博迁新材

2025

Social Responsibility Report

Jiangsu Boqian New Materials Stock Co., Ltd.

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Opening

About this Report

This report is the second annual Environmental, Social, and Governance (ESG) report released by Jiangsu Boqian New Materials Stock Co., Ltd. for stakeholders. The report details the Company's practices and performance in the fields of environment, society, and governance in 2025, aiming to effectively communicate with stakeholders and systematically address their expectations and demands.

Reporting Period

The report covers the period from January 1 to December 31, 2025. To enhance the comparability and forward-looking nature of the report, certain contents are appropriately extended to the preceding and subsequent fiscal years.

Compilation Basis

- *Guidelines No. 14 of Shanghai Stock Exchange for Self-regulation of Listed Companies—Sustainability Report (Trial)* by Shanghai Stock Exchange (SSE)
- *Guide No. 4 for Self-regulatory Supervision on Listed Companies of the SSE—Compilation of Sustainable Development Reports* by Shanghai Stock Exchange (SSE)
- *Sustainable Development Goals (SDGs): A Corporate Action Guide*
- *Sustainability Reporting Standards* by Global Reporting Initiative (GRI) (GRI Standards)
- *Practical Guide to Sustainability Reporting of Listed Companies by China Association* for Public Companies

Addressing and Representation

Boqian New Materials, the Company	Jiangsu Boqian New Materials Stock Co., Ltd.
Guangxin Nano (Subsidiary of the Company)	Ningbo Guangxin Nano Materials Co., Ltd.
Guidelines No. 14 of SSE	Guidelines No. 14 of Shanghai Stock Exchange for Self-regulation of Listed Companies—Sustainability Report (Trial) by Shanghai Stock Exchange (SSE)
RMB, RMB 10,000, RMB 100 million	Renminbi 1 Yuan, Renminbi 10,000 Yuan and Renminbi 100 million Yuan, respectively
Reporting Period	2025

Information Source

The data used in this report is sourced from the Company's actual operational data, publicly available government data, annual financial data, internal relevant statistical reports, third-party survey questionnaires, and third-party evaluation interviews. Financial data in this report is denominated in RMB. In case of any inconsistency with the financial reports, the financial reports shall prevail.

Report Access

The electronic version of this Report can be accessed on the Shanghai Stock Exchange website (http://www.sse.com.cn).

Message from the Company

Respected shareholders, partners, all employees and friends from all walks of life:

As the tide of the times surges, industries rise with innovation. 2025 marked a critical period for the global new materials industry embracing technological iteration and structural restructuring, with high-endization, green development and intelligentization emerging as the core directions of industrial progress. Aligning with the national industrial development strategy, Boqian New Materials has deeply integrated the ESG philosophy into the entire process of its operation and development. With innovation as its core, green as its foundation, talent as its pillar and governance as its outline, the Company has forged ahead steadily in technological breakthroughs, energy efficiency improvement, talent cultivation and governance optimization, achieving the synchronous development of enterprise growth and social value creation. On the occasion of the release of the Company's 2025 Social Responsibility Report, on behalf of the Board of Directors and the management, I would like to extend our sincere gratitude and high respect to all partners who have long cared for and supported the Company's development!

As a leading enterprise in China's high-end metal powder materials sector, Boqian New Materials has always upheld the mission of "breaking technological barriers, facilitating domestic substitution, and empowering the global industry". The Company has deeply cultivated the high-value product fields such as nickel-based, copper-based and iron-based powders, and filled the domestic gap in the production technology of high-end ultrafine metal powders by virtue of the industrialization breakthrough of the atmospheric-pressure plasma evaporation-condensation process. In 2025, facing the challenges of fluctuating raw material prices and intensified industrial competition, we remained committed to taking technological innovation as the guide and market development as the starting point, and deeply integrated ESG practices into the entire industrial chain of R&D, production, management and marketing. As a result, we successfully achieved our annual business targets, with our Wind ESG rating jumping to Grade A and the market capitalization registering a significant growth. This achievement is a recognition of our ESG practices and development potential by the capital market, a testament to the concerted efforts and persistent drive of all Boqian staff, and further strengthens our determination to empower high-quality development through ESG initiatives.

Green development is the fundamental underpinning for the long-term and steady growth of an enterprise, and also the core principle guiding our fulfillment of environmental responsibilities. 2025, closely following the "Dual Carbon (carbon peaking and carbon neutrality)" strategy, we took capacity expansion and quality improvement as the key measure, realizing the coordinated advancement of scale growth and green low-carbon development. To meet the market demand from downstream fields such as MLCC and photovoltaic, the Company added multiple sets of high-end production and testing equipment, systematically expanded the production capacity of ultrafine metal powders, and steadily implemented the capacity expansion projects of key products, laying a solid capacity foundation for domestic substitution and global market layout. While expanding capacity, we adhered to the principle of "increasing production without raising consumption, improving quality while enhancing efficiency". We completed the green upgrading and transformation of multiple production systems, and promoted the flexible production mode. Through scientific production scheduling and precise allocation, we achieved lean management of the production process. Underpinning these achievements is the core technological support provided by our independently developed atmospheric-pressure plasma evaporation-condensation process, which not only ensures high product performance but also features low pollution. This technology has strengthened the Company's core competitiveness in green manufacturing.

Innovation is the core vitality of an enterprise, and talent is the primary resource for innovative development. This is the key to our fulfillment of development responsibilities and also an important embodiment of the social value of ESG. In 2025, we adhered to the strategy of "empowering development through innovation and laying a solid foundation with talent", promoting the deep integration of product R&D innovation and talent development. On the R&D front, guided by market demand, we focused on the core technology track and achieved dual breakthroughs in new product R&D and process optimization: substantial progress was made in the optimization of process parameters for alloy powders; high-potential new products such as photovoltaic copper powders passed sample verification by the customer, providing core material support for cost reduction through the "copper-for-silver" substitution in the photovoltaic industry. On the talent front, we continued to increase efforts in the recruitment and cultivation of high-end talents, deepened the layout of campus talent recruitment, accurately introduced young professionals in key fields such as R&D and sales, and further optimized the talent pipeline featuring "doctoral leadership, master's support and undergraduate foundation". We have built a development platform for talents and improved the R&D incentive mechanism, realizing a virtuous circle of stimulating innovation through talents, driving development through innovation, and gathering talents through development.

Standardized governance is the guarantee for the steady development of an enterprise and also the core cornerstone of ESG practices. In 2025, we continued to improve the corporate governance system, and safeguarded the legitimate rights and interests of all stakeholders through a transparent, standardized and efficient mechanism. In internal management, we improved the institutional system, optimized management processes, and enhanced the team operational efficiency and cross-departmental collaboration capabilities, providing a solid guarantee for the orderly progress of all work. In investor relations management, we truthfully, accurately and completely conveyed the Company's strategy and development value to the capital market through various channels such as performance briefings, research forums and interactive platforms. Meanwhile, we actively aligned with national industrial policies, and successfully won honorary titles including "Advanced Intelligent Factory in Jiangsu Province" and "Zhejiang Provincial Enterprise Research Institute", driving the sustainable development of the enterprise with policy empowerment.

Looking back on 2025, we have taken solid steps and reaped fruitful results. Looking ahead, competition in the new materials industry is becoming increasingly fierce, with green, low-carbon development and high-end innovation as the main themes. Notably, ESG has become a vital component of enterprises' core competitiveness. Guided by ESG principles, Boqian New Materials will further ramp up R&D investment, strengthen its talent pipeline, upgrade production capacity, promote green production, and enhance corporate governance systems. We will continue to deepen our expertise in the high-end metal powder materials sector, seize opportunities in high-growth tracks such as the upgrade of AI computing power and the accelerated iteration and advancement of automotive electronics, and align with the base metal substitution trend in the photovoltaic industry to expand our global market footprint. Meanwhile, we will further advance our ESG practices, raise the quality of information disclosure, and strengthen collaboration with stakeholders, so as to reward our shareholders, repay our employees and give back to society with superior business performance and more concrete responsible practices.

The path ahead is long and arduous, but perseverance leads to success; consistent efforts make the future promising. Every step of Boqian New Materials' development cannot be achieved without the joint efforts of partners, the hard work of all employees, and the care and support from all sectors of society. In this new development stage, guided by the principles of "Innovation, Green, Responsibility, and Win-Win Cooperation", we will unite with determination to achieve innovative breakthroughs. With steadfast resolve and concrete actions, we will advance steadily on the path of high-quality development, strive to become the ESG practice benchmark in the new materials industry, and contribute Boqian's strength to upgrading China's new materials industry and realizing green, low-carbon development!

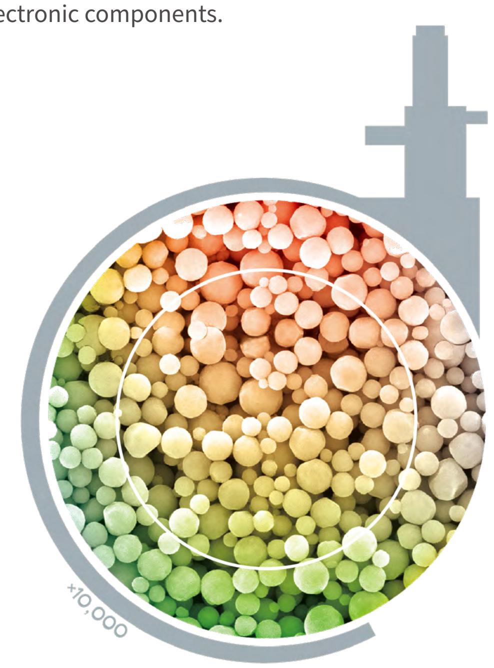
Finally, we would like to express our sincere gratitude again for your trust and support! We wish you good health, smooth work and all the best!

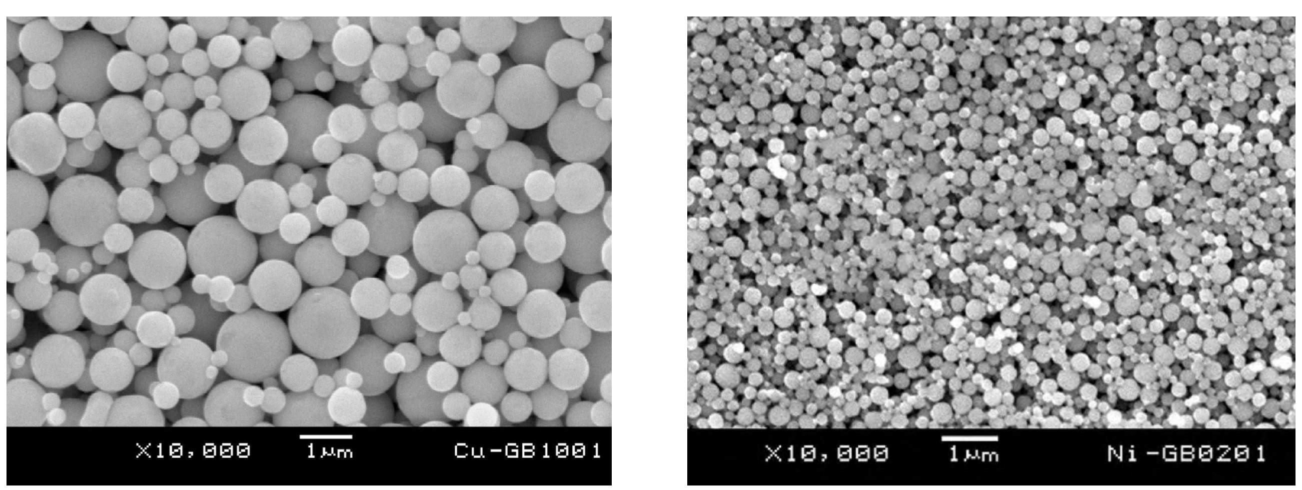
Introduction to Boqian New Materials

Company Profile

The Company is a globally prominent provider of electronic metal powder materials, specializing in the research and development (R&D), production and sales of high-end metal powder materials. Leveraging our self-developed technology platform with atmospheric-pressure plasma evaporation-condensation process as the core, we provide core ultra-fine powder materials for manufacturers of multilayer ceramic capacitors (MLCCs), low-silver and silver-free photovoltaic (PV) electrode materials, solid-state battery anode materials and other electronic components.

The Company's main products include nickel-based products, copper-based products, silver powders and alloy powders, which are widely used in consumer electronics, automotive electronics, industrial automation, artificial intelligence (AI), PV new energy, semiconductor packaging, and other fields. Nickel powder is primarily used as electrode material for MLCCs, serving as a key raw material in electronic component manufacturing. Copper powder and silver-coated copper powder can be widely applied in low-silver/silver-free photovoltaic applications, significantly reducing the production cost of PV cells.





Product SEM Photographs

Corporate Culture

Vision

To become a respected centennial enterprise leading in innovation and driven by technology

Mission

To make the world more low-carbon and life more beautiful

Core Values

Persistence, Integrity, Pragmatism, Responsibility, Innovation, and Sharing

Development History

2010

The New Material Industrial Park was established in Suyu District, Suqian City, Jiangsu Province. Jiangsu Boqian New Materials Co., Ltd. was established formally.

2011

The construction of the New Material Industrial Park (Phase I) commenced;

2012

The Group Chairman Wang Liping was elected as an NPC representative for the 12th National People's Congress, who offered advises and suggestions for the economic development of Jiangsu Province.

2013

The Company was recognized as National High-Tech Enterprise.

The Company was rated as "Advanced Unit of Scientific and Technological Innovation"' and "Advanced Unit of Operation Management".

The "Nano Metal Powder R&D and Industrialization" project was included in the special action plan of strong industrial base in Jiangsu Province;

2014

The construction of the New Material Industrial Park (Phase II) commenced;

Ningbo Guangxin Nano Materials Co., Ltd., a wholly-owned subsidiary of the Company, was established formally.

The "R&D and Industrialization of High-capacity Chip Ceramic Capacitor Internal Electrode Nano Nickel Powder" project, was included in the Jiangsu Province Major Science and Technology Achievements Transformation Projects;

2015

The construction of the New Material Industrial Park (Phase III) commenced.

The Company was rated as "Informatization and Industrialization Integration Transformation and Upgrading Demonstration Enterprise in Jiangsu Province".

The Company was included in the "First Batch of Intelligent Demonstration Workshops in Jiangsu Province".

The Company's "silver powder" and "180nm nickel powder" were approved as Jiangsu Province's new products through provincial-level appraisal.

2016

The Company's R&D Center was recognized as Provincial Technical Center and Jiangsu Provincial Nano Metal Powder R&D Engineering Center.

The Company completed the shareholding reform and changed its name to "Jiangsu Boqian New Materials Co., Ltd.".

The Company was recognized as National High-Tech Enterprise again.

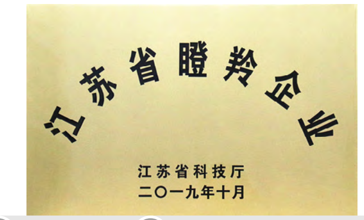
2017

The Company expanded its ultrafine metal powder production line.

2018

The Group Chairman Wang Liping was elected as an NPC representative for the 13th National People's Congress

The Company was rated as a Gazelle Enterprise in Jiangsu Province.



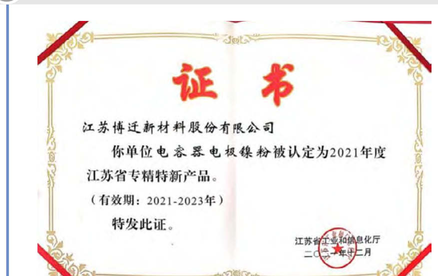
2019

The Company drafted and formulated the industrial standard *Nickel Powder for Capacitor Electrode*.

2020

The Company was listed on the main board of the Shanghai Stock Exchange.

2021



The Company's "capacitor electrode nickel powder" was recognized as a "specialized and new" product in Jiangsu Province.

The "300nm silver powder" was identified as a "Jiangsu Provincial New Product".

The Company's subsidiary, Guangxin Nano, was recognized as a "Provincial Pilot Demonstration Enterprise for the Integrated Development of New-Generation Information Technology and Manufacturing Industry in Zhejiang Province".

The first phase of the "Construction, Relocation and Upgrading Project of High-End Metal Powder Material Production Base for Electronics" was completed and put into operation.

Ningbo Guangqian Electronic Material Co., Ltd. was established.

2022

The Company was recognized as a national specialized, refined, distinctive and innovative "little giant" enterprise.

The Company's subsidiary, Guangxin Nano, was rated as "Green Factory in Zhejiang Province".

The Company was recognized as a quality credit AA-level enterprise in Jiangsu Province.

2023

The company's subsidiary, Guangxin Nano, was certified as "National High-Tech Enterprise".

The Company was honored as "National Intellectual Property Model Enterprise" by the State Intellectual Property Office.

The Company was recognized as "Excellent Enterprise" by Jiangsu Provincial Party Committee and Jiangsu Provincial People's Government.

The Company was recognized as "Green Factory" by Jiangsu Provincial Department of Industry and Information Technology.

The Company was rated as "Green Leading Enterprise" by Jiangsu Development and Reform Commission.

The Company's trademark was recognized as "Thousand Enterprises and Hundred Cities Brand Trademark".

2024

The "Nickel Powder for Capacitor Electrodes" was certified as a "Jiangsu Fine Product".

The Company was rated as Jiangsu Province Five-Star Cloud Enterprise.

The Company was rated as Jiangsu Province Intelligent Manufacturing Workshop.

The Company's silver-coated copper powder products were selected in the "First Batch of Recommended Catalog for Key New Material Applications" in Zhejiang Province.

The Company's subsidiary, Guangxin Nano, was approved as an "Enterprise Technology R&D Center in Ningbo".

2025

Advanced Intelligent Factory in Jiangsu Province.

Advanced Intelligent Factory in Zhejiang Province.

The Company's subsidiary, Guangxin Nano, was approved as an "Enterprise Research Institute in Zhejiang Province".

The ultrafine metal powder production line was expanded.

The project "Key Technology R&D and Industrialization of Ultrafine Metal Powder Preparation for High-Capacity and Small-Size MLCCs" won the second prize of the "Ningbo Science and Technology Progress Award".

Building a Strong Governance Foundation

The Company is committed to improving its corporate governance structure. Through the standardized operation of governance bodies including the General Meeting of Shareholders and the Board of Directors, the Company ensures the effectiveness of corporate governance. It maintains sound and regular communication with shareholders and investors, release information in a timely manner, participate in shareholder meetings, and fully solicit shareholders' opinions. Meanwhile, the Company continuously optimizes its internal control and risk management mechanisms, upholding the principles of integrity management and fair dealing, so as to ensure the smooth operation of the Company and create value for shareholders.

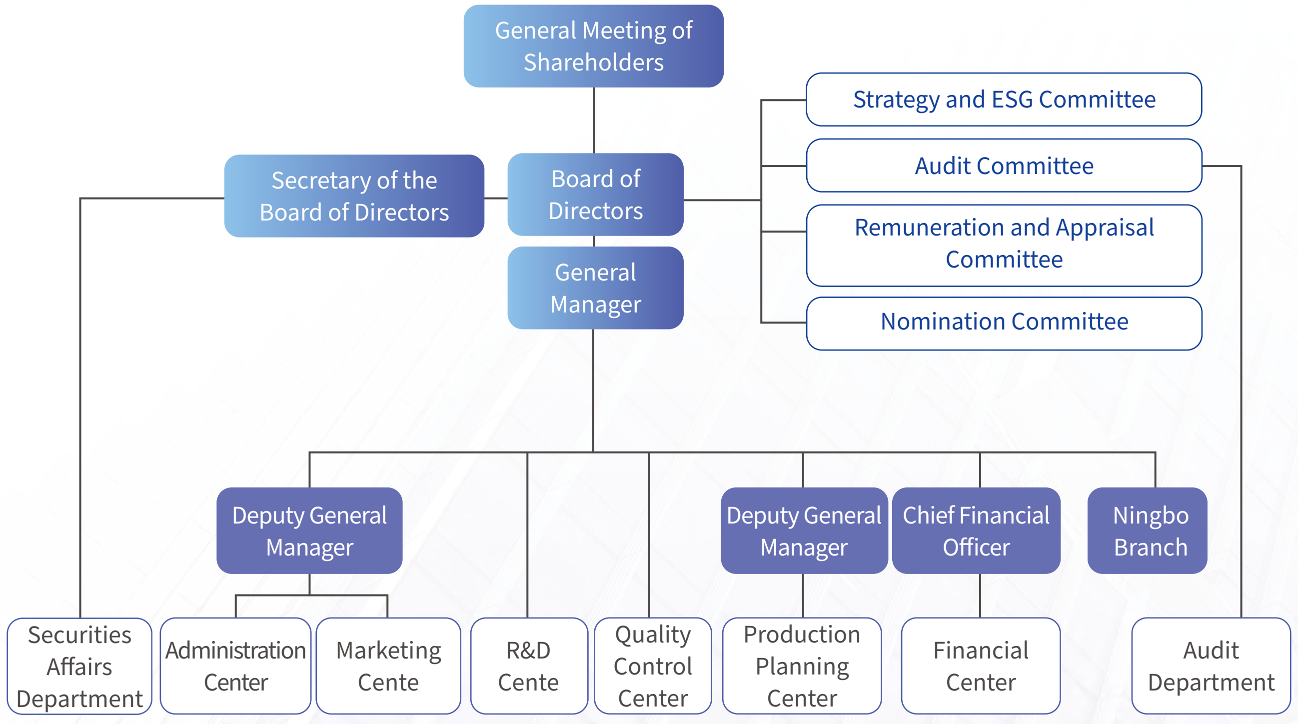
Our Actions:

- Corporate Governance
- Investor Relations
- ESG Management
- Risk and Internal Control
- Business Ethics

01

Corporate Governance

In accordance with the provisions of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and other relevant laws, regulations and normative documents, the Company has formulated the *Articles of Association of Jiangsu Boqian New Materials Stock Co.*, Ltd. and established a corporate governance framework with the General Meeting of Shareholders as the highest authority and the Board of Directors as the core of decision-making and supervision. The senior management appointed by the Board of Directors is responsible for daily operations. Together, these authorities form a governance structure with clearly defined powers and responsibilities and effective checks and balances.



Corporate Governance Structure

The Company aims to standardize governance and promptly revise or establish relevant management systems in accordance with the latest regulatory laws, normative guidelines, and the actual situation of the Company, thereby ensuring a solid management foundation and continuously improving the construction of its institutional system. During the reporting period, the Company revised the *Articles of Association of Jiangsu Boqian New Materials Stock Co., Ltd.*, together with systems including the *Rules of Procedure for the General Meeting of Shareholders of Jiangsu Boqian New Materials Stock Co., Ltd.*, the *Rules of Procedure* for the *Board of Directors of Jiangsu Boqian New Materials Stock Co., Ltd.* and the *Detailed Working Rules for the General Manager of Jiangsu Boqian New Materials Stock Co., Ltd.* Meanwhile, the Company formulated systems such as the *Internal Control System of Jiangsu Boqian New Materials Stock Co., Ltd.* and the *Management System for the Resignation of Directors and Senior Management Personnel of Jiangsu Boqian New Materials Stock Co., Ltd.*

General Meeting of Shareholders

The convening, proposal submission, notification, attendance, deliberation, voting, resolution and meeting minutes of the Company's General Meeting of Shareholders are all strictly implemented in accordance with the relevant provisions of applicable laws and regulations, the *Articles of Association of Jiangsu Boqian New Materials Stock Co., Ltd.* and the *Rules of Procedure for the General Meeting of Shareholders of Jiangsu Boqian New Materials Stock Co., Ltd.* Shareholders earnestly perform their obligations and exercise their rights in accordance with the law. During the reporting period, the Company held 2 sessions of the General Meeting of Shareholders.

Board of Directors

The convening, proposal submission, notification, attendance, deliberation, voting, resolution and meeting minutes of the Company's Board of Directors are all strictly implemented in accordance with the relevant provisions of applicable laws and regulations, the *Articles of Association of Jiangsu Boqian New Materials Stock Co., Ltd.* and the *Rules of Procedure for the Board of Directors of Jiangsu Boqian New Materials Stock Co., Ltd.* Directors earnestly perform their obligations and exercise their rights in accordance with the law. During the reporting period, the Company held 7 sessions of the Board of Directors, with a 100% attendance rate of directors.

Diversity of the Board of Directors

To strengthen the effectiveness of governance and enhance the level of scientific decision-making, the Company actively promotes the diversified construction and independence enhancement of the Board of Directors. During the selection of Board members, the Company comprehensively considers factors such as gender, age, educational background, skills, knowledge, and professional experience, ensuring diversity across fields such as chemical industry, accounting, law, among others. This multi-field coverage injects innovative energy for strategic planning from a cross-disciplinary perspective, solidifying the foundation for the Company's sustainable development.

Diversified Composition of the Board of Directors

Name	Position	Professional Knowledge and Skills			Main Experience			Gender	Age
		Industry	Finance & Banking	Law	Industry	Finance & Banking	Law		
Wang Liping	Chairman of the Board	✓	✓		✓			Male	65 years old
Qiu Oute	Director and General Manager		✓		✓	✓		Male	56 years old
Jiang Yilong	Director and Deputy General Manager			✓	✓			Male	52 years old
Zhao Dengyong	Director	✓			✓			Male	44 years old
Jiang Ying	Director and Secretary of the Board of Directors			✓	✓		✓	Female	45 years old
Cai Jun	Employee Representative Director	✓			✓			Male	43 years old
Leng Jun	Independent Director		✓		✓			Male	48 years old
Jiang Suting	Independent Director			✓			✓	Male	44 years old
Xu Jinfu	Independent Director	✓			✓			Male	60 years old

Independence of the Board of Directors

During the reporting period, the Company revised the *Working Rules for Independent Directors of Jiangsu Boqian New Materials Stock Co., Ltd.* and the *Working Rules for Special Meetings of Independent Directors of Jiangsu Boqian New Materials Stock Co., Ltd.* These rules clearly define the key functions of independent directors in supervision, risk control and decision-making, safeguard their independence in performing duties, improve the efficiency of deliberations and the quality of decisions of the Board of Directors, effectively protect the rights and interests of shareholders, and enhance the transparency of corporate governance.

The Company's Board of Directors comprises 9 directors, including 3 independent directors and 1 employee representative director elected during the reporting period, which ensures the diversity of decision-making and effective checks and balances of the Board of Directors. In the reporting period, the Company held 2 special meetings of independent directors, which mainly deliberated on related transaction matters subject to pre-review and approved all such matters unanimously.

During the reporting period, the Company renamed the "Strategy Committee" as the "Strategy and ESG Committee". At present, the Board of Directors has set up four special committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategy and ESG Committee. Each committee performs its duties independently and effectively in strict accordance with the provisions of the *Articles of Association of Jiangsu Boqian New Materials Stock Co., Ltd.* and its respective working rules.

Members and Responsibilities of the Special Committees under the Board of Directors

Special Committee	Members	Number of Meetings	Main Responsibilities
Audit Committee	Leng Jun (Chair), Jiang Suting, Zhao Dengyong	7	Leng Jun, a professional accountant, serves as the convenor of the Audit Committee. The Audit Committee's core functions include financial supervision and risk control. It is responsible for reviewing financial information, supervising internal and external audits, evaluating internal control.
Nomination Committee	Xu Jinfu (Chair), Wang Liping, Jiang Suting	2	Its core functions include personnel selection and qualification review. It is responsible for formulating selection criteria and procedures for directors and senior management, and conducting qualification checks on candidates.
Remuneration and Appraisal Committee	Jiang Suting (Chair), Leng Jun, Qiu Oute	2	Its core functions include the establishment of incentive and restraint mechanisms. It is responsible for formulating assessment criteria, remuneration policies and plans for directors and senior management.
Strategy and ESG Committee	Wang Liping (Chair), Qiu Oute, Xu Jinfu	1	Its core functions include defining development direction and conducting sustainable governance. It is responsible for researching the Company's long-term strategy, major investments and ESG-related matters, and promoting the Company's sustainable development.

Compliance Training

The Company organized directors, senior management and other relevant personnel to participate in a series of compliance training sessions held by the Shanghai Stock Exchange and the Jiangsu Association for Public Companies through online and offline channels. These sessions aimed to help them understand the latest regulatory landscape and statutory amendments, and strengthen their compliance awareness and professional competency in performing duties.

Remuneration of Directors and Senior Management

During the reporting period, the Company revised the *Remuneration Management System for Directors and Senior Management of Jiangsu Boqian New Materials Stock Co., Ltd.*, which clearly defines the composition of remuneration for directors and senior management, the basis for remuneration adjustment and the principle of performance linkage. Besides, the system stipulates that incentive remuneration may be revoked in the event of serious violations of rules and regulations. On the other hand, the Company also formulated the *Management System for the Resignation of Directors and Senior Management of Jiangsu Boqian New Materials Stock Co., Ltd.*, which systematically sets out the resignation scenarios and procedures, clarifies the continuing obligations after resignation (e.g., confidentiality and shareholding lock-up), and establishes a liability investigation mechanism to ensure the smooth transition of corporate governance.

Investor Relations

Information Disclosure

The Company strictly abides by the *Measures for the Administration of Information Disclosure by Listed Companies. During the reporting period, it revised the Information Disclosure System of Jiangsu Boqian New Materials Stock Co., Ltd.* and *the Annual Report Information Disclosure Major Errors Accountability System of Jiangsu Boqian New Materials Stock Co., Ltd.*, thus establishing an information disclosure management system with clearly defined powers and responsibilities and a complete workflow. This system specifies the principles, scope, procedures and the responsibilities of each subject for information disclosure, and sets up a mechanism for the identification of and accountability for major errors, so as to ensure that information disclosure is true, accurate, complete, timely and fair.

Key Performance

During the reporting period, the Company disclosed **4** periodic reports and **62** interim announcements, ensuring the timeliness, accuracy and compliance of all external information dissemination, and laying a solid foundation for building long-term and stable investor relations.

Investor Relations Management

The Company actively advances the construction of investor relations and market value management systems. During the reporting period, it revised and implemented the *Investor Relations Management System of Jiangsu Boqian New Materials Stock Co., Ltd.*, set up a full-time department, and established an omni-channel and normalized communication mechanism covering performance briefings, on-site research, roadshow exchanges, hotline communication and information disclosure review. This ensures efficient, compliant and transparent interaction with the capital market. Under the protection of this system, the Company proactively and accurately conveyed to the market positive progress in core technological breakthroughs, orderly capacity expansion and governance structure optimization, effectively strengthening investors' consensus on the Company's development strategy and long-term value. During the reporting period, the Company's total market capitalization achieved significant growth, rising from RMB 7.573 billion at the beginning of the period to RMB 17.109 billion at the end of the reporting period, a year-on-year increase of 125.92%. This fully reflects the capital market's recognition of the Company's core competitiveness and sustainable development potential.

Since its listing, the Company has maintained annual cash dividends to actively share its operating results with investors. During the reporting period, the Company implemented the 2024 annual profit distribution plan, distributing a cash dividend of RMB 1.5 per 10 shares (including tax) to all shareholders, with a total cash dividend of RMB 39.24 million (including tax).

Key Performance

During the reporting period,

- For all investors, the Company held **3** performance briefings on the SSE Roadshow Center platform to systematically interpret its financial performance, business strategy and industry prospects;
- A total of **31** investor inquiries were replied to via the SSE E-Interaction Platform, covering products, markets, technologies and other aspects, ensuring the openness, timeliness and transparency of daily communication;
- On-site research activities were organized and multiple institutional investors were received on multiple occasions throughout the year.

Case: Winning the Award for Excellent Investor Relations Management, Enhancing the Quality and Efficiency of Capital Market Communication

In December 2025, the Company was awarded the "Best Communication and Interaction Award" by Comein Finance in recognition of its outstanding performance in investor relations management practice. It is reported that the "2025 Listed Companies Annual Investor Relations Management Data Ranking" was compiled by Comein Finance based on multi-dimensional investor relations management data aggregated on its platform while combining with the statistical analysis of listed companies' capital market performance. This ranking not only represents recognition of listed companies' investor relations management practices and also aims to encourage listed companies to further improve their investor relations management capabilities and contribute to the construction of a sound and efficient capital market environment.

The winning of this "Best Communication and Interaction Award" fully demonstrates the recognition of the Company's investor relations management work by the industry and investors. Going forward, the Company will continue to attach great importance to interactive communication with investors, keep pace with industry development trends and changes in investor demands, further explore innovative practices in investor relations management work, maintain high-quality and proactive communication with the capital market, and contribute to the stable and healthy development of the capital market.

"Best Communication and Interaction Award" for Investor Relations Management by Comein Finance

ESG Management

The Company's Board of Directors is the supreme decision-making and supervision body for the sustainable development strategy, and bears ultimate responsibility for major related risks and opportunities. The Strategy and ESG Committee under the Board of Directors is responsible for researching ESG-related policies and major sustainable development matters; identifying and supervising ESG-related risks and opportunities that have a material impact on the Company's business; guiding the senior management to adopt appropriate response measures for ESG risks and opportunities; and reviewing the Company's policies, reports and other documents pertaining to environmental, social and governance (ESG) topics.

Honors and Qualifications

During the reporting period, the Company achieved **"A"** in the Wind ESG Rating, ranking among the top in the metals and mining industry.

Communication with Stakeholders

The Company actively listens to the suggestions and expectations of stakeholders regarding sustainable development through various communication channels to ensure effective communication with key stakeholders.

Stakeholders	Concerns and Expectations	Communication Channels
Government and Regulatory Agencies	• Due diligence • Communication with stakeholders • Anti-commercial bribery and anti-corruption • Anti-unfair competition • Corporate governance • Pollutant discharge • Waste disposal • Environmental compliance management • Equal treatment to small and medium-sized enterprises • Rural revitalization	• Government research • Compliance inspection • Regular meeting exchange • Participating in government cooperation, exchange and discussion activities
Shareholders and Investors	• Corporate governance • Communication with stakeholders • Anti-commercial bribery and anti-corruption • Innovation-driven	• Information disclosure • Performance briefings • Investor hotline • Company research
Customers	• Innovation-driven • Supply chain security • Safety and quality of products and services • Data security and customer privacy protection • Addressing climate change • Usage of energy • Usage of water resources • Circular economy • Anti-commercial bribery and anti-corruption • Anti-unfair competition	• Communication and collaboration with customers • Customer satisfaction survey • Technical seminars • Daily communication with customers • Confidentiality of customer information
Employees	• Anti-commercial bribery and anti-corruption • Anti-unfair competition • Employee rights and benefits protection • Occupational health and safety • Employee training and development • Data security and customer privacy protection • Contributions to the society	• Employee training • Work meetings • Staff symposium • Employee satisfaction survey • Employee activities
Suppliers and Business Partners	• Supply chain security • Equal treatment to small and medium-sized enterprises • Safety and quality of products and services • Anti-commercial bribery and anti-corruption • Anti-unfair competition	• Supplier management and auditing • Supplier training and empowerment • Supplier communication and exchange • Supplier conferences
Community and Industry	• Anti-unfair competition • Addressing climate change • Rural revitalization • Contributions to the society • Innovation-driven	• Environmental protection activities • Industry conferences and exhibitions • School-enterprise cooperation • Public welfare activities
Media	• Rural revitalization • Contributions to the society • Innovation-driven • Equal treatment to small and medium-sized enterprises • Safety and quality of products and services • Circular economy • Addressing climate change • Communication with stakeholders	• Information disclosure • Communication interviews • Wechat Official Account platform

Materiality Topics Analysis

To fully understand the focus of stakeholders' concerns and better integrate their demands and expectations into the Company's sustainable development management practices, the Company has carried out the identification and analysis of material topics and prioritized such topics. In the assessment, the Company gives priority to risks that may materially impact its business, damage its reputation or are of the utmost concern to stakeholders. During the reporting period, the Company conducted an assessment and adjustment of the 2024 double materiality topics in light of its actual operation, and identified a total of 4 topics with double materiality and 7 topics with only impact materiality.

Learning about Company Activities and Business Relationships and Backgrounds

- Learn about company activities and business relationships
- Understand the external objective environment
- Learn about the main affected stakeholders

ESG Topic Library Identification

- Use topics identified inGuidelinesas a baseline, and identify other potential materiality topics with reference to peer companies, rating standards, etc.
- Identify the impact, risks and opportunities related to the topics, and summarize them to form a company topic library

Topic Materiality Assessment and Ranking

- Identify the results of impact materiality and financial materiality assessments through interviews, etc.
- Integrate the assessment results to form a dual-materiality matrix

Topic Materiality Determination and Reporting

- Determine or adjust the results of materiality topics in combination with the opinions of the management
- Disclose in the annual social responsibility report in accordance with the requirements of theGuidelines

Materiality Analysis Process of Topics

Governance	Environmental	Social
• Anti-commercial bribery and anti-corruption • Anti-unfair competition • Communication with stakeholders • Due diligence	• Addressing climate change • Usage of energy • Usage of water resources • Circular economy • Waste disposal* • Pollutant discharge • Environmental compliance management	• Innovation-driven* • Product and service safety and quality* • Data security and customer privacy protection • Supply chain security • Employee rights and benefits protection • Employee training and development • Employee health and safety* • Contributions to the society • Rural revitalization • Equal treatment to small and medium-sized enterprises

Note:Topics marked with an asterisk (*) are of double materiality.

The Company assesses the risks and opportunities associated with each sustainability-related topic, considering their impact on economic, social, and environmental sustainability over the short term (0 to 1 year inclusive), medium term (1 to 3 years inclusive), and long term (over 3 years), as well as their influence on short-term operations and business decisions. Based on this assessment, the Company analyzes its response strategies, develops corresponding action plans, and works to prevent potentially significant negative impacts or risks while seizing new opportunities.

Risks and Opportunities of Financially Material Topics

Topic	Key Risks/ Opportunities	Financial Impact	Value Chain Link Affected	Impact Period	Response Measures
Safety and Quality of Products and Services	Risk: Product quality fluctuations or presence of non-conforming products affecting customer trust; Opportunity: Enhancing customer loyalty through quality improvements and efficient services, expanding into the high-end market.	Risk: Decrease in revenue Opportunity: Increase in revenue	Upstream supply chain, own operations, downstream supply chain	Short-term, medium-term, long-term	Establish a full-process quality control system, set up a rapid response mechanism for customer complaints, and promote a closed-loop quality improvement process. For details, see the "Product and Service Safety and Quality" section.
Innovation-driven	Risk: Deviation of R&D direction from market demand, lagging technological iteration, loss of key talent; Opportunity: Commer-cialization of new technologies/products drives high-margin growth, while patent barriers create competitive advantages.	Risk: Decrease in revenue Opportunity: Increase in revenue	Own operations, supply chain downstream	Medium-term, long-term	Strengthen industry-academia-research collaboration and joint talent cultivation through postdoctoral workstations, establish an intellectual property early warning and layout mechanism to prevent technology leaks and infringement risks. Refer to the "Innovation-Driven" section.
Waste Management	Risk: Hazardous waste leakage, waste classification confusion, disposal by unqualified units, lagging emergency response, waste of recyclable resources.	Cost increase	Own operations, supply chain downstream	Short-term, medium-term, long-term	Establish a closed-loop management system from source prevention to end-of-pipe disposal. Refer to the "Waste Management" section.
Employee Health and Safety	Risk: Production safety accidents (e.g., equipment-related injuries, chemical exposure), occupational disease hazards, inadequate emergency management.	Cost increase	Own operations	Short-term, medium-term	Establish a work safety responsibility system covering all employees and a three-level safety education system, and conduct regular equipment safety inspections and hazard identification. Refer to the "Occupational Health and Safety" section.

Risk Internal Control

The Company has formulated the *Internal Control System of Jiangsu Boqian New Materials Stock Co., Ltd.* and the *Internal Audit System of Jiangsu Boqian New Materials Stock Co., Ltd.*, which define the five major principles of internal control: comprehensiveness, materiality, checks and balances, adaptability, and cost-effectiveness, systematically forming an internal control framework covering the corporate level, subordinate departments and affiliate levels, and individual business process levels. The systems cover all key business processes including sales and collection, procurement and payment, production management, asset management, investment, R&D, and human resources, while integrating seals, contracts, budgets, information disclosure, and subsidiary management into a unified system, ensuring that internal control runs through the entire process of decision-making, execution, and supervision.

Internal Control Management Structure

Board of Directors	Assume ultimate responsibility for internal control, including approving policies, supervising implementation, reviewing reports, and ensuring truthful and complete disclosures.。
Audit Committee	Guide and supervise internal control inspections, review relevant reports, and draft self-assessment reports.
Audit Department	Independently conduct daily internal control inspections and supervision, report directly to the Board of Directors, identify deficiencies, track rectifications, and maintain work records.
Management	Organize the daily operation and execution of the internal control system, implement risk control activities, and urge business departments to take corrective actions.
Business and Subordinate Departments	As the specific execution level of internal control, implement policies, coordinate inspections, and carry out rectifications.
All Employees	Participate in internal control activities together with the Board of Directors and the management, and serve as fundamental participants in internal control execution.

Risk and Internal Control Management Measure

Routine Supervision and Evaluation

The Audit Department is responsible for daily internal control supervision, conducts annual internal control self-evaluations, identifies deficiencies, and prepares the *Internal Control Evaluation Report*. The Company has established quantitative and qualitative criteria for identifying internal control deficiencies in financial and non-financial reporting to ensure objective and consistent evaluation.

Key Area Audits

The Audit Department conducts timely special audits on major matters such as external investments, related-party transactions, guarantees, asset acquisitions and disposals, to ensure compliance and risk controllability.

Deficiency Rectification and Tracking

For identified internal control deficiencies, relevant departments are organized to develop corrective actions and track implementation, incorporating them into performance evaluations to form a closed-loop process of "inspection-assessment-rectification-review".

Subsidiary Management

Through Articles of Association control, personnel appointments/removals, operational supervision, periodic reporting, and audits, the Company extends effective internal control to controlling subsidiaries, ensuring consistent governance.

The Company is committed to building a regular internal control training system, driving the deep transformation of internal control policies and business processes from textual norms to efficient employee execution through systematic empowerment mechanisms, ensuring sustained compliant operations.

Case Special Training on the *Inventory Management System*

To strengthen system implementation and prevent operational risks, the Company organized a special training on the *Inventory Management System* for key personnel from the Warehousing Center, Procurement Department, and other relevant positions in June 2025. This training systematically explained the key control points and norms for the entire process, including material requisition, warehousing, receiving, outbound handling, inventory counting, and other related procedures, aiming to ensure accurate implementation and efficient execution following system updates, enhance the risk awareness and operational compliance of relevant personnel, and fortify the defense line for asset security and internal control at the early stage of business execution.

Special Training on the *Inventory Management System*

Business Ethics

Upholding a "zero tolerance" principle toward fraudulent behaviors such as bribery and embezzlement, the Company continuously regulates employee conduct and promotes a culture of integrity through the formulation and implementation of the *Anti-Fraud Management System of Jiangsu Boqian New Materials Stock Co., Ltd.*, adhering to the integrity declaration of "Starting from myself, I will uphold the bottom line of honesty and integrity and reject any form of bribery and corruption!"

Anti-Fraud Management System

Audit Committee	Be responsible for guiding the Company's anti-fraud efforts.
Audit Departmen	Serve as the standing body for anti-fraud work; be responsible for independently conducting fraud investigations, performing special audit supervision, and reporting to the Audit Committee.
Management	Take responsibility for addressing fraudulent behavior, establishing, improving, and effectively implementing anti-fraud procedures and controls including fraud risk assessment and fraud prevention, and conducting self-assessments.
Business Departments	Be responsible for anti-fraud work within their respective departments.

Anti-Fraud

To build an honest and transparent business environment, the Company has integrated anti-fraud and integrity-based operations into the core of its corporate governance, continuously strengthening prevention and control mechanisms through systematic measures.

Anti-Fraud Prevention and Control Measures

Advocating a Culture of Integrity and Honesty

- Lead by example from the senior levels, provide training for all employees, and establish clear behavioral guidelines.
- Encourage reporting unethical behavior and establish policies for rewards and punishments.

Strengthening the Assessment of Integrity Risks

- Incorporate fraud risk assessment into the enterprise risk assessment, proactively identify high-risk corruption scenarios in business operations annually, and issue warnings for related practices
- Establish anti-fraud control measures at all levels and in all departments, implement control mechanisms at the source, and ensure their effectiveness.

Conducting Investigations on Key Positions

- Conduct background checks on individuals being considered for hiring or promotion to important positions, and maintain formal written records.

Signing Integrity Agreements

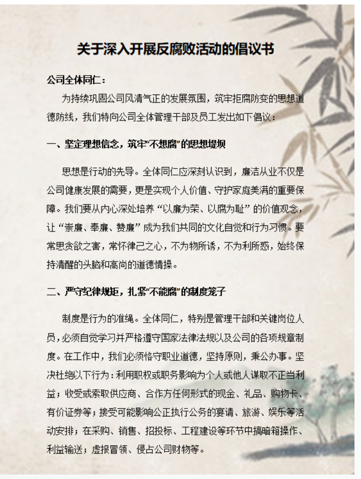
- Have all new employees sign clauses prohibiting commercial bribery in their *Letter of Commitment upon Joining the Company.*
- Sign *Anti-Commercial Bribery Agreement* with suppliers to prohibit commercial bribery practices.

Anti-Fraud Training

To deepen a culture of integrity and compliance, the Company adheres to a dual-drive approach of conceptual guidance and practical implementation, building a comprehensive and systematic anti-corruption governance system to ensure that standards for ethical and compliant conduct are truly internalized and put into practice.

Special Initiative

The Company issued a special initiative, explicitly requiring all employees to uphold firm ideological convictions, strictly observe discipline and rules, and promote a culture of integrity and uprightness, committing to jointly building an integrity ecosystem where employees "dare not, cannot, and do not want to engage in corruption".



关于深入开展反腐败活动的倡议书

公司全体同仁：

为持续巩固公司风清气正的发展氛围，筑牢拒腐防变的思想道德防线，我们特向公司全体管理干部及员工发出如下倡议：

一、坚定理想信念，筑牢"不想腐"的思想堤坝

思想是行动的先导。全体同仁应深刻认识到，廉洁从业不仅是公司健康发展的需要，更是实现个人价值、守护家庭美满的重要保障。我们要从内心深处培养"以廉为荣、以腐为耻"的价值观念，让"崇廉、奉廉、赞廉"成为我们共同的文化自觉和行为习惯。要常思贪欲之害，常怀律己之心，不为物所诱，不为利所惑，始终保持清醒的头脑和高尚的道德情操。

二、严守纪律规矩，扎紧"不能腐"的制度笼子

制度是行为的准绳。全体同仁，特别是管理干部和关键岗位人员，必须自觉学习并严格遵守国家法律法规以及公司的各项规章制度。在工作中，我们必须恪守职业道德，坚持原则，秉公办事。坚决杜绝以下行为：利用职权或职务影响为个人或他人谋取不正当利益；收受或索取供应商、合作方任何形式的现金、礼品、购物卡、有价证券等；接受可能影响公正执行公务的宴请、旅游、娱乐等活动安排；在采购、销售、招投标、工程建设等环节中搞暗箱操作、利益输送；虚报冒领、侵占公司财物等。

Special Training

The Audit Department organized an "Anti-Corruption and Integrity Warning Education Conference" for middle-level managers and employees in key positions such as procurement and sales across the Company's two sites. Through the interpretation of laws and regulations and the analysis of real cases, the training enhanced employees' compliance awareness and understanding of behavioral boundaries.

Ideological Dissemination

The Company produced and posted initiative letters and thematic posters, displaying them at visible locations such as bulletin boards and canteens at both sites. Additionally, department-specific dissemination sessions were conducted for frontline departments. These activities reached over 300 employees in total, effectively deepening the understanding of integrity and professional ethics among all employees.

Whistleblowing and Complaints

To establish a long-term mechanism for addressing violations that emphasizes both prevention and enforcement, the Company has, in accordance with the *Whistleblowing and Complaint Management Measures of Jiangsu Boqian New Materials Stock Co., Ltd.*, set up multi-channel whistleblowing channels covering telephone, mailboxes, and in-person visits. This aims to strengthen compliance performance and integrity awareness among management personnel at all levels. The Audit Department serves as the designated receiving body, responsible for the registration, classification, and time-limited resolution of whistleblowing information. Additionally, the Company implements a feedback mechanism with clear rewards and penalties: whistleblowers whose reports are verified will receive corresponding rewards to encourage internal oversight. Acts of malicious false accusation or defamation, however, will be seriously pursued for liability in accordance with laws and regulations, thereby safeguarding a fair and transparent operating environment.

Whistleblowing Channels

- Whistleblowing/Complaint Hotline: 15606686110
- Whistleblowing Email: bqinternal@boqianpym.com
- Complaint Address: No. 23, Jiangshan Avenue, Suyu Economic Development Zone, Suqian (Audit Department); No. 588, Wanjin Road, Shiqi Street, Haishu District, Ningbo

Whistleblower Protection

The Company has established a comprehensive whistleblower protection system, under which the identity of the whistleblower and the content of the whistleblowing report are kept strictly confidential. Relevant materials are managed according to confidentiality levels to ensure they are not disclosed or forwarded to the accused party. Any form of retaliation is strictly prohibited. If a whistleblower suffers unfair treatment as a result of making a report, the Company will promptly intervene, investigate, and take corrective action. Individuals who engage in retaliatory acts will be subject to warnings, economic penalties, or even legal liability depending on the severity of the circumstances.

Anti-unfair competition

To ensure the effective implementation of the anti-unfair competition management system, the Company has established systematic measures.

Specific Measures for Anti-Unfair Competition

Trade Secret Protection Measures

The Company signs confidentiality agreements with all new employees and explicitly incorporates confidentiality obligations into the *Letter of Commitment upon Joining the Company.* Key positions such as sales, procurement, and R&D are subject to enhanced management. On the technical front, the Company has deployed a smart monitoring system and implemented automatic encryption of sensitive data during storage and transmission, achieving full-process protection of information security.

Compliance Measures for Promotional Activities

The Company strictly enforces a legal review mechanism for all external promotional materials to ensure that their content is truthful, accurate, and verifiable, fundamentally preventing false or misleading commercial advertising.

Training and Culture Cultivation Measures

The Company regularly organizes training on the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws, regulations, and professional ethics, continuously promoting the concept of integrity and compliance to all employees. This drives the integration of a compliance mindset—"knowing the red line and acting within boundaries"—into the corporate culture and transforms it into voluntary employee behavior.

Supervision Mechanism

For specific whistleblowing channels and protection mechanisms, please refer to the relevant content in the "Anti-Fraud" section above.

Case Training on "Anti-Unfair Competition Laws, Regulations, and Compliance Practices"

In July 2025, the Company organized a special training session on "Anti-Unfair Competition Laws, Regulations, and Compliance Practices" for middle-level managers and employees in sales and procurement. The training systematically interpreted key legal points and analyzed compliance risks in business operations.This training effectively enhanced the legal risk prevention awareness and practical compliance capabilities of personnel in key positions, providing a solid safeguard for fostering a fair, healthy and sound business environment.

Training on "Anti-Unfair Competition Laws, Regulations, and Compliance Practices"

Key Performance

- Total number of confirmed corruption incidents **0** cases
- Total number of litigation/administrative penalty events for violation of fair competition **0** cases
- Number of employees who signed integrity commitment letters **1,094** persons
- Number of suppliers who signed anti-bribery commitment letters **122** suppliers

Producing Exceptional Products

The Company consistently adheres to the quality management policy of "advanced technology, excellent quality, continuous improvement, and customer satisfaction", ensuring product reliability and customer responsiveness through a product full-lifecycle quality management system, driving product innovation and matrix expansion through cutting-edge core technologies, and providing a solid guarantee for excellent product delivery and lasting customer trust through strict data protection and standardized supply chain management.

Our Actions:

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

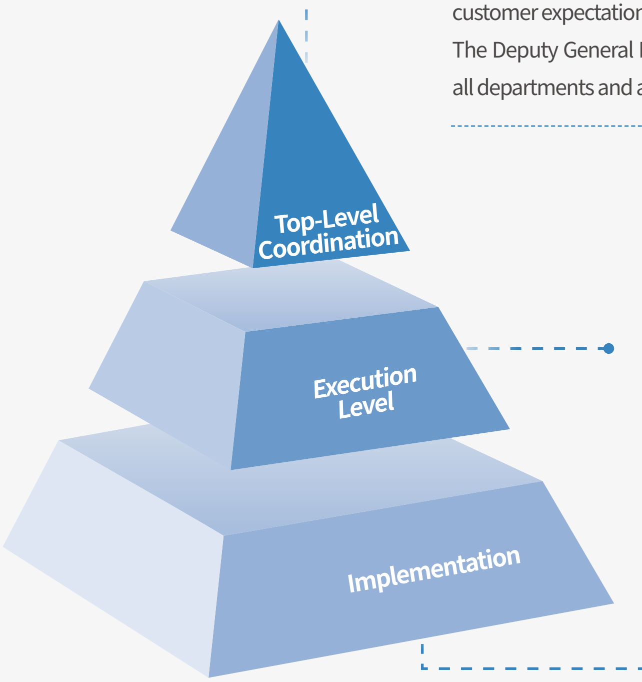
02

Product and Service Safety and Quality

The Company has established a product and service safety and quality management system through an institutionalized governance structure, a quality culture involving all employees, and closed-loop risk and opportunity management. The Company is committed not only to continuously improving product consistency and reliability but also to responding swiftly to customer feedback and delivering an excellent service experience.

Governance

Based on relevant quality management system standards such as ISO 9001 and IATF 16949, the Company has formulated system documents including the *Quality Manual, Production and Service Operation Control Procedure*, and *Non-Conforming Product Control Procedure*, and regularly conducts internal quality management system audits and management reviews to continuously improve the effectiveness of the quality management system. In terms of customer service, the Company consistently adheres to a "customer-centric" service philosophy, establishing a full-process customer service system covering pre-sales, in-sales, and after-sales stages. Additionally, the Company has developed standardized documents such as the *Sales Management System, Customer-Related Process Control Procedure*, and *Customer Satisfaction Survey Control Procedure*, continuously improving service efficiency and customer satisfaction.



The General Manager formulates the quality policy and objectives, establishes an integrated quality and environmental management system, and regularly conducts management reviews;
The Management Representative oversees the establishment and maintenance of the system, coordinates internal and external communication, and ensures the Company understands customer expectations and regulatory requirements;
The Deputy General Manager supervises the implementation of system requirements across all departments and adjudicates major quality incidents.

The Quality Department is responsible for the full-process inspection of raw materials, semi-finished products, and finished products, handles non-conforming products, and verifies corrective and preventive actions;
The Production Planning Center leads production process quality control, non-conforming product handling, and status identification management;
The Procurement Department screens qualified suppliers, evaluates supplier performance, and ensures the quality of procured materials;
The Business Department is responsible for market research, customer satisfaction data collection, customer feedback and complaint handling, and conducts contract and order reviews.

Strictly implement inspection standards, and conduct product first-article inspection and self-inspection.

Product and Service Quality Management Structure

Quality Certification

The Company has passed ISO 9001 Quality Management System certification, and its subsidiary Guangxin Nano has passed ISO 9001 and IATF 16949 Quality Management System certifications.

Strategy

The Company has established a closed-loop management mechanism from source control to continuous improvement, supported by rigorous customer complaint and product recall processes, ensuring rapid and effective response to market feedback, management of quality risks, stable and reliable product performance, and continuously enhanced customer experience.

Product Quality Improvement

The Company's quality management spans the entire product lifecycle, encouraging employees to propose quality improvement suggestions, promptly address customer feedback, and continually enhance product quality.

Phase	Core Measures
Raw Material Quality Control	1.The Company has established a rigorous supplier evaluation and selection mechanism, conducting comprehensive audits of supplier qualifications, production capabilities, and quality assurance systems to ensure all procured raw materials meet powder production quality standards. 2. All incoming materials undergo strict inspection per defined sampling plans and testing protocols, with full-item testing conducted. Any non-compliant materials are categorically rejected from warehouse entry, guaranteeing product quality at the source.
Production Process Quality Control	1. The Company has introduced advanced production equipment and automated control systems to enhance process stability and controllability, effectively reducing human-factor impacts on product quality. 2. Quality control checkpoints are implemented at critical production stages, utilizing Statistical Process Control (SPC) for real-time monitoring and analysis of production data to promptly identify and correct abnormal fluctuations. 3. Enhanced quality training for production staff strengthens quality awareness and operational skills, ensuring strict adherence to operating procedures.
Finished Product Quality Inspection and Control	1. A comprehensive finished product inspection system has been established, requiring full-item testing of each powder batch (including appearance, particle size, purity, specific surface area, and bulk density) prior to warehouse entry and shipment to ensure compliance with quality standards. 2. Advanced testing equipment operated by qualified personnel undergoes regular calibration and maintenance to guarantee accurate and reliable test results.
Continuous Quality Improvement	1. The Company has established a quality issue feedback mechanism, encouraging employees to promptly report quality problems identified during production and providing appropriate rewards to those who report such issues. 2. For quality issues identified through customer feedback or internal findings, the Company forms dedicated quality improvement teams. Using quality management tools (such as 8D reports and fishbone diagrams), these teams conduct root cause analysis, develop and implement effective corrective actions, and track improvement results, ensuring closed-loop quality management.

Product Lifecycle Quality Management

During the reporting period, the Company made systematic investments and improvements to continuously enhance its product quality inspection capabilities:

Hardware Upgrade

The Company invested approximately RMB 20 million to introduce advanced testing equipment, including field emission electron microscopes and carbon-sulfur/oxygen-nitrogen analyzers, significantly enhancing its precise detection capabilities for microstructure and composition of powder materials, meeting downstream customers' increasingly stringent quality requirements and supporting technological upgrades.

Talent Optimization

In response to the proliferation of AI applications and the rising quality control demands of the industry, the Company has raised the basic educational requirement for inspection and quality control personnel in the Quality Department from high school diploma to associate degree. Through personnel renewal, the proportion of Quality Department staff holding associate degrees or bachelor's degrees has continued to increase, laying the foundation for talent pipeline development.

Customer Complaint & Recall Mechanism

The Company has established a comprehensive product service and after-sales system, including the *Customer Complaint Handling Procedure*, which clearly defines responsible departments and workflows at each stage to ensure timely analysis and effective resolution of complaints. Additionally, annual performance targets are set for key metrics such as complaint response rate and resolution rate, safeguarding customer rights and upholding corporate reputation.

Complaint Receipt and Registration

1. All complaints must be recorded in the *Customer Complaint Registration Form*
2. Preliminary categorization of complaints (quality, logistics, service, etc.)

Complaint Classification and Response

1. General complaints: Requiring response within 24 hours
2. Severe complaints: Requiring response within 2 hours with mandatory escalation to management

Investigation and Analysis

1. A preliminary analysis must be completed within 48 hours with submission of the *Complaint Analysis Report*
2. For complaints involving major quality issues, an 8D Report (root cause analysis) is required

Customer Feedback and Closing

1. After implementing solutions, conduct customer follow-up within 3 days to confirm satisfaction
2. Archive all records and complete the *Complaint Case Closing Report*

Solution and Implementation

1. General complaints: Solutions must be provided within 5 working days
2. Severe complaints: Interim measures required within 3 working days, with permanent corrective actions completed within 7 working days

Customer Complaint Management Process

Case: Specialized Rectification of Product Label Adhesion – Enhancing Packaging Quality Control and Customer Experience

In September 2025, after receiving customer feedback that inner bag labels were not adhering firmly, with curling edges and detachment, the Marketing Department initiated emergency procedures immediately and led seven responsible persons from the Quality Department, Procurement Department, and Production Department in conducting a special investigation. Departments collaborated to conduct a multi-dimensional analysis of process, environment, and materials, identifying the core causes for insufficient adhesive layer strength and poor material compatibility. The Procurement Department promptly replaced the labels with highly compatible, high-adhesion materials. The Quality Department performed full-process tracking and quality control. Meanwhile, the Marketing Department communicated rectification progress to the customer and invited them for acceptance. This rectification formed a complete closed-loop process. No similar issues have occurred since the material replacement, safeguarding the product's market reputation and providing replicable practical experience for the prevention and handling of similar packaging issues.

Customer Satisfaction Survey

The Company regularly conducts customer satisfaction surveys to gain a comprehensive understanding of customer evaluations and needs regarding product quality, service levels, complaint handling, and other aspects. Survey results are analyzed yearly, culminating in a Customer Satisfaction Analysis Report. Based on the findings, appropriate corrective and preventive measures are formulated and implemented.

Case: Closed-Loop Management of Customer Needs – Continuously Improving Service and Product Quality

In 2025, the Company carried out customer visits and surveys and provided technical support for a domestic slurry customer via offline visits, online meetings, and satisfaction questionnaires. Feedback on product usage was collected, confirming that product stability and delivery efficiency were well received, while packaging puncture resistance and transportation management needed improvement. Feedback regarding packaging damage was gathered and filed. Additionally, the Company compiled the data and completed a satisfaction analysis, formulated short-term and long-term improvement measures, strengthened packaging personnel training, and selected puncture-resistant packaging materials, effectively reducing the risk of damage and continuously improving customer satisfaction and service quality.

Impact, Risk, and Opportunity Management

The Company has established a product and service safety and quality risk and opportunity management process: internal and external information is collected across all stages of the product lifecycle to identify risks related to R&D, supply chain, production, and after-sales, as well as opportunities such as quality upgrades and value-added services; a rating system of "impact level × frequency of occurrence" is adopted, and the list is dynamically updated; through routine monitoring, periodic reviews, and ongoing supervision, risks are addressed with tiered rectification measures, and opportunities are supported with implementation plans, forming a closed-loop management system.

Indices and Goals

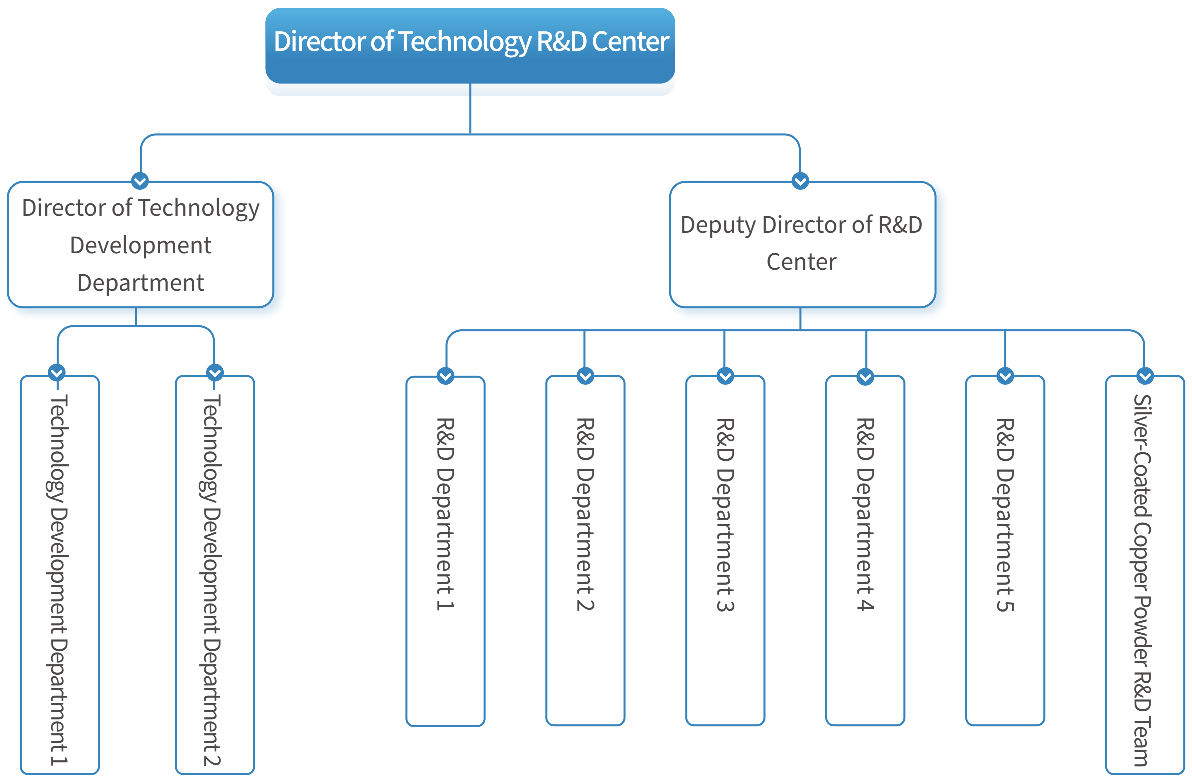
Goals in 2025	Performance during the Reporting Period
Major customer complaints fewer than 5 per year	Achieved: Zero major customer complaints

Innovation-Driven

Innovation and breakthroughs in core technologies form the foundation of the Company's high-quality development. The Company places strong emphasis on R&D investment and technological accumulation. Building upon its core technology - atmospheric-pressure plasma evaporation- condensation process - it continuously upgrades and iterates production processes. This drives product diversification from metal powders to non-metal powders, and from single-element metals to multi-component alloys. Through strategic collaborations with clients, the Company actively expands its portfolio of high-value-added products.

Governance

The Company's Technology Development Department and R&D Center together constitute the Technology R&D Center, which leads the R&D, planning, and implementation of the Company's innovative technologies. Additionally, the Company has established a dedicated Intellectual Property Protection Office, which is systematically responsible for the protection of intellectual property, including trade secrets. The Company has established a five-stage R&D project management system covering the entire lifecycle from "laboratory-scale testing → pilot-scale testing → industrialization". Through strategic-aligned collective decision-making, phased rigorous reviews, full-lifecycle intellectual property management, and cross-departmental collaboration, innovation activities are kept under effective supervision and strategic guidance, providing a solid governance foundation for technological breakthroughs and commercial success.



Technology R&D Organizational Structure of the Company

Strategy

The Company is focused on the high-end metal powder materials sector. We continuously strengthens our in-house innovation capabilities and competitive position by establishing core technological barriers, pursuing platform-based product expansion, enhancing R&D incentive mechanisms and intellectual property (IP) protection frameworks, and deepening industry-university-research cooperation. These efforts collectively support industrial upgrading and high-quality growth.

Consolidate the leading position in high-end MLCC materials with PVD-based technology platform as the core

The Company will continue to increase R&D investment, optimize core powder manufacturing processes, and improve product performance in terms of particle size control, sphericity, and consistency, to meet the development trends of miniaturization and high performance in electronic components. With the rapid development of applications such as AI, high-performance computing, and new energy vehicles, high-end MLCC imposes higher performance requirements on metal powder materials. Leveraging its PVD-based technology platform, the Company will advance process upgrades, strengthen its R&D capabilities in nano-grade and ultrafine powder materials, and consolidate its leading position in the high-end MLCC materials sector.

Expand diversified product portfolio and expand presence in emerging application areas

Depending on its PVD-based technology platform, the Company will further expand its product portfolio to emerging fields such as photovoltaics and solid-state batteries. Copper-based products can effectively reduce the cost of photovoltaic conductive pastes through "copper substitution for silver", helping customers reduce costs and improve efficiency, with broad market potential. The Company is developing nano-grade silicon powder and silicon alloy products for use in advanced battery anodes. Through transferred arc and non-transferred arc plasma technologies, the Company can rapidly replicate its core technologies to other high-end metal powder materials, building a platform-based materials capability and continuously expanding its product matrix and application scenarios.

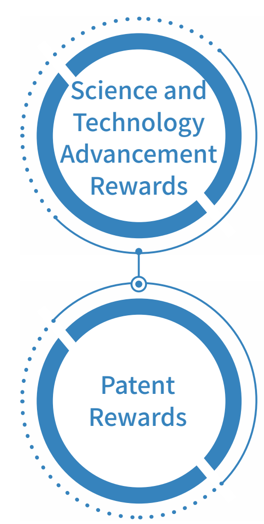
Deepen industry-academia-research cooperation to strengthen the foundation for technological innovation

The Company plans to strengthen cooperation with universities and research institutions to promote the R&D and industrial application of cutting-edge materials technologies, continuously enhancing its technological innovation capabilities and long-term competitiveness.

R&D Innovation Strategy of the Company

R&D Innovation Incentives

The Company is committed to an innovation-driven, talent-led approach. It places strong emphasis on the management and development of its R&D team through a well-established incentive framework. The Company has implemented the *Science and Technology Advancement Reward Policy* and *the Intellectual Property Reward Policy*, which provide substantial rewards to employees who make outstanding contributions to innovation and R&D. These policies continuously drive technological advancement and enhance the Company's research capabilities and R&D management standards.



Scope of Reward: New product development; technological development (including innovation, technology introduction, and industrialization); products and scientific achievements that have generated sales revenue.
Reward Levels: Science and Technology Advancement Reward (Special Prize, First Prize, Second Prize, Third Prize); Technological Innovation Reward (Golden Idea Award)

Scope of Reward: Invention and utility model patents filed or granted in target countries/regions, with the Company (including our affiliated subsidiaries) named as the patent holder. Reward Levels: Invention patent, utility model patent.

R&D Incentive Mechanism

Intellectual Property Protection

The Company prioritizes intellectual property management, with clear guidelines for IP declaration and administration established in the *Employee Handbook* and *Intellectual Property Reward Policy*. The Company's independent research and development project *Nano Metal Powder R&D* was listed into Jiangsu Province Strategic Emerging Industry Development Special Project, and the *High-capacity Multi-layer Ceramic Capacitor Inner Electrode Nano Nickel Powder R&D and Industrialization* project was listed into Jiangsu Enterprise Innovation and Achievement Transformation Special Fund project. The Company also presided and formulated the industry standard of Nickel Powder for Capacitor Electrodes. Over the years, the Company has continuously strengthened our IP framework and has been recognized as a *National Intellectual Property Advantage Enterprise and a National Intellectual Property Demonstration Enterprise.*

Case: Professional IP Training – Enhancing Both Core Competencies and Management Capabilities

In November 2025, the IP Office of the Company's subsidiary, Guangxin Nano, conducted specialized training on intellectual property for personnel involved in IP-related activities, aimed at developing a strong team of IP professionals within the Company. The training covered intellectual property laws and regulations, IP management practices, and the use of IP information.

Intellectual Property Training

Industry-Academia-Research Cooperation

The Company leverages platforms such as provincial-level postdoctoral workstations and municipal-level enterprise technology R&D centers to collaborate with leading universities and research institutes, thereby accelerating the commercialization of scientific and technological achievements. With a strategic focus on new energy materials and energy storage devices, the Company has established postdoctoral research stations to facilitate the translation of research outcomes into practical applications and to support the joint development of high-caliber talent. These efforts effectively enhance the Company's independent innovation capabilities.

Case: Engagement with the Plasma Science and Technology Conference – Strengthening Industry Connectivity

In August 2025, the R&D department of Guangxin Nano, a subsidiary of the Company, attended the 22nd National Conference on Plasma Science and Technology. The conference was jointly organized by multiple academic societies and hosted by the Southwestern Institute of Physics of the Nuclear Industry. It showcased domestic achievements and the latest progress in plasma science and technology over the past two years, explored opportunities and challenges in the field, and served as a bridge connecting academia, interdisciplinary research, and industry. The Company's representatives actively participated in academic exchanges, gaining timely insights into cutting-edge technological trends and broadening R&D perspectives. They also accumulated industry resources to help link plasma-related technology development with industrial applications, thereby fostering technological innovation and integrated industry growth.

Impact, Risk, and Opportunity Management

Through our annual technology strategic planning and target decomposition mechanism, the Company systematically identifies market-leading opportunities and potential R&D risks. During project execution, milestone review mechanisms are used to dynamically monitor R&D progress, technical bottlenecks, and budget performance. For major technical risks identified, third-party expert reviews are promptly engaged, and project exit mechanisms are established. For major strategic opportunities, the Company responds rapidly by forming cross-functional joint project teams and accelerating technology transfer. Concurrently, the Company continuously optimizes our innovation management system through performance evaluations and annual reviews.

Indices and Goals

During the reporting period, the Company's technology R&D focused on the localization and high-end development of core material technologies. We successfully achieved mass production of 120nm nickel powder. Through continuous optimization of the production processes for 180nm and 250nm nickel powder, the Company significantly improved supply stability and raw material utilization, thereby driving the green transformation of our manufacturing operations. In addition, by applying innovative particle sorting and matching technologies to inductive soft magnetic materials, the Company successfully met customers' stringent requirements for product magnetic properties.

Index	Unit	2025
R&D investment	RMB 10,000	4,799.40
Proportion of R&D investment to operating revenue	%	4.17
Number of R&D personnel	Person(s)	119
Proportion of R&D personnel	%	10.85

Key Performance

As of the end of the reporting period, the Company held a total of **181** valid granted patents, including **144** domestic patents (**64** invention patents and **80** utility model patents) and **37** overseas patents.

Data Security and Customer Privacy Protection

The Company has established internal policies including the *Network and Computer Management System, Electronic Data Security Management Measures*, and *Data Breach Incident Management System* to support our data security and customer privacy protection framework. For emergency scenarios involving data security incidents, the *Cybersecurity Emergency Response Mechanism* has been implemented to standardize the handling of network and information security anomalies during crises, safeguarding the interests of both the enterprise and our clients.

The Company has implemented a comprehensive data security protection system, adopting strict measures across network access, perimeter protection, data encryption, and process management, including multi-layer backup systems, granular access control, file encryption protocols, and digital watermark tracking capabilities. Through advanced network security appliances and data management systems, the Company effectively mitigates risks of external attacks and internal data breaches.

Data Disaster Recovery Backup

The Company regularly performs cold backups of core service data. Local data services are configured for high availability, and additional encrypted off-site backups are deployed to ensure data integrity and business continuity in the event of a disaster.

Network Boundary Protection

Enterprise-grade traffic auditing and protection systems with third-party support are deployed at network boundaries. These systems use multi-layer protection and intrusion detection mechanisms to parse and audit boundary traffic in real time, reducing the risk of intrusion.

Tiered Control and Distribution Restrictions

Data is classified into four levels of secrecy: Public, Confidential, Secret, and Top Secret. Access rights are strictly controlled: lower-level classifications cannot access higher-level classifications, and access to data within the same classification is limited to authorized personnel only. Encrypted data may not be distributed without authorization and must go through a defined authentication and decryption process. Decrypted files are subject to special handling to ensure uniqueness, facilitating subsequent traceability and investigation.

Data Security Protection Measures

The Company implements a strict "immediate reporting per incident" policy for all potential confidentiality breaches, including unauthorized disclosures, leaks, or theft. Upon discovering any such incident, the responsible personnel must promptly report the factual details to both their department head and the Confidentiality Office without delay, while completing the required *Trade Secret Breach Incident Report Form*. Concealing incidents or attempting unauthorized remediation before official reporting is expressly prohibited.

Data Breach Reporting

Report Content: The report must specify the classification level, quantity, and medium of the leaked information, as well as the time, location, process, and severity of the incident, along with remedial measures already taken or planned.

Reporting Deadlines: Top Secret incidents must be reported immediately; Secret incidents must be reported within 8 hours; Confidential incidents must be reported within 24 hours.

Special Cases: If the classification level is unclear or disputed, it shall be determined in accordance with the *Classification Management Measures*. Individuals who conceal incidents or obstruct investigations will be held accountable, while whistleblowers who provide substantive contributions will be rewarded.

Data Breach Investigation

Investigation Initiation: The Confidentiality Committee shall immediately form an investigation team and conduct the investigation following the principles of "seeking truth from facts and handling matters according to law".

Investigation and Handling: The investigation shall identify the content, form, quantity, and impact of the breach, as well as the responsible parties. Remedial measures shall be taken, and improvement actions proposed. Cases involving violations of the *Criminal Law* shall be referred to judicial authorities, while non-criminal cases shall be handled in accordance with the *Company's Confidentiality Reward and Penalty Policy*. The Confidentiality Office shall complete the *Trade Secret Breach Investigation Report* and submit it for review.

Case Closure: A case may only be closed or terminated after confirmation by the Company's Confidentiality Committee.

Data Breach Handling

Key Performance

During the reporting period, the Company did not experience any major data security failures or customer privacy breaches.

Supply Chain Security

The Company is committed to establishing stable and mutually trusting relationships with our supply chain partners. Through our *Supplier Management and Procurement Control Procedure*, we have developed and standardized a sustainable supply chain system to ensure supply chain security and stability. At the same time, we actively encourage our partners to adhere to business ethics, working collaboratively with both upstream and downstream partners to fulfill shared responsibilities and achieve mutual benefits.

Key Performance

As of the end of the reporting period: Total number of suppliers **170**; Supplier localization rate: **46.5%**;

Proportion of suppliers that signed the *Anti-Commercial Bribery Agreement*: **71.76%**.

Supplier Management

The Company has established a robust supplier quality management and evaluation system to rigorously ensure raw material quality. New suppliers must pass due diligence, sample testing, and small-batch trial production. Only after a comprehensive evaluation are they included in our procurement scope. We conduct annual comprehensive evaluations of existing qualified suppliers, maintain supplier assessment records, dynamically update our qualified supplier list, and promptly remove non-compliant suppliers.

Supplier Due Diligence

We collect comprehensive information on potential suppliers and prepare the *New Supplier Approval Form*. A multi-dimensional evaluation is conducted, covering aspects such as pricing, supply capacity, quality management systems, geographical proximity, and service levels.

Sample Testing and Small-Batch Trials

The Quality Department evaluates samples and issues test results, followed by small-batch trial production to verify compliance with required standards.

Supplier Evaluation

After a comprehensive evaluation by our Procurement Department, Quality Department, and R&D Department, the General Manager is responsible for approving qualified suppliers.

Supplier Admission Process

Supply Chain Risk Management

To further strengthen supply chain security and stability, the Company has implemented a comprehensive risk identification and assessment mechanism that covers all procurement stages. The Company conducts regular internal control risk identification and evaluation for key procurement processes - including raw material purchasing, supplier qualification, contract management, and inspection/payment - in accordance with the *Procurement Cycle Internal Control Risk Assessment Form*. Through systematic analysis of potential risks in procurement processes - including compliance, quality, delivery, and cost considerations - the Company continuously optimizes our procurement management procedures by incorporating risk-level assessments and control measure recommendations. This approach enhances proactive risk prevention and operational effectiveness, ensuring both stable raw material supply and standardized purchasing decisions, thereby providing robust support for product quality and on-time delivery.

Dynamic Supplier Assessment

The Company implements dynamic supplier assessments. We conduct annual rating and scoring of suppliers and prepare a *Supplier Evaluation Form* to assess suppliers' sustainable development capabilities, mitigate risks, and enhance supply chain security and stability.

Supplier Classification	Evaluation Dimensions	Dynamic Management Measures
Tier 1 Suppliers	Quality Status; Delivery Status; Service and Environmental Quality; Price Level	Priority procurement, with potential for increased order volume.
Tier 2 Suppliers		Corrective actions required and effectiveness verified before normal procurement resumes.
Tier 3 Suppliers		Corrective actions required and results verified. Based on outcomes, we determine follow-up measures, which may include normal procurement, reduced procurement, or suspension.
Tier 4 Suppliers		Classified as non-compliant suppliers. Procurement is terminated.

Supplier Assessment

Sustainable Procurement

The Company has established a sustainable procurement management system structured around a closed loop of prevention, termination, and remediation. Prevention: We have revised our procurement policies and contract terms to explicitly include suppliers' ESG performance (e.g., environmental compliance, labor rights, workplace safety) as core criteria for qualification, evaluation, and renewal. This approach helps mitigate potential risks at the source. Termination and Remediation: For suppliers involved in severe human rights violations or environmental damage, we will initiate procedures to terminate the business relationship. For adverse impacts that have already occurred, we have established a grievance and remediation mechanism. Through consultation with affected parties (e.g., communities, employees), we provide fair remedial measures such as compensation, environmental restoration, and institutional reforms to mitigate harm. At the same time, we deepen integrity collaboration with our suppliers by signing the *Anti-Commercial Bribery Agreement* and establishing feedback and whistleblowing channels. We extend ethical governance throughout the supply chain, striving to build a transparent, compliant, and shared-responsibility sustainable value chain.

Safeguarding the Green Environment

The Company integrates green and sustainable development throughout all of our operations. We strengthen our foundation through regulatory compliance and system certifications, and we have established a systematic framework that covers environmental compliance, energy management, pollution prevention, and resource utilization. This is achieved through technological innovation and environmental investments, enabling clean production and efficient resource use. We proactively fulfill our environmental responsibilities and promote long-term synergy among compliance, risk control, and ecological benefits.

Our Actions:

- Environmental Compliance and Ecosystem Protection
- Addressing Climate Change and Energy
- Pollution Prevention and Control
- Waste Management
- Resource Utilization and Circular Economy

03

Environmental Compliance and Ecosystem Protection

The Company consistently adheres to environmental compliance as our baseline. We have established a systematic management framework that covers institutional development, environmental control, and emergency response across all of our operations. We strictly adhere to national environmental regulations and strengthen standardized operations through system certifications and environmental impact assessment (EIA) mechanisms. We systematically promote clean production, risk prevention, and coordinated emission reductions across our value chain, achieving synergistic development of economic, social, and environmental benefits.

Environmental Compliance Management

The Company strictly adheres to national laws and regulations and upholds the principle of "comprehensive planning, rational layout, integrated utilization, and environmental protection" to systematically build our environmental management system. We have established the *Environmental Protection Management Regulations and Operating Procedures*, which define our management objectives, responsibilities, emergency mechanisms, and performance evaluation and reward systems. The Company has also obtained ISO 14001 certification for environmental management. Through institutionalization and systematic development, we are committed to ensuring compliant operations, promoting clean production, and mitigating environmental risks, ultimately achieving the coordinated development of economic, social, and environmental benefits.

The Company has established, implemented, and published our *QES Integrated Management Manual*, along with a corresponding list of secondary procedural documents. We have identified relevant personnel and their responsibilities, set forth requirements for establishing and continuously improving our environmental management system, and ensured full compliance with all applicable environmental management system requirements.

Note: ISO 14001 EMS Certificate

Monitoring Area	Monitoring Content	Exception Handling
Pollutant Emission Monitoring	Regular monitoring of pollutant emissions (wastewater, exhaust gases, solid waste, and noise) through a combination of outsourced and in-house monitoring. Monitoring instruments are uniformly managed and calibrated.	When exceedances or abnormalities are detected, we investigate the root causes and implement corrective actions.
Monitoring of Occupational Health and Safety	Regular occupational health monitoring for employees based on the risk profile of their positions.	If health issues are identified, we make timely job adjustments. Confirmed occupational diseases are reported as required, and we facilitate necessary treatment.
Monitoring of Objectives, Targets, and Management Plans	Implementation of established environmental and safety objectives, targets, and management plans is tracked and evaluated through departmental self-assessments and periodic reviews by the competent authority.	Uncompleted tasks require root cause analysis. Major changes to plans must go through formal approval procedures.
System Operation Monitoring	Comprehensive monitoring of management system document execution, policy implementation, and accident and safety inspections is conducted through self-checks, spot checks, internal audits, and management reviews.	For any non-conformities identified, we develop corrective actions and track them through to resolution.
Environmental Behavior Monitoring of Relevant Parties	As needed, we evaluate the environmental compliance of relevant parties and provide feedback on the results.	When non-compliant behaviors are identified, we require the relevant parties to rectify them within a specified timeframe.

Environmental Monitoring Process

Environmental Emergency Management

The Company places high importance on emergency management. We have established a clearly hierarchical and well-defined organizational structure supported by comprehensive emergency training systems. Through regular practical drills, we test the feasibility of our emergency plans and enhance our team's response capabilities. These efforts enable us to comprehensively prevent various safety and environmental risks, ensuring personnel safety and stable production operations.

Emergency Command Center (Highest Command Level)

Accident Handling Team	Emergency Rescue Team	Evacuation and Security Team	Communication Support TeamTeam	Medical Aid Team	Emergency Monitoring Team	Technical Support Team
Be responsible for accident investigation, aftermath handling, and public information release	Be focused on accident source control, personnel rescue, and initial firefighting	Be responsible for restricted zone demarcation, personnel evacuation, and rescue route guidance	Provide logistical support including communication, material allocation, and medical coordination for all operational units	Be responsible for on-site treatment of injured personnel and hospital transfer coordination	Provide environmental monitoring data at the accident site	Offer technical solutions and professional advice for emergency rescue and accident investigation

Emergency Management Organizational Structure of the Company

The Company adopts a training model that combines classroom instruction, comprehensive discussion, and on-site explanation. We tailor differentiated training content for different roles, ensuring comprehensive coverage of emergency knowledge and skills. This approach strengthens our foundation of emergency management talent and enhances overall emergency preparedness across the workforce.

Training Target	Training Content
Plant Operators	Environmental pollution accident reporting procedures, emergency response methods, escape techniques, personal protective equipment (PPE) usage, basic first aid operations, and emergency evacuation procedures
Emergency Rescue Personnel	Professional skills: emergency rescue procedures, firefighting techniques, protective equipment operation, and casualty rescue methods; Command coordination and inter-departmental collaboration in environmental pollution accidents
All Employees	Importance of emergency response, accident reporting methods, escape and evacuation routes, basics of personal protection, and emergency rescue reward and penalty system

Emergency Training System

Case: Emergency Drill for Liquid Nitrogen Leak

In June 2025, the Company organized a multi-department emergency team to conduct a comprehensive leakage drill in the liquid nitrogen storage tank area. The drill simulated a pipeline flange leakage scenario. Each team completed the full response process according to our emergency plan, including alert activation, valve closure, leak sealing, personnel evacuation, and frostbite first aid. Through this practical drill, we effectively validated the feasibility of our emergency plan and team coordination capabilities. Employees' emergency response and protective skills for cryogenic hazards were improved. We also developed corrective measures to address identified shortcomings, thereby strengthening production safety.

Photo of the Emergency Drill for Liquid Nitrogen Leak

Key Performance

During the reporting period, the Company's environmental protection investment amounted to

RMB 2,688,600.

Addressing Climate Change and Energy

The Company consistently regards energy management and green energy conservation as core sustainability measures. We have built a systematic, end-to-end energy management system. Through institutional controls, technological innovation, project implementation, and compliance gap-filling, we achieve the multiple objectives of efficient energy utilization and low-carbon emission reduction. These efforts actively advance the development of green factories and support the nation's "carbon peaking and carbon neutrality" goals.

Energy Management

The Company implements the *Energy Management System*, which focuses on energy conservation, reducing consumption, and improving economic efficiency. A dedicated energy conservation and emissions reduction team has been established to manage the procurement and consumption of energy sources such as electricity, water, and compressed air. Key initiatives include quota management, system-based classification and control, energy efficiency inspections and regular meetings, performance evaluations, and the promotion of energy-saving technologies. This system is supported by a mechanism for rewards, penalties, and educational outreach, creating a comprehensive energy management framework.

Organization	Core Responsibilities
General Manager in Charge	Communicate national energy policies, coordinate the Company's energy efforts; preside over the Energy Conservation and Consumption Reduction Management Committee meetings; check the implementation of systems.
Energy Conservation and Consumption Reduction Management Committee	Under the leadership of the General Manager in charge of energy, approve energy-saving measures, discuss energy policies, and check the implementation of the energy-saving reward and penalty system.
Energy Office	Under the leadership of the General Manager in charge and the Deputy Technical Director, be responsible for overall energy management and assessment; compile energy reports; execute energy policies.
Workshop Energy Conservation Team	Led by workshop supervisors, be responsible for implementing energy management regulations, formulating energy-saving plans, and promoting energy-saving technologies.
Team Energy Conservation Personnel	Assist team leaders in completing energy-saving tasks; enforce energy conservation systems; report on energy-saving activities.

Energy Management System

Management Dimension	Core Actions
Planning and Quota Management	After approval, the annual energy plan is broken down into monthly targets, alongside establishing energy consumption quotas. The production department manages energy balance and load scheduling, with assessment based on meeting these quotas.
Categorized Energy Management and Control	In electricity usage, avoid idle operation and unnecessary lighting, control air conditioning rationally, and promote energy-saving technologies; in oil, gas, and steam usage, appoint dedicated personnel for management, ensure pipe insulation, and prevent leakage. Waste oil is recycled. For raw materials, prioritize eco-friendly materials and increase utilization efficiency.
Measurement and Data Management	Establish a hierarchical metering system; ensure metering instruments are installed according to standards and calibrated regularly; assign dedicated personnel for meter reading and maintain energy consumption records and files. Regular energy analysis meetings are held to communicate energy consumption data and inspect quota implementation.
Assessment and Rewards/Penalties	Assessments are based on quota completion; rewards are given for significant energy savings, while economic penalties are imposed for violations of energy usage rules and wasteful practices.
Energy-Saving Technology Promotion	Promote advanced technologies and equipment for energy-saving in electricity, oil, and water; encourage the application of new materials and processes to continuously improve energy efficiency.

Energy Management Measures

Energy Management System Certificate

Green Energy

The Company focuses on the clean and efficient development of energy, with electricity as the core energy carrier. We are actively advancing green energy projects such as distributed photovoltaic systems and user-side energy storage. By complying with green certificate transactions, we offset the energy consumption demands brought by facility expansion. This helps establish a diversified energy management model of "self-generated and self-consumed, green electricity supplementation, and energy storage peak shaving", thereby steadily driving the Company's green and low-carbon transformation.

Energy Usage	Unit	2025
Gasoline	Liter(s)	14,977.86
Diesel	Liter(s)	4,586.65
LPG	m^3	4,707.65
Electricity	MWh	153,813.81
Total purchased electricity	MWh	112,164.87
Self-generated renewable electricity	MWh	3,746.44
Clean energy usage	MWh	3,746.44
Clean energy usage percentage	%	3.34
Including: solar energy	MWh	3,746.44
Including: solar energy proportion	%	100

Data Scope Explanation:

1. Electricity and total purchased electricity data covers operational sites including the Company and the Company's subsidiaries Guangxin Nano and Ningbo Guangqian Electronic Material Co., Ltd.;

2. Gasoline, diesel, liquefied petroleum gas, self-generated renewable electricity, clean energy usage, solar energy, and solar energy proportion cover operational sites including the Company and the Company's subsidiary Guangxin Nano.

During the reporting period

the Company's subsidiary, Guangxin Nano, used photovoltaic-generated electricity for **5.3%**, of its total energy consumption. The total self-generated photovoltaic electricity was **2,722.94** MWh, and the Company purchased **10,000** MWh, of green certificates, effectively reducing greenhouse gas emissions by **6,750.79** tons of CO_2 equivalent (tCO_2e).

Green Power Certificate Trading Voucher

Case: User-side Energy Storage Project

In 2025, Guangxin Nano, a subsidiary of the Company, constructed a user-side energy storage project to promote its green and low-carbon transformation. The project was registered and connected to the Zhejiang Province Electrochemical Energy Storage Management Platform in December. The installed capacity of the project is 1 MW, using 380V low-voltage grid connection and a "peak shaving and valley filling" strategy. The annual electricity production is about 730,000 kWh, with all stored power used internally. This project saves approximately RMB 500,000 annually and significantly improves energy utilization efficiency.

Photo of New Project Plant

Case: Carport Photovoltaic Project Supports Clean Energy Substitution

In 2025, the Company's energy-saving renovation team completed the construction and grid connection of a distributed photovoltaic system. The installed capacity of the project is 0.38 MW, with an annual electricity generation of approximately 400,000 kWh. All green electricity generated is used for the daily operations of the plant. This project saves around RMB 300,000 in electricity costs each year and indirectly reduces carbon dioxide emissions by approximately 230 tons. It effectively increases the proportion of clean energy used in the plant and provides a viable path for achieving the national "carbon peaking and carbon neutrality" goals.

Greenhouse Gas Emissions	Unit	2025
GHG emissions (Scope 1)	tCO_2e	141.197
GHG emissions (Scope 2)	tCO_2e	77,712.275

Data Scope Explanation:

1. During the reporting period, the operational sites covered by greenhouse gas emissions included the Company and its subsidiary Guangxin Nano. Compared with the previous year, the statistical scope was expanded to include the Company's headquarters, and production at some factories increased. As a result, GHG emissions data showed an increase.

2. The emission factors for Scope 1 GHG emissions are based on the default values in Table 2.1 of Appendix II of the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from China Electronic Equipment Enterprises (Trial).

3. Scope 2 GHG emissions are calculated with reference to the national average carbon dioxide emission factor for electricity published in the Announcement on the Release of Carbon Dioxide Emission Factors for Electricity in 2023 by the Ministry of Ecology and Environment and the National Bureau of Statistics.

Pollution Prevention and Control

The Company has established a classified disposal mechanism for various types of wastewater and exhaust gases generated during production and operations. We strictly comply with regulations such as the *Law on the Prevention and Control of Water Pollution of the People's Republic of China*, and through process optimization, efficient treatment facilities, and emergency control measures, we achieve stable, compliant pollutant emissions. This significantly reduces the impact of production and operations on the surrounding environment.

Wastewater Management

The Company implements a classification and tiered management system for all types of wastewater generated during production and operations. By combining reuse after sedimentation, tiered utilization, and treatment via pipeline network, we achieve water recycling and compliant disposal. We continuously track environmental performance using quantified discharge data, effectively managing water-related environmental impacts.

Wastewater Classification and Treatment Process

Wastewater Type	Management Method
Equipment Cleaning Water	Primary and secondary sedimentation in sedimentation tanks, reused as floor cleaning water
Floor Cleaning Water	Processed equipment cleaning water and supplementary clean wastewater are treated in sedimentation tanks and then reused in a closed-loop system
Domestic Sewage	Pretreated in the factory's septic tank, then connected to a sewage treatment plant for further processing
Clean Wastewater	Some water from the cooling system is reused for floor cleaning, and the excess is discharged as clean wastewater

Wastewater Discharge Data for Guangxin Nano (Subsidiary of the Company)	Unit	2024	2025
Total wastewater discharged	10,000 m^3	0.89	0.84
Including: total industrial wastewater	10,000 m^3	0	0
Including: total domestic wastewater	10,000 m^3	0.89	0.84
Chemical oxygen demand (COD)	Ton(s)	0.36	0.36
Ammonia nitrogen content (NH3-N)	Ton(s)	0.02	0.02

Waste Gas Management

The Company implements a tiered and classified control system for waste gases generated during production, utilizing methods such as collection and purification, sealed operations, and anomaly response measures. Additionally, we establish measurable emission indicators to ensure continuous compliance with environmental protection standards, driving continuous improvement in environmental performance.

Waste Gas Treatment and Emission Management

Category	Specific Content
Organized Exhaust Gas	Pre-collected by manifold collectors and deeply treated using bag filters, with continuous emissions
Unorganized Exhaust Gas	Mechanical ventilation in workshops, sealed operations during packaging processes to reduce dust emissions
Abnormal Emission Response	If a bag filter is damaged (removal efficiency drops to 80%), regular checks and maintenance are conducted, backup equipment is provided, and immediate shutdown and repair take place after an accident to ensure emissions meet standards

Waste Gas Emission of Guangxin Nano (Subsidiary of the Company)	Unit	2025
Total exhaust emission	10,000 m^3	57,600
Volatile organic compounds (VOCs) emission	kg	2,963
Particulate matter (PM) emission	kg	2,462

Waste Management

The Company has established a closed-loop control system for waste and chemical management, covering responsibilities, full-lifecycle processes, systematic monitoring, and quantified targets. Through process standardization and quantified monitoring, we continuously enhance the levels of reduction, resource utilization, and compliance, effectively managing environmental risks.

Governance

In accordance with the *Waste Management Procedure*, the Company has established a multi-tiered waste management system that covers training, supervision, and on-site execution. Specific responsibilities for each step of the waste disposal process are clearly defined, forming a systematic management mechanism with functional departments coordinating with production units.

Waste Disposal Responsibility Allocation

Department	Core Responsibilities
EHS Department	Be responsible for staff training to ensure employees understand waste identification, hazards, and disposal methods; be responsible for waste collection, classification, labeling, and disposal in office areas.
Production Planning Center	Oversee the collection, classification, labeling, and disposal of waste at production sites; manage the recycling of waste bins.
Production Workshops	Be responsible for the collection, classification, labeling, and disposal of waste during production.

Strategy

Guided by a lifecycle management approach, the Company has built an integrated system for managing waste, chemicals, and hazardous substances. This system incorporates elements such as classified storage, process standardization, record tracking, and emergency drills, covering every stage of procurement, usage, and disposal. This ensures comprehensive risk management and continuously strengthens our environmental management foundation.

Waste Disposal

The Company has established a closed-loop management system that covers the entire process of waste storage, disposal, and record analysis. By setting up designated storage points, applying differentiated disposal paths, tracking records, and analyzing data, we ensure that all types of waste are properly controlled and utilized as resources. This reduces environmental risks and promotes waste reduction and resource circulation.

Waste Disposal Process

Storage and Daily Management	Storage Point Setup	Three dedicated storage points (areas) for different types of waste with clear labeling.
	Special Requirements for Hazardous Waste	Storage points must be located away from production and living areas; hazardous waste prone to chemical reactions must be isolated.
	Daily Cleaning	Waste is cleaned daily from storage points and transferred to designated centralized storage areas for further sorting or disposal.
Disposal Process	General Waste	Centrally stored at designated locations and handled by contracted waste management companies for disposal.。
	Recyclable Waste	Collected, labeled, and classified for storage; coordinated with recycling companies for disposal.
	Hazardous Waste	Pre-treatment—stored in dedicated bins/containers—then stored in hazardous waste warehouses. Disposal is contracted with certified disposal units under clear agreements.
General Requirements and Record Analysis	General Disposal Requirements	Waste is disposed of by licensed waste management companies. The EHS Department coordinates with recycling companies for disposal.
	Record Management	Based on environmental factors, the Company compiles a *Solid Waste Inventory*; technical and R&D departments are responsible for registering recyclable and hazardous waste disposal, completing *Solid Waste Disposal Record Form*.
	Statistical Analysis	Regular analyses are conducted based on waste statistics to enhance the management of recyclable waste, reduce pollution, and save resources.

Case Nickel Powder Particle Size Adjustment Process Development Project

Guangxin Nano, a subsidiary of the Company, adjusted the particle size classification of raw nickel powder and optimized its classification technology, achieving a significant improvement in the classification yield of nickel powder at target specifications, and developing a mature, replicable technical solution. Through multiple rounds of pilot-scale verification, this process has been shown to optimize product structure, reduce output in product categories with lower market demand, and decrease waste powder generation and raw material resource consumption, thereby simultaneously delivering multiple benefits in process technology advancement, product structure optimization, and efficient resource utilization.

Case Nickel Powder Liquid-Phase Classification and Recovery Technology Enhances Resource Utilization

To improve nickel powder utilization, Guangxin Nano successfully developed a liquid-phase classification and recovery technology, which has already been industrialized. This technology efficiently recovers 300nm and 80nm nickel powder waste (BS powder) generated during production, using physical dispersion and liquid-phase separation processes to recover products with qualified particle size. This has not only significantly improved the yield of finished products of the corresponding specifications but also alleviated the pressure of waste powder inventory. The mature process has now been handed over to the production department. The next step for the R&D team is to focus on developing recovery processes for 120nm and 180nm nickel powder (BS powders), aiming to create a technology system for recycling waste powders of all specifications.

Hazardous Chemicals Treatment

The Company has established a systematic management system covering the entire process of procurement, storage, issuance, use, and disposal of chemicals. Through qualification verification, standardized operations, and closed-loop disposal, we effectively control environmental and safety risks associated with hazardous chemicals.

Full-process Chemical Management

Management Stage	Core Requirements
Procurement	Departments submit applications; verify supplier qualifications, chemical quality, and labeling; confirm transportation unit and personnel qualifications; sign safety management agreements.
Warehouse-in/-out	Inspect and register before storage in warehouse; notify the Quality Department for inspection before use; handle with care during loading and unloading to prevent dropping; use protective equipment for corrosive chemicals and explosion-proof tools for flammable chemicals; conduct regular inspections after storage in warehouse.
Storage	Store in dedicated warehouses or storage rooms (cabinets), managed by designated personnel; equip ventilation, explosion-proof, fire-proof, and other necessary facilities by type; store incompatible materials separately; no smoking or fire is allowed inside.
Issuance	Approval system; approved by the workshop director or above; limit issuance to daily usage quantities; ensure personal protection during issuance, avoid direct contact.
Transportation & Handling	Handle with care, avoid impact or dragging; do not mix incompatible chemicals during transport; take heat and moisture protection measures for dangerous goods; activate emergency measures for abnormal conditions.
Use	Follow operating procedures and wear protective gear; inspect containers before and after use; strictly prohibit spillage, dumping, or leakage.
Waste Disposal	Follow the *Waste Management Procedure*; collect waste chemicals uniformly and entrust qualified disposal units.

Hazardous Substance Lifecycle Managemen

The Company has established a systematic management system for chemicals that covers procurement, storage, use, transportation, disposal, and emergency response. Through qualification checks, standardized operations, compliant disposal, and emergency drills, we achieve preventive, controllable, and closed-loop management of hazardous substances from source to end.

Hazardous Substance Lifecycle Management

Management Stage	Core Requirements
Procurement	Strictly review supplier and transportation unit qualifications, retain certification documents; clearly define packaging, labeling, and protection requirements for hazardous substances to ensure compliance with safety standards.
Storage	Store in designated warehouses/sites/containers with necessary safety features like ventilation, explosion-proof, fire-proof, anti-lightning, and anti-permeability systems; incompatible hazardous substances must be stored separately; hazardous waste must be stored away from production and living areas; post warning labels and prohibit smoking or open flames.
Use	Ensure operators wear protective gear and follow procedures; inspect containers before and after use; prevent spillage or leakage; provide fire-fighting equipment and emergency supplies in the working area.
Transportation/ Handling	Handle carefully, avoid impact or dragging; do not mix incompatible substances; take heat and moisture protection measures for reactive substances; transport internally away from high-traffic areas, and entrust qualified external transport units.
Disposal	Hazardous waste to be disposed of by qualified units under signed agreements; classify and store materials with proper registration; maintain disposal records and transfer forms; dispose of containers and residual materials following hazardous waste management procedures.
Emergency Response	Provide leakage emergency supplies and firefighting equipment; develop emergency response plans and conduct at least two drills annually; immediately cut off the pollution source, collect pollutants, and hire third-party monitoring post-incident.

Impact, Risk, and Opportunity Management

Based on the *Law on the Prevention and Control of Environmental Pollution by Solid Wastes of the People's Republic of China* and the *Standard for Pollution Control on Hazardous Waste Storage*, combined with the Company's production processes, various environmental and safety risks are identified. The Company has established a systematic waste monitoring system that covers daily inspections and emergency responses.

Waste Monitoring Management

Monitoring Stage	Core Monitoring Requirements
Hazardous Waste Temporary Storage Warehouse	Daily checks of container seal integrity, label completeness; visual inspection and simple detection tools to check for leaks and abnormal volatilization.
Waste Classification Storage Points	Weekly checks of classification accuracy; monitor for odors and leachate; record inspection results.
Third-Party Disposal process	Track monitoring reports before and after disposal; verify disposal effectiveness and compliance with pollutant discharge standards.
Accident Scene	Initial checks every 1 hour, then every 2 hours once pollution control is in place, until two consecutive results are compliant; use portable instruments for quick assessment of pollution range, followed by precise laboratory analysis.
Monitoring Data Application	Real-time feedback to the emergency command center for decision-making on leak sealing, bundling, and personnel evacuation.
Data Recording	All monitoring data is included in the *Solid Waste Disposal Record Form and the Emergency Monitoring Record Form.*
Exception Handling	If data exceeds standards, immediately activate emergency response plans, including pollution remediation, expanding the warning range, etc.
Traceability Optimization	Regularly summarize and analyze monitoring data to identify high-frequency pollution risk points.

Indices and Goals

During the reporting period, the Company achieved its 100% waste disposal rate target.

Waste Indicators for Guangxin Nano (Subsidiary of the Company)	Unit	2025
Total waste generated	Ton(s)	315.20
Including: total hazardous waste	Ton(s)	10.49
Including: total non-hazardous waste	Ton(s)	304.71
Total recycled/reused waste	Ton(s)	304.71
Waste recycling rate	%	96.6

Resource Utilization and Circular Economy

The Company has established a systematic control framework for water and material resources, leveraging tiered measurement, process control, and recycling initiatives to promote cascading water use. Additionally, through stringent supplier reviews, incoming inspection processes, and packaging recycling mechanisms, the Company implements a comprehensive green material management system, continuously enhancing resource efficiency and environmental performance.

Water Resource Utilization

The Company has developed a water resource management system encompassing water use norms, metering quotas, and facility management. By employing tiered measurement, process control, and recycling, the Company advances cascading water usage and efficiency improvements. Additionally, innovative approaches such as external water reuse help continually reduce the intensity of water consumption.

Water Resource Management Process

Management Level	Management Measures
Water Use Norms & Conservation Requirements	• Prohibit continuous water flow or drainage, eliminate non-production water waste; ensure water is turned off immediately after use to prevent overflow. • Regularly inspect water supply pipelines, valves, and faucets; report and repair leaks promptly to eliminate wastage. • Separate metering for production and domestic water use; unauthorized external transfer of tap water is prohibited. • Implement wastewater reuse, rainwater cascading, and increase the rate of water recycling; store water in recovery ponds and reservoirs at night for standby use.
Metering & Quota Management	• Establish a three-tiered metering system: primary (company), secondary (workshop), and tertiary (equipment/process); separate metering for production and domestic water use. • Develop annual water use plans and per-product water consumption quotas, broken down by workshop/month for execution. Rewards for meeting quotas and penalties for wastage.
Facility & Process Management	• Any new installation, removal, or renovation of water supply facilities shall be submitted for approval by the energy management department before construction and documented upon completion. • Clearly assign management responsibility for dedicated facilities such as fire hydrants and deep-well pumps and conduct regular inspection and maintenance. • Store water as a reserve to ensure a stable supply for production during peak water usage periods.

Case Introducing External Reclaimed Water to Achieve Water Savings and Cost Reduction

In September 2025, Guangxin Nano, a subsidiary of the Company, actively responded to the Ningbo Municipal Government's water resource recycling policy by engaging with the Ningbo Water & Environment Group to introduce external reclaimed water. After sampling and testing confirmed that the water quality met requirements, the Company completed pipeline installation and officially commenced water supply at the end of November, using reclaimed water as a substitute for tap water in cooling tower replenishment. During the reporting period, a total of 1,101 tons of reclaimed water were used.

Municipal reclaimed water

1,101 tons

	Unit	2025
Total water consumption	Ton(s)	402,195
Total net freshwater consumption	Ton(s)	401,094
Municipal reclaimed water	Ton(s)	1,101

Data Scope Explanation:
The data in this table cover operational sites including the Company and the Company's subsidiaries Guangxin Nano and Ningbo Guangqian Electronic Material Co., Ltd.

Green and Circular Materials

The Company has established a full-process control system for green material management, covering supplier audits, incoming inspection, and packaging recycling. Strict quality inspections are implemented for raw materials and packaging materials, while the recycling and reuse of packaging materials are systematically promoted, achieving coordinated improvement in source quality control and end-of-life resource circulation.

Promotion Directions for Packaging Material Recycling

Promotion Level	Specific Measures
01 Recycling System Setup	Identify recyclable packaging material categories, delineate recycling areas and storage standards, and establish a process of "department collection – R&D Department transfer – EHS Department disposal".
02 Recycling Process Optimization	Simplify recycling steps, establish a recycling ledger, define responsibilities at each stage and statistical cycles, ensuring traceability and quantifiable data in the recycling process.
03 Partnership Channel Expansion	Engage compliant recycling partners, sign long-term recycling agreements, prioritize the reuse of intact packaging, and reduce new packaging procurement costs.
04 Internal Management Strengthening	Conduct employee training, set recycling performance indicators, and incorporate recycling performance into departmental KPIs to enhance employee participation.
05 Resource Circulation Enhancement	Promote the internal reuse of intact packaging materials, optimize packaging selections during procurement, and prioritize recyclable and easily recoverable packaging types.
06 Effectiveness Evaluation and Improvement	Regularly collect recycling data, analyze recycling rates and cost savings, and dynamically optimize recycling categories, partnership channels, and performance indicators.

Key Performance

During the reporting period, the packaging material recycling rate was

7.90%

Employees Share in Development Achievements

The Company comprehensively protects employees' legal rights and interests, systematically empowers employee training and career development, strictly upholds occupational health and safety standards, and actively engages in rural revitalization and community development. It has built a multi-dimensional, collaborative responsibility implementation system, achieving win-win value for the Company and its stakeholders while demonstrating its corporate social responsibility through concrete actions.

Our Actions:

- Employee Rights and Benefits
- Employee Growth
- Occupational Health and Safety
- Empowering Society

04

Employee Rights and Benefits

The Company regards its employees as core value partners and has established a full-chain employee rights protection system. The Company strictly complies with laws and regulations in its employment practices, always viewing employees as assets for the Company's sustainable development. It has established a sound compensation and benefits system and is committed to providing open platforms for democratic communication, fostering a diverse environment, and fully activating internal motivation.

Recruitment and Employment

Talent is the core driving force for the Company's sustainable development. Adhering to the philosophy of "utilizing talents to their fullest potential for shared growth", the Company has formulated policies including the *Employee Handbook and Human Resource Management System*. It upholds the recruitment principles of "openness, fairness, impartiality, and merit-based selection" in seeking talent from society, maintains child labor prohibition and forced labor prevention as core bottom lines, eliminates discrimination or harassment, and actively fosters an inclusive, open, shared, and orderly working environment.

Employee Recruitment Process

01 Planning Recruitment Needs

- The Company determines annual operational and development objectives
- Departments determine annual recruitment plans
- Reviewed by department heads and deputy general managers in charge, approved by the General Manager

02 Submitting Employment Requests

- User departments complete a Personnel Addition Request Form to initiate recruitment needs
- Approved by the department head
- Reviewed by the deputy general manager in charge

03 Multi-Channel Recruitment

- Internal recruitment: internal referrals, internal competitions
- External recruitment: online platforms, on-site job fairs, campus recruitment, headhunting services, etc.

04 Selection and Hiring

- Resume screening
- Initial interview
- Second-round assessment
- Background check
- Offer of employment

Key Performance

During the reporting period, the Company recruited 235 new employees, all of whom were on labor contracts.

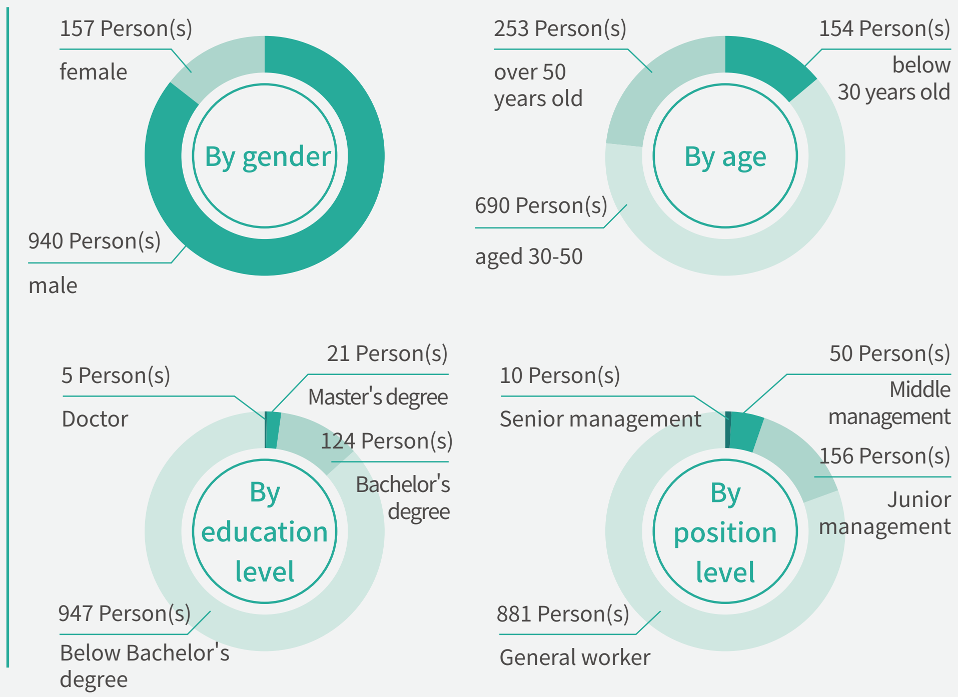
As of the end of the reporting period, the Company had a total of **1,097** employees, including **6** employees with disabilities. The social security coverage rate was **100%**

Key Performance

Total employees

1,097

Person(s)



Anti-Child Labor and Anti-Discrimination

Prohibition of Child Labor

- The Company has formulated the Child Labor Prevention Procedures, strictly prohibiting the hiring of child labor in any form. Rigorous identity verification is conducted during the recruitment and onboarding process. If an employee under the age of 16 is found, the Company will promptly provide appropriate placement and remedies, and implement related responsibilities and safeguards.

Non-Discrimination and Anti-Harassment

- The Company has formulated the Non-Discrimination and Anti-Harassment Procedures, resolutely eliminating all forms of discriminatory behavior throughout the employee lifecycle and ensuring equal development opportunities for all employees. The Company implements uniform and strict conduct standards for all employees, suppliers, customers, and any individuals entering Company premises, protecting employees from any form of physical, verbal, psychological, or sexual harassment or abuse.
- Employees may file complaints verbally or in writing to the General Manager or raise complaints during monthly union meetings. Related matters will be promptly investigated with feedback provided.

Key Performance

During the reporting period, the Company recorded **0** incidents of child labor or forced labor, and **0** incidents of employment discrimination.

Compensation and Benefits

Based on the differentiated requirements of job roles and work characteristics, the Company has established a diversified compensation management system to attract talent. Concurrently, the Company continuously improves its comprehensive employee benefits system, demonstrating respect and regard for its employees through concrete actions.

Employee Compensation Composition

Employee Benefits

Statutory Benefits	Living Benefits	Special Benefits
Social insurance: pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund for eligible employees	Meal subsidies	"Individualized compensation" for high-caliber talent: for talent with master's degrees or above or senior professional titles
Statutory paid leave: statutory holidays, marriage leave, bereavement leave, work injury leave, maternity leave, and family planning leave, etc.	Housing allowances: for eligible employees	Special housing allowances or subsidized rental housing: assistance in resolving families' employment issues
	Travel allowances: for business travel	
	Other benefits: summer benefits, high-temperature allowances, seniority awards, holiday gifts and cash gifts, etc.	

Democratic Management

The Company has incorporated employee expression and rights protection into its corporate governance agenda. It has formulated the *Whistleblowing and Complaint Management Measures of Jiangsu Boqian New Materials Stock Co., Ltd.*, opened communication channels, and continuously improved its democratic management system, laying a solid democratic management foundation for the Company's stable and long-term development.

Democratic Communication Channels

- Employee suggestion box
- Regular employee symposiums
- Dedicated whistleblowing and complaint channel

Employee Satisfaction

During the reporting period, the Company conducted employee satisfaction surveys covering dimensions such as company management, corporate culture, work environment, and administrative support. Based on the survey data, the Company accurately identified management weaknesses and implemented targeted optimization measures.

Key Performance

During the reporting period, the Company's employee satisfaction rate was

93%

the employee turnover rate was

9.4%

In 2025, the Company optimized its talent assessment mechanisms during contract renewal and probationary period conversion processes, implementing tripartite review meetings for contract renewals and PPT-based performance presentations for probationary period conversion. Throughout the year, 25 contract renewal interviews and 22 probationary period conversion assessments were completed, supporting employee self-development and the Company's precise identification and retention of talent.

Occupational Health and Safety

The Company has made employee health and safety a key governance principle, establishing a comprehensive control mechanism integrating occupational health management and work safety. It continuously strengthens safety assurance capabilities, effectively safeguards employees' rights and interests, and supports the Company' s safe, healthy, and sustainable development.

Governance

To effectively protect employee occupational health and ensure work safety, the Company has formulated policies including the *Work Safety Rules and Regulations* and the *Occupational Health Management System*. A Work Safety Leadership Group has been established, with the General Manager serving as Group Leader responsible for approving safety management goals. Department heads are responsible for daily safety management, and the EHS Department is responsible for inspecting and evaluating the implementation of the Company' s work safety efforts. As of the end of the reporting period, the occupational health and safety management system certifications of the Company and its subsidiary, Guangxin Nano, remained valid.

Work Safety Policy


OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATE
JIANGSU BOQIAN NEW MATERIALS STOCK CO., LTD.
ISO 45001:2018


OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATE
ISO 45001:2018
中国质量认证中心

ISO 45001 Occupational Health and Safety Management System Certification Certificate

Strategy

The Company consistently prioritizes employee health and work safety, building a robust safety and occupational health defense line through systematic and regular management practices. The Company coordinates annual, role-tailored health check-ups for all employees, providing professional consultation and report interpretation services to achieve early screening and prevention of diseases, thereby comprehensively protecting employee physical and mental health. To strengthen company-wide safety competence, the Company conducts a series of activities, including awareness campaigns, self-inspections, and knowledge competitions, centered around core themes such as the annual Work Safety Month, continuously enhancing employee safety awareness and risk identification capabilities. Concurrently, through regular integrated emergency drills, the Company continuously optimizes its emergency plans and response procedures.

Case: Conducting Health Check-ups to Protect Physical and Mental Well-being

In October 2025, the Company coordinated its annual health check-up program. The check-ups covered all active employees across various positions, with customized check-up packages tailored to the different work characteristics of office and production roles. Professional health consultation and examination report interpretation services were provided. This check-up effectively built a health protection barrier for employees, enabling early screening, intervention, and prevention of diseases, and comprehensively protecting employees' physical and mental health.

Employee Occupational Health Check-up

Case: Strengthening Skills through Emergency Drills to Fortify the Work Safety Defense Line

In June 2025, the Company conducted a comprehensive fire emergency drill. The drill process included simulated smoke evacuation, standardized simulated alarm calls, professional fire rescue operations, and hands-on training with firefighting equipment. This drill enhanced employees' practical skills in fire escape and equipment use, standardized emergency response procedures, consolidated the Company' s fire safety defense line, and effectively implemented work safety requirements.

Fire Emergency Drill

Impact, Risk and Opportunity Management

The Company has established a comprehensive occupational health and safety risk control system covering all processes. Through thorough risk object analysis, risk event classification, risk level grading, and the development of a safety risk register, the Company systematically identifies various occupational health and production safety risks. In daily operations, the Company focuses on the entire production process, conducting monthly systematic safety risk inspections covering key areas, continuously eliminating hazards and consolidating the safety foundation.

Indices and Goals

Occupational Health and Safety Goals

Occupational Health and Safety Goals	Completion Status
Zero personal injury accidents	Achieved
Zero fire and explosion accidents	Achieved
100% awareness rate of departmental safety risk notifications	Achieved
100% pass rate for risk emergency response training	Achieved
100% implementation of safety responsibility goals	Achieved
100% participation and pass rate for company-wide safety education and training	Achieved
100% pass rate for emergency rescue training, with drills conducted as planned	Achieved

Occupational Health and Safety Indices

Occupational Health and Safety Indices	Unit	2025
Fatalities due to work-related injuries	Person(s)	0
Total work safety investment	RMB 10,000	100.42
Incidence of occupational diseases	%	0
Occupational health checkup coverage rate	%	100
Work safety training hours	Hour(s)	21,106.5
Number of work safety emergency drills	Session(s)	3
Number of participants in work safety emergency drills	Person-times	119

Employee Growth

The Company has integrated talent development into its core development plan, establishing clear career development pathways. It empowers employee growth through a systematic training system, integrates high-quality internal and external resources to broaden growth opportunities, and fosters a caring workplace atmosphere, comprehensively supporting employees in achieving personal and professional advancement while building a solid talent foundation for the Company' s high-quality development.

Employee Promotion

The Company actively builds an open and transparent competitive development system, creating clear career advancement pathways for all employees. It defines core elements such as job families, levels, and competency grades, meeting the growth needs of different employees, enhancing talent competitiveness, and achieving a win-win outcome for individual value realization and corporate development.

Employee Promotion Pathways

Management (M)	Professional (P)	Sales (S)	Functional (F)	Worker (W)	Levels
Management	Processional/ Functional (Skills))				
M8 General Manager					General Manager Level
M7 Deputy General Manager	P8 Senior Engineer				
M6 Senior Director	P7 Associate Senior Engineer	S8 Seasoned Business Specialist			Director Level
M5 Director	P6 Intermediate Engineer	S7 Senior Business Specialist	F8 Seasoned Specialist		
M4 Senior Manager	P5 Junior Engineer	S6 Business Specialist	F7 Senior Specialist		Manager Level
M3 Manager	P4 Senior Technician	S5 Seasoned Business Officer	F6 Specialist		
M2 Senior Supervisor	P3 Intermediate Technician	S4 Senior Business Officer	F5 Seasoned Clerk		Supervisor Level
M1 Supervisor	P2 Junior Technician	S3 Intermediate Business Officer	F4 Senior Clerk		
	P1 初级技术员	S2 Junior Business Officer	F3 Intermediate Clerk		Worker Level
		S1 Business Assistant	F2 Clerk	W3 Senior Worker	
			F1 Junior Clerk	W2 Skilled Worker	
				W1 General Worker	

Employee Training

The Company has built a tiered and categorized training system spanning employees' entire careers, covering new employee orientation, job skill enhancement, and management capability development. Training is delivered through a combination of internal and external programs, solidifying the talent development foundation.

Key Performance

During the reporting period,

the Company conducted a total of	employee training coverage rate	training hours per employee	annual training expenditure of RMB
69 training sessions	98.5%	31.6 hours	15 RMB10,000

Employee Training Plan

Orientation Training	It is conducted quarterly or semi-annually to help new employees quickly acclimate to the company environment, understand job responsibilities, and master working methods.
Work Safety Training	It is conducted monthly to enhance company-wide safety awareness and emergency response capabilities.
Management Capacity Training	It focuses on inventory management, production efficiency, tax risk control, industry analysis, and IP management to strengthen employee management skills.
Skills Training	It is tailored to the characteristics of each position to conduct skills proficiency and capability enhancement training to strengthen professional knowledge and technical methodologies.
R&D Technical Training	It focuses on new product expertise and core technology iteration to deepen team technical expertise and innovation effectiveness.

Case: Preventing Misconduct through Case-Based Warnings, Upholding Integrity to Protect Public Trust

In October 2025, the Legal Affairs Department of the Company organized specialized training on insider trading. The training focused on the legal definition, identification criteria, and legal liabilities of insider trading, using typical cases from capital markets as warnings. This training clarified compliance boundaries, enhanced employees' awareness of insider information confidentiality and professional ethics, and helped prevent capital market compliance risks.

Employee Care

The Company integrates employee care into its corporate social responsibility system, actively implementing care initiatives for active employees and building emotional bonds through diverse cultural and sports activities, thereby enhancing company-wide sense of belonging and well-being. Concurrently, the Company extends its care to employees' families, providing support and assistance to employees in difficulty.

Key Performance

During the reporting period, the Company provided assistance to 14 employees in difficulty.

Case: Providing Summer Cooling to Protect Health, Fulfilling Responsibility to Unite People

Starting in July 2025, the Company continuously distributed summer heat prevention supplies, including heatstroke prevention medicines, salted soda water, and cooling oil. This distribution effectively protected employee health and work safety in high-temperature environments, conveyed corporate humanistic care, and strengthened employee sense of belonging and cohesion. Concurrently, the Company cafeteria provided heat-relieving dishes to meet employees' summer dietary needs.

Summer Cooling Initiative

Case: Warmth on Women's Day, Saluting Women's Contributions

In March 2025, the Company organized a series of Women's Day care activities for all female employees, including customized holiday gifts and care activities, addressing both physical and mental health needs and spiritual and cultural aspirations. These activities effectively conveyed the Company's respect and care for its female employees, enhanced their sense of belonging and well-being, united women's strength, and solidified the foundation of a harmonious and inclusive corporate culture.

Women's Day Activity

Festival Activities

Dragon Boat Festival

Mid-Autumn Festival

Empowering Society

While achieving its own development, Boqian New Materials actively fulfills its responsibilities as a corporate citizen, viewing social contribution as an important part of its long-term value creation. It is committed to giving back its development achievements to employees, communities, and the wider public through various forms of support, including education support and community co-development, demonstrating its corporate warmth and responsibility through concrete actions and growing together with the society. During the reporting period, the Company's social contribution investment was RMB 50,000.

Case Sponsoring Local Football Events to Support National Fitness and Community Development

In September 2025, to support the development of local sports, the Company actively participated in the promotion of the “2025 Suqian City Bawang Cup County and District Football League” (referred to as “Suchao”). The Company provided special sponsorship, primarily supporting the equipment, training, and competition needs of the Suyu District representative team, effectively alleviating the team’ s participation pressure and activating the players' competitive spirit. Ultimately, the Suyu District representative team won the championship with an outstanding performance. This collaboration not only facilitated the smooth running of the “Suchao” league but also significantly enhanced the Company’ s brand reputation in the local community, achieving a positive interaction between sports and corporate development and contributing to Suqian's national fitness initiative.

2025 Suqian City Bawang Cup County and District Football League

Conclusion

Key Performance Table

Category	Indicator	Unit	2025
Environmental Performance	Environmental protection investment	RMB 10,000	268.86
	Electricity	MWh	153,813.81
	Gasoline	Liter(s)	14,977.86
	Diesel	Liter(s)	4,586.65
	Liquefied petroleum gas (LPG)	m^3	4,707.65
	Clean energy consumption	MWh	3,746.44
	Total water consumption	Ton(s)	402,195
	Total net freshwater consumption	Ton(s)	401,094
	Municipal reclaimed water usage	Ton(s)	1,101
	Scope 1 Greenhouse gas emissions	tCO_2e	141.197
	Scope 2 Greenhouse gas emissions	tCO_2e	77,712.275
Social Performance	Number of R&D personnel	Person(s)	119
	R&D personnel as a percentage of total employees	%	10.85
	R&D investment	RMB 10,000	4,799.40
	R&D investment as a percentage of operating revenue	%	4.17
	Total number of valid granted patents	Case(s)	181
	Domestic invention patents	Case(s)	64
	Domestic utility model patents	Case(s)	80
	Overseas patents	Case(s)	37
	Total number of employees	Person(s)	1,097
	Male employees	Person(s)	940

Category	Indicator	Unit	2025
Social Performance	Female employees	Person(s)	157
	Under 30 years old	Person(s)	154
	30-50 years old	Person(s)	690
	Over 50 years old	Person(s)	253
	Doctor's degree	Person(s)	5
	Master's degree	Person(s)	21
	Bachelor's degree	Person(s)	124
	Below bachelor's degree	Person(s)	947
	Senior management personnel	Person(s)	10
	Middle management personnel	Person(s)	50
	Junior management personnel	Person(s)	156
	General employees	Person(s)	881
	Employee Turnover Rate	%	9.4
	Employee satisfaction	%	93
	Total investment in work safety	RMB 10,000	100.42
	Total hours of work safety training	Hour(s)	21,106.50
	Number of work safety emergency drills	Session(s)	3
	Fatalities due to work-related injuries	Person(s)	0
	Incidence of occupational diseases	%	0
	Occupational health checkup coverage rate	%	100
	Total employee training expenditure	RMB 10,000	15
	Employee training coverage rate	%	98.5
	Average annual training hours per person	Hour(s)	31.6
	Total number of major customer complaints	Time(s)	0

Indicator Index

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

Topics	Section
Climate Change Tackling	Climate Change Tackling and Energy
Pollutant Discharge	Pollution Prevention and Control
Waste Disposal	Waste Management
Ecosystem and Biodiversity Protection	Environmental Compliance and Ecosystem Protection
Environmental Compliance Management	Environmental Compliance and Ecosystem Protection
Energy Usage	Climate Change Tackling and Energy
Usage of Water Resources	Resource Utilization and Circular Economy
Circular Economy	Resource Utilization and Circular Economy
Rural Revitalization	Empowering Society
Contributions to the Society	Empowering Society
Innovation-driven	Innovation-driven
Ethics of Science and Technology	Not applicable. The core business of the Company does not involve scientific research and technology development in sensitive fields such as life science and artificial intelligence ethics.
Supply Chain Security	Supply Chain Security
Equal Treatment to Small and Medium-Sized Enterprises	Not applicable. The Company treats SMEs equally, and there is no overdue payment for SMEs.
Safety and Quality of Products and Services	Safety and Quality of Products and Services
Data Security and Customer Privacy Protection	Data Security and Customer Privacy Protection
Employees	Employee Rights and Benefits; Occupational Health and Safety; Employee Growth
Due Diligence	Risk Internal Control
Communication with Stakeholders	ESG Management
Anti-Commercial Bribery and Anti-Corruption	Business Ethics
Anti-Unfair Competition	Business Ethics

Global Reporting Initiative (GRI) Standards Index Table

Statement of use	Boqian New Materials has reported the information cited in this GRI content index for the period from January 1, 2025 to December 31, 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Introduction to Boqian New Materials
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	About This Report
	2-6 Activities, value chain and other business relationships	ESG Management
	2-7 Employees	Employee Rights and Benefits; Occupational Health and Safety; Employee Growth
	2-9 Governance structure and composition	Corporate Governance
	2-10 Nomination and selection of the highest governance body	Corporate Governance
	2-11 Chair of the highest governance body	Corporate Governance
	2-16 Communication of critical concerns	ESG Management
	2-17 Collective knowledge of the highest governance body	Corporate Governance
	2-25 Processes to remediate negative impacts	Safety and Quality of Products and Services
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics; Employee Growth
	2-29 Approach to stakeholder engagement	ESG Management

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Management
	3-2 List of material topics	
	3-3 Management of material topics	
GRI 101: Biodiversity 2024	101-2 Management of biodiversity impacts	Environmental Compliance and Ecosystem Protection
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Refer to Annual Report
	201-3 Defined benefit plan obligations and other retirement plans	Employee Rights and Benefits
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Empowering Society
	203-2 Significant indirect economic impacts	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Climate Change Tackling and Energy
	302-4 Reduction of energy consumption	
	302-5 Reductions in energy requirements of products and services	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Resource Utilization and Circular Economy
	303-2 Management of water discharge-related impacts	Pollution Prevention and Control
	303-3 Water withdrawal	Resource Utilization and Circular Economy
	303-4 Water discharge	Pollution Prevention and Control
	303-5 Water consumption	Resource Utilization and Circular Economy
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change Tackling and Energy
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-5 Reduction of GHG emissions	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management
	306-2 Management of significant waste-related impacts	
	306-3 Waste generated	
	306-4 Waste diverted from disposal	

GRI STANDARD	DISCLOSURE	LOCATION
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Rights and Benefits
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Growth
	404-2 Programs for upgrading employee skills and transition assistance programs	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance; Employee Rights and Benefits
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Rights and Benefits
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Empowering Society

Reader Feedback

Reader Feedback

Thank you for reading the *2025 Social Responsibility Report of Jiangsu Boqian New Materials Stock Co.*, Ltd. In order to provide you and other stakeholders with more professional and valuable corporate ESG information, please assist us in answering relevant questions in the feedback form. Your feedback will help us further improve our ESG work in the future.

Multiple-choice Questions (Please mark " ✓ " in the corresponding position)

1.Regarding Boqian New Materials, what is your identity?

☐ Employee ☐ Customer ☐ Supplier ☐ Regulatory Agency ☐ Media ☐ Others (Please specify):__________

2.What is your overall evaluation of this report?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very Poor

3.How do you think of the structure of this report?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very Poor

4.What is your opinion on the layout design and presentation form of the report?

☐ Very Reasonable ☐ Reasonable ☐ Average ☐ Poor ☐ Very Poor

5.What is your evaluation of the Company's comprehensive performance on environmental topics?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very Poor

6.What is your evaluation of the Company's comprehensive performance on social topics?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very Poor

7.What is your evaluation of the Company's comprehensive performance on governance topics?

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very Poor

Open Question:

What are your opinions and suggestions on the Company's ESG work?

博迁新材

Jiangsu Boqian New Materials Stock Co., Ltd.