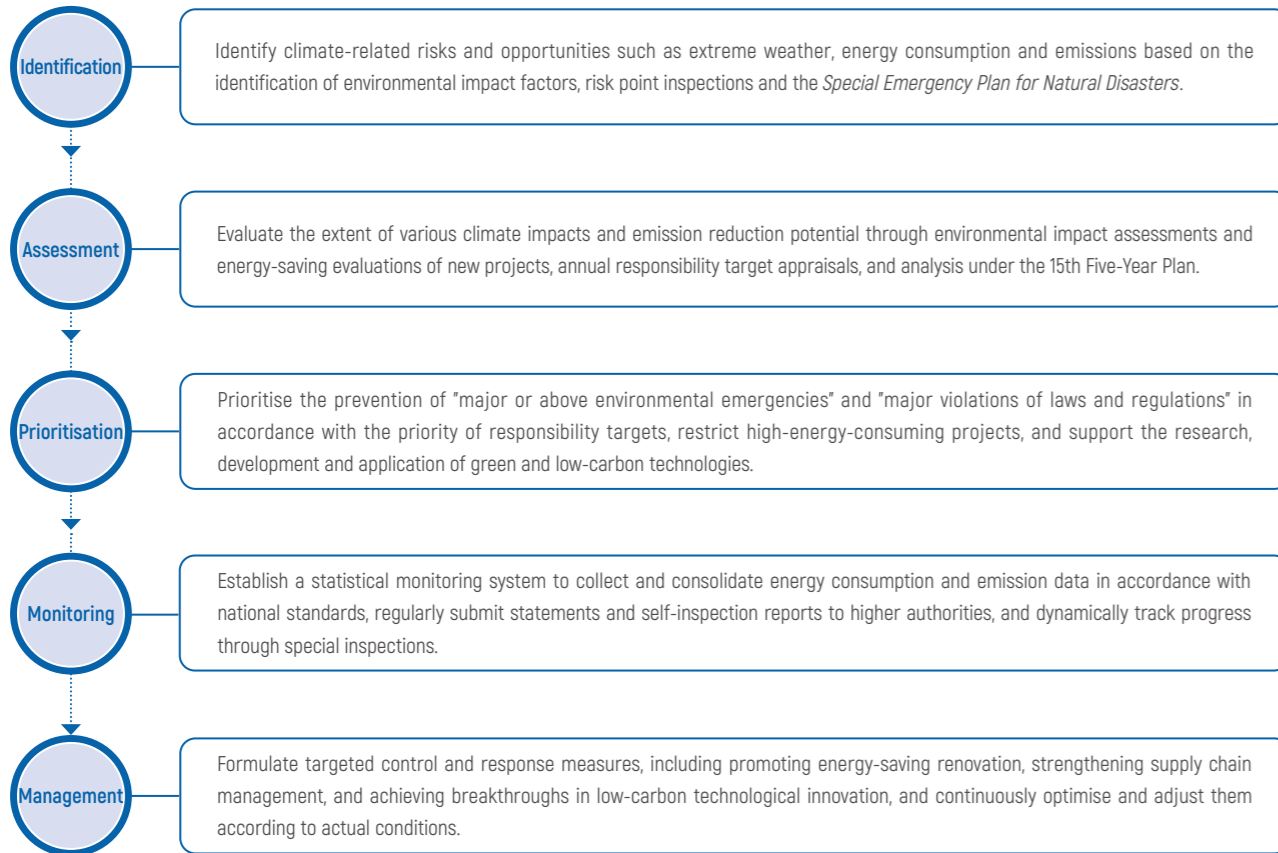
LANPEC's Risks and Opportunities Analysis for "Climate Change Tackling"

Risks and Opportunities		Timeframes of Impact	Financial Impacts	Response Strategies
Physical risks				
Acute risks	Extreme weather events (such as typhoons and floods) may threaten the safety of production bases and the stability of the supply chain, potentially leading to production disruptions and affecting operating revenue.	Short and medium term	Increase in operating costs Decrease in operating revenue	<ul style="list-style-type: none"> Define a responsibility system of "Shared Responsibilities of Party and Government Leadership and Dual Responsibilities for One Post", sign responsibility agreements, and incorporate "Dual Carbon" goals into performance appraisal to ensure effective implementation of management. Establish high-temperature allowances for employees, improve cooling systems in plant and office areas, and formulate emergency plans for heatstroke, thereby achieving energy savings and consumption reduction in cooling systems. Increase investment in the research and development of green and low-carbon technologies, promote the application of the "Four News" for energy saving and low carbon, and respond to transition risks through technological innovation. Improve the <i>Special Emergency Plan for Natural Disasters</i> and conduct regular drills, establish a statistical monitoring system for energy consumption and emissions, and ensure compliant operations. Actively develop and deploy energy-saving and consumption-reduction technologies, and our main products have achieved good applications in emerging industries such as solar thermal power generation, clean energy, and environmental protection and emissions reduction. Replace grid electricity consumption with photovoltaic green electricity and increase the proportion of renewable energy used in the production and operation process. Continuously improve climate change tackling management, use honours such as "Excellent Practice Case" to enhance brand influence, and transform governance advantages into development momentum.
Chronic risk	Our Shanghai office area is located in a subtropical zone at a relatively low altitude and close to the coast, and has long faced the intensification of extreme heat caused by rising temperatures, as well as potential threats arising from sea level rise; the region where our Gansu production base is located is exposed to high drought risk and significant water stress, and water scarcity would directly affect production processes and employee activities, potentially leading to production stoppages and, in turn, adversely affecting operating revenue.	Short and medium term	Increase in operating costs Decrease in operating revenue	
Transition risks				
Policy and law risks	As a subsidiary of a central state-owned enterprise, we face stringent assessment against the "Dual Carbon" responsibility targets and challenges in policy compliance; China may advance the development of the carbon emissions trading market, and the petrochemical industry in which the Company operates may be included in the future, which may require the purchase of additional allowances, thereby incurring additional costs.	Short, medium, and long term	Increase in compliance costs	
Technology risk	If the transformation of traditional high-energy-consuming business lags behind, or the research and development of green technologies falls short of expectations, we may face the risk of declining market competitiveness.	Medium and long term	Decrease in operating revenue	
Market risk	Major raw material suppliers face stricter energy-saving and emissions-reduction requirements under sustainable development policies. The increase in their production costs may be transmitted along the industrial chain, putting pressure on the stability and pricing of the Company's raw material procurement; as ESG concepts become increasingly ingrained, customers' preference for green and environmental products continues to grow. If the Company's products have insufficient low-carbon attributes, we may face the risk of market share being displaced.	Medium and long term	Increase in operating costs Decrease in operating revenue	
Opportunities				
Technology opportunity	The Company's technological breakthroughs in clean equipment fields such as molten salt energy storage can enable us to capture the green and low-carbon technology market and create new business growth.	Medium and long term	Increase in operating revenue	
Resource efficiency opportunity	Through the systematic planning and deployment under the 15th Five-Year Plan, we can promote the transformation of the industrial structure towards green and low-carbon development, drive improvements in resource utilisation efficiency, and reduce energy costs. At the same time, the Company increases the proportion of renewable energy in total energy consumption to reduce dependence on fossil energy.	Short, medium, and long term	Decrease in operating costs	
Opportunities related to products and services	The "Dual Carbon" strategy promotes the low-carbon transformation of the industries in which the Company operates, and we can launch products that are more aligned with the "Dual Carbon" policy through technological innovation.	Medium and long term	Increase in operating revenue	

Impacts, Risks and Opportunities Management

To systematically identify and respond to the impacts, risks, and opportunities brought about by climate change, the Company has established a systematic management process for climate change tackling, covering risk identification, assessment, prioritisation, and monitoring.

LANPEC's Climate Change Tackling Management Process



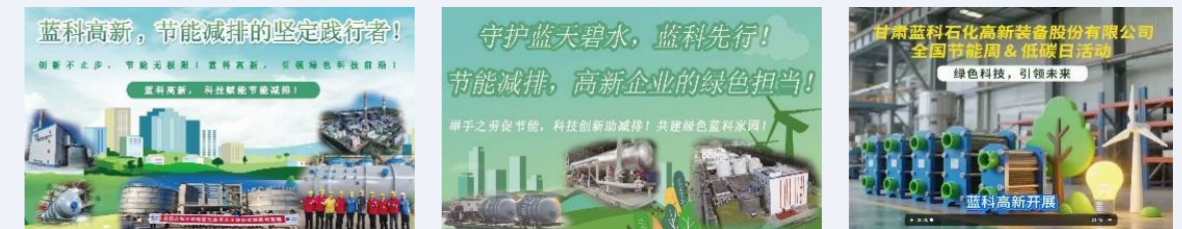
Building on the foundation of risk management and control, the Company achieves multi-dimensional progress in addressing climate change, including improvements to the governance system, clearer targets, breakthroughs in technological innovation, and effective risk prevention and control, with all measures implemented and delivering results.

LANPEC's Key Actions and Measures for Climate Change Tackling in 2025

Category	Measures
<ul style="list-style-type: none"> Organisational management and system development 	<ul style="list-style-type: none"> Continued and optimised the governance structure for climate change tackling, clarified the division of responsibilities, and ensured the orderly advancement of "Dual Carbon" efforts. Signed the <i>Statement of Responsibility for Carbon Peaking and Carbon Neutrality, Energy Conservation, and Ecological and Environmental Protection (2025)</i>, clarifying the responsibility targets and assessment requirements for energy conservation and carbon reduction, environmental protection, and other aspects in 2025. Formulated the <i>Emergency Plan for Natural Disasters</i> to enhance emergency response capabilities for extreme climate events.
<ul style="list-style-type: none"> Planning guidance and target setting 	<ul style="list-style-type: none"> Systematically planned the key work for the next five years in areas such as energy conservation and environmental risk management, reflecting a systematic strategic-level arrangement. In accordance with the requirements of the responsibility statement, promoted a year-on-year reduction in comprehensive energy consumption per RMB10,000 of output value and carbon dioxide emissions, and continuously advanced the optimisation of the energy structure and the control of carbon emission intensity.
<ul style="list-style-type: none"> Technological innovation and green practices 	<ul style="list-style-type: none"> Actively promoted the "Four News" energy-saving and low-carbon technologies (new processes, new technologies, new equipment, and new materials) to enhance the overall level of energy efficiency. Independently developed the "Complete Technology and Equipment for High-Temperature Molten Salt Storage Tanks in Molten Salt Energy Storage Systems", successfully shortlisted it as an "National Outstanding Practice Case for Enterprise Green and Low-carbon Development", demonstrating the Company's technological innovation capabilities in the field of clean energy equipment.

Development of Low-carbon Promotional Materials

In 2025, the Company actively planned and, with "Carbon Path Pioneer" as the main theme, promoted the application of our advanced technologies such as skid-mounted heat exchangers and molten salt storage tanks in the field of energy conservation and carbon reduction by producing energy-saving and low-carbon promotional materials, and shared the Company's energy conservation and carbon reduction scenarios. A total of three themed promotional posters and one energy-saving promotional video were produced, vividly recreating the technical scenarios of energy conservation and carbon reduction, and conveying replicable and scalable low-carbon solutions to both within and outside the industry in an intuitive and vivid manner.

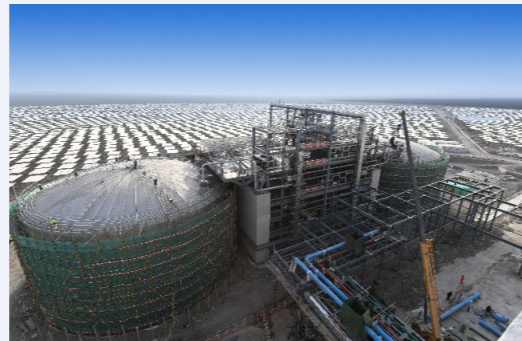


Low-carbon Promotional Materials

Independently Developed Complete Technology and Equipment for High-Temperature Molten Salt Storage Tanks in Molten Salt Energy Storage Systems

Targeting the new-type core energy storage equipment of power systems, namely the "Complete Technology and Equipment for High-Temperature Molten Salt Storage Tanks in Molten Salt Energy Storage Systems", the Company focused on its principal responsibilities and core business, established a dedicated R&D team, applied technical means such as numerical simulation and multi-physical field coupling analysis, optimised the thermal insulation structure and thermal compensation design of storage tanks, overcame critical bottleneck challenges such as large capacity, high-temperature resistance, and fatigue resistance, and developed molten salt storage tank design and construction capabilities with fully independent intellectual property rights.

This technology achieved deep integration of business development with safety and environmental protection, not only ensuring the safe and stable operation of energy storage systems, but also supporting the low-carbon energy transition, and can be widely applied in fields such as concentrated solar power plants, flexibility retrofitting of thermal power plants, and waste heat recovery in steel plants. Relying on this core technology, the Company has undertaken dozens of molten salt storage tank projects for concentrated solar power plants in China and abroad, with outstanding energy-saving and carbon-reduction results: a single 100,000-kW-class concentrated solar power plant, which can supply 230 million kWh of clean electricity annually, save 70,000 tonnes of standard coal, and reduce carbon dioxide emissions by 220,000 tonnes.



Equipment Appearance

Indicators and Targets

The Company has consistently regarded green and low-carbon development as the core direction of sustainable development strategy, advancing energy-saving technological transformation and clean energy substitution, and helping mitigate the impacts of climate change.

LANPEC's "Climate Change Tackling" Targets and Progress



Target: Greenhouse gas emission intensity per RMB10,000 of output value continues to decline

In 2025: Continued to show a downward trend compared with 2024



Ecosystem and Biodiversity Protection

LANPEC's production and business operations are mainly located within industrial parks planned in accordance with the law, and do not involve nature reserves, ecological protection red line areas, or sensitive areas with significant biodiversity value. The Company's operational activities mainly comprise industrial production activities and do not directly occupy or develop areas with important ecosystem functions. During land use, construction project approval, and daily operations, the Company complies with environmental management requirements in accordance with the law, reducing the potential impact on the surrounding ecological environment.

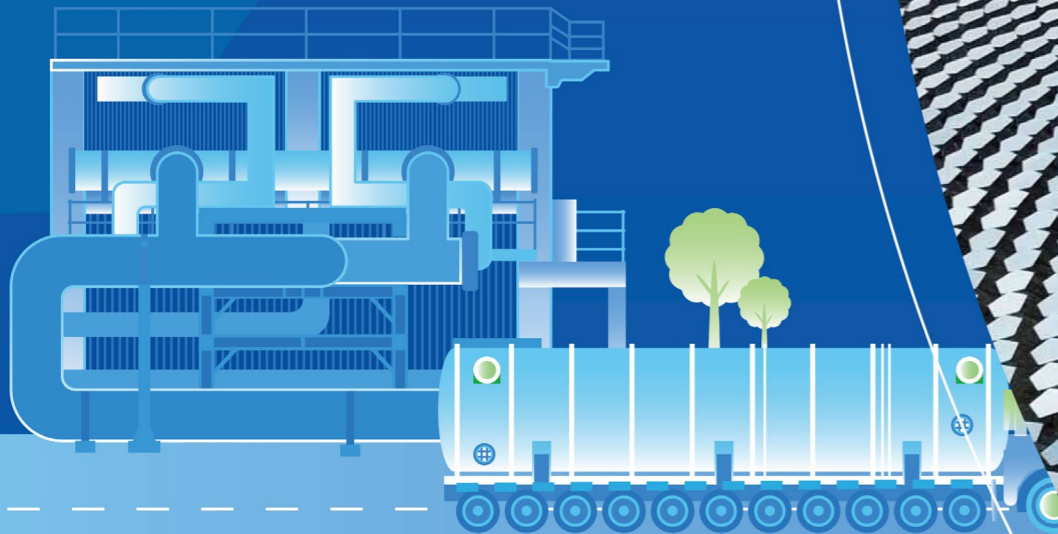
The Company continues to pay attention to the impact of its own activities on biodiversity. Its projects generally comply with cleaner production requirements, and it strictly complies with the *Wild Animal Conservation Law of the People's Republic of China*, the *Regulation of the People's Republic of China on Nature Reserves* and the laws, regulations and document requirements related to biodiversity in the places where it operates. By carrying out measures such as environmental assessments for new projects, land reclamation and revegetation, we strengthen the governance and restoration of the ecological environment, and minimise the impacts of production and operations on biodiversity and ecosystems as far as possible.



02

Innovation Leadership, Intelligently Creating the Future

- Innovation-driven
- Industry Development
- Safety and Quality of Products and Services
- Data Security and Customer Privacy Protection
- Supply Chain Security and Management



Innovation-driven

LANPEC regards innovation-driven development as the foundation of the business. We have deeply cultivated the fields of petroleum drilling and production machinery and refining and chemical equipment, offshore and desert petroleum equipment, light industry and food machinery, and environmental protection and new energy engineering, continuously accumulating core experience and technical capabilities. The Company strictly complies with laws and regulations such as the Law of the People's Republic of China on Scientific and Technological Progress, the Patent Law of the People's Republic of China, and the Copyright Law of the People's Republic of China, effectively promoting innovation as the core engine driving sustainable value creation.

Governance

The Company has established a comprehensive scientific research management framework, including the *Implementation Rules for the Management of Scientific Research Projects*, the *Measures for the Administration of Scientific and Technological Work (Trial)*, the *Measures for the Management of Scientific and Technological Development Fund Projects*, the *Measures for the Evaluation of Scientific and Technological Achievements (Trial)*, the *Measures for the Work of the Technical Committee (Trial)*, etc., systematically standardising the management of scientific research projects, funds, achievements, intellectual property protection and other areas, and promoting the standardised and regulated operation of scientific research work. In 2025, the Company continued to improve the institutional system for scientific and technological innovation, and formulated and revised *No. 1 Amendment to the Scientific Research Project Management Measures of LANPEC (Trial)*, further standardising the management of the Company's scientific research projects and fully mobilising enthusiasm for innovation-driven work.

In terms of management structure, the Company has established an innovation-driven governance system in which the "Party Committee serves as the highest decision-making body, the Technical Committee provides professional support, the Science and Technology Development Department exercises centralised management, and all business departments collaborate to advance implementation". At the same time, the Company leverages its specialised research capabilities to establish four core technology R&D teams, including the Heat Transfer and Energy Conservation Technology Research Department (focusing on research into heat transfer and energy conservation technologies), the Storage and Transportation Engineering Technology Research Department (focusing on research into spherical tanks and solar thermal energy storage technologies), the Oil and Gas Engineering Technology Research Department (focusing on research into oil and gas separation and treatment technologies, and evaporation crystallisation technologies), and the Equipment Digitalisation Technology Research Department (focusing on research into equipment digitalisation technologies), to support the Company's continuous innovation.

LANPEC's Innovation-driven Structure and Main Responsibilities



Strategy

The Company places technology leadership and research and development innovation in a priority position. Technological innovation is the key support for LANPEC to strengthen core functions and enhance market competitiveness. If investment in innovation is insufficient and technological iteration lags behind, it will be difficult to meet the demand for highly efficient and energy-saving equipment under the national "Dual Carbon" goals, and we will be unable to provide core technical support for energy conservation and emissions reduction in the industrial sector. If we continue to increase investment in innovation and achieve breakthroughs in key core technologies, we will be able to promote the upgrading of energy equipment towards greater efficiency, lower carbon emissions, and greater intelligence, help industrial enterprises reduce energy consumption and carbon emissions, while creating high-quality jobs, and realise the coordinated improvement of environmental and social benefits.

LANPEC's Risks and Opportunities Analysis for "Innovation-driven"

Type	Specific Description	Timeframes of Impact	Financial Impacts	Response Strategies
Technology transition risk	During the advancement of cutting-edge technology research and development, if breakthroughs in core technologies are impeded or the pace of industrialisation lags behind, we may miss the market window, weaken our technological leadership, and affect customer order acquisition and brand reputation.	Short, medium, and long term	Increase in operating costs Decrease in operating revenue	<ul style="list-style-type: none"> Strengthen cooperation with universities and scientific research institutes to accelerate breakthroughs in key technologies. Improve lifecycle management of intellectual property, proactively arrange patents for core technologies, and avoid infringement risks.
Product/Service opportunities	China is accelerating the promotion of energy conservation and carbon reduction in the industrial sector. The Company can leverage the technological expertise to launch green equipment and system solutions and seize market opportunities.	Medium and long term	Increase in operating revenue	<ul style="list-style-type: none"> Focus on core products such as high-efficiency energy-saving heat exchange equipment and waste heat recovery and utilisation systems, increase investment in industrialisation, and rapidly form large-scale production capacity.

In order to effectively address risks such as insufficient innovation in a complex development environment, and seize opportunities brought about by industrial upgrading, the Company formulated *2025 Guidelines for Annual Scientific and Technological Development Projects of Lanpec Technologies Limited*, systematically anchoring the strategic direction of scientific and technological innovation, focusing on core business and technological advantages, and concentrating resources on prioritising key technological innovation, so as to support the achievement of annual targets and lead strategic development.

To ensure the efficient implementation of scientific and technological innovation projects, the Company strengthens the top-level design and leadership mechanisms for scientific and technological innovation. From guiding innovation directions and project initiation to process supervision, acceptance evaluation, and post-evaluation, we implement lifecycle supervision and management to ensure that every process is subject to strict control, thereby promoting the effective transformation of scientific and technological innovation achievements into strong momentum for corporate development.

Impacts, Risks and Opportunities Management

In the external environment characterised by accelerating technological iteration, intensifying industrial competition, and the intertwining of green and low-carbon transformation, the Company deeply recognises that innovation is the core engine for shaping long-term competitiveness, responding to risks arising from uncertainty, and seizing opportunities for high-quality development. In 2025, the Company effectively enhanced corporate resilience and development momentum from three dimensions, namely R&D innovation, intelligent manufacturing and digital transformation, and intellectual property protection, and further promoted the coordinated co-creation of the Company's economic value and social value.



R&D Innovation System Development

The Company focuses on the core needs of R&D and innovation and promotes the transformation of innovative achievements into practical productive forces by strengthening full-cycle management of scientific research projects, improving the achievement evaluation and incentive mechanisms, enhancing the development of R&D platforms, and actively participating in the formulation of industry standards.

LANPEC's Key Management Measures for R&D and Innovation

Category	Measures
Research project management	<ul style="list-style-type: none"> Implement classified and graded management for scientific research projects, with projects including government-funded research projects, industry-commissioned research projects, and the Company's science and technology development fund projects. Carry out project management with reference to the relevant provisions of the <i>Measures for the Management of Scientific and Technological Development Fund Projects</i>.
Management of scientific and technological achievements and talent incentives	<ul style="list-style-type: none"> Establish a full-process management mechanism covering achievement appraisal, technical evaluation, registration and archiving, and intellectual property protection. Issue the <i>Measures for Rewards for Scientific and Technological Innovation Work (Trial)</i>, providing material and spiritual rewards to contributors who obtain achievements at national, provincial and ministerial levels, patents, papers, and contributions to new product development. Establish the "Science and Technology Achievement Award" to incentivise the enthusiasm and creativity of scientific and technological personnel undertaking scientific research tasks and making practical innovation contributions.
R&D platform development	<ul style="list-style-type: none"> Promote joint establishment with universities, research institutes, and key users of innovation base construction projects and talent training bases featuring deep integration of industry, academia, research, and application.
Leadership in industry standards and technical services	<ul style="list-style-type: none"> Proactively undertake research into industry-wide common application technologies, undertake the formulation and revision of national and industry standards and specifications, support the high-quality development of the industry, and expand the Company's influence. For related content, please refer to the "Industry Development" section of this report.

Successful Application of Fully Welded Plate Heat Exchanger R&D in Tail Gas Waste Heat Recovery


In 2025, in response to the needs of the waste heat recovery industry, the Company adopted a combination of simulation and experimental validation, optimised traditional heat transfer calculation theoretical models, and successfully developed a high-efficiency fully welded plate heat exchanger. This product replaces conventional shell-and-tube heat exchangers with a compact, fully welded structure, improving equipment integration while significantly reducing system operating energy consumption.

This technology has been successfully applied to the tail gas waste heat recovery system of a large-scale syngas-to-methanol plant. Actual operating data show that the waste heat recovery efficiency of the system using the fully welded plate heat exchanger has increased to over 90%. The efficient heat recovery significantly reduces the demand for primary energy, thereby directly reducing carbon dioxide (CO₂) emissions. The overall reduction in energy consumption of the plant also indirectly reduces the emissions of pollutants such as sulphur oxides (SO_x) and nitrogen oxides (NO_x) that would otherwise be generated to achieve the same production capacity, delivering significant environmental benefits. The successful application of this technology provides practical and reliable technical support for the green and low-carbon transformation of energy-intensive industries such as the chemical sector.

Intelligent Manufacturing and Digital Transformation

To advance intelligent manufacturing and digital transformation, in 2025, the Company enhanced design efficiency and technological innovation capabilities and promoted intelligent upgrading by advancing the digital transformation of the design and R&D system for pressure vessel equipment, strengthening team building and personnel development, and obtaining relevant certifications.

LANPEC's Key Actions and Measures for Intelligent Manufacturing and Digital Transformation in 2025

Category	Measures
Integrated design platform architecture for pressure vessels	<ul style="list-style-type: none"> Developed an integrated design platform architecture for pressure vessels, which adopted a multi-layered architectural design, integrating functions such as parameter input, design calculation, model creation, and data delivery, breaking away from the traditional situation in which functional modules in design software operate independently, improving design efficiency and flexibility, and supporting the independent development, testing, and deployment of multifunctional modules.
Team building and personnel development	<ul style="list-style-type: none"> Strengthened the cultivation of professional qualifications and technical capabilities, with the members successfully obtaining the two core professional qualifications of "Pressure Vessel Design Approver" and "Pressure Vessel Inspector", enhancing their technical authority and capacity to assume responsibilities in core business areas. Actively integrated into the frontier technology ecosystem, and selected members to participate in "AI Agent Practical Training", inspiring innovative ideas for integrating emerging technologies such as artificial intelligence and automation into the equipment design process.
Digital transformation certification	<ul style="list-style-type: none"> LANPEC (Shanghai) completed the audit of the digital transformation management system on 8 August 2025 and obtained the Digital Transformation Management System Assessment Certificate. LANPEC (Shanghai) completed the digital transformation maturity rating on 30 September 2025 and obtained the Digital Transformation Maturity Star Rating Assessment Certificate. <div style="text-align: center;">  <p>Digital Transformation Maturity Star Rating Assessment Certificate, Integration of Informatisation and Industrialisation Management System Certificate</p> </div>

Intellectual Property Protection

The Company attaches great importance to intellectual property protection, and has formulated documents such as the *Management Measures for Intellectual Property*, the *Protection Measures for Intellectual Property Protection*, and the *Letter of Commitment for the Protection of Intellectual Property Rights*, implementing standardised whole-process management over the creation, management, application, and protection of the Company's intellectual property, thereby providing solid safeguards for technological innovation achievements.

LANPEC's Key Actions for Intellectual Property Protection

Category	Measures
<p>Organisation of exchanges and training sessions</p>	<p>To enhance employees' awareness of intellectual property protection, a team of lecturers comprising experienced internal cadres and external expert panel provided training courses on patent drafting, patent protection, intellectual property management and other topics for different groups.</p>
<p>Improvement of systems and processes</p>	<p>We strictly complied with relevant laws and regulations, continuously improved the intellectual property management system, and required employees to sign the <i>Integrity Conduct and Intellectual Property Agreement</i>.</p>
<p>Focus on information confidentiality</p>	<p>We provided online and offline training and learning on intellectual property-related knowledge to key and relevant personnel of the Company, improved the awareness of the management and relevant employees regarding intellectual property protection, and strengthened the awareness of patent application and infringement prevention among relevant personnel during the research and development and production processes.</p>

Indicators and Targets

To systematically measure and advance the effectiveness of the implementation of the innovation-driven strategy, the Company has established a quantifiable, traceable, and assessable innovation performance indicator system centred on three core dimensions, namely R&D investment, scientific and technological talent, and scientific and technological achievements.

LANPEC's Innovation-driven Targets and Progress in 2025

<p>R&D investment</p> <p>Target: The Company continues to strengthen investment in scientific research, with the target for R&D intensity maintained at approximately 5%.</p> <p>In 2025: RMB60.02 million was invested in R&D in 2025, with R&D intensity of 6.05%.</p>
<p>Scientific and technological talent</p> <p>Target: The proportion of our scientific and technological personnel retained shall be no less than 25% of the total number of Company employees.</p> <p>In 2025: The Company had a total of 354 scientific and technological personnel, including 29 professor-level senior engineers, 163 senior engineers, 4 doctorate holders, and 96 master's degree holders.</p> <p>The Company had 1 expert receiving the State Council Special Allowance, 2 leading talents in Gansu Province, and 3 Longyuan Young Talents in Gansu Province.</p>



Scientific and technological achievements

Target: The annual increase in the number of patents granted to the Company shall be no fewer than **20**, the number of valid granted patents retained shall be no fewer than **240**, and the Company shall obtain no fewer than **1** provincial- or ministerial-level (or equivalent) award every **2** years.

In 2025: The Company obtained **10** invention patents and **15** utility model patents.

As of the end of 2025, the Company held a total of **281** authorised patents and **40** software copyrights.

As of the end of 2025, the Company had obtained over **1,181** scientific and technological achievements in total, including **4** National Science and Technology Progress Awards, **3** China Invention Awards, **10** National Science Conference Awards, **3** major technical equipment achievements, **181** ministerial (provincial)-level science and technology progress awards, and **22** national-level new products and National Torch Program products.

LANPEC's Market Honours for High-tech Research and Development

National-level Quality Inspection Centre

- National Quality Inspection and Testing Centre for Petroleum Drilling, Production, Refining and Chemical Equipment
- National Product Quality Inspection and Testing Centre for Heat Exchangers

National-level Scientific Research Platform

- Postdoctoral Research Workstation

Provincial- and Ministerial-level Scientific Research Platform

- Shanghai Expert Workstation

Provincial- and Ministerial-level Engineering Technology Research Centre

- Shanghai Petrochemical Heat Exchange Equipment Engineering Technology Research Centre
- Gansu Heat Transfer and Energy Saving Engineering Technology Innovation Centre
- Engineering Technology Research Centre for Heat Transfer and Energy Saving in the Machinery Industry

Provincial- and Ministerial-level Technology Innovation Centre

- Gansu Enterprise Technology Centre
- Shanghai Enterprise Technology Centre
- Gansu Technical Center for Petrochemical Heat Exchange Equipment Industry

Provincial- and Ministerial-level Design Innovation Centre

- Gansu Industrial Design Centre
- Shanghai Design Innovation Centre

Industry Development

The Company actively undertakes research into common application technologies within the industry, as well as tasks related to the formulation and revision of national and industry standards and specifications, continuously enhancing our technological influence in specialised fields and supporting the high-quality development of the industry. Relevant work of the Company is carried out in accordance with the provisions of the formulated *Management Measures for the Work of Industry Associations (Trial)*, ensuring that the participation process is standardised and orderly, and that the outcomes are practical and effective.

To systematically advance the optimisation of industrial layout and market expansion, the Company simultaneously strengthens the development of its investment management capabilities, formulates and implements the *Investment Management Measures*, and clarifies a full-cycle management system covering strategic planning, project review, process control, and post-investment evaluation, so as to make scientific, compliant, actionable decisions. At the same time, in order to strengthen full-cycle management of investment projects and continuously enhance investment returns and decision-making quality, the Company formulated the *Implementation Rules for Post-investment Evaluation of the Company's Investment Projects*, systematically standardising the content, standards, procedures, and methods of post-investment project evaluation, thereby forming a closed-loop management system featuring "pre-event review, in-process monitoring, and post-event evaluation".

In 2025, the Company continued to promote the industry's high-quality development and technological progress by actively participating in the formulation of industry standards, organising and participating in professional seminars, advancing industry-university-research cooperation, and collaborating with external institutions.

LANPEC's Key Actions and Achievements for Industry Development in 2025

Category	Specific Content
Participation in the formulation of industry standards	<ul style="list-style-type: none"> Led the revision of standards <i>NB/T 47004.1-2025 Plate Heat Exchangers Part 1: Removable Plate Heat Exchangers</i> and <i>NB/T 11917-2025 Diffusion-Bonded Heat Exchangers</i>. Participated in the revision of standards <i>NB/T 47048-2025 Spiral Plate Heat Exchangers</i>, <i>GB/T 46193-2025 Technical Requirements for Vertical Cylindrical Molten Salt Storage Tank</i>, <i>GB/T 29459.3-2025 Small Punch Test Methods of Metallic Materials for In-service Pressure Equipment-Part 3: Method of Test for Fracture Toughness</i>.
Participation in industry seminars	<ul style="list-style-type: none"> In June 2025, the Technical Committee convened a meeting to review comments on <i>NB/T 47048 Spiral Plate Heat Exchangers</i>. In September 2025, we convened a meeting on three national standards including <i>GB/T 151 Heat Exchangers</i>. In November 2025, we hosted the Re-election of the Fourth Heat Exchangers Sub-Committee of China Standardisation Committee on Boilers and Pressure Vessels and the 2025 Work Meeting. In December 2025, we convened a seminar on the manufacturing, inspection and testing technology exchange, as well as the formulation and revision of standards, for air-cooled heat exchangers.
Brand building progress	<ul style="list-style-type: none"> Lanzhou Testing Institute continued to advance the registration of CPI products in the petroleum drilling and production industry, as well as the industry self-regulatory qualification assessment for remanufacturing and repair units, enhancing product quality, brand recognition and international credibility of the petroleum and petrochemical equipment industry, strengthening quality management and brand development, improving CPI product certification and accreditation, and laying a foundation for the sustainable development of the industry.
Industry-university-research cooperation	<ul style="list-style-type: none"> Lanzhou University of Technology participated in the project, <i>Research on Key Technologies and Demonstration Application of Deep Cryogenic Large-Volume Liquid Hydrogen Spherical Tanks</i>, systematically studying the operating conditions, loads borne, and failure modes of liquid hydrogen spherical tanks; establishing thermo-mechanical coupling design calculation and evaluation criteria, as well as thermal insulation and cold preservation design calculation methods for liquid hydrogen spherical tanks; and developing new structures suitable for vacuum composite insulated deep cryogenic spherical tanks, such as support structures and piping connection structures. At present, the trial manufacture of a 25 m³ prototype has been completed. East China University of Science and Technology participated in the project, <i>Investigation and Structural Design of Primary Surface Heat Exchangers</i>, forming a technical solution applicable to the processing, assembly, and welding of microscale heat transfer plates, and the final product has been completed. Tianjin University of Science and Technology participated in the project, <i>Research on Melt Crystallisation Purification Technology for High-Purity Polyester Fine Chemical Products</i>, studying the melt crystallisation purification process for fine chemical and petrochemical products represented by TDI and developing a complete set of melt crystallisation equipment. The final technical report has been completed.
External collaboration projects	<ul style="list-style-type: none"> Collaborated with China Nuclear Power Engineering Co., Ltd. to carry out <i>Research on Key Technologies for Passive Containment Heat Removal Based on the Separated Plate Heat Exchanger (SPHP)</i>. Collaborated with Hefei General Machinery Research Institute Co., Ltd. to conduct the Sinomach Group's key R&D project, <i>Research on Key Technologies for Coal Slurry Heat Exchangers in Large-scale Direct Coal Liquefaction Units</i>.

Re-election of the Fourth Heat Exchangers Sub-Committee of China Standardisation Committee on Boilers and Pressure Vessels and the 2025 Work Meeting

In November 2025, the Re-election of the Fourth Heat Exchangers Sub-Committee of China Standardisation Committee on Boilers and Pressure Vessels and the 2025 Work Meeting, hosted by the Company, was successfully held in Nanjing. Nearly 200 committee members, industry experts, and industry representatives from across the country gathered to discuss a new future for the development of heat exchangers.

As the host of the meeting, the Company actively played a leading role in the industry, making a key contribution to promoting the standardised development of the industry, technological progress, and the enhancement of international competitiveness.



Re-election of the Fourth Heat Exchangers Sub-Committee of China Standardisation Committee on Boilers and Pressure Vessels and the 2025 Work Meeting Site

Safety and Quality of Products and Services

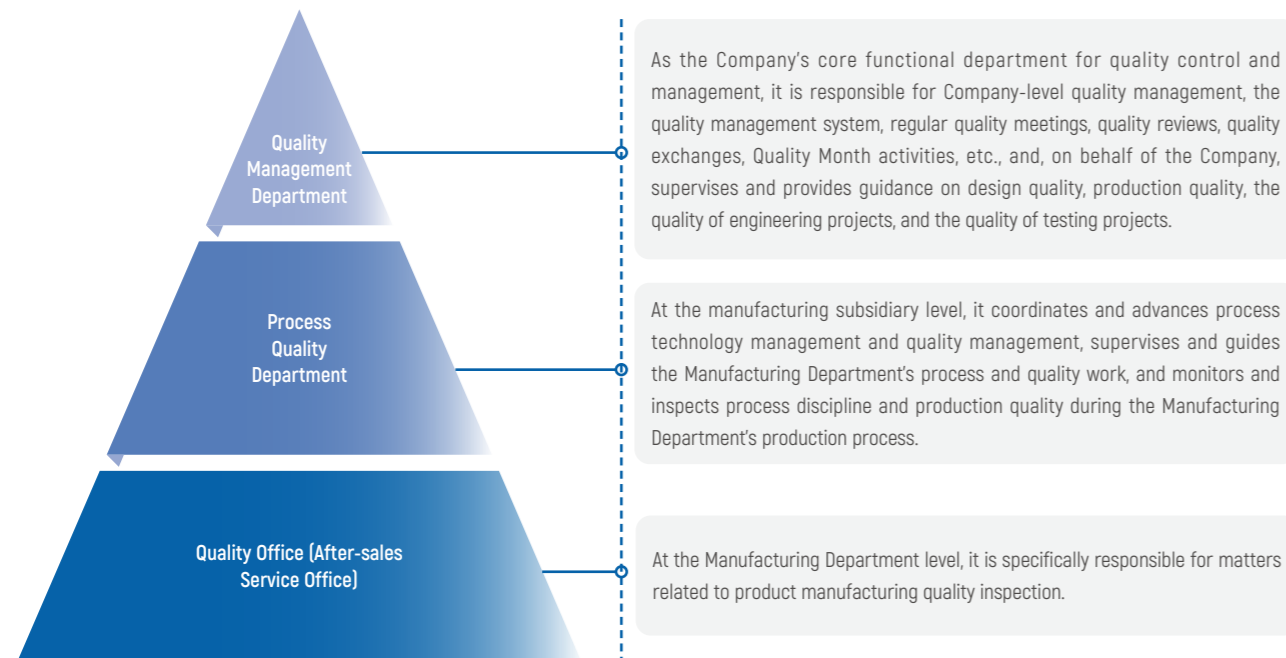
The Company puts forward the philosophy that "Quality Is Life, Brand Builds Future," as well as the principle that "Product Quality is User Safety", emphasising that quality is the foundation of the Company's existence and its strategic core, reflecting the Company's pursuit of excellence in quality and the importance we attach to our own brand.

Governance

The Company strictly complies with laws, regulations, and rules such as the *Product Quality Law of the People's Republic of China*, the *Standardisation Law of the People's Republic of China*, the *Special Equipment Safety Law of the People's Republic of China*, *TSG Z7001-2021 Accreditation Criteria on Special Equipment Inspection Agencies* and *TSG Z7002-2022 Accreditation Criteria on Special Equipment Testing Agencies*, and has formulated systems such as the *Quality Improvement and Service Control Procedures* and the *After-sales Service Control Procedures* to systematically standardise service standards throughout the entire process from delivery to after-sales, and continuously enhance customer satisfaction and brand trust. In 2025, the Company did not experience any non-compliance incidents involving the health and safety impacts of products and services.

The Company has established a three-tier quality management safeguarding model, and clarified the responsibilities at each level to strengthen the implementation of quality responsibilities. At the same time, the Company has established three systems, namely the *Performance Appraisal Management Measures*, the *Quality Assessment Measures (Trial)* and the *Management Measures for Accountability and Responsibility Investigation for Quality Issues from External Feedback (Trial)*, linking quality performance appraisal with bonus distribution to ensure that employees attach importance to quality in principle and that quality is guaranteed through systems.

LANPEC's Management Structure for Safety and Quality of Products and Services



The Company has established a documented quality management system in accordance with the *GB/T 19001-2016 Quality Management Systems - Requirements* to ensure the high quality of products and services. The Company has passed the GB/T 19001-2016 and ISO 9001:2015 Quality Management System certification, valid until 3 December 2026. In 2025, the Company successfully obtained a number of licences and certificates, further consolidating our compliance foundation and professional capabilities in special equipment manufacturing and technical services, and demonstrating our determination to continuously enhance service standards and fulfil our quality commitment to customers and society.



Quality Management System Certification

LANPEC's Main Licences and Certificates Obtained in 2025

- LANPEC - Manufacture License for Pressure Vessels A1 A6 (No. TS2210097) - 2029**
Licensed sub-items: A1 and A6 Manufacturing of Stationary Pressure Vessels. This certificate was obtained on 19 December 2024
- LANPEC - Manufacture License for Pressure Vessels A3 - (No. TS2262106) - 2028**
Licensed sub-item: Spherical Tanks for Stationary Pressure Vessels (A3). This certificate was obtained on 3 February 2024
- LANPEC - ASME U Steel Stamp Authorisation Certificate ASME U (40136) - 1 December 2028**
Scope of licence: Manufacture of U steel stamp products
- LANPEC Installation License for Pressure Pipeline (GC2) (No. TS3862028) - 2028**
Licensed sub-item: Industrial Pipeline Installation (GC2). This certificate was obtained on 23 January 2024
- SHLB LANPEC (Shanghai) Manufacturing Production License for Pressure Vessels (A1) (No. TS2210855-2028)**
Scope of licence: A1, A2, D Manufacturing of Stationary Pressure Vessels
- SHLB - Manufacture License for Pressure Vessels (A3) (No. TS2231860-2028)**
Licensed sub-item: Spherical Tanks for Stationary Pressure Vessels (A3). This certificate was obtained on 16 August 2024
- LANPEC (Shanghai) - ASME U U2 S Steel Stamp Authorisation Certificate (No. 45623 45624 53764)-2028**
Scope of licence: Manufacture of U/U2/S steel stamp products
- SHLB - Industrial Pipeline Installation (GC1) Certificate (No. TS3831063-2028)**
Scope of licence: Industrial Pipeline Installation (GC1). This certificate was obtained on 12 March 2024
- LANPEC - Pressure Pipeline Design for Industrial Pipelines (GC1) (No. TS1862009-2029)**

Strategy

As the global economic landscape undergoes profound adjustment and market competition becomes increasingly intense, quality has become a key factor in corporate core competitiveness. The safety and quality of products and services are not only the fundamental guarantee for sustainable corporate development, but also the basic commitment to safeguarding safety and honouring customer trust. If the Company's quality management is poor, it can easily trigger safety incidents and customer losses, thereby undermining market confidence and damaging the industry ecosystem. Adhering to high-standard quality control can not only enhance customer satisfaction and brand reputation, but also drive the continuous improvement of the overall reliability of the industry chain.

LANPEC's Risks and Opportunities Analysis for "Safety and Quality of Products and Services"

Type	Specific Description	Timeframes of Impact	Financial Impacts	Response Strategies
Technology transition risk	In the process of advancing intelligent and digital product upgrades, if the application of new technologies lacks sufficient validation or is insufficiently compatible with existing systems, it may affect product stability and user safety, and increase after-sales service costs.	Medium and long term	Increase in operating costs Decrease in operating revenue	<ul style="list-style-type: none"> Improve the quality and safety management system covering the entire lifecycle. Strengthen risk assessment and testing verification before the introduction of new technologies. Continue to track user feedback and dynamically optimise product performance and experience.
Liability and reputation risk	If product or service quality issues during use lead to safety incidents or operational failures, this may significantly affect customers' production, damage our reputation, weaken market trust, and result in legal liabilities and customer loss.	Short, medium, and long term	Short, medium, and long term	
Market opportunity	As customers' requirements for equipment reliability and service assurance continue to increase, having a comprehensive quality system will make it easier to gain the trust of the high-end market and secure long-term cooperation opportunities.	Medium and long term	Decrease in operating costs Increase in operating revenue	

To enhance quality management awareness, promote the suitability, adequacy, and effectiveness of the quality management system, accelerate the digital transformation of quality management, and improve the quality performance evaluation system, the Company has formulated the 15th Five-Year Development Plan in 2025, providing goals and an action path for comprehensively standardising quality management.

Impacts, Risks and Opportunities Management

The Company systematically identifies, assesses, and manages quality risks and potential impacts throughout the entire lifecycle, and actively improves various management mechanisms, seizes opportunities arising from technological upgrades, enhanced standards, and changes in market expectations. By strengthening process control and promoting continuous improvement, we continuously enhance product reliability and customer satisfaction.

Product Quality

The Company continues to strengthen the development of a comprehensive quality management system, systematically advancing key measures such as the regular quality meeting mechanism, quality review and rectification, Quality Month activities, special training, and internal audits. Through institutionalised and standardised quality management practices, the Company continuously enhances quality assurance capabilities throughout the entire product lifecycle, driving high-quality development to advance in depth.

Lanzhou Testing Institute provides technical documents such as inspection and testing reports and evaluation conclusions as its core service content. In cases where technical documents contain errors, potential compliance risks, or customer complaints, Lanzhou Testing Institute carries out the retrieval and destruction of documents in an orderly manner by clearly defining the scope of recall and formulating remedial measures, while maintaining communication with customers throughout the entire process. Afterwards, it conducts an in-depth analysis of the root causes of the issues, implements rectification measures, and strengthens subsequent monitoring, thereby completing the recall of documents such as inspection and testing reports.

LANPEC's Key Actions on Product Quality in 2025

Category	Measures
Deepen the regular quality meeting mechanism	<ul style="list-style-type: none"> Each month, we coordinated relevant departments to hold quality regular meetings, focusing on quality issues arising in design and manufacturing, conducting in-depth analysis of the causes, formulating corrective measures, and urging rectification, thereby establishing a closed-loop mechanism of problem analysis, measure formulation, rectification supervision, and effectiveness verification. After each meeting, we promptly issued meeting minutes and quality briefings, and synchronised them with all responsible departments and the Company's management. In 2025, the Company held 24 regular quality meetings.
Implement quality review and rectification	<ul style="list-style-type: none"> We established a quality review and accountability mechanism. In response to typical quality issues and process loopholes that occurred, we promptly organised the relevant responsible departments to carry out quality reviews, with a focus on investigating and analysing the causes of the issues and the resulting impacts, clarifying responsibility attribution, and formulating detailed improvement measures. In 2025, the Company had already conducted 29 quality reviews.
Carry out Quality Month activities	<ul style="list-style-type: none"> In 2025, we established a Quality Award, formed the QC Group, and carried out lean management and 6S management initiatives. We conducted the "Nine Ones" thematic activities, whereby each branch carried out one quality seminar, one quality improvement and innovation initiative, one quality cost analysis, one quality risk analysis, one quality standardisation activity, one quality responsibility commitment, one quality experience sharing session, one quality skill enhancement initiative, and one batch of quality benchmark promotions, comprehensively improving product and service quality.
Strengthen quality training	<ul style="list-style-type: none"> Training programmes included "Quality Assurance Engineer (Chief Quality and Safety Officer) Training and Appraisal", "2025 Tsinghua Quality Powerhouse Forum", "Specification for Evaluating Quality Management Capability of Manufacturing Enterprises", "ASME Quality Control Manual Training", "Lean Production Management", etc. Training formats included external training, internal training, online learning, etc.
Implement quality supervision and inspection, internal audits, and closed-loop rectification	<ul style="list-style-type: none"> In 2025, the Company conducted on-site supervision and inspection of the manufacturing quality assurance system of the Shanghai Manufacturing Department, the manufacturing quality assurance system of the Lanzhou Manufacturing Department, testing business sites, and engineering project sites. Targeted corrective measures and improvement recommendations were proposed for the issues identified, and the relevant units have completed rectification as required. In 2025, the Company carried out internal audits of the quality assurance systems at the Lanzhou Base and the Shanghai Base. In response to the non-conformities identified during the 2025 internal audits of the manufacturing quality assurance system, the relevant departments have completed all rectifications, and the auditors' follow-up verification confirmed that the completion of the corrective measures was satisfactory.

Training on the Guidelines for Lifecycle Management of QC Group Activities

On 24 December 2025, the Company carried out the "Launch Ceremony For QC Group Activities" and the "LANPEC Training on the Guidelines for Lifecycle Management of QC Group Activities", aiming to further consolidate the foundation of corporate quality management, bring together the combined strength of all employees in participating in quality improvement, foster a positive atmosphere in which everyone cares about quality and everyone participates in improvement, and promote the quality management philosophy to take deeper root in people's minds.



Training Materials

LANPEC (Shanghai) was Recognised as a 2025 Shanghai Manufacturing Champion Enterprise, Leading the Development of Core Equipment for Molten Salt Energy Storage

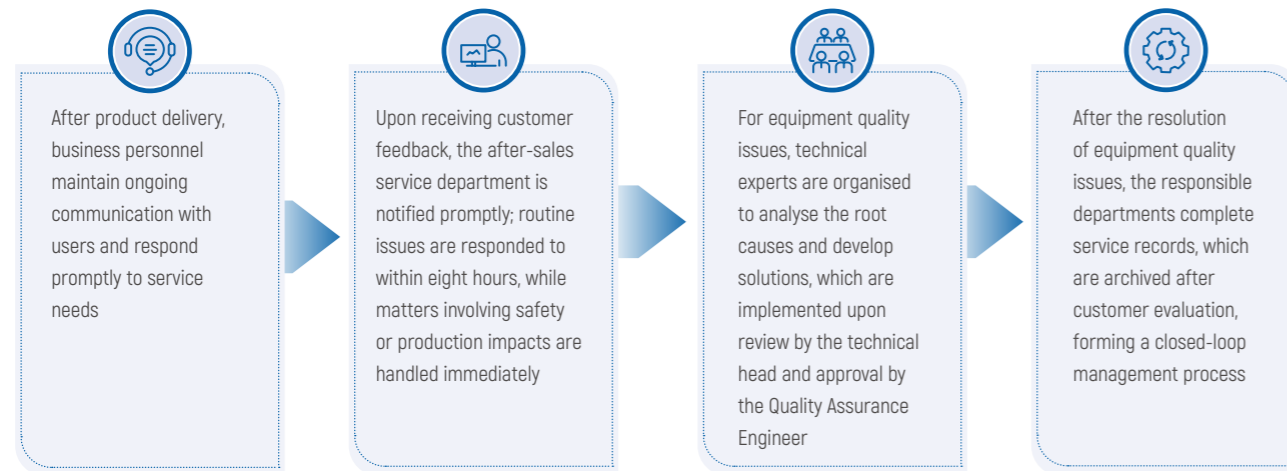
LANPEC (Shanghai) was successfully selected for the List of 2025 Shanghai Manufacturing Champion Enterprises published by the Shanghai Municipal Commission of Economy and Informatisation, by virtue of its leading technological advantages and extensive market applications in the niche market of molten salt energy storage. Molten salt energy storage is an important component of new energy storage technologies. As core equipment in the industrial chain, molten salt storage tanks directly determine the upper capacity limit, safety performance, and operational efficiency of energy storage systems.

This recognition not only serves as authoritative certification of LANPEC (Shanghai)'s leading market position in the molten salt storage tank sector, but also highlights its core role in focusing on energy equipment as its principal business and strengthening key links in the industrial chain, providing strong support for safeguarding national key energy projects and ensuring the security of the energy equipment industry.

Customer Service

Against the backdrop of the continuous expansion of the Company's international business presence, we attach great importance to customer feedback and regard it as a valuable resource for optimising service processes and driving innovation and development. The Company has established a sound after-sales service management system to ensure compliance throughout the entire service process.

Customer Service Process

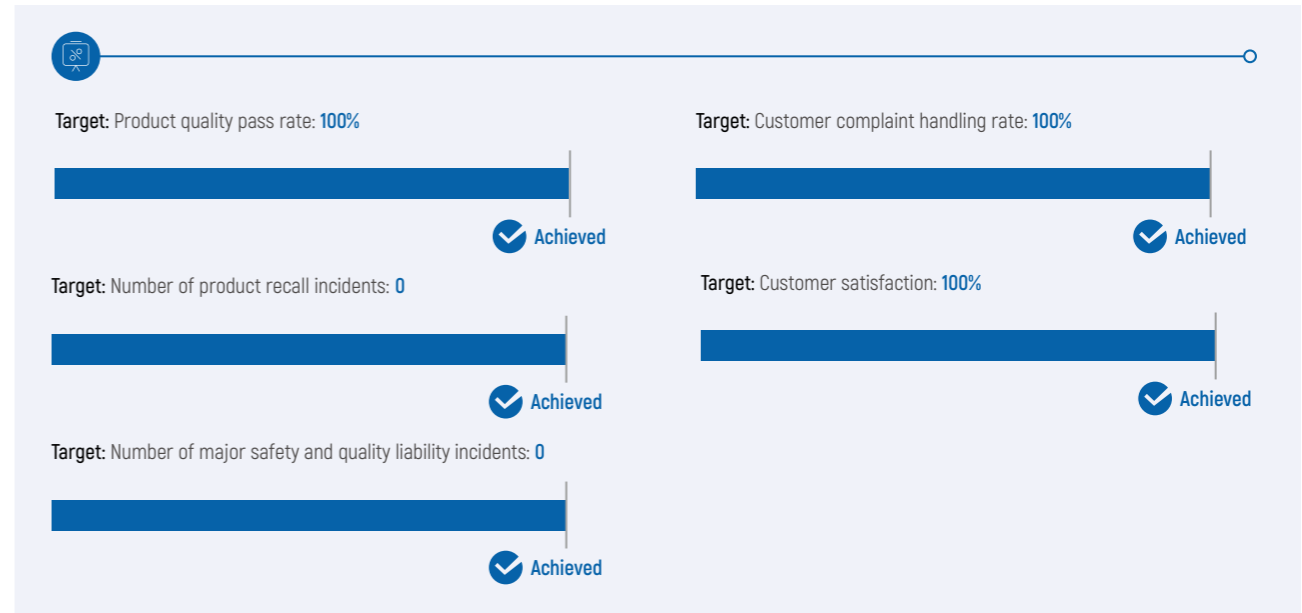


Lanzhou Testing Institute standardises its customer feedback management work in accordance with the *Complaint and Grievance Handling Procedures*, led by the General Office, and conducts regular or irregular return visits through various forms such as letters, telephone calls, and on-site visits, while simultaneously completing return visit records and satisfaction questionnaires. The customer satisfaction survey covers key dimensions across the entire process, including the standardisation of business negotiations, the professionalism of inspection services, report and objection handling, and the level of information service support, comprehensively reflecting the service experience. Based on the analysis of customer feedback, the testing institute revises relevant procedural documents in a targeted manner, implements corrective measures, and continuously optimises the quality management system. In 2025, Lanzhou Testing Institute received three letters of thanks from customers, fully reflecting customers' high recognition of the Company's professional capabilities, service attitude, and response efficiency.

Indicators and Targets

Centred on the safety and quality of products and services, the Company has set clear management objectives in the 15th Five-Year Development Plan. To ensure the effective implementation of the objectives, the Company has established a system of performance indicators and, through various mechanisms, conducts dynamic monitoring, regular reviews, and continuous improvement of key indicators. No major product-related safety or quality liability accidents occurred in 2025.

LANPEC's Safety and Quality of Products and Services Targets and Progress in 2025



The Company's plate heat exchangers (WPHE/GPHE/SPHE series) were selected for the 2025 Shanghai High-tech Achievement Transformation Project by the Science and Technology Commission of Shanghai Municipality.



The Company won two second prizes for Outstanding QC Quality Management Achievements in Gansu Province.



The Company received multiple honours in the 2025 Safety Management Standardised Team Building from the China Association of Work Safety, with the plate production line team at the Shanghai Base rated as a "Level 1 Standardised Team", and the non-destructive testing team at the Lanzhou base rated as a "Level 2 Standardised Team".

LANPEC (Shanghai)'s "Intelligent 10,000-metre Ultra-deep Well High-temperature and High-pressure Environment Simulation System" project won the Third Prize in the 2024 Jinshan District Science and Technology Innovation Achievement Awards.



LANPEC (Shanghai) was selected for the List of 2025 Shanghai Manufacturing Champion Enterprises published by the Shanghai Municipal Commission of Economy and Informatisation.

Data Security and Customer Privacy Protection

The Company strictly complies with the requirements of national laws, regulations, and documents such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Regulations on the Classified Protection of Cybersecurity*. In 2025, the Company did not experience any data security or customer privacy breach incidents.

The Company has formulated the *Management Measures for Computers and Information Systems*, the *Management System for Information Systems*, *Information Equipment and Storage Devices*, and the *Security and Confidentiality Strategy for Classified Computers*. In 2025, the Company formulated the *Interim Measures for Cybersecurity Management* to strengthen cybersecurity management, implement the cybersecurity accountability system, improve the cybersecurity assurance system, and enhance cybersecurity protection capabilities.

In accordance with the principles of "the person in charge is responsible" and territorial management, Party organisations at all levels bear primary responsibility for the cybersecurity work of their respective enterprises. The Party Committee Secretary is the first responsible person, and the member of the leadership team in charge of cybersecurity is the directly responsible person. The Company's Financial Assets Department (Information Management Department) is the functional management department for the Company's cybersecurity and informatisation, responsible for the daily management of cybersecurity and for coordinating and organising cross-departmental and cross-enterprise cybersecurity.

The Company has formulated the *Overall Informatisation Plan*, focusing on the decision analysis level, executive management level, and business implementation level, and developed plans covering the construction of the decision analysis system, the integrated supply chain and finance system, and the project management platform, among other areas, with a commitment to achieving efficient collaboration in data management.

In 2025, the Company strengthened system security protection, advanced information system development, and improved permission management, thereby safeguarding customer information and commercial secrets while effectively supporting business collaboration and management decision-making, and laying a solid security foundation for digital transformation.

LANPEC's Key Measures for Data Security and Customer Privacy Protection

Category	Specific Content
System security assurance	<ul style="list-style-type: none"> The Company's core systems all use strong password authentication for login, and data access permissions for business system data are strictly segregated based on actual business needs. In terms of network security, security protection measures such as firewalls, intrusion detection, and internet behaviour management are adopted. The filing for Level 2 and Level 3 classified protection of cybersecurity for information systems is completed to ensure the security and compliance of the infrastructure.
Information system development	<ul style="list-style-type: none"> In January 2025, the U8 ERP system was launched, achieving foundational supply chain management; in June, the DTS system was launched, connecting business and financial data links and realising the integration of business and finance. At the beginning of 2025, the construction of the operational management dashboard was initiated, integrating multidimensional information such as operational data, project progress, and key performance indicators, and was fully implemented by the end of the year.
Customer information access rights management	<ul style="list-style-type: none"> Customer information is restricted to internal use within the relevant business department, and cross-departmental access is subject to the approval process. In conjunction with the development of the Company's information system (DTS), tiered access rights have been established for the viewing and use of customer information, with business departments only having access rights to their own department's customer information, and functional management departments having access rights corresponding to their management responsibilities. Through the triple controls of policies, technology, and processes, a closed-loop, highly confidential customer information access rights management system has been established.

Special Training Session on Cybersecurity

On 4 November 2025, the Company held a special training session on cybersecurity, aimed at comprehensively enhancing the cybersecurity awareness of all employees, strengthening the Company's line of defence for information security, and effectively preventing cyber threats such as ransomware, phishing emails, and watering hole websites.

Drawing on real cases such as ransomware and phishing emails, the Company analysed the harm posed by cyber threats and, on this basis, systematically communicated the cybersecurity management measures of higher-level units, thereby deepening security awareness into a code of conduct that every employee must follow.



Special Training Session on Cybersecurity Site

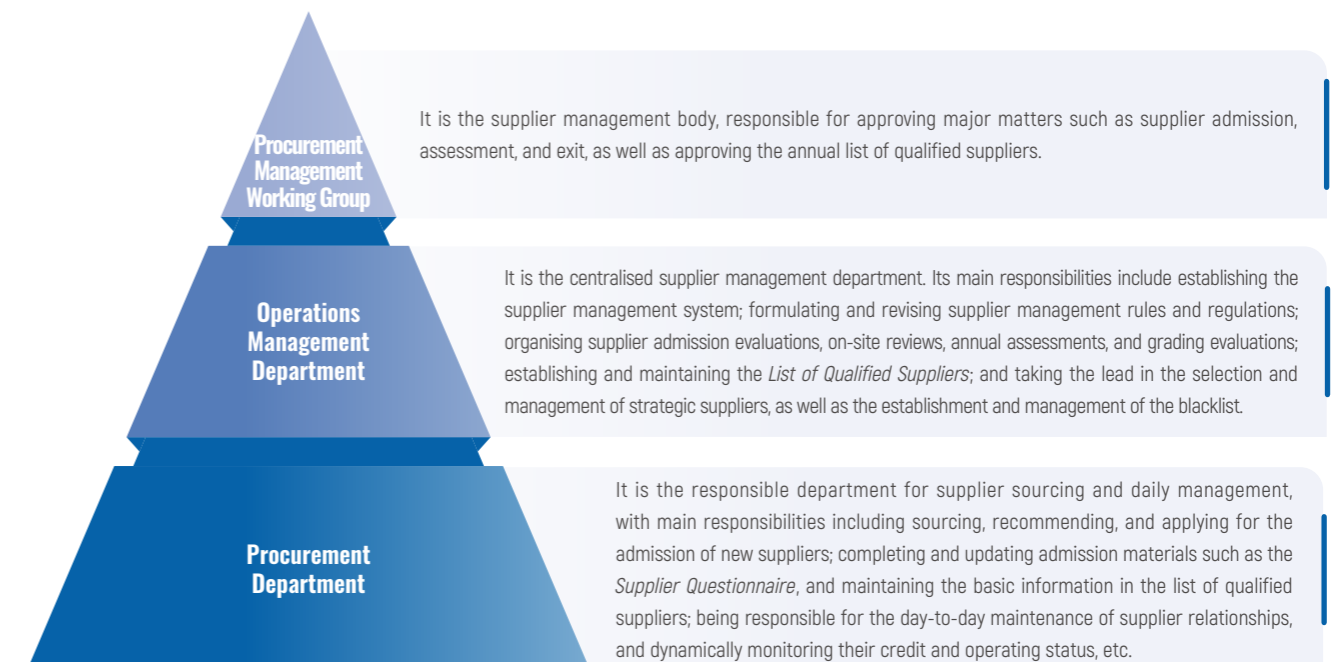
Supply Chain Security and Management

LANPEC has established a supplier system with extensive sources, a diverse structure, and stable cooperation. Suppliers are categorised and graded, and differentiated management is implemented based on their classifications. The Company categorises suppliers into three main categories, including Category A core components for special equipment, Category B general equipment components, and Category C low-value consumables.

Governance

The Company has formulated the *Procurement Management Measures* and revised the *Supplier Management Measures* in 2025, establishing a clear and efficient supply chain management framework aimed at ensuring the quality of procured materials, reducing procurement risks and costs, and enhancing supply chain reliability.

LANPEC's Main Management Structure for Supply Chain Security and Management



Strategy

The safety and sustainability of the supply chain concern not only the stability of the Company's production and delivery, but also directly affect the resource efficiency and environmental footprint of the upstream and downstream segments of the industrial chain. If supply chain management is weak, it is vulnerable to geopolitical shocks and fluctuations in raw material prices, which may lead to project delays and even trigger a crisis of customer trust. If a green and transparent supply chain system is established, it can not only safeguard the continuity of the Company's business, but also drive suppliers to improve environmental protection and labour standards, reducing carbon emissions and resource waste across the entire value chain.

LANPEC's Risks and Opportunities Analysis for "Supply Chain Security and Management"

Type	Specific Description	Timeframes of Impact	Financial Impacts	Response Strategies
Market risk	A tightening supply of key raw materials and core components may result in extended procurement cycles and significant cost fluctuations, affecting the on-schedule delivery of projects.	Medium and long term	Increase in operating costs Decrease in operating revenue	· Establish a localised supply mechanism for key materials, and give priority to developing domestic alternative suppliers.
Reputation risk	If effective ESG audits are not conducted on suppliers, issues such as non-compliant labour practices and failure to meet environmental standards may arise, potentially triggering public opinion crises and damaging corporate reputation.	Medium and long term	Decrease in operating revenue	· Incorporate ESG clauses into the supplier admission and annual assessment system, and implement tiered management.
Market opportunity	If we enhance our proprietary technology accumulation and engineering experience in areas such as efficient heat exchange, we will secure more orders and expand our market share.	Medium and long term	Increase in operating revenue	· Carry out supply chain social responsibility training and joint audits to promote compliance across the entire chain.

Impacts, Risks and Opportunities Management

The Company's supplier management follows the principles of openness, fairness, impartiality, compliance, integrity and merit-based selection. By leveraging professional and information-based approaches, and through mechanisms such as admission reviews and dynamic assessments, we achieve systematic, graded management of suppliers throughout their lifecycle.

LANPEC's Main Processes and Contents of Supplier Management

Process	Specific Content
Admission and review	<ul style="list-style-type: none"> Based on suppliers' basic information, qualifications, relevant performance, management systems, equipment capabilities, technical capabilities and other aspects, they are included in the list of qualified suppliers after passing the assessment. According to material classification, differentiated assessment methods are adopted. For Category A, a "document review + on-site or online qualification assessment" approach is adopted; for Category B, a "document review + on-site spot-check assessment of key items" approach is adopted; for Category C, a "document review" approach is adopted. The supplier re-evaluation cycle for Category A and Category B materials is three years, and the supplier re-evaluation cycle for Category C materials is five years. In 2025, a new supplier pre-assessment process was added. On the premise of controllable risk (preliminary pre-assessment), this provided the necessary flexibility for procurement activities, while adhering to the bottom line that no long-term cooperation may be carried out without formal admission.
Dynamic appraisal	<ul style="list-style-type: none"> Annual dynamic appraisals are conducted for qualified suppliers, and the appraisal dimensions include quality, delivery, price, willingness to cooperate, and service responsiveness, with weighted scoring applied. Based on the assessment results, suppliers are classified as excellent, good, qualified, or unqualified. Excellent suppliers are prioritised for invitation to participate in procurement and are granted preferential payment terms, among other benefits. For suppliers with an assessment score of less than 70 points, the Company suspends their qualified supplier status and orders rectification within a prescribed time limit; if they remain unqualified after rectification, their qualified supplier status is terminated.

By implementing green procurement, strengthening joint integrity-building, and controlling the sources of conflict minerals, the Company has established a sustainable and compliant supply chain management system, which not only effectively prevents environmental, social, and governance risks, but also demonstrates our responsibility and commitment to promoting the coordinated sustainable development of the industrial chain.

LANPEC's Key Actions and Measures for Supply Chain Security and Management

Category	Measures
Green supply chain	<ul style="list-style-type: none"> In our business practices, the Company adheres to green procurement, giving priority to and selecting suppliers with EHS (Environmental, Health and Safety) management systems. At the same time, for suppliers with outstanding ESG performance, the Company includes this as a bonus item in supplier partnership management and gives priority to cooperation under the same conditions.
Integrity supply chain	<ul style="list-style-type: none"> The Company has formulated and signed the <i>Integrity Cooperation Agreement</i> with suppliers to regulate transaction conduct, jointly foster a fair and impartial trading environment, prevent and resist commercial bribery, and prevent the occurrence of non-compliant, disciplinary, and illegal incidents. As of the end of 2025, more than 700 <i>Integrity Cooperation Agreements</i> had been signed.
Conflict mineral management	<ul style="list-style-type: none"> The Company currently does not involve the use of 3TG (tantalum, tin, tungsten and gold) mineral resources in its production processes. We adhere to responsible procurement and commit not to use minerals sourced from conflict-affected areas, and explicitly require suppliers not to use minerals from such regions or those that violate our policies. The Company undertakes to comply with <i>Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas</i> and the provisions relating to conflict minerals (tantalum, tin, tungsten and gold) under the <i>Dodd-Frank Wall Street Reform and Consumer Protection Act</i>.

Indicators and Targets

To enhance the sustainability of supply chain management, the Company will gradually establish a quantifiable and traceable supply chain management indicator system. By setting clear annual targets and performance standards, we will drive the supply chain from merely "ensuring supply" towards providing strong support for building a safe, transparent, green, and efficient modern supply chain system.

LANPEC's Supply Chain Security and Management Targets and Progress



03

People-oriented, Shared Value

- Employee Rights and Benefits
- Occupational Health and Safety
- Employee Training and Development
- Contributions to the Society
- Rural Revitalization



Employee Rights and Benefits

Employment and Retention

The Company strictly complies with the requirements of laws, regulations, and other regulatory requirements such as the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, the *Provisions on the Prohibition of Using Child Labour*, resolutely eliminates any form of illegal employment practices such as forced labour, discriminatory employment, and child labour, and effectively safeguards the legitimate rights and interests of employees. In 2025, the Company did not employ child labour, and no incidents of forced or compulsory labour occurred.

The Company continuously improves its internal human resources management system and has formulated systems such as the *Personnel Management System* and the *Compensation Management Measures*, clarifying standardised procedures for each process including recruitment, hiring, and contract signing, to ensure that employment practices are lawful and compliant, fair and just, and transparent and efficient. In 2025, the Company newly formulated the *Management Measures for the Postdoctoral Research Workstation*, which clarified the management bodies and their responsibilities, as well as the recruitment requirements for postdoctoral personnel, in order to further implement the strategy of innovation-driven development and talent-driven enterprise development.

LANPEC's Employment Principles

Fairness and transparency

To ensure equal employment opportunities and career development space for all, the Company has consistently adhered to the principles of justice, fairness, and openness in talent selection and employment. During the talent assessment process, the Company comprehensively considers individuals' educational background, professional skills, and work experience, ensuring the transparency and fairness of the selection process.

Anti-harassment

The Company is committed to eradicating conduct in the workplace that infringes upon personal dignity, as well as sexual harassment and abuse of power that violates others' wishes.

Anti-child labour and anti-forced labour

The Company does not employ child labour under the age of 16, nor does it use forced labour, debt-bonded labour, slavery or human trafficking, and does not use involuntary prison labour. Juvenile workers aged 16 to under 18 must be managed in accordance with the Law of the People's Republic of China on the Protection of Minors.

Personal privacy protection

The Company attaches importance to protecting employees' personal privacy and does not disclose employees' personal privacy information to external parties without their consent.

In terms of employee recruitment, each department of the Company submits the *Annual Position Requirement Application Form* at the year-beginning based on annual staffing quotas and business development plans. After approval by the Company's leadership, it is incorporated into the annual recruitment plan. Based on the annual recruitment plan, the Company carries out talent selection through multiple channels such as campus recruitment and online recruitment platforms, in strict accordance with job responsibility requirements. During the recruitment process, no differential treatment is given on the basis of religion, ethnicity, gender, political views, region, skin colour, or other such factors, thereby effectively safeguarding every candidate's equal right to employment. The Company comprehensively assesses candidates' educational background, work experience, professional skills, personal capabilities, and health condition, ensuring scientific, professional and compliant talent selection.

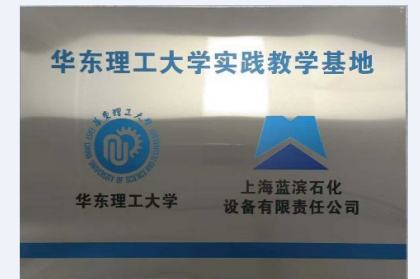
In 2025, the Company recruited 59 new employees, including 12 fresh graduates. By the end of 2025, the Company had 6 demobilised military personnel.

The Company has consistently adhered to being guided by technological innovation, attaches great importance to collaborative innovation and talent development, and continuously deepens strategic cooperation with multiple universities and research institutes. Focusing on scientific research, talent cultivation, and practical education, the Company has carried out extensive and in-depth collaboration with partners. Through resource sharing and complementary advantages, we have established a deeply integrated mechanism for attracting, cultivating, and retaining talent, providing solid talent support and innovation assurance for our deepened reform and high-quality development.

Industry-university Cooperation with East China University of Science and Technology to Cultivate Outstanding Talent Jointly

In November 2025, LANPEC held the opening event for the graduation internship programme for students majoring in Process Equipment and Control Engineering from East China University of Science and Technology, as well as the unveiling ceremony for the practical teaching base, at the Company's Shanghai Base. This training programme lasted for six days, with a total of 120 students majoring in Process Equipment and Control Engineering from East China University of Science and Technology participating.

The Company arranged training and learning content covering R&D and design, specialised product technologies, processes and quality control, inspection and testing, and other related areas. The knowledge points spanned the entire lifecycle of energy equipment, helping students deepen their understanding of enterprises, product technologies, and engineering practice. This event was an important achievement for the Company in strengthening collaborative exchanges with universities and promoting industry-university-research cooperation.



Plaque of East China University of Science and Technology Practical Teaching Base



At the launch ceremony of the 2026 Autumn Campus Recruitment Month for "Six Universities in the Northeast" of Shanghai, the Company was awarded the honours of "Best Employer" by the "Six Universities in the Northeast" of Shanghai and "Industry-Education Integration Training Base" by the University of Shanghai for Science and Technology.



Best Employer, Industry-Education Integration Training Base

Note: The "Six Universities in the Northeast" of Shanghai include Fudan University, Tongji University, Shanghai University of Finance and Economics, Shanghai International Studies University, Shanghai University, and the University of Shanghai for Science and Technology.

Employee Rights and Benefits

The Company has established a system encompassing basic rights and interests protection, a competitive remuneration structure, and a diversified non-monetary benefits framework, effectively safeguarding employees' lawful rights and interests and consolidating the foundation for talent development. The Company has formulated systems such as the *Compensation Management Measures*, clarifying the implementation rules for performance appraisal and bonus distribution for functional departments, business and R&D departments, and departments under the production segment, and standardising the remuneration management system.

Overview of LANPEC's Employee Rights and Benefits

Basic rights

- The Company pays social insurance for employees.
- We provide statutory holidays, paid annual leave, sick leave, marriage leave, maternity leave and other types of leave.

Remuneration benefits

- Each position corresponds to a corresponding salary range, and employees' remuneration is determined based on a comprehensive assessment of their position grade, work performance, capabilities and qualities, and other factors.
- Remuneration allocation is established on the basis of performance appraisal, with remuneration determined by position, adjusted with position changes, and varied according to position, while giving priority to performance and linking it to the Company's overall benefits.

Non-remuneration benefits

- A comprehensive benefits package is provided, including housing delivery subsidies, high-temperature allowances, birthday allowances, commuter shuttle buses, and three free meals.



The Company deepens its people-centred employee care practices. Through measures such as health protection, targeted condolence, commuting support, and improvements to the working environment during breaks, we convey the warmth of the organisation and enhance employees' sense of belonging, cohesion, and well-being.

LANPEC's Key Measures for Employee Care in 2025

Dimension	Specific Measures
Health care protection	<ul style="list-style-type: none"> • Actively responded to the philosophy of "helping others when healthy, receiving help when in need", provided Shanghai employee mutual assistance coverage for 570 employees, and safeguarded employees' health through this "second medical insurance". • In conjunction with the Community Health Service Centre in Lvxiang Town, conducted the Employee Health Day activity, "Medical and Enterprise Joining Hands to Build Health," every month, mainly providing traditional Chinese medicine physiotherapy services for employees. In 2025, 10 sessions had been carried out. • Invited Tinglin Hospital to jointly carry out the "Healthy Enterprise Tour" campaign and provide a series of health and medical services.
Employee condolence and support	<ul style="list-style-type: none"> • Visited 23 hospitalised employees, extended condolences five times to the immediate family members of deceased employees, once to female employees who gave birth, and 26 times to retired employees. • Carried out the activity of "Let the Bright Party Flag Fly on the Frontline", with leadership and labour union chairpersons leading teams to visit frontline employees; extended birthday greetings to 45 employees on long-term assignments. • Distributed festive benefits to all employees twice during the Spring Festival and Mid-Autumn Festival.
Commuting convenience support	<ul style="list-style-type: none"> • Opened two shuttle bus routes in the petrochemical area where employees live in concentrated communities, which not only facilitated commuting and saved time, but also provided convenience for new employees in choosing where to live.
Improvement of the working environment	<ul style="list-style-type: none"> • Actively implemented the implementation plan of the Municipal Federation of Trade Unions, and built two new restrooms equipped with tables, chairs, air conditioning and other facilities at frontline production workplaces. Provided cooling drinks during the summer, with the aim of improving employees' working conditions.

Occupational Health and Safety

The Company strictly complies with relevant laws, regulations and policy provisions such as the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, continuously improves the intrinsic safety level, and lays a solid foundation for high-quality sustainability. In 2025, the Company experienced no incidents of deaths due to work-related injuries, and received no penalties from the competent authorities for violations of laws and regulations related to occupational health and safety.

In 2025



The Company experienced **no** incidents of deaths due to work-related injuries, and received **no** penalties from the competent authorities for violations of laws and regulations related to occupational health and safety.

Governance

The Company has formulated and implemented the *Safety/Environmental Management Procedures*, systematically carrying out hazard identification, risk assessment and graded management, identifying major hazard sources and formulating targeted control plans, preventing, reducing or eliminating occupational health and safety risks at the source, and promoting safety management towards greater refinement and standardisation. At the same time, the Company has established a full-chain institutional system covering responsibility implementation, health surveillance, education and training, warning and notification, and monitoring and evaluation, including the *Responsibility System for the Prevention and Control of Occupational Disease Hazards*, the *Management Provisions on Occupational Health Examinations*, the *Publicity, Education and Training System for the Prevention and Control of Occupational Diseases*, the *Warning and Notification System for Occupational Disease Hazards*, the *Management System for the Monitoring and Evaluation of Occupational Disease Hazards* and other rules and regulations, comprehensively preventing and controlling occupational disease hazard factors in the workplace and effectively safeguarding employees' occupational health rights and interests.

The Company continuously improves a comprehensive, clearly defined, effectively implemented occupational safety and health management system and has established a Work Safety Committee with the Chairman as the first responsible person, and has set up a Work Safety Office under it to coordinate daily safety management, while formulating systems such as the *Implementation Rules for the Interim Provisions on Shared Responsibilities of Party and Government Leadership and Dual Responsibilities for One Post in Work Safety* and the *Measures for the Assessment of Work Safety Responsibility Targets* to reinforce management responsibilities at all levels.

LANPEC's Management Structure for Occupational Health and Safety in 2025



The Company has established an occupational health and safety management system in accordance with the requirements of *GB/T 45001-2020 Occupational Health and Safety Management Systems—Requirements with Guidance for Use*, and has obtained certification, which is valid until 3 December 2026.



Occupational Health and Safety Management System Certificate

Strategy

Occupational health and safety not only concern employees' individual well-being but also directly affect operational efficiency. If we systematically promote the development of health and safety systems, this can enhance employees' sense of belonging and productivity, and reduce workplace injuries; inadequate management may result in occupational injuries or chronic health issues.

LANPEC's Risks and Opportunities Analysis for "Occupational Health and Safety"

Type	Specific Description	Timeframes of Impact	Financial Impact	Response Strategies
Policy compliance risks	National standards for work safety and occupational disease prevention and control are becoming increasingly stringent. If we fail to respond promptly to new regulatory requirements and prevention and control measures for key positions, we may face administrative penalties and suspension of operations for rectification, affecting project delivery and customer trust.	Short, medium, and long term	Increase in operating costs Decrease in operating revenue	<ul style="list-style-type: none"> Establish a dynamic policy tracking mechanism and conduct regular compliance assessments. Strengthen communication with regulatory authorities and plan in advance for safety facility upgrades.
Technological transition risk	During the advancement of intelligentization, human-machine collaboration scenarios are increasing. If effective safety training and operating procedures are lacking, this may lead to mechanical injuries or accidents caused by operational errors, affecting employee health and production continuity.	Medium and long term	Increase in operating costs Decrease in operating revenue	<ul style="list-style-type: none"> Carry out pre-job practical training and emergency drills for all staff in relation to new equipment.
Product/Service opportunities	Providing high-standard safety technical services can enhance customer loyalty and expand the scope for co-operation both upstream and downstream of the industrial chain.	Medium and long term	Increase in operating revenue	<ul style="list-style-type: none"> Actively participate in the formulation of industry standards and enhance professional influence in occupational health.

Based on the above analysis, the Company has integrated occupational health and safety into its strategic planning and formulated the *15th Five-Year Development Plan of the Safety and Environmental Protection Department*. Through systematically reviewing the current situation and functional positioning, we have clarified development objectives, key tasks, and implementation pathways, in order to strengthen resource assurance and support systems, dynamically identify safety risks, and deploy systematic response strategies.

The Company has formulated a vision that by 2030, the safety accountability system will be more rigorous, the safety policy system will be sounder, the safety management mechanism will be more systematic, employees' safety competence will be significantly enhanced, functional performance capabilities will be markedly improved, the level of intrinsic safety will be clearly raised, and the development of safety culture will be strengthened. Through the introduction of advanced information technologies and systems, management efficiency and decision-making accuracy will be improved.

Impacts, Risks and Opportunities Management

To address occupational health and safety risks and seize potential opportunities, the Company has established a systematic action management system covering production safety, occupational health management, hazardous chemicals control, and emergency response. Through a series of measures, including improving institutional mechanisms, strengthening hierarchical risk control, increasing safety investment, and deepening education, training, and practical drills, we consolidate the safety foundation, effectively prevent major safety risks, and build a solid safety barrier for high-quality development.

LANPEC's Key Actions and Measures for Occupational Health and Safety

Category	Measures
Work safety	<ul style="list-style-type: none"> Enhance all employees' awareness of the safety "red line" and risk prevention capabilities through high-frequency, tiered, and scenario-based safety training. Formulate the <i>Safety Risk Graded Control System</i>, establish a dual prevention mechanism for the graded control of safety risks and the investigation and rectification of hidden hazards, carry out annual identification and assessment of safety risks, formulate control measures, and eliminate weak links in safety. Organise Work Safety Month activities to enhance the safety awareness of all employees.
Occupational health management	<ul style="list-style-type: none"> Formulate systems such as the <i>Work Safety Education Management Regulations</i>, establish and improve the employee safety education and training system, and carry out targeted safety education to enhance employees' occupational health and safety awareness. During the publicity week for the Law on the Prevention and Control of Occupational Diseases, carry out a series of activities centred on the theme of "Adhering to Prevention First and Safeguarding Occupational Health". Provide operators with labour protection supplies such as safety helmets, workwear, protective shoes, protective face shields, protective goggles, and dust masks, with an investment of RMB1,444,200 in 2025. Every year, organise occupational health examinations for employees in hazard-exposed positions, ensuring that the pass rate for occupational health examinations reaches 100%.
Chemicals management	<ul style="list-style-type: none"> Formulate the <i>Hazardous Chemicals Management System</i> to strengthen the management of the storage, use, and disposal of hazardous chemicals. Procure secondary anti-leakage pallets for new replacement in the paint warehouse and hazardous waste warehouse, post prominent safety warning signs and the Material Safety Data Sheet (MSDS), install combustible gas alarms and ventilation facilities in the paint mixing room, and apply epoxy flooring treatment in the hazardous waste warehouse to ensure safe chemical management.
Emergency management	<ul style="list-style-type: none"> Formulate the <i>Emergency Plan for Production Safety Accidents (Version G)</i>, covering comprehensive emergency plans, special plans, and on-site response plans. Establish an emergency command centre, emergency response teams, and rescue teams, forming an efficient and responsive emergency rescue system featuring unified command, tiered response, resource sharing, coordinated operations, integration of full-time and part-time forces, and a combination of prevention and response.

On this basis, the Company takes the Work Safety Month as an opportunity to carry out intensive, multi-dimensional safety enhancement actions, comprehensively improving risk response and on-site control capabilities.

LANPEC's Key Actions and Measures for Work Safety Month in 2025

Category	Specific Content
<p>Multi-channel safety warning education</p>	<ul style="list-style-type: none"> Organised study sessions to watch safety materials such as "Principal Corporate Responsibility", "Strengthening Foundations and Consolidating Fundamentals—Three-year Action for Tackling the Root Causes of Work Safety", the themed film for "Work Safety Month", and warning education films on work safety accidents. Hung themed banners, posted safety slogans, set up publicity display boards, and produced safety publicity videos. In conjunction with Lanzhou Petroleum Machinery Research Institute Co., Ltd., held a "Safety Publicity and Consultation Day" event at Wanhui International Plaza to popularise safety knowledge among community residents.
<p>Hidden hazard investigation and management</p>	<ul style="list-style-type: none"> Promoted the philosophy of "My Safety, My Responsibility; Others' Safety, My Obligation," organised the "Spot Safety Hazards at Hand" campaign, encouraged employees to participate in the "I Identify Safety Hazards" online quiz and Xiaohongshu Safety Training Camp learning, produced two short videos on hazard identification focusing on unsafe human behaviours and unsafe physical conditions, and established a long-term hazard management mechanism during Work Safety Month to promote the sustained effectiveness of hazard management.
<p>Promotion and dissemination of safety concepts</p>	<ul style="list-style-type: none"> Under the theme of "Everyone Talks About Safety, Everyone Can Respond to Emergencies—Identifying Safety Hazards Around Us", more than 130 employees received training on safety knowledge, including workplace safety guidelines and policies, laws and regulations, and completed on-site tests. Conducted specialised training on <i>Criteria for Identifying Major Accident Hazards in Industrial and Trade Enterprises</i> to enhance the ability of management personnel and frontline employees to identify and respond to major hazards. Organised and carried out the 2025 special safety education and training activities for relevant contractors' personnel, systematically promoting the Company's <i>Work Safety Inspection System and Management Provisions on the Investigation, Identification, and Governance of Hidden Hazards in Work Safety Accidents</i> and other systems. Established a unified Health, Safety and Environment (HSE) data repository for the Company, providing convenient retrieval and download functions through a digital platform, and clarified usage standards through dedicated communication sessions, enabling all departments to efficiently access the latest HSE information.
<p>Emergency capacity building and supervision and inspection</p>	<ul style="list-style-type: none"> Developed safety production micro-courses and submitted the case "LANPEC Pre-shift Briefing—Voice Out the Sense of Crisis and Work Out the Sense of Safety". Organised and carried out emergency drills for heatstroke in high temperatures, special drills for lifting injuries and scalding accidents, and fire evacuation drills. Organised special training on fire emergency response capabilities for canteen operators and security personnel on one inspection and one extinguishing. Conducted multiple safety supervision and inspection visits to production workshops using the "Four No's and Two Directs" approach (i.e. no prior notice, no greeting in advance, no listening to reports, no accompanying reception, go directly to the grassroots level, and go directly to the site), with a focus on employees' operating behaviour and the implementation of safety protection measures. Carried out self-inspection and self-rectification activities covering the storage and use of hazardous chemicals, the environment at operating sites, temporary electricity use, fire-fighting facilities, and the integrity of equipment and facilities, with all identified issues and hazards rectified.

Special Safety Knowledge Training for Production and Operations Personnel

From February to April 2025, in accordance with the *2025 Annual Plan for Work Safety* and the *Work Safety Education Management Regulations*, and in conjunction with the work tasks set out in the Company's Three-Year Action Plan for Tackling the Root Causes of Work Safety (2024-2026), the Company carried out the first phase of special safety knowledge training for production and operations personnel in 2025, with a view to further enhancing the level of work safety management and strengthening the safety awareness and self-protection capabilities of production and operations personnel.

This training covered the Shanghai Base and the Lanzhou Base. The content focused closely on frontline operational risks, including "Case and Safety Prevention Measures for Confined Space Operation Accidents", "Safe Operating Procedures and Accident Prevention Measures for Special Equipment", and "Case and Safety Prevention Measures for Working at Height Accidents". This strengthened employees' understanding and implementation of safety procedures, reinforced the defence line for safe production, and effectively ensured the smooth and orderly operation of production.



Safety Knowledge Training Site

In 2025



The Company recorded more than **8,400** cumulative attendances at safety education and training sessions, and implemented categorised and targeted training for different groups such as new employees, frontline personnel, and outsourced personnel, significantly improving employees' safety awareness and operational standardisation.

Indicators and Targets

The Company attaches importance to the measurability and continuous improvement of occupational health and safety performance, and has gradually established clear quantitative targets. To ensure the effective implementation of the targets, the Company has established a safety performance monitoring mechanism covering all business units, dynamically tracked progress through the regular collection and analysis of key indicator data, and strengthened accountability. In 2025, the periodic inspection rate of special equipment and the calibration rate of safety accessories both reached 100%; the overall work safety situation remained stable; there were no penalties imposed by local municipal emergency management authorities, ecological environment authorities or other relevant authorities, and no complaints from stakeholders.

In 2025



The periodic inspection rate of special equipment and the calibration rate of safety accessories both reached **100%**

Employee Training and Development

Employee Training

The Company's employee training revolves closely around the strategy of "talent-driven enterprise development" and the annual business objectives, adheres to systematic planning and precise implementation, and, based on strategic orientation and job capabilities, has formulated and issued the *2025 Annual Education and Training Work Plan*, clarifying the annual objectives and key tasks.

In 2025, the Company focused on core talent streams and systematically carried out comprehensive, multi-level training covering key groups including management, technical, skilled, and new employees. By advancing training programmes in a layered and categorised manner, we effectively enhanced employees' professional quality and overall capabilities, providing strong talent support for improving organisational capabilities and business development.

LANPEC's Talent Pipeline Development Measures in 2025

Management talent empowerment	<ul style="list-style-type: none"> Strengthened managers' understanding and implementation of standards, and introduced advanced management concepts through policy communication and implementation, guidance from external experts, and other methods. Conducted special training on the development of gold-medal teams to enhance team leaders' capabilities in training and coaching, self-development, and daily management, and to strengthen team collaboration and problem-solving capabilities. Achieved full coverage of learning in the Party's theories, policies and regulations, and Party building practices by leveraging the combination of the "SASAC e-Learning" platform and offline training. Carried out special training on the workflow for Party member development, strengthened process standardisation and material filing, and, through explanation + case + Q&A and subsequent closed-loop inspections, promoted the standardisation of Party affairs.
Foundation strengthening through technological talent	<ul style="list-style-type: none"> Carried out systematic and in-depth training in areas such as pressure vessels, green hydrogen and green ammonia, AI, and intelligent manufacturing, with a focus on supporting core business and the forward-looking technology layout. Organised guidance on professional title applications and the obtaining of industry qualifications (such as Chief Quality and Safety Officer and Responsible Engineer), thereby strengthening professional foundations.
Skilled talent development	<ul style="list-style-type: none"> Focusing on production safety and the enhancement of practical operational skills, relied on the Chief Technician Studio and the master-apprentice mechanism to carry out specialised skills and safety training for each work section. Conducted comprehensive training for obtaining and renewing job qualifications, ensuring that key positions were compliant through certification, and consolidated professional competence and safety awareness through continuing education.
New employee development	<ul style="list-style-type: none"> Carried out new employee training in accordance with a three-stage pathway of "cognitive orientation-cultural refinement - position practice". Ran the main thread of "theory, practice, and experience" throughout the whole process, balanced safety education with cultural immersion, and supported the comprehensive integration and growth of new employees.

Launch of New Employee Training, Embarking on a New Journey of Youthful Aspiration

In July 2025, the Company officially launched its 2025 new employee training programme. During the training period, the Company's functional departments delivered systematic presentations on the organisational structure, departmental responsibilities, and relevant management systems, while each branch, in light of its respective business segments, provided detailed introductions to its principal business and development dynamics. To further guide new employees in establishing positive professional values and efficient working habits, the Company also presented them with the classic book *Seven Habits of Highly Effective People*.

This training not only helped new employees quickly understand the Company's culture, institutional norms, and business layout, but also laid a sound foundation for their integration into the team and for clarifying their career development direction. In the future, the Company will continue to carry out high-quality talent recruitment, improve the training system for young employees, build a development platform for young employees, and inject youthful strength into the successful achievement of the "second entrepreneurship".



New Employee Onboarding in 2025

In 2025



Throughout the year, the Company organised and implemented a total of **278** training programmes of various types, with actual employee education funds used amounting to RMB**676,200**. Over **12,000** participant attendances were recorded throughout the year, covering all levels of the Company and relevant personnel, with a cumulative total of over **5,800** training hours.

Employee Appraisal and Promotion

The Company has established and improved classified management and incentive mechanisms, formulated and implemented institutional documents such as the *Performance Appraisal Management Measures*, the *Cadre Management Measures*, the *Non-leadership Position Management Measures* and the *Scientific Research Project Management Measures*, established career development pathways based on 6 sequences including management, professional (functional, technical), business (sales, engineering), and skills, and implemented classified management and targeted incentives. At the same time, the Company has formulated supporting special management measures for personnel in special positions such as cadres, scientific research, and non-leadership positions, further refining training pathways, assessment standards, and development channels.

To foster a workplace atmosphere of "focus on strivers, high-performance orientation", the Company conducted the 2025 annual performance appraisal for both the organisation and employees through two dimensions, namely "annual work reporting/annual summary + performance assessment", so as to fully mobilise the enthusiasm and initiative of all cadres and employees, improve work efficiency and quality, and ensure the effective achievement of the Company's annual targets and tasks.

LANPEC's Performance Appraisal Measures in 2025

Organisation

- The Company organised and implemented the annual work debriefing and performance appraisal of each branch and functional department in a unified manner.
- Each branch organised and implemented the annual work debriefing and performance appraisal of other departments (excluding functional departments). Among them:
 - R&D departments: Assessments were conducted on business support and the progress of scientific research projects;
 - Business departments: Assessments were conducted on the achievement of departmental profit, collections, and the value of newly signed contracts;
 - Production departments: Assessments were mainly conducted on the achievement of work safety in production, quality, delivery schedule, production completion volume, and profit.

Employees

- The evaluation content included work performance and competency quality evaluation. The main content of competency quality evaluation included responsibility and commitment, initiative and proactiveness, pioneering and innovation, continuous learning, and other aspects.
- The content of the work performance evaluation was jointly determined by employees and their respective departments based on job responsibilities, submitted to the supervising leader for approval, and then reported to the human resources department for record-filing and implementation.

The Company consistently regards performance appraisal results as the core basis for talent management and development. The results of performance appraisals are mainly used in key areas such as remuneration adjustments, performance bonus distribution, advanced selection and appraisal, training and development, and position adjustments, thereby giving full play to the role of performance management in incentives, constraints, and talent development.

After the annual performance appraisal work is completed, the Company promptly communicates the appraisal results to the appraisees and conducts interviews with them regarding the appraisal results. The interview records are signed by both parties and then submitted to the human resources department for filing, ensuring a transparent process and traceable results. The Company has established a standardised performance appeal mechanism. If the two parties to the appraisal cannot reach an agreement on the appraisal results, the appraisee has the right to submit a written appeal to the performance appraisal working group within two working days after the performance feedback interview. If the appraisee still objects to the outcome of the initial appeal, a second appeal may be submitted to the performance appraisal leading group.

In terms of promotion management, the Company uses performance appraisal as an important basis for employee promotion and requires employees proposed for promotion to meet the performance standards stipulated for the corresponding positions. The selection and appointment of cadres are mainly carried out through internal recommendation, external exchange, open selection and other methods. At the same time, we also flexibly adopt such methods as competitive appointment, open recruitment, and commissioned recommendation, so as to broaden the horizons for selecting and employing talent, stimulate organisational vitality, and promote the formation of a sound employment mechanism in which personnel can be promoted or demoted, and can enter or exit.

Contributions to the Society

The Company has consistently upheld the philosophy of actively giving back to society and offering love and care in social welfare and volunteer services, and has been committed to engaging in public welfare and charitable undertakings, fulfilling corporate social responsibility through practical actions. The Company advocates the volunteer service spirit of serving society and spreading love and care, encourages employees to participate extensively in various public welfare activities, and is committed to supporting community development while fostering an organisational culture that strives for progress and goodness, thereby promoting the collaborative creation of economic and social value.

In 2025



The Company donated RMB **150,000** and was awarded the "Charity Heart" honorary certificate by Lvxiang Town.

LANPEC's Key Measures for Social Welfare and Volunteer Services in 2025

Category	Key Measures
<ul style="list-style-type: none"> Police-civilian joint outreach and care visits 	<ul style="list-style-type: none"> - Company leaders led a team to the Anning District Fire Rescue Brigade in Lanzhou and the Shajingyi Police Station to carry out a police-civilian joint outreach and care visit activity, extending summer greetings and highest respect to the frontline "firefighting warriors" and "guardians of the people", and thanking them for their hard work in safeguarding local safety.
<ul style="list-style-type: none"> Community environmental beautification initiative 	<ul style="list-style-type: none"> - Organised volunteers to carry out meticulous trimming of the roadside green belts, removing dead branches, weeds, and rubbish. - Cleared all kinds of advertisement stickers from utility poles, restoring the tidiness of the urban streetscape and effectively improving the appearance of the community's public environment. - Conducted parallel civility publicity activities to guide residents to proactively care for public spaces and maintain the community environment.
<ul style="list-style-type: none"> Public order co-management initiative 	<ul style="list-style-type: none"> - Implemented temporary traffic management on certain road sections to ensure orderly passage for vehicles and pedestrians.
<ul style="list-style-type: none"> Emergency Rescue and Disaster Relief during the Flood Season 	<ul style="list-style-type: none"> - In July 2025, faced with persistent heavy rainfall, the Company's resident village cadres worked with local officials as "flood prevention pioneers". Through rain patrols and overnight duty, they organised timely emergency response, effectively preventing property losses. The Company's rapid response and pragmatic commitment won public recognition and a ceremonial banner.



Emergency Rescue and Disaster Relief during the Flood Season

Rural Revitalization

The Company actively engages in the national rural revitalization initiative, leverages resource endowments, and innovatively implements practical measures such as consumption-based assistance, effectively aligning with rural development needs and supporting the upgrading of the agricultural industry and the enhancement of rural economic vitality. The Company strictly complies with the *Law of the People's Republic of China on the Promotion of Revitalization of Rural Areas*, and implements the relevant policy requirements of the *General Office of the CPC Central Committee's Opinions on Continuously Assigning First Secretaries and Work Teams to Key Villages*, *Measures of Gansu Province for the Administration of Village-based Work Teams*, *Work Plan of Gansu Province for Advancing the Comprehensive Governance of Exorbitant Bride Prices in Rural Areas*, and other relevant policies, to ensure that assistance work is carried out in a lawful, compliant, precise, and orderly manner.

The Company's Party Committee has consistently advanced designated assistance as an important political task in a coordinated manner. At the beginning of the year, the Company deployed assistance tasks, adjusted and strengthened the leading group for designated assistance work, with the Company's principal leader serving as head, the leaders in charge serving as deputy heads, and the heads of relevant functional departments participating jointly, further clarifying the division of responsibilities and establishing an efficient working pattern of Party Committee overall coordination, departmental collaboration, and implementation by village-based personnel. The leading group regularly heard reports from the village-based task force, promptly studied and resolved difficult issues in advancing the assistance work, and ensured that all measures were advanced in an orderly manner.

The Company's principal leaders and management team members took the lead in setting an example, carrying out in-depth field research in Wangchangsi Village twice during the year. Through household visits, discussion sessions, and on-site inspections, we gained a comprehensive understanding of the village conditions and public sentiment, industry development, rural construction, and people's livelihood protection, laying a solid foundation for the precise formulation and adjustment of assistance plans. On this basis, the Company coordinated and advanced multidimensional measures in areas such as livelihood care, educational assistance, the cultivation of civility, and industrial support, systematically contributing to the comprehensive revitalization of rural areas.

LANPEC's Key Measures for Rural Revitalization in 2025

Category	Measures
<p>Paired care and compassion to address urgent difficulties and pressing concerns</p>	<ul style="list-style-type: none"> · Took the paired care initiative as an important means of connecting with and serving the public and consolidating poverty alleviation achievements, and carried out a total of 11 paired care activities throughout the year. · Through regular telephone communication, home visits and other means, the assistance responsible persons gained an in-depth understanding of the care recipients' physical condition, daily needs and practical difficulties. They actively coordinated resources, helped resolve 1 practical difficulty, handled 2 practical matters on their behalf, effectively conveyed the warmth of the organisation, and enhanced the public's sense of gain and happiness.
<p>Providing dedicated care for left-behind children to break the intergenerational transmission of poverty</p>	<ul style="list-style-type: none"> · The Company's village-based cadre, together with members of the village-based work team, organised a summer volunteer childcare program, providing homework tutoring, interest development and safety education, effectively alleviating the worries of families of migrant workers and helping to break the intergenerational transmission of poverty.
<p>Enriching rural cultural life and advancing the development of spiritual civilisation</p>	<ul style="list-style-type: none"> · The Company placed great importance on promoting cultural and ethical development in Wangchangsi Village, and, during the Spring Festival and Lantern Festival, supported village-based task force members in contacting veteran Party members and carrying out the "Spring Festival Couplets Distribution" activity, distributing a total of 1,400 couplets. · The Company organised a series of cultural activities themed "Joyful Lantern Festival, Celebrating the Festive Season", creating a festive and harmonious atmosphere and enriching the cultural life of villagers. · Supported village-based task force in systematically reviewing innovative governance models such as the "Integrity Bank", "Caring Hair Salon", and "Lao Wang Teahouse", and produced short videos themed on promoting new social norms, which were disseminated through multiple channels, effectively enhancing the influence of civilised practice platforms, guiding villagers to abandon outdated customs and cultivate civilised rural practices, positive family values, and simple, honest folk customs.
<p>Using assistance funds precisely and deepening the development of rural cultural and ethical standards</p>	<ul style="list-style-type: none"> · Invested RMB80,000 in assistance funds, specifically to jointly organise, with the Provincial Committee of the Communist Youth League and the Provincial Association for Science and Technology, a themed publicity campaign on Resisting Exorbitant Bride Prices and Advocating Civilised Marriage Customs, which adopted artistic forms popular with the public, such as selected excerpts from Qinqiang Opera, situational dramas, and musical clapper talk, vividly conveying the civilised view of marriage and relationships that love is above material considerations, effectively enhancing public recognition of changing outdated customs and injecting new momentum into advancing rural governance and the building of spiritual civilisation. · The 5 cleaning vehicles purchased in 2025 at a cost of RMB12,000 have effectively enhanced the mechanisation level and efficiency of village-level sanitation operations, contributing to the continuous improvement of the village's appearance and environment.
<p>Deepening consumption-based assistance measures and expanding sales channels for agricultural products</p>	<ul style="list-style-type: none"> · Actively implemented consumption-based assistance policies and, in accordance with the annual consumption-based assistance plan, procured a total of RMB139,500 worth of agricultural and sideline products from assisted areas throughout the year through standardised procurement procedures, directly increasing the sales revenue of local enterprises, indirectly driving income growth for households lifted out of poverty and ordinary farming households, and effectively promoting the development of local industries.



Spring Festival Couplet Distribution



Dragon Boat Festival Care Visit



Summer Volunteer Childcare Program



Event on "Resisting Exorbitant Bride Prices and Advocating Civilised Marriage Customs"



Integrity Bank Point Redemption Site



Donation of Cleaning Vehicles

04

Building on Standards to Ensure Steady and Sustainable Progress

- Corporate Governance
- Risk Management and Compliant Operations
- Anti-commercial Bribery and Anti-corruption
- Anti-unfair Competition

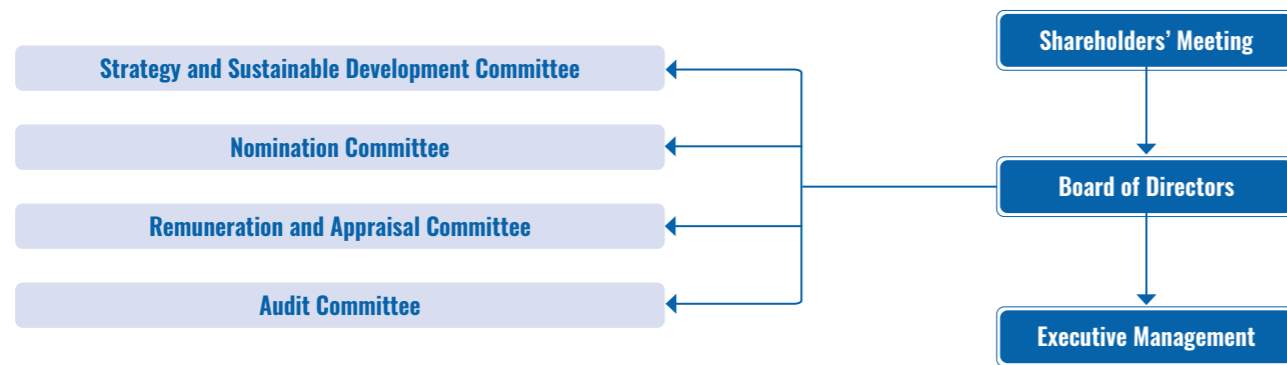


Corporate Governance

Governance System Improvement

The Company will continue to improve its corporate governance structure, strictly in accordance with relevant laws, regulations, and regulatory requirements such as the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, continue to advance the modernisation of the governance system and governance capacity, and, centred on the principles of "standardisation, transparency, coordination, checks and balances, and efficiency", continuously refine its corporate governance structure and enhance its standardised operational standards. In 2025, the Company formulated and revised systems including the *Articles of Association*, the *Rules of Procedure for the Shareholders' Meeting*, the *Rules of Procedure for the Board of Directors*, and the *Working Rules for the Audit Committee of the Board of Directors*, and newly formulated systems including the *LANPEC Investment Management Measures* and the *LANPEC Market Value Management System*.

LANPEC's Corporate Governance Structure



To further clarify the boundaries of rights and responsibilities and effectively give full play to the Board of Directors' core role in strategic decision-making, supervision, and checks and balances, the Company will strengthen the support and safeguards for independent directors in performing their duties, ensuring that they can fully leverage their independence and professionalism, and make decision-making more scientific and independent.

As of the end of 2025, the Company's Board of Directors consisted of 9 directors, including 3 independent directors and 1 female director. Independent directors have diverse professional backgrounds, including at least 1 independent director who is an accounting professional, 1 independent director who is a legal professional, and one independent director with industry experience, effectively supporting the Board of Directors' high-quality decision-making on key topics such as financial supervision and risk management, and providing solid governance assurance for the Company's sustainable development and the creation of long-term value for shareholders.

LANPEC's Board Performance Effectiveness in 2025



Board independence and professionalism

- The Company ensured that independent directors could perform their duties independently and effectively, giving full play to the decision-making support and supervisory role of special committees in their respective professional fields.
- In 2025, the Company's independent directors actively performed their duties, with an average meeting attendance rate of 100%, and expressed professional opinions on matters such as related transactions and external guarantees. The Audit Committee held 5 meetings, focusing on supervising the financial reporting process and the effectiveness of the internal control system.



Board capability building and ethical standards

- The Company continuously enhanced the Board's strategic leadership capabilities and risk management and control awareness, while upholding the bottom line of professional ethics.
- In 2025, the Company organised 4 special training sessions for directors, covering topics such as "Independent Directors' Continuing Training", "Standardised Operation of Information Disclosure by Key Minority", "ESG Special Training", and "Compliance Performance Training", with average training time reaching 9 hours per person. In 2025, no directors of the Company were in breach of professional ethics or subject to regulatory penalties.



Protection of Investors' Rights and Interests

To further enhance the quality of information disclosure and optimise investor relations management, in 2025, the Company systematically formulated and refined the relevant institutional standards and working mechanisms, with the aim of enhancing the Company's transparency, strengthening effective communication with the capital market, and promoting the continuous improvement of the Company's corporate governance standards. The Company published the *2025 Action Plan for Improving Quality and Efficiency and Enhancing Returns* with the aim of actively putting into practice the development philosophy of being investor-oriented, promoting improvements in the quality of the Company's development and its investment value, and effectively protecting the legitimate rights and interests of investors, especially small and medium-sized investors.

Information Disclosure

In terms of information disclosure, the Company strictly complies with the requirements of laws, regulations, and normative documents such as the *Securities Law of the People's Republic of China*, the China Securities Regulatory Commission's *Measures for the Administration of Information Disclosure of Listed Companies*, and the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*. The Company has formulated the *LANPEC Management System for Deferred Disclosure and Exemption of Information Disclosure* and *LANPEC Market Value Management System* with the aim of regulating the Company's deferred disclosure and exemption of information disclosure, strengthening the Company's market value management, fulfilling information disclosure obligations in accordance with laws and regulations, and safeguarding the legitimate rights and interests of the Company, investors, and other stakeholders.

The Company attaches great importance to the quality of information disclosure and continuously improves internal working mechanisms to ensure that disclosed content is true, accurate, complete, timely, and fair. In 2025, the Company further optimised the end-to-end control of information disclosure, and strictly implemented the verification mechanism of "four checks and seven verifications", carrying out multiple rounds of cross-verification by multiple parties across dimensions including disclosure timing, textual expression, punctuation, logical consistency, and data accuracy. At the same time, the Company relied on the Shanghai Stock Exchange's intelligent verification system for information disclosure documents to build a dual assurance system of "system verification + manual review". Before the announcement was formally disclosed, it had to be reviewed and confirmed at each level by the Chairman, the Board Secretary, the Securities Affairs Representative, and the heads of the relevant business departments, so as to ensure that the content of the information disclosure was consistent with the actual situation and to eliminate any false records, misleading statements, or material omissions.

In 2025, none of the Company's announcements contained errors in key text or important data, nor were there any circumstances requiring supplementary announcements, corrections, or revisions, effectively ensuring the standardisation, seriousness, and credibility of information disclosure, and safeguarding the legitimate rights and interests of investors and the information environment of the capital market.

Investor communication

In 2025, the Company continued to deepen investor relations management, actively building a transparent and mutually trusting image in the capital market through diversified, high-quality and efficient communication mechanisms. The Company regularly held results briefings and special topic meetings, carried out investor engagement activities, and achieved efficient interaction through the routine channels of online platforms, effectively safeguarding investors' right to know and right to participate, and further strengthening the foundation of trust in the capital market.

LANPEC's Measures for Investor Communication and Relationship Management in 2025

- Briefings and meeting mechanisms**
 - Held 4 regular results briefings throughout the year, and conducted four thematic collective investor communication activities, systematically explaining the Company's strategic layout, operating results, and industry development trends.
- Investor engagement activities**
 - Held the special "I Am a Shareholder"—Visiting Companies Listed in the Shanghai Stock Exchange, together with China Galaxy Securities Co., Ltd., inviting investors to visit our production base and research and development centre on site, enabling them to directly experience our operational strength and development potential.
 - The Company's management conducted in-depth communication with investment institutions and industry researchers on topics including industry research hotspots, the Company's core competitiveness, and sustainable development practices, during the joint survey of investment institutions organised by "Listed Companies Tour".
- Online and routine communication channels**
 - Established regular communication methods such as email, telephone, and online research meetings, building a multi-dimensional, highly responsive communication system.
 - Through the "SSE e-Interaction" platform, engaged and communicated with investors, and provided timely and detailed responses to all types of questions raised by investors, with the response rate for the year reaching 100%, fully safeguarding investors' right to know and right to participate.

"I Am a Shareholder" event—Visiting Companies Listed in the Shanghai Stock Exchange

On 25 September 2025, the Company, together with China Galaxy Securities Co., Ltd., jointly held the 2025 "I Am a Shareholder" event—Visiting Companies Listed in the Shanghai Stock Exchange in Lanzhou. The Company and the investor representatives attending the event engaged in in-depth exchanges on issues including the Company's operating results in the first half of the year, ESG development, and the cultivation of strategic emerging industries, and highly recognised the achievements of various reform and innovation initiatives since last year.

This event was the Company's largest investor engagement activity in recent years and attracted the highest number of participants, fully reflecting the strong expectations of small and medium-sized investors for the Company's transformation and development.



Investors Visit the Company

Risk Management and Compliant Operations

The Company is committed to deeply integrating compliance requirements into all aspects of business operations and management, empowering high-quality business development through compliance. In line with actual development needs, the Company continuously optimises and improves its compliance management system to ensure that the conduct of the Company and its employees strictly complies with national laws and regulations, industry standards, and internal rules and regulations.

The Company strictly complies with the requirements of documents such as the *Oversight Law of the People's Republic of China*, the *Audit Law of the People's Republic of China*, the *Provisions of the National Audit Office on the Internal Audit*, and effectively fulfils the responsibility for law-based governance.

Governance

The Company continuously improves and refines its internal control system, enhances corporate decision-making efficiency, and provides safeguards for the legality and compliance of business operations and management, as well as the security of assets. The Company has formulated a series of institutional documents, including the *Compliance Management Measures*, the *Management Measures for Legal Dispute Cases*, the *Management Measures for Major Legal Dispute Cases*, and the *Contract Management Measures*, to comprehensively enhance the level of law-based and compliant operation and consolidate the legal foundation for the enterprise's steady and long-term development. The Company's internal control system has a sound structure, and the framework of its internal control systems complies with the requirements of the Ministry of Finance, the China Securities Regulatory Commission and other authorities regarding the integrity, reasonableness and effectiveness of internal control systems, and is able to meet the needs of the Company's management and development.

The Company has established a clear and effective "three lines of defence" for compliance management, namely the Company's business departments, compliance department, and senior management team. Meanwhile, the Legal Affairs Department, as the lead department for compliance management, regularly assesses and updates compliance management documents to ensure that they remain aligned with the latest laws and regulations, regulatory requirements, and industry practices. Managers at all levels and employees actively participate and work collaboratively to implement these measures, jointly promoting the integration of compliance requirements into daily operations and ensuring the effective operation of the compliance management system.

At the same time, based on our operational realities and business development needs, we have established an ESG risk governance structure led by the Board of Directors, with the Strategy and Sustainable Development Committee at its core, to coordinate the identification, assessment and management of environmental, social and governance-related risks.

Strategy

Robust risk management and compliant operations are the foundation of an enterprise's steady operation and social trust. If an enterprise neglects compliance requirements or has weak risk prevention and control mechanisms during operations, this may lead to legal disputes, regulatory penalties and negative impacts on the industry ecosystem; conversely, integrating compliance principles into governance structures and daily operations can enhance transparency and credibility, strengthen investor and customer confidence, and contribute positively to building a fair, honest and sustainable business environment.

LANPEC's Risks and Opportunities Analysis for "Risk Management and Compliant Operations"

Type	Specific Description	Timeframes of Impact	Financial Impacts	Response Strategies
Policy compliance risks	As China's regulatory requirements for various business activities continue to become more detailed and stringent, failure to identify and implement the relevant regulatory requirements in a timely manner may result in administrative penalties or project restrictions, affecting normal operations.	Short, medium, and long term	Increase in operating costs Decrease in operating revenue	<ul style="list-style-type: none"> Establish a regular mechanism for regulatory tracking and compliance assessment. Embed compliance requirements into key business processes and decision-making processes.
Liability and reputation risk	If the Company triggers compliance incidents or negative public opinion during operations due to deficiencies in internal control or management, this may damage the brand reputation built up over the long term.	Medium and long term	Decrease in operating revenue	<ul style="list-style-type: none"> Conduct regular compliance training and warning education for all employees.
Market opportunity	In the current market environment that emphasises high-quality development and compliant operations, companies with sound compliance systems are more likely to gain recognition from partners and regulatory authorities, thereby securing more cooperation opportunities.	Medium and long term	Increase in operating revenue	

Impacts, Risks and Opportunities Management

In light of industry characteristics and the actual conditions of the Company's operations, the Company has systematically established a standardised, scientific, and well-regulated internal control and risk management system. This system starts with clearly defined risk management objectives, delineates the scope and content of risk management, and establishes the Company's risk management strategy and culture. Through systematic identification of major and material risks at the Company level, targeted risk response strategies are formulated to enable forward-looking assessment and effective control of various uncertainties.

In 2025, the Company focused on enhancing the compliance literacy and risk prevention and control capabilities of all employees. Through a combination of online and offline approaches, we systematically carried out multi-level and multi-dimensional thematic training and conducted risk internal control inspections, effectively promoting the integration of the compliance culture into daily operations and genuinely strengthening the ability to respond to a complex regulatory environment and emerging risks.

LANPEC's Key Measures for Risk Management and Compliant Operations in 2025



- Provided training programmes including "Compliance Performance Training for Directors, Supervisors and Senior Managers", "Internal Control, Risk Control and Compliance", and "Online Training on Safety Risk Prevention for Chinese Employees of Central Enterprises Overseas (2025)".
- Attended the 2025 Legal Work Conference of Sinomach Group in April 2025 and learned excellent compliance management practices from outstanding enterprises within the group. Participated in the 14th "Sinomach Legal & Risk Control Lecture" in December 2025 to deepen compliance awareness under the theme of "Strengthening Anti-monopoly Compliance and Serving High-quality Development". The training sessions covered all employees of the Legal Affairs Department.

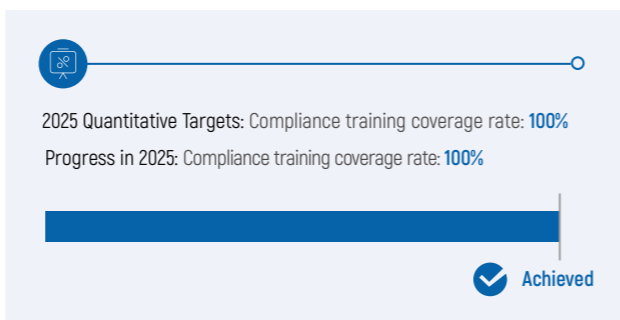


- Conducted routine supervision and inspections of operational risks and special inspections of risk management on multiple occasions.

Indicators and Targets

To systematically enhance the Company's capabilities in risk prevention and control and compliance management, the Company has set clear, quantifiable annual management targets. Through regular assessments, dynamic monitoring, and a closed-loop rectification mechanism, the Company continuously tracks the achievement of targets, ensuring that risk management and compliance requirements are deeply integrated into strategic execution and daily operations, and effectively safeguarding asset security, compliant operations, and sustainable development.

LANPEC's Risk Management and Compliant Operations Targets and Progress



Anti-commercial Bribery and Anti-corruption

The Company strictly complies with the requirements of laws, regulations, and other regulatory requirements such as the *Regulation of the Communist Party of China on Disciplinary Actions*, the *Norms of Integrity and Self-discipline of the Communist Party of China*, the *Oversight Law of the People's Republic of China*, the *Law of the People's Republic of China on Administrative Discipline for Public Officials*, the *Several Provisions for Probity Practice of Leaders of the State-owned Enterprises*, and the *Regulation on Disciplinary Actions Against the Managerial Professionals of State-owned Enterprises*, thereby strengthening the foundation for anti-commercial bribery and anti-corruption management. In 2025, the Company had no incidents of corruption or embezzlement.

Governance

The Company has formulated a series of supporting institutional regulations and standards, including the *Implementation Measures for the Responsibility System for Party Conduct of LANPEC*, the *Management Measures for the Governance of Commercial Bribery of LANPEC*, the *Fifteen Prohibited Items of LANPEC for Implementing the Eight Rules*, the *Management Provisions of LANPEC on the Surrender of Gifts and Gift Money*, the *Management Measures of LANPEC for the Reimbursement of Travel Expenses and Business Entertainment Expenses*, the *Implementation Measures for the System of Integrity Talks and Reminder Talks by the Party Committee of LANPEC*, providing solid institutional support for preventing benefit transfer and fostering a clean business environment.

The Company's Party Committee conscientiously fulfils its overall leadership responsibility for improving Party conduct and combat corruption. The Party Committee Secretary and Chairman serve as the first responsible persons, while other members fulfil the "Dual Responsibilities for One Post". The Company's Discipline Inspection Commission fulfils its supervisory responsibility and coordinates the advancement of the integrity governance system. At the beginning of the year, a meeting on full and rigorous Party self-governance and Party conduct improvement was convened to set out the 2025 objectives and key tasks for Party conduct improvement, ensuring that anti-commercial bribery and anti-corruption requirements were deeply integrated into the Company's strategic decision-making and daily operation and management.

Strategy

Integrity in operation is the moral cornerstone of sustainable corporate development, and an important safeguard for maintaining a fair market order and social trust. If engaged in commercial bribery or corruption in its business activities, the Company may not only face legal sanctions and significant economic losses but also damage the industrial ecosystem and harm public interests. Conversely, by consistently adhering to the business philosophy of integrity, compliance and transparency, the Company can foster a healthy cooperative environment and promote the building of a clean ecosystem throughout the industrial chain.

LANPEC's Risks and Opportunities Analysis for "Anti-commercial Bribery and Anti-corruption"

Type	Specific Description	Timeframes of Impact	Financial Impacts	Response Strategies
Liability and reputation risk	If the Company engages in commercial bribery and corruption, such as improper transfer of benefits, it may trigger regulatory investigations, media exposure, or termination of cooperation by customers.	Medium and long term	Decrease in operating revenue	<ul style="list-style-type: none"> • Improve the anti-bribery and anti-corruption institutional system, and implement regular integrity reviews.
Policy risk	China has continued to strengthen anti-corruption supervision over state-owned enterprises and key industries. Failure to effectively implement the relevant requirements may result in the Company being designated as a key target of regulatory oversight, affecting the continuation of qualifications or the approval of major projects.	Short, medium, and long term	<ul style="list-style-type: none"> • Increase in operating costs • Decrease in operating revenue 	<ul style="list-style-type: none"> • Establish confidential whistleblowing channels, and encourage internal supervision and external feedback. • Conduct regular integrity practice training and awareness education for all employees.
Market opportunity	More and more enterprises regard suppliers' integrity performance as an important criterion for access and bid evaluation, and companies with sound anti-commercial bribery and anti-corruption mechanisms are more likely to obtain long-term strategic cooperation opportunities.	Medium and long term	Increase in operating revenue	<ul style="list-style-type: none"> • Sign integrity agreements with customers, suppliers, and other partners.

Impacts, Risks and Opportunities Management

In 2025, the Company systematically advanced anti-commercial bribery and anti-corruption efforts. By strengthening responsibility for Party conduct and integrity governance, deepening education on integrity practice, carrying out the "Honest Youth Talent Programme", and reinforcing joint integrity-building with suppliers, we established an integrity risk prevention and control system covering all employees and promoting coordination, fostering a clean and upright business environment.

LANPEC's Key Actions and Measures for Anti-commercial Bribery and Anti-corruption

<p>Strengthening accountability for Party conduct and integrity governance</p>	<ul style="list-style-type: none"> The Company strengthened the institutional foundation for clean and honest conduct through organising the signing of the <i>Responsibility Letter for the Improvement of Party Conduct</i>, updating and improving integrity records for cadres and signing the <i>Letter of Commitment to Integrity</i>, and distributing to all employees the <i>Positive and Negative List on Implementing the Eight Rules distributed by Sinomach Group</i>, among other measures.
<p>Strengthen integrity education</p>	<ul style="list-style-type: none"> In March 2025, the Company's Discipline Inspection Commission held the 2025 integrity interview for newly appointed cadres. In July 2025, under the theme of "Fasten the First Button of Life", the Company's Discipline Inspection Commission provided integrity and compliance education for newly recruited employees in 2025. Throughout the year, the Company's Discipline Inspection Commission Office edited and distributed 12 issues of the <i>LANPEC Discipline Inspection Bulletin</i> for all cadres and employees to study. In 2025, the LANPEC Culture System was officially released, with the integrity philosophy specifically incorporated into its business philosophy to build a clean and upright atmosphere with simplicity and progress. The Company assisted the Party Committee in carrying out education on thoroughly implementing the Eight Rules, so as to ensure that strict rules and prohibitions were fully internalised.
<p>Conduct Integrity Promotion and Education Month activities</p>	<ul style="list-style-type: none"> The Company organised a short video competition and received a total of 11 integrity-themed short videos. The Company actively participated in the themed essay campaign "Forging the Sword of Work Style, Raising the Sail of Integrity, Building the Foundation of Clean Governance" organised by the Party Committee of Sinomach Group, receiving a total of 11 submissions. In June 2025, the Company organised 49 young cadres to visit Lanzhou Prison and Shanghai Jinshan District Detention Centre respectively to carry out the "Experience the Scene and Be Alerted, Abide by the Bottom Line of Integrity" warning education activity.
<p>Implement the "Honest Youth Talent Programme"</p>	<p>Formulated a "Ten Ones" Action Plan</p> <ul style="list-style-type: none"> In light of actual circumstances, the Company formulated the <i>LANPEC "Ten Ones" Action Plan</i>, covering the one Honest Youth Talent file, one Honest Youth Talent mentor, one heart-to-heart talk, one warning education activity, one discipline training session, one integrity sharing session, one integrity-themed video, one group of Party conduct and integrity supervisors, one themed activity, and one "Honest Youth Talent Medal", among other items. <p>Selected and appointed Party conduct and integrity supervisors</p> <ul style="list-style-type: none"> To strengthen the role of public supervision, the Company strictly selected eight young cadres from functional, business, scientific research, and frontline production positions and appointed them as the Company's Party conduct and integrity supervisors, giving full play to their role as "probes" and "sentinels" and building an important bridge for the Party Committee and the Discipline Inspection Commission to maintain close ties with employees. <p>Published the list of Honest Youth Talent mentors</p> <ul style="list-style-type: none"> The Company's Discipline Inspection Commission established 61 "Honest Youth Talent files", selected and appointed 23 "Honest Youth Talent mentors", and issued the <i>List of LANPEC's Honest Youth Talent Mentors for 2025 and Job Responsibilities</i>, clarifying mentors' responsibilities, including conducting regular heart-to-heart talks and carrying out integrity education.
<p>Conduct special reports</p>	<ul style="list-style-type: none"> In 2025, the Company's Discipline Inspection Commission organised and carried out self-inspection and self-rectification of issues involving violations of the Eight Rules on improving Party and government conduct, as well as a special inspection and comprehensive screening of violations of the Eight Rules.
<p>Co-construct supplier integrity</p>	<ul style="list-style-type: none"> The Company established a joint integrity-building mechanism with suppliers and contractors, requiring all subordinate departments and units to sign the <i>Integrity Cooperation Agreement</i> simultaneously when entering into procurement contracts.

The Company supports all stakeholders in putting forward suggestions or feedback on ethical issues in the Company's operations, and has clearly established and publicly disclosed reporting channels in relevant policy documents such as *Tendering and Procurement Management Measures*, while handling whistleblowing information under strict confidentiality. To effectively safeguard the legitimate rights and interests of whistleblowers, the Company has clearly established multiple policy provisions and is committed to ensuring fair treatment in terms of reporting channels and handling procedures, as well as whistleblower protection. It is explicitly stipulated that personnel responsible for handling reports must not disclose whistleblower information in any form, must not investigate whistleblowers without authorisation, and must anonymise personal identity information of whistleblowers where necessary during the handling and outcome processes, thereby effectively protecting their legitimate rights and interests.

LANPEC's Public Reporting Channels

Telephone: 021-51953538

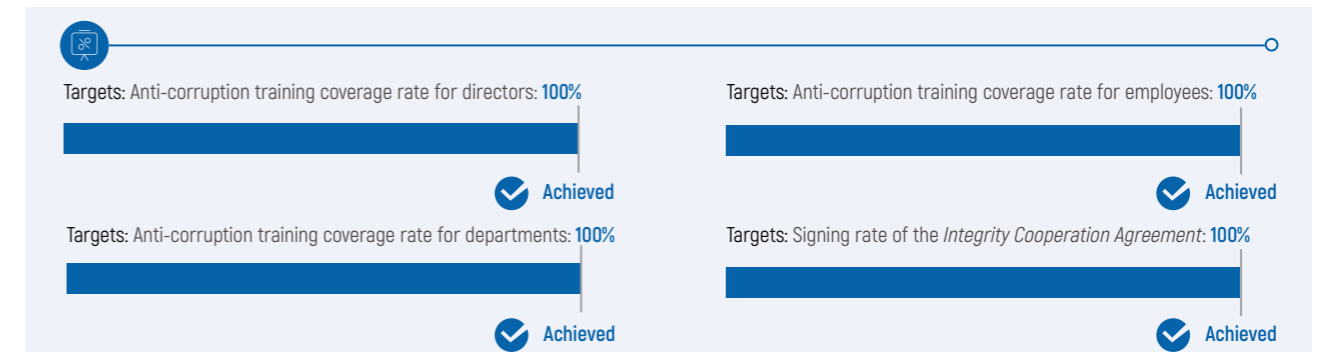
Email: lanpec-jb@lanpec.com. This email address is specifically used to receive all types of corruption-related whistleblowing information, and designated personnel from the Company's Compliance Management Department regularly monitor it to ensure that whistleblowing information is handled promptly.

Mailing address: Discipline Inspection Commission Office, Lanpec Technologies Limited, 505 Rongchang Road, Lixiang Town, Jinshan District, Shanghai

Indicators and Targets

To continuously enhance integrity governance, the Company has set management targets focused on anti-commercial bribery and anti-corruption, and conducted dynamic tracking and closed-loop management of the implementation of these targets through regular monitoring and special inspections, with the aim of preventing corruption risks at the source.

LANPEC's Anti-commercial Bribery and Anti-corruption Targets and Progress



Anti-unfair Competition

The Company strictly complies with laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China*, and has formulated *LANPEC Commercial Secrets Management Provisions (Trial)* and *LANPEC High-Tech Commercial Secrets Catalogue (Second Batch of 13 Items)* to protect the Company's commercial secrets and enhance market competitiveness. In 2025, the Company was not subject to penalties by the relevant authorities during operations due to unfair competition or violations of anti-trust and anti-monopoly laws.

To effectively prevent and respond to unfair competition and to protect the Company's trade secrets and technological achievements, the Company has formulated and implemented a series of stringent confidentiality and management measures.

Protection of trade secrets and operational information

Employees of the Company, especially those engaged in scientific research and operations, bear the obligation to maintain the confidentiality of the Company's trade secrets. In economic and technical activities such as business dealings, research and development, technology transfer, joint ventures and cooperation, and changes in organisational form, strict protection of the Company's trade secrets is required. In the event of infringement, it shall be promptly addressed through administrative or judicial channels.

Materials such as the Company's operational, scientific research and production development plans, and annual work plans shall be kept under dedicated custody, and borrowing procedures shall be handled in accordance with records management regulations.

Control of core technologies and research and development achievements

The Company's patents, technical achievements, proprietary technologies, and scientific and technical documents and materials are kept by the archives office and may be accessed on loan in accordance with the archives management regulations.

Relevant documents and materials concerning key process routes, technical measures, economic analysis indicators, and other matters in the feasibility study reports of the Company's relevant projects are managed in accordance with the requirements for scientific and technical archives, and may be accessed on loan only upon approval.

ESG Data Tables and Notes

Environmental Data

Environmental Compliance Management Data Sheet

Disclosures	Unit	2023	2024	2025
Annual environmental protection investment expenditure ¹	RMB10,000	295.11	475.27	283.42
Number of incidents of penalties for violating environmental protection laws and regulations	cases	0	0	0
Amount of major administrative penalties imposed by ecological and environmental and other relevant authorities for environmental incidents during the reporting period	RMB10,000	0.00	0.00	0.00

Note 1: Investment in environmental protection facilities increased in 2024, leading to high environmental protection investment expenditure.

Energy Usage Data Sheet

Disclosures	Unit	2023	2024	2025
Diesel consumption ¹	L	--	9,110.88	11,870.59
Petrol consumption	L	--	41,258.47	37,930.00
Natural gas consumption ²	m ³	1,923,796.00	1,200,693.00	1,612,991.00
Purchased electricity ³	MWh	9,114.88	6,442.51	8,838.79
Purchased renewable electricity consumption	MWh	--	1,297.04	1,978.05
Direct energy consumption ⁴	tce	2,558.65	1,653.14	2,201.29
Indirect energy consumption ⁵	tce	1,121.02	792.35	1,087.07
Total energy consumption ⁶	tce	3,679.67	2,445.49	3,288.36
Energy use intensity (per unit output value) ⁷	tce/RMB10,000	0.03	0.03	0.03
Renewable energy consumption ⁸	tce	--	159.52	243.28
Clean energy consumption ⁹	tce	2,558.65	1,756.44	2,388.55

Note 1: The Company began compiling diesel consumption data in 2024, as diesel is mainly used for forklifts. In 2025, the Company scaled up production and increased equipment utilization, leading to a significant rise in diesel consumption compared with 2024.

Note 2: The Company's product output increased in 2025, resulting in a significant rise in natural gas consumption compared with 2024.

Note 3: The Company's product output increased in 2025, resulting in a significant rise in purchased electricity consumption compared with 2024.

Note 4: Direct energy includes diesel, gasoline for official vehicles, and natural gas. The conversion coefficient to standard coal is based on GB/T 2589-2020 *General Rules for Calculation of Comprehensive Energy Consumption*.

Note 5: Indirect energy includes purchased electricity. The conversion coefficient to standard coal is based on GB/T 2589-2020 *General Rules for Calculation of Comprehensive Energy Consumption*.

Note 6: Total energy consumption = Direct energy consumption + Indirect energy consumption.

Note 7: Calculation formula: Energy use intensity = Total energy consumption / Gross output value.

Note 8: Renewable energy includes purchased green electricity. The conversion coefficient to standard coal is based on GB/T 2589-2020 *General Rules for Calculation of Comprehensive Energy Consumption*. The Company began to compile statistics on renewable energy in purchased electricity in 2024.

Note 9: Clean energy includes purchased green electricity and natural gas. The conversion coefficient to standard coal is based on GB/T 2589-2020 *General Rules for Calculation of Comprehensive Energy Consumption*.

Note 10: "--" indicates that relevant data is not tracked by the Company. The same as below.

Climate Change Tacking Data Sheet

Disclosures	Unit	2023	2024	2025
Scope 1 greenhouse gas emissions ¹	tCO ₂ e	4,186.18	2,728.28	3,625.39
Scope 2 greenhouse gas emissions (location-based) ²	tCO ₂ e	5,198.22	3,457.05	4,689.86
Scope 2 greenhouse gas emissions (market-based) ²	tCO ₂ e	--	3,013.19	4,182.31
Total greenhouse gas emissions (Scope 1 + Scope 2) (location-based)	tCO ₂ e	9,384.40	6,185.33	8,315.25
Greenhouse gas emissions intensity (Scope 1 + Scope 2) (per unit output value) (location-based)	tCO ₂ e/RMB10,000	0.09	0.09	0.07
Total greenhouse gas emissions (Scope 1 + Scope 2) (market-based)	tCO ₂ e	--	5,741.47	7,807.70
Greenhouse gas emissions intensity (Scope 1 + Scope 2) (per unit output value) (market-based)	tCO ₂ e/RMB10,000	--	0.08	0.07

Note 1: Scope 1 greenhouse gas emissions are generated from the company's consumption of diesel, gasoline for official vehicles and natural gas. The greenhouse gas emission factors corresponding to diesel, gasoline and natural gas are referenced from the *China Energy Statistical Yearbook (2023)* and the *Guidelines for the Preparation of Provincial Greenhouse Gas Inventories (Trial) (2011)*.

Note 2: Scope 2 greenhouse gas emissions include those corresponding to purchased electricity. The CO₂ emission factor for electricity in 2023 is 0.5703 tCO₂e/MWh, in accordance with the *Notice of the Ministry of Ecology and Environment on Relevant Work for the Administration of Greenhouse Gas Emission Reporting of Power Generation Enterprises from 2023 to 2025*. In 2024, the Company consumed green electricity. The location-based and market-based greenhouse gas emission factors for purchased electricity adopted 0.5366 tCO₂e/MWh (national average grid emission factor of China) and 0.5856 tCO₂e/MWh (excluding market-traded non-fossil energy electricity) respectively, as specified in the *Announcement of the Ministry of Ecology and Environment and the National Bureau of Statistics on Issuing the 2022 Power CO₂ Emission Factor*. In 2025, the location-based and market-based greenhouse gas emission factors for purchased electricity adopted 0.5306 tCO₂e/MWh (national average grid emission factor of China) and 0.6096 tCO₂e/MWh (excluding market-traded non-fossil energy electricity) respectively, as specified in the *Announcement of the Ministry of Ecology and Environment and the National Bureau of Statistics on Issuing the 2023 Power CO₂ Emission Factor*.

Usage of Water Resources Data Sheet

Disclosures	Unit	2023	2024	2025
Total water intake	m ³	94,875.00	127,785.60	107,599.00
Total discharge volume ¹	m ³	85,387.00	108,044.46	90,260.25
Total water consumption ²	m ³	9,488.00	19,741.14	17,338.75
Water consumption intensity (per unit output value) ^{2,3}	m ³ /RMB10,000	0.09	0.28	0.16

Note 1: Total discharge volume = Domestic sewage discharge volume.

Note 2: Total water consumption = total water intake - total discharge volume. Owing to the increase in the Company's product output in 2024, the 2024 data rose significantly compared with 2023. In 2025, the Company effectively improved water resource utilization efficiency, resulting in a decrease in the 2025 data compared with 2024.

Note 3: Calculation formula: Water consumption intensity = Total water consumption / Gross output value.

Pollutant Discharge Data Sheet

Disclosures	Unit	2023	2024	2025
Nitrogen oxides (NO _x) emissions in waste gas	kg	4,095.20	852.32	616.45
Sulphur oxides (SO _x) emissions in waste gas ¹	kg	4.10	92.98	356.86
Particulate matter (PM) emissions in waste gas ¹	kg	32.50	41.02	414.27
Sulphur dioxide (SO ₂) emissions in waste gas ¹	kg	4.10	92.98	356.86
Other waste gas pollutant emissions ²	kg	--	47.80	152.06
Total waste gas emissions ³	m ³	--	299,610,652.00	518,161,891.00
Waste gas emission intensity (per unit output value) ⁴	m ³ /RMB10,000	--	4,256.50	4,658.98

Note 1: In 2023, the Company calculated pollutant emissions using the pollution discharge coefficient method. Starting from 2024, pollutant emissions have been calculated using the monitoring method. Due to the increase in the Company's product output, the 2025 data rose significantly compared with 2024.

Note 2: Other waste gas pollutants mainly refer to volatile organic compounds (VOCs). Due to the increase in the Company's product output, the 2025 data rose significantly compared with 2024.

Note 3: Due to the increase in the Company's product output, the 2025 data rose significantly compared with 2024.

Note 4: Calculation formula: Waste gas emission intensity = Total waste gas emissions / Gross output value.

Waste Disposal Data Sheet

Disclosures	Unit	2023	2024	2025
Total hazardous waste generated ¹	tonnes	40.42	70.34	247.88
Hazardous waste intensity (per unit output value) ^{1,2}	kg/RMB10,000	0.37	1.00	2.23
Total non-hazardous waste generated ¹	tonnes	1,935.88	1,084.62	3,499.03
Non-hazardous waste by source: Metals ¹	tonnes	1,745.28	899.22	3,286.49
Non-hazardous waste by source: Industrial Solid Waste (non-hazardous) ¹	tonnes	190.60	185.40	212.54
Non-hazardous waste intensity (per unit output value) ³	tonnes/RMB10,000	0.02	0.02	0.03

Note 1: The Company's product output increased in 2025, resulting in a significant rise in the 2025 data compared with 2024.

Note 2: Hazardous waste intensity = Total hazardous waste / Gross output value.

Note 3: Non-hazardous waste intensity = Total non-hazardous waste / Gross output value.

Circular Economy Data Sheet

Disclosures	Unit	2023	2024	2025
Waste recycled ¹	tonnes	1,745.28	899.22	3,286.49

Note 1: The waste recycled and reused by the Company mainly consists of metals. As the Company's product output increased in 2025, the 2025 data rose significantly compared with 2024.

Social Data

Innovation-driven Data Sheet

Disclosures	Unit	2023	2024	2025
R&D expenditure	RMB10,000	5,778.29	5,085.31	6,002.15
R&D expenditure as a percentage of revenue from the principal business	%	5.23	7.83	6.05
Number of R&D personnel	persons	177	151	216
Percentage of R&D personnel	%	17.08	14.91	21.60
Number of patent applications during the reporting period ¹	counts	42	26	40
Number of patents granted during the reporting period ¹	counts	57	40	25
Number of valid patents at the end of the reporting period ¹	counts	252	285	281
Number of invention patents applied in the principal business	counts	209	221	240
Number of software copyrights registered during the reporting period	counts	8	3	3
Total number of software copyrights registered	counts	34	37	40

Note 1: Based on the principle of reporting accuracy, retrospective adjustments have been made to the intellectual property-related data for 2023 and 2024.

Safety and Quality of Products and Services Data Sheet

Disclosures	Unit	2023	2024	2025
Total number of complaints received regarding products and services	cases	0	0	0
Amount involved in major liability accidents related to safety and quality of products and services occurred during the reporting period	RMB10,000	0	0	0

Data Security and Customer Privacy Protection Data Sheet

Disclosures	Unit	2023	2024	2025
Amount involved in data security incidents	RMB10,000	0	0	0
Number of confirmed complaints regarding infringement of customers' privacy rights and loss of customers' data	cases	0	0	0
Amount involved in customer privacy breach incidents	RMB10,000	0	0	0

Supply Chain Environmental and Social Risk Management Data Sheet

Disclosures	Unit	2023	2024	2025
Total number of suppliers ¹	suppliers	640	732	867
Number of suppliers in Chinese Mainland	suppliers	637	730	862
Number of suppliers in Hong Kong, Macao, Taiwan and overseas	suppliers	3	2	5
Total number of new suppliers ²	suppliers	15	92	135
Number of suppliers assessed on environmental, labor, ethical and other aspects ²	suppliers	15	92	135
Proportion of qualified suppliers assessed on environmental, labor, ethical and other aspects ³	%	100	100	100

Note 1: Calculation formula: Total number of suppliers = Number of suppliers in Chinese Mainland + Number of suppliers in Hong Kong, Macao, Taiwan and overseas.

Note 2: In 2024, most of the Company's suppliers were project-based. A large number of new suppliers were added due to on-site project requirements and the owner's shortlist of suppliers, coupled with the Company's development of new suppliers. As a result, the 2024 data increased significantly compared with 2023.

Note 3: Calculation formula: Proportion of qualified suppliers assessed on environmental, labor, ethical and other aspects = Number of qualified suppliers assessed on environmental, labor, ethical and other aspects / Number of suppliers assessed on environmental, labor, ethical and other aspects × 100.

Employment and Labor Rights Data Sheet

Disclosures		Unit	2023	2024	2025
Total number of employees		persons	1,036	1,013	1,000
By gender	Female employees	persons	237	226	217
	Male employees	persons	799	787	783
By employment type	Number of full-time employees under labor contract	persons	788	775	756
	Number of full-time dispatched employees	persons	222	232	241
	Number of re-employed retired employees	persons	26	6	3
By educational background	Number of employees with a doctoral degree as their highest education	persons	4	3	5
	Number of employees with a master's degree as their highest education	persons	97	96	103
	Number of employees with a bachelor's degree as their highest education	persons	307	308	299
	Number of employees with a college degree or lower as their highest education	persons	628	606	593
By age	Employees aged under 30	persons	190	164	161
	Employees aged 30 to 50	persons	661	664	647
	Employees aged above 50	persons	185	185	192
Total number of management employees		persons	41	51	53
By management gender	Female management employees	persons	0	0	3
	Male management employees	persons	41	51	50
Proportion of female employees		%	22.88	22.31	21.70
Proportion of ethnic minority employees		%	145	148	150
Employee turnover Rate¹		%	5.79	4.94	3.70
By gender	Female employee turnover rate ¹	%	3.80	5.75	6.45
	Male employee turnover rate ¹	%	6.38	4.70	2.94
Number of labor disputes		cases	0	0	0
Social insurance coverage rate		%	100	100	100
Labor contract signing rate		%	100	100	100

Note 1: Calculation formula: Employee turnover rate = Total number of employees who left / Total number of employees × 100. Female employee turnover rate = Number of female employees who left / Number of female employees × 100. Male employee turnover rate = Number of male employees who left / Number of male employees × 100.

Occupational Health and Safety Data Sheet

Disclosures		Unit	2023	2024	2025
Total investment in safety operations ¹		RMB10,000	515.36	303.55	849.80
Expenditure on employees' work-related injury insurance		RMB10,000	55.27	45.04	63.71
Employee coverage rate for work-related injury insurance ²		%	100	100	100
Proportion of employees receiving occupational health and safety training		%	100	100	100
Total duration of occupational health and safety training		hours	9,300	9,200	8,192
Average duration of occupational health and safety training per employee		hours	8.98	9.08	8.19
Number of employees with occupational diseases		persons	0	0	0
Number of safety incidents		cases	0	0	0
Number of work-related injuries		sessions	0	0	0
Number of employees injured at work		persons	0	0	0
Number of employee deaths due to work-related injuries		persons	0	0	0

Note 1: In 2025, the company increased production, resulting in a relatively large increase in total safety operation investment compared with 2024.

Note 2: Calculation formula: Employee work-related injury insurance coverage rate = Number of employees covered by work-related injury insurance / Total number of employees × 100.

Employee Training and Development Data Sheet

Disclosures		Unit	2023	2024	2025
Number of training implementation projects		items	196	266	278
Total expenditure on employee training		RMB10,000	84.50	86.10	67.62
Number of employee training sessions		sessions	10	9	12
Employee training coverage rate ¹		%	100	100	100
Male employee training coverage rate ²		%	100	100	100
Female employee training coverage rate ³		%	100	100	100

Note 1: Calculation formula: Employee training coverage rate = number of employees receiving training/total number of employees × 100.

Note 2: Calculation formula: Male employee training coverage rate = Number of male employees trained / Number of male employees × 100.

Note 3: Calculation formula: Female employee training coverage rate = Number of female employees trained / Number of female employees × 100.

Contributions to the Society Data Sheet

Disclosures	Unit	2023	2024	2025
Number of volunteer activities held	sessions	12	5	4
Total hours of employee volunteer services ¹	hours	480	118	124
Number of employee participants in volunteer services ¹	persons	210	60	68
Amount of charitable donations	RMB10,000	18	15	15

Note 1: In 2023, the company's volunteer services increased due to public health events, resulting in relatively high data for that year.

Rural Revitalization Data Sheet

Disclosures	Unit	2023	2024	2025
Amount invested in rural revitalization	RMB10,000	41.05	39.13	47.14
Number of beneficiaries of rural revitalization	persons	---	---	2,070

Corporate Governance Data

Economic Performance Data Sheet

Disclosures	Unit	2023	2024	2025
Operating revenue	RMB10,000	111,538.94	67,538.65	99,233.46
Revenue from the principal business	RMB10,000	110,431.39	64,962.17	98,081.95
Total tax payment	RMB10,000	6,701.74	7,760.21	5,670.36
Basic earnings per share	RMB per share	-0.39	-0.25	0.14
Social contribution value per share ¹	RMB per share	0.29	0.46	0.77

Note 1: Calculation formula: Social contribution value per share = Basic earnings per share + (Taxes contributed to the country during the year + Wages paid to employees + Loan interest paid to creditors such as banks + Donations and other value generated for other stakeholders - Other social costs caused by environmental pollution, etc.) / Total share capital at the end of the period.

Corporate Governance Data Sheet

Disclosures	Unit	2023	2024	2025
Number of Board of Directors members	persons	8	9	9
Number of male directors	persons	4	8	8
Number of female directors	persons	4	1	1
Proportion of female directors in the Board of Directors	%	50.00	11.11	11.11
Number of executive directors	persons	2	2	2
Number of non-executive directors	persons	3	4	4
Number of independent non-executive directors	persons	3	3	3
Number of shareholders' meetings held	sessions	3	3	3
Number of board meetings held	sessions	7	7	6
Number of meetings held by special committees under the board of directors	sessions	7	5	9
Number of ESG proposals reviewed by the board of directors	cases	0	1	1

Anti-commercial Bribery and Anti-corruption Data Sheet

Disclosures	Unit	2023	2024	2025
Number of anti-commercial bribery and anti-corruption training sessions held by the Company for employees	sessions	3	5	5
Number of directors who received anti-commercial bribery and anti-corruption training	persons	8	9	9
Number of management employees who received anti-commercial bribery and anti-corruption training	persons	41	51	53
Number of employees receiving anti-commercial bribery and anti-corruption training	persons	1,036	1,013	1,000
Proportion of directors covered by anti-commercial bribery and anti-corruption training ¹	%	100	100	100
Proportion of management employees covered by anti-commercial bribery and anti-corruption training ²	%	100	100	100
Proportion of employees covered by anti-commercial bribery and anti-corruption training ³	%	100	100	100
Number of concluded corruption lawsuits filed against the issuer or its employees during the reporting period	cases	1	0	0

Note 1: Calculation formula: Percentage of directors covered by anti-commercial bribery and anti-corruption training = Number of directors who received anti-commercial bribery and anti-corruption training / Number of board members × 100.

Note 2: Calculation formula: Percentage of management employees covered by anti-commercial bribery and anti-corruption training = Number of management employees who received anti-commercial bribery and anti-corruption training / Number of management employees × 100.

Note 3: Calculation formula: Percentage of employees covered by anti-commercial bribery and anti-corruption training = Number of employees who received anti-commercial bribery and anti-corruption training / Total number of employees × 100.

Anti-unfair Competition Data Sheet

Disclosures	Unit	2023 年	2024 年	2025 年
Amount involved in litigation or major administrative penalties arising from the Company's unfair competition practices during the reporting period	RMB10,000	0.00	0.00	0.00

Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) Index Table

Dimension	Topic	Corresponding Sections of this Report, Other Notes
Environment	Climate change tackling	Climate Change Tackling
	Pollutant discharge	Pollutant Discharge
	Waste disposal	Waste Disposal
	Ecosystem and biodiversity protection	Ecosystem and Biodiversity Protection
	Environmental compliance management	Environmental Compliance Management
	Energy usage	Energy Usage
	Water utilisation	Water Utilisation
	Circular economy	Circular Economy
Social	Rural revitalization	Rural Revitalization
	Contributions to the society	Contributions to the Society
	Innovation-driven	Innovation-driven
	Ethics of science and technology	The Company is not involved in scientific research, technology development, or other activities in areas sensitive to technology ethics. Therefore, this topic is of low relevance to the Company.
	Supply chain security	Supply Chain Security and Management
	Equal treatment to small and medium-sized enterprises	At the end of the reporting period, the balance of the Company's accounts payable (including notes payable) did not exceed RMB30,000,000,000, nor did it account for more than 50% of total assets. The Company did not owe any overdue payments to small and medium-sized enterprises.
	Safety and quality of products and services	Safety and Quality of Products and Services
	Data security and customer privacy protection	Data Security and Customer Privacy Protection
	Employees	Employee Rights and Benefits, Occupational Health and Safety, Employee Training and Development
	Sustainability-related Governance	Due diligence
Stakeholder communication		Double Materiality Analysis
Anti-commercial bribery and Anti-corruption		Anti-commercial Bribery and Anti-corruption
Anti-unfair competition		Anti-unfair Competition
Self-selected Topics	Industry development	Industry Development
	Risk management and compliant operations	Risk Management and Compliant Operations
	Corporate governance	Corporate Governance

GRI Content Index

Statement of Use	LANPEC has reported in accordance with the GRI Standards for the period from 1 January 2025 to 31 December 2025.	
GRI 1 Use	GRI 1: Foundation 2021	
GRI Standards	Disclosures	Sections
GRI 2: General Disclosures 2021	2-1	About This Report; Company Profile
	2-2	About This Report
	2-3	About This Report
	2-4	About This Report
	2-6	Company Profile
	2-7	People-oriented, Shared Value
	2-8	People-oriented, Shared Value
	2-9	Corporate Governance
	2-10	Corporate Governance
	2-11	Corporate Governance
	2-12	Corporate Governance
	2-13	Corporate Governance
	2-14	Sustainability (ESG) Management
	2-16	Sustainability (ESG) Management
	2-17	Corporate Governance
	2-18	Corporate Governance
	2-19	Employee Rights and Benefits
	2-20	Employee Rights and Benefits
	2-22	The Letter from the Chairman
	2-26	Building on Green Foundations, Thriving in Ecological Harmony; Innovation Leadership, Intelligently Creating the Future; People-oriented, Shared Value; Building on Standards to Ensure Steady and Sustainable Progress
	2-27	Building on Green Foundations, Thriving in Ecological Harmony; Innovation Leadership, Intelligently Creating the Future; People-oriented, Shared Value; Building on Standards to Ensure Steady and Sustainable Progress
	2-29	Double Materiality Analysis
GRI 3: Material Topics 2021	3-1	Double Materiality Analysis
	3-2	Double Materiality Analysis
	3-3	Double Materiality Analysis

GRI Standards	Disclosures	Sections
GRI 101: Biodiversity 2024	101-1	Ecosystem and Biodiversity Protection
	101-2	Ecosystem and Biodiversity Protection
	101-4	Ecosystem and Biodiversity Protection
GRI 102: Climate Change 2025	102-1	Climate Change Tackling
	102-2	Climate Change Tackling
	102-4	Climate Change Tackling
	102-5	ESG Data Tables and Notes
	102-6	ESG Data Tables and Notes
	102-8	Climate Change Tackling; ESG Data Tables and Notes
	GRI 103: Energy 2025	103-1
103-2		Energy Usage
103-4		Energy Usage; ESG Data Tables and Notes
103-5		Energy Usage; ESG Data Tables and Notes
GRI 201: Economic Performance 2016		201-1
	201-2	Climate Change Tackling
	201-3	Employee Rights and Benefits
GRI 205: Anti-corruption 2016	205-1	Anti-commercial Bribery and Anti-corruption
	205-2	Anti-commercial Bribery and Anti-corruption
	205-3	Anti-commercial Bribery and Anti-corruption
GRI 206: Anti-competitive Behaviour 2016	206-1	Anti-unfair Competition
GRI 301: Materials 2016	301-1	Circular Economy
	301-2	Circular Economy
GRI 302: Energy 2016	302-1	Energy Usage; ESG Data Tables and Notes
	302-3	Energy Usage; ESG Data Tables and Notes
GRI 303: Water and Effluents 2018	303-1	Water Resource Management
	303-2	Water Resource Management
	303-3	ESG Data Tables and Notes
	303-4	ESG Data Tables and Notes
	303-5	ESG Data Tables and Notes
GRI 305: Emissions 2016	305-1	ESG Data Tables and Notes
	305-2	ESG Data Tables and Notes
	305-4	Climate Change Tackling; ESG Data Tables and Notes
	305-5	ESG Data Tables and Notes
	305-6	ESG Data Tables and Notes
	305-7	ESG Data Tables and Notes

GRI Standards	Disclosures	Sections	
GRI 306: Effluents and Waste 2016	306-3	Waste Disposal	
GRI 306: Waste 2020	306-1	Waste Disposal	
	306-2	Waste Disposal	
	306-3	Waste Disposal	
	306-4	Waste Disposal	
	306-5	ESG Data Tables and Notes	
GRI 308: Supplier Environmental Assessment 2016	308-1	ESG Data Tables and Notes	
	308-2	Supply Chain Security and Management	
GRI 401: Employment 2016	401-1	ESG Data Tables and Notes	
	401-2	Employee Rights and Benefits	
	401-3	Employee Rights and Benefits	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational Health and Safety	
	403-2	Occupational Health and Safety	
	403-3	Occupational Health and Safety	
	403-5	Occupational Health and Safety	
	403-6	Occupational Health and Safety	
	403-7	Occupational Health and Safety	
	403-8	Occupational Health and Safety	
	403-10	Occupational Health and Safety	
	GRI 404: Training and Education 2016	404-1	Employee Training and Development
		404-2	Employee Training and Development
GRI 405: Diversity and Equal Opportunity 2016	405-1	Employee Rights and Benefits	
GRI 408: Child Labour 2016	408-1	Employee Rights and Benefits	
GRI 409: Forced or Compulsory Labour 2016	409-1	Employee Rights and Benefits	
GRI 413: Local Communities 2016	413-1	Contributions to the Society	
GRI 414: Supplier Social Assessment 2016	414-1	Supply Chain Security and Management	
	414-2	Supply Chain Security and Management	
GRI 416: Customer Health and Safety 2016	416-1	Safety and Quality of Products and Services	
	416-2	Safety and Quality of Products and Services	
GRI 418: Customer Privacy 2016	418-1	Data Security and Customer Privacy Protection	



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