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Environmental Social and Governance (ESG) Report

Sharetronic Data Technology
Co., Ltd.



2025

SHARRETTRONIC®

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Message from the Chairman

2025 has been a year for Sharetronic Data to forge ahead steadily amid transformation. Faced with the profound restructuring and challenges in the global science and technology industry, the Company has adhered to the dual-drive strategy of "Storage + Computing Power" and continuously advanced technological innovation and industrial upgrading. It has achieved a series of important breakthroughs in such fields as semiconductor storage, edge computing, cloud computing power services and intelligent robots, steadily pushed forward its global layout, and realized steady growth in operating performance.

We are fully aware that the long-term development of an enterprise cannot be separated from a firm's commitment to environmental, social and governance responsibilities. In 2025, Sharetronic Data has deeply integrated the ESG philosophy into its strategic decision-making and daily operations:

In terms of environmental protection, the Company has actively addressed the challenges of climate change and embedded the concept of green and low-carbon development into the entire process of product R&D, manufacturing and data center operations. Over the past year, the Company has continuously optimized the energy structure of data centers, improved energy efficiency levels, introduced advanced energy-saving technologies and smart energy management systems, and minimized the environmental footprint of computing power services. Meanwhile, the Company has promoted the construction of green factories in the manufacturing sector, strengthened the circular utilization of resources, reduced waste emissions, and driven green manufacturing through technological innovation.

In terms of social responsibility, the Company has always upheld the people-oriented principle and regarded employees as its most valuable asset. It is committed to building a diverse, equal and inclusive workplace, providing rich career development opportunities and training resources for employees worldwide, and enabling every striver to pursue their passions and realize their values on the platform of Sharetronic Data. The Company pays attention to the coordinated development of the supply chain and works with partners to advance a responsible and sustainable business ecosystem. At the same time, the Company actively gives back to society and supports community development through means such as technological empowerment and educational support.

In terms of corporate governance, the Company has persisted in taking integrity as the cornerstone and standardization as the criterion. It has continuously improved the corporate governance structure, strengthened compliance management and risk control, enhanced the transparency and timeliness of information disclosure, and responded to the expectations of shareholders and society with higher standards. We firmly believe that sound corporate governance is the cornerstone of an enterprise's sustainable development and also the key to winning long-term trust from customers, shareholders and society.

We remain true to our original aspiration, and our values endure forever. The Company will further increase investment in such fields as green data centers, digital energy conservation and emission reduction, and circular economy, and promote the in-depth integration of technology and sustainable development; the Company will continue to deepen co-creation and sharing with employees, communities and partners, making growth warmer and development more sustainable; the Company will continuously raise its governance capability and repay every trust with transparent, standardized and efficient operations.



Chairman: Geng Kangming

About Sharetronic Data

Sharetronic Data (Stock Code: 300857) was established in November 2005 and listed on the Shenzhen Stock Exchange ChiNext Board in July 2020. The Company is committed to becoming a global leader as an intelligent IoT terminal manufacturer, comprehensive cloud service provider, intelligent storage device manufacturer, and pioneer/leader in the server remanufacturing industry. With its core strategy of "Intelligent IoT Ecosystem", the Company has built a global industrial system integrating "Smart Terminals + Computing Infrastructure + Cloud Services", forming global competitiveness through full value chain integration (R&D-Manufacturing-Service).



Smart Terminal Matrix: Technology-Driven Global Layout

Leveraging its "Perception Layer + Edge Layer" composite product system, the Company specializes in AIoT smart hardware, data storage terminals, edge computing devices, and intelligent control terminals. Its R&D focuses on audio-visual perception, wireless connectivity, and scenario-based AI agent implementation.

Computing Infrastructure: Full-Stack Capabilities Building Service Barriers

Building on IoT technological strengths, the Company has intensified R&D investments in Shanghai and Hangzhou..It establishes global computing nodes covering China, Southeast Asia, and the Americas, providing computing support for cloud video, cloud gaming, and large model training/inference. With capabilities in heterogeneous computing management, high-speed network operations, and server maintenance, it creates efficient infrastructure meeting global exponential computing demands.

Cloud Service Ecosystem: Vertical Integration Empowering Industry Transformation

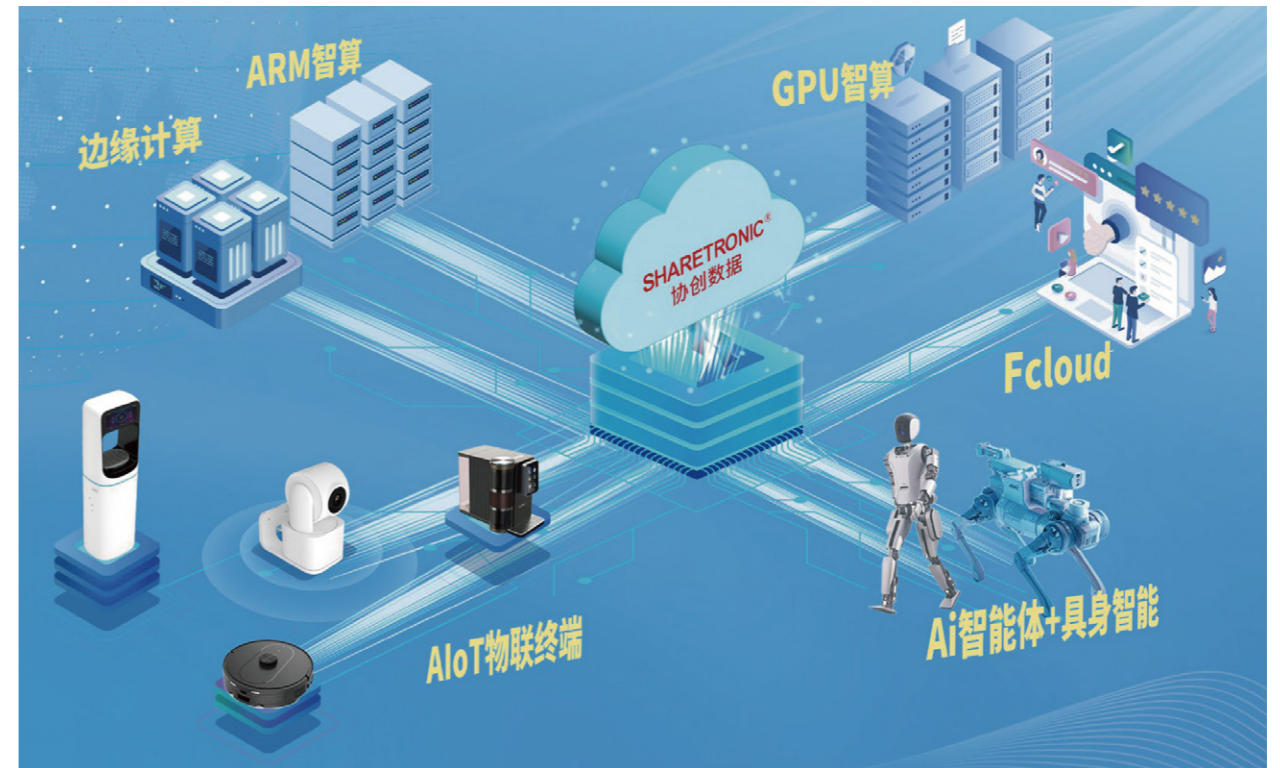
The Fcloud AI Training/Inference Platform achieves full-stack "Device-Edge-Cloud" service integration through layered and decoupled architecture:

- Infrastructure Layer: Global distributed computing nodes ensure service stability.
- Platform Layer: Integrating open-source toolchains (e.g., Deepseek/Llama) and supporting petabyte-level data processing and automated annotation
- Application Layer: Offering open APIs and customized AI solutions for vertical sectors including biopharmaceuticals, integrated circuits, and embodied robotics.

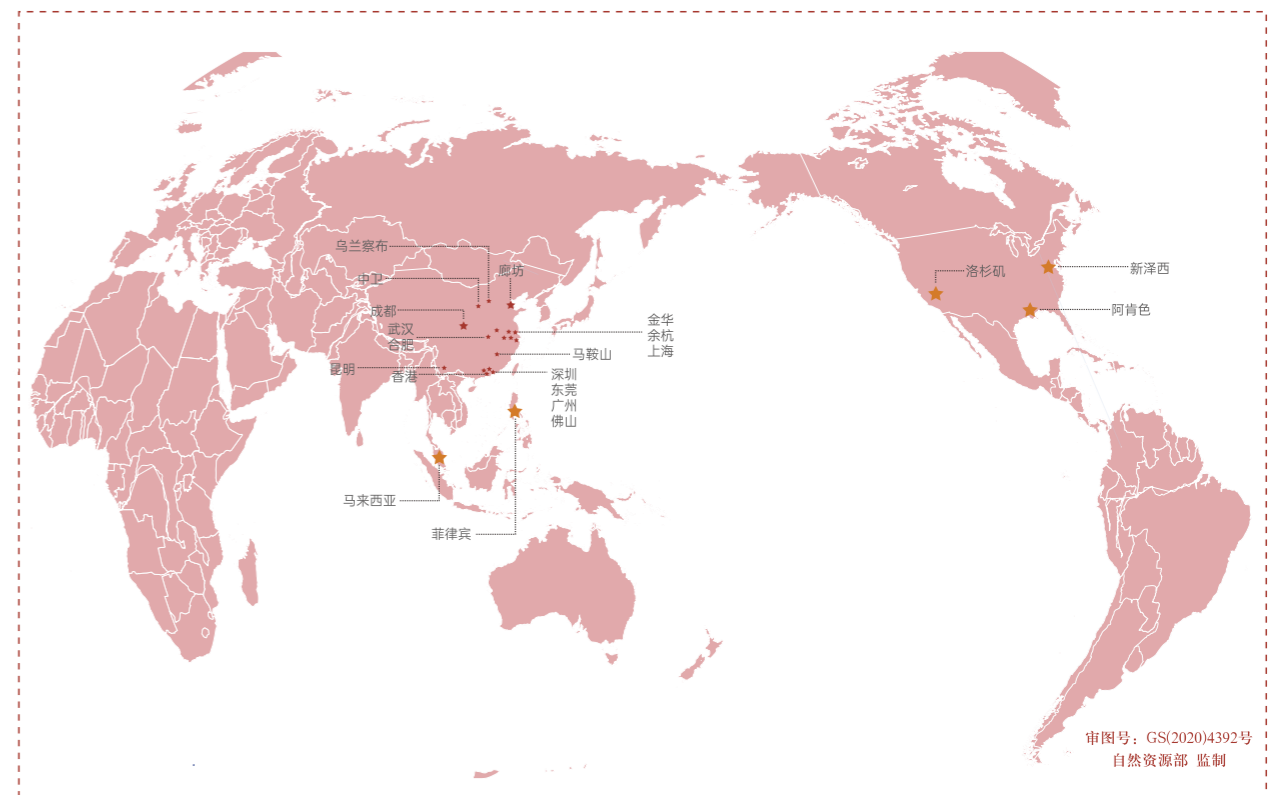
Corporate Culture

<p>Philosophy Collaboration, Innovation, Innovating a Smart Life of Wisdom</p>	<p>Vision Visual Systems Fill Life (the World) with Love and Trust</p>
<p>Mission To Become a Leader in Visual System Solutions</p>	<p>Work Ethos Integrity, Inclusiveness, Collaboration, Innovation, Equality, Responsibility</p>

Sharetronic Intelligent IoT Ecosystem

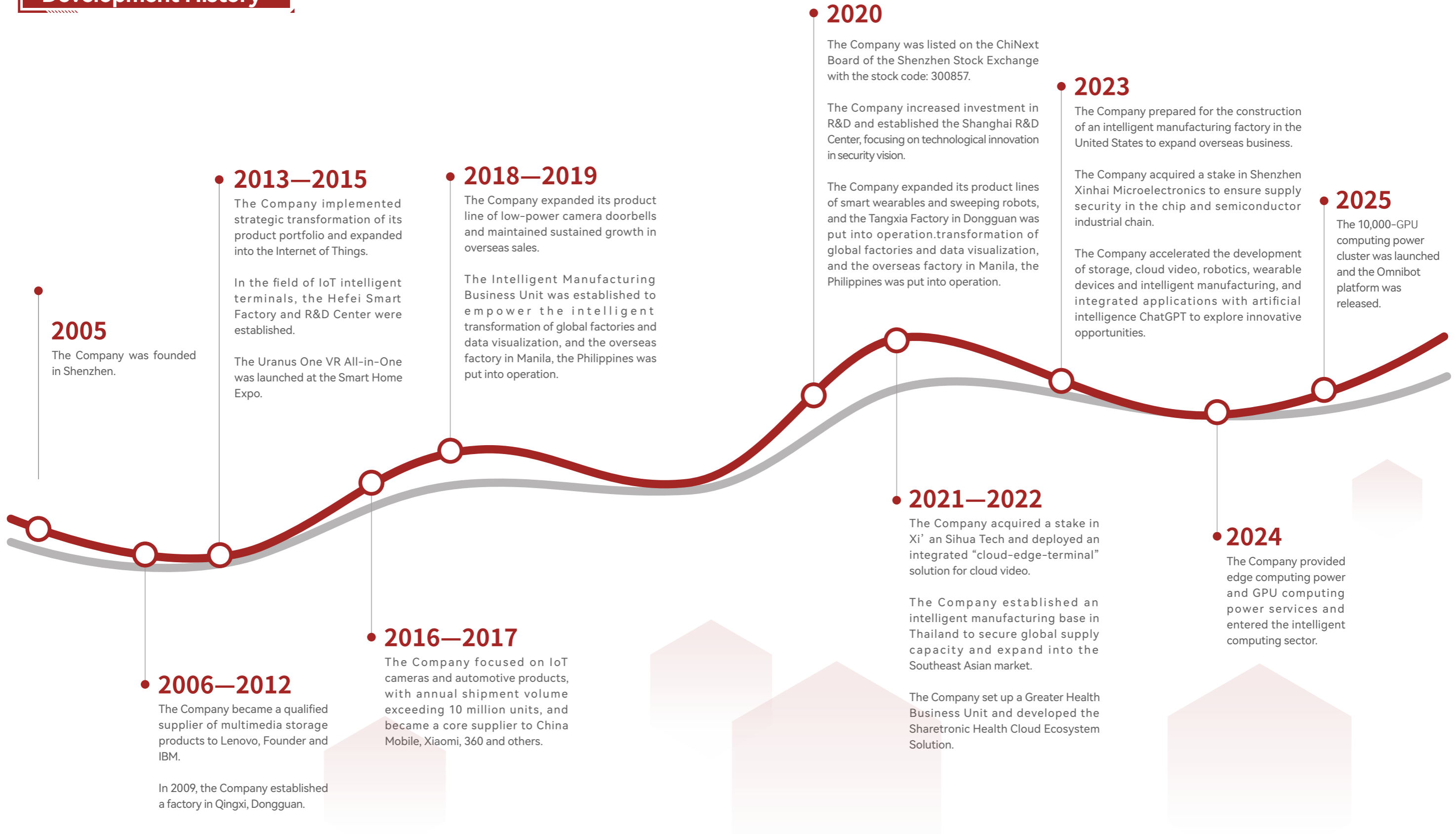


Sharetronic Data Global Computing Power Nodes



审图号: GS(2020)4392号
自然资源部 监制

Development History



Honors & Awards

Sector	Honor	Organizer
Capital	<ul style="list-style-type: none"> ● 16th Investor Relations Management of Chinese Listed Companies Tianma Award – Outstanding Secretary of the Board ● 21st New Fortune Golden Board Secretary (NFBS) ● Best Practice in Investor Relations Management for Listed Companies (2024) ● 2025 New Fortune Best Board Secretary ● Most Investment Value Award, Golden Bull Entrepreneur Innovation Award, Golden Bull Board Secretary Award ● 2025 Zhiyuan Award · ESG Pioneer Enterprise ● Shenzhen Stock Exchange 2024–2025 Information Disclosure Rating: Class A ● Sunshine Board Secretary of Chinese Listed Companies ● Excellent Practice of the Board of Directors of Listed Companies, Best Practice of the Board Secretary Office of Listed Companies ● Most Valuable Investment Award ● 2025 Listed Company with Outstanding ESG Investment Value ● 5A Rating for Performance of Board Secretary Duties 	<ul style="list-style-type: none"> ● Securities Times and egsea ● New Fortune ● China Association for Public Companies ● New Fortune ● China Securities Journal ● CLS ● Shenzhen Stock Exchange ● Securities Times ● China Association for Public Companies ● CLS ● Hong Kong Commercial Daily ● China Association for Public Companies
Supply Chain	<p>Forbes China 2025 Top 30 Chinese Enterprises in Transnational Operations</p>	<p>Forbes China</p>
Business	<ul style="list-style-type: none"> ● 5th Shenzhen New Generation Innovation and Entrepreneurship Figure ● Shenzhen Green Factory ● Shanghai Securities News · Gold Quality – Outstanding Entrepreneur Award ● Top 50 Valuable ChiNext Listed Companies ● 2025 Forbes China Best CEO 	<ul style="list-style-type: none"> ● Shenzhen Enterprise Confederation, Shenzhen Entrepreneur Association, Shenzhen Press Group, Shenzhen Media Group, Times Entrepreneur ● Industry and Information Technology Bureau of Shenzhen Municipality ● Shanghai Securities News ● Securities Times ● Forbes China

Qualifications



Sustainable Development Governance

ESG Management

Guided by the concept of sustainable development, the Company regards ESG management as a critical element of corporate development and actively engages in the development of the ESG system with a long-term strategic vision.

Level	Composition	Responsibilities
Decision-Making Level	Board of Directors	<ul style="list-style-type: none"> Decide on and approve the Company's ESG strategy to ensure alignment with the Company's long-term development strategy; Review and approve the Company's ESG policies, objectives and key performance indicators, and supervise their implementation; Oversee the identification, assessment and management of material ESG risks and opportunities of the Company; Approve the Company's annual sustainable development report and other material ESG disclosures.
Management Level	Board Secretary Office	<ul style="list-style-type: none"> Review the Company's ESG strategy, objectives, policies and material topics, and report to the Board of Directors and its special committees; Examine the assessment results of material ESG risks and opportunities, and coordinate various departments to formulate countermeasures; Review the Company's annual sustainable development report to ensure its completeness and accuracy; Promote the consistent implementation of the ESG strategy at all levels of the Company, and coordinate ESG-related work among various departments.
Implementation Level	ESG Working Group	<ul style="list-style-type: none"> Implement the Company's ESG strategic plans in light of respective businesses, improve ESG policies of various departments, and advance the achievement of ESG objectives; Conduct ESG risk identification, assessment and control for respective businesses, and report material risks in a timely manner; Regularly collect and analyze ESG-related data, and report on the completion of ESG performance; Cooperate in the completion of ESG information disclosure, project implementation, stakeholder engagement and other tasks; identify and promote ESG best practices, participate in training, and facilitate experience sharing and continuous improvement among various departments.

Key Performance

During the reporting period, the Company
 ► organized 1 ESG training session.

Stakeholder Communication

The Company understands and responds to the expectations and demands of various stakeholders through standardized and systematic stakeholder communication procedures, so as to enhance the Company's operation and management capabilities and sustainable development capacity.

Stakeholders	Shareholders and Investors	Government and Regulatory Authorities	Management Level
Stakeholder Representatives	<ul style="list-style-type: none"> Investors Potential investors 	<ul style="list-style-type: none"> Governments and competent authorities at all levels Shenzhen Stock Exchange China Securities Regulatory Commission 	<ul style="list-style-type: none"> Members of the Board of Directors Senior Management Department Heads
Stakeholder Concerns	<ul style="list-style-type: none"> Corporate business and fundamentals Strategic development direction of the Company Financial performance and market prospects of the Company Corporate governance and risk management capabilities 	<ul style="list-style-type: none"> Law-abiding and compliant operations Response to climate change and carbon neutrality Contributions to local economic and industrial development 	<ul style="list-style-type: none"> Strategic implementation and market competitiveness of the Company Efficient corporate management structure Profitability of the Company
Communication and Engagement Methods	<ul style="list-style-type: none"> Regular information disclosure Shareholders' meetings Investor roadshows and exchange conferences Communication telephone lines and email addresses On-site factory visits Performance briefings Investor relations management activities via new media 	<ul style="list-style-type: none"> Regular information disclosure Participation in relevant meetings Communication through industry associations and other institutions 	<ul style="list-style-type: none"> Regular work reports Management meetings Specialized training Email addresses Enterprise collaborative office platform

Continued Table:

Stakeholders	Employees	Customers	Partners	Community Partners
Stakeholder Representatives	<ul style="list-style-type: none"> Ordinary employees 	<ul style="list-style-type: none"> Domestic and overseas customers 	<ul style="list-style-type: none"> Suppliers Contractors Partners 	<ul style="list-style-type: none"> Surrounding communities Universities and research institutions ESG rating agencies Media Industry associations, etc.
Stakeholder Concerns	<ul style="list-style-type: none"> Competitive salary and welfare benefits Comprehensive training system Open and transparent career development paths Workplace health and safety 	<ul style="list-style-type: none"> Product quality and delivery capability Information security and privacy protection Green and low-carbon products 	<ul style="list-style-type: none"> Technical strength and cooperation stability Fair, impartial, open and transparent procurement environment Technical empowerment and industrial development Market and sales support 	<ul style="list-style-type: none"> Contribution to sustainable community development Sharing of corporate development achievements Reduction of environmental impact
Communication and Engagement Methods	<ul style="list-style-type: none"> Labor unions Email addresses Enterprise collaborative office platformpaths 	<ul style="list-style-type: none"> Pre-sales communication After-sales service Routine communication (e.g., customer visits) Third-party training Customer auditslow-carbon products 	<ul style="list-style-type: none"> Supplier training On-site audits and communication Project cooperation Regular visits 	<ul style="list-style-type: none"> Face-to-face communication Public welfare activities Hotlines for complaints Media briefings Regular communication and feedback Project cooperation Official websites, official WeChat accounts and other public channels

Material Topic Identification

Guided by the topics covered in the Exchange’s Guidelines, the Company conducts an in-depth analysis of its business structure and operation model, carries out research and analysis on stakeholders through questionnaire surveys, and systematically identifies material topics that are closely linked to the Company’s business activities and occupy a prominent position in the stakeholder concern matrix.

Aspect	Definition	Materiality Analysis Dimension
Impact Materiality	Whether the Company’s performance on the relevant topic may have actual or potential material impacts on the economy, society and the environment.	<ul style="list-style-type: none"> • Likelihood of occurrence of the impact • Scale, scope and irreparability of the impac
Financial Materiality	Whether the topic is expected to exert material impacts on the Company’s business model, business operations, development strategies, financial position, operating results, cash flows, financing methods and costs in the short, medium and long term.	<ul style="list-style-type: none"> • Likelihood of occurrence of the impact • Extent of financial impact

Sharetronic Data Dual Materiality Analysis Process for Topics



Topic List

In the process of identifying material topics for 2025, Sharetronic Data has fully considered the following five factors, identified and selected 25 topics in light of the Company’s actual operations, and analyzed the impacts, risks and opportunities of each topic.

Dimension	Analysis Logic
Corporate Development Strategy	Centered on the core strategy of “IoT ecosystem” and the global industrial system of “computing power infrastructure + cloud services + intelligent terminals”, the Company sorts out ESG topics highly relevant to its core competitiveness and future development direction.
Macroeconomic Policies	In accordance with national and local laws, regulations and policy documents, the Company extracts ESG topics binding or guiding various business segments to ensure that topic setting complies with policy orientations.
Stakeholder Identification and Response	By identifying major stakeholder groups and combining their key concerns and communication methods, the Company defines ESG topics requiring key responses to enhance the responsiveness and relevance of topics.
Rating and Information Disclosure Guidelines	With reference to mainstream ESG rating and disclosure standards including MSCI, SASB and the Shenzhen Stock Exchange, the Company ensures that topic selection features international vision and industry applicability.
Peer Benchmarking Analysis	By benchmarking the disclosure priorities of peers on ESG topics, the Company ensures that topic setting is industry-comparable and forward-looking.

ESG Topic Library of Sharetronic Data 2025



Impact Materiality Assessment

In accordance with the Guidelines, the Company assesses the impact materiality of sustainable development-related topics from the two dimensions of likelihood and severity of impacts. Among them, the likelihood of impact is assessed from the three dimensions of impact scale, scope and irreparability.

A total of 120 stakeholders, including employees, shareholders and investors, senior management of the Company, suppliers and other commercial partners, customers, communities and the media, provided feedback in this questionnaire survey. Based on the questionnaire results, the Company has identified the key concerns of different stakeholders, ranked the impact materiality of the 25 topics on Sharetronic Data in combination with expert judgments, and derived a list of impact material topics in accordance with the set impact materiality threshold.

Table Note: Topics with Impact Materiality

Topic	Topic	Topic
<ul style="list-style-type: none"> 1 Climate Change Response 2 Energy Utilization 3 Circular Economy 4 Environmental Management of IT Equipment throughout the Life Cycle 5 Environmental Compliance Management 6 Pollutant Emission and Waste Disposal 7 Hazardous Substance Management 8 Water Resource Utilization 9 Ecosystem and Biodiversity Conservation 	<ul style="list-style-type: none"> 1 Innovation-Driven Development 2 Product and Service Safety and Quality 3 Supply Chain Security 4 Employees 5 Product Accessibility and Digital Inclusion 6 Equal Treatment of Small and Medium-Sized Enterprises 7 Technology Ethics 8 Rural Revitalization 9 Social Contribution 	<ul style="list-style-type: none"> 1 Data Security and Privacy Protection 2 Anti-Commercial Bribery and Anti-Corruption 3 Compliance Operation and Risk Management 4 Stakeholder Communication 5 Due Diligence 6 Trustworthy Artificial Intelligence 7 Anti-Unfair Competition Technology Ethics Rural Revitalization Social Contribution

Financial Materiality Assessment

The Company assesses the financial materiality of sustainable development-related topics across three time horizons: short term (within 1 to 2 years inclusive), medium term (3 to 5 years inclusive) and long term (more than 5 years), from the two aspects of likelihood of occurrence and extent of financial impact.

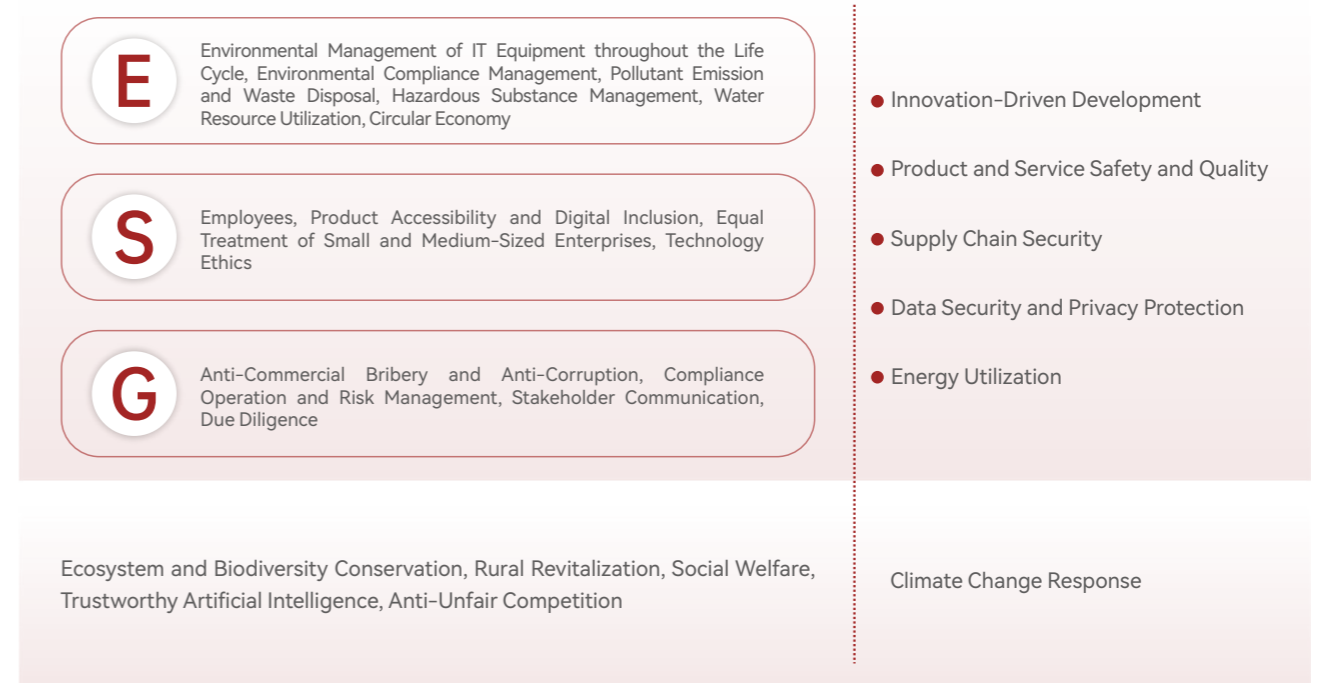
In the specific analysis process, the Company has set judgment values for the extent of financial impact based on historical pre-tax profits, analyzed the likelihood of occurrence of risks and opportunities of each topic in the short, medium and long terms and their impact on financial expectations, ranked the financial materiality of the 25 topics with reference to expert opinions, and derived a list of financial material topics in accordance with the set financial materiality threshold.

Table Note: Topics with Financial Materiality

Topic		
<ul style="list-style-type: none"> 1 Climate Change Response 2 Energy Utilization 	<ul style="list-style-type: none"> 3 Innovation-Driven Development 4 Product and Service Safety and Quality 5 Supply Chain Security 	<ul style="list-style-type: none"> 6 Data Security and Privacy Protection

Topic Materiality Assessment Results

The Company has comprehensively summarized the impacts, risks and opportunities of material topics, and disclosed relevant management actions and effectiveness in this report. For topics with financial materiality, the Company conducts focused disclosure in accordance with the four-element framework of "Governance", "Strategy", "Impacts, Risks and Opportunities Management" and "Indicators and Targets". This matrix takes financial materiality as the horizontal axis and impact materiality as the vertical axis to assess the dual materiality of each ESG topic.



Due Diligence

Analysis Table of Impacts, Risks and Opportunities of Financially Material Topics of Sharetronic Data in 2025

Topic	Impact Scope			Impacts	Risks
	Operations	Upstream	Downstream		
R&D and Innovation	✓	✓	✓	Positive: Enhance product competitiveness, drive technological iteration and strengthen customer stickiness. Negative: High R&D investment; waste of resources caused by failure or wrong direction.	Wrong R&D direction, loss of core technical talents, intellectual property disputes.
Product and Service Safety and Quality	✓	✓	✓	Positive: Reduce after-sales costs, improve customer satisfaction and enhance brand reputation. Negative: Product recalls, litigation and brand crises caused by major quality problems.	Product recalls, legal disputes, regulatory penalties and customer churn.
Supply Chain Security	✓	✓		Positive: Ensure production continuity, reduce supply disruption risks and improve delivery capability. Negative: Production suspension, cost increase and order delivery delay caused by supply disruption.	Geopolitical conflicts, raw material price fluctuations and supplier default.
Data Security and Customer Privacy Protection	✓	✓	✓	Positive: Strengthen customer trust, meet regulatory requirements and avoid heavy fines. Negative: Legal liability, customer churn and reputational damage caused by data leakage.	Data leakage, cyberattacks, increased compliance costs and reputational damage.
Energy Utilization	✓	✓	✓	Positive: Reduce operating costs, improve energy efficiency and decrease carbon emissions. Negative: Dependence on fossil fuels and exposure to price fluctuations and policy risks.	Rising energy prices, excessive carbon emissions and tightening policies.
Climate Change Response	✓	✓	✓	Positive: Improve climate adaptability, drive green transformation and enhance risk resistance. Negative: Production disruption caused by extreme weather and increased export costs due to carbon tariffs.	Production affected by extreme weather, increased costs due to carbon tariffs and higher environmental requirements from customers.

Opportunities	Impact Cycle			Management Strategies
	Short-term	Medium-term	Long-term	
Explore emerging markets, enhance brand value and obtain government R&D subsidies.	✓	✓	✓	Centered on the integrated “cloud-edge-terminal” strategy, the Company has established a full-chain R&D system covering from hardware manufacturing to cloud services.
Enter high-end markets through international certifications and introduce AI quality inspection to improve quality management.	✓	✓	✓	The Company has established and implemented an end-to-end quality management system covering “concept-design-procurement-production-delivery-usage-recycling”.
Establish a diversified supply chain, promote localized procurement and enhance bargaining power.		✓	✓	The Company has established a full life cycle management system, ensured resilience through diversified layout and emergency mechanisms, and implemented environmental and labor standards.
Develop data security products and obtain privacy certifications.	✓	✓	✓	The Company has built a comprehensive protection system featuring multi-dimensional collaboration of systems, management and technologies.
Implement energy-saving renovation and launch low-power products.		✓	✓	The Company has established an energy acquisition mechanism based on compliant external procurement supplemented by independent production, promoted the application of clean energy and set up a consumption monitoring system.
Develop low-carbon products and participate in climate initiatives to enhance influence.		✓	✓	The Company has established a carbon emission management system and a carbon asset management mechanism, identified risks and opportunities, conducted training in accordance with SBTi and set emission reduction targets to improve climate adaptability.



SDGs Addressed



Governance with Integrity Consolidating the Foundation for Development

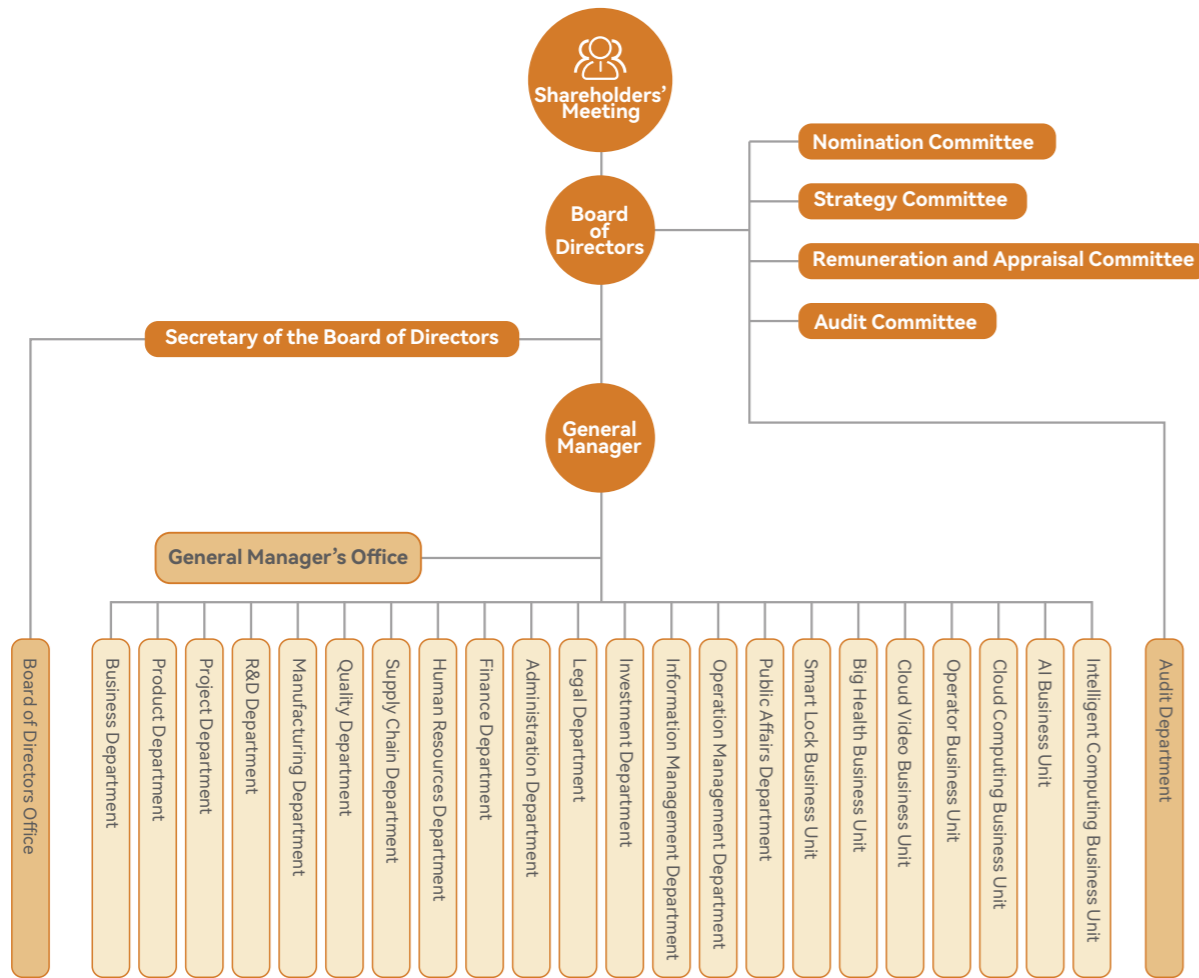
Key ESG Topics in this Chapter




Standardized Governance

Governance Structure

Sharetronic Data complies with the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines for the Governance of Listed Companies and other relevant regulations, and has formulated the Rules of Procedure for the Shareholders' Meeting, the Rules of Procedure for the Board of Directors and other policies. The Company has established a well-defined and checks-and-balances governance structure consisting of the Shareholders' Meeting, the Board of Directors (with various special committees) and the Management, and has set up a fair and scientific decision-making mechanism. The Company conducts regular effectiveness assessments of the Board of Directors or its special committees through self-evaluation and external evaluation to ensure effective governance decisions.






Shareholders' Meeting

- The Company strictly convenes and holds Shareholders' Meetings in accordance with relevant regulations, treats all shareholders equally, and provides convenient conditions for shareholders to attend Shareholders' Meetings to ensure the full exercise of shareholders' rights.
- In terms of protecting the rights and interests of minority shareholders, the Board of Directors of the Company fully listens to the opinions and suggestions put forward by independent directors on behalf of minority shareholders during the decision-making process, and no decision is made that impairs the interests of minority shareholders.

In 2025, the Company convened a total of 10 Shareholders' Meetings.



Board of Directors

The Board consists of 7 directors, including 3 independent directors and 1 female director. The Board of Directors has established the Audit Committee, Nomination Committee, Remuneration and Assessment Committee, and Strategy Committee, each performing its respective duties to give full play to decision-making and supervisory roles.

Members of the Board of Directors possess profound professional knowledge and management experience in the industry, and their diversity characteristics include but are not limited to gender, ethnicity, nationality, cultural and educational background, professional experience, skills, age and other aspects.

In 2025, the Company held a total of 14 meetings of the Board of Directors and 7 special meetings of independent directors.

Investor Rights and Interests Protection

The Company has formulated the External Information Submission and Use Management System, which stipulates specific provisions on the content, procedures, confidentiality measures, supervision and management of information disclosure, and standardizes information disclosure standards and submission procedures, enabling all shareholders to be informed of the Company's operating conditions in a timely and comprehensive manner. Meanwhile, the Company carries out relevant work in an orderly manner in accordance with the Investor Relations Management System and the Information Disclosure Management System, and actively expands diversified communication channels. The Company conducts in-depth exchanges and interactions with investors through various means, including telephone, email, the Interactive Easy platform of the Shenzhen Stock Exchange, regular performance briefings and offline exchange meetings, aiming to provide investors with more comprehensive and timely information.

Compliance and Risk Management

Compliance Operation

Sharetronic Data integrates the compliance philosophy into the entire business operation process and has formed a compliance management structure featuring "leadership by the Board of Directors, execution by the management layer, coordination among all departments, and practice by all employees". The Company has established a three-level institutional system consisting of "fundamental systems, special systems and process specifications", covering the Company and all its controlled subsidiaries. Meanwhile, the Company signs annual compliance commitments with senior executives and employees in key positions, and incorporates compliance performance into performance assessment. It has established a multi-level supervision system, carries out special internal control inspections and process compliance audits, implements hierarchical and classified management over defects identified in inspections, formulates rectification plans, clarifies responsible persons and completion deadlines, tracks rectification implementation and forms a closed-loop management mechanism.

The Company has established a "Global Compliance Committee" led by the Chairman, and formulated the Overseas Business Compliance Management Framework to define core principles for overseas compliance, covering all scenarios, including overseas subsidiaries, manufacturing bases, sales networks and overseas issuance and listing. Meanwhile, the Company holds a global compliance meeting on a quarterly basis to align compliance policies and identify regional risks. The Company appoints full-time compliance officers and designated compliance principals for overseas entities, who are responsible for the implementation of local compliance systems, risk reporting and employee compliance training. It has also set up an "Overseas Compliance Support Team" in China to provide specialized support such as regulatory consultation, process review and risk assessment for overseas entities.

In addition, the Company designs differentiated training content for employees in different positions and at different levels, and improves training effectiveness through diversified "online + offline" training channels. It promotes compliance systems, typical cases and compliance knowledge through internal networks, bulletin boards, department meetings and other channels.

Risk Management

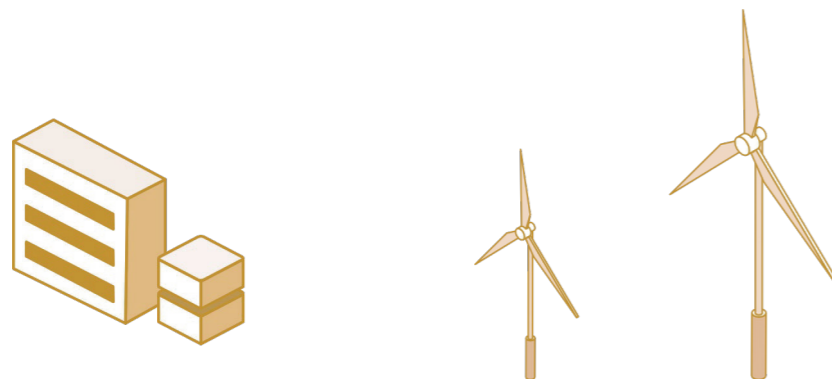
The Company has established a "Three Lines of Defense" risk governance structure and formulated the Risk Assessment Management Measures. It timely collects internal and external information for risk identification, determines whether risks are within an acceptable range through multi-dimensional analysis and judgment, and implements hierarchical closed-loop management for assessed material risks.

Line of Defense	Responsibilities
First Line of Defense All departments, business divisions and subsidiaries	<ul style="list-style-type: none"> Identify risks in daily business activities, and assess and report the identified risks; Implement approved risk response plans and provide timely feedback on risk response and resolution results; Monitor identified risks, conduct reassessment when changes occur, and take corresponding measures based on newly identified and assessed risk levels.
Second Line of Defense General Manager's Office	<ul style="list-style-type: none"> Formulate risk assessment plans, summarize risk assessment results, prepare reports on the Company's risk management, and draft risk response plans.
Third Line of Defense Management Layer	<ul style="list-style-type: none"> Approve the risk management responsibilities of all departments; Approve risk assessment plans and risk response plans; Review reports on the Company's risk management submitted by the General Manager's Office.

Tax Payment in Accordance with the Law

The Company is committed to building a proactive tax management system based on compliance, risk-oriented and aimed at value creation, so as to ensure the optimization of tax costs, efficient management of cash flows and identifiable, controllable and tolerable tax risks in the complex domestic and international tax environment.

The Company has established a Tax Department under the finance system (with positions including Tax Manager, International Tax Specialist and Tax Analyst) reporting to the Chief Financial Officer. It has formulated the Financial Management System to regulate expenditure and bill management, regularly organizes internal and external professional training, and has incorporated indicators such as tax compliance rate and the number of risk incidents into the performance appraisal system of the tax team. Meanwhile, the Company has built an integrated digital risk control system covering business, finance and taxation, and has embedded tax compliance and risk control into business processes through technical means.



Business Ethics

Anti-Commercial Bribery and Anti-Corruption

Sharetronic Data is committed to adhering to the highest standards of integrity and legal and ethical requirements in all commercial interactions and daily operations. The Company prohibits corruption in any form, including bribery, graft, extortion and embezzlement of public funds. Meanwhile, the Company has formulated the Anti-Fraud Management System based on its actual operation, aiming to institutionalize and standardize fraud investigation and handling in accordance with the law. The Audit Committee of the Board of Directors of the Company is the leading and principal body responsible for anti-fraud work, and the Audit Department is the permanent body for anti-fraud work. Employees at all levels and all social parties having direct or indirect economic relations with the Company may report information on fraud cases through hotlines, email addresses, letters and other channels. The Company strictly prohibits the disclosure of the whistleblower's name, department, address and other relevant information.

Complaint and Reporting Email

Complaint and Reporting Email: legal@sharetronic.com, which is checked and processed by dedicated personnel of the Company.

Indicator	Unit	2023	2024	2025
Number of employees who signed integrity commitments	Person	1,687	1,646	1,775
Percentage of employees who signed integrity commitments	%	100	100	100
Number of suppliers that signed anti-bribery commitments	Unit	893	1,086	1,196
Percentage of suppliers that signed anti-bribery commitments	%	100	100	100

Anti-Monopoly and Fair Competition

The Company strictly complies with the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and other relevant regulations, and has established the Procedures for Integrity Advertising and Fair Competition and Anti-Monopoly Control and the List of Risks and Opportunities for Anti-Monopoly and Anti-Unfair Competition, aiming to further regulate commercial practices and promote fair competition in the market.

Indicator	Unit	2023	2024	2025
Total number of lawsuits or administrative penalty cases related to unfair competition	Case	0	0	0
Total fines imposed for unfair competition	RMB (10,000)	0	0	0

Information Security Protection

Governance

Sharetronic Data has established an Information Security Committee as the top decision-making body for information security protection, with the head of business operations serving as the primary responsible person. The Company has built an information security management system centered on the Information Security Management System. In accordance with the Information Security Incident Control Procedures, the Company has established a reporting, response, and handling mechanism for information security incidents to minimize losses caused by such incidents. Meanwhile, the Company carries out information security training on a timely basis, drills and cultural development activities to enhance employees' awareness and capability in information security protection. As of the end of the reporting period, the subsidiary Anhui Sharetronic IoT Technology Co., Ltd. has obtained the ISO/IEC 27001 Information Security Management System Certification.

Strategy


The Company has formulated comprehensive and targeted risk response measures and opportunity-seizing strategies, and established an all-round protection system featuring multi-dimensional collaboration among systems, management and technologies. The Company is committed to achieving excellent control in the field of information security and consolidating a solid foundation for the sustainable development of the enterprise.

Impacts, Risks and Opportunities Management


The Company has formulated the Information Security Risk Management Procedures to conduct risk assessments on the existing composition, current operation status and future development plans of information systems (software and hardware).

Process	Description
Asset Identification, Threat Identification, Vulnerability Identification	<ul style="list-style-type: none"> The Company classifies assets into six categories including document data, software, hardware, services and other asset types, and selects the attribute with the highest score as the final asset rating by analyzing the performance of assets in terms of confidentiality, integrity and availability. The Company classifies various threats faced by identified material assets (such as software and hardware failures, physical environment threats, operational errors, viruses, hacker attacks, etc.) and assigns five-level ratings according to their frequency of occurrence. The Company identifies asset vulnerabilities from both technical and management aspects and assigns five-level ratings to their severity.
Risk Analysis	<ul style="list-style-type: none"> The Company uses the summation method to determine the likelihood of security incidents caused by threats exploiting vulnerabilities, and evaluates the impact of losses caused by security incidents on the Company by considering the importance of the affected assets and the severity of vulnerabilities once the incidents occur, namely security risks.
Risk Response	<ul style="list-style-type: none"> According to risk levels and risk management strategies, all departments prioritize risk treatment work and formulate Risk Treatment Plans.
Monitoring and Response	<ul style="list-style-type: none"> During the operation of information systems, the Company closely monitors changes in such residual risks and responds in a timely manner.


Information Security Control Measures



No one shall disclose the Company's technical and trade secrets to any external parties, including customers, suppliers, partners or individuals. In case any technical or trade secrets of the Company are involved in academic exchanges or paper publication, the relevant personnel shall report to the Company in advance and may only disclose them in an approved manner upon obtaining approval.



Employees shall not arbitrarily disseminate their work documents. Documents and information exchanged for work purposes shall only be delivered to the corresponding personnel, and shall not be provided to irrelevant personnel, nor shall they be provided to external parties without approval.



When providing materials to external parties for business dealings, the information may only be sent externally upon approval by the direct supervisor according to the confidentiality level of the documents or information; the confidentiality level of information shall be determined in accordance with the provisions of the confidentiality system.

Indicators and Targets

Indicator	Specific Target	2025 Performance
Information leakage incidents	0	Achieved

Trustworthy Artificial Intelligence

The Company regards technology ethics as the bottom line and cornerstone of R&D and innovation. It has established a Technology Ethics Review Committee composed of technical experts, engineers, compliance officers, legal professionals and external scholars, which is responsible for formulating ethical standards for product lines and conducting pre-approval reviews. All R&D projects are required to pass ethical review prior to approval, with a focus on verifying privacy protection for smart cameras, compliance of server remanufacturing and data security solutions. Re-reviews and dual evaluations are conducted at the mid-term, project completion and pre-launch stages, and any problems identified are rectified immediately.

The Company has simultaneously strengthened ethics training for all employees, incorporating privacy protection, data security, remanufacturing compliance and other contents into position-specific training and special assessments, with assessment results linked to performance and promotion. Meanwhile, an internal and external supervision and accountability mechanism has been established. The Audit Department, in conjunction with the committee, conducts regular inspections and proactively accepts regulatory and social supervision. Penalties such as interviews and project termination are imposed on violations according to their severity, ensuring that technology promotes public welfare and compliance sustains long-term development.



SDGs Addressed

6 清洁饮水和卫生设施	7 经济适用的清洁能源	11 可持续城市和社区
12 负责任消费和生产	13 气候行动	

Responsible Operations Driving Green Circulation

Key ESG Topics in this Chapter

- Climate Change Response
- Environmental Compliance and Ecological Protection
- Pollutant Emission and Waste Disposal
- Resource Utilization and Circular Economy

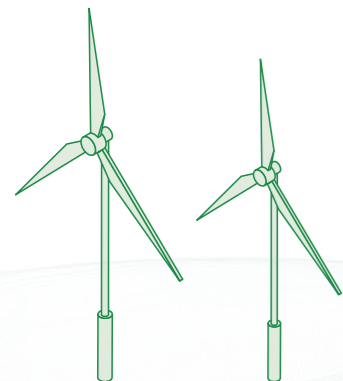
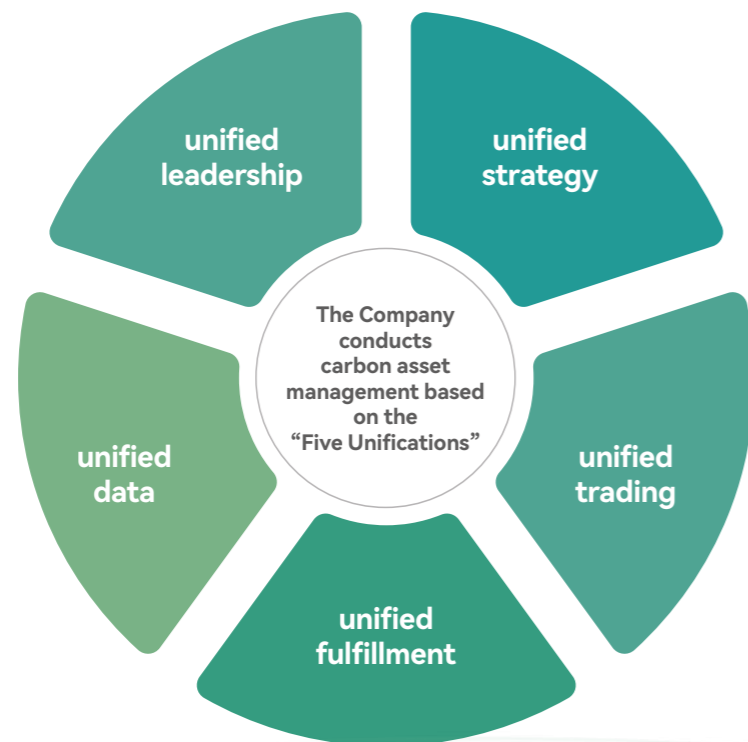
Climate Change Response

Governance

The Company has established a carbon emission management system initiated, implemented and continuously improved by the General Manager's Office. The ESG Working Group is responsible for planning and implementing effective carbon emission management activities, with other departments performing their respective duties in carbon emission management. The Company has formulated the Carbon Asset Management Measures and the Carbon Emission Management System to regulate relevant operations, and systematically conducts carbon training in accordance with the Science Based Targets initiative (SBTi).

Strategy

The Company identifies climate risk factors and conducts tiered assessments based on business scenarios, regularly monitors progress on related opportunities to convert them into actual benefits, and ultimately develops a risks and opportunities list to provide guidance for follow-up work. The Company conducts carbon asset management based on the "Five Unifications", namely "unified leadership", "unified strategy", "unified data", "unified trading" and "unified fulfillment", aiming to effectively respond to changes in carbon trading policies and market conditions.



Impacts, Risks and Opportunities Management

The Company has established a risk-oriented decision-making mechanism through climate scenario analysis, integrating climate risks into management processes to reduce business risk exposure and enhance adaptability and competitiveness.

Process	Management Measures
Risk Identification	<ul style="list-style-type: none"> ● The Company ensures a comprehensive and consistent understanding of the concept of climate change and its potential impacts across the entire organization; ● The Company clarifies the specific risk management processes and elements that may require adjustment in the integration of climate-related risks, as well as the functions and departments responsible for such processes and elements; ● The Company incorporates climate-related risks into its existing risk classification and risk list, including mapping of climate-related risks to existing risk categories and types.
Risk Assessment	<ul style="list-style-type: none"> ● The Company adopts climate scenario analysis including stress testing to assess areas vulnerable to climate risks; ● The Company develops multiple scenarios covering physical risks and transition risks; ● The Company assesses the materiality and time horizon of climate-related risks.
Risk Monitoring and Reporting	<ul style="list-style-type: none"> ● The Company monitors and reports climate-related risk exposures to ensure management remains within the risk appetite; ● The Company provides regular and timely reports on climate risks to the Board of Directors and senior management.
Risk Mitigation	<ul style="list-style-type: none"> ● The Company ensures business continuity in the event of extreme weather events; ● The Company develops a clear framework supported by corresponding policies and procedures; ● Based on the results of climate scenario analysis, the Company identifies applicable and feasible decisions to manage the identified risks and opportunities, and adjusts the Company's strategy and financial plans accordingly.

Indicators and Targets

Greenhouse Gas Emission Reduction Targets

Short-term Targets

- By fiscal year 2025/26, **65%** of electricity for global operations shall be sourced from renewable energy.
- By fiscal year 2025/26, the global supply chain shall reduce greenhouse gas emissions by **400,000 metric tons**.

Medium-term Targets

- By fiscal year 2031/32, the Company shall reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by **50%** from the 2021/22 fiscal year baseline.
- By fiscal year 2031/32, the Company shall reduce average Scope 3 greenhouse gas emissions from the use of products sold by Sharetronic Data by **30%** compared with similar products.
- By fiscal year 2031/32, the Company shall reduce Scope 3 greenhouse gas emissions from purchased goods and services by **46.5%** per million U.S. dollars of gross profit.
- By fiscal year 2031/32, the Company shall reduce Scope 3 greenhouse gas emissions from upstream transportation and distribution by **18%** per ton-kilometer of product transported.

Long-term Targets

- By fiscal year 2049/50, the Company shall reduce absolute Scope 1, Scope 2 and Scope 3 greenhouse gas emissions by **70%** from the 2021/22 fiscal year baseline.
- The Company shall explore achieving net-zero emissions no later than 2050 through cooperation with the Science Based Targets initiative (SBTi).

Key Performance

During the reporting period, the Company

- recorded Scope 1 greenhouse gas emissions of 47 metric tons of carbon dioxide equivalent, and Scope 2 greenhouse gas emissions of 8,135.72 metric tons of carbon dioxide equivalent.

Environmental Compliance Management

Corporate Environmental Impact Governance

Sharetronic Data adopts the Board of Directors as the core decision-making body and the General Manager as the primary responsible person for environmental compliance management. The Company has formulated internal documents including the Environmental Protection System, accepts government supervision and third-party audits, and conducts regular internal audits and management reviews, and has successfully obtained the ISO 14001 Environmental Management System Certification. In addition, the Company requires principals of subsidiaries to sign environmental protection target responsibility statements; incorporates environmental performance into the KPIs of the management layer and all departments; formulates emergency response plans for environmental incidents, and conducts emergency drills at least once a year to enhance emergency response capabilities.



Case: Environmental Compliance Culture Training

To consolidate the bottom line of environmental compliance operations and strengthen the environmental responsibility awareness of all employees, the Company organized environmental compliance culture training covering all departments and frontline production teams of the Company. A total of 6 centralized training sessions and 4 online special learning sessions were held, with 200 participants, a participation rate of 98% and an assessment pass rate of over 95%. The training content focused on core points including the latest environmental laws and regulations, corporate environmental management systems, practical standards for pollution prevention and control, and emergency response procedures. The Company adopted a diversified model of “theoretical explanation + case analysis + practical drills + interactive Q&A”, breaking the traditional inculcation teaching mode to ensure that the training is deeply understood and internalized, and effectively translates the compliance concept into on-the-job actions.



Indicator	Unit	2023	2024	2025
Total investment in environmental management	RMB 10,000	200	50	50
Number of incidents of violating environmental laws and regulations	Case	0	0	0

Product Life Cycle Impact Management

The Company strictly complies with key environmental protection regulations at home and abroad (such as China RoHS and EU REACH) and commits to implementing “green life cycle management across the entire industrial chain”, with 100% of its products free of conflict minerals (3TG). Relying on its four major manufacturing bases, the Company integrates the concept of sustainable development into every link from microchip design to macro energy efficiency management of server clusters, striving to achieve low-carbon, high-efficiency and recyclable hardware products.

Stage	Initiatives
Design	<p>Consumer Electronics (IPC/Door Lock/Sweeping Robot): Material Circulation and De-Plasticization</p> <ul style="list-style-type: none"> ● Application of recycled materials: The Company has substantially increased the proportion of post-consumer recycled plastic (PCR) used in the casings of sweeping robots, IPC bodies and smart door lock panels, reducing the consumption of virgin petroleum-based plastics. ● Compact design: The Company promotes miniaturized design for IPCs and smart door locks to reduce material weight per unit product. <p>Computing Power and Chips (Servers/Storage Chips): Energy-Efficiency-Oriented Architecture</p> <ul style="list-style-type: none"> ● Chip-level energy saving: R&D of storage chips focuses on reducing energy per bit, lowering heat generation and power loss through advanced process technologies. ● Modular servers: Server products adopt a modular design, allowing customers to upgrade only computing or storage units without replacing the entire machine, thus extending the service life of chassis and power supply modules.
Raw Material Procurement	<p>In the selection of raw materials for electronic product manufacturing, the Company gives priority to materials meeting environmental protection standards:</p> <ul style="list-style-type: none"> ● In circuit board manufacturing, lead-free soldering materials are adopted to reduce potential hazards of heavy metals such as lead to the environment and human health; ● In plastic casing production, recyclable or biodegradable plastic materials are selected to minimize the environmental impact of products after disposal at the source.
Global Green Manufacturing	<p>Distributed Manufacturing and Localized Emission Reduction:</p> <ul style="list-style-type: none"> ● Relying on its four manufacturing bases in China, the Philippines, Thailand and the United States, the Company implements a “Local for Local” (local production, local delivery) strategy. For instance, the U.S. factory directly serves North American server customers, while Southeast Asian factories cover the Asia-Pacific consumer electronics market. <p>Clean energy and OEM/ODM services:</p> <ul style="list-style-type: none"> ● The Company gradually deploys rooftop photovoltaic systems at each production base to increase the proportion of green electricity in factories. ● It provides OEM customers with a “low-carbon manufacturing list”, covering everything from injection molding temperature control to energy feedback in aging testing.

Stage	Initiatives
High-Efficiency Usage	<p>Data Center Scenarios (Servers): Lowering PUE Values</p> <ul style="list-style-type: none"> ● The Company optimizes server heat dissipation air duct design and power conversion efficiency (Titanium-grade power supply) and supports liquid-cooling technology adaptation, helping customers reduce Power Usage Effectiveness (PUE). <p>Long-Endurance IoT Scenarios (Smart Door Locks/Cameras):</p> <ul style="list-style-type: none"> ● Ultra-low-power standby: Smart door locks and battery-powered IPCs adopt sleep-wake technology, reducing static standby power consumption to the microampere (µA) level and greatly extending battery replacement cycles. ● Edge computing energy saving: IPCs are equipped with built-in AI algorithms to locally filter invalid frames, combined with H.265 encoding, reducing the transmission and storage of invalid data. <p>Home Service Scenarios (Sweeping Robots):</p> <ul style="list-style-type: none"> ● The Company optimizes path planning algorithms to improve cleaning efficiency and avoid power waste caused by repeated operations; it adopts a long-life Battery Management System (BMS) to slow down battery degradation.
Logistics	<ul style="list-style-type: none"> ● Intensive transportation: Leveraging the advantages of factories worldwide, the Company optimizes container loading rates and reduces empty-load waste.
Disposal and Recycling	<ul style="list-style-type: none"> ● Easy-to-disassemble design: Both complex servers and small IPCs follow the Design for Disassembly principle, ensuring efficient separation of metals, plastics, PCBs and batteries. ● Waste Electrical and Electronic Equipment (WEEE) management: The Company has established a sound recycling system in all global sales regions. Particularly for products containing lithium batteries (sweeping robots, door locks), clear battery disassembly instructions are provided to ensure the compliant disposal of hazardous waste.

Hazardous Substance Control

The Company has established a full-chain hazardous substance control system and systematically assesses exposure risks of substances in products through mandatory compliance evaluations and supply chain traceability. The Company adopts a “prevention and substitution” strategy, strictly implements the Hazardous Substance Management Specification, sets up dual inspection gates at the incoming material stage, proactively promotes the substitution of environmentally friendly materials at the design stage, and formulates a roadmap for the gradual phase-out of high-risk substances, committing to continuously reducing the environmental risks of products.

Pollutant Emission and Waste Disposal

Adhering to the principles of “reduction, recycling and harmless treatment”, the Company has established a management system featuring “clear responsibility for each individual and hierarchical control”. The Company integrates waste management objectives into its annual performance appraisal system, conducts regular internal special inspections on waste management, accepts supervision from ecological and environmental authorities and third-party environmental assessments, and proactively discloses environmental information such as waste generation and disposal to accept public supervision. In addition, the Company continuously increases investment in environmental protection technologies, promotes the application of energy conservation, consumption reduction, waste reduction and resource utilization technologies, and enhances the intelligent level of waste management.

Wastewater Management


• Generation Sources

Wastewater is mainly generated from production processes (such as equipment cleaning, component cleaning and cooling water), drainage from the factory’s sewage treatment facilities, and domestic water discharge from employees.

• Monitoring Indicators

Monitoring includes pH value, concentration of suspended solids (SS), chemical oxygen demand (COD), biochemical oxygen demand (BOD), ammonia nitrogen concentration and other indicators to ensure compliance with the national integrated wastewater discharge standards.

• Management Objectives

↓ The Company will reduce wastewater discharge by **5%** compared with the base year  achieve **100%** compliant discharge after treatment.

• Management Requirements

- Source Control: The Company optimizes production processes and water usage procedures, carries out water-saving technological renovations to reduce the generation of production wastewater. It implements differentiated water usage in office and domestic areas, gives priority to the use of reclaimed water, and strengthens the recycling of water resources.
- Water Quality Control: Production wastewater must be treated by pretreatment facilities, with key control over indicators such as pH value, COD, ammonia nitrogen and heavy metals. The water quality after pretreatment shall meet the access standards for municipal pipe networks or third-party treatment institutions, and comply with the relevant requirements of the Integrated Wastewater Discharge Standard (GB 8978).
- Ledger Management: The Company establishes an electronic ledger covering the whole process of wastewater generation, collection, treatment and discharge, which records in detail the discharge volume, water quality monitoring data, operating parameters of treatment facilities, discharge destinations and third-party disposal certificates. The retention period of the ledger meets legal requirements to ensure data traceability.

• Treatment Methods

The Company adopts the model of “pretreatment + entrusted disposal by a third party”.

- After being treated by the Company’s internal pretreatment facilities (sedimentation tanks, neutralization tanks, etc.), production and domestic wastewater is collected through closed pipe networks and entrusted to qualified third-party institutions with corresponding treatment capacity for advanced treatment and compliant discharge. Before entrustment, the Company strictly verifies the pollutant discharge permits, treatment processes and environmental reputation of third-party institutions, signs standardized disposal contracts, and clarifies the rights, obligations and environmental responsibilities of both parties. Handover records shall be properly made during wastewater transfer to ensure clear flow direction and full-process control, so as to prevent dripping, leakage and illegal discharge.

Indicator	Unit	2023	2024	2025
Total Wastewater Discharge	10,000 m³	7.56	9.5989	7.4
Of Which: Total Industrial Wastewater	10,000 m³	0.756	0.95989	0.74
Of Which: Total Domestic Wastewater	10,000 m³	6.804	8.63901	6.66

Waste Gas Management

• Generation Sources

Waste gas is mainly generated from equipment operation in production workshops (such as welding and component processing), as well as a small amount of waste gas emission from office areas.

• Monitoring Indicators

Monitoring includes particulate matter concentration, VOCs concentration, hydrogen sulfide concentration, ammonia concentration and other indicators.

• Management Objectives:

The Company will strictly comply with national standards and effectively control fugitive emissions.

• Management Requirements

- Source Reduction: The Company optimizes production raw materials and processes, gives priority to low-VOCs and low-pollution raw materials to reduce the generation of waste gas pollutants. It carries out enclosed renovation of production links that generate waste gas and installs gas collection devices to reduce fugitive emissions.
- Emission Control: After being collected by gas collection devices, waste gas must be pretreated through supporting treatment facilities such as dust removal, adsorption and purification to ensure that the emission concentrations of particulate matter, SO₂, NO_x, VOCs and other pollutants comply with the Integrated Emission Standard of Air Pollutants (GB 16297) and industry-specific standards. The height of exhaust cylinders and the setting of monitoring points shall comply with specifications, and emission signs shall be posted at prominent positions.
- Emergency Control: The Company formulates an emergency response plan for waste gas leakage, is equipped with emergency protection materials, and conducts regular emergency drills. Effective control measures shall be taken under special circumstances such as equipment maintenance and process adjustment to avoid excessive waste gas discharge.
- Monitoring Management: The Company implements full coverage of online monitoring at waste gas outlets, monitors emission concentration and rate in real time, and regularly conducts third-party testing and facility operation, maintenance and calibration to ensure the normal operation of monitoring equipment and accurate and traceable data.

• Treatment Methods

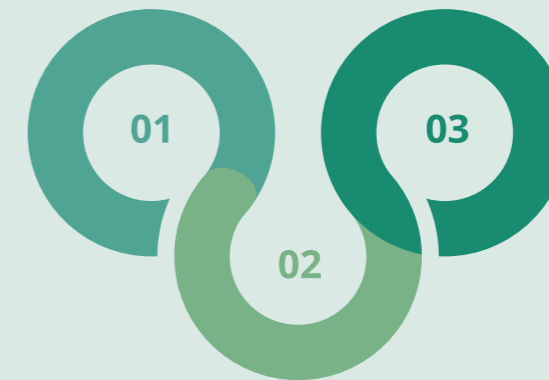
Waste gas generated from production links is treated by internal gas collection facilities and then entrusted to qualified third-party institutions with matching processes for subsequent disposal and compliant discharge. For fugitive waste gas emissions, the Company entrusts third-party institutions to provide professional control schemes, and implements treatment by strengthening sealing, increasing ventilation, arranging adsorption materials and other methods. The Company strictly reviews the treatment capacity and compliance qualifications of third-party institutions, signs disposal contracts, clarifies treatment standards, monitoring requirements and environmental responsibilities. It regularly verifies the treatment effects of third parties, keeps treatment records and monitoring reports, and ensures full-process compliance in waste gas disposal.

• Monitoring Indicators

Waste reduction serves as the core monitoring objective, with the total volume of solid waste generated and recyclable utilization rate tracked on an annual basis.

Generation and disposal volume monitoring

The generation volume and entrusted disposal volume of various types of hazardous waste are tracked to ensure consistency between records and physical quantities.



Storage and transfer monitoring

The anti-seepage performance and storage period of temporary storage areas are monitored. Electronic ledgers and transfer manifests are generated in accordance with requirements to ensure full-process information-based traceability.

Hazard characteristic monitoring

Indicators such as toxicity, corrosivity and flammability are tracked by hazardous waste category to ensure safe and compliant disposal requirements to ensure full-process information-based traceability.

• Management Objectives

The Company will achieve 100% classified disposal of solid waste, 100% compliant transfer and disposal of hazardous waste, and raise the resource utilization rate of general industrial solid waste to over 30%. The Company prohibits illegal disposal of waste and risks of secondary pollution, and continuously fulfills its green and environmental protection development commitments.



Solid Waste Management

• Generation Sources

General solid waste is mainly generated from manufacturing processes (such as the assembly and testing of intelligent computing equipment, servers and peripheral products), the recycling and dismantling of waste equipment, as well as daily office and factory operations. Hazardous waste is mainly generated from surface treatment and equipment maintenance in production, as well as laboratory testing and waste equipment dismantling processes.

• Treatment Methods

- General industrial solid waste: The Company gives priority to entrusting third-party institutions qualified for resource utilization to conduct recycling and reuse (such as packaging material recovery and dismantling and reuse of waste components). Portions that cannot be recycled are entrusted to third-party institutions for harmless treatment to ensure compliance with environmental protection standards.
- Hazardous waste: The Company strictly selects third-party institutions holding hazardous waste business licenses, verifies their disposal scope, processes and environmental compliance, and signs special disposal contracts. Transfer manifests are completed as required before transfer, and waste is transported to third-party disposal institutions by carriers qualified for hazardous waste transportation. The transfer route is tracked throughout the process, and disposal certificates and monitoring reports are retained to ensure 100% compliant disposal.

Indicator	Unit	2023	2024	2025
Total Waste Generated	ton	1.55	1.95	8.79



Case: Preventive Measures and Emergency Response Plan for Hazardous Waste Accidents

The plan aims to minimize hazards to human health and the environment caused by the leakage of hazardous waste or its components into air, soil or water bodies due to sudden or non-sudden accidents such as fires, explosions or other unexpected incidents.

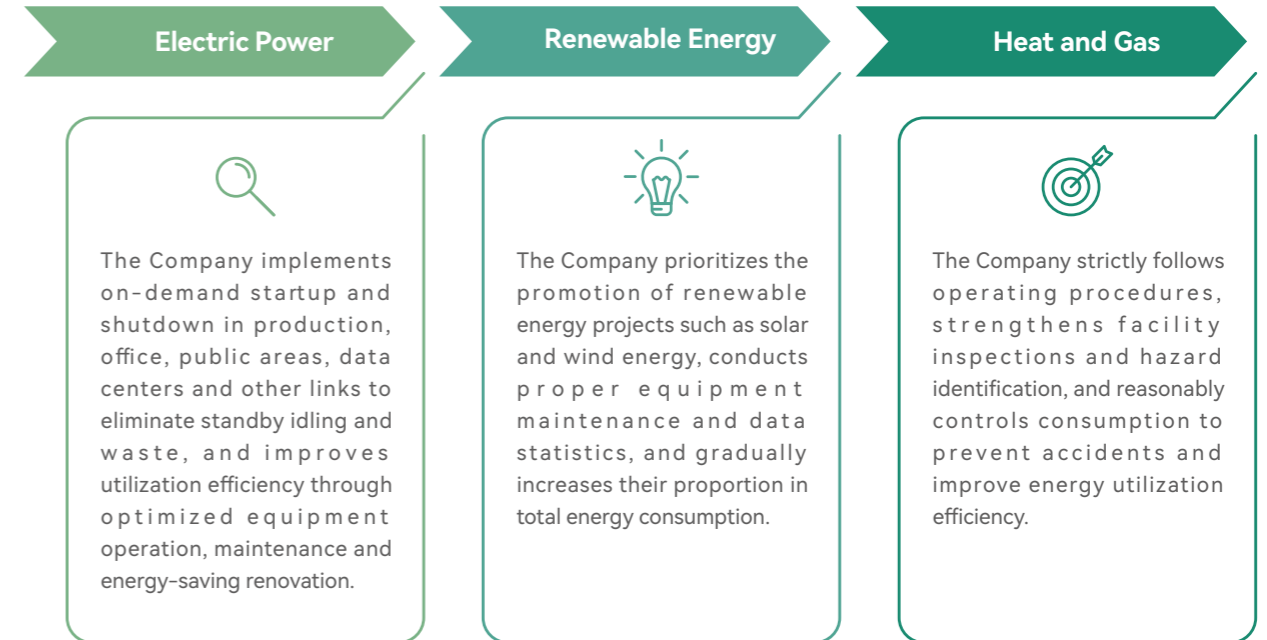
In 2025, the Company established internal and external emergency organizations, and implemented preventive measures and conducted emergency drills for hazardous waste accidents in accordance with prescribed procedures. The emergency drill provided practical simulations for emergency responders, familiarized them with necessary emergency operations, further enhanced employees' emergency self-rescue capabilities, and offered experience support for actual emergency response operations.

Resource Utilization and Circular Economy

Energy Utilization

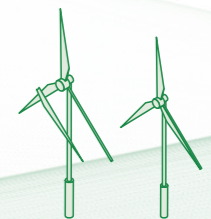
• Governance

The Company strictly abides by national laws and regulations including the Energy Law of the People's Republic of China and the Energy Conservation Law of the People's Republic of China. Led by the Chairman, an Energy Management Leading Group has been established, with an Energy Management Working Group under its jurisdiction. Each department appoints an energy administrator to support related work. All employees use energy in accordance with the Energy Usage System and operating specifications. Energy usage and energy conservation objectives are incorporated into the performance appraisal system of all departments and positions. Meanwhile, the Company regularly inspects and addresses potential energy safety hazards (focusing on energy equipment, pipelines, lines, etc.), formulates an energy safety emergency response plan, and organizes energy safety training for employees.



• Strategy

The Company's energy acquisition follows the principle of "prioritizing compliant external procurement, supplemented by independent generation", with the two approaches implemented in synergy to ensure stable and efficient energy supply. Meanwhile, the Company takes clean energy application as a core strategy for green development, gives priority to the procurement of energy-saving, environmentally friendly and low-carbon energy products and equipment, and establishes a real-time energy consumption monitoring system to track energy usage and conduct data analysis.

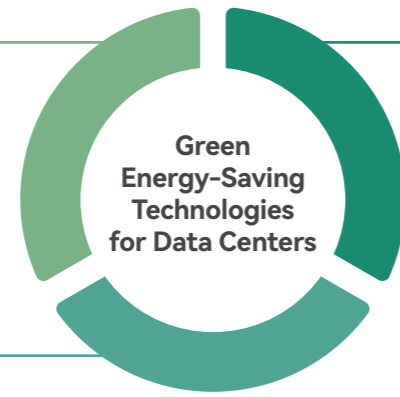


• Impacts, Risks and Opportunities Management

Key Practices of Energy-Saving Technologies

Application of liquid cooling technology

Cold plate liquid cooling modules (self-developed copper substrate + microchannel design) are adopted in some AI server projects, reducing GPU temperature by 18 °C and power consumption by 12%.



Integration of distributed energy

In energy-rich western regions, the Company utilizes low-cost green electricity and local consumption policies; in high-load eastern regions, it explores the “virtual power plant + IDC” model, turning computer rooms into power regulation nodes.

Optimization of edge computing servers

Through a composite design of graphene patches and silica gel, the servers operate stably in environments ranging from -40°C to 70°C, while controlling the PUE below 1.2.

Energy-Saving Renovation of Production Facilities

The smart factory in Yantian, Shenzhen is extensively equipped with variable-frequency devices and uses high-efficiency energy-saving lamps for lighting.

Energy-saving renovation and proper maintenance are carried out on steam pipelines, and the management of fresh air systems is strengthened to reduce operating hours.

Air conditioning coils are cleaned at least once a year to improve the efficiency of fan-coil units and lower energy consumption.

LED lamps are fully used in office areas, and the temperature of central air conditioners is scientifically regulated according to seasons and actual needs.

End Product Energy-Saving Innovations

A patent for a parameter acquisition and control method has been filed to reduce the overall power consumption of cameras, cut electricity usage and put idle sensors into sleep mode.

The server remanufacturing model realizes the resource utilization of electronic waste, reducing carbon emissions by more than 10,000 tons per year and generating dual benefits of “environmental protection + economy”.

Low-power AIoT intelligent terminal products are developed, with optimized hardware design and software algorithms to reduce energy consumption throughout the product life cycle.

• Indicators and Targets

Energy Utilization Targets

Short-term targets

Reduce annual energy consumption by 3%; increase the proportion of renewable energy usage by no less than 3% annually.

Long-term target

Raise the proportion of renewable energy usage to 30% by 2031.

Renewable energy target

By fiscal year 2025/26, 65% of electricity for global operations will be sourced from renewable energy.

Indicator	Unit	2023	2024	2025
Gasoline Consumption	Liter	21,981.47	19,606.72	16,964.15
Diesel Consumption	Liter	337.98	3,579.27	3,245.29
Electricity Consumption	kWh	11,687,927.98	13,070,215.68	15,160,610.28

Water Resource Utilization

Water resources serve as a fundamental guarantee for production, operation and daily management. The Company’s water usage scenarios are divided into three categories by purpose: production water, office and domestic water, and auxiliary supporting water. Through an integrated management model of “systematic assessment – technological innovation – intelligent management – cultural cultivation”, the Company promotes water conservation in an all-round way, striving to minimize its water environmental footprint and enhance water resource utilization efficiency.

Production Water

The Company optimizes production processes and promotes recycling, eliminates leakage and losses, implements the annual water conservation target of no less than 3% to gradually achieve the overall target of 30% water conservation by 2031. Production wastewater must be treated up to standard before discharge or reuse.

Office and Domestic Water

The Company regularly maintains water supply facilities to eliminate dripping and leakage, advocates turning off taps timely to reduce waste, adopts water-saving kitchenware in canteens, and gives priority to rainwater and reclaimed water for greening with reasonable irrigation arrangements to improve efficiency.

Water Resource Metering and Monitoring

Independent water meters are installed in different zones, water usage data are analyzed regularly, and water-saving appliances are replaced through technological renovation to continuously improve water conservation performance.

Indicator	Unit	2023	2024	2025
Total Water Consumption	ton	75,600.15	95,989.22	78,373.89

Key Practices of Energy-Saving and Water-Saving Technologies

Technological Upgrade and Process Optimization

Water-saving renovation of cooling system

The Company has carried out comprehensive renovation of cooling tower systems at production bases (such as the Hefei Factory), has installed automatic water quality control systems and high-efficiency water eliminators. By optimizing the concentration ratio of circulating cooling water, the Company has significantly reduced system blowdown and ineffective evaporation loss caused by drift and splashing.

Water conservation in production processes

In production links such as printed circuit board (PCB) testing, the Company has gradually adopted closed circulating cooling devices to replace some traditional, high-consumption open-type single-use cooling devices.

Upgrade of terminal water facilities

In all domestic water places such as office areas, canteens and toilets, the Company has fully phased out non-water-saving appliances and replaced them with water-saving faucets, sensor urinals and toilets that meet water efficiency standards.

Intelligent Monitoring and Leakage Control

Construction of an intelligent water system

The Company has installed water meters in major water consumption units (such as cooling towers and water inlets of various production workshops) for real-time data collection, monitoring and analysis.

Water balance testing and leakage prevention

The Company regularly engages third-party professional institutions to conduct plant-wide water balance testing, and has established a strict inspection and preventive maintenance mechanism for water supply pipelines, with periodic testing of underground pipelines and other facilities on a regular basis.

Awareness Improvement and Institutional Development

The Company popularizes water-saving knowledge and enhances the water-saving awareness of all employees through internal bulletin boards, training lectures, themed activities (such as "World Water Day" publicity) and other forms.

Cultivation of a water-saving culture for all employees

Establishment of an incentive mechanism

The Company encourages employees to put forward rationalization proposals for water conservation and emission reduction, and commends and rewards proposals that generate significant benefits.

Circular Economy

The Company values the value of circular economy and conducts server recycling and remanufacturing business, carrying out follow-up R&D, production and sales of recycled equipment and materials. This model effectively reduces the exploitation of new resources and maximizes the retention of the value of waste equipment. In addition to servers, the Company is also actively exploring recycling channels for other electronic waste. Through cooperation with professional recycling institutions, the Company classifies, recycles and processes waste electronic components generated in the production process, and some reusable components are reintroduced into the production process after testing and repair. Meanwhile, the Company has formulated the Production Packaging Material Recycling Management Specification, has promoted plastic-free packaging for all products, gradually phased out EPS foam inner trays, and adopted all-paper/pulp molding structures to achieve 100% recyclable packaging.

In addition, the Company has set up special waste paper recycling bins in all office areas and production factories, encouraging employees to sort and discard waste paper from office documents, product packaging paper and other sources. The waste paper is regularly collected by cooperative recycling enterprises and transferred to paper mills for recycling. The Company uses the recycled paper for internal office purposes or sells it externally, which not only reduces the procurement demand for virgin paper, but also lowers energy consumption and pollutant emissions in the paper-making process, making positive contributions to the protection of forest resources and the environment.

Biodiversity Conservation

The Company actively fulfills its ecological protection responsibilities and integrates the concept of biodiversity into operation and management. During the site selection for production and operation, the Company pays attention to avoiding nature reserves and ecological redline areas to minimize interference with the native environment. The Company promotes green office in daily operations to reduce the impact on the surrounding ecology. Meanwhile, the Company advocates employees to participate in ecological protection practices and contributes to the harmonious coexistence between human and nature with concrete actions.



SDGs Addressed



Inclusive Development Promoting Value Sharing

Key ESG Topics in this Chapter



Employee Rights and Interests

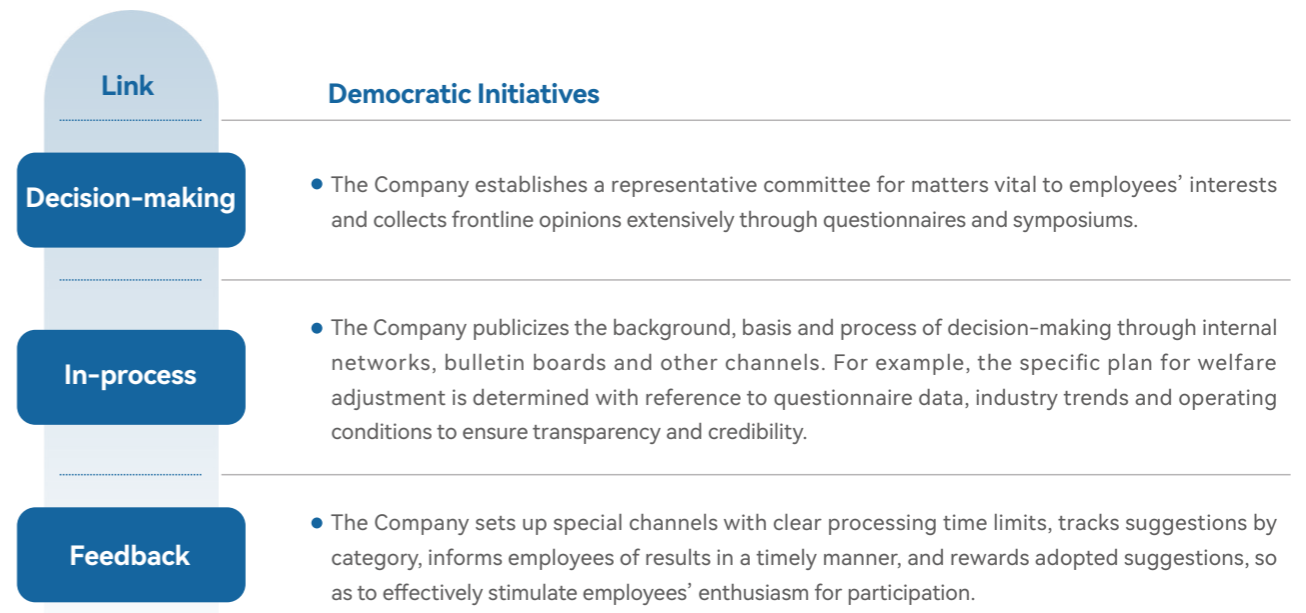
Sharetronic Data has always regarded the protection of employee rights and interests as the cornerstone of corporate development. The Company has formulated the Management Procedures for Humane Treatment and Anti-Discrimination, which explicitly prohibits any form of discrimination and firmly rejects differential treatment of employees based on age, gender, ethnicity, native place, religious belief or other factors. In addition, the Company has issued the Attendance Management System, which fully balances the orderly progress of production and operation tasks and employees' needs for rest and leave.

The Company strictly abides by the Law of the People's Republic of China on the Protection of Minors, the Provisions on Prohibiting the Use of Child Labor and other laws, regulations and international conventions, and is committed to eliminating all forms of illegal labor practices, including but not limited to human rights violations such as employing child labor under the age of 16, using prison labor, forced labor, debt bondage and human trafficking. To ensure compliant employment, the Company has formulated the Management Procedures for Prohibiting the Use of Child Labor and strictly verifies age information in key links such as employee recruitment, onboarding approval and registration, so as to prevent the accidental recruitment of child labor at the source.

Indicator	Unit	2023	2024	2025
Total number of employees	Person	1,687	1,646	1,775
Number of female employees	Person	970	975	1,038
Number of male employees	Person	717	671	737
Social insurance coverage rate for employees	%	100	100	100
Confirmed discrimination cases	Case	0	0	0
Confirmed forced labor cases	Case	0	0	0
Confirmed child labor cases	Case	0	0	0

Democratic Management

In accordance with the Constitution of the All-China Federation of Trade Unions, the Trade Union Law of the People's Republic of China and other relevant provisions, the Company has established a trade union and an employee representative committee, and improved democratic management systems including the Management Procedures for Employees' Freedom of Association, Representative Election and Trade Union Administration and the Management Procedures for the Handling and Feedback of Employees' Opinions, Suggestions and Complaints. It has actively developed diversified communication channels such as employee forums and employee congresses to extensively listen to employees' opinions and suggestions.



Remuneration and Benefits

Sharetronic Data's remuneration and welfare system is based on the Remuneration Management System and the Performance Management System, following the principles of fairness, competitiveness, motivation, economy and legality, forming a complete system of "basic security + performance incentives + special benefits". The Company has established a "two-level appeal" performance feedback process to provide employees with a channel to express objections and ensure the fairness of assessment results. After performance evaluation, employees may inquire about the results from their direct supervisors. If employees disagree with the results, they may appeal to the Human Resources Department. If appellants still object to the decision of the Human Resources Department, they may submit the case to the Company's Performance Appraisal Committee for final arbitration. The Company timely and fully pays the "five social insurances and one housing fund" for all employees in accordance with the law, and provides a well-equipped living environment, including a free reading room, basketball courts, table tennis tables, billiard tables and other facilities. On traditional festivals, the Company prepares exquisite holiday gifts for employees and regularly organizes a variety of cultural performances and competitions. In addition, the Company has introduced a flexible welfare package, allowing employees to choose supplementary commercial insurance, children's education subsidies, increased housing fund contribution ratios, extended paid annual leave, fitness subsidies, customized holiday gifts and other options according to their own needs. For core employees, the Company has launched long-term incentive mechanisms such as equity incentives.

Welfare Security System

Insurance	Bonuses	Accommodation	Entertainment	Festivals
Five social insurances and one housing fund	Performance bonuses, year-end bonuses, outstanding employee awards	Staff dormitories equipped with independent bathrooms, electric fans, air conditioners and other facilities	Reading room, basketball courts, table tennis tables, billiard tables, outbound tours and team-building activities	Holiday gifts, cultural performances, employee competitions

Employee Care

The Company continuously strengthens people-oriented care in the workplace: it has established an employee care mechanism, regularly holds lectures on mental health and stress relief training for employees; set up an employee assistance fund to provide financial support for employees suffering from serious diseases or living in difficulties; pays attention to special occasions such as employees' birthdays and festivals and sends blessings and condolences; and conducts regular employee satisfaction surveys to timely understand and improve employees' demands for the working environment.

Employee Satisfaction Survey

For the purposes of "listening to employees' voices, identifying management pain points, optimizing employee experience and driving win-win results for the organization", the Company carries out employee satisfaction surveys focusing on dimensions including remuneration and benefits, career development, working environment, management mechanisms and corporate culture, aiming to comprehensively evaluate the gap between the Company's management effectiveness and employees' needs. In 2025, the survey was promoted through multiple channels to ensure full coverage of global employees. The target group was frontline employees. A total of 1,411 valid questionnaires were collected, with an effective participation rate of 87.7% from the target group (including a 100% participation rate of overseas employees). The overall satisfaction score was 9.43 out of 10.

Care for Female Employees

The Company strictly abides by laws and regulations such as the Special Provisions on Labor Protection for Female Employees and has formulated the Procedures for Identifying and Evaluating Safety and Health Risks for Pregnant and Postpartum Female Employees, committing to protecting the legitimate rights and interests of female employees. The Company has specially set up nursing rooms to provide a private and comfortable space for breastfeeding female employees. In terms of leave, the Company provides pregnancy leave, maternity leave and breastfeeding leave for female employees in accordance with the law, with full salary paid during the leave period. Meanwhile, the Company regularly conducts risk assessments on environmental factors in the workplaces for pregnant and postpartum female employees, and formulates prevention and rectification plans based on the identified results to ensure the safety and health of female employees at work.



Figure Note: Flower Presentation on International Women's Day

Care for Employees in Need

The Company actively fulfills its employer responsibilities, integrates people-oriented care into corporate governance, provides care and support for employees in need through various means, and enhances employees' sense of belonging and corporate cohesion.

Cultural Activities

To enrich the spare-time life of single employees and promote cross-departmental communication, the Company organized the "Meet You in Badminton, Walk Together with Sharetronic" single employee networking event at Shenzhen Badminton Gymnasium in October 2025. Twenty-eight single employees from production, R&D, functional and other departments participated, and the event featured a relaxed and warm atmosphere.



Figure Note: Single Employee Networking Event

Training and Development

Employee Training

The Company has established a three-level management structure headed by the General Manager, and has formulated and continuously improved the Training and Development Management System. The Company's training programs are clearly categorized by form, employment stage, position level and content, and follow five principles: systematic approach, institutionalization, proactivity, diversification and effectiveness, so as to ensure full coverage and standardized implementation of training. The Company's lecturer team is composed of core internal business backbones, technical elites and management personnel selected through multiple procedures. Lecturers receive differentiated teaching allowances, and rewards are provided for outstanding lecturers and qualified courseware development.

Indicator	Unit	2023	2024	2025
Total training hours	Hour	10,072.5	7,378	7,592
Average training hours per capita	Hour	5.97	4.48	4.28
Total training hours for female employees	Hour	4,097.5	3,312	3,186
Total training hours for senior management	Hour	47.5	52	74

Career Development

The Company has built a dual-channel promotion mechanism of "management + professional". The management channel focuses on team leadership, while the professional pathway emphasizes technical depth. The two channels offer equivalent remuneration to meet the diversified development needs of employees. To ensure fairness and impartiality, the Company has formulated quantitative promotion standards that clarify core indicators such as academic qualifications, performance and project experience, so as to avoid subjective judgment. Meanwhile, a sound promotion and training system has been established to help potential employees bridge capability gaps through mentorship, special training and job rotation, ensuring the fairness and effectiveness of promotion. The Company has formulated the Regularization and Promotion Management System to standardize employee selection and promotion procedures, and adopts an open and transparent promotion mechanism. Employees at any level who meet the qualifications for a higher position may submit a promotion application to the Human Resources Department through self-application or recommendation by their direct supervisor.

Occupational Health and Safety

Management System

Sharetronic Data strictly follows the principle of "safety first, prevention first, comprehensive management", and has established an integrated EHS management system that integrates the ISO 45001 Occupational Health and Safety Management System and work safety standardization practices. In accordance with relevant standards, the Company has formulated the Quality, Environment, Occupational Health and Safety and Medical Device Quality Management Manual. The Company has built a clear three-level management structure: the Work Safety Committee (decision-making level), the EHS Management Committee (management level), and the Administration Department/departments/teams (implementation level). Responsibility is ensured through signing Work Safety Responsibility Certificates at all levels, linking safety performance with bonuses and incorporating it into promotion evaluation.

Safety Risk Management

In accordance with the Hazard Identification and Risk Assessment Control Procedures and other systems, the Company systematically carries out hazard identification and risk assessment by combining methods such as JHA and SCL. Risks are classified into four levels: major risk, relatively high risk, general risk and low risk, with targeted measures including special control, deadline rectification, increased monitoring and routine management respectively. In terms of hazard investigation, the Company has established a full-coverage mechanism combining daily, regular, special and comprehensive inspections, with closed-loop management in accordance with standardized procedures.

Safety Emergency Management

The Company has formulated documents including the Comprehensive Emergency Response Plan for Production Safety Accidents and the Fire Accident Emergency Response Plan, and established an emergency response plan system covering three levels: comprehensive, special and on-site disposal, with regular emergency drills. It is equipped with emergency rescue teams, emergency materials and equipment, and evacuation shelters, and has established a linkage mechanism with surrounding units and medical institutions to ensure sufficient and effective emergency resources. Meanwhile, the Company has improved the accident handling mechanism and formulated systems such as the Accident Investigation, Reporting and Handling Control Procedures. After an accident, the investigation procedure is launched promptly and effective preventive measures are taken to prevent accident escalation and reduce losses.

Indicator	Unit	2023	2024	2025
Number of safety drills (fire, toxic gas leakage, etc.)	Time	2	2	2

Occupational Disease Prevention

The Company has established a full-process occupational disease prevention system covering preliminary prevention, protection during work and health monitoring. In the preliminary prevention stage, the Company strictly implements the systems of occupational disease hazard project declaration, “three simultaneities” for construction projects, and pre-evaluation and control effect evaluation. During work, exposure risks are effectively reduced through workplace management, personal protection management, and regular and daily monitoring of hazard factors. In terms of health monitoring, the Company organizes pre-job, on-the-job, post-employment and emergency occupational health examinations in accordance with the law, and establishes occupational health monitoring files for employees. Meanwhile, the Company has formulated systems such as the Measures for the Handling of Occupational Diseases and Work-Related Diseases, provides employees with compliant labor protection supplies, and ensures that special operation personnel receive pre-job training and hold 100% certificates for posts. The Company regularly entrusts qualified third parties to conduct comprehensive testing of hazard factors such as noise, dust and chemicals in areas including the mold center, quality laboratory, electronic workshop, chemical warehouse and hazardous waste warehouse, and implements preventive measures based on the test results to fully protect employees’ occupational health.

Indicator	Unit	2023	2024	2025
Employee work injury insurance coverage rate	%	100	100	100

Culture Development

The Company has established a systematic occupational health and safety education and training system. Based on the needs of different positions, it defines training objects, content and class hour requirements by level and category to ensure full coverage and targeted empowerment. For employees exposed to occupational disease hazards, the Company focuses on special occupational health training to provide solid protection for employees’ occupational health.

Product Accessibility and Digital Inclusion

The Company is committed to bridging the “digital divide” and has adopted a three-dimensional management policy centered on “affordability, usability and cognitive accessibility”. Sharetronic Data upholds the equality of technological rights, ensuring that products are not exclusive to users due to their economic status, physical ability or technological literacy, so that safe and intelligent services benefit all groups.

Affordability

Leveraging the advantages of the whole industrial chain to lower ownership costs

Cost structure optimization: Relying on the Company’s “chip-manufacturing-terminal” vertical integration capability and global supply chain layout, we effectively control the cost of core components. This enables us to introduce high-end technologies (such as AI recognition) into entry-level product lines and break the “price barrier” of high-end security products.

Tiered product matrix: We have launched diversified product series to meet the demands of market with different income levels. For developing regions and low-income families, we provide cost-effective security solutions with “undiminished basic functions and simplified non-core configurations”, ensuring that users with limited budgets can obtain the same level of home security protection.



Usability

Removing barriers to physical installation and operation



Zero-threshold installation: Addressing the pain points of “difficult outdoor installation and drilling” faced by tenants, the elderly living alone and women, we have developed an innovative Window Camera. Through special adhesive bonding technology and optical anti-reflection design, users can achieve outdoor monitoring indoors simply by pasting, without using electric drills or climbing at heights. This design completely eliminates the physical installation threshold of traditional security products.

Multi-modal interactive experience:

Smart door locks

The Company has adopted 3D facial recognition and finger vein recognition technologies, effectively solving the problem that the elderly with worn fingerprints and children with shallow fingerprints cannot be recognized, ensuring smooth access for family members of all ages.

Sweeping robots

We support mainstream voice assistant control, allowing people with limited mobility or bedridden seniors to complete whole-house cleaning with a single command without bending down to touch the machine.

Cognitive Accessibility

Reducing learning costs and cognitive load



Elderly-friendly and barrier-free APP design:

Our mobile application features a built-in “Care Mode”, providing large fonts, high-contrast interfaces and simplified menu levels to reduce visual and memory burdens for elderly users.

The APP is fully compatible with screen reader, and adopts a dual feedback mechanism of “vibration + pop-up window” to assist visually impaired and hearing-impaired users in obtaining device information smoothly.

AI-assisted decision-making:

The APP uses on-device AI technology to reduce user setup operations, leaving complex parameter configuration to the algorithm and delivering a “plug-and-play” simple experience. For example, cameras can automatically recognize ambient light to switch to night vision mode, and sweeping robots automatically identify floor materials to adjust suction power.



SDGs Addressed

3 良好 健康与福祉	8 体面工作和 经济增长	9 产业、创新和 基础设施
11 可持续 城市和社区	12 负责任 消费和生产	17 促进目标实现的 伙伴关系

Collaborative Innovation Focusing on Quality and Efficiency Improvement

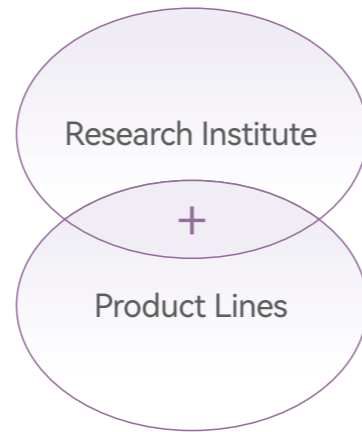
Key ESG Topics in this Chapter

- R&D and Innovation
- Product Quality and Safety
- Customer Relationship Management
- Industrial Ecosystem Collaboration

R&D and Innovation

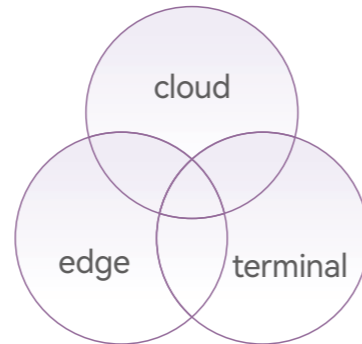
Governance

The Company has established a global R&D network headquartered in Shenzhen, covering Shanghai, Hangzhou and overseas regions. Relying on a two-wheel drive model of “Research Institute + Product Lines”, the Research Institute focuses on forward-looking research in AI algorithms, large models and computing infrastructure, while product Lines concentrate on the engineering implementation of intelligent cameras, data storage and server remanufacturing. Upholding the core philosophy of “Collaboration, Innovation, Creating a Smart Life”, the Company has formulated the Development Operation Control Procedures to standardize the product development process and ensure steady progress and completion of product development against predefined objectives.



Strategy

The Company closely follows the integrated “cloud-edge-terminal” strategy and has built a full-chain R&D system covering from hardware manufacturing to cloud services. It is committed to the deep integration of artificial intelligence (AI), Internet of Things (IoT) and green manufacturing, addressing industry pain points through technological innovation and promoting sustainable social development.



Impacts, Risks and Opportunities Management

Innovation Culture Development

The Company recruits high-potential talents and strategic scientists in AI, software and hardware through campus recruitment, direct introduction of industry-leading talents, and internal referral “Talent Scout Award”. Meanwhile, it implements a reserve cadre program for talent development and establishes a sound professional promotion mechanism for R&D personnel, with patents and major projects as evaluation criteria for technical titles to ensure a scientific and rational promotion path. To stimulate innovation enthusiasm, the Company strongly links basic salary, performance bonuses, project bonuses and equity incentives to performance appraisal (grades A–E), ensuring high rewards for high contributors. It fosters an atmosphere of open collaboration and tolerance for failure, integrates knowledge sharing into promotion evaluation, regularly reviews and publicly commends valuable failed projects, and establishes instant honors such as “Innovation Star” and “Patent Wall” to sustain employees’ innovation vitality with a sense of mission and achievement.

Intellectual Property Protection

The Company has formulated the Patent Application System to standardize internal patent application procedures, effectively improve patent application quality and strengthen intellectual property protection. To promote technological innovation and the formation of independent intellectual property rights, the Company actively encourages employees to apply for patents for inventions made in their work, driving the continuous accumulation and steady development of intellectual property.

Indicator	Unit	2023	2024	2025
Number of patents held	Item	353	395	437
Number of new patents added annually	Item	72	47	48
Number of invention patents held	Item	31	43	50
Number of software copyrights held	Item	156	205	245
Number of trademarks and others held	Item	104	119	138

Industry-University-Research Collaboration

The Company has jointly established a “cloud-edge-terminal” storage and computing collaboration joint laboratory with universities and research institutes, conducting joint R&D in intelligent storage algorithm optimization, computing server energy efficiency improvement, server remanufacturing environmental protection technologies and other fields. It links upstream and downstream industrial chains to promote the standardization of smart camera interfaces, unification of storage and computing collaboration protocols, and improvement of server remanufacturing industry standards, supporting industrial upgrading.

Case: Optimizing University-Enterprise Collaborative Innovation and Building a New Highland for Industry-University-Research-Application Integration

The subsidiary of the Company, Anhui Sharetronic IoT Technology Co., Ltd., has established industry-university-research cooperation with Anhui University of Science and Technology and jointly created the “Sharetronic Machine Vision Joint Laboratory”. Both parties are committed to research in 5G high-definition video encoding and decoding and transmission technology, intelligent network camera, intelligent manufacturing technology, blockchain data transmission, analysis and storage technology, and cooperate in cultivating postgraduate and doctoral talents. In 2025, the subsidiary successfully completed the acceptance of the major science and technology project of Anhui Province — “Research and Development of Optical Lens Adaptive Focusing Technology and Intelligent Flexible Production Line”.

Indicators and Targets

R&D Direction	Objectives
Basic and Applied Basic Research	Explore theoretical support for edge lightweight storage, cloud computing scheduling and storage collaboration, server remanufacturing performance restoration technologies, etc.
Core Technology Development	Focus on five major fields: intelligent storage, smart cameras, computing servers, server remanufacturing and supporting cloud services. Break through core technologies including distributed storage, AI recognition, high-performance computing scheduling, compliant refurbishment and cloud management, and build an independent intellectual property system.
Technology Transformation and Industrial Application	Deeply integrate “cloud-edge-terminal” technologies into intelligent security, data centers and other scenarios, providing integrated solutions from terminal equipment to cloud management and control.
Cutting-edge Technology Forward-looking Layout	Track frontier directions such as storage-computing collaboration, multi-modal recognition privacy protection, liquid cooling, remanufacturing traceability and zero-trust security, and conduct technology reserve.



Case: Technological Innovation of HaLow Kit Products

Background and Challenges:

In the current Wi-Fi camera kit industry, traditional Wi-Fi (2.4GHz/5GHz) suffers from insufficient transmission distance and penetration capability; dedicated wireless solutions feature high cost and deployment barriers; low-power wide-area networks cannot support high-definition transmission. Existing solutions fail to cover areas without mains power or wired networks such as farmlands, warehouses, mining areas and field base stations, where traditional wired surveillance cannot be deployed and traditional wireless solutions provide inadequate coverage.

Key Innovations:

Innovation 1

Low-frequency wide-area penetration technology. It overcomes the technical bottleneck of transmission distance, extending high-definition video transmission to 1-3 km in open areas and achieving effective penetration of obstacles such as concrete walls and metal shelves. Transmission capacity is improved by more than 40% compared with traditional Wi-Fi.

Innovation 2

Dynamic dual-mode power control. It balances high-definition video and battery life, solves the technical difficulty of dynamic adaptation mechanism, and achieves significant power saving. The sleep current is reduced to the milliwatt level.



Case: R&D Innovation of Window Camera

Background and Challenges:

In the traditional home security market, outdoor bullet camera installation faces unavoidable pain points:

- ◆ High destructiveness: Drilling and wiring on walls are required, damaging the building appearance.
- ◆ High labor cost: Users cannot install independently and have to rely on professional technicians, resulting in high expenses.
- ◆ Residential restrictions: Outdoor installation is almost impossible for tenants or high-rise apartment residents.

Key Innovations:

Overcoming the “optical reflection” challenge (imaging):

Through self-developed tight-fitting structural design and multi-layer coating technology, combined with anti-reflection tuning of ISP (Image Signal Processing) algorithms, the Company successfully eliminates refraction interference of indoor light on glass, ensuring clear and transparent images.

Solving the “extreme temperature difference” challenge (adhesion):

A dedicated high-strength, residue-free double-sided tape solution has been developed.

Breaking the “black-light night vision” limit (image quality):

Equipped with an extra-large aperture lens and high-sensitivity back-illuminated (BSI) sensor, it delivers full-color night vision as bright as daytime even under extremely weak ambient light (without infrared fill light), fundamentally solving the physical difficulty of night monitoring through glass.

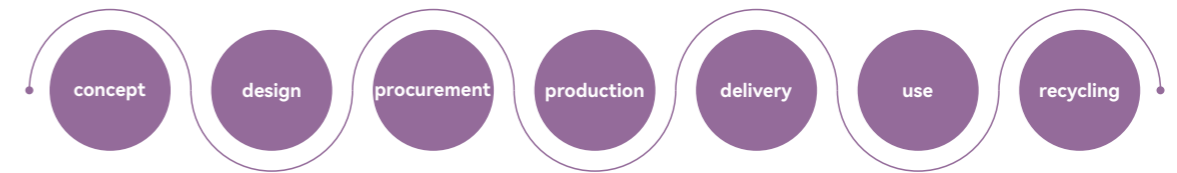
Product Quality and Safety

Governance

The Company has established a three-level governance and organizational structure for product quality and safety, with the Board of Directors as the supreme oversight body, the General Manager as the primary responsible person, and all business units and production units as the first line of defense. Based on ISO 9001:2015, the Company has formulated the Quality, Environment, Occupational Health and Safety and Medical Device Quality Management Manual integrating product safety and environmental requirements, and incorporated key indicators into the annual performance appraisal system, with appraisal results directly linked to compensation incentives and promotion evaluation. Meanwhile, the Company has established and improved the Quality and Safety Emergency Preparedness and Response Control Procedures. As of the end of the reporting period, the Company has obtained ISO 9001 Quality Management System Certification, IATF 16949 Automotive Quality Management System Certification and ISO 13485 Medical Device Quality Management System Certification.

Strategy

The Company is committed to building and implementing an end-to-end quality management system covering “concept-design-procurement-production-delivery-use-recycling”, integrating quality and safety requirements deeply into every link of the entire product life cycle, ensuring reliable, safe and compliant products from development to discontinuation, and continuously creating customer value.



Impacts, Risks and Opportunities Management

Product Life Cycle Management

The Company has actively established a sound product quality traceability system and introduced information management systems including SRM, ERP, QMS and PLM. Through the collaborative operation of these systems, the Company carries out refined management of production processes to ensure stability and consistency in production. Meanwhile, the Company has established a full-process closed-loop system covering product inspection, non-conforming product handling, test verification, problem resolution and product recall, which not only achieves end-to-end risk control from prevention and control to correction, but also ensures that every link is traceable and improvable.

Aspect	Initiatives
Product Inspection	Conduct process monitoring and measurement in accordance with the Production Process Control Procedures and inspection specifications, with emphasis on product identification and traceability.
Non-Conforming Product Control	Implement closed-loop management of non-conforming products from identification, isolation, review, disposal to root cause improvement in accordance with the Non-Conforming Product Control Procedures.
Product Recall	Formulate system documents such as the Product Recall Control Procedures to clarify the responsibilities of each department and the recall process, minimizing safety hazards or emergencies caused by product issues.

Quality Culture Development

Every September, the Company actively responds to the national "Quality Month" initiative and carries out a series of quality-themed activities. Through "scenario-based publicity + case-based warning + commitment-based implementation", the Company extends the quality concept from production to office and daily scenarios, achieving remarkable results in four dimensions: "consciousness transformation, process optimization, risk control and capability accumulation", laying a solid foundation for subsequent quality improvement.

Indicators and Targets

Monitoring Indicator	Specific Target	2025 Performance
PCBA Yield Rate	99.80%	99.80%
Customer Inspection Pass Rate	98.50%	98.69%
Major Quality Accidents	0	0
Health and Safety Recall Incidents	0	0
Compliance Rate of All-Staff Quality Training	100%	100%

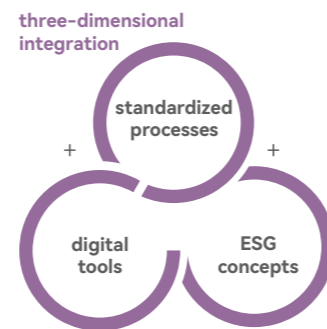
Customer Relationship Management

Governance

The General Manager of Sharetronic Data serves as the primary responsible person for customer relationship management. Based on six international system certifications including ISO 9001, IATF 16949 and ISO 13485, the Company has formulated documents such as the After-Sales Service System to standardize customer service management. It has set up after-sales support units including the Customer Service Department, Maintenance and Testing Section, RMA Customer Service Section and technical support team. The Company continuously improves the training system covering pre-job, on-job, management and new technologies to enhance service capabilities, and actively introduces digital tools such as data platforms and remote operation and maintenance platforms to improve customer service efficiency and satisfaction.

Strategy

Through the three-dimensional integration of "standardized processes + digital tools + ESG concepts", the Company has built a complete service closed loop from demand docking to product retirement. Especially in emerging fields such as computing power business and server remanufacturing, the Company has realized the transformation from "passive maintenance" to "active service" through remote operation and maintenance, predictive maintenance and circular economy models, creating full-life-cycle value-added for customers.



Impacts, Risks and Opportunities Management

Customer Satisfaction Management

The Company closely engages with customers through regular satisfaction surveys and follow-up calls, and converts feedback into concrete actions for product optimization and service upgrading. In 2025, the Company's average customer satisfaction score was 92.25, reflecting high recognition from the market and partners of the Company's products, services and comprehensive capabilities.

Customer Complaint Handling

The Company has established a professional customer complaint handling team composed of the Marketing Center, Quality Management Center and Engineering Department, formulated the Customer Complaint Control Procedures and built an 8-step closed-loop process, and set up diversified complaint channels to ensure effective response to customer complaints.

Official Direct Channels	Business Docking Channels	Proactive Research Channels	Executive Direct Channels
Service hotline: +86-0755-33098502; Service email: service@sharetronic.com; Official website and WeChat customer service.	Automatic satisfaction questionnaires after each service, quarterly business review meetings, annual customer satisfaction surveys, etc.	Feedback via sales managers/customer success managers, technical support engineers and regional service teams.	Direct email for urgent matters: executives@sharetronic.com; Feedback via official LinkedIn/Twitter social media accounts.

Standard Operation Procedure (SOP) for Customer Complaint:



Responsible Marketing

The Company has formulated documents including the Responsible Marketing Philosophy/System List, Consumer Rights Protection System and Advertising and Publicity Management System. Through institutionalized review processes, hierarchical responsibility systems and digital traceability mechanisms, it has built a full-process responsible marketing management system covering "pre-marketing review - in-marketing monitoring - post-marketing traceability", ensuring no false publicity in marketing and labeling management and effectively protecting consumer rights.

Indicators and Targets

Monitoring Indicator	Specific Target	2025 Performance
Customer Satisfaction	≥90%	100%
Customer Complaint Resolution Rate	100%	100%
Customer Complaint Response Training Rate	100%	100%

Industrial Ecosystem Collaboration

Supply Chain Management

Governance

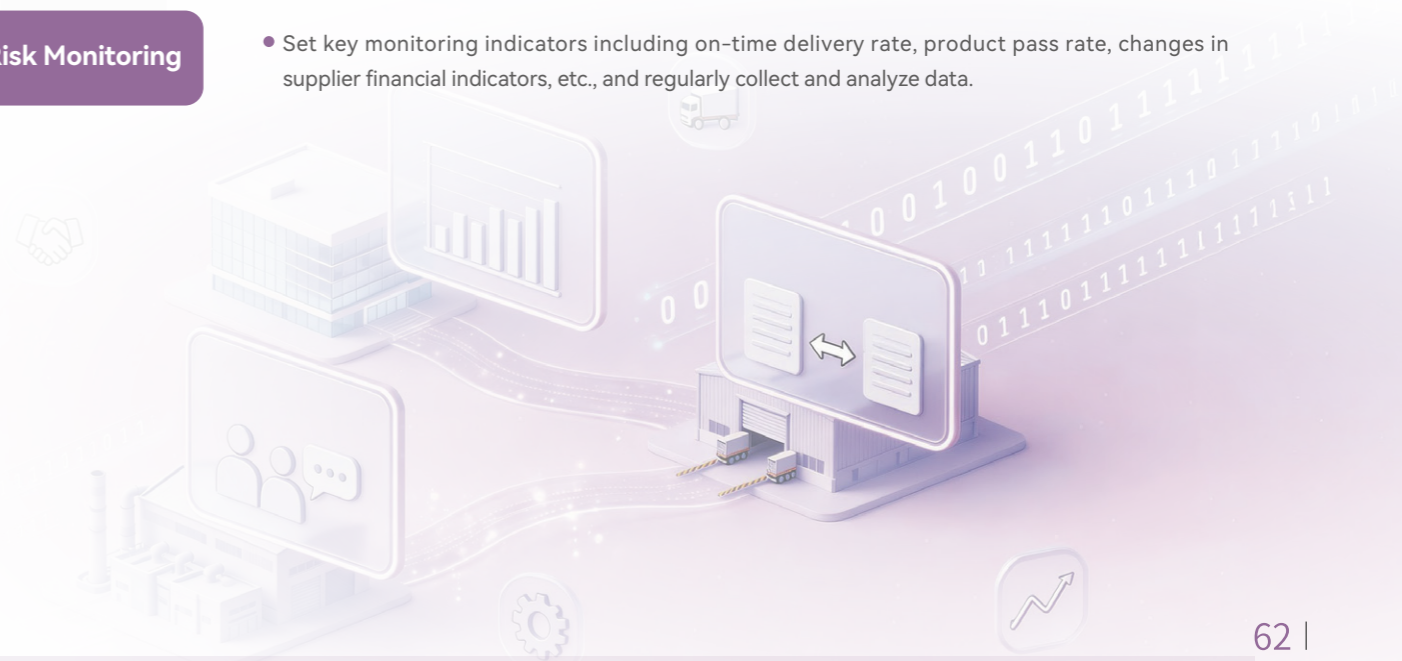
The General Manager serves as the primary responsible person for supply chain management, with relevant key KPIs included in the appraisal. The Company has formulated and implemented the Supplier Management Control Procedures, standardizing supplier qualification review, onboarding, exit, reward and punishment management. The Company continuously optimizes supplier management processes through strict implementation of supplier product quality testing and regular business evaluations. In addition, the Company actively promotes a digital procurement platform to achieve full-process transparency of procurement and significantly improve procurement efficiency; it signs Supplier Integrity Commitments with all suppliers to create an honest, fair, just and open supply chain environment.

Strategy

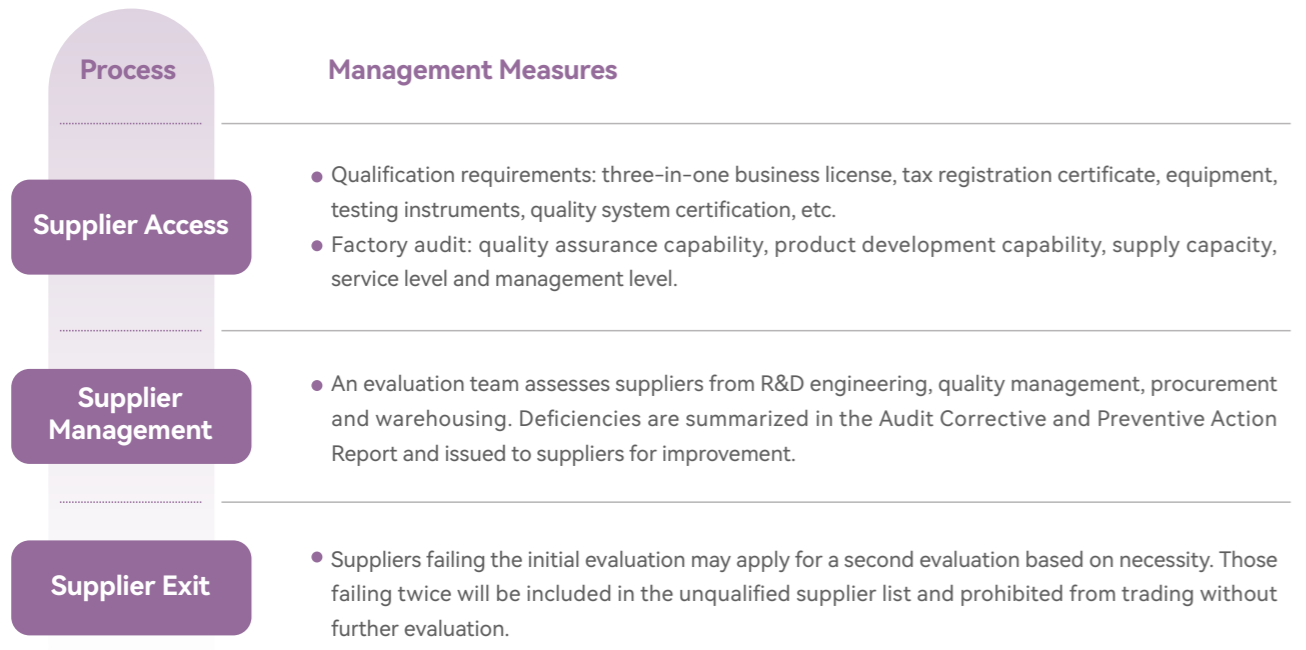
The Company deeply integrates supply chain management into its overall strategy. Through diversified global layout, localized supply and emergency early warning mechanisms, it effectively responds to supply disruption risks. It strictly implements environmental regulations and RBA guidelines, promotes the application of green materials and the protection of labor rights. This not only ensures the safety, stability, greenness and compliance of the supply chain, but also aligns with the technology-driven and globally coordinated development path, providing solid support for sustainable business growth.

Impacts, Risks and Opportunities Management

The Company has established a systematic risk management process. Through continuous optimization of supply chain risk assessment, monitoring and response measures, it has comprehensively improved supply chain resilience and ensured the safe and stable operation of the supply chain system.



Supplier Full Life Cycle Management



Resilience Management

The Company has built a diversified supplier layout and multi-regional procurement system, establishing global multi-source supply for key raw materials and components to effectively avoid single-region risks. It also prioritizes local suppliers to shorten physical distances, reduce supply disruption risks, and support flexible production and rapid iteration. The Company has established a sound supply chain emergency management mechanism. In the event of supply interruption of raw materials or finished products, the Procurement Department immediately activates the emergency procurement process, quickly connects primary and backup suppliers, coordinates logistics and tracks delivery progress, assuming full-process risk early warning and closed-loop control responsibilities to comprehensively improve supply chain resilience and stability.

Sustainable Supply Chain Development

The Company fully integrates environmental and social responsibility considerations into supplier management. Through quality agreements, suppliers are required to comply with environmental regulations such as RoHS and REACH, and the use of raw materials containing 3TG conflict minerals is strictly prohibited. Priority is given to suppliers using renewable materials or low-carbon processes, while promoting the recycling of packaging materials. In terms of social responsibility, suppliers are required to abide by written labor policies approved by senior management, fully covering the RBA standards including free employment, prohibition of child labor, working hours and benefits, humane treatment, anti-discrimination, freedom of association and freedom of religious belief, ensuring compliance with applicable laws and regulations related to labor, health and safety, environment and ethics, so as to build a responsible and sustainable supply chain system.

Equal Treatment for SMEs

The Company adheres to the principles of fairness, impartiality and openness in its supply chain management system, breaks down scale barriers and provides equal access and competitive opportunities for small and medium-sized enterprise (SME) suppliers. Meanwhile, the Company strictly abides by the spirit of commercial contracts and effectively protects the legitimate rights and interests of SMEs by optimizing payment processes and settlement mechanisms.

Indicators and Targets

Monitoring Indicator	Specific Target	2025 Performance
Incoming Batch Pass Rate	98.80%	98.82%

Indicator	Unit	2023	2024	2025
Number of suppliers	Unit	893	1,086	1,196
Number of local suppliers	Unit	863	1,007	1,098
Supplier assessment coverage rate	%	100	100	100
Supplier assessment pass rate	%	98	99	99
Percentage of suppliers that have signed the Supplier Code of Conduct	%	100	100	100
Percentage of suppliers with clauses covering environmental and labor requirements signed	%	100	100	100

Collaboration with Industry Peers

The Company strengthens close communication with industry organizations and enterprises. It sincerely invites organizations from various sectors to visit and exchange ideas, building a full dialogue platform that effectively promotes mutual learning on development concepts and innovative measures. In 2025, the Company participated in formulating the national standard Test Method for Parameters of Capacitive Fingerprint Collection Chips, jointly driving industrial development and progress.

Case: Technology Empowers Diverse Scenarios and Innovation Drives Industrial Upgrading

The Company launched the FCloud training and inference integration platform, which integrates 50 open-source large models and covers the full cycle of AI training, inference and industry application development, supporting high-concurrency scenarios such as biopharmaceuticals and robotics. Its self-developed AI intelligent commercial solution "InfiSight" has been applied to decision support for chain stores, significantly improving the intelligent level of the retail industry. Focusing on R&D of IoT terminal equipment, the Company obtained a patent for "Remote Real-Time Monitoring and Control System" (including feature extraction and abnormal alarm functions), optimizing the video data processing process. It has also expanded its product line of healthy home appliances, such as reverse osmosis water purification equipment, realizing cross-border application of IoT technology.

Case: Deepening Global Layout to Lead Local Practices

The Company has deployed computing centers overseas and cooperated with numerous enterprises to provide high-end computing services such as graphics rendering and AIGC. Commercial unmanned self-service beverage machines have entered 150 cities nationwide, exploring a new retail model combined with healthy water experience stores. Relying on government platforms, Anhui Sharetronic quickly entered the Hefei Metro scenario and completed the full-process implementation of unmanned coffee machines from demand to trial operation within one month, providing a model for the large-scale application of smart retail equipment.

Commercial unmanned self-service beverage machines have entered **150** cities nationwide

Appendices

About this Report

This is the third Environmental, Social and Governance (ESG) Report released by Sharetronic Data.

Report Scope

The information disclosed in this report covers Sharetronic Data Technology Co., Ltd. and its subsidiaries (hereinafter referred to as "Sharetronic Data", "the Company" or "we"), consistent with the scope of the consolidated financial statements in the annual report. For the data coverage of this report, please refer to the "ESG Data Sheet and Notes".

Reporting Period

This is an annual report covering the period from January 1 to December 31, 2025. Some content may extend beyond this period and will be clearly indicated where applicable.

Definitions

Term	Refers to	Full Name
Sharetronic Data, the Company, we	Refers to	Sharetronic Data Technology Co., Ltd.
Dongguan Sharetronic	Refers to	Dongguan Sharetronic Data Technology Co., Ltd.
Anhui Sharetronic	Refers to	Anhui Sharetronic IoT Technology Co., Ltd.
Omimo Technology	Refers to	Omimo Technology Co., Ltd.
Sharetronic Software	Refers to	Shenzhen Sharechuang Software Co., Ltd.
Sharetronic Chip Investment	Refers to	Shenzhen Sharetronic Chip Investment Co., Ltd.
Sharetronic Hong Kong	Refers to	Sharetronic Data Technology (Hong Kong) Co., Ltd.
Sharetronic Chip	Refers to	Sharetronic Chip (Shanghai) Co., Ltd.
Sharetronic Myanmar	Refers to	SHARETRONIC DATA TECHNOLOGY (MYANMAR) CO., LTD.
Sharetronic Thailand	Refers to	Sharetronic Data Technology (Thailand) Co., Ltd.
Sharetronic Singapore	Refers to	SHARETRONIC DATA TECHNOLOGY (SINGAPORE) PTE.LTD
Sharetronic Cloud Computing	Refers to	Sharetronic Cloud Computing Technology (Shenzhen) Co., Ltd.
Sharetronic Intelligent Computing	Refers to	Sharetronic Intelligent Computing Technology (Shenzhen) Co., Ltd.

Preparation Basis

- ▶ Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainable Development Report (for Trial Implementation)
- ▶ Shenzhen Stock Exchange Self-Regulatory Guidelines for GEM Listed Companies No. 3 – Preparation of Sustainable Development Reports
- ▶ United Nations Sustainable Development Goals (SDGs)
- ▶ Global Reporting Initiative GRI Standards: Sustainable Development Reporting (2021 edition)
- ▶ Hong Kong Stock Exchange Environmental, Social and Governance Reporting Guide

Data Sources

Data used in this report include official government statistics, internal statistical statements, third-party questionnaires, administrative documents and reports, third-party evaluations and interviews, etc.

Reliability Statement

The Company confirms that this report contains no false records, misleading statements or material omissions.

This report includes the "Benchmarking Practice" section. Relevant content is the Company's forward-looking ESG optimization plan and development vision with reference to industry advanced practices and mainstream ESG evaluation criteria, which is voluntary supplementary disclosure.

This part does not represent completed operational achievements or mandatory disclosure items.

Access to the Report

The electronic version of this report can be downloaded from the Company's official website (www.sharetronic.com), the Shenzhen Stock Exchange website (www.szse.cn) and CNINFO (www.cninfo.com.cn) for more corporate information.

 ESG Performance Table

Indicator	Unit	2023	2024	2025
Total number of Board members	Person	7	7	7
Of which: Female members	Person	2	2	2
Of which: Executive Directors	Person	1	1	1
Of which: Independent Directors	Person	3	3	3
Number of full Board meetings	Time	12	13	13
Number of Audit Committee meetings	Time	6	4	4
Number of Nomination Committee meetings	Time	1	0	0
Number of Remuneration and Assessment Committee meetings	Time	3	2	2
Number of Strategy and ESG Committee meetings	Time	1	1	1
Average attendance rate of the Board	%	100	100	100
Minimum attendance requirement per director	%	100	100	100
Number of shareholders' meetings held	Time	4	5	5
Number of employees dismissed disciplined or investigated by authorities for corruption-related violations	Person	0	0	0
Number of contracts terminated or not renewed with business partners due to corruption-related violations	Case	0	0	0

Indicator	Unit	2023	2024	2025
Number of employees who signed the Integrity Commitment	Person	1,687	1,646	1,775
Percentage of employees who signed the Integrity Commitment	%	100	100	100
Number of suppliers that signed the Anti-Bribery Commitment	Unit	893	1,086	1,196
Percentage of suppliers that signed the Anti-Bribery Commitment	%	100	100	100
Total number of lawsuits/administrative penalties for fair competition violations	Case	0	0	0
Total fines for fair competition violations	RMB 10,000	0	0	0
Number of confirmed data security incidents	Case	0	0	0
Amount involved in data security incidents	RMB 10,000	0	0	0
Number of data security and customer privacy protection training sessions	Time	0	0	1
Number of patents held	Item	353	395	437
Number of invention patents held	Item	31	43	50
Number of invention patents applied to main business	Item	31	43	50
Number of software copyrights held	Item	156	205	245
Number of new patents added annually	Item	72	47	48
Number of patents under examination	Item	/	/	85
Number of copyrights held	Item	0	0	0
Number of trademarks and others held	Item	104	119	138

Indicator	Unit	2023	2024	2025
Total investment in environmental management	RMB 10,000	200	50	50
Number of environmental law violations	Case	0	0	0
Amount of major administrative penalties imposed by environmental authorities for environmental incidents during the reporting period	RMB 10,000	0	0	0
Gasoline consumption	Liter	21,981.47	19,606.72	16,964.15
Diesel consumption	Liter	337.98	3,579.27	3,245.29
Electricity consumption	kWh	11,687,927.98	13,070,215.68	15,160,610.28
Total wastewater discharge	10,000 m ³	7.56	9.5989	7.4
Of which: Total industrial wastewater	10,000 m ³	0.756	0.95989	0.74
Of which: Total domestic wastewater	10,000 m ³	6.804	8.63901	6.66
Total water consumption	Ton	75,600.15	95,989.22	78,373.89
Total net freshwater consumption	m ³	75,600.15	95,989.22	78,373.89
Water intake by source: municipal water supply	m ³	75,600.15	95,989.22	78,373.89
Total waste generated	Ton	1.55	1.95	8.79
Total mass or volume of materials used in production and packaging	Ton/m ³	130.677	76.9	92.79
Total number of employees	Person	1,687	1,646	1,775
Number of new hires	Person	673	656	629
Number of new full-time employees	Person	673	656	629

Indicator	Unit	2023	2024	2025
Number of female employees	Person	970	975	1,038
Number of male employees	Person	717	671	737
Percentage of female employees	%	57	59	58
Percentage of male employees	%	43	41	42
Number of employees under 30	Person	691	633	684
Number of employees aged 30–50	Person	906	930	996
Number of employees over 50	Person	90	83	95
Percentage of employees under 30	%	41	38	39
Percentage of employees aged 30–50	%	54	57	56
Percentage of employees over 50	%	5	5	5
Number of employees below bachelor's degree	Person	1,506	1,306	1,339
Number of employees with bachelor's degree	Person	174	314	391
Number of employees with master's degree	Person	7	26	43
Number of employees with doctorate	Person	0	0	2
Number of senior management employees	Person	15	24	24
Number of middle management employees	Person	70	138	142
Number of junior management employees	Person	54	55	53
Number of ordinary employees	Person	1,548	1,429	1,556

Indicator	Unit	2023	2024	2025
Total number of R&D personnel	Person	226	350	416
Percentage of R&D personnel	%	13	21	23
Social insurance coverage rate for employees	%	100	100	100
Confirmed discrimination cases	Case	0	0	0
Confirmed forced labor cases	Case	0	0	0
Confirmed child labor cases	Case	0	0	0
Total number of employee satisfaction questionnaires issued	Copy	1,302	1,400	1,609
Questionnaire response rate	%	85	86	88
Employee satisfaction score	Score	8.21	8.52	9.43
Number of safety drills (fire, toxic gas leakage, etc.)	Time	2	2	2
Employee work injury insurance coverage rate	%	100	100	100
Expenditure on employee work injury insurance	RMB 10,000	626,229.84	602,740.82	711,597.19
Number of work-related deaths (0 if none)	Person	0	0	0
Work-related deaths per revenue unit	Person/100 million revenue	0	0	0
Working days lost due to work-related injuries	Day	0	0	0
Total training hours	Hour	10,072.5	7,378	7,592
Average training hours per capita	Hour	5.97	4.48	4.28
Total training hours for female employees	Hour	4,097.5	3,312	3,186

Indicator	Unit	2023	2024	2025
Average training hours per female employee	Hour	4.22	3.40	3.07
Total training hours for male employees	Hour	5,975	4,066	4,406
Average training hours per male employee	Hour	8.33	6.06	5.98
Total training hours for senior management	Hour	47.5	52	74
Average training hours per senior management member	Hour	3.17	2.17	3.08
Total number of training sessions during the year	Time	100	85	90
Annual training expenditure	RMB 10,000	40	35	40
Number of employees trained	Person	9,500	10,500	11,500
Injury Frequency Rate per Million Work Hours	%	/	/	0
Number of Safety Incidents	Case	/	/	0
Number of Major and Above Accidents	Case	/	/	0
Total Number of Suppliers	Entity	/	/	1196
Number of Sustainably Certified Suppliers	Entity	/	/	1135
Proportion of Sustainably Certified Suppliers	%	/	/	94.90
Direct (Scope 1) Greenhouse Gas Emissions	Tonnes of CO2 Equivalent	/	/	47.89
Direct (Scope 1) Greenhouse Gas Emissions per Million Revenue	Tonnes of CO2 Equivalent per CNY	/	/	3.913×10^{-9}
Direct (Scope 2) Greenhouse Gas Emissions	Tonnes of CO2 Equivalent	/	/	8,646.10
Indirect (Scope 2) Greenhouse Gas Emissions per Million Revenue	Tonnes of CO2 Equivalent per CNY	/	/	7.066×10^{-7}
Total Greenhouse Gas Emissions per Employee	Tonnes Of CO2 Equivalent per Employee	/	/	4.898

Indicator	Unit	2023	2024	2025
Percentage of internal purchasers trained in sustainable procurement	%	100	100	100
Customer feedback response rate	%	0.08	0.08	0.08
Number of customer complaints	Time	100	100	100
Cumulative customer services	Time	32	23	20
Total number of customer satisfaction questionnaires issued	Copy	32	23	20
Total number of satisfaction questionnaires returned	Copy	7	6	9
Total number of valid satisfaction questionnaires returned	Copy	7	6	9
Questionnaire response rate	%	7	6	9
Customer satisfaction score	Score	100	100	100
Social contribution value per share	RMB	91.56	91	92.25
charitable donation	RMB	100,000	/	100,000
Number of Software Copyrights Held	Items	/	/	245
Number of Software Copyrights Held per CNY 100 Million of Revenue	Items/CNY	/	/	2.0026×10^{-8}
Employee Turnover Rate	%	/	/	7.27
Number of Occupational Disease Cases	persons	/	/	0
Occupational Disease Incidence Rate	%	/	/	0
Number of Work-Related Fatalities	persons	/	/	0
Work-Related Fatality Rate	%	/	/	0
Number of Work-Related Injuries	persons	/	/	0
Work-Related Injury Rate	%	/	/	0
Number of Work Days Lost Due To Work-Related Injuries	Days	/	/	0

ESG Indicator Index

Dimension	No.	Topic	Corresponding Clause	Corresponding Chapter
Environment	1	Climate Change Response	Articles 21 to 28	Climate Change Response
	2	Pollutant Emissions	Article 30	Pollutant Emissions and Waste Management
	3	Waste Management	Article 31	Pollutant Emissions and Waste Management
	4	Ecosystem and Biodiversity Conservation	Article 32	Biodiversity Conservation
	5	Environmental Compliance Management	Article 33	Environmental Compliance Management
	6	Energy Utilization	Article 35	Resource Utilization and Circular Economy
	7	Water Resource Utilization	Article 36	Resource Utilization and Circular Economy
	8	Circular Economy	Article 37	Resource Utilization and Circular Economy
Social	9	Rural Revitalization	Article 39	Product Accessibility and Digital Inclusion
	10	Social Contribution	Article 40	Product Accessibility and Digital Inclusion
	11	Innovation-Driven Development	Article 42	R&D and Innovation
	12	Tech Ethics	Article 43	R&D and Innovation
	13	Supply Chain Security	Article 45	Supply Chain Management
	14	Equal Treatment for SMEs	Article 46	Supply Chain Management
	15	Product and Service Safety and Quality	Article 47	Product Quality and Safety
	16	Data Security and Customer Privacy Protection	Article 48	Information Security Protection
	17	Employees	Article 50	Employee Rights and Interests, Training and Development, Occupational Health and Safety
Sustainable Development-Related Governance	18	Due Diligence	Article 52	Due Diligence
	19	Stakeholder Communication	Article 53	Stakeholder Communication
	20	Anti-Commercial Bribery and Anti-Corruption	Article 55	Business Ethics
	21	Anti-Unfair Competition	Article 56	Business Ethics

Benchmarking Practice

Issues	Strategies
Waste Management	The Company's waste management system designates the board of directors as the highest decision-making body and the general manager as the primary responsible party. It has established a framework of "top-level decision-making, coordinated execution, and departmental collaboration." Waste management targets are incorporated into the Company's annual performance appraisal system, under which departments are evaluated on their compliance management, source reduction, and record-keeping practices. A dedicated department is set up to conduct regular internal special inspections on waste management, while also being subject to oversight by the ecological and environmental authorities and third-party environmental assessments. The Company proactively discloses environmental information such as waste generation and disposal, and accepts public supervision.
Non-Hazardous Waste Disposal	The Company prioritizes the engagement of third-party institutions with qualification for resource utilization to recycle and reuse non-hazardous waste (e.g., recycling of packaging materials, reuse of disassembled waste parts). Non-recoverable waste is entrusted to external parties such as third-party institutions for non-hazardous disposal. In 2025, the Company achieved a classified disposal rate of 100% for non-hazardous waste and increased its resource utilization rate to over 30%. Meanwhile, the Company optimizes production design and packaging solutions to reduce the generation of non-hazardous waste, setting a specific annual target of a waste reduction ratio of no less than 3%.
Hazardous Waste Disposal	The Company stores hazardous waste in dedicated sealed temporary storage rooms equipped with anti-leakage pallets and emergency collection facilities, with labels affixed in compliance with the Standard for Pollution Control on Hazardous Waste Storage specifying waste categories, hazardous characteristics, and responsible persons. Meanwhile, the Company rigorously selects third-party institutions holding a hazardous waste operation license, verifies their disposal scope, processes, and environmental compliance, and signs specialized disposal contracts. Prior to transfer, the Company completes the required transfer manifest in accordance with regulations, and the waste is transported by carriers with hazardous waste transport qualifications to the third-party disposal facility. The entire transfer process is tracked, and disposal certificates and monitoring reports are retained to ensure 100% compliant disposal. In addition, the Company actively promotes green procurement, giving priority to recyclable and biodegradable raw materials and packaging materials to enhance the resource utilization potential of non-hazardous waste.
Climate Change Management System and Policies	<p>The Company has established a four-tier organizational structure for addressing climate change, consisting of "board of directors for strategic decision-making, management for execution leadership, specialized departments for implementation, and business units for coordinated support." The board of directors is responsible for overseeing the assessment and management of climate-related risks and opportunities. Senior management coordinates cross-departmental collaboration, establishes climate management processes, and defines climate-related performance requirements for departments such as production, finance, and supply chain. In addition, climate performance is incorporated into the executive performance appraisal system, and management is required to regularly report to the board of directors on the status and performance of climate risk management.</p> <p>The Company's management leads the establishment of a routine self-inspection mechanism, with inspection cycles divided into quarterly self-inspections and annual comprehensive self-inspections. Issues identified during self-inspections are documented in a corrective action log, specifying responsible persons, corrective measures, and deadlines, thereby implementing closed-loop management. Upon completion of corrective actions, timely reviews are conducted, and the self-inspection results along with the corrective status are regularly reported to the board of directors.</p>

Issues	Strategies
Climate Change Management Objectives and Planning	The Company has established a comprehensive five-in-one supervision mechanism comprising "board supervision, management self-inspection, specialized department inspection, external third-party verification, and shareholder oversight," forming a closed-loop supervision process covering prevention in advance, control during the process, and correction after the event, ensuring that climate change response efforts are carried out in a compliant and orderly manner, and regularly tracking progress toward targets.
Identification of Climate-Related Risks and Opportunities	To standardize the processes of identifying, assessing, managing, and responding to climate-related risks and opportunities, the Company conducts a comprehensive risk and opportunity assessment once a year, focusing on identifying potential risks (such as production interruptions caused by extreme weather, cost increases from carbon reduction policies) and development opportunities (such as green technology R&D, expansion of low-carbon product markets, utilization of renewable energy) that climate change may bring to the Company's production and operations (e.g., energy supply, supply chain stability, product development, policy compliance) and strategic planning. A risk register is established, and targeted management measures are developed.
Response to Climate-Related Risks and Opportunities	<p>Climate change has had a profound impact on the Company's strategic planning and production operations, presenting both potential risks and development opportunities. Xiechuang Data attaches great importance to climate change response and strictly complies with laws, regulations, regulatory requirements, and relevant information disclosed to the public. The Company has established a sound management mechanism for climate change response, clearly defining its organizational structure, supervision mechanisms, policies, and institutional systems, and explicitly delineating the board of directors' oversight responsibilities and management's execution roles, thereby forming a working pattern characterized by "scientific decision-making, robust execution, effective supervision, and coordinated efficiency."</p> <p>The Company will continue to optimize its climate change response management mechanism, strengthen the board's oversight function, enhance management's execution effectiveness, and ensure that all relevant parties fulfill their duties. It will further increase investment in green technology R&D, advance energy conservation and consumption reduction, carbon emission reduction, and renewable energy utilization, actively guard against climate-related risks, proactively seize green development opportunities, integrate climate change response into its long-term development strategy, faithfully fulfill corporate environmental responsibilities, achieve sustainable development, and contribute to global climate governance. At the same time, the Company will, in strict accordance with regulatory requirements, disclose climate change response information in a timely and accurate manner, and accept oversight from all shareholders, investors, and the public.</p>
Carbon Emission Reduction Measures	<p>Process Improvement for Emission Reduction:</p> <p>Optimized the motherboard manufacturing process by introducing a waste heat recovery system connected to the heating stage of the production line, replacing the original natural gas heating model. Additionally, adopted low-energy lead-free soldering technology to replace conventional processes, reducing energy consumption. Over the year, recovered waste heat equivalent to 12 tonnes of standard coal, reduced natural gas consumption by 3,600 cubic meters, directly cutting total energy consumption by 14.88 tonnes of standard coal, corresponding to a reduction of 38.69 tonnes of CO₂ equivalent in greenhouse gas emissions.</p>

Issues	Strategies
Carbon Emission Reduction Measures	<p>Energy Substitution for Emission Reduction: Installed a distributed photovoltaic system on the data center rooftop and plant open areas, generating 24,500 kWh annually, all of which is used to power the data center and production workshops, replacing conventional grid electricity. Over the year, directly reduced indirect fossil energy consumption equivalent to 450,000 kWh of electricity, lowering greenhouse gas emissions by 35.33 tonnes of CO₂ equivalent.</p> <p>Equipment Retrofit for Emission Reduction: Phased out eight old, high-energy-consumption welding machines and five traditional cleaning units, replacing them with fully DC variable-frequency energy-saving welders and closed-loop water-saving cleaning equipment. After retrofitting, each welding machine saves 12,000 kWh of electricity annually, and the water recycling rate of the cleaning equipment increased to 95%. Over the year, directly reduced electricity consumption by 240,000 kWh, corresponding to a reduction of 18.84 tonnes of CO₂ equivalent in greenhouse gas emissions.</p> <p>Process Restructuring for Emission Reduction: Redesigned the server component assembly process by adopting streamlined layout to reduce equipment idling and material transfer energy consumption. After optimization, the energy consumption per unit of product on the production line decreased by 2.3%, directly saving 160,000 kWh of electricity over the year, lowering greenhouse gas emissions by 12.56 tonnes of CO₂ equivalent.</p> <p>Green Operations: Energy substitution in warehouse and logistics: Replaced fuel forklifts with electric forklifts, supported by smart charging facilities. Over the year, reduced gasoline consumption by 18,000 liters, directly lowering greenhouse gas emissions by 13.95 tonnes of CO₂ equivalent. Office and public areas: Fully replaced over 300 lighting fixtures with LED energy-saving lamps, installed an intelligent temperature control system for air conditioners, and optimized the energy-saving mode of office equipment. Over the year, directly saved 42,000 kWh of electricity, reducing greenhouse gas emissions by 3.297 tonnes of CO₂ equivalent.</p>
Energy Management System and Policies	The Company has established an Energy Management Leading Group, led by the chairman, with vice leaders including senior executives responsible for environmental protection and production, and department heads as members. The Energy Use Management System has been put in place. The energy management department regularly organizes energy-saving publicity and training activities, including (special lectures), posters, internal notices, and other forms to disseminate energy-saving knowledge and the Company's energy management policies, thereby enhancing employees' awareness and operational skills in energy conservation. Meanwhile, the Company has set up an energy waste identification mechanism. Departments conduct self-inspections on a weekly basis, while the energy management department carries out special inspections monthly, focusing on issues such as lights left on, water left running, equipment idling, and air conditioning temperature violations. For identified problems, corrective action notices are issued, specifying responsible persons and deadlines, and follow-up on the implementation of corrections is tracked to ensure closed-loop management.
Energy Management System Certification	The Company established and put into operation a comprehensive energy management system in 2024, covering its major production bases such as the Dongguan Qingxi Plant. Through real-time monitoring and analysis of energy consumption data including electricity, water, and natural gas, the Company promptly identifies and addresses energy waste issues, achieving continuous improvement in energy performance. As of 2025, Xiechuang Data's energy management system meets the following certification requirements: it has legally obtained corporate entity status and is in normal operation; the system has been established in accordance with the GB/T 23331-2020 / ISO 50001:2018 standard and has been in operation for more than six months.
Energy Conservation and Emission Reduction	The cumulative reduction in greenhouse gas emissions amounts to 160.19 tonnes of CO ₂ equivalent.

Issues	Strategies
Supply Chain Management System and Policies	The Company has clearly assigned responsibility for day-to-day supply chain management to senior management, with the board of directors assuming the ultimate oversight role. The Company has established a three-tier governance structure for supply chain management, clearly defining the authority and responsibilities of the board of directors, senior management, and procurement execution departments. The governance bodies obtain management information through quarterly special reports on supply chain management and annual board reviews, forming a fixed-frequency information acquisition mechanism.
Supply Chain Certification	The Company has refined its internal procedures in accordance with the ISO 28000 Supply Chain Security Management System certification, ensuring that its supply chain meets international standards in security risk control. Currently, the Company has not yet pursued certification under the RMI (Responsible Minerals Initiative) supply chain traceability system, as its business does not directly involve procurement from mineral conflict zones. Instead, it conducts internal management in line with green supply chain requirements.
Dynamic ESG Assessment and Exit Mechanism for Suppliers	The Company has established a dynamic ESG assessment mechanism for existing suppliers, with an assessment frequency of once per quarter (no less than quarterly). At the same time, the Company engages a third-party certification body to conduct on-site or remote audits of key suppliers annually, ensuring the independence and professionalism of the evaluations.
Environmental Protection Performance of the Supply Chain	The Company has implemented multiple measures to promote carbon reduction across its supply chain, including incorporating carbon performance into supplier access and assessment, promoting the use of clean energy, and optimizing energy efficiency. The Company collaborates with core suppliers to collect their Scope 1 and Scope 2 carbon emission data (e.g., through annual carbon inventory questionnaires and third-party audit reports) via a digital platform. At the same time, it places strong emphasis on suppliers' water use efficiency, wastewater treatment, and discharge issues, requiring them to disclose water withdrawal intensity, recycling rates, and compliance with wastewater discharge standards. These relevant indicators are also integrated into the quarterly dynamic ESG assessment.
Labor Protection Performance of the Supply Chain	The Company regularly conducts social risk audits on its suppliers, with a focus on issues such as labor compliance, working hours and wages, child labor, and forced labor. These audits include both internal audits (conducted jointly by the supply chain management department and the ESG team) and special social responsibility audits commissioned to third-party organizations.
Supplier Communication and Training	The Company's communication and training with suppliers cover two or more dimensions of environment, society, and governance (e.g., carbon reduction, labor compliance, anti-corruption), rather than a single dimension or vague descriptions.
Avoidance of Conflict Minerals	The Company has established a conflict minerals management policy, explicitly prohibiting the procurement of tin, tantalum, tungsten, and gold (3TG) minerals originating from the Democratic Republic of the Congo or its adjoining countries affected by armed conflict. This policy follows the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The Company regularly conducts conflict minerals surveys with its suppliers, requiring them to complete the Conflict Minerals Reporting Template (CMRT), which is integrated into the supplier access and annual audit processes.

Issues	Strategies
Democratic Management and Communication	The Company has established a staff representative assembly and a trade union organization. Through collective bargaining, employee satisfaction surveys, grievance channels, and democratic management systems, it effectively safeguards employees' rights and interests in areas such as compensation and benefits, occupational health and safety, working hours and rest leave, and democratic participation.
Employee Satisfaction Survey	The Company conducts a comprehensive employee satisfaction survey covering all staff members once every six months (a frequency higher than annually), ensuring that genuine feedback from employees at all levels and positions is fully heard. Total non-hazardous waste generated (tonnes): 6.56; per CNY 100 million of revenue (tonnes/CNY 100M): 0.0536. Total hazardous waste generated (tonnes): 2.23; per CNY 100 million of revenue (tonnes/CNY 100M): 0.0182. Total waste recycled and recovered (tonnes): 2.35; per CNY 100 million of revenue (tonnes/CNY 100M): 0.0192. Proportion of waste recycled and recovered: 35.82%.
Information Security and Privacy Protection Management System and Policies	The Company has established a three-tier governance structure for information security and privacy protection management. The Information Security Committee serves as the highest decision-making body for the Company's information security efforts. The Information Security Management Representative is responsible for providing decision-making recommendations on multi-dimensional and common major security issues, including the development of the Company's information security system. The Head of Operations and Management, who is also the First Responsible Person for Information Security, implements and executes the resolutions of the Information Security Committee. Within this structure, the General Manager oversees the Company's overall operations and information security-related affairs, and is subject to the supervision and management of the board of directors. The Information Security Management Department submits special reports on a quarterly basis, annual internal audit reports, and immediate notifications of major incidents. Additionally, a fixed-frequency information acquisition mechanism has been established, whereby dedicated meetings are held at least once per quarter to review the status of information security and privacy protection management.
Data Breach Emergency Response Plan	The Company has established a dedicated emergency response plan for data or privacy breaches, specifying incident classification, response procedures, internal notification, and external communication mechanisms. It also regularly conducts drills for the data breach emergency response plan, organizing at least one tabletop exercise or practical drill each year to test the effectiveness of the plan and continuously optimize it.
Measures to Ensure Information Security and Privacy Protection	The Company classifies information security into three levels: "Confidential," "Internal," and "General." Meanwhile, the Company has formulated the Procedures for Information Security Control of Relevant Parties, which stipulate that when physical or logical access to the Company's information assets is involved, relevant parties must sign confidentiality clauses. These clauses shall reflect all internal management or information security requirements arising from cooperation with relevant parties, and require relevant parties to provide necessary information security awareness, skills training, and education to their employees to ensure they meet job requirements. In addition, the Company has adopted various security technical measures such as encryption, de-identification, access control, and firewalls, and has clearly specified the technical means employed in its information security management system, including data classification and grading, dynamic masking, audit logs, and intrusion detection.

Issues	Strategies
Backup of Critical Information Systems and Hardware Equipment	The Company has implemented regular backups for information systems critical to business operations (such as ERP, MES, and PLM) as well as core hardware equipment, adopting a dual backup strategy combining local and offsite backups. Through periodic recovery drills, offline storage media protection (e.g., fireproof and anti-magnetic cabinets), encryption verification, and a multi-cloud disaster recovery architecture, the Company ensures backup reliability and availability under extreme scenarios (e.g., natural disasters, cyberattacks).
Information Security Audit	The Company conducts regular compliance audits for information security (once every six months) and annually commissions qualified third-party organizations (such as the China Cybersecurity Review Technology and Certification Center and information security evaluation agencies) to carry out independent information security reviews. The Company has clearly specified the above review frequency in its management system.
Consumer Privacy Protection	The Company has publicly released the Consumer Privacy Protection Statement and has also formulated and implemented the User Information Protection Management System, which clearly defines the norms for the collection, storage, use, and deletion of consumers' personal information. Specific measures include encrypted data transmission, graded access permissions, privacy impact assessments, and regular security audits, ensuring that consumer privacy is fully protected.
Occupational Health and Safety Management System and Policies	The Company has established an Occupational Health and Safety Management Committee, with the General Manager/Chairman serving as the committee director. Under the committee, there are the safety management department, line responsibility departments, as well as trade union and employee representatives. The Company has also engaged occupational health technical service institutions, safety evaluation agencies, medical institutions, and an industry expert database. The Company's safety policies explicitly cover contractors, requiring them to comply with the Company's uniform occupational health and safety regulations. The Company's governance bodies have established a clear process for obtaining occupational health and safety management information: a dedicated department submits special reports and incident logs on a quarterly basis. Additionally, a fixed-frequency information acquisition mechanism has been established, with at least one meeting held each quarter to review the status of safety production management.
R&D and Innovation Management System and Policies	The Company has designated its Technology R&D Center to be specifically responsible for R&D and innovation management, with the board of directors assuming oversight responsibilities. The Company has clearly defined the roles and authority of the three-tier governance structure for R&D and innovation management (board of directors, senior management, and R&D department). The governance bodies obtain management information through semi-annual innovation special reports and annual board reviews, forming a fixed-frequency mechanism (at least twice a year).
R&D and Innovation Management Objectives and Planning	The Company has established specific R&D and innovation targets, with an annual increase of more than 40 new patents, and tracks the progress of these targets every six months. By the end of the reporting period, the targets have been fully achieved.
Intellectual Property Protection	The Company has designated its Legal and Intellectual Property Department to be specifically responsible for intellectual property management, with senior management coordinating implementation and the board of directors assuming oversight responsibilities. The Company has refined its internal management in accordance with the certification system of the Enterprise Intellectual Property Management Practice (GB/T 29490) and clearly defined the authority and responsibilities of the three-tier governance structure. The governance bodies obtain information through semi-annual special reports and annual reviews, forming a fixed-frequency mechanism (at least twice a year).

Issues	Strategies
Raw Material and Packaging Material Management System and Policies	The Company has designated its Supply Chain Management Department to be specifically responsible for the daily management of raw materials and packaging materials, with senior management coordinating implementation and the board of directors assuming oversight responsibilities. The Company has clearly defined the roles and authority of the three-tier governance structure for raw materials and packaging materials management (board of directors, senior management, and executing departments). The governance bodies obtain relevant information through quarterly supply chain management special reports and annual board reviews, forming a fixed-frequency information acquisition mechanism (at least once per quarter).
Raw Material and Packaging Material Certification	Through process-based remanufacturing, used servers can have their product life cycle extended, which is conducive to resource conservation and environmental protection, while also yielding considerable economic benefits. The Company itself has obtained the Grade A Qualification Certificate for Renewable Resource Reuse Service Enterprises and the First-Grade Qualification Certificate for Used Server Recycling Service Enterprises. Its controlled subsidiary, Semsotai North Inc., has obtained ISO 14001:2015, R2:2013 (Sustainable Electronics Reuse and Recycling Standard v3), ISO 45001:2018, and ISO 9001:2015 certification.
Antitrust and Fair Competition	The Company has designated its Legal and Compliance Department to be specifically responsible for antitrust and fair competition management, with senior management coordinating implementation, and the Audit Committee under the board of directors assuming ultimate oversight responsibility. The Company's Code of Conduct incorporates provisions related to antitrust and fair competition, and clearly defines a three-tier governance structure: the Audit Committee of the board is responsible for oversight, senior management is responsible for system establishment and resource allocation, and the Legal and Compliance Department together with business departments are responsible for execution and risk control. The governance bodies obtain management information through quarterly compliance reports and annual Audit Committee meetings, forming a fixed-frequency mechanism (at least once per quarter). The Company continuously carries out awareness campaigns, organizes specialized training for key positions, and quantitatively manages training progress (100% coverage). In addition, a risk assessment and response mechanism has been established, with systematic risk identification conducted annually, supported by early warning and corrective measures.
Anti-Corruption Management System and Policies	The Company has clearly assigned senior management direct responsibility for the coordination, resource allocation, and execution supervision of anti-corruption management, with anti-corruption management policies fully extended to suppliers, enforced through the Supplier Code of Conduct and integrity agreements. The Company has established a clear three-tier governance structure for anti-corruption management: the Audit Committee under the board of directors assumes oversight and approval responsibilities; senior management assumes responsibilities for system establishment and resource allocation; and business and procurement departments, as the execution level, assume responsibilities for daily risk identification and control, with specific roles and authorities at each level progressively defined in the organizational authority documents. Furthermore, the Company's governance bodies have established a clear process for obtaining anti-corruption management information—through Special Anti-Corruption Reports periodically submitted by the compliance department, internal audit reports, a case log of whistleblower reports, and direct access to key indicators via a digital compliance management platform. A fixed information acquisition frequency of at least once per quarter has been established, where the compliance department formally reports on anti-corruption management status at the quarterly Audit Committee meeting of the board, ensuring continuous visibility of risk dynamics and timely intervention by the governance level.

Issues	Strategies
Supervision of Anti-Corruption and Anti-Bribery Regarding Business Partners	The Company has established both passive and active monitoring mechanisms for the business ethics conduct of its business partners. In terms of passive monitoring, the Company has set up a whistleblower email, an integrity hotline, and an online feedback platform to receive complaints and leads from internal and external parties regarding potential bribery, fraud, conflicts of interest, and other misconduct by business partners, and commits to implementing whistleblower protection and anonymous response mechanisms. In terms of active monitoring, the Company incorporates business ethics clauses into all procurement and cooperation agreements, requiring business partners to sign a Letter of Integrity Commitment. The Company also regularly conducts business ethics risk assessments of business partners, annual compliance questionnaire follow-ups, and necessary on-site or remote due diligence, with high-risk business partners subject to a rotational review every two years. For identified violations, The Company has clearly defined handling procedures in its Business Partner Management System: depending on the severity, measures may include written warnings, corrective action deadlines, suspension of cooperation, contract termination, inclusion on the supplier blacklist, and the right to pursue legal liability and claims for compensation in accordance with the law. Relevant violation information is also incorporated into the Company's business partner integrity file.
Training on Anti-Corruption and Anti-Bribery Policies, etc.	The Company has systematically carried out anti-corruption communication and education, through internal all-staff emails, integrity culture walls, case alert brochures, and an online compliance learning platform. The Company regularly organizes anti-corruption training for all employees, as well as specialized training on anti-corruption laws and regulations, covering the Anti-Unfair Competition Law, the commercial bribery provisions of the Criminal Law, and the Company's internal Integrity Employment Management System. At the same time, it conducts online anti-corruption training and requires the signing of integrity commitments for business partners such as suppliers and agents, achieving risk prevention and control at key third-party touchpoints. The Company quantitatively manages training progress and incorporates it as a quantitative tracking indicator in the annual compliance performance assessment.
ESG Risk Management	The Company has established an ESG risk supervision mechanism covering its entire business chain. The board of directors regularly reviews ESG risk management reports and oversees the closure of corrective actions for key risk indicators. The Company strictly aligns with international standards such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD), integrating ESG risks into its comprehensive risk management system to ensure systematic and transparent risk management that aligns with international best practices.
ESG performance	ESG performance is fully integrated into the executive compensation assessment system, clearly achieving a substantive linkage between executive pay and ESG performance. The assessment dimensions cover environmental (e.g., environmental compliance rate), social (e.g., employee training coverage rate and safety accident rate), and governance (e.g., number of business ethics violations) among other multi-dimensional indicators, and ensure that at least two or more quantitative ESG indicators are included.