

2025

Sustainability Report



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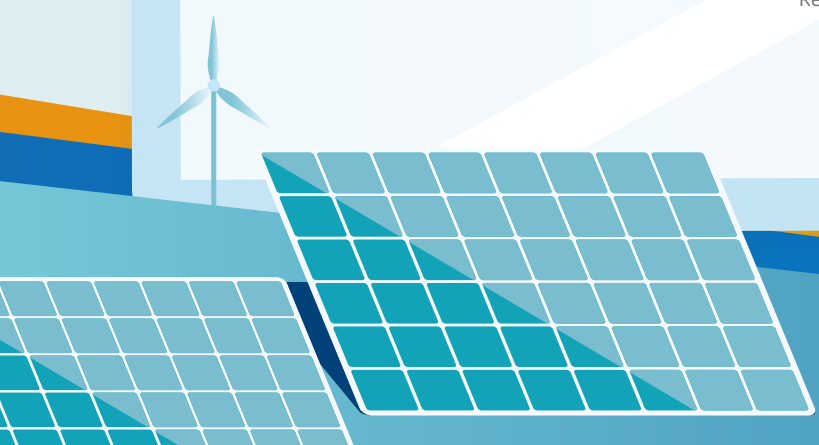
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About This Report

Huaqin Technology Co., Ltd. (referred to as "Huaqin Technology", "the Company", or "we") publishes its annual sustainability report before 30 April each year, primarily disclosing the sustainability philosophy, strategies, goals, and progress of the Company and its subsidiaries. This is the fifth sustainability report we have published.

Reporting Scope

The reporting period is from 1 January 2025 to 31 December 2025, with some content extending to previous and subsequent years where appropriate. Unless otherwise specified, the scope of reporting entities is consistent with that of the Company's annual report. Based on external macroeconomic policies and the Company's sustainability strategy and goals, the timeframes in this report are defined as follows: the short term refers to the period from 2025 to the end of 2027; the medium term from 2028 to the end of 2030; and the long term as the period after 2030. This report is consistent with the financial reporting boundaries disclosed on the Shanghai Stock Exchange.

This report covers Huaqin Technology and its subsidiaries:

Operating Entity	Abbreviation
Huaqin Technology Co., Ltd.	Shanghai Global R&D Headquarters
Shanghai Anqin Zhixing Automotive Electronics Co., Ltd.	
Wuxi Ruiqin Technology Co., Ltd.	Wuxi R&D Centre
Guangdong Hongqin Communication Technology Co., Ltd.	
Guangdong Bay Area Intelligent Terminal Industrial Design Research Institute Co., Ltd.	Dongguan R&D Centre
Xi'an Yipu Communication Technology Co., Ltd.	Xi'an R&D Centre
Nanchang Huaqin Electronic Technology Co., Ltd.	Nanchang First Manufacturing Centre, Nanchang R&D Centre
Nanchang Qinsheng Electronic Technology Co., Ltd.	
Nanchang Shengqin Electronic Technology Co., Ltd.	Nanchang Second Manufacturing Centre
Dongguan Huabei Electronic Technology Co., Ltd.	
Guangdong Qiyang Technology Co., Ltd.	Dongguan First Manufacturing Centre
Dongguan Heqin Electronics Co., Ltd.	
Guangdong Yuantu Future Technology Co., Ltd.	
Guangdong Purui Yunchuang Technology Co., Ltd.	Dongguan Second Manufacturing Centre
Dongguan Qinling Automotive Electronics Co., Ltd.	
Guangdong Ruiqin Technology Co., Ltd.	Dongguan Third Manufacturing Centre
Dongguan Huayu Precision Technology Co., Ltd.	Huayu Precision
Guangdong Xiqin Precision Mould Co., Ltd.	
Guangdong Qinxian Technology Co., Ltd.	Xiqin Precision
Nanchang Chungqin Precision Technology Co., Ltd.	Chunqin Precision
Innovation Technology Company Limited.	Innovation Technology
Guangdong Hrobot Technology Co., Limited	Hrobot
RQ Technology Electronics Vietnam Company Limited	Vietnam Manufacturing Centre
Bhagwati Products Limited	India Manufacturing Centre
PLAMEX SA DE CV	Mexico Manufacturing Centre

Source of Information

The information disclosed in this Report is sourced from the statistical reports and related documents of Huaqin Technology and its subsidiaries. The financial data in this Report is denominated in RMB. Should any discrepancies arise between this Report and the annual report, the latter shall prevail.

Basis of Preparation

This Report has been prepared with reference to the GRI Standards issued by the Global Sustainability Standards Board (GSSB), with the content and presentation of information defined by its principles of "Accuracy," "Balance," "Clarity," "Comparability," "Completeness," "Sustainability Context," "Timeliness," and "Verifiability". It complies with the *Shanghai Stock Exchange Listed Company Self-Regulatory Guideline No. 4 – Preparation of Sustainability Reports*. It also refers to the framework recommendations of *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 Climate-related Disclosures* issued by the International Sustainability Standards Board (ISSB), *ISO 26000:2010 Social Responsibility Guidelines*, the *Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited (HKEX)*, and the United Nations 2030 Sustainable Development Goals (SDGs). This Report has been compiled based on the industry context, stakeholder requirements, the Company's current status, and its actual sustainability practices.

Reporting Boundary

The scope of information disclosed in this Report covers Huaqin Technology Co., Ltd. and its subsidiaries, which is consistent with the scope of Huaqin Technology's consolidated financial statements.

Preparation and Publication Process

This Report is based on the Company's sustainability practices and follows a process of: project launch, materiality assessment, information gathering, drafting and revision, review by the ESG Executive Committee, review by the Board of Directors, and external disclosure.

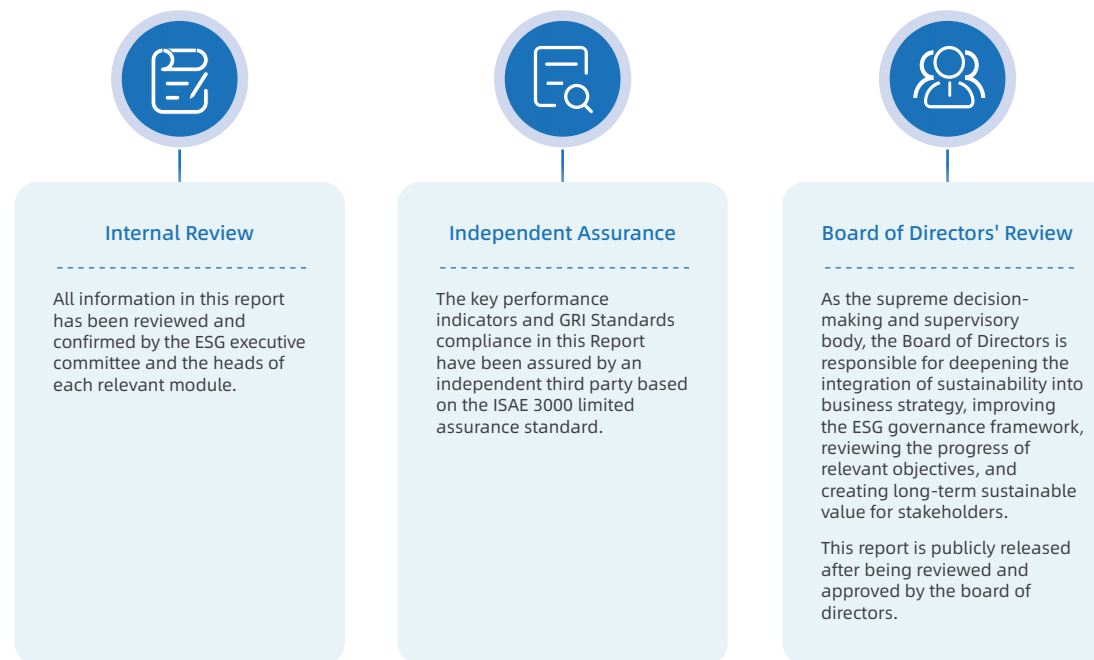
This Report was reviewed, approved, and authorised for publication by the Board of Directors on 29 April 2026.



Reliability Assurance

The content of this Report contains no false records, misleading statements, or material omissions. The Board of Directors is responsible for the truthfulness, accuracy, and completeness of its content. The Company has commissioned SGS to conduct a limited assurance engagement in accordance with the ISAE 3000 Assurance Standard. The assurance report is provided in the appendix.

Sustainability report reliability assurance mechanism



Report Access

This Report is published in electronic format in Simplified Chinese, Traditional Chinese and English on the Company's official website at <https://www.huaqin.com>. In case of any discrepancy among the versions, the Simplified Chinese version shall prevail. If you have any questions or suggestions regarding this Report, please send an email to esg@huaqin.com or call 021-80221108.

Chairman's Statement



In 2025, Huaqin Technology celebrated the significant milestone of its 20th anniversary. Against the backdrop of a challenging global macroeconomic environment and waves of technological innovation, the Company has remained committed to its long-termism, adhering to the principle of "looking three to five years ahead, doing the right things, and tackling the harder challenges" in pursuit of high-quality and resilient growth. In 2025, the Company achieved a remarkable leap in its business performance, with annual operating revenue reaching RMB171.44 billion, a year-on-year increase of 56%, and net profit attributable to shareholders of the parent company standing at RMB4.05 billion, a year-on-year increase of 38.6%. These accomplishments are attributable to the collective efforts of all employees, as well as the continued attention and support of our stakeholders. They also demonstrate the strategic effectiveness of the Company's "3+N+3" intelligent product platform framework and its ongoing development of a second growth curve.

During the year, the Company remained committed to technological innovation, driving synergistic growth across its diverse businesses. Our core businesses continued to lead the market, solidifying our industry-leading position. Strategic innovation initiatives progressed steadily, achieving continuous breakthroughs. From smart terminals to AI computing infrastructure, and from automotive electronics to robotics and software, we have strengthened our platform-centric core advantages while continuously developing a second growth curve to achieve sustainable growth. At the same time, the Company's industry influence and brand value have significantly increased, highlighted by our consecutive inclusion in the Fortune China 500. We are now pursuing high-quality development in the global arena with greater stability, and we look forward to contributing further to the industry's progress.

Strengthening Governance Foundations, Building a Sustainable Base

The Company continuously optimizes its governance structure, empowering scientific decision-making with an independent and diverse board of directors. We adhere to the principles of compliant operations, integrating risk management and control into all aspects of business processes, and continuously enhancing management resilience. Huaqin Technology requires its management to uphold "integrity" and to refrain from condoning any behavior that harms the organization. We systematically integrate ESG elements into strategic planning and daily operations, actively responding to the concerns and expectations of stakeholders. With solid and practical sustainability practices, the Company has earned an MSCI A rating and a Wind ESG AAA rating—recognitions that serve as authoritative market validation of our commitment to sustainable development.

Leading Green Innovation, Addressing Climate Change

We are firmly advancing our "dual carbon" goals, viewing the green and low-carbon transition as a key strategic opportunity. In 2025, the Company achieved its goal of saving 100 million kWh of electricity annually, connected an additional 7.5 MW of self-built photovoltaic capacity to the grid. Through a dedicated supply chain carbon management program, we empowered 70 suppliers to establish carbon management systems, achieving a total of 110 million kWh in energy savings. At the same time, the Company integrates green design principles throughout product lifecycle management and corporate operations. In 2025, we completed carbon footprint certifications for eight products, and our overall clean energy usage ratio reached 27.85%. Looking ahead, we will continue to increase investment in green technology, clean energy, and the circular economy, promote the development of "zero-carbon factories", and strive to be a pioneer in the low-carbon transition.

Attracting Excellent Talent, Co-Creating Diverse Value

We continuously build an agile and evolving organizational system. In 2025, the Group's workforce exceeded 70,000 employees. We welcomed over 1,800 new graduates, including more than 170 overseas students. Adhering to our talent philosophy of "being smart, resilient, reliable, and open", we continue to foster a fair and inclusive corporate culture. Through the "Internal Mobility Program", we provide diverse and accessible development paths for our talent. We promote the global replication of organizational capabilities through a "small group, large BG¹" model, encouraging global employees to pursue "limitless growth" on Huaqin's simple and open platform. Looking forward, the Company will further optimize its incentive mechanisms to ensure that contributors receive fair returns, thereby building a highly collaborative global team.

Building a Responsible Ecosystem, Driving Industry-Wide Success

We are committed to practicing sustainability within our business ecosystem, deeply integrating ESG into our value chain, and collaborating with partners to enhance supply chain resilience. The Company adheres to the philosophy that "being customer-centric begins with being quality-centric," and takes customer success as its mission. By vertically integrating precision mold industry leaders, we empower component R&D innovation and ensure stable delivery capabilities. Leveraging our role as a value chain leader, we work with partners to build a transparent, green, and responsible value chain. We also value our engagement with the community—from supporting farmers through "charity coffee" to caring for "children with autism", from bringing science education into schools to warming the hearts of the elderly, and from rural development to emergency relief donations for the fire in Hong Kong. We continue to sow seeds of kindness, with cumulative charitable contributions exceeding RMB 18.3 million, benefiting over 200,000 people.

Advancing Globally, Creating a Sustainable Future

Reflecting on the 20-year journey of Huaqin Technology, every step of the Company's growth has been driven by down-to-earth hard work and a steadfast commitment to long-termism. Looking ahead to 2026, uncertainty remains a defining theme of our times. However, the people of Huaqin choose to "collaborate in trust, break through in challenges, and steadfastly create definite value in an uncertain era". We will continue to focus on our "3+N+3" business strategy, building a long-term moat through technological innovation. We will integrate ESG principles more deeply into our corporate governance, product innovation, and global operations, fulfilling our responsibilities to customers, employees, shareholders, partners, and society to an even higher standard.

At the start of the 15th Five-Year Plan, Huaqin Technology also embarks on its second 20-year journey. On behalf of the Board of Directors, I would like to extend my sincerest gratitude to all our clients, partners, investors, community partners, and employees. Huaqin Technology will continue to uphold its mission to "Easier connecting, Better living" and adhere to the belief in "Global Progress, Shared Future". We are committed to doing what is right and taking on greater challenges, working with stakeholders to create an open, symbiotic, and win-win industrial ecosystem. Together, we will write a more prosperous, greener, and more inclusive future, and welcome the next two decades where our sustainable blueprint becomes a developmental reality.

Chairman, CEO, and Chairman of the ESG Executive Committee of
Huaqin Technology

¹BG is the abbreviation for Huaqin Technology's Business Groups. These are independently operated units divided by business area, each with relatively complete R&D, production, sales, and management functions.

About Huaqin Technology

Company Profile

Established in 2005 and headquartered in Shanghai, China, Huaqin Technology Co., Ltd. is a global intelligent product platform enterprise. The Company is listed on the Main Board of the Shanghai Stock Exchange and the Main Board of the Hong Kong Stock Exchange (stock codes: 603296.SH / 3296.HK). Growing and expanding amidst technological iterations and transformations in mobile communications, the internet, cloud computing, and artificial intelligence, the Company provides end-to-end, full-value-chain intelligent product services to leading global technology companies, achieving industry-leading positions across multiple product categories.



Business Layout

"3+n+3" Business Strategy

Against the backdrop of accelerating integration of advanced technologies such as the Internet of Things, big data, cloud computing, and artificial intelligence, various intelligent products are undergoing upgrades towards greater intelligence, digitalisation, and connectivity, while also expanding into new domains. The traditional ODM model can no longer meet the comprehensive demands of clients for both efficiency and innovation. Huaqin Technology has a profound insight into and understanding of the diverse, multi-scenario product needs of global brand clients, and continuously optimizes its business development strategy. By 2025, the Intelligent Hardware Platform will be upgraded to the "3+N+3" Intelligent Product Platform. This consists of a mobile terminal product portfolio centered on smartphones, a digital productivity product portfolio centered on personal computers, and a full-stack product portfolio for data center infrastructure. Simultaneously, the Company has expanded into three strategic areas: automotive electronics, robots, and software, forming a powerful engine for diversified growth. This continues to solidify its competitive edge in the all-scenario ecosystem and lays a solid foundation for creating long-term enterprise value.



Mobile Terminal Business

Ranked first in shipment volume for four major categories: smartphones, tablets, wearables, and TWS earphones, achieving full price segment coverage while continuously launching diverse new products.



Laptop Business

Global market share of its notebook ODM business continued to increase. Mainstream product lines have successfully entered the North American client market, while diversified product lines such as desktops and all-in-one computers are making comprehensive progress.



Data Center Business

Became a core supplier to leading domestic cloud vendors, with shipment volumes growing rapidly. Successfully launched a full-stack AI super-node solution integrating computing power and networking for next-generation intelligent computing centers.



AIoT Business

Product categories such as smart home, XR, and gaming products are continuously enriched, delivering strong performance growth. Leveraging its leading R&D and technological advantages, the Company maintains in-depth cooperation with global technology brand clients.



Automotive Electronics Business

Successfully broke into mainstream domestic and international automakers and new-energy vehicle manufacturers, achieving mass production in the fields of intelligent cockpits and assisted driving.



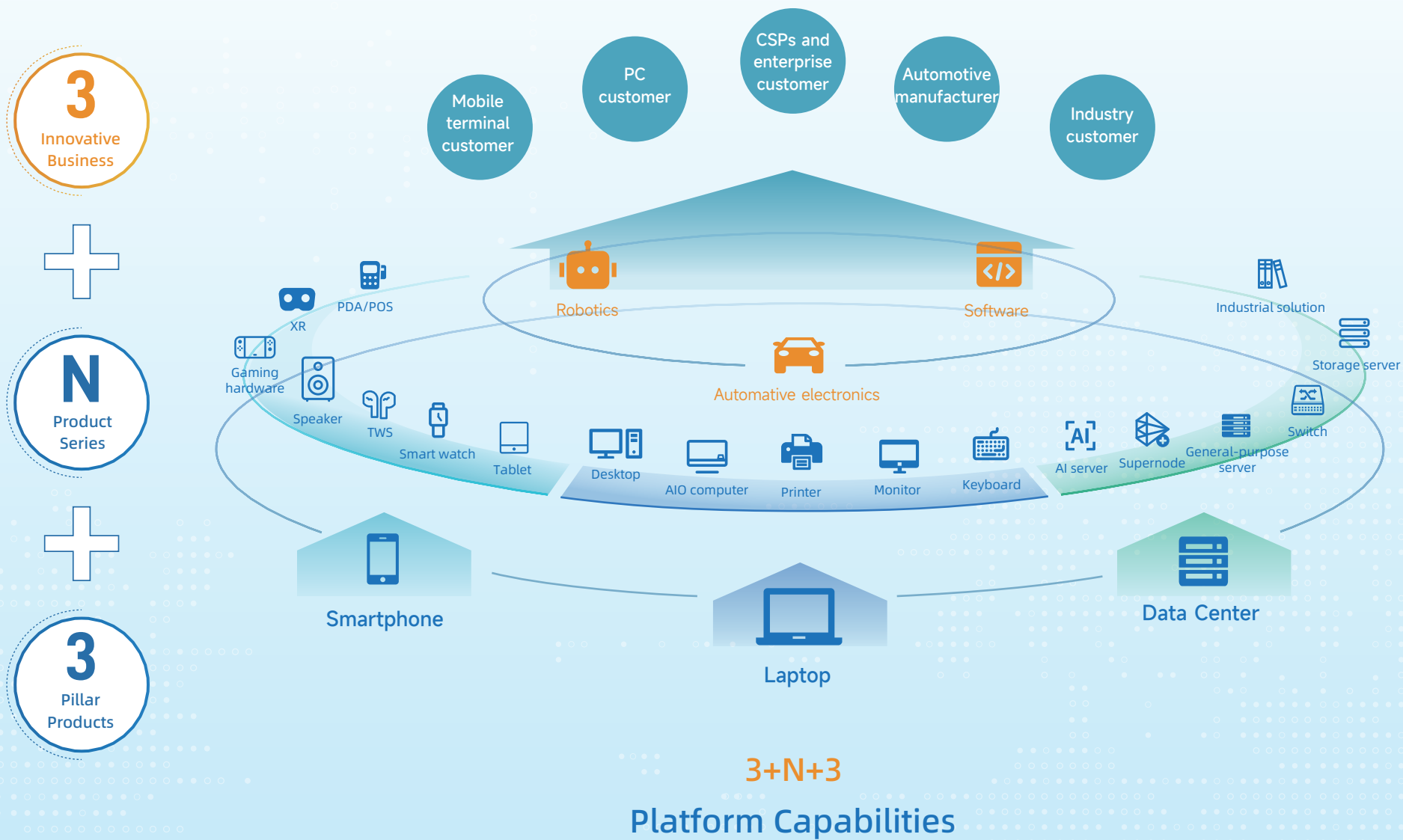
Software Business

Built a comprehensive software service ecosystem for downstream industries such as consumer electronics, automotive electronics, and smart industry, leveraged the advantage of software-hardware integration, and provided customers with customized solutions compatible with multi-operating system environments.



Robot Business

Mass production and shipment of home cleaning robots and data collection robots; research and development of humanoid robots for the 3C manufacturing industry.



"1+5+5" Global Layout

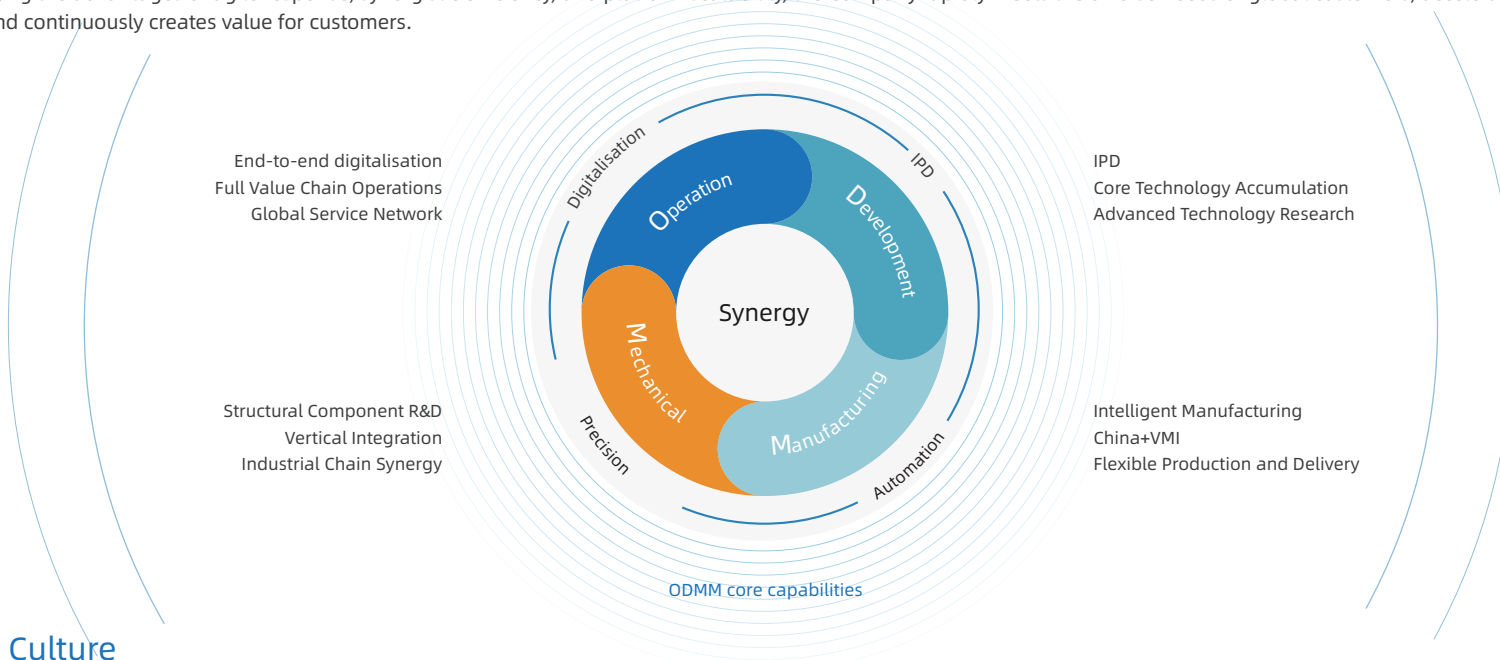
Huaqin Technology continues to deepen its global development strategy and has established a "1+5+5" global layout, comprising one Shanghai headquarters, five major R&D centers in Shanghai, Dongguan, Xi'an, Nanchang, and Wuxi, two domestic manufacturing centers in Nanchang and Dongguan, and three overseas manufacturing bases in Vietnam, Mexico, and India. This achieves a high-quality production capacity layout, enabling multi-category, large-scale delivery that deeply satisfies the global business needs of clients and enhances the Company's risk resilience and global business tenacity.



¹VMI: Abbreviation for Vietnam, Mexico, and India.


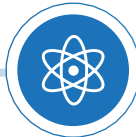

ODMM Core Competencies

Huaqin Technology has deep expertise in the intelligent product ODM industry, redefining ODM to encompass four core capabilities: efficient Operation, research and Development, advanced Manufacturing, and precision Mechanical components (ODMM). The Company persists in deepening its digital and automated transformation, supported by the advanced Integrated Product Development (IPD) process. Leveraging the advantages of agile response, synergistic efficiency, and platform scalability, the Company rapidly meets the diverse needs of global customers, accelerates product innovation and iteration, and continuously creates value for customers.



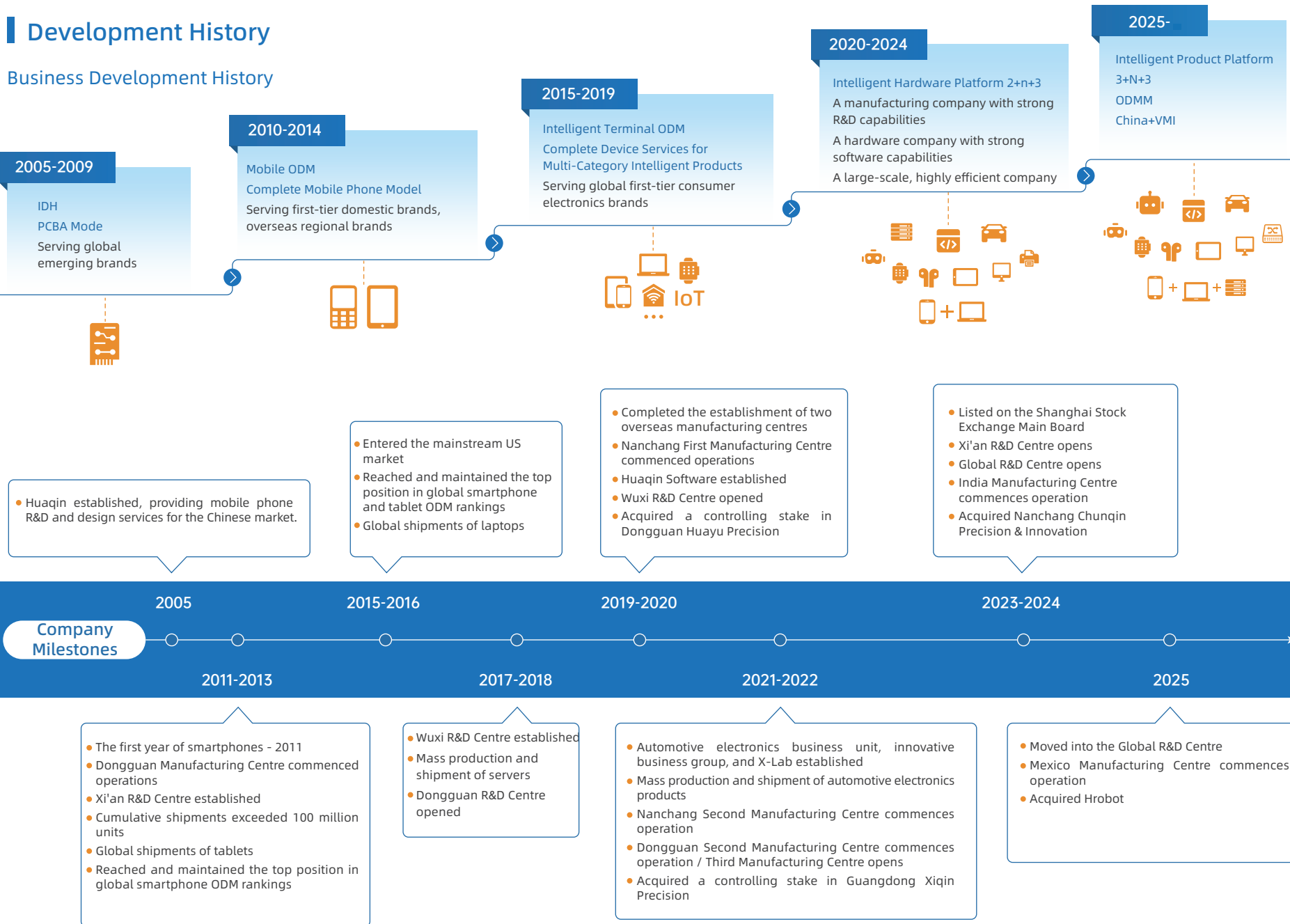
Corporate Culture

Since its inception, Huaqin Technology has clearly defined its mission to "Easier connecting, Better living", integrating its business operations with sustainable development and embedding these principles into the Huaqin culture.

		
Mission	Vision	Values
Easier connecting, Better living.	To be An Innovative and Trusted Platform for Intelligent Products	<ul style="list-style-type: none"> ● Customer First: Building Long-Term Business Relationships ● Embrace Change: Future-Oriented, Doing the Right Things, and Tackling More Challenging Tasks ● Integrity: Think Clearly, Dare to Commit, and Deliver on Promises ● Collaboration: Without Collaboration, There Is No Efficiency ● Innovation: Technology-Driven, Creating the Future ● Professional: Trusted Experts

Development History

Business Development History



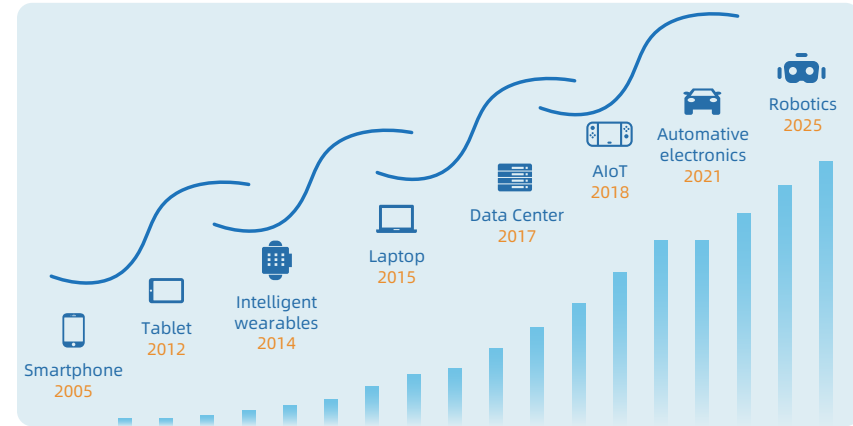


Driving a Long-Term Strategy with Sustainability

From 2005 to 2025, Huaqin Technology has consistently remained true to its original mission, expanding from its origins in Shanghai to a global presence and evolving from a single-design focus to full-stack intelligent manufacturing. The Company demonstrates its strength through data, drives growth through innovation, and secures its long-term future through responsibility, thereby narrating its growth story as an intelligent product platform enterprise.

Sustainable Business Model, Continuously Exploring Second-curve Businesses

Starting from its origins as an IDH, Huaqin Technology has always maintained a long-term vision and a commitment to hard work. It has taken the capabilities accumulated in the consumer electronics sector – "R&D and design capabilities, supply chain integration capabilities, large-scale manufacturing capabilities, and global service capabilities" – and horizontally replicated them into broader incremental markets, extending its role from "serving consumer electronics customers" to becoming an "intelligent product platform enterprise". Over the past 20 years, the Company has embedded a sustainable strategic vision into its operations and decision-making, continuously exploring a dynamic second growth curve.



Continuously expanding the second growth curve

Huaqin Technology's 20th Anniversary Celebration: Uniting Hearts and Strength to Forge the Future Together

Through twenty years of trials and triumphs, starting from a single original aspiration, Huaqin Technology has now expanded its footprint across the globe. On August 29, 2025, Huaqin employees worldwide gathered together for the "Our 20 Years· Creating the Future" --- Huaqin Technology's 20th Anniversary Celebration. With joy, passion, and a sense of responsibility, they witnessed this important development milestone for Huaqin Technology.

This is a celebration for all HQers around the globe. Across Shanghai, Wuxi, Xi'an, Nanchang, Dongguan and VMI, we transcend mountains and oceans to celebrate our most glorious 20th anniversary.



This is a tribute to workers. Behind every precise process, they guard quality with their hands. They are truly worthy of the title "Gold Medal Team Leader".




This is a two-way journey of affection and warmth. We invite family members to join us at the Huaqin Open Day, turning "the place we work" into "a warm home".




This is a relay of kindness and green initiatives. Our executives advocate for sustainable development, public welfare markets pass on love, and long-termism is not just a slogan but a daily practice we all uphold together.




Ratings and Honors







MSCI ESG Rating
A




EcoVadis
Silver Medal
(TOP 15%)




CDP
Climate **B**
Water **B-**



Chinese Enterprises in
the S&P Global CSA 2025
ScoreTop**10%**
Industry Top Improver



Wind ESG Rating
AAA



CSI ESG rating
AA

2025 Fortune China
ESG influence list

Securities Star
ESG new benchmark enterprise
award

Forbes
2025 China ESG top 50

2025 leading example award
for sustainable development
(ESG) practices by Chinese and
foreign enterprises in Pudong
New Area

Huaxia ESG Observation Alliance
2025 outstanding ESG practice
case

Shanghai Securities News
Golden Bull
Award for most investment
value

Huxiu
2025 Sustainable Brand Model

2025 Guancha.cn
ESG Model Enterprise – Best ESG
Practice Award

China Fund News
2025 China Listed Company
Yinghua Award – A-Share ESG
Demonstration Case

Top Employers Institute
2026 Top Employer

Employer Branding Institute
2025 Diversity, equity, and
inclusion award (Belonging
Awards)

All-China Federation of Industry
and Commerce, Ministry of
Human Resources and Social
Security, All-China Federation of
Trade Unions
National Advanced Enterprise
Trade Union for Mutual Care
and Joint Evaluation

Note: Only a selection of sustainability-related awards is shown.



01

Promoting Sustainable Management

Huaqin Technology integrates ESG principles into its corporate strategy and operational management, establishing a multi-level ESG governance system under the overall leadership of the Board of Directors. The Company deepens stakeholder communication and materiality analysis to anchor its strategic priorities, driving sustainable value creation through scientific, transparent, and long-term management.

ESG Strategic Policy

Upholding its mission to "Easier connecting, Better living", Huaqin Technology has defined four major visions: "Thrive in Governance", "Thrive in Green", "Thrive in society", and "Thrive in industry". The Company has formulated a strategic policy of "Scientific Governance, Green and Low-Carbon Operations, Leading by Example in Responsibility, and a Healthy Ecosystem". It actively aligns with the United Nations Sustainable Development Goals (UN SDGs) to promote the synergistic evolution of its value chain and enhance the resilience of its ecosystem.

*Easier connecting,
Better living*

Adhering to the technological innovation, to be industry leader, making sustainable products and ecology service for customers.

Thrive in Governance

Thrive in Green

Thrive in Society

Thrive in Industry

To be an global intelligent products platform with a long-term perspective, working together with customers, employees, partners, shareholders, and society to create diverse value.

Scientific Governance



Improve governance mechanisms and implement an efficient and sound governance-system to ensure scientific decision-making and compliance operations, foster sustainable competitiveness integrated into the global value chain.

- Corporate Governance and Risk Management
- Intellectual Property Protection
- Business Ethics and Compliance
- Information Security and Privacy Protection
- ESG Governance
- Tax Strategy

Benchmark Model for Corporate Governance of Listed Companies
ESG Governance Drives Sustainable Value
Deepen 「3+3+3」 Strategy to Expand the Layout of Ecological Value Chain

Green and Low-carbon



Establish and operate green supply chains and green manufacturing systems throughout the whole product lifecycle, implement the dual-carbon strategy; fulfill responsibilities as the chain leader to drive the entire value chain toward carbon neutrality

- Waste and Circular Regeneration
- Climate Change Response
- Clean Technology Opportunities
- Chemical Safety
- Hazardous Substances Management
- Green Products and Design
- Energy Management
- Water Conservation
- Pollutant Management
- Biodiversity Conservation

Carbon Peaking in 2030
Carbon Neutrality in 2050

Demonstrate Responsibility



Provide employees with safe, dignified, and reward job opportunities, create a platform where "the harder we work, the happier we are" and offer diverse growth opportunities, strive to be a role model in corporate social responsibility.

- Labor Rights Protection
- Human Resources Management
- Occupational Health and Safety
- Community Responsibility

Role Model in Social Responsibility
Safe, Healthy, and Sustainable Working Environment and Culture

Healthy Ecology



Create an honest, fair, and healthy business environment for partners, offer competitive products and services to customers, and remain committed to long-term sustainable business practices.

- Technology R&D and Innovation
- Product Quality and Safety
- Sustainable Supply Chain
- Controversial Procurement
- Industry Leadership and Cooperation
- Achieve Customer Success

Industry Leading Position
Technological Innovation



Mission



Vision



Strategic Framework



Material Topics



Strategic Goals



Cornerstones



Huaqin Cultural and Values



Stakeholders Engagement



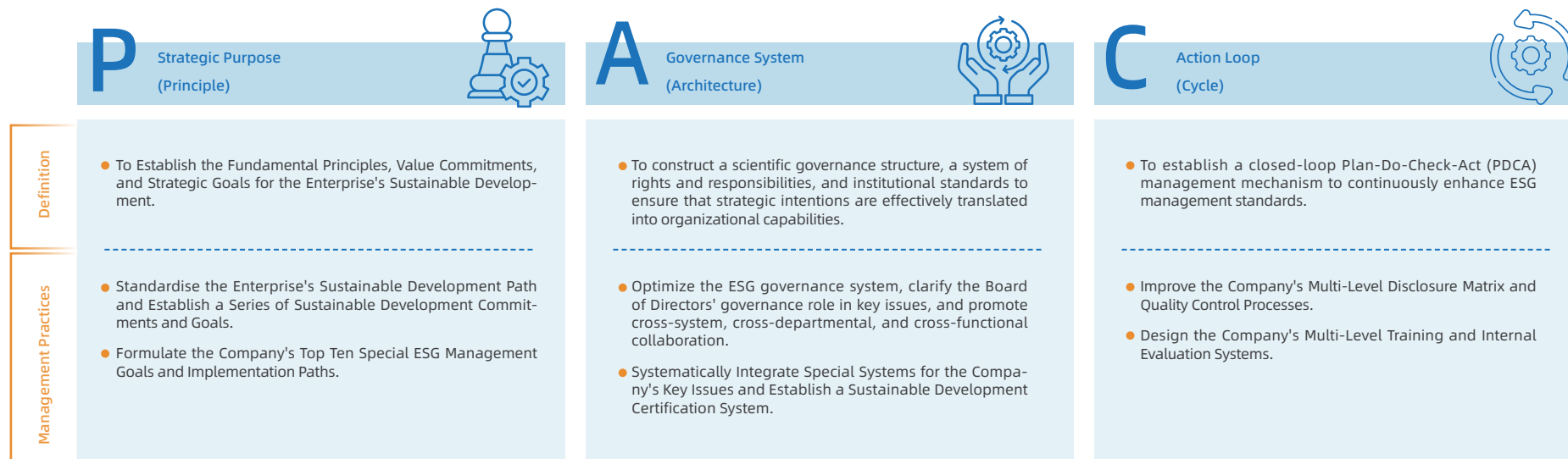
Process and System Standards



ESG Digitalization

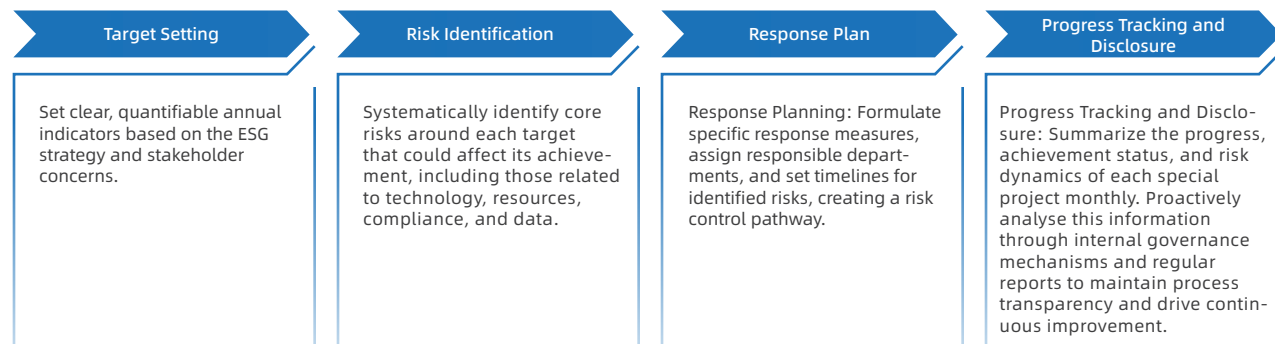
ESG Management System

Based on a systematic review of its sustainable development practices and forward-looking insights, Huaqin Technology has established a sustainable development management system centered around a "Strategic Purpose - Governance System - Action Loop". This system covers the entire ESG management cycle from top-level design to value realisation, ensuring target implementation, capability enhancement, and outcome transparency. It forms a dynamic operational mechanism for continuous improvement, helping the enterprise strengthen its sustainable development resilience in a complex external environment.


















Special ESG Management Goals and Paths

Integrating its own development realities with a comprehensive analysis of industry trends, regulatory policies, and stakeholder expectations, Huaqin Technology has established short-, medium-, and long-term ESG strategic goals and phased action plans. The Company breaks down its strategy into executable and traceable key tasks through special projects, which are continuously implemented with progress actively disclosed. All special projects follow a management loop of "Target - Risk Identification - Response Plan - Monthly Tracking".



In Progress Achieved

Issue	UN SDGs Response	Related Goal	2025 Progress	Status
Corporate Governance and Risk Management		By the end of 2028, the proportion of female directors will exceed 28%.	The Proportion of Female Directors on the Board of Directors Is 22.2%.	
		The Proportion of Independent Directors Is 33.3%.	The Proportion of Independent Directors Is 33.3%.	
		By the end of 2028, there will be no major risks, with 90% of risks prevented in advance.	No Major Risks Occurred In 2025.	
Business Ethics and Compliance		Maintain 100% coverage for business ethics training.	Business Ethics Training Coverage Is 100%.	
		The Signing Rate of the <i>Employee Integrity Pledge</i> Is 100%.	The Signing Rate of the <i>Employee Integrity Pledge</i> Is 100%.	
		The Handling Rate for Business Ethics Reports Is 100%.	Conducted Independent Audits and Investigations into Corruption and Fraudulent Behavior; the Handling Rate for Business Ethics-Related Reports Is 100%.	
Information Security and Privacy Protection		Zero major information security breaches.	Zero Major Information Security Breaches.	
		Zero Major Information System Failures.	Zero Major Information System Failures.	
		Zero Business Continuity Interruptions.	Zero Business Continuity Interruptions.	
Climate Change Response	 	Achieve carbon peak in own operations by 2030 and carbon neutrality in company operations by 2050.	Greenhouse gas (Scope 1 + Scope 2, market-based) emission intensity decreased by 27.93% compared to 2024.	
		With 2023 as the baseline year, achieve an average annual reduction of 3% in carbon emission (Scope 1 + Scope 2) intensity by 2030.	Greenhouse Gas (Scope 1 + Scope 2, location-based) emission intensity decreased by 15.17% compared to 2024.	
		By the end of 2026, achieve a 100% employee participation rate in low-carbon training and ensure low-carbon flights account for 10% of business travel.	Low-Carbon Flights Accounted For 50.5%.	

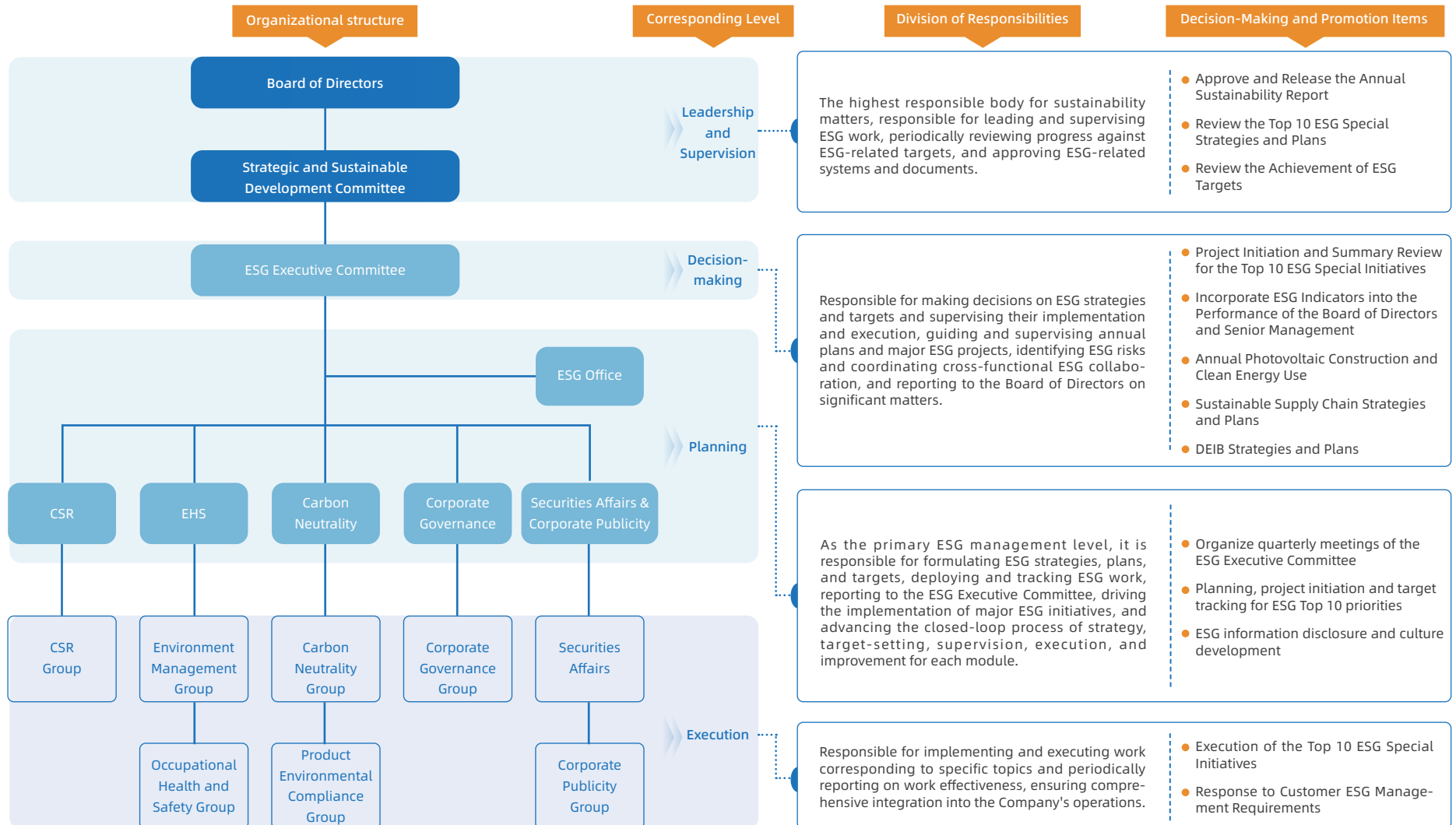
Issue	UN SDGs Response	Related Goal	2025 Progress	Status
Clean Technology Opportunities		Achieve a 40% clean energy substitution rate by the end of 2028.	Clean energy accounted for 27.85%.	
		R&D investment in clean technologies will increase by 2% annually from 2024 to 2028.	Investment in clean technologies reached 96.3852 million yuan, a year-on-year increase of 15%.	
Energy Management		Achieve a cumulative energy saving of 500 million kWh through energy-saving measures in own operations from 2024 to 2028.	The total electricity saved throughout the year through energy-saving measures was 103.3 Million kWh.	
Chemical Safety		Maintain zero violations, zero anomalies, and zero accidents in hazardous substance and chemical management.	Zero violations, anomalies, or accidents occurred in hazardous substance and chemical management.	
Hazardous Substance Management		Achieve a 98% responsible disposal and reuse rate for solid waste by the end of 2026.	Achieved a solid waste recycling rate of 99.3% and 100% compliant disposal of hazardous waste.	
Water Management		With 2023 as the baseline, achieve an average annual reduction of 5% in per capita water consumption in the manufacturing sector by 2028.	The per capita water consumption rate in manufacturing decreased by 2.3% compared to 2024.	
Human Resources Management		Provide employees with competitive compensation and benefits and a platform for value realization, and obtain the Top Employer certification by the end of 2026.	Obtained the Top Employer certification.	
		100% employee coverage by <i>Collective Bargaining Agreements</i> .	100% Employee Coverage by <i>Collective Bargaining Agreements</i> .	
		By the end of 2028, achieve 20 hours of training per capita for 100% of employees.	Launched five-language versions of the Knowledge Management System (KMS), with the average training hours per employee reaching 29.77 hours.	

Issue	UN SDGs Response	Related Goal	2025 Progress	Status
Occupational Safety and Health		By the end of 2028, achieve intrinsic safety with zero accidents, zero occupational diseases/contraindications, and zero fire or explosion incidents.	Zero fire or explosion Incidents, occupational diseases, or work-related fatalities occurred.	☑
Community Responsibility		Actively participate in community building and contribute to community development.	Invested RMB 5,391,200 in public welfare projects. 1,052 company volunteers.	☑
Product Quality and Safety		0 customer complaints, 0 violations.	5 quality-related customer complaints with 100%closed-loop resolution. 0 Violations.	⌚
Intellectual Property Protection		By the end of 2026, maintain a global portfolio of 3,200 active patents.	3,569 active patents.	☑
Controversial Procurement		Maintain 100% conflict mineral due diligence continuously, and pass third-party verification (IPSA) by 2028.	Achieved 100% coverage in conflict mineral surveys for tier-1 material suppliers.	⌚
Sustainable Supply Chain		From 2024 to 2028, drive suppliers to achieve a cumulative energy saving of 150 million kWh through energy conservation initiatives.	Empowered and completed carbon inventories for 70 suppliers, and helped suppliers save 110 million kWh of electricity through energy-saving technical renovations.	⌚
		Achieve 100% supplier CSR audit compliance rate by the end of 2028.	100% of suppliers have signed agreements containing environmental and labor requirement clauses.	☑
		By 2028, encourage at least 20 key material suppliers to commit to paying wages that meet local living wage standards.	Completed annual training for 218 suppliers, covering the topic of living wage.	⌚

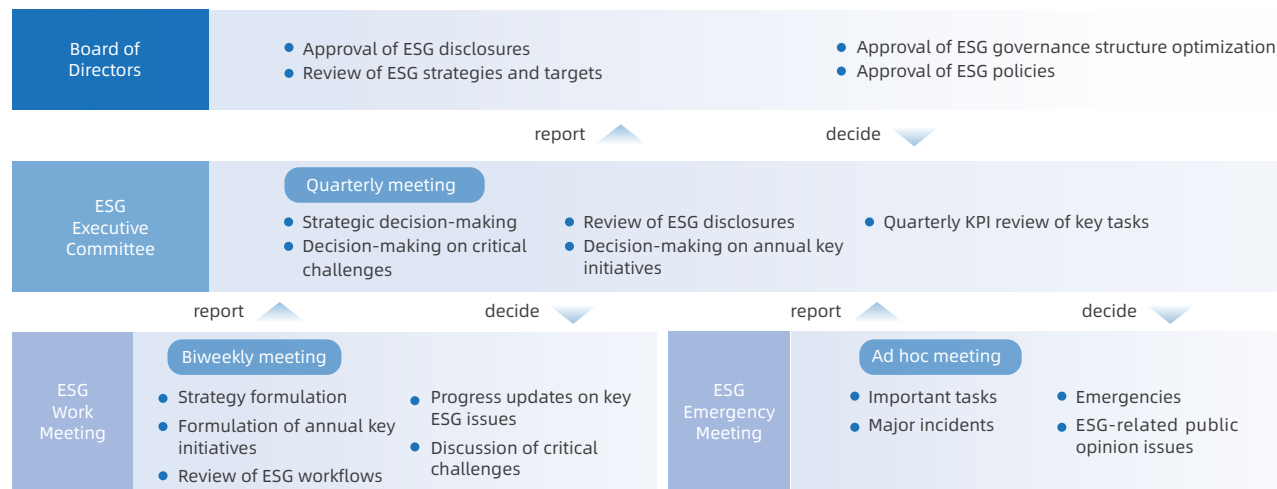
ESG Governance System

Huaqin Technology has established a four-tier sustainability management system led and supervised by the Board of Directors, comprising the "Board of Directors - Strategy and Sustainable Development Committee - ESG Executive Committee - ESG Office and Five Major Modules", with the Chairman and CEO serving as the Chairman of the ESG Executive Committee, and a Director and Co-founder serving as an executive member and the Chief Sustainability Officer (CSO), to deepen the implementation and execution of the sustainability management system.

Sustainability Management Structure



ESG Operational Mechanism



Huaqin Technology has fully integrated core ESG concepts into its corporate governance, establishing a system of policies covering key areas such as environmental management, supply chain management, business ethics, climate change response, biodiversity protection, and labor rights, which has been published on the Company's official website to ensure ESG management is well-documented and integrated throughout all operational processes. Concurrently, the Company places great importance on driving management enhancement with international standards, actively adopting multiple internationally recognised certification standards and undergoing regular third-party audits, thereby promoting the standardization and refinement of its ESG management through systematic certification.

E

Environment



Policies and Statements

Environment, Health, and Safety (EHS) Management Policy of Huaqin Technology Co., Ltd.
 Chemical Management Policy of Huaqin Technology Co., Ltd.
 Climate Change Response Policy of Huaqin Technology Co., Ltd.
 Biodiversity Protection and Zero Deforestation Policy of Huaqin Technology Co., Ltd.
 Commitment Letter on Science-Based Carbon Targets Setting of Nanchang Huaqin

Certification Systems¹

ISO 14001 Environmental Management Systems Certification
 ISO 50001 Energy Management Systems Certification
 ISO 14064-1 Greenhouse Gas Verification at the Organizational Level

S

Social



Human Rights Policy of Huaqin Technology Co., Ltd.
 Living Wage Commitment Letter of Huaqin Technology; Anti-Discrimination and Anti-Harassment Policy of Huaqin Technology Co., Ltd.
 Supplier Social Responsibility Code of Conduct of Huaqin Technology Co., Ltd.
 Responsible Mineral Procurement Policy of Huaqin Technology Co., Ltd.
 Hazardous Substance Control Standard of Huaqin Technology Co., Ltd.
 Responsible Mineral Procurement Report of Huaqin Technology Co., Ltd.

ISO 9001 Quality Management Systems Certification
 IATF 16949 Automotive Quality Management Systems Certification
 ISO 45001 Occupational Health and Safety Management Systems Certification
 QC 080000 Hazardous Substance Process Management Systems Certification
 SA8000 Social Accountability International Standard Certification

G

Governance



Board Member Diversity Policy of Huaqin Technology Co., Ltd.
 Anti-Corruption and Anti-Commercial Bribery Policy of Huaqin Technology Co., Ltd.
 Privacy Policy of Huaqin Technology Co., Ltd.

ISO 27001 Information Security Management Systems Certification

¹For details of certifications, please refer to the "System Certificate Overview" section later in this report.

ESG Management in Action

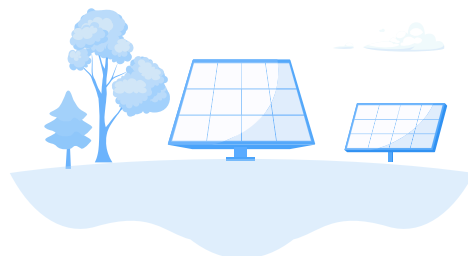
Huaqin Technology has established an ESG information disclosure and engagement matrix that integrates regular communication, special-issue management, and value feedback, aiming to systematically respond to the multi-dimensional concerns of investors, employees, and regulators.

ESG Brand Reputation

- Establishing a cross-departmental, closed-loop public sentiment management mechanism to drive internal ESG management improvements by routinely monitoring key issues such as employee rights and interests.

Multi-Level ESG Information Disclosure

- Publishing an Annual Sustainability Report to Systematically Disclose Management Results on Key Issues.
- Operating a Dedicated Sustainability Section on the Official Website to Provide Dynamic Updates on Practical Highlights.
- Proactively participating in and responding to international ESG ratings, addressing stakeholder expectations through targeted ESG disclosures, and using external feedback to drive continuous internal improvement.






The Company continuously enhances its ESG general training system for all employees and specialized ESG training system for key positions, focusing on topics such as business ethics and compliance, sustainable supply chain, occupational health and safety, green products and design, and customer relationship. This provides a solid talent guarantee and cultural support for building a responsible and resilient business model.

Training Scope	Selected Training Content ¹	
Business Ethics and Compliance	Internal Control and Compliance briefing Export Control Compliance training	Strengthening the Concept of Compliance and Deepening Internal Control management Antitrust and Anti-Unfair Competition Compliance training
Sustainable Supply Chain	Supply Chain Risk management Conflict Mineral Management training	Supplier CSR Management standards Global Supply Chain and Business Continuity Management (BCM)
Occupational Health and Safety	Safety Education and training Interactive and Experiential Safety training Environmental Safety Risks and counter-measures	Production Safety Emergency preparedness Mechanical Injury safety Typical Accident Case training
Green Products and Design	Essential Knowledge for Product Environmental control End-product Safety design	Thermal Design Technology for Liquid-Cooled Product systems
Product Quality and Safety	Quality Is Our lifeblood Case Sharing from the Quality Management team	Six Sigma Empowerment training
Customer Relationship	Deepening Customer Service Value: Strategies, Techniques, and Practical applications Managing Valuable Customer relationships	How to Communicate Effectively with customers





By comprehensively considering ESG ratings, trends in material issues, client ESG requirements, and internal planning, the Company conducts a thorough gap analysis and issue prioritization assessment to scientifically formulate its annual TOP 10 ESG improvement topics. These initiatives aim to address key shortcomings, respond to stakeholder expectations, convert strategic goals into executable and measurable annual actions, and concentrate resources to achieve significant breakthroughs. During the reporting period, the Board of Directors continuously followed up on the implementation of the ESG Top 10 initiatives and supervised the achievement of targeted goals in key areas such as carbon emission intensity, resource utilization efficiency, and sustainable supply chain.




¹Course excerpt. More content will be continuously updated.

Category	Special Project Name	Core Indicator	Progress
 Environment	Green Operations Special Project	Low-Carbon Flights Account for ≥50% of Total Flight Ticket Orders Establishment of the Group's Green Travel Points Platform	<ul style="list-style-type: none"> Low-carbon flights accounted for 50.5% of total flight ticket orders. The platform has completed development and is in the testing phase.
	Clean Transformation Special Project	Save 100 Million kWh of Electricity Annually Through Energy-Saving Projects Construction of Photovoltaic Projects in Self-Owned Industrial Parks Establishment of Energy-Saving Design Assessment Processes and Baselines	<ul style="list-style-type: none"> Saved 103.3 million kWh of electricity for the year. Added four new sites in self-owned parks, totalling 7.5 MW; completed the feasibility assessment for the photovoltaic project in the Vietnam park. Completed 24 baselines and assessment processes.
	Water Resource Efficiency Enhancement Special Project	Reduce per Capita Water Consumption in manufacturing by 5% during the year, using 2024 as the baseline.	<ul style="list-style-type: none"> Per capita water consumption in manufacturing decreased by 2.3%.
	Waste Resource Efficiency Enhancement Special Project	Solid Waste Recycling Rate at Three Moulding Plants ≥98% 100% Compliant Disposal Rate for Hazardous Waste	<ul style="list-style-type: none"> The solid waste recycling rate at all three moulding plants reached 98%. The compliant disposal rate for hazardous waste at all three moulding plants reached 100%.
 Social	Labor and Employment Compliance Special Project	Passed customer audits and third-party audits on the first attempt	<ul style="list-style-type: none"> Passed customer audits and third-party audits on the first attempt.
	Overseas ESG/CSR Management and Empowerment	Establish an Overseas Compliance Management System and Promote Local Certifications.	<ul style="list-style-type: none"> Completed the first round of risk assessment for VMI CSR management. Completed 11 CSR management empowerment courses.
	Employer Brand Building Special Project	Enhance DEI Employer Brand Management. Establish an ESG-related Indicator System and Data Governance in the Human Resources Field.	<ul style="list-style-type: none"> Received two major awards: the HR Flag DEI Award and Top Employer Certification. Completed the establishment of an indicator system and data governance in the HR field.
	Sustainable Supply Chain Special Project	Completed CSR audits and empowerment for 70% of AVL (Approved Vendor List) suppliers. 100% Response Rate for Conflict Mineral Surveys. Achieved Supplier Energy Savings of 40 Million kWh. Carbon Emissions Data Management and Empowerment for the Top 70 Suppliers (Representing 60% of Procurement Value).	<ul style="list-style-type: none"> Completed CSR Empowerment and Management for 257 AVL Suppliers. 100% Response Rate for Conflict Mineral Surveys. Empowered 70 suppliers and completed their carbon inventories, achieving total energy savings of 110 million kWh, of which 16 million kWh were attributed to Huaqin Technology.
 Governance	ESG Ratings and Honors	Enhance internal ESG management levels and actively participate in ESG ratings such as MSCI, CDP, CSA, and EcoVadis.	<ul style="list-style-type: none"> Received multiple ESG honorary awards. Significant improvement in ESG-related rating results.
	ESG Information Disclosure Management	Achieve a Grade A Rating for Information Disclosure as a Listed Company. Plan and Implement an External Communication Matrix for ESG-related Content.	<ul style="list-style-type: none"> Obtained a grade a rating for information disclosure as a listed company. Achieved a 90% publication rate for ESG-related content in the external communication matrix.

Stakeholder Communication

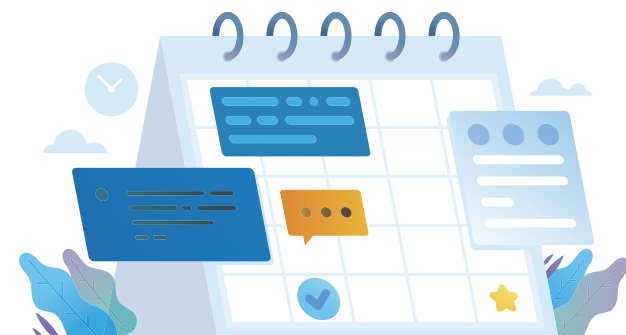
The Company maintains transparent, timely, and effective communication with all types of stakeholders through various channels, including online and offline surveys, and actively responds to their concerns and expectations in the ESG field. It has also established the esg@huaqin.com email address specifically to collect opinions and feedback from stakeholders, with dedicated personnel responsible for timely replies and follow-ups.

Stakeholders	 Shareholders and Investors	 Company Management	 Government and Regulatory Authorities	 Customers
Key Topics	<ul style="list-style-type: none"> ESG Governance Corporate Governance and Risk Management Intellectual Property Protection 	<ul style="list-style-type: none"> Climate Change Response ESG Governance Corporate Governance and Risk Management Business Ethics and Compliance 	<ul style="list-style-type: none"> Business Ethics and Compliance Controversial Procurement Clean Technology Opportunities Biodiversity Protection 	<ul style="list-style-type: none"> Technology R&D and Innovation Product Quality and Safety Information Security and Privacy Protection Customer Success
Communication Methods/Frequency	<ul style="list-style-type: none"> ESG Information Disclosure (Annual/Ad Hoc) Quarterly/Interim/Annual Report Disclosure (Periodic) Shareholders' Meetings (Annual/Ad Hoc) Investor Briefings (Quarterly) Huaqin Technology Investor Relations Official Account (Real-Time) SSE E-Interaction Platform (Real-Time) On-Site Visits (Ad Hoc) Email and Online Communication (Real-Time) Earnings Calls (Periodic) Investor Open Day Events (Annual) 	<ul style="list-style-type: none"> Regular Meetings (Bi-Weekly/Quarterly) Phone/Email Communication (Ad Hoc) One-On-One Interviews (Ad Hoc) 	<ul style="list-style-type: none"> Roundtable discussion (Ad Hoc) Policy Consultations (Ad Hoc) Briefings/Public Hearings/Seminars (Ad Hoc) On-Site Visits (Ad Hoc) ESG Information Disclosure (Annual) 	<ul style="list-style-type: none"> Customer Visits (Ad Hoc) Quarterly Business Review (QBR) Meetings (Quarterly) Customer Satisfaction Surveys (Annual) Email and Phone Communication (Real-Time)
Topic Progress	<ul style="list-style-type: none"> Establishing Diverse Communication Channels for In-Depth Engagement with Investors Promoting the Diversity, Professionalism, and Independence of Board of Directors Members Formulating Short-, Medium-, and Long-Term ESG Targets and Advancing the ESG TOP 10 Special Projects Integrating ESG Risks into the Company's Risk Framework, and Conducting Assessments, Ratings, and Categorised Management 	<ul style="list-style-type: none"> Formulating Short-, Medium-, and Long-Term ESG Targets and Advancing the ESG TOP 10 Special Projects Improving the Three-Tiered Risk Control and Compliance System, Identifying Emerging Risks, and Formulating Response Strategies 	<ul style="list-style-type: none"> Planning the "Carbon Peaking and Carbon Neutrality" Roadmap and Action Plan Incorporating Clean Technology Transformation into the Corporate Strategy and Proactively Planning the Clean Energy Transition Conducting Biodiversity Impact Assessments Serving as an RMI member for five consecutive years, adhering to OECD and RBA guidelines, and conducting conflict mineral management 	<ul style="list-style-type: none"> Formulating a Reasonable Hazardous Substance Control List and Reduction Plan, and Implementing Reductions Annually Proactively developing a full stack of core technologies covering R&D, design, manufacturing, quality control, and the supply chain to respond to diverse customer needs Establishing a quality management system that covers the entire product lifecycle, deeply integrating R&D, materials, production, management, and IT systems Ensuring the Security and Privacy of Customer Information Conducting Satisfaction Surveys and Tracking Feedback for Closure Through the VOC System

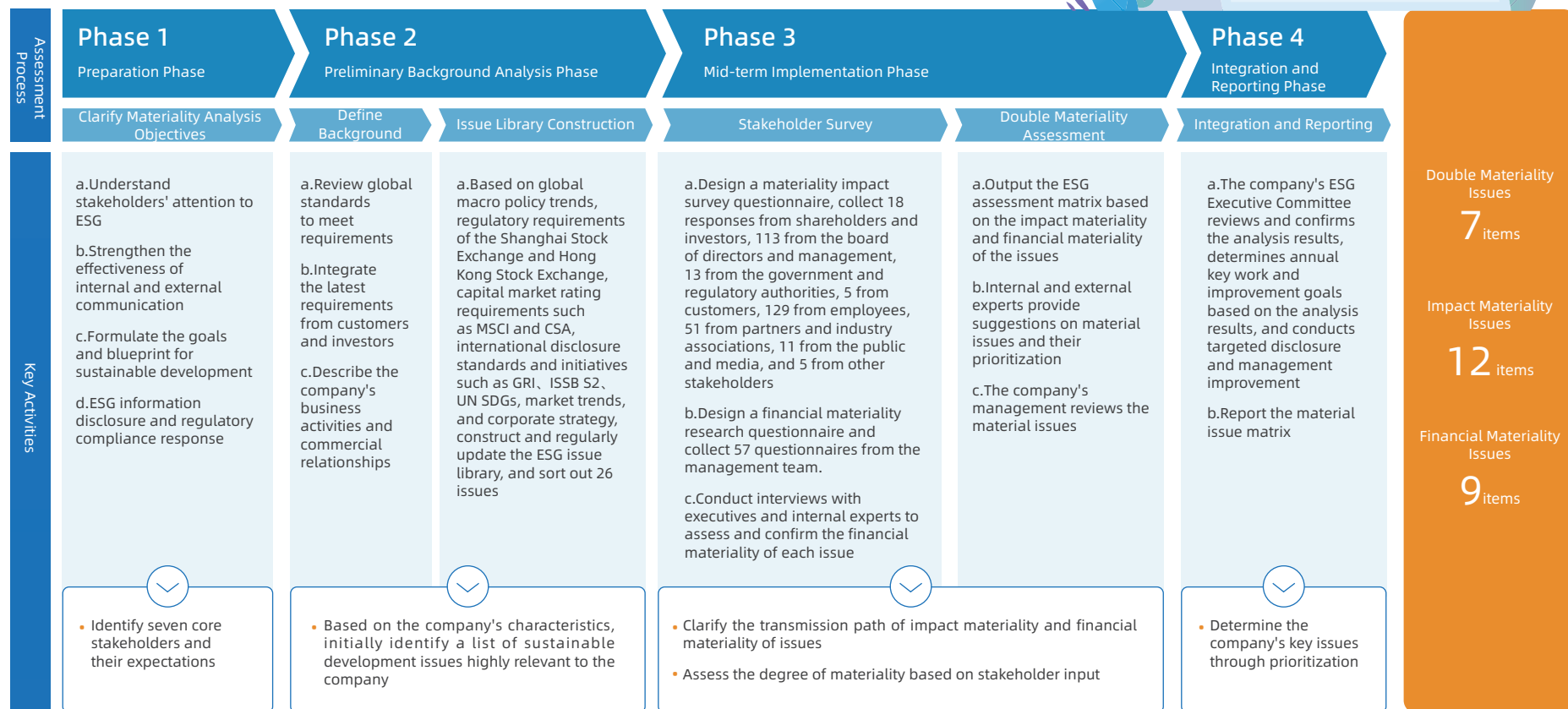
Stakeholders	 Employees	 Partners and Industry Associations	 The Public and Media
Key Topics	<ul style="list-style-type: none"> • Labor Rights Protection • Human Resources Management • Occupational Health and Safety 	<ul style="list-style-type: none"> • Information Security and Privacy Protection • Sustainable Supply Chain • Controversial Procurement • Industry Leadership and Cooperation 	<ul style="list-style-type: none"> • Community Responsibility
Communication Methods/ Frequency	<ul style="list-style-type: none"> • Face-To-Face Communication (Annual) • Interviews (Ad Hoc) • Telephone/Email/Internal Communication Software (Real-Time) • Feedback Suggestion Box (Real-Time) • Employee Activities (Ad Hoc) • Employee Satisfaction Survey (Annual) and Engagement Survey (Biennial) • Trade union/Employee Representative Congress (Annual) 	<ul style="list-style-type: none"> • On-Site Supplier Audits (Annual) • Supplier Questionnaires and Commitment Letters (Annual) • Supplier Conference (Annual) • Industry Seminars (Ad Hoc) • Industry Exhibitions/Forums (Ad Hoc) • Collaborative Research (Ad Hoc) 	<ul style="list-style-type: none"> • Press Conferences (Ad Hoc) • Company website/Media (Real-Time) • Email and Telephone Communication (Real-Time) • Quarterly/Interim/Annual Report Information • Disclosure (Regular) • ESG Information Disclosure (Annual)
Topic Progress	<ul style="list-style-type: none"> • Diverse Communication Channels, Conducting Satisfaction and Engagement Surveys • Improving the Audit System for Employee Rights Protection and Building a Diverse and Inclusive Talent Ecosystem Through a Dedicated DEIB Strategy • Regularly conducting RBA audits and pursuing continuous improvement, formulating the "Living Wage Management Procedure" based on ILO principles, and establishing robust remuneration and performance management systems • Building a company-wide Knowledge Management System (KMS) and designing clear promotion paths with systematic assessment and feedback mechanisms • Implementing Measures for Work-Related Injury Management, Occupational Disease Prevention, and Safety Hazard Protection, and Advancing Safety Capability Building 	<ul style="list-style-type: none"> • Newly Established Special Working Group for Supplier Carbon Reduction • Building a full-process sustainable procurement system covering access, performance, evaluation, risk control, and exit, and conducting supplier CSR audits • Promoting a Supplier Sustainable Development Performance Excellence Programme to Strengthen Supplier ESG Communication and Empowerment • Conflict Mineral Management Requirements Are Integrated Throughout the Procurement, Production, and Acceptance Processes, Strengthening Management and Traceability Mechanisms • Participating in High-Level Industry Exchanges, Promoting Deep Integration of Industry, Academia, and Research, and Contributing to the Development of Industry Standards 	<ul style="list-style-type: none"> • Promoting Digital Carbon Management Tools to Empower Value Chain Carbon Management • Source Separation and Disposal of Solid Waste, Zero Landfill • Water risk analysis, adoption of water-saving equipment, and promotion of water conservation awareness • Focusing on Four Major Public Welfare Areas: Educational Support, Environmental Protection and Carbon Reduction, Rural Revitalisation, and Emergency Disaster Relief to Give Back to Society

Materiality Analysis

Huaqin Technology conducts research and analysis of material issues annually. During the Reporting Period, the Company constructed and refined its double materiality assessment process. Based on the extensive collection of stakeholder opinions and combined with a financial perspective, the Company systematically identified and assessed the impact and dependency pathways of ESG factors, ultimately forming the Company's annual materiality matrix.



Process for Identifying and Optimising the Management of Double Materiality Issues



Double materiality assessment process

Impact Materiality Assessment Results

We invited stakeholders to assess the ESG impact of ESG issues on the corporate value chain from the "degree of impact" dimension by issuing a materiality survey, from which we received 352 valid responses covering eight groups including shareholders and investors, the Board of Directors and management, government and regulators, customers, employees, suppliers and partners, the public and media, and other stakeholders. At the same time, the Company also rated the degree of impact from external shocks on these issues from the perspective of risk exposure reflected in capital market ratings and the independent judgment of its internal expert team.

Process for Determining Impact Materiality Issues

Materiality Level Assessment

Taking into account the scale, scope and remediability of the impact, each issue is rated on a scale of 1 to 5:

- 1 Very unimportant, i.e. the impact is minimal and does not require disclosure
- 2 Unimportant, i.e. the impact is minor and disclosure is not necessary
- 3 Moderately important, i.e. the impact is moderate and disclosure is somewhat necessary
- 4 Important, i.e. the impact is significant and disclosure is necessary
- 5 Very important, i.e. the impact is major and disclosure is highly necessary

Calculation and Determination Process

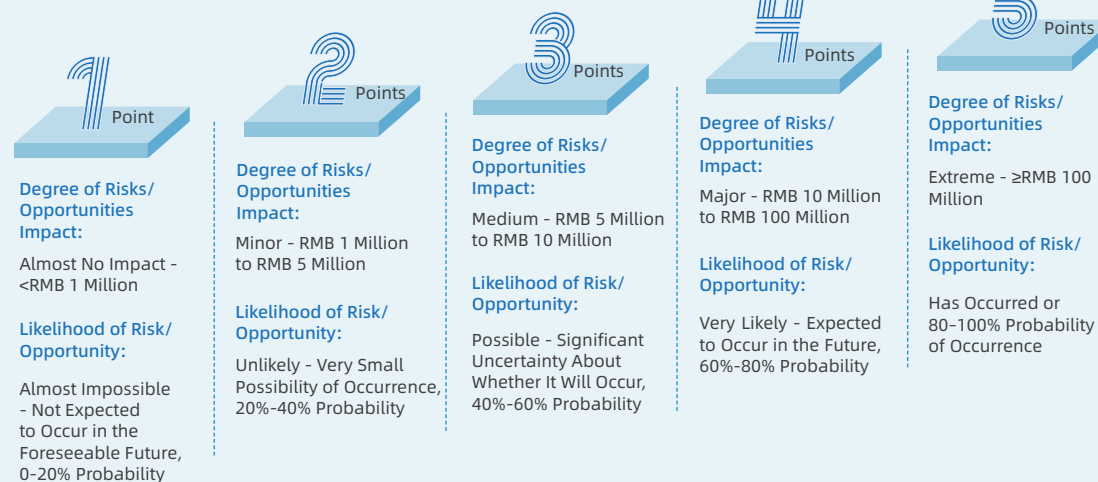
- Calculate the Mean Score for Each Issue
- The Median Is Taken as the Materiality Threshold, and Issues Above the Median Are Considered to Have Material Impact.

Financial Materiality Assessment Results

We conducted a survey across 16 relevant departments, collecting a total of 57 questionnaires to preliminarily assess the likelihood and potential impact of the risks each issue poses to the Company's financial position. Following discussions by the Company's ESG Executive Committee and with reference to the opinions of third-party experts, the analysis results for the financial materiality issues were finalised.

Process for Determining 2025 Financial Materiality Issues

Materiality Level Assessment



Calculation and Determination Process

- The maximum value between the opportunities and risks for each issue is taken to represent its financial materiality, and the median is used as the materiality threshold; issues above the median are considered financially material issues.

$$\text{Risks/Opportunities} = \text{Likelihood} \times \text{Degree of Impact}$$

Double Materiality Assessment Results

Impact Materiality Issues



- Labor Rights Protection
- Product Quality and Safety
- Human Resources Management
- Sustainable Supply Chain
- Information Security and Privacy Protection
- Climate Change Response
- Corporate Governance and Risk Management
- Occupational Health and Safety
- Controversial Procurement
- Waste and Circular Regeneration
- Hazardous Substance Management
- Business Ethics and Compliance

Financial Materiality Issues

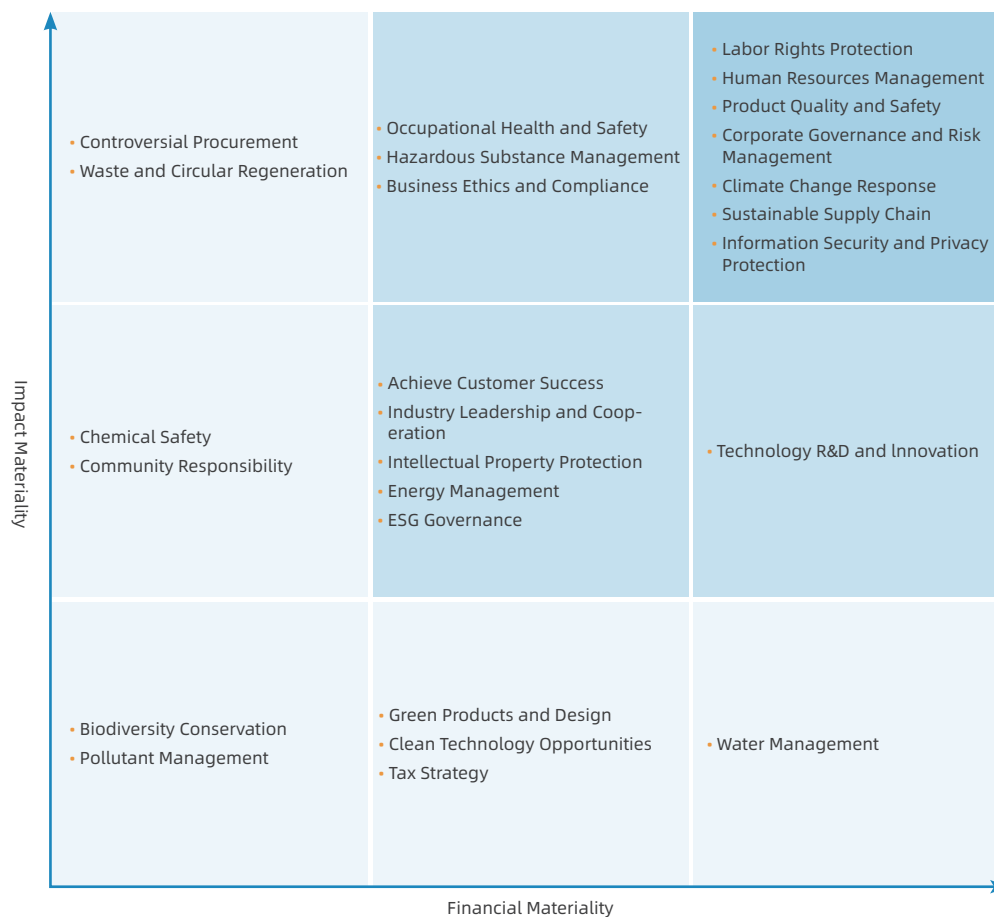


- Labor Rights Protection
- Product Quality and Safety
- Human Resources Management
- Sustainable Supply Chain
- Information Security and Privacy Protection
- Climate Change Response
- Corporate Governance and Risk Management
- Technology R&D and Innovation
- Water Management

Double Materiality Issues



- Labor Rights Protection
- Product Quality and Safety
- Human Resources Management
- Customer Success
- Sustainable Supply Chain
- Information Security and Privacy Protection
- Climate Change Response
- Corporate Governance and Risk Management



Double materiality matrix

ESG issue risk and opportunity impact assessment and response¹

● Risk Factors ● Opportunity Factors

Material Issue	Risk/Opportunity Factor	Impacted Stage	Impacted Party	Financial Impact Indicator	Impact Assessment
Energy Management	<ul style="list-style-type: none"> ● Rising energy prices affecting corporate operations ● Achieving long-term operational cost savings through systematic energy management 	Production and Manufacturing	Operations	Operating Costs	<ul style="list-style-type: none"> • Short-Term: Fluctuations and Increases in the Cost of Energy, Such as Electricity and Fuel, Directly Drive Up Operating Costs. • Mid-term: Persistent volatility in energy prices requires the enterprise to increase investment in energy-saving retrofits and energy management to optimise its energy structure. • Long-term: The energy cost structure changes, with an increased proportion of low-carbon energy; continuous investment in clean energy and energy efficiency technologies becomes key to reducing costs.
Green Products and Design	<ul style="list-style-type: none"> ● Increased customer demand for green products driven by client and regulatory requirements ● Proactive layout in R&D and design of green products to capture business opportunities 	Production and Manufacturing Product R&D and Design	Customers Procurement and Supply Chain	R&D Expenses Production Costs	<ul style="list-style-type: none"> • Short-Term: As Demand for Green Products Increases, the Enterprise Needs to Invest More Resources to Support Product Design and Transformation. • Mid-term: Green design becomes a fundamental requirement for product development, leading to sustained increases in R&D investment and the gradual scaling of green products. • Long-term: Green products become mainstream in the market, requiring the enterprise to continuously pursue technological innovation to meet higher environmental standards and customer requirements.
Waste Management and Recycling	<ul style="list-style-type: none"> ● Improper Disposal of waste ● Establishment of an Efficient System for Waste Sorting, Recovery, and Recycling 	Production and Manufacturing Social Reputation	Operations	Net Operating Profit Operating Costs	<ul style="list-style-type: none"> • Short-Term: Improper Waste Disposal May Trigger Environmental Compliance Risks, Resulting in Fines and Additional Disposal Costs. • Mid-Term: Stricter Regulations Drive the Enterprise to Improve Its Waste Sorting and Recycling Systems, Leading to a Temporary Increase in Operating Costs. • Long-term: A mature recycling system and improved resource recovery rates help to reduce long-term disposal costs and enhance the corporate reputation.
Climate Change Response	<ul style="list-style-type: none"> ● Frequent extreme weather events and increasingly stringent related policies and regulations ● Comprehensive climate change response measures effectively control the risk of operational disruption 	Production and Manufacturing	Supplier Operational Phase Customer	Net Operating Profit Operating Costs	<ul style="list-style-type: none"> • Short-term: Extreme weather may lead to production interruptions, increased equipment maintenance and operating costs, and revenue fluctuations. • Mid-term: As climate-related policies become stricter, companies need to continuously invest in emission reduction and adaptation measures, increasing compliance and operating costs. • Long-term: Climate policies and market mechanisms will be further refined, making the low-carbon transition a long-term requirement, and companies will need to continuously optimise their operating models to address systemic risks.
Water Management	<ul style="list-style-type: none"> ● High water stress in some regions, with government regulatory measures leading to water supply restrictions ● Investing in water-saving technologies and water recycling systems to reduce water consumption costs 	Production and Manufacturing Upstream Procurement Brand Reputation	Government Operational Phase Supplier Customer	Production Costs Net Operating Profit	<ul style="list-style-type: none"> • Short-Term: Water Scarcity in Some Regions May Lead to Unstable Water Supplies, Affecting Production Continuity. • Mid-term: Stricter water resource regulations will require companies to increase investment in water-saving technologies and recycling, leading to higher costs in the interim. • Long-term: As water constraints become the norm, water recycling and efficient utilisation systems will be crucial for ensuring production stability and cost control.
Chemical Safety	<ul style="list-style-type: none"> ● Incidents Such as Chemical leaks ● A Comprehensive Whole-Lifecycle Management System for Chemicals to Reduce the Occurrence of Related Incidents 	Production and Manufacturing/ Social Reputation	Operational Phase	Operating Costs Net Operating Profit Administrative Penalties	<ul style="list-style-type: none"> • Short-Term: Emergencies Such as Chemical Leaks Will Increase Emergency Response Costs and May Trigger Regulatory Penalties. • Mid-term: As chemical management requirements become stricter, companies need to continuously improve their whole-lifecycle management systems, increasing compliance and management investment. • Long-term: Chemical accidents may have long-term impacts on employee health and the environment, leading to medical expenses, compensation costs, and reputational risks.

¹ Changes to the issue library from the previous year: (1) Added the issue of biodiversity protection to increase corporate focus on eco-friendly products; (2) Added the tax strategy issue to improve corporate tax transparency; (3) The customer relationship issue was adjusted to the customer success issue to broaden its scope; (4) The risk management issue was adjusted to the corporate governance and risk management issue to broaden its scope.

Material Issue	Risk/Opportunity Factor	Impacted Stage	Impacted Party	Financial Impact Indicator	Impact Assessment
Hazardous Substance Management	<ul style="list-style-type: none"> Hazardous substances in products failing to meet environmental standards Establishing a hazardous substance control system to meet regulatory policies and customer requirements, thereby avoiding potential penalties and recall costs 	Production and Manufacturing Customer Use	Operational Phase User Customer	Operating Costs Net Operating Profit	<ul style="list-style-type: none"> Short-Term: Products Failing to Meet Environmental or Market Access Requirements May Lead to Customer Fines or the Risk of Returns. Mid-Term: Regulations and Customer Standards Are Continuously Being Upgraded, Requiring Companies to Increase Investment in Testing and Compliance. Long-Term: Inadequate Control of Hazardous Substances Will Affect the Product's Market Access Capabilities and the Stability of Customer Cooperation.
Clean Technology Opportunities	<ul style="list-style-type: none"> Regional policy pressures and market trends require companies to invest in R&D for equipment that enhances energy efficiency Proactively investing in R&D of clean technologies to effectively reduce energy consumption and emission costs in their own operations 	Production and Manufacturing Product R&D and Design	Customer Procurement and Supply Chain	R&D Expenses Production Costs	<ul style="list-style-type: none"> Short-Term: R&D Resources and Talent Need to Be Invested to Develop and Apply Clean Technologies. Mid-Term: The Gradual, Large-Scale Application of Clean Technologies Helps Reduce Energy Consumption and Emission Costs. Long-Term: Continuous Technological Investment Will Enhance a Company's Market Competitiveness and Capacity for Low-Carbon Development.
Pollutant Management	<ul style="list-style-type: none"> Pollutant Emissions Failing to Meet standards Implementing Pollutant Emission Management Projects to Ensure Compliance and Progressive Reduction of Emissions 	Production and Manufacturing Customer Use	Operational Phase User Customer	Operating Costs Administrative Penalties	<ul style="list-style-type: none"> Short-Term: Non-Compliant Pollutant Emissions May Lead to Administrative Penalties and Increased Compliance Costs. Mid-Term: As Emission Standards Become Stricter, Pollution Control Technologies and Management Systems Must Be Continuously Optimised. Long-Term: The Level of Pollutant Management Will Directly Affect a Company's Environmental Performance and Long-Term Operating Costs.
Biodiversity Protection	<ul style="list-style-type: none"> Stringent ecological protection regulations and customer & market attention to eco-friendly products Actively taking biodiversity protection measures to ensure effective control of potential compliance risks 	Production and Manufacturing Social Reputation	Operational Phase Government Customers	Operating Costs Administrative penalties Litigation Costs	<ul style="list-style-type: none"> Short-term: Stricter ecological protection requirements may increase compliance and monitoring costs, and introduce risks of project delays. Mid-Term: The Company Needs to Integrate Biodiversity into Its Operational Management System, Strengthening Risk Identification and Control. Long-Term: Sound Biodiversity Management Helps to Enhance Corporate Reputation and Reduce Risks Associated with Environmental Remediation and Litigation.
Labour Rights Protection	<ul style="list-style-type: none"> Infringement of Employee Human rights Building a Respectful, Fair, and Just Working Environment That Complies with the Laws and Regulations of Each Operating Location 	Production and manufacturing Social Reputation	phase Government Customers Employees	Operating Costs Administrative Penalties	<ul style="list-style-type: none"> Short-Term: Violations of Labour Regulations May Lead to Administrative Penalties and Compliance Risks. Mid-Term: As Labour Standards Rise, the Company Must Continuously Improve Its Employment Management and Employee Rights Protection Mechanisms. Long-Term: Labour Issues Will Have a Lasting Impact on the Company's Brand Image and International Business Expansion.
Human Resources Management	<ul style="list-style-type: none"> Unclear talent development channels Establishing a comprehensive talent cultivation and career development system to effectively attract, retain, and motivate key talent 	roduction and manufacturing Social Reputation	Operational Phase Employees	Operating Costs	<ul style="list-style-type: none"> Short-Term: Unclear Career Development Paths May Lead to Decreased Employee Satisfaction and Attrition Risks. Mid-Term: The Company Needs to Continuously Optimise Its Talent Cultivation and Incentive Mechanisms to Enhance Organisational Stability. Long-Term: As Talent Competition Intensifies, the Company's Human Resources Management Capabilities Will Directly Impact Production Efficiency and Reputation.

Material Issue	Risk/Opportunity Factor	Impacted Stage	Impacted Party	Financial Impact Indicator	Impact Assessment
Occupational Health and Safety	<ul style="list-style-type: none"> Occupational Diseases and Workplace Safety issues Building a Comprehensive EHS Management System to Reduce the Occurrence of Work-Related Injuries 	Production and manufacturing Social Reputation	Operational Phase Employees	Operating Costs	<ul style="list-style-type: none"> Short-Term: There Is a Risk of Work-Related Injuries, Which Would Increase Operating Costs. Mid-Term: The Company Needs to Continuously Improve Its EHS Management System to Reduce the Frequency of Accidents. Long-Term: The Level of Occupational Health and Safety Will Affect Employee Stability and Production Continuity.
Product Quality and Safety	<ul style="list-style-type: none"> Product Quality and Performance issues Continuously Improving the Product Quality Management System and Recall Procedures to Strengthen Customer Trust 	Production and manufacturing Customer use Social Reputation	Users Customers	Net Operating Profit	<ul style="list-style-type: none"> Short-Term: Product Quality Issues May Trigger Customer Complaints, Fines, or Recalls. Mid-Term: The Company Needs to Continuously Optimise Its Quality Management System to Meet Customer and Regulatory Requirements. Long-Term: Quality and Safety Issues Will Affect Brand Reputation, Customer Retention, and Revenue Stability.
Technology R&D and Innovation	<ul style="list-style-type: none"> Failure to foresee technological development trends and develop in a timely manner Proactively planning for cutting-edge technology R&D to launch more competitive and innovative products and services 	Product R&D	Operational Phase	Depreciation and Amortisation	<ul style="list-style-type: none"> Short-Term: Insufficient Technology Reserves May Weaken Customer Development Capabilities and Market Competitiveness. Mid-Term: The Company Needs to Continuously Increase R&D Investment to Enhance Its Product Innovation Capabilities. Long-Term: Technological Innovation Capabilities Will Directly Determine Market Share and Profitability.
Industry Leadership and Cooperation	<ul style="list-style-type: none"> Missing Out on Cutting-Edge Standards and requirements Actively Participating in or Leading the Development of Industry Standards 	Partner Collaboration	Competitors Customers	Net Operating Profit	<ul style="list-style-type: none"> Short-Term: Non-Participation in Industry Standard-Setting May Reduce Opportunities for Customer Collaboration. Mid-Term: The Company Needs to Strengthen Supply Chain Collaboration and Build Its Influence in Standard-Setting. Long-Term: Industry Influence Will Determine the Company's Market Position and Long-Term Profitability.
Customer Success	<ul style="list-style-type: none"> Failure to promptly provide products and technical services required by customers Establishing a mechanism for deep insight into customer needs and rapid response to provide high-quality products and services 	Customer use Social Reputation	Users Customers	Net Operating Profit	<ul style="list-style-type: none"> Short-Term: Inadequate Response to Customer Needs May Lead to Decreased Satisfaction and Customer Churn. Medium-Term: Need to Improve Customer Service and Rapid Response Mechanisms. Long-Term: The Stability of Customer Relationships Will Directly Impact Operating Costs and Revenue Growth.
Sustainable Supply Chain	<ul style="list-style-type: none"> Supply Chain Instability Supply Chain risk/Building a Transparent, Resilient, and Responsible Supply Chain System 	Manufacturing Natural environment Social Reputation	Manufacturing Customer Use	Net Operating Profit Operating Costs	<ul style="list-style-type: none"> Short-Term: Supply Chain Disruptions May Lead to Production Stoppages. Medium-Term: Need to Strengthen Supply Chain Risk Management and Diversify the Supply Base. Long-Term: Environmental and Social Factors Will Continue to Affect Supply Stability and Cost Structure.
Controversial Procurement	<ul style="list-style-type: none"> Controversial Procurement Leading to litigation Establishing a Strict Raw Material Traceability System and Responsible Procurement Policies 	Manufacturing Social Reputation	Manufacturing Customer Use	Net Operating Profit Operating Costs	<ul style="list-style-type: none"> Short-Term: Controversial Procurement May Lead to Litigation and Financial Losses. Medium-Term: Need to Improve Traceability and Responsible Procurement Systems to Reduce Risk. Long-Term: Procurement Compliance Will Affect Market Access and the Stability of Customer Cooperation.

Material Issue	Risk/Opportunity Factor	Impacted Stage	Impacted Party	Financial Impact Indicator	Impact Assessment
Community Responsibility	<ul style="list-style-type: none"> Failure to meet social expectations in a timely manner Actively carrying out community investment and public welfare projects related to the business to build harmonious community relations 	Social Reputation	Partner Collaboration	Brand Value	<ul style="list-style-type: none"> Short-Term: Failure to Respond to Social Concerns in a Timely Manner May Trigger Negative Public Opinion. Medium-Term: Need to Strengthen Community Communication and Public Welfare Investment. Long-Term: Social Reputation Will Continue to Affect Brand Value.
Corporate Governance and Risk Management	<ul style="list-style-type: none"> Failure to Properly Identify and Assess All Potential risks Rationality of the Governance Process and Structure 	Corporate operations Regulatory bodies Investor Relations	Operational Processes Corporate Financing	Operating Costs Brand Value Market Financing	<ul style="list-style-type: none"> Short-Term: Inadequate Governance Mechanisms May Hinder Financing and Increase the Incidence of Risk Events. Medium-Term: Need to Continuously Optimise Risk Identification and Management Systems. Long-Term: The Level of Governance Will Affect Capital Market Performance and Financing Capabilities.
Business Ethics and Compliance	<ul style="list-style-type: none"> Occurrence of Corruption and Compliance issues Instilling a Culture of Business Ethics and Compliance to Prevent Legal and Reputational Risks 	Corporate operations Regulatory bodies Investor Relations	Operational Processes	Brand Value Operating Costs Market Financing	<ul style="list-style-type: none"> Short-Term: Compliance Issues May Lead to Litigation and Penalty Costs. Medium-Term: Need to Strengthen the Compliance Culture and Internal Controls. Long-Term: Ethical Risks Will Affect Investor Trust and Corporate Reputation.
ESG Governance	<ul style="list-style-type: none"> Neglecting the integration of ESG concepts, insufficient communication with stakeholders Rational ESG governance processes, efficient and proactive ESG information disclosure 	Corporate Financing Brand Value	Financing institutions Investor Relations	Market Financing	<ul style="list-style-type: none"> Short-Term: Inadequate ESG Management May Lead to a Lower Capital Market Valuation. Medium-Term: Need to Improve ESG Governance Structure and Information Disclosure System. Long-Term: ESG Performance Will Directly Affect Financing Capabilities and Corporate Value.
Intellectual Property Protection	<ul style="list-style-type: none"> Loss of Patent protection Lack of a Sound Intellectual Property Protection Management System 	Market Competition	Competitors	Operating Costs	<ul style="list-style-type: none"> Short-Term: Expenses Arising from Intellectual Property Litigation. Medium-Term: Need to Strengthen Patent Portfolio and Protection Mechanisms. Long-Term: Intellectual Property Capabilities Will Affect Technological Competitiveness and Business Expansion.
Information Security and Privacy Protection	<ul style="list-style-type: none"> Cybersecurity Incidents and Data breaches Need for Comprehensive Information Security and Privacy Protection Risk Control Mechanisms and Measures 	Corporate operations Social Reputation	Operational Processes Users Customers	Operating Costs Financial Losses	<ul style="list-style-type: none"> Short-Term: Information Leaks Leading to Operational or Financial Losses for the Company. Medium-Term: Need to Continuously Enhance Cybersecurity Protection and Data Management Capabilities. Long-Term: Data Security Incidents Will Have a Sustained Impact on Corporate Reputation and Financial Standing.
Tax Strategy	<ul style="list-style-type: none"> Risk of tax audits and penalties, increased investor and public demand for tax transparency Need to improve tax management and ensure tax compliance and transparency 	Regulation Investor Relations	Shareholders and investors Regulatory authorities Social Reputation	Financial Losses	<ul style="list-style-type: none"> Short-Term: Increased Costs for Tax Compliance and Consulting. Medium-Term: Need to Continuously Improve Tax Management Capabilities and Transparency. Long-Term: A Transparent and Compliant Tax Strategy Helps to Build Investor Trust and Reduce the Risk of Disputes.



02

Scientific Governance

Huaqin Technology adheres to legal and compliant operations, upholds a fair, just, and prosperous business order, implements an efficient and sound governance system, practises business ethics and anti-corruption, safeguards data security, and continuously improves governance transparency and its capacity to fulfil its responsibilities, **ensuring that the right things continue to happen.**

+ Response to Issues

- Corporate Governance and Risk Management
- Business Ethics and Compliance
- Information Security and Privacy Protection
- Tax Strategy

+ UN SDGs



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Strengthening Corporate Governance

Huaqin Technology has established and continuously optimizes its corporate governance structure and functions, actively fulfilling its information disclosure responsibilities to lay a solid governance foundation for risk mitigation and long-term value creation.

Governance

We strictly comply with laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*. In 2025, we revised policies including the *Rules of Procedure for the Board of Directors*, *Rules of Procedure for the General Meeting of Shareholders*, and *Working System for Independent Directors* to further standardise the powers and responsibilities among the authoritative bodies, decision-making bodies, and management.

Corporate Governance Structure

In 2025, the Company revised its *Company Charter*, which was approved by the general meeting of shareholders. In accordance with the law, the Supervisory Board was abolished, and its powers and duties are now exercised by the Audit and Risk Management Committee. The Company's general meeting of shareholders is responsible for reviewing and making decisions on major corporate matters, including approving amendments to the *Company Charter* and the appointment, removal, remuneration, and payment methods for members of the Board of Directors¹.

Independence of the Board of Directors

In 2025, we revised the *Working System for Independent Directors* to provide clear stipulations on the qualifications and independence requirements for independent directors, specifying that an independent director may hold such a position in a maximum of three domestic listed companies. All independent directors have signed the Declaration and Undertaking of Independent Director Candidates and conduct an annual self-assessment of their independence. The Board of Directors issues a special report each year on the independence self-assessment of its incumbent independent directors.

Board Diversity

We have publicly released our *Board Diversity Policy* and conduct the nomination and election of Board members in accordance with open, just, and fair procedures. In the director nomination process, we adhere to a diversity-oriented approach, including but not limited to gender, race or ethnicity, nationality, age, cultural and educational background, region, professional experience, skills, knowledge, and tenure of service, as well as other regulatory requirements, in order to bring together a wide range of perspectives and expertise.

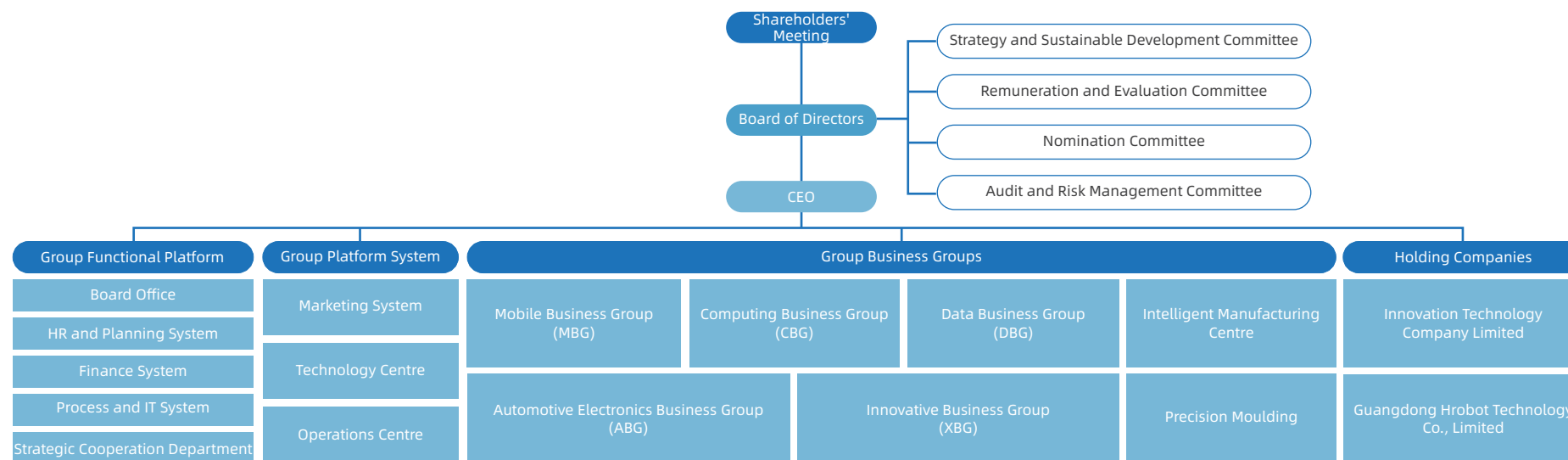


Figure Corporate governance structure

¹For complete information on the corporate governance structure and its operating mechanisms, please refer to the *Company's 2025 Annual Report*.

Board Performance Evaluation

We conduct an annual evaluation of the Board of Directors' performance in terms of standardization and effectiveness through the general meeting of shareholders, which reviews the *Annual Work Report of the Board of Directors*. The results serve as an important basis for optimising the Board's structure and enhancing its governance capabilities, ensuring its continued efficient operation.

Composition of the Board of Directors

The Company's Board of Directors has established four specialized committees: the Strategy and Sustainable Development Committee, the Remuneration and Evaluation Committee, the Nomination Committee, and the Audit and Risk Management Committee, which assist the Board in fulfilling its decision-making and monitoring functions. During the nomination and election process for members of these specialized committees, the Company comprehensively considers the chairperson's and members' past industry experience, risk management experience, and professional background in accounting or financial management to fully leverage their professional capabilities.



Table Composition of the Board of Directors¹

Name	Gender	Age	Degree	Position	Academic Background and Industry Experience	Strategy and Sustainable Development Committee	Remuneration and Evaluation Committee	Nomination Committee	Audit and Risk Management Committee
Qiu Wensheng	Male	53	Master's Degree	Chairman and General Manager	Software R&D and Management in the Telecommunications Industry	Chairman			
Cui Guopeng	Male	50	Master's Degree	Vice Chairman	Software R&D and Management in the Telecommunications Industry	Member			
Wu Zhenhai	Male	55	Master's Degree	Director and Deputy General Manager	Software R&D and Management in the Telecommunications Industry			Member	
Chen Xiaorong	Female	55	EMBA	Director	Software R&D and Management in the Telecommunications Industry		Member		Member
Xi Pinghua	Female	53	Master's Degree	Director and Chief Financial Officer	Corporate Management and Financial Management				
Deng Zhiguo	Male	49	Master's Degree	Director and Deputy General Manager	Software Technology Engineering in the Telecommunications Industry				
Hu Saixiong	Male	59	Bachelor's Degree	Independent Director	Corporate Management, and Software R&D and Product Management in the Telecommunications Industry		Chairman	Member	
Huang Zhiguo	Male	49	Master's Degree	Independent Director	Corporate Risk Management and Human Resources Management		Member	Chairman	Member
Yu Fang	Male	51	PhD	Independent Director	Financial Management, Risk Management	Member			Chairman

¹The election cycle for the Board of Directors is once every three years, with each candidate being elected individually; detailed information on the background of each director and their positions in other organizations can be found in the Company's 2025 Annual Report.

Impact, Risk and Opportunity Management

In 2025, we identified and analysed internal and external impacts, financial risks, and related opportunities concerning corporate governance through stakeholder surveys and interviews. The analysis process is detailed in the "Promoting Sustainable Management - Substantive Issue Analysis" section of this Report.



Strategy

The Company employs a coordinated approach with multiple strategies, including continuously improving its system of policies, strengthening implementation and supervision, and incorporating ESG and key governance performance into assessments, to transform governance requirements into specific control actions and performance targets, thereby systematically managing governance risks and proactively seizing development opportunities.

Related-Party Transactions and Conflicts of Interest

In 2025, we revised the Management System for Related-Party Transactions to ensure the legality, fairness, and reasonableness of related-party transactions between the Company and its related parties, fully safeguarding the legitimate rights and interests of shareholders, particularly minority shareholders, and the Company. The Company stipulates that when the Board of Directors and the shareholders' meeting vote on related-party transactions, any directors and related parties with a conflict of interest must abstain from voting to prevent any potential impact on their judgement or independence.

Furthermore, we have established an incentive and constraint mechanism that closely links the management team with the long-term value of the Company and shareholder interests. In the CEO's variable remuneration, 5% is linked to the market value growth rate, and the remuneration includes share-based payment expenses, aiming to go beyond short-term financial indicators and align the CEO's strategic decisions with the long-term interests of stakeholders, including shareholders.

Executive Remuneration Management

In 2025, we revised the *Management System for the Remuneration of Directors and Senior Management* to build a scientific and effective incentive and constraint mechanism, ensuring that directors and senior management perform their duties efficiently. Executive remuneration consists of basic salary, performance-based pay, and medium- to long-term incentives, and a clawback policy has been introduced. In cases of financial restatements, misconduct, or other such situations, unexercised stock options may be cancelled and bonuses already paid may be recovered to prevent potential losses arising from non-compliant behavior.

The Company deeply links the remuneration of the Board of Directors and senior management with sustainable development indicators by implementing a two-way assessment mechanism of "positive incentives and negative deductions": at the Board of Directors level, ESG assessment focuses on "compliance and risk management" and "information security", covering four indicators—work progress, compliance audits, information security rectification, and incidents—which affect quarterly performance through a system of adding and subtracting points; at the senior management level, ESG assessment indicators include the completion rate of annual top special projects, the achievement of key issue targets, and customer commendations and complaints, with a weighting of 5%; and at the business level, ESG assessment covers risk management, clean energy transition, Sustainable Supply Chain, labor rights, and occupational health and safety, accounting for over 20% of the quarterly performance weighting, with the Company planning to continue optimising the mechanism linking ESG to remuneration based on actual conditions in the future to gradually improve the ESG performance assessment system covering all levels of management.

During the reporting period, the Company formulated the *2025 Restricted Stock Incentive Plan*, with participants including directors, senior management, middle and senior management, and core key personnel, aiming to deeply bind individual interests with the Company's long-term development and fully stimulate the enthusiasm and creativity of core talent.

Indicators and Targets

We have established long-term targets for the Board of Directors' performance of duties, diversity, and other areas, using quantitative metrics such as the number of meetings held, member attendance rates, and the proportion of independent directors and female directors as key measures to continuously evaluate the effectiveness of corporate governance.

Targets	2025 Progress
By the End of 2028, the proportion of female directors will exceed 28%	In Progress
By the End of 2028, proportion of independent directors at 33.3%	Achieved

Key Performance

in 2025

During the reporting period,

3 shareholders' meetings were held;

10 Board of Directors meetings;

4 special meetings of independent directors

5 meetings of the Remuneration and Evaluation Committee

2 meetings of the Nomination Committee

3 meetings of the Strategy and Sustainable Development Committee

5 meetings of the Audit and Risk Committee

The average attendance rate for all Board of Directors and committee meetings was

100 %

Key Performance

in 2025

9 Members on the board of directors,

3 independent directors

accounting for

33.33 %

4 professionals

accounting for

44.44 %

2 female directors

accounting for

22.22 %

6 executive directors

accounting for

66.67 %

6 directors with a background in the communications industry

accounting for

66.67 %

Investor Rights Protection

Huaqin Technology strictly complies with laws and regulations, protects shareholders' rights, establishes a comprehensive investor rights protection system, and upholds market reputation to win the extensive trust of investors.

Safeguarding Shareholder Rights

We treat all shareholders equally and protect the rights of shareholders, especially minority shareholders, to participate in the Company's major decision-making processes. An annual general meeting is held once a year, and extraordinary general meetings are convened promptly as needed. We attach importance to shareholders' rights to receive dividends and distributions of residual property, and have formulated the *Management System for Raised Funds and the Market Value Management System*, committing to creating long-term, stable returns for shareholders through robust financial policies and proactive market value management.

Information Disclosure and Communication Mechanism

The Company revised management systems such as the *Information Disclosure Management Measures* and the *Investor Relations Management System*, and uses various communication channels to promptly release key information on the company's business operations, finances, and sustainable development. through a transparent and efficient two-way communication mechanism, we convey the company's value to investors, ensuring that all public information is true, accurate, complete, and timely, and free from false records, misleading statements, or major omissions, thereby safeguarding investors' right to information and supervision. During the reporting period, the company did not engage in any lobbying, interest representation, or similar donation activities.

Key Performance



in 2025

the Company held **2** investor open day events

89 strategy meetings

305 reverse roadshows

7 monthly research visits

3 results briefings

it received over **450** telephone and email enquiries from investors

answered **76** questions on the sse e-interaction platform

published **96** articles on market insights and industry dynamics

issued **94** company updates

The Company received the highest "A-level" rating for its information disclosure work, in recognition of its outstanding performance in the standardization of information disclosure, the transparency of investor communication, and the level of corporate governance.



Case

Huaqin technology 2025 investor communication day

On 12 December 2025, over two hundred investors participated in the Huaqin Technology 2025 Investor Communication Day, which was attended by senior executives including Chairman and CEO Qiu Wensheng. Through a tour of the exhibition hall, introductions to business plans, strategy sharing, and Q&A sessions, the event comprehensively showcased Huaqin Technology's progress and future prospects across various business areas, including mobile terminals, personal computers, data centers, AIoT, automotive electronics, robotics, and intelligent software.



Optimising Risk Control

Guided by standardised governance, Huaqin Technology integrates risk control development throughout its entire operational process, while simultaneously building a comprehensive risk management system that effectively prevents and resolves various risks through a closed-loop management approach of pre-event prevention, in-process control, and post-event review.

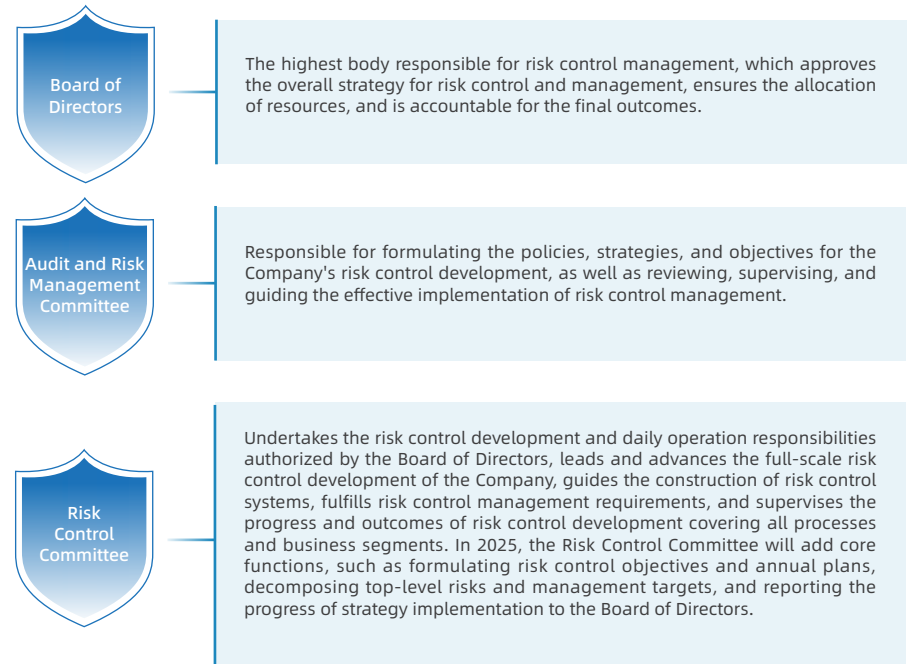
Risk Control System

Three Lines of Defense for Risk Control

We embed risk control requirements into our daily operations, providing a framework for our internal control and risk management control work through standards such as the *Internal Control Management System*, *Internal Control Framework*, and *Internal Audit Regulations*. We conduct risk control and risk management training for senior management and the internal control compliance system support team to enhance the forward-looking risk identification and response capabilities of key personnel in a complex market environment.

We have established a three-tiered risk control and compliance management system to inspect and supervise the compliant operation of all business processes within the Company. In 2025, we further solidified the risk control responsibilities of entities at all levels. Business departments (the second line of defence) have been assigned new duties, including defining risk management requirements for their respective areas and conducting quarterly summaries of top risks and management initiatives with the Risk Control Committee. Business Groups (BGs), platforms, and subsidiaries (the first line of defence) have been assigned new responsibilities, including special management of top risks and monthly discussions with responsible areas on the control of top risks and management initiatives.

Risk control governance structure



Three lines of defence for risk control and compliance governance

Audit Supervision and Management

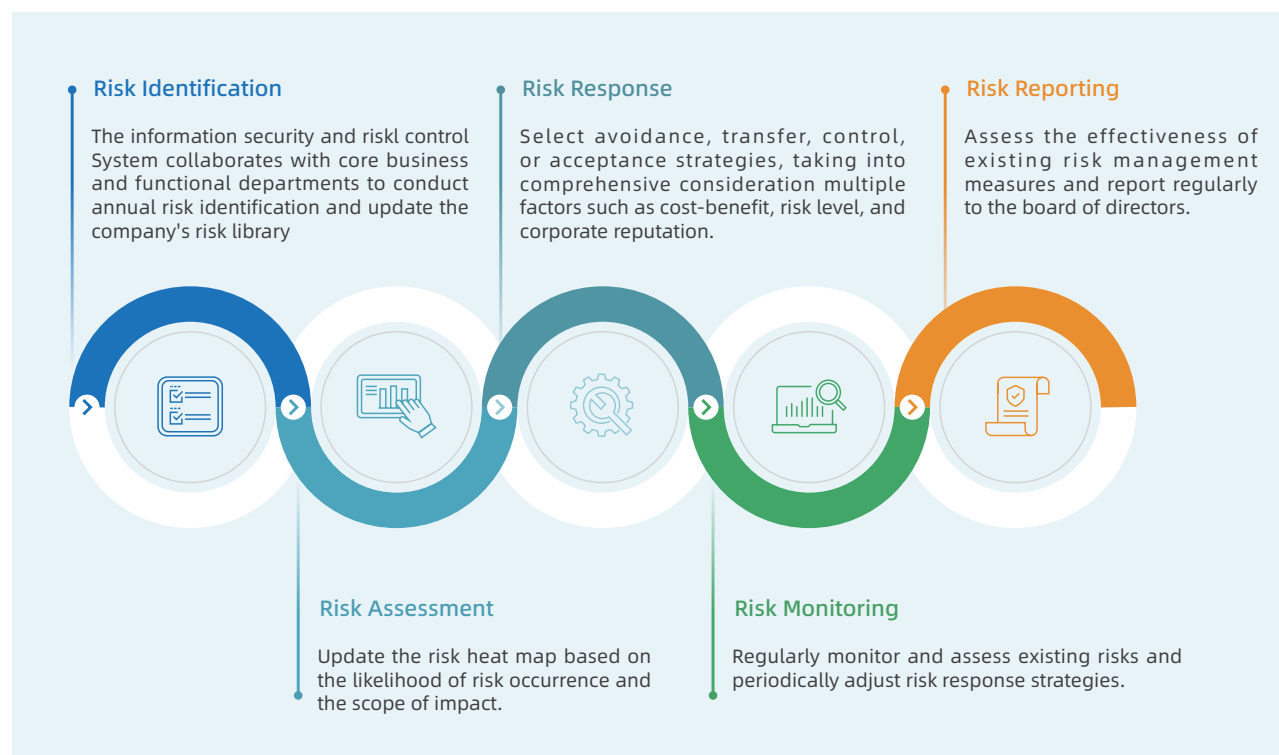
The Company's Information Security and Risk Control System and Quality Management Department formulate annual audit plans based on management system development requirements, conducting special business audits on key operational areas such as business ethics, information security, and quality management. Concurrently, we implement closed-loop management for raised issues during audits. The audit results, identified issues, and progress on their resolution are reported quarterly to the Audit and Risk Management Committee, ensuring high-level supervision and the right to information for the governance layer. During the reporting period, the Company's second and third lines of defence completed a total of 11 internal audit projects, identifying 34 major issues and 90 significant issues across areas including finance, legal affairs, marketing, quality, and business divisions. All issues were closed as planned within the year, achieving a 100% closure rate.

Risk Management

The Company continuously improves its risk management system, systematically identifying various traditional and emerging risks each year and integrating key ESG issues into the risk management process.

Risk Management Process

The Company has established a risk control system covering five key elements based on the COSO¹ framework and updated the *Risk Management System* in 2025. The Board of Directors assesses the nature and extent of acceptable risks and supervises their execution by management; the Audit and Risk Management Committee fulfills its supervisory duties; and the Information Security and Risk Control System leads the system's operation and provides regular reports. The Company incorporates risk management into performance assessments, which cover members of the Board of Directors, and conducts company-wide training as well as specialized education for non-executive directors. Concurrently, a regular process audit mechanism has been established, where the Quality Management Department reviews key control points, sample-checks general control points, and periodically audits the compliance and effectiveness of the entire risk process, driving rectification and optimisation. Furthermore, we have formulated the *Business Continuity Management Procedures*, through which we identify key resources via risk identification and business impact analysis, set business continuity objectives and recovery strategies, and ensure stable operations through multi-departmental collaboration.



¹The COSO framework was developed by The Committee of Sponsoring Organizations of the Treadway Commission.

Risk Assessment Results

We incorporate ESG-related risks into our risk identification and assessment scope, following a five-step risk assessment process: establishing a risk management philosophy and risk appetite, setting objectives, identifying risks, analysing risks, and evaluating risks. Each year, we conduct risk assessment, rating, and categorisation to accurately identify internal and external risks. Based on the likelihood of occurrence (1-5) and the degree of impact (1-5), risks are classified into three levels: major, moderate, and low, which are compiled into a risk library and a risk heat map. According to the risk level, combined with our risk tolerance, we weigh risks and returns and apply a comprehensive set of risk management strategies—including risk avoidance, risk mitigation, risk sharing, and risk acceptance—to achieve effective risk control.

Selected emerging risks identified in 2025 and corresponding response measures

Risk Category	Risk Description	Response Strategy
Geopolitical and International Trade Risk	Legal, Regulatory, Trade Policy, and Geopolitical risks faced by the business's global presence across different jurisdictions.	<ul style="list-style-type: none"> Implement a global production capacity layout to diversify regional risks. Strengthen the international trade compliance team to dynamically track policy changes. Promote localised production.
Technological Change and Industry Iteration Risk	Continuous and rapid evolution of industry standards for smart products and customer technical requirements.	<ul style="list-style-type: none"> Increase R&D investment. Establish cutting-edge technology research laboratories. Enhance technology reserves and invest in forward-looking technologies.
ESG Risk	Potential threats in ESG aspects that could harm the Company's operations, finances, and reputation.	<ul style="list-style-type: none"> Establish a dynamic tracking mechanism for environmental and ESG regulations to promptly adapt to local regulatory requirements. Integrate ESG objectives into the business strategy and strengthen the ESG system framework. Formulate and implement annual Top ESG tasks and plans. Establish ESG information disclosure and public opinion monitoring mechanisms.

Target	2025 Progress
By the end of 2028, achieve zero major risks and pre-emptively manage 90% of risks.	In progress, no major risks occurred in 2025.

Operating with Integrity and Compliance

Huaqin Technology adheres to a business philosophy of compliance and integrity, continuously strengthening its own and its partners' compliance management. The Company is committed to following the laws and regulations of the jurisdictions in which it operates and has established a robust compliance management system covering areas such as anti-corruption, anti-money laundering, anti-unfair competition, conflicts of interest management, anti-fraud, and tax compliance governance.

Building a Culture of Compliance

We implement the "Six Noes and One Adherence" principle (no bribery, no gift-giving, no related-party transactions, no falsification, no cutting corners, no fraud and extortion, and keep one's promise), integrating integrity and compliance into our corporate culture and values. We continuously strengthen our culture of compliance and integrity, enhancing the compliance awareness of all employees and suppliers through routine training, advocacy, and announcements.



Key measures for building a culture of compliance



Corporate culture and values

- List "Integrity" as one of the six corporate values, requiring all employees to "uphold the bottom line, speak the truth, and do practical work";
- Published *Huaqin Minimum Requirements and Huaqin Principles*.



Management and Assessment of Cadres

- Published the *Five Bottom-Line Behaviors for Huaqin Management Cadres*, which explicitly prohibits actions such as abuse of power;
- Promotions and advancements for management cadres must undergo a values assessment, with a one-strike-and-you're-out policy for any abnormal behavior;
- Pre-Appointment interviews and Departure Audits for Management Cadres.



Company-Wide Compliance Requirements

- *The Huaqin Employee Handbook, Huaqin Integrity Management System, and Management Regulations on the Handling of Employee Violations* clearly define the code of ethics covering all employees, and specify the classification and punishment of violations.
- All employees are required to sign the *Integrity and Self-Discipline Commitment Letter*.
- Declarations of related-party relationships are implemented for management cadres and employees in sensitive positions.
- *The Register of Gifts and Cash Equivalents Has Been Established* to Standardise the Management of Gifts.



Compliance Empowerment and Advocacy

- An internal control and compliance month event covering all employees is held annually.
- Compliance briefings are organised for new employees, management, and employees in sensitive positions, covering violation handling, reporting channels, and incentive policies.
- The "Qin Risk Control" communication platform regularly disseminates case warnings, compliance reminders for holidays, and articles and posters on risk control knowledge.
- Information on Punishments for Violations Is Publicised Through Articles, Email Announcements, and Other Channels.



Supply Chain Management and Advocacy

- Published the *Supplier Social Responsibility Code of Conduct*, requiring the signing of the *Supplier Integrity and Self-Discipline Commitment Letter* and the annual renewal of the *Huaqin Related Supplier Commitment Letter*.
- Supplier compliance awareness is strengthened through supplier conferences, audits, interviews, and integrity reminders during holidays.
- Compliance Policies Are Communicated to Suppliers via the SRM Platform, Requiring Their Participation in Self-Inspection and Self-Correction Activities.



Case

Launching a series of compliance awareness month activities to strengthen compliance consciousness among all employees

Every September, Huaqin Technology holds a compliance culture awareness month to enhance the compliance consciousness of all employees through a series of activities such as compliance training, distribution of internal control manuals, and company-wide examinations; focusing on core compliance topics including anti-corruption, anti-fraud, and data security, internal experts are invited to conduct special lectures, achieving 100% coverage of compliance culture promotion from management to front-line employees.



In 2025, 29,544 people participated in the compliance month examination, with a 100% pass rate.



Case

Reinforcing supply chain compliance defences and promoting supplier compliance education

To continuously deepen the development of an honest and compliant supply chain, Huaqin Technology regularly holds an annual supplier conference where the director of the Company's Risk Control Committee delivers a special presentation on integrity and honesty to all supplier representatives. In 2025, the Company enriched its communication methods beyond existing routine mechanisms like holiday integrity reminders and annual compliance training. Compliance training was integrated into daily supplier visits and audits, and customised courseware was created to train supplier management, thereby achieving regular, full-coverage compliance promotion.



Supplier "sunshine procurement" training

Key Performance



in 2025

During the reporting period, the coverage rate of business ethics training and promotion (including all employees and on-site service suppliers) was **100%**

Number of Directors Who Received Anti-Commercial Bribery and Anti-Corruption Training (Persons) **9**

Number of Management Personnel Who Received Anti-Commercial Bribery and Anti-Corruption Training (Persons) **2,079**

Number of Employees Who Received Anti-Commercial Bribery and Anti-Corruption Training (Persons) **67,941**

Number of Suppliers Reached by Business Ethics Training (Companies) **2,563**

Proportion of Suppliers Reached by Business Ethics Training (%) **100**

Business Ethics Management

The Company builds a comprehensive defence for business ethics by constructing a governance structure with clear responsibilities and authorities, establishing compliance policies that cover all business operations, conducting regular risk assessments and audits, and strengthening whistleblower protection mechanisms. During the reporting period, the Company had no incidents of business ethics violations.

Business Ethics Governance

The Company has established a three-tiered business ethics governance structure consisting of the Board of Directors, the Audit and Risk Management Committee, and the Risk Control Committee. The Board of Directors holds ultimate responsibility for business ethics governance, the Audit and Risk Management Committee provides oversight, and the Risk Control Committee is responsible for formulating and revising business ethics-related policies and procedures, reviewing relevant matters, and making decisions on violations of rules and disciplines. In 2025, we established a new Ethics Compliance Committee, chaired by Board member Chen Xiaorong. This committee focuses on dimensions such as ethical constraints, cadre development, creating a positive environment, and constructing organizations, processes, and mechanisms to comprehensively strengthen ethics compliance and anti-corruption management for management cadres.

Business Ethics Policies

The Company has merged and revised its policies, including the "Integrity Management System" and the "Business Ethics Code Management System," into the "Huaqin Technology Business Ethics Code." In 2025, the "Huaqin Business Code of Conduct" was revised to enhance management requirements related to anti-corruption, anti-bribery, anti-fraud, anti-money laundering, antitrust, fair competition, conflicts of interest, and environmental health and safety, as well as reporting and violation handling mechanisms. Concurrently, the "Antitrust and Unfair Competition Compliance Management System" was newly added to prevent compliance risks associated with antitrust and unfair competition.

Furthermore, we have joined the "Integrity Sunshine Alliance", collaborating with numerous renowned enterprises to establish an integrity blacklist.

<p>Anti-corruption and anti-bribery policies</p>	<p>The Company has issued an "Anti-Corruption and Anti-Bribery Policy" applicable to all employees and business partners of the Company and its subsidiaries, which expressly prohibits any form of bribery and improper benefits.</p>
<p>Penalties for violations</p>	<p>The Company maintains a "zero tolerance" policy for violations of business ethics. Penalties for employee compliance violations, such as dismissal, demotion, salary reduction, and performance-based equity vesting restrictions, are stipulated in several policy documents including the "Huaqin Employee Handbook" and the "Detailed Rules for the Management of Employee Disciplinary Violations", linking compliant conduct with employee remuneration.</p>
<p>Supplier business ethics management</p>	<p>Supplier business ethics management: The Company has issued the "Supplier Social Responsibility Code of Conduct", requiring suppliers and partners to comply with the Company's integrity management regulations and the anti-corruption laws of their countries of operation. When collaborating, the "Sunshine Agreement" must be signed. The "Cooperation Agreement" also contains clear provisions regarding integrity and honesty, anti-bribery, and anti-corruption. The "Huaqin Technology Related Supplier Commitment Letter" is updated annually.</p>

Business Ethics Risk Assessment and Audit

The Company has established clear divisions of responsibility and reporting lines. The Inspection Team and dedicated audit experts under the Information Security and Internal Control Department are responsible for specific audit work, establishing a periodic risk assessment system of "annual identification and quarterly self-assessment". During the reporting period, the Company conducted its annual comprehensive risk identification project, identifying a total of 15 bribery and corruption risk points in sensitive positions such as procurement and warehousing. Based on these findings, it designed targeted control measures and formed a complete risk control matrix. Compliance reviews are also conducted quarterly to ensure the continued effectiveness of control measures. The Company aims to conduct an independent audit investigation covering all business lines (100% coverage) at least once every three years, with a focus on investigating disciplinary violations, irregularities, corruption, and fraud.

In accordance with the 2025 annual audit plan, the Company strictly adheres to the "Huaqin Technology Audit System", conducting special audits on the parent company and its subsidiaries based on the major risk areas identified annually. For issues discovered during audits, the Company reviews the rectification plans of each business area and provides professional opinions, rigorously verifying the effectiveness of corrective actions. Individuals responsible for failing to meet deadlines are subject to performance point deductions, and continuous rectification is mandated to ensure a closed-loop and effective management of business ethics. During the reporting period, the Company had no incidents of fraud or extortion.

Complaints and Whistleblower Protection

The Company has set up a multi-channel complaint and reporting platform to receive reports of violations from all employees and partners. It promotes a culture of integrity through training, posters, the official website, and official accounts, publicising business ethics policies and how to use reporting channels. The platform supports both anonymous and named reporting, provides services in both Chinese and English as well as local languages, and has dedicated personnel to ensure timely processing. We strictly protect good-faith whistleblowers, maintain confidentiality of all reported information throughout the process, and strictly prohibit retaliation against whistleblowers or investigators. Leaks or acts of retaliation will result in penalties such as removal from post or termination of employment contracts, with cases of suspected legal violations being referred to judicial authorities for handling.

We have formulated the "Inspection Project Management Process" and the "Code of Conduct for Inspection Personnel", clarifying communication, appeal mechanisms, and handling procedures. All complaints and reports are treated with caution, and violations are handled in accordance with relevant regulations. We require the responsible units to formulate remedial and preventive measures to effectively maintain the business environment and ethical standards.

Target	2025 Progress
Maintain 100% coverage for business ethics themed training (covering all employees and on-site service providers, including anti-corruption, conflicts of interest, fraud, money laundering and other topics)	Achieved
Achieve a 100% Signing Rate for the <i>Employee Integrity Pledge</i>	Achieved
Achieve a 100% handling rate for business ethics reports	Achieved

Key Performance



in 2025

During the Reporting Period,

There were **0** incidents of corruption or bribery, conflicts of interest, money laundering or insider trading, harassment, or discrimination;

There were **0** incidents of litigation or major administrative penalties resulting from unfair competition practices;

0 Reports related to business ethics were received.

0 concluded anti-corruption lawsuits involving the company and its employees.

Reporting Channels

Dedicated Reporting Email:
report@huaqin.com

Reporting Hotline and WeChat:
18516617679 (Independent Dedicated Line
Managed by Designated Personnel)

Feishu Reporting:
Qin Risk Control - Integrity Feedback

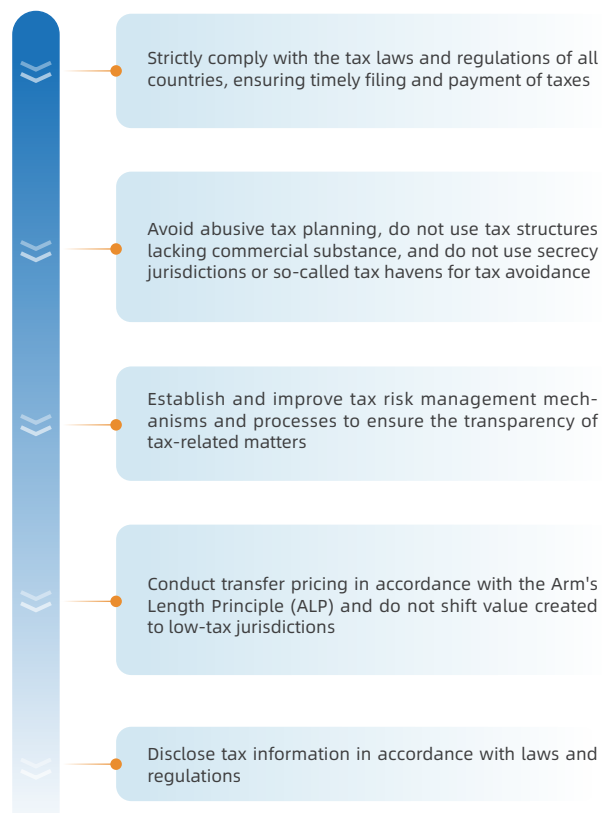


Posters promoting integrity for suppliers and employees and

Tax Compliance Governance

The Company has formulated the "Huaqin Technology Tax Policy", adhering to the principles of compliance, transparency, and efficiency. It strictly complies with the tax laws of each operating location, has established robust management systems for tax filing, invoicing, exports, and income tax, and has assembled a professional team to promote standardised operations and end-to-end internal controls to mitigate tax risks. The Company closely monitors international tax reform developments, such as the Organization for Economic Co-operation and Development (OECD) "Two-Pillar Solution", and reasonably utilises tax incentives for research and development and green development to continuously optimize its tax structure.

Huaqin Technology's tax policies and commitments



Comprehensive Security Management

Huaqin Technology strictly complies with Chinese laws and regulations such as the "Cybersecurity Law", the "Data Security Law", and the "Personal Information Protection Law", as well as regulations in overseas operating locations including Mexico, India, and Vietnam. Referencing the ISO 27001 framework, the Company has built a comprehensive information security management system covering multiple dimensions such as data, information, network, and physical security, to fully safeguard the security and business stability of its customers, employees, and stakeholders.

Governance

The Board of Directors serves as the highest authority responsible for the company's comprehensive safety management. The Risk Control Committee establishes the Group's security organizational structure, formulates security strategies, and guides work direction, achieving comprehensive management covering information, network, data, and physical security. The Risk Control Committee authorises the Group Security Committee to coordinate work across various professional security domains, forming a unified second line of defence for Group security and guiding the first line of defence in effectively implementing security management requirements.

Role	Responsibilities
Risk Control Committee	Appointed by the Board of Directors, responsible for approving security strategies, objectives, and major plans, and making decisions on key security matters
Group Security Management Representative	Appointed by the Risk Control Committee, responsible for the overall coordination and advancement of the Group's security work, and for the establishment, operation, maintenance, and review of the security management system
Group Security Committee	As the overall responsible and coordinating body for security management, it is responsible for organising the formulation of top-level security designs, plans, and budgets, and for overseeing system operations and decisions on major matters
Security Control Group	Performs specific control functions, including translating security requirements into policies and standards, supervising the implementation of plans, and conducting security audits
Security Officer for Each BG/ Platform/Subsidiary	As the executive party of the first line of defence, responsible for breaking down and implementing security objectives within their respective units, and leading professional security work such as policy establishment, culture building, risk management, and self-assessment

The Company has established company-wide policies such as the "Data Security Management Specification" and the "Information Security Handbook" to regulate data collection and personal information protection, encrypting the storage of key data and strictly authorising its sharing. The "Information Security Management Procedure" has been developed for suppliers and on-site personnel to prevent leakage risks throughout the entire chain via confidentiality agreements, security training, and tiered controls (including downgrade and blacklisting mechanisms). The Company has publicly issued the "Huaqin Technology Privacy Policy". With regard to the protection of personal privacy, the Company has explicitly allowed individuals to access, correct, and delete their personal data, has set time limits for processing data deletion requests, and has confirmed that the scope of data deletion covers backup data.

Key Performance



in 2025

The Company conducts annual external audits to ensure the effectiveness of its information security management system. As of the end of the reporting period, a total of **14** R&D/manufacturing centers have obtained ISO 27001 information security management systems certification.



ISO/IEC 27001:2022 certificate

Impact, Risk and Opportunity Management

We have identified and developed an information security risk control matrix. By assessing the likelihood and impact of various risks, we classify them into three levels—High, Medium and Low—and formulate targeted risk prevention and control measures accordingly.

Information security risks and response measures

Risk Type	Risk Level	Response Measures
Business Interruption Risk	High	<ul style="list-style-type: none"> Regularly test and update the business continuity plan Regular review, inspection, and supervision mechanism
Process, System and Control Risk	High	<ul style="list-style-type: none"> Regularly verify the applicability of information security management systems, the effectiveness of management measures, and business compliance Internal information security audits and rectification
Supplier Information Security Risk	High	<ul style="list-style-type: none"> Sign high-confidentiality agreements with key material suppliers before tendering for highly confidential projects Arrange information security audits and scoring before onboarding suppliers for highly confidential projects Conduct routine information security audits of suppliers from trial production to launch for highly confidential projects, and follow up on the closure of identified issues
Risk of Employee Non-Compliant Disclosure	Medium	<ul style="list-style-type: none"> All staff must receive information security training and pass an examination at least once a year Employees in confidential areas can only gain access after completing entry training for those areas Conduct regular group-wide special inspections for information security
Physical Environment Risk	Low	<ul style="list-style-type: none"> Identify risks such as the movement of unauthorised equipment and non-compliant operations in computer rooms Establish specifications for the movement of all asset types and regularly check for compliance with these procedures Conduct regular inspections of computer rooms in accordance with information security standards for their construction
Data Export Risk	Medium	<ul style="list-style-type: none"> For scenarios involving data export, control the types and volume of data being Exported in accordance with regulatory requirements

Strategy

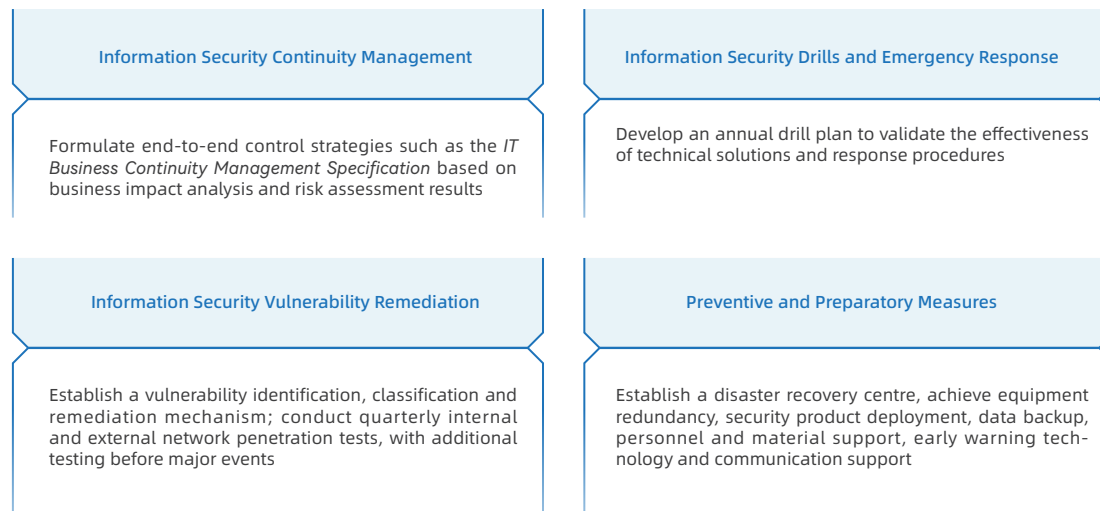
The Company regulates information security work across various business domains and ensures data security and compliant operations through three categories of measures: basic IT controls (document permission control, antivirus protection), dedicated software zone management (isolated network segments, cloud disk transfers), and dedicated project zone management (USB permission control, outbound approval).

In 2025, to systematically address global data compliance challenges and fortify our digital assets, we initiated the strategic deployment of a data security management platform, focusing on conducting Proof of Concept (POC) work to lay a solid technical and architectural foundation for its full launch and integration in 2026. Concurrently, to address the data compliance needs of our globalisation operations, we have completed a review of data export regulatory requirements for China, Vietnam, India and Mexico, thereby providing support for risk assessment and compliance implementation of cross-border data transfer operations in each region.

Information Security Continuity Plan


We also establish proactive information security prevention and control measures and emergency response procedures, having formulated management systems such as the *Information Security Business Continuity Management Procedures*, *Information Security Incident Management Procedures*, *Penetration Testing Process Specification*, and *Vulnerability Remediation Specification*, ensuring the effectiveness of our information security management system and business continuity through regular drills and continuous improvement.

In 2025, we independently organised two external network attack and defence drills and participated in one government drill, covering all of the Company's external network assets, and identified, rectified, and closed 29 high-risk points..



Information Security Audits

We continuously improve our information security management system through a combination of regular internal and external audits. Annual compliance assessments covering all business operations are conducted to identify potential risks and drive rectification, ensuring the system remains effective and compliant with regulatory requirements. In 2025, internal information security audits identified 39 issues with a 100% closure rate, while external audits identified 9 issues, also with a 100% closure rate. A total of 507 issues were identified and rectified during audits of client confidentiality zones.



Case

Supplier information security management audit

Huaqin Technology conducts annual information security management audits of its suppliers, classifying them into categories such as "general" and "highly confidential" and developing targeted audit items across multiple dimensions, including information security management systems, personnel management requirements, IT system management requirements, and physical area management. For suppliers involved in highly confidential projects, this management extends to their tier-two suppliers. In 2025, we conducted annual audits on 54 key suppliers, identifying and rectifying 434 issues, thereby reducing security risks in the production process.

Building an Information Security Culture

The Company explicitly defines "endangering network security, leaking trade secrets" and "infringing on client interests" as red-line violations, adopting a "zero tolerance" policy for information leakage with penalties including dismissal and demotion on personnel who have been confirmed as violating the rules. In terms of client information security, the Company establishes exclusive client confidentiality zones, ensuring information security through multi-dimensional controls covering the environment, network, personnel, physical assets and data. Regular audits of these zones are conducted, and the relevant data and privacy protection policies apply to all business lines. Suppliers are required to sign non-disclosure agreements before cooperation, with strict limitations on physical and logical access rights. Annual information security audits are carried out for key suppliers, and access requires approval and registration. Through communication at meetings, specialized training, an Information Security Month, and emergency drills, the Company continuously enhances the security awareness and management capabilities of all staff.

Indicators and Targets

Target	2025 Progress
0 Major Information Security Leakage Incidents	Achieved
0 Major Information System Failure Incidents	Achieved
0 Business Continuity Disruption Events	Achieved



in 2025

Key Performance



During the reporting period,

Information Security Month activities covered **5** regions of the Group with a total of **9** offline events held and **3,835** participants

12 outstanding teams and **35** outstanding individuals were recognised

Organised **3** phishing drills covering **10,498** participants

Held **23** information security-themed training sessions achieving a **100%** reach rate among employees (including full-time staff, interns, and outsourced personnel)

0 customer privacy breaches and **0** data security incidents occurred

0 confirmed complaints and data leakage incidents related to data security and privacy protection



03

Green and Low-Carbon

Embracing the concept of a community with a shared future for mankind, Huaqin Technology collaborates with stakeholders to actively address global environmental challenges, integrating green principles into every segment of the value chain, earnestly promoting its own green and low-carbon operations, building a clean, low-carbon, and efficient energy system, and committing to reducing the carbon footprint of its global operations and value chain. **Think clearly, commit boldly, deliver reliably** – enabling technology to coexist with green.

+ Topic Responses

- Energy Management
- Green Products and Design
- Waste Management and Recycling
- Climate Change Response
- Water Management
- Clean Technology Opportunities
- Pollutant Management
- Hazardous Substance Management
- Chemical Safety
- Biodiversity Protection

+ UN SDGs Addressed in This Chapter



Climate Change Response

With reference to standards and leading international carbon reduction methodologies such as the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and IFRS S2 Climate-related Disclosures, Huaqin Technology proactively analyses and assesses the climate-related risks and opportunities in its own operations and throughout its upstream and downstream value chain, formulating a "zero-carbon" strategic goal to enhance its climate resilience.

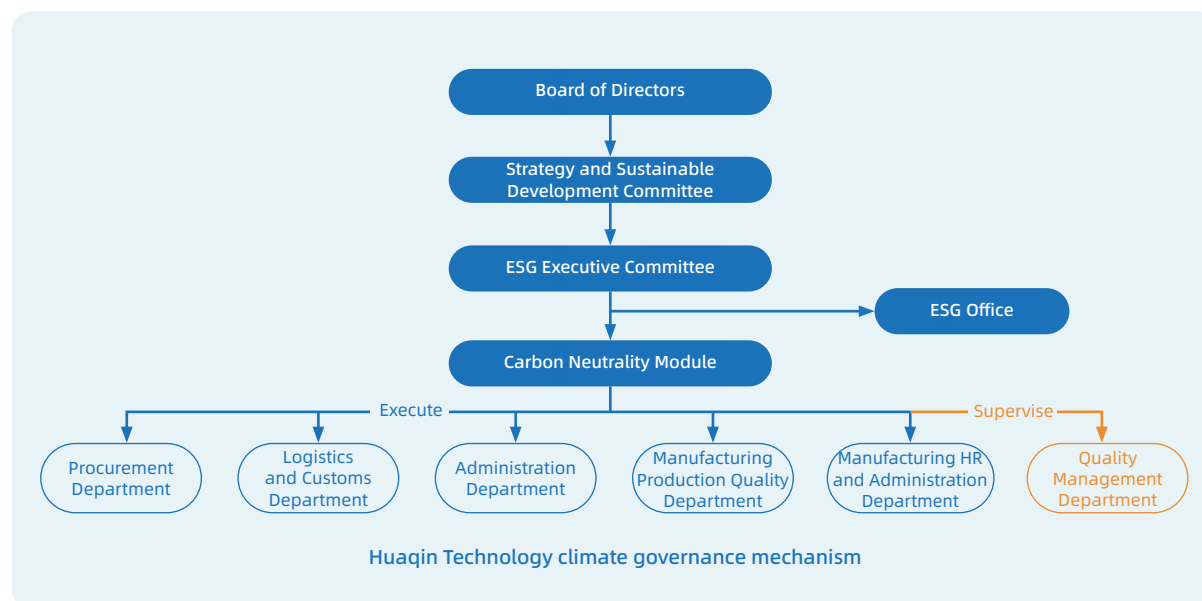
Governance

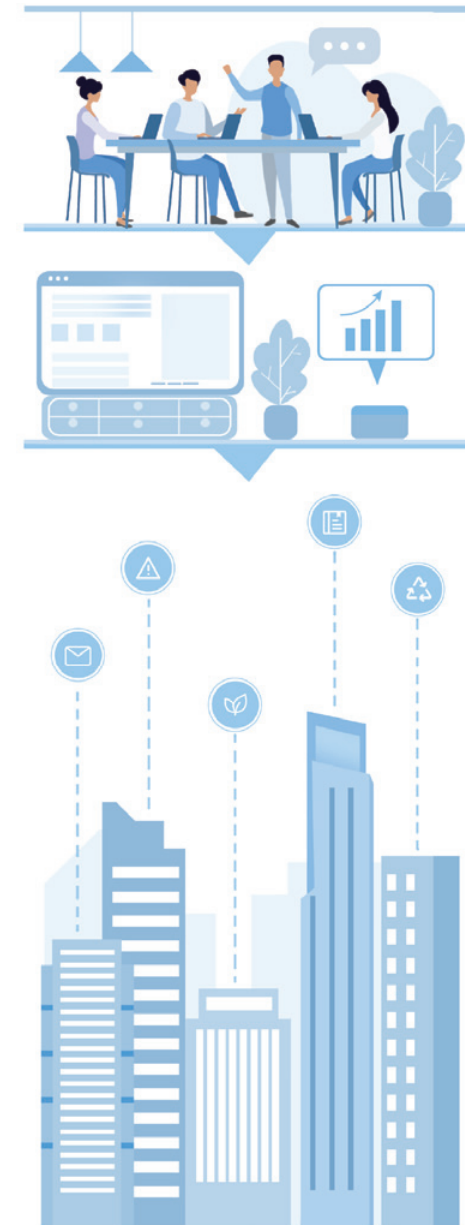
Based on a systematic review of its business model and value chain, the Company identifies and assesses the short, medium, and long-term climate-related risks and opportunities facing each business segment and their potential financial impacts, formulating and implementing response plans accordingly to continuously enhance its climate resilience.

Centered on the "four pillars" recommended by the IFRS S2 framework, our climate issue assessment and discussion is coordinated by the ESG Executive Committee with collaboration from the ESG Office and various functional departments, considering climate-related risks and opportunities from the perspectives of regulatory compliance, market demand, capital markets, and corporate operations; we follow the COSO Enterprise Risk Management—Applying Enterprise Risk Management to Environmental, Social and Governance-related Risks framework and formulate climate strategies according to the five-step approach of "accept, avoid, pursue, reduce, share", which are fully integrated into the Company's existing risk management system, while simultaneously setting climate-related performance targets, action plans, and management processes to drive the achievement of climate governance goals and disclose progress annually.

The Company has established a five-tier governance structure comprising the "Board of Directors - Strategy and Sustainable Development Committee - ESG Executive Committee - Carbon Neutrality Module", creating a closed-loop process for climate-related issues from decision-making to execution. At the Board of Directors level, all members regularly receive specialized training on climate governance topics and consult with external experts, with some members possessing extensive experience in energy management, thereby ensuring leadership in climate action. At the executive level, the Carbon Neutrality Module coordinates strategic planning, policy formulation, target decomposition, performance tracking, and information disclosure; a cross-departmental carbon neutrality working group has also been established to embed emission reduction targets into all aspects of operations, R&D, manufacturing, and the supply chain. The Company's climate governance mechanism adopts a dual-track parallel approach of "supervision and execution", achieving deep penetration of actions, controllable progress, and verifiable results.

Concurrently, we link indicators such as carbon reduction, clean energy, management system audit pass rates, and energy consumption per unit of equipment to management's performance bonuses and quarterly target achievements, enhancing the synergy and efficiency of carbon reduction efforts from the top down.





Huaqin Technology's Climate Management Responsibilities



Board of Directors

- The highest responsible body for sustainable development matters, responsible for leading and supervising the Company's ESG work, including greenhouse gas management, and for approving related disclosure documents.



Strategy and Sustainable Development Committee

- Responsible for approving ESG-related development strategies, policies, and targets, and for making decisions on key ESG matters and plans.



ESG Executive Committee

- Responsible for deciding on sustainable development strategies, policies, and targets; reviewing significant ESG risks and opportunities; and implementing major ESG matters and key plans.



Carbon Neutrality Module

- Responsible for coordinating greenhouse gas inventory work, including updating inventory forms, maintaining inventory factors, and developing and applying digital tools.
- Formulates the group's annual carbon reduction targets and implementation pathways.
- Compiles the overall implementation plan for annual carbon reduction projects.
- Manages the annual carbon emission and energy consumption ledgers, and reviews the achievement of annual targets.
- Supervises the work progress and effectiveness of implementation teams.
- Leads carbon management and empowerment initiatives for upstream suppliers in the supply chain.



Various Executive Departments

- The Quality Management Department plans annual goals and oversees their implementation across departments.
- The Administration Department and the Manufacturing Human Resources and Administration Department are responsible for annual carbon reduction targets and action planning, energy and carbon emission ledger management, reviewing the achievement of annual targets for their respective regions, reporting on greenhouse gas control work, and implementing green and low-carbon travel projects.
- The Manufacturing Production Quality Department is responsible for implementing certifications related to greenhouse gas emissions.
- The Logistics and Customs Department is responsible for managing scope 3 logistics mileage data and implementing green logistics projects.
- The Procurement Department is responsible for collaboratively promoting supplier carbon emission management and empowerment, and for implementing special energy-saving projects in the supply chain.

Impact, Risk, and Opportunity Management

Based on its actual production and operations, the Company implements a four-step management process for climate risks and opportunities: "risk and opportunity identification - impact pathway analysis - financial and strategic impact assessment - risk response and management"; this process identifies climate-related risks and opportunities within its own operations and across the upstream and downstream value chain. Through materiality assessments and short, medium, and long-term trend analysis, the Company has constructed a comprehensive inventory covering both physical and transition risks, and uses multi-scenario quantitative models to assess impacts on revenue, costs, asset value, and market expectations. We embed qualitative and quantitative climate scenario analysis into our strategic planning and annual business plans, and based on factors such as risk level, occurrence conditions, and practical management priorities, we formulate and implement differentiated response strategies to achieve targeted decision-making, proactive prevention, and closed-loop management of climate risks.

The Company uses two Representative Concentration Pathways (RCPs)¹ from the Intergovernmental Panel on Climate Change (IPCC) to conduct climate scenario analysis, allowing for broader identification of physical risks at its operating sites in the short to medium term (present to 2030) and long term (2030 to 2050). Based on physical climate risk analyses² conducted at manufacturing centers in China³ and overseas regions⁴, differentiated response measures are taken according to different risk levels, including strengthening equipment maintenance, optimizing water-saving processes, and exploring alternative water sources, in order to comprehensively enhance climate resilience.

¹ RCP4.5 (low carbon emission scenario, 1.6°C-2°C) and RCP8.5 (high carbon emission scenario, 4.1°C and above).

² Physical climate risk exposure is the level of risk faced by assets without intervention.

³ The 11 manufacturing centres in the China region included in the physical climate analysis are Nanchang First Manufacturing Centre, Nanchang Second Manufacturing Centre, Dongguan First Manufacturing Centre, Dongguan Second Manufacturing Centre, Dongguan Third Manufacturing Centre, Hrobot, Huayu Precision, Xiqin Precision, and Chunqin Precision.

⁴ The two overseas manufacturing centres included in the physical climate analysis are the Vietnam Manufacturing Centre and the India Manufacturing Centre.

Huaqin Technology's transition and physical risk matrix

Risk Type	Risk/Opportunity Factor	Risk Level	Operational Impact	Response Measures
Transition Risks				
Compliance Requirements	Global Environmental Regulations and Information Disclosure Requirements	Medium	Increased Costs Increased Expenditure	<ul style="list-style-type: none"> Optimising the energy mix and increasing the proportion of renewable energy Developing renewable energy investment and development projects Implementing energy-saving renovations to improve energy efficiency Operating a standardised mechanism for carbon emissions data management Developing digital tools for carbon management
Carbon Pricing Mechanisms	Carbon Pricing Supplier Management Costs Low-Carbon Subsidies and Incentives Carbon Market Trading	Low	Increased Expenditure	<ul style="list-style-type: none"> Implementing ISO 14064 verification and regularly tracking progress towards the goals for carbon peaking and carbon neutrality Building capabilities for carbon asset trading operations Exploring feasible pathways for implementing internal carbon pricing
Market Preference	Green Product Research and Development Carbon Footprint Inventory Requirements	Medium	Increased Costs	<ul style="list-style-type: none"> Developing low-carbon green products and building a portfolio of clean technology solutions Managing carbon emissions throughout the product life cycle Collaborating with value chain partners on carbon reduction
Raw Material Costs	Changes in Supply Chain Operating Costs	High	Increased Costs Reduced Revenue	<ul style="list-style-type: none"> Avoiding single-source supplier risk to ensure a smooth supply Empowering and managing suppliers, and collaborating with value chain partners on carbon reduction
Clean Technology Transition	Clean Technology R&D Costs Clean Technology Market Opportunities	High	Increased Costs Reduced Revenue	<ul style="list-style-type: none"> Prioritising pilot projects for core technologies that align with business strategy (e.g., liquid cooling for data servers, clean energy vehicle components) Increasing R&D investment and enhancing incentives for innovation Applying for patents related to clean technology
Investment and ESG Rating	ESG Rating Green Financing	Low	Increased Financing Costs	<ul style="list-style-type: none"> Refining ESG management and practices Improving the quality of information disclosure Strengthening external communications and stakeholder engagement
Supply Chain Public Opinion	Supplier Collaboration on Carbon Reduction	Medium-High	Increased Costs Increased Expenditure	<ul style="list-style-type: none"> Empowering and managing suppliers, and collaborating with value chain partners on carbon reduction Operating a normalised supplier carbon emissions data management mechanism Developing digital tools for supplier carbon management

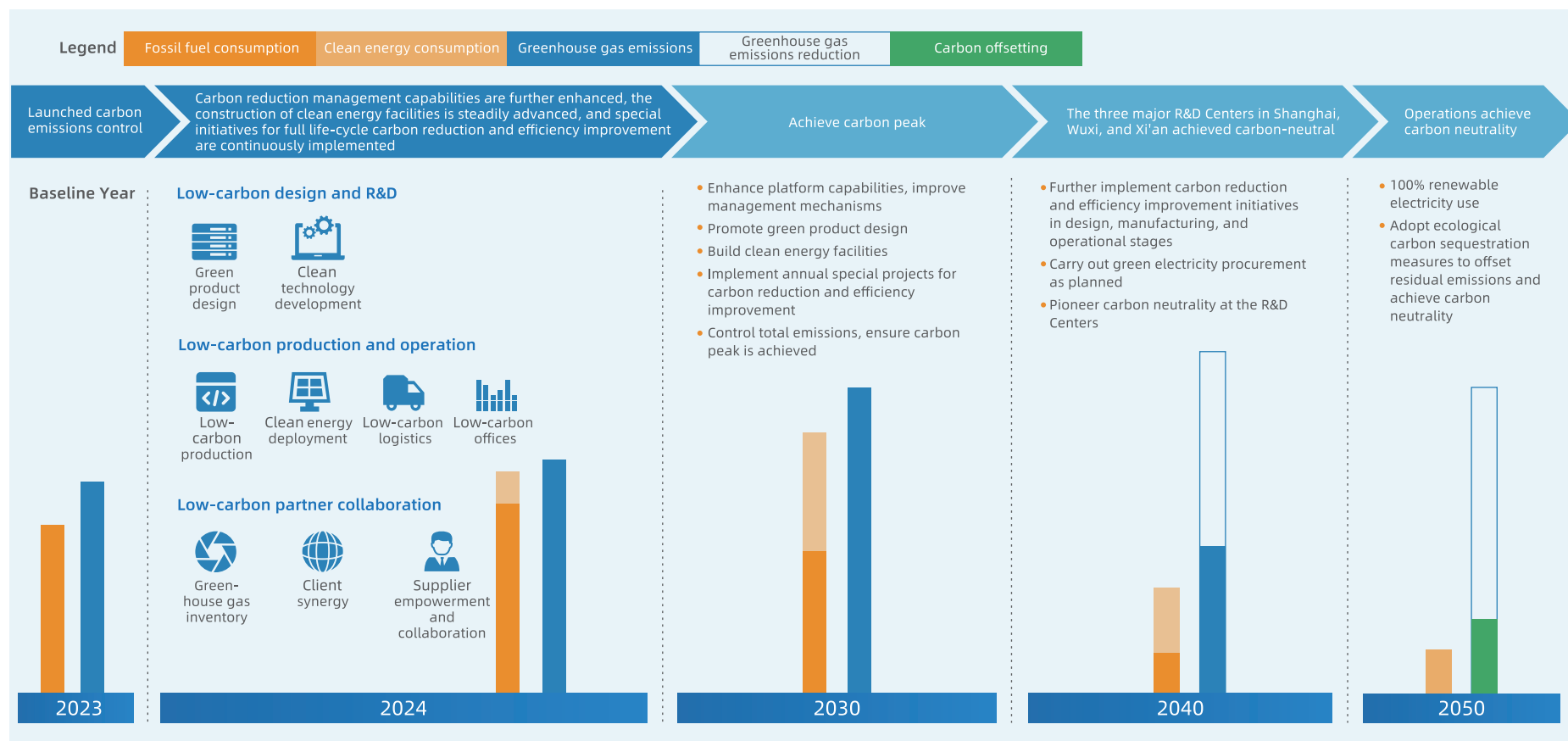
Huaqin Technology's transition and physical risk matrix (continued)

Risk Type	Risk/Opportunity Factor	Risk Level	Operational Impact	Response Measures
Physical Risks (Acute Risks)				
Extreme High Temperatures	Equipment Operational Failures Equipment Maintenance Costs Labor Protection Measures for Employees	High	Increased Costs	<ul style="list-style-type: none"> Conducting regular emergency drills and hidden danger inspections, implementing governance measures, and reinforcing facilities against wind Stockpiling materials, medical supplies, and labor protection equipment; reducing working hours during extreme weather Increasing the frequency of spot checks and maintenance for equipment and facilities, and ensuring proper equipment cooling Ensuring proper maintenance of instruments, equipment, fire-fighting water pools, domestic water pools, and drainage pumps Monitoring weather warnings and seeking support and rescue from government departments when necessary Providing mechanisms for temporary work suspension and operating remote working during necessary periods
Severe Cold or Extreme Rain and Snow	Equipment Downtime Operational Disruption Production Safety Risks	Medium-Low	Increased Costs	
Extreme Precipitation	Operational Disruption Equipment Damage Production Safety Incidents	High	Increased Costs Asset Impairment	
Flash Drought	Energy and Water Costs Work Stoppages at Production Sites and Equipment Damage	Low	Increased Costs	
Tropical Cyclones	Equipment Damage Impact on Business Continuity	Low	Increased Costs Asset Impairment	
Physical Risks (Chronic Risks)				
Water Shortages	Increased Operating Costs Insufficient Water for Production	Medium-Low	Increased Costs Asset Impairment	<ul style="list-style-type: none"> Exploring water-saving processes and recycling technologies to reduce reliance on water resources for production and operations Seeking opportunities for alternative water sources, such as rainwater, to reduce dependence on fresh water Enhancing employee awareness of water conservation through training and publicity Conducting regular maintenance on production equipment and facilities, inspecting for corrosion and making timely repairs; using dehumidifying or humidifying equipment to maintain the required humidity for production facilities and products Proactively planning future plant site selections to mitigate the potential impacts of extreme climate on the sites
Warming Trends		Medium	Increased Costs Asset Impairment	
Extreme Precipitation High Humidity Trends	Increased Operating Costs Equipment Maintenance and Servicing Costs Creation of Safety Hazards	High	Increased Costs Asset Impairment	
Wind Speed Trends	Business Continuity	Low	Increased Costs	
Drying Trend	Increased Water Consumption Increased Operating Costs	Low	Increased Costs	

Strategy

The Company integrates climate resilience into its business strategy and sustainable development goals, guided by its "zero-carbon" strategic objective, and has formulated short-, medium-, and long-term work objectives, a roadmap, and nine emission reduction strategies across three major categories to steadily achieve its climate commitments.

We work with stakeholders to drive our zero-carbon transition. As a board member of the ICT Green Development Alliance and a member of the PuDong New District ESG Alliance, we actively engage in industry events to share low-carbon insights. In 2025, we launched a special initiative for supplier carbon reduction, designated as a 2025 ESG TOP priority project, focusing on external Supply Chain energy conservation and carbon reduction targets. The Sustainable Supply Chain team was responsible for collecting, verifying, and empowering suppliers with data. To address issues identified during supplier research, the Company established a monthly meeting mechanism for key suppliers with significant potential for energy-saving technological upgrades, providing one-on-one communication and guidance to support them in streamlining work processes and enhancing their willingness and capacity for energy conservation. Site visits were conducted at five suppliers to verify data accuracy, support the enhancement of their specialized capabilities, and promote a collective transition towards green practices across the entire chain. To further drive climate governance and low-carbon transition, we plan to release and gradually implement the *Internal Carbon Pricing System* in 2026. The system will cover Scope 1 and Scope 2 greenhouse gas emissions and adopt a shadow carbon pricing mechanism to systematically incorporate carbon costs into the Company's decision-making processes.



Huaqin technology net-zero transition plan

Indicators and Targets

To effectively address the challenges of Climate change and achieve the Company's overall goal of "achieving Carbon Peak in its own operations before 2030 and Carbon Neutrality in its operations by 2050", the Company updated and further implemented the *Greenhouse Gas Control and Management System* in 2025. Using management tools such as the *Summary and Identification Form of Greenhouse Gas Emission Sources* and the *Greenhouse Gas Emission Management Ledger*, the Company conducts long-term tracking, inventory, and calculation of over 20 emission sources within its operational scope. Simultaneously, it calculates the carbon reductions from actions taken during the reporting period, including energy-saving retrofits of power equipment and photovoltaic projects.



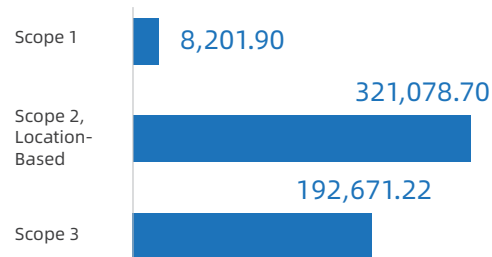
"Zero-Carbon" Strategic Objective

- Achieve Carbon Peak in its own operations before 2030, with clean energy use exceeding 40%; continuously strive to reduce carbon emissions at the product design source.
- In 2040, the Shanghai, Wuxi, and Xi'an R&D Centres will be the first to achieve Carbon Neutrality.
- By 2050, the Group will achieve Carbon Neutrality in its operations, with clean energy use reaching 100%.

Target	2025 Progress
Based on the 2023 baseline year, achieve an average annual reduction of 3% in carbon emission intensity (Scope 1 + Scope 2) by 2030	Achieved
Save 100 million kWh of electricity through energy-saving technological upgrades by 2025	Achieved
By 2025, conduct carbon emission data management and capacity building for the TOP 70 suppliers, driving them to save 40 million kWh of electricity through energy-saving technological upgrades, with the portion attributable to Huaqin Technology reaching 15 million kWh	Achieved

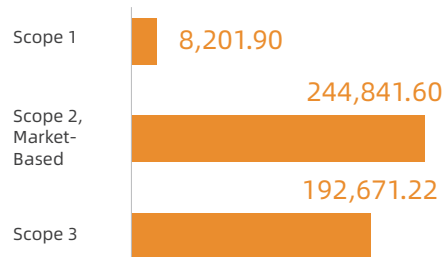
Greenhouse gas emissions in 2025 (location-based)¹

Unit: Tonnes of CO₂ Equivalent



Greenhouse gas emissions in 2025 (market-based)

Unit: Tonnes of CO₂ Equivalent



Key Performance



in 2025

During the reporting period,

Greenhouse Gas (Scope 1 & Scope 2) emission intensity was

1.48 tonnes of CO₂ equivalent per million RMB (market-based)

representing a year-on-year decrease of

27.93% compared to 2024

5 suppliers signed a commitment letter to use

100% clean energy by 2030

¹ Huaqin Technology's Greenhouse Gas Emissions accounting refers to the complete workflow for corporate greenhouse gas emission accounting for the reporting entity as stipulated in Chapter V "Accounting Steps and Methods" of the national standard *Greenhouse Gas Emission Accounting and Reporting Requirements Part 24: Electronic Equipment Manufacturing Enterprises*. For details, please refer to the description of data scope, calculation methods, and emission factor selection in the key performance table.

Green and Low-Carbon Operations

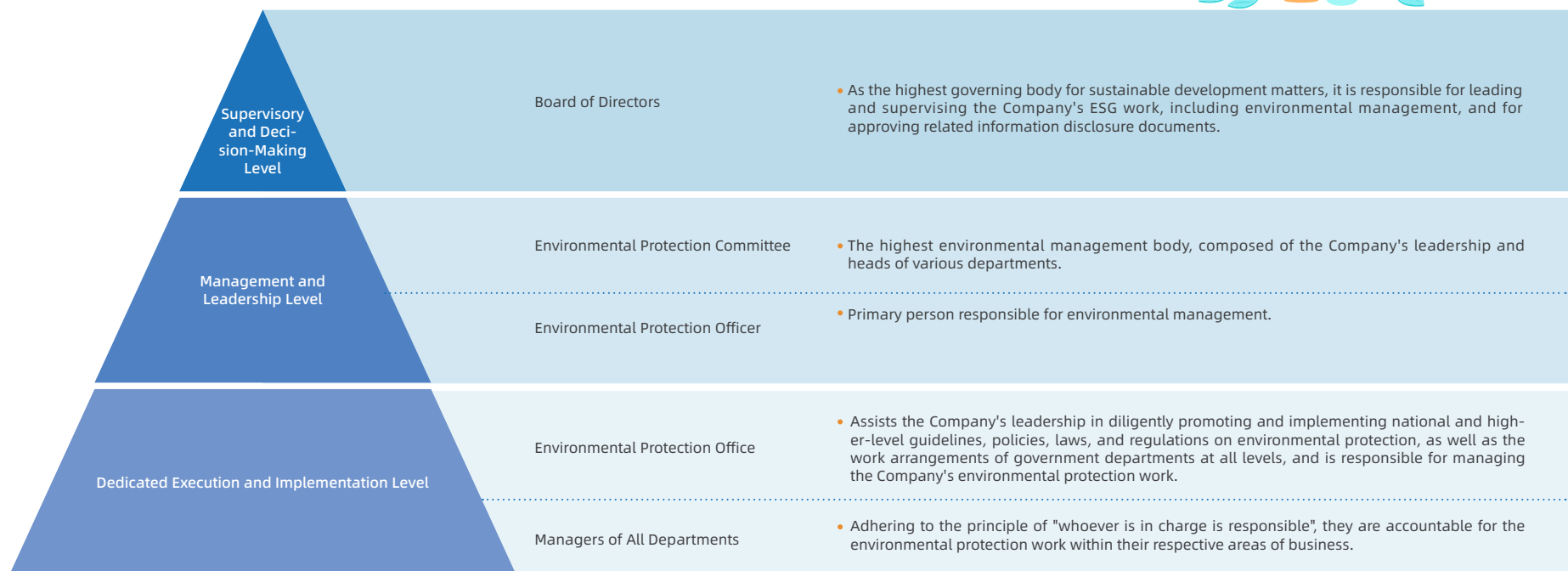
Huaqin Technology has designated "green and low-carbon" as one of the four key pillars of its sustainable development. Strictly adhering to laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Environmental Impact Assessment Law of the People's Republic of China*, the Company is actively investing in clean energy and implementing energy-saving and efficiency-enhancing measures. In 2025, we further advanced our "EHS 2026" strategic plan to systematically reduce the environmental impact of our operations and promote synergistic development between the enterprise and the environment.

Environmental Management

The Company has established a three-tiered environmental governance system featuring decision-making and supervision by the Board of Directors, management by the Environmental Protection Committee (EPC), and clearly defined responsibilities at all levels. The EPC is composed of company leaders and department heads and includes a subordinate office. In terms of responsibility implementation, the system designates the Vice President in charge of environmental protection as the primary responsible person, with the Environmental Protection Office performing specialized execution and supervision, and department managers being responsible for environmental protection within their respective business areas. This systematically promotes the integration of environmental protection into the entire process of corporate operations.



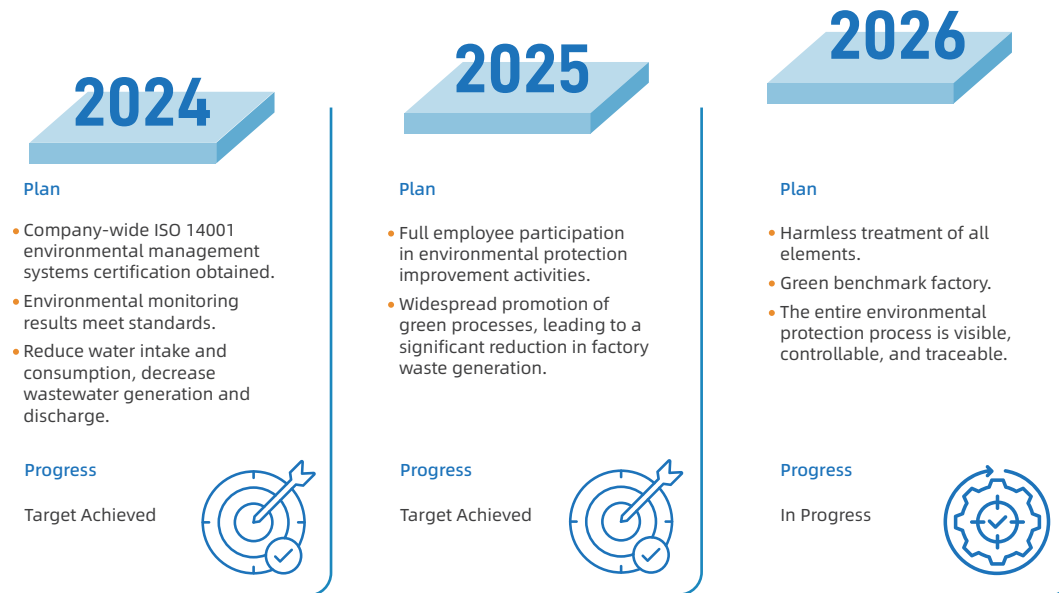
Huaqin Technology's environmental management structure



The Company has formulated the *Environmental Protection Responsibility System* and the *Environmental Factor Identification and Evaluation Control Procedures* to clarify environmental protection responsibilities and control processes for environmental factors, and during the reporting period, it added the *Emergency Preparedness and Response Control Specification* to standardise the prevention, preparedness, and response procedures for environmental, health, and safety emergencies within the Company.

The Company continuously adheres to the management principle of "Green Environmental Protection, Maintaining Sustainable Development", launched its "EHS 2026" three-year environmental management plan starting in 2024, and has already achieved steady progress.

Huaqin Technology's "EHS 2026" three-year environmental management plan



Key Performance in 2025

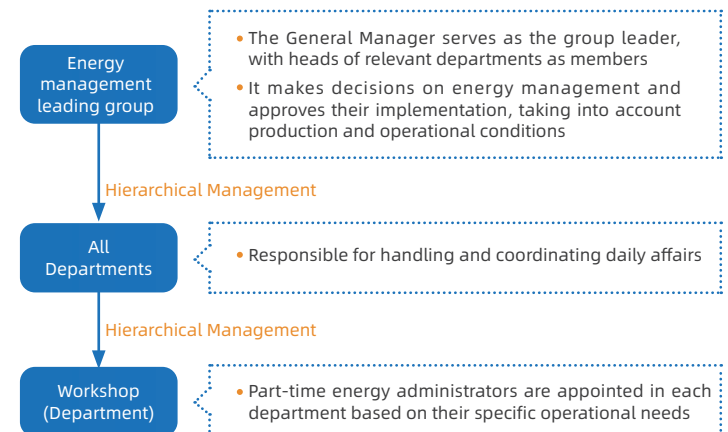
<p>During the reporting period:</p> <p>Total environmental protection investment was RMB</p> <h1>62,177,400</h1>	<p>As of the end of the reporting period:</p> <p>All of the Company's industrial parks have passed the ISO 14001 Environmental Management Systems certification.</p>
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Energy Management

The Company has formulated policies and procedural documents related to energy management, such as the *Energy Management System*, the *Energy Operation Process Control Procedures*, and the *Energy Review Control Procedures*, to manage activities within the scope of the energy management system (such as energy design, procurement, and energy metering); each year, it organises all departments and production workshops to conduct energy reviews of the energy media, energy-consuming locations, and energy-using facilities used by the Company, with the aim of reducing energy consumption and improving energy utilization efficiency.

In terms of its energy management structure, the Company implements a three-tier management system at the company, department, and workshop levels and has established an Energy Management Leading Group to make decisions on energy management; the primary persons responsible for production in each department and workshop (section) are designated as the energy management responsible person at each level, forming a company-wide energy management network.

The Company continuously promotes the optimisation of its energy structure and the enhancement of efficiency. In terms of energy conservation and efficiency improvement, it systematically reduces energy consumption by implementing technical transformations and refined operational management, conducting daily routine inspections of the operating status of lighting, air conditioning, compressed air, and production line equipment within its industrial parks. Concurrently, the Company is actively planning its transition to clean energy, steadily advancing low-carbon energy substitution through multiple measures such as the construction of distributed photovoltaics and the procurement of green electricity and green certificates.



Energy Conservation

The Company has always regarded improving energy efficiency as a core component of sustainable development and continues to promote energy-saving technical transformation projects, including equipment replacement and upgrades, system optimization and renovation, energy management and control, and green office and energy conservation initiatives, with the aim of achieving the target of "saving 500 million kWh through its own energy-saving projects by the end of 2028." To achieve this goal, the Company plans to invest no less than RMB 10 million annually in energy efficiency planning and technical transformation.

During the reporting period, the Company invested RMB 22,333,100 in 139 new energy-saving technical transformation projects. The electricity saved from the projects newly added in the year amounted to 28,924,000 kWh, and the total electricity saved throughout the year via technical transformations was 103,300,000 kWh.



New energy-saving technical transformation projects in 2025

Project Type	Project Description	Number of Projects	Electricity Saved in 2025 (10,000 kWh)	Emission Reduction (Tonnes of CO ₂ Equivalent)
Equipment Replacement and Upgrade	Continuously promoting the phasing out and upgrading of high-energy-consumption equipment, and carrying out technical iterations for key equipment such as air compressors, adsorption dryers, cooling towers, transformers, and water pumps to systematically improve overall energy efficiency.	9	974.38	4,322.65
System Optimisation and Renovation	Continuously promoting the intelligent upgrading of energy-using systems by implementing baseline settings and automation retrofits for key facilities such as compressed air systems and air conditioning systems to achieve optimisation of equipment operating efficiency and refined management of energy consumption.	7	356.86	1,528.12
Energy Management and Control	Through an energy management system, combined with a regular energy-saving audit mechanism, we accurately identify and control energy waste.	23	1,157.44	5,191.51
Green Office and Energy Conservation	We advocate for green office practices and encourage full employee participation in energy and resource conservation to jointly create a low-carbon working environment.	100	403.72	2,132.95
Total		139	2,892.40	13,175.23



Case

Nanchang First Manufacturing Centre's energy-saving technology upgrade project receives national Grade-I energy efficiency certification for its compressed air station

On 20 May 2025, the Nanchang First Manufacturing Centre held the "National Grade-I Energy Efficiency Compressed Air Station Certification and Green Manufacturing Exchange Conference". The project adopted a strategy of "system diagnostics, technological upgrades, and intelligent control", phasing out inefficient equipment, introducing Grade-I energy efficiency air compressor units, and innovating a centralised integrated control system that integrates remote monitoring with cloud platform data visualisation to achieve real-time equipment monitoring and intelligent adjustment. Following the upgrade of the energy efficiency management platform, the comprehensive power transmission efficiency reached 54.2%, exceeding the national Grade-I standard which is 53%, while unit energy consumption was reduced to 0.105 kWh/m³, marking a significant technological breakthrough.

In the future, Huaqin Technology will use the Nanchang First Manufacturing Center as a model to promote its energy-saving experience and collaborate with upstream and downstream partners to build a green supply chain, setting a benchmark for the industry's low-carbon transition.



The high-efficiency compressed air station at Nanchang First Manufacturing Centre receives national Grade-I energy efficiency certification



Nanchang Second Manufacturing Centre saves approximately 900,000 kWh of electricity annually through water pump upgrades



Dongguan First Manufacturing Centre saves approximately 2.12 million kWh of electricity annually through air-conditioning room upgrades



Huaqin Technology presents the "Best Energy Consumption Control Award" to the top energy-saving team

Clean Energy

The Company has set a clean energy usage target of "achieving a 40% clean energy substitution rate by the end of 2028", and continues to deepen its clean energy transition strategy, steadily advancing the construction of distributed photovoltaic power stations to increase the proportion of self-generated and self-consumed renewable energy, while also participating in green electricity market transactions to systematically build a green, low-carbon clean energy supply system through methods such as procuring green electricity certificates. In 2025, the Company's clean energy ratio reached 27.85%.

During the Reporting Period, four new self-built distributed photovoltaic projects with a total installed capacity of 7.5 MW were added at the Xi'an R&D Centre, Nanchang First Manufacturing Centre, Huayu Precision, and Chunqin Precision; seven manufacturing centres, including Dongguan First Manufacturing Centre, Dongguan Second Manufacturing Centre, Dongguan Third Manufacturing Centre, Nanchang First Manufacturing Centre, Huayu Precision, Vietnam Manufacturing Centre, and Innovation Technology Huizhou, procured green electricity certificates.

Key Performance



in 2025

During the reporting period:

Used **226,906,000** kWh of Clean Electricity

Generated and Consumed **5,427.06** kWh of Photovoltaic Electricity

As of the end of the reporting period,

Operated **13** Distributed Photovoltaic Projects **61.6** MW Total Installed Capacity of

Procured Green Electricity Certificates Equivalent to **172,635,400** kWh

3 Manufacturing Centres Were Certified Under ISO 50001 Energy Management Systems

Water Resource Management

The Company fully integrates its water resource management strategy into its daily operational systems, promoting the sustainable use of water resources through the systematic implementation of water use efficiency controls, company-wide water conservation advocacy, and compliant wastewater treatment.

Governance

The Company actively supports the development of water-conserving enterprises by establishing systems such as the *Water Resource Management Regulations*. A Water Resource Management Group, led by the Operations and Maintenance Section of the Human Resources and Administration Department, coordinates the setting of water conservation targets, ledger management, technology promotion, and awareness campaigns, as well as the inspection and maintenance of equipment. Each water-using department is responsible for daily inspection, spot check, and repair reporting for water use within their respective areas.

Influence, Risk, and Opportunity Management



The Company regularly conducts systematic water risk identification and assessment for all its manufacturing and R&D centres based on the World Resources Institute (WRI) water risk assessment framework. Based on the assessment results, it prudently manages water consumption activities in areas with high or extremely high baseline water stress. In 2025, seven R&D and manufacturing centres (accounting for 37% of the total) were located in areas of high and extremely high water stress, and their water consumption accounted for 40% of the Company's total. During the reporting period, the Company encountered no issues regarding water intake or usage.

2025 water risk assessment results

Water Stress		Water Depletion	
Low < 10%	<ul style="list-style-type: none"> Dongguan First Manufacturing Centre Dongguan Second Manufacturing Centre Dongguan Third Manufacturing Centre South China R&D Centre Huayu Precision Xiqin Precision Innovation Technology Jiangxi Innovation Technology Vietnam Hrobot 	Low < 5%	<ul style="list-style-type: none"> Dongguan First Manufacturing Centre Dongguan Second Manufacturing Centre Dongguan Third Manufacturing Centre South China R&D Centre Huayu Precision Xiqin Precision Innovation Technology Shenzhen Innovation Technology Jiangxi Innovation Technology Huizhou Innovation Technology Vietnam Hrobot
Low-Medium 10-20%	<ul style="list-style-type: none"> Innovation Technology Shenzhen Innovation Technology Huizhou 	Low-Medium 5-25%	<ul style="list-style-type: none"> Nanchang First Manufacturing Centre Nanchang Second Manufacturing Centre Shanghai R&D Centre Wuxi R&D Centre Chunqin Precision Vietnam Manufacturing Centre
Medium-High 20-40%	<ul style="list-style-type: none"> Vietnam Manufacturing Centre 	Medium-High 25-50%	<ul style="list-style-type: none"> Xi'an R&D Centre
High 40-80%	<ul style="list-style-type: none"> Nanchang First Manufacturing Centre Nanchang Second Manufacturing Centre Chunqin Precision 	High 50-75%	/
Extremely High > 80%	<ul style="list-style-type: none"> Shanghai R&D Centre Xi'an R&D Centre Wuxi R&D Centre India Manufacturing Centre 	Extremely High > 75%	<ul style="list-style-type: none"> India Manufacturing Centre

The Company continuously improves water resource efficiency by systematically promoting the retrofitting of water-saving appliances, installing high-efficiency water-saving equipment, and strengthening water use control throughout its processes, while also ensuring that all wastewater and waste liquids are disposed of in compliance with regulations.

Huaqin Technology's water management measures

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 - Installing adjustable, lockable flow valves on taps in public areas such as workshops and dormitories, and comprehensively adopting water-saving taps.
 - Establishing standard procedures for water pressure and valve opening management, combined with regular inspections, to eliminate the phenomenon of constantly running water and achieve precise, standardised management of water use scenarios.
- 
 - For domestic water use, the Company systematically retrofits dormitory hot water systems by installing return pipe networks to provide instant hot water, reducing water consumption during waiting periods.
 - For production water use, focusing on cooling water systems and high-water-consumption equipment to promote water-saving technological retrofits and operational optimisation.
- 
 - Adding cisterns, complete with pipes and circulation pumps, to recycle water for use in scenarios such as landscape irrigation, cooling towers, or toilet flushing.
- 
 - Establishing a water resource audit mechanism that covers all operational links.
 - Deploying metering devices and forming a dedicated team to systematically monitor and analyse water consumption data.
 - Each manufacturing base calculates data on water consumption, number of personnel, and area on a monthly basis, and compiles statistics on leaks from various water-using appliances to guide the formulation and optimisation of annual water conservation measures.
- 
 - Systematically conducting water conservation training and awareness campaigns, such as using water-saving signs and advocating for water reuse.

The Company places significant emphasis on wastewater management in its operations. In 2025, documents such as the *Environmental Supervision and Control Regulations*, *Wastewater Management Procedures*, and *Wastewater, Waste Gas, and Boundary Noise Management Procedures* will be updated to effectively control wastewater generation and ensure compliant discharge. The Company commissions a professionally qualified third-party testing agency each year to monitor its wastewater, ensuring strict adherence to discharge standards and preventing potential impacts on natural water bodies.

Huaqin Technology's wastewater treatment measures

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Industrial Wastewater

 - Increasing the recycling rate of process wastewater generated from key equipment, such as air compressor dehumidification systems and central air conditioning cooling towers.
 - Independently constructing and continuously operating wastewater treatment and reclaimed water reuse facilities.
 - Entrusting qualified third-party organizations with the safe disposal of wastewater that cannot be properly treated on-site.
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Domestic Wastewater

 - Physically isolating production activities from domestic water facilities and implementing process controls.
 - Kitchen wastewater (including food residue) is uniformly collected in dedicated containers, where grates and grease traps remove suspended solids and animal/vegetable oils. It is then sent to qualified third-party organizations for resource recovery.
 - Sewage is collected via a pipe network, pre-treated in septic tanks, and then discharged into the municipal sewage network for centralized treatment by the city's wastewater treatment plant.
- 

Hazardous Wastewater

 - Prohibiting the direct discharge of chemicals and waste liquids into the sewage pipe network.
 - Wipes and waste materials containing oil or chemicals must be stored at designated locations.
 - Centralised collection and transfer for treatment by qualified disposal companies.

Strategy

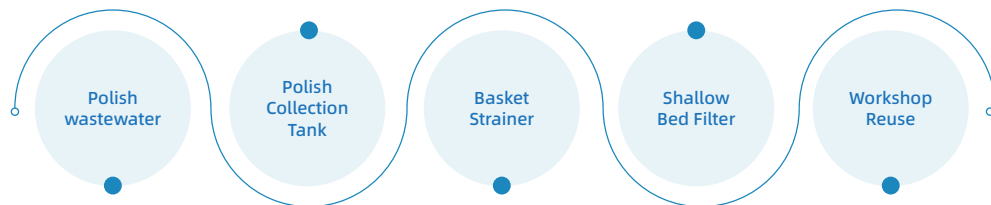
The Company places great importance on water resource management. Guided by the objective of "improving water resource utilization, reducing water intake and consumption, and minimizing wastewater generation and discharge", it has formulated and implemented a water resource management strategy. The Company implements full-process control over all water-related projects within its scope across five dimensions: project construction, operation and maintenance, water conservation education and awareness, water supply network management, and water appliance management.



Case

Chunqin Precision's wastewater reuse project

Chunqin Precision treats grinding wastewater from its finishing workshop, which primarily contains suspended solids, using a "basket + shallow media filter" process for reuse in production. This method purifies the water by trapping, settling, and adsorbing impurities via filter media. The system operates stably, is easy to maintain, and effectively increases the water reuse rate, thereby reducing fresh water consumption and wastewater discharge to achieve resource recovery.



Process flow of the grinding wastewater reuse project

We deeply understand that water resource management is not only crucial for our own operations but also extends across the entire value chain. Although the Company's direct water consumption in production is limited and there are currently no issues with water intake or usage, we proactively extend our management perspective to the upstream and downstream of the industrial chain, encouraging customers and partners to jointly improve water use efficiency. Through its supply chain ESG management mechanism, the Company incorporates water conservation requirements into the *Supplier Social Responsibility Code of Conduct*, explicitly requiring suppliers to evaluate alternative solutions and reduce water usage to minimise their impact on the environment and natural resources. Concurrently, the Company provides positive incentives to partners with significant achievements in water conservation, integrates water resource management into its supplier rating system, prioritises them for inclusion in special cooperation lists, and recognises them at the annual supplier conference, using them as benchmarks to encourage more partners to participate in water-saving transformations. We continuously guide our partners to identify water-saving potential and promote water-efficient processes, leveraging the collaborative strength of the industrial chain to jointly address global water resource challenges and achieve broader environmental benefits.

Indicators and Targets

Target	2025 Progress
To comprehensively assess water resource risks and achieve a 5% year-on-year reduction in water consumption per unit of factory floor area by 2028.	In Progress

Key Performance	in 2025
During the reporting period, the Company: Experienced No Non-Compliance Incidents Related to Water Withdrawal and Use	Reduced the per Capita Water Consumption on the Manufacturing Side by 2.3 % Compared To 2024

Waste and Emissions Management

The Company strictly adheres to the environmental protection laws and regulations of its operating locations. It has formulated policies such as the *Specification for the Management of Solid Waste* and established a classified management system for hazardous and general solid waste, standardising disposal procedures and conducting specialized training. By setting emission reduction targets and regularly monitoring emission indicators, we continuously enhance our pollution prevention and control capabilities to effectively reduce the environmental impact of our production and operations.

Hazardous Waste Disposal

The Company has established a comprehensive management system covering the entire process of hazardous waste classification, recording, storage, transfer, disposal, and assessment. It strictly implements classified collection of hazardous waste, sets up independent storage facilities, and maintains ledger tracking. Compliant transfer is achieved through annual management plan filing and the electronic manifest system. Regular risk assessments and emergency training are also conducted to ensure that hazardous waste management at all operating sites meets regulatory requirements.

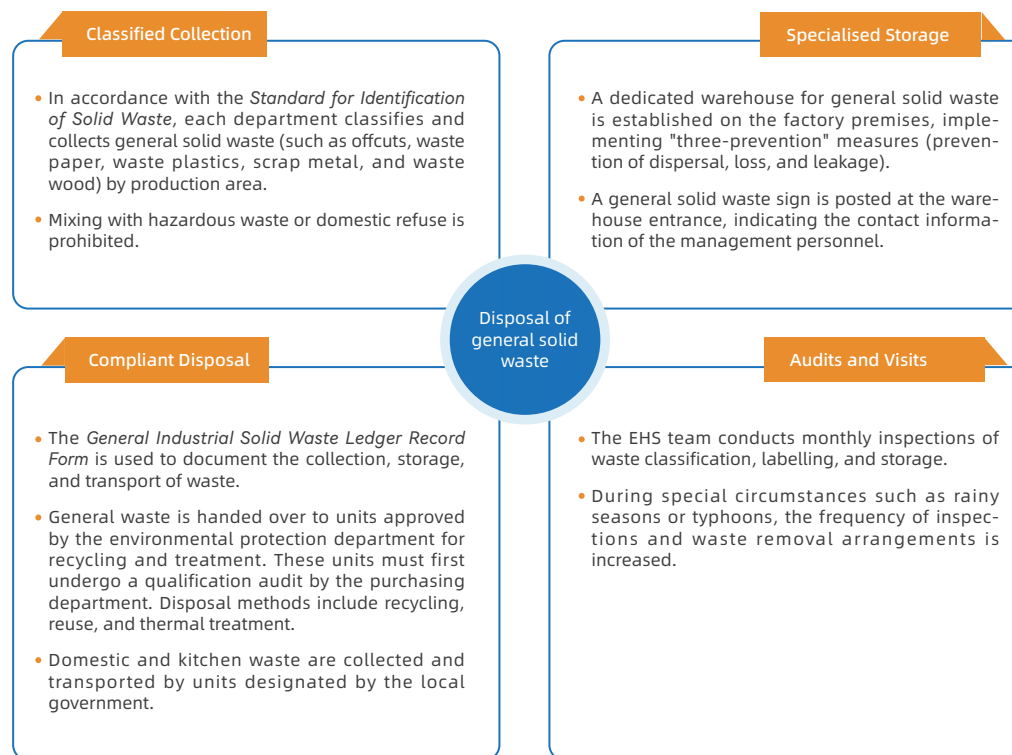
Measures for hazardous waste disposal




Solid Waste Disposal

In accordance with internal regulations such as the *Specification for the Management of Solid Waste* and the *Specification for Environmental Supervision and Control*, the Company has established a comprehensive control system covering the entire disposal process, from waste classification to recycling and reuse. We rigorously select compliant disposal suppliers, strengthen waste classification and source reduction management, and actively promote the resource recovery of recyclable waste. For non-recyclable solid waste, all disposal methods are scientific and compliant.

As of the end of the reporting period, both the Nanchang First Manufacturing Centre and the Nanchang Second Manufacturing Centre had obtained UL 2799 Platinum Certification for Zero Waste to Landfill. This certification confirms 100% recovery of waste materials, including spent activated carbon filters, waste stencil paper, waste rags and gloves, and empty barrels and bottles, with 7% energy recovery through thermal treatment. This effectively reduces the secondary environmental impact of waste landfilling.



Key Performance  in 2025 

During the reporting period, the Company's:

Comprehensive Waste Utilization Volume	Recycling and Reuse Rate
was 57,512.70 tonnes	was 99.3 %

Pollutant Prevention and Control

The Company strictly implements systematic monitoring and control of pollutants by commissioning qualified third-party environmental monitoring agencies to conduct regular monitoring of atmospheric pollutants and noise, ensuring that each manufacturing centre completes at least one comprehensive inspection annually. During the reporting period, the Company formulated and implemented management documents such as the *Environmental Supervision and Control Regulations* and the *Wastewater, Waste Gas, and Factory Boundary Noise Management Procedures* to strengthen the management and control of pollutant emissions, including waste gas and noise, and to reduce the potential impact of its production and operational activities on the surrounding environment and public health.



Pollutant prevention and control measures



- Collecting all process exhaust gas through pipelines and treating it with facilities such as activated carbon adsorption or particulate dust removal to ensure compliance with emission standards.
- Installing oil fume purification devices in canteens and establishing a system for quarterly cleaning and maintenance.
- Sealing containers immediately after using volatile hazardous chemicals and storing them in designated locations.
- Requiring external vehicles to turn off their engines upon entering the factory area to reduce exhaust emissions.



- Implementing sound-absorbing and sound-insulating engineering modifications in major noise source areas such as ageing rooms, and establishing a regular maintenance mechanism for noise reduction facilities.
- Incorporating noise indicators into the evaluation system during the equipment procurement stage, prioritising the selection of low-noise equipment, and rationally arranging work processes during operation to use lower-power equipment whenever possible.
- Providing employees in relevant positions with protective equipment based on noise monitoring results and actual needs, and conducting training on its use.

Green Technology and Products

Huaqin Technology focuses on the transformation of clean technology and practises the "carbon peaking and carbon neutrality" strategy. Based on its business development needs, the Company continuously invests resources in research and development of green products and technologies, gradually phasing out hazardous substances scheduled for reduction. It assumes its responsibility as a chain leader, committed to providing consumers with green and sustainable products and solutions.

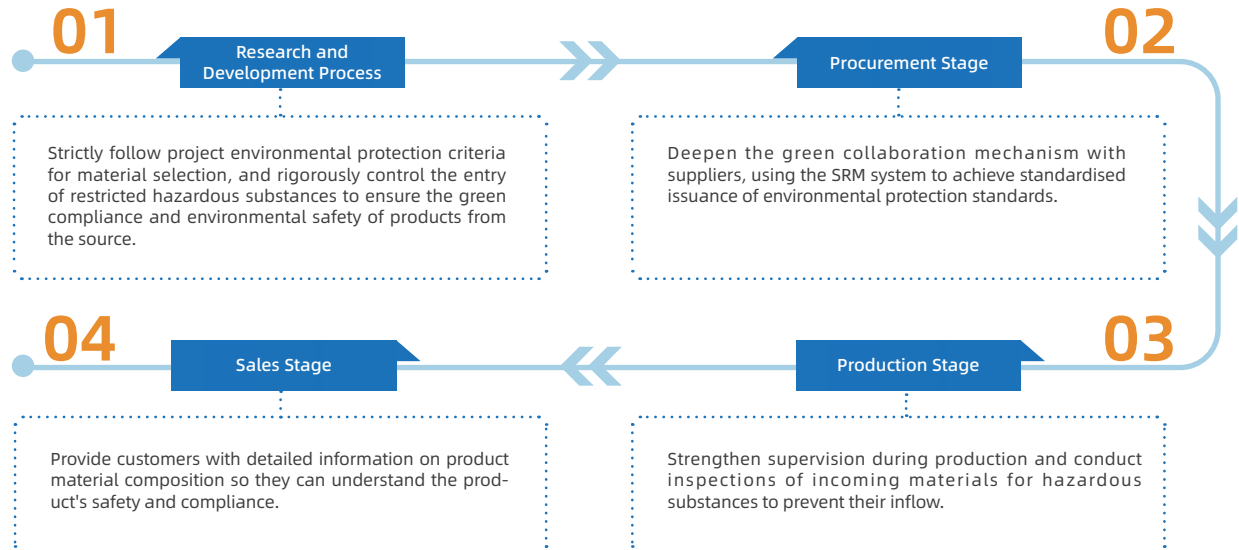
Green Products

The Company has established a comprehensive governance system covering tiered management of hazardous substances, full life-cycle management of chemicals, and eco-product design, reducing materials at the source and continuously promoting low-carbon, green, and sustainable practices throughout the product life cycle.

Hazardous Substance Management

We have always insisted on proactively identifying potential impacts and minimising the risks of hazardous substances, strictly complying with domestic and international laws and regulations such as RoHS, REACH, CP65, POPs, and WEEE, and have formulated and continuously improved *Hazardous Substance Control Standards* and *Hazardous Substance Control Procedures*. By continuously carrying out the elimination of hazardous substances, the Company actively collaborates with stakeholders to jointly promote the achievement of comprehensive reduction targets. During the reporting period, all 13 of the Company's manufacturing centres were certified under the QC 080000 hazardous substance management system, with zero violations, zero abnormalities, and zero accidents in hazardous substance and chemical management.

Hazardous substance life cycle management process



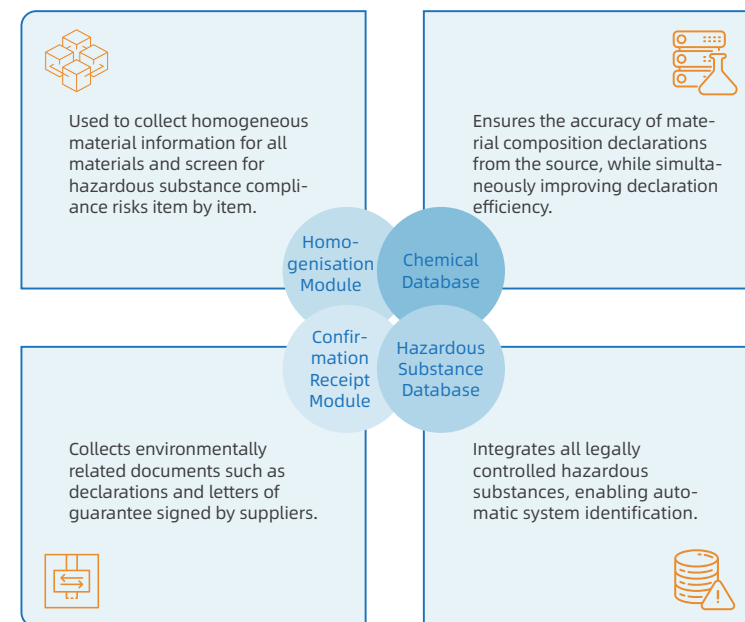
Iteration and Elimination of Hazardous Substance Controls

To reduce environmental load and prevent risks to human health, the Company has established and dynamically updates a substance elimination list and reduction plan to implement source-level reduction and control of hazardous substances, while also formulating and updating the *Hazardous Substance Control Standards* to version 8.4.1, which includes 103 banned substances, 345 restricted substances, and 19 substances for declaration, with the addition of 8 new restricted substances and 9 substances planned for future restriction.

Elimination Dimension	Elimination Period	Elimination Content	Elimination Results
Proactive Substitution with Non-Hazardous Raw Materials	Ongoing	Replacing leaded copper alloys with lead-free copper alloys in structural materials for certain projects to reduce the legally exempted lead content in products.	Lead-free copper nuts were selected for materials in three projects, with a total of over 17.87 million lead-free copper nuts used in 2025, reducing lead usage by more than 13.406 kg.
Survey on the Use of Hazardous Substances	Twice a Year (2025)	The European Chemicals Agency (ECHA) officially updates the EU REACH SVHC list twice a year; investigations into the use of newly added substances of very high concern in all current products are conducted in line with these updates.	Completed investigations for the 32nd, 33rd and 34th batches, covering a total of 9 newly added SVHC substances, confirming that their content in current products is below regulatory requirements, and incorporating these substances into the system for unified control.

Supplier Hazardous Substance Management

The Company requires all partners, collaborators, and service providers in the Supply Chain to adhere to the *Supplier Social Responsibility Code of Conduct* as a minimum principle, sign environmental protection agreements, and strictly comply with laws, regulations, and customer requirements concerning prohibited or restricted substances, such as RoHS and REACH, by taking effective measures to prohibit or restrict the use of specific substances in products or manufacturing processes to enhance the environmental compliance of materials from the source.



Functions of the environmental protection module in the quality management system

The Company is consistently committed to building a comprehensive and systematic chemical safety prevention system. The Company has formulated and implemented the *Chemical Management Regulations*, the *Chemical Import Risk Assessment Form*, and the *Hazardous Substance Control Standards* to ensure that chemical management is well-founded and standardised. Through the deep integration of digital management systems such as MAS, MES, IPD, QMS, and ERP, we have successfully achieved digital control over the entire life cycle of chemicals. To ensure control effectiveness, the EHS department conducts quarterly special inspections and implements a closed-loop audit mechanism of "hazard recording - corrective action order - follow-up review" for non-conformities, thereby strengthening environmental and safety defences.

During the reporting period, the Company had no incidents of hazardous substance violations, chemical management violations, or abnormal incidents; 100% of hazardous chemical management personnel were certified for their positions.

Eco-Product Design

The Company comprehensively optimizes its eco-design to create green products with high energy efficiency, long battery life, and low pollution, collaborating with customers and suppliers to build an eco-friendly supply chain. Ecological considerations are integrated into raw material management, manufacturing, logistics, and packaging. During the reporting period, the Company's total consumption of packaging materials was 63,044.57 tonnes.

Eco-Product Management Process



Green Product Certification Type	New Certifications In 2025
EPEAT Certification	22
ENERGY STAR	67
TCO Certified (Sustainable Products)	4
EU Energy Efficiency	41
China Energy Conservation Program (CECP)	23
China Environmental Labelling (Ten Rings)	15
China Energy Label (CEL)	61
ISO 14067	8
ISO 14068	4
PAS 2060	4
NRCAn Energy Efficiency Verification (Canada)	5
CEC Appliance Efficiency Regulations Certification	8
DOE Certification	8
Total	270

Case Practising material circulation in collaboration with suppliers

The Company actively collaborates with key suppliers to promote environmental practices, selecting post-consumer recycled polycarbonate materials. This product utilizes over 65% post-consumer recycled (PCR) resin, significantly increasing the proportion of recycled materials used. Throughout the material's entire life cycle, both parties work together to implement safe disposal and recycling guidelines, which explicitly require the authorized recycling and reuse of uncontaminated waste. This reduces environmental residues, lowers resource consumption and carbon footprint from the source, and enhances the product's environmental compliance and supply chain sustainability.

Case Helping clients achieve carbon neutrality for their products

During the reporting period, responding deeply to client needs and sustainable development strategies, the Company commissioned a third-party organization and collaborated with industry chain partners to explore pathways for creating green products, completing life cycle carbon footprint and carbon neutrality verifications in batches for multiple client laptop products at its manufacturing bases in Vietnam and Nanchang in accordance with the ISO 14064-3:2019 standard, and successfully obtaining Product Carbon Footprint verification statements based on ISO 14067:2018 for eight products, declarations of achievement of carbon neutrality based on PAS 2060:2014 for four products, and product carbon neutrality verification statements based on ISO 14068-1:2023 for four products.

Clean Technology

The Company vigorously carries out clean technology R&D and a sustainable product strategy, advances energy-saving design assessment processes and benchmark setting, and actively expands into areas such as products for new energy vehicles, high-efficiency energy, liquid cooling equipment, and industrial automation, promoting the development of clean technologies and products. The Company has set a target of "a year-on-year increase of 2% in R&D investment related to clean technologies from 2024 to 2028." During the reporting period, the Company's R&D investment related to clean technologies reached RMB96,385,200, achieving the annual target.

Key Performance

in 2025

Applications for Intellectual Property Rights
Related to Clean Technology

95

Granted Intellectual Property Rights Related to
Clean Technology

51

Products Undergoing Carbon Footprint
Assessments

40

Products with Carbon Neutrality Certification

8

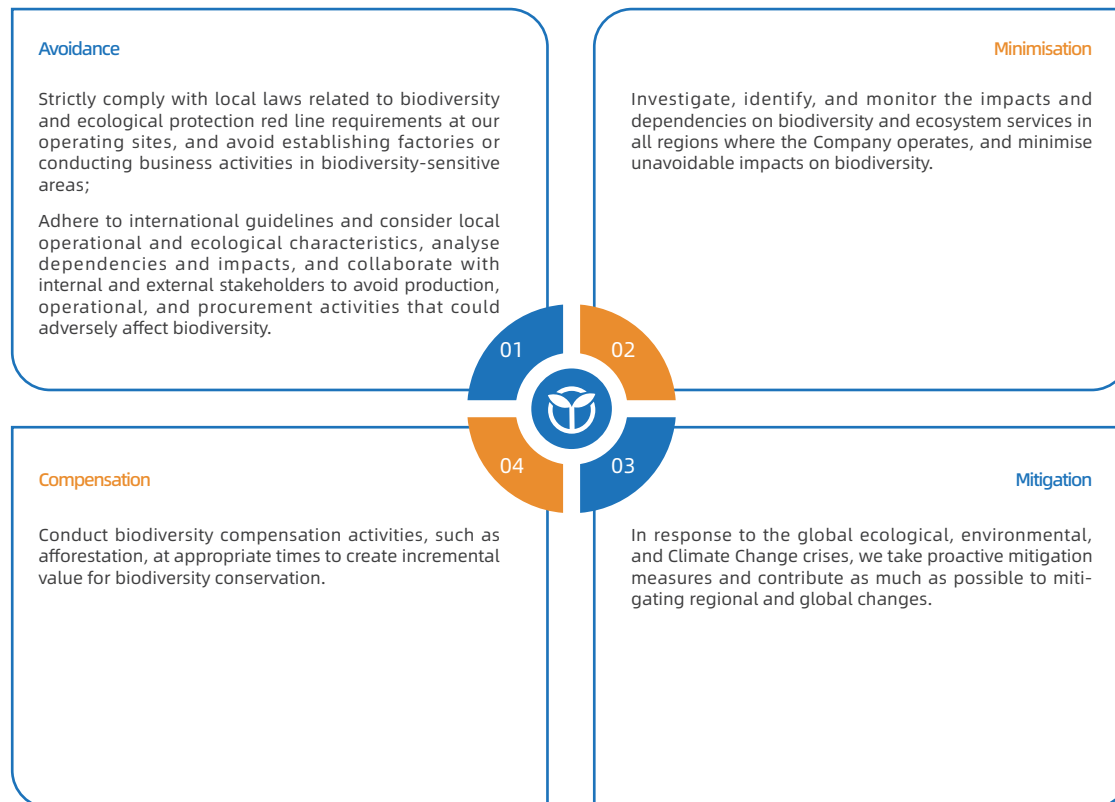
Clean Technology Sector	Energy Efficiency Improvement						Circular Materials	Photovoltaic Technology	
Clean Technology Solutions	<p>New Energy Vehicle-Related Products:</p> <p>Developing integrated solutions to enhance the energy efficiency of new energy vehicles</p>	<p>Advanced Heat Dissipation Technology:</p> <p>Employing high-efficiency, energy-saving cold plate/immersion liquid cooling technology to significantly improve the energy efficiency of data center and computing products</p>		<p>Data Center Power Supplies:</p> <p>Selecting high-efficiency power supplies and adopting optimal solutions and architectures to achieve maximum energy efficiency</p>	<p>Low-Carbon, Energy-Saving Products:</p> <p>Conducting in-depth research and development on long battery life and reduced power loss performance to create products with superior power consumption control</p>		<p>Circular Economy Products:</p> <p>Exploring opportunities for recycling and reusing waste materials and implementing technological improvements in products to reduce raw material consumption</p>	<p>Photovoltaic Products:</p> <p>Photovoltaic projects have been deployed in multiple locations nationwide. During the reporting period, the energy-saving target of 103.3 million kWh was achieved, and four photovoltaic projects were completed.</p>	
Product Description	<p>Safe Intelligent Driving Domain Controller Products:</p> <p>Featuring a high energy efficiency ratio and passive cooling, these products operate without fans, which reduces energy consumption, lowers costs, and minimises noise, providing users with a more comfortable and quiet driving environment.</p>	<p>Full-Rack Cold Plate Design Solution:</p> <p>The product is based on a rack server solution, utilising a circulating cold plate cooling system for high-power chips and a centralised power supply for the entire rack; the advanced cooling and efficient power supply solutions work together to help lower the data center's PUE and enhance the overall reliability and stable operation of the machine.</p>	<p>PC Dual-Action Wing Booster Fan:</p> <p>Combining the characteristics of both axial and centrifugal fans, it improves the fan's PQ performance, thereby enhancing the overall heat dissipation of the machine and reducing its thickness.</p>	<p>Titanium CRPS 2000W Server Power Supply:</p> <p>This standard redundant power supply is designed to comply with the Intel x86 architecture, supports global grid voltage inputs, meets the 80 Plus Titanium 96% conversion efficiency requirement, and satisfies the EU's 2024 server power supply market access standards.</p>	<p>DC-DC Power Supply:</p> <p>Employing technologies such as high efficiency under light loads and automatic phase-off, it achieves ultra-high DC-DC conversion efficiency. The new vertical power delivery technology significantly reduces energy loss in transmission lines, thereby ensuring efficient energy use.</p>	<p>Power Consumption Tuning Software System:</p> <p>Disassembling, implementing, and verifying PC power strategies from the underlying software to the upper system application layer, creating PC products with stable and reliable core technology for long battery life.</p>	<p>Long-Storage POS Products:</p> <p>A self-developed power consumption debugging solution achieves high-efficiency and high-precision power usage, which, combined with an automated current detection solution for software versions, creates products with stable and reliable core technology for long battery life.</p>	<p>Application of Recyclable Materials in Products:</p> <p>The casing raw materials for multiple products utilise a high proportion of PCR pellets and recyclable aluminium, and a detachable battery design is adopted to enhance product lifespan.</p>	<p>Photovoltaic Project Application Case:</p> <p>The national-level green factory certification pilot programme was implemented at Nanchang First Manufacturing Center, where the construction of a pilot high-efficiency power station was also completed. Four photovoltaic projects, including the Xi'an R&D Center, were completed, and the plan review for the Vietnam photovoltaic project was finalized.</p>

Biodiversity Protection

Huaqin Technology actively responds to the United Nations' 2050 vision of "Living in Harmony with Nature" and is committed to becoming a practitioner and leader in eco-friendly manufacturing.

Governance

Huaqin Technology has formulated and implemented the *Biodiversity Protection and Zero Deforestation Policy*, committing to zero deforestation, the sustainable use of forest resources, and forest conservation and protection. The Company also encourages suppliers, contractors, and other key business partners to jointly practice biodiversity protection. It systematically promotes the deep integration of ecological protection with business operations, adopting a biodiversity protection approach of "avoid, reduce, mitigate, and compensate" to provide appropriate solutions for all aspects of production and operations.



Impact, Risk, and Opportunity Management

The Company references the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and conducts assessments and identification of biodiversity issues based on the LEAP framework (L-Locate, E-Evaluate, A-Assess, and P-Prepare), providing a basis for formulating risk management strategies.

We use the Biodiversity Impact Assessment (BIA¹), tool to conduct biodiversity impact assessments at all 16 of the Company's production-related operational sites in China. The Company incorporates the World Database on Protected Areas², the IUCN Red List of Threatened Species³, nature reserves, wetlands of international importance, and national parks into its biodiversity query dataset. Based on the geographical location of each operational site, we identify its proximity to key surrounding ecologically sensitive areas to assess the Company's dependencies and impacts on biodiversity.

According to the biodiversity location impact assessment, among the 16 operational sites in China: 5 sites are located within 5 km of critically endangered species; 5 sites are within 10 km of critically endangered species; 4 sites are within 10 km of nature reserves; and 1 site is within 10 km of a Wetland of International Importance. None of the operational sites are located within 5 km or 10 km of a national park. We have identified the 5 sites within 5 km of critically endangered species as key locations for biodiversity protection. Analysis based on natural observation species distribution databases shows that 3 of these sites are in Nanchang and 1 is in Shenzhen, where the nearby critically endangered species are birds, namely the yellow-breasted bunting and the Siberian crane; 1 site is in Wuxi, where the nearby critically endangered species is also a bird, the Baer's pochard.

¹ Biodiversity Impact Assessment Tool (BIA Tool): A tool developed by the Shan Shui Conservation Center and the Center for Nature and Society of Peking University for assessing biodiversity impacts. <https://bia.hinature.cn/#/>.

² The World Database on Protected Areas (WDPA): The most comprehensive global database of terrestrial and marine protected areas. It is a joint project of the United Nations Environment Programme (UNEP) and the International Union for Conservation of Nature (IUCN), managed by the UNEP World Conservation Monitoring Centre (UNEP-WCMC).

³ The IUCN Red List of Threatened Species, also known as the IUCN Red List, is the world's most comprehensive inventory of the global conservation status of plant and animal species, including the extinction risk of over 105,000 species and the conservation measures that can be taken.

Based on the assessment results, we will focus on the following biodiversity management measures in our production and operations.



Control exhaust gas and wastewater discharge to prevent eutrophication of water bodies from destroying bird food sources



Manage lighting and noise, avoiding strong light and high-frequency noise during bird migration and wintering seasons to prevent interference with their navigation and rest



Standardise the management of Hazardous Waste to prevent accidental ingestion and poisoning by birds and other animals



Continuously monitor the status of surrounding bird habitats, Wetlands of International Importance, and nature reserves



Avoid sourcing raw materials from key biodiversity areas and their surroundings that could potentially damage the ecosystem

Strategy

Guided by our biodiversity protection strategy, we contribute to ecosystem maintenance through a series of practices and continuously explore positive pathways for participating in ecological governance. Since September 2023, the Company has launched the "Huaqin Public Welfare Forest" project, which is dedicated to sand suppression, tree planting, and ecological restoration by planting a windbreak and sand-fixing forest in Changning Town, Minqin County, Gansu Province. As of the end of the reporting period, a total of 550 mu (36,850 *Haloxylon ammodendron* and *Hedysarum scoparium* trees) have been planted, with a survival rate exceeding 90%.



Case

Leaping forward at twenty, together to the mountains and sea—Huaqin Technology's senior and middle management celebrate its 20th anniversary with a beach clean-up initiative

On 20 June 2025, over 400 senior and middle managers and partners of Huaqin Technology gathered on Dalian Island, Fuzhou, to celebrate the Company's 20th anniversary with a beach clean-up initiative. During the event, the 400-plus participants conducted a thorough clean-up of fishing nets, plastics, and other debris along a 16-kilometre coastline, removing a total of 42 cubic metres of marine waste—equivalent to the load of three dump trucks. This action helps prevent the decomposition of waste into microplastics that threaten ecosystems and human health, damage key ecological structures like coral reefs, and can even affect coastal shipping safety.

Qiu Wensheng, Chairman and CEO of Huaqin Technology, said, "The beach clean-up is a particularly meaningful event that aligns perfectly with our Company's ESG philosophy. It is a vivid demonstration of Huaqin Technology's ESG principles and commitment to social welfare."



Huaqin Technology's senior and middle management celebrate its 20th anniversary with a beach clean-up initiative



The Pingtan Love & Charity Association presents the Company with the Pioneer Enterprise in Beach Clean-up honorary certificate

Indicators and Targets

Key Performance



During the reporting period,

100 % of the Company's manufacturing and R&D centres were located outside ecological protection red lines

none had a significant impact on ecosystems or biodiversity

in 2025

04

Responsible
Leadership

Huaqin Technology upholds its corporate vision of being a "paragon of social responsibility" and its employer value proposition of "Enjoy (the harder you work, the happier you become), Grow (I am the master of my own development), and Inspire (tackling harder challenges leads to success)". We continuously foster an open and trusting organisational atmosphere, providing a broad stage for responsible and capable employees and contributing Huaqin's strength to community prosperity.

+ Topic Responses

- Labour Rights Protection
- Human Resources Management
- Occupational Health and Safety
- Community Responsibility

+ UN SDGs Addressed in This Chapter



Talent Attraction and Retention

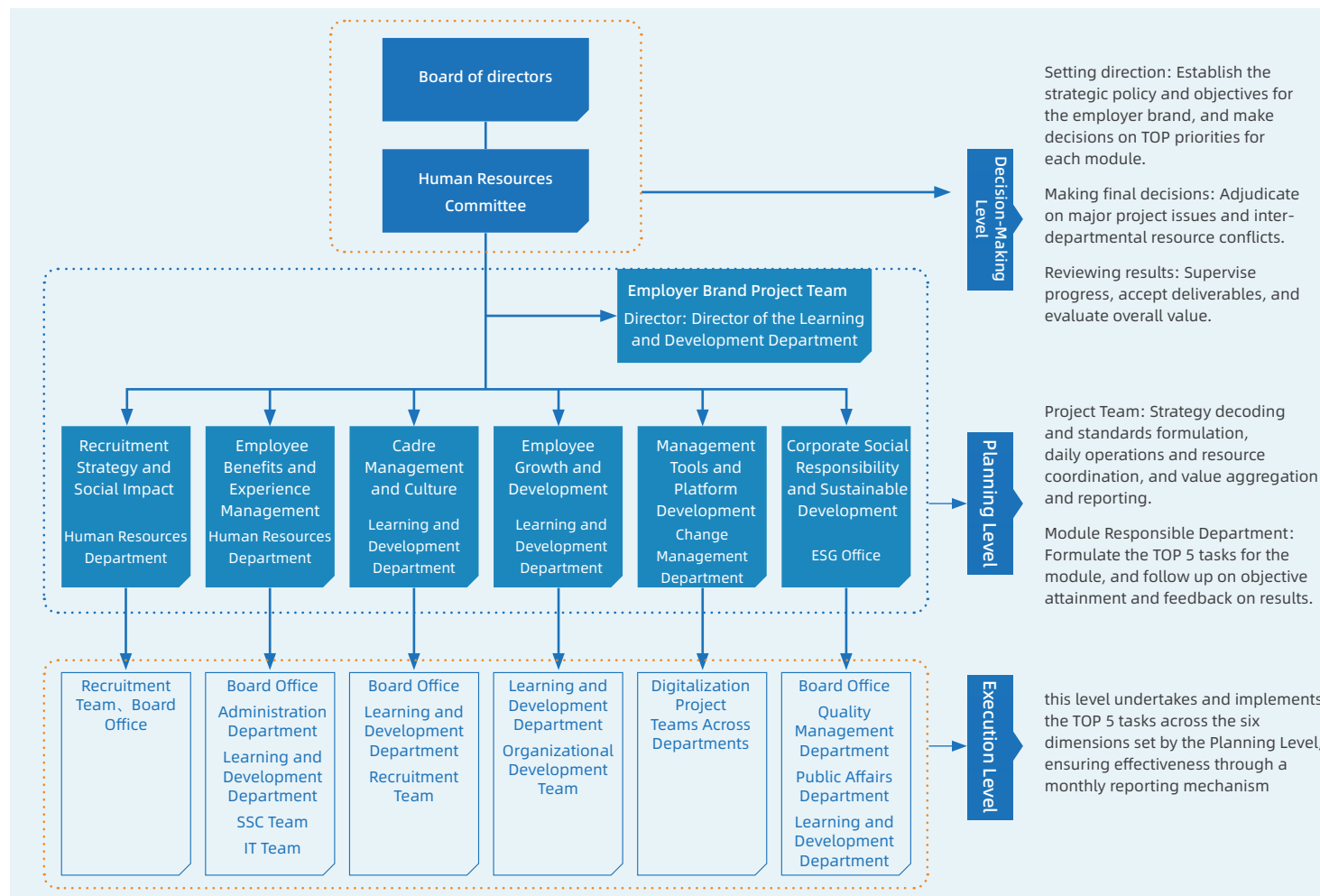
Huaqin Technology respects and protects the legitimate rights and interests of all employees and is committed to creating a diverse, equitable, inclusive, and belonging (DEIB) working environment. The Company continuously improves its employee care and welfare system and maintains open channels for communication and feedback. We provide a platform for development and growth opportunities for talent from all regions, fields, and specialities globally, supporting employees to fully realise their potential and achieve their value.

Employee Rights Protection

Governance

Huaqin Technology complies with the laws and regulations of all its operating locations, adhering to the human rights and labor standards set by the United Nations Global Compact (UNGC), the International Labor Organization (ILO), and the Responsible Business Alliance (RBA). We maintain a zero-tolerance attitude towards any form of discrimination, harassment, and abusive behavior, and we strictly prohibit misconduct such as discrimination, harassment, and bullying in the workplace and business activities. We are dedicated to creating a fair and respectful working environment, where all employees and stakeholders are treated with respect and equality.

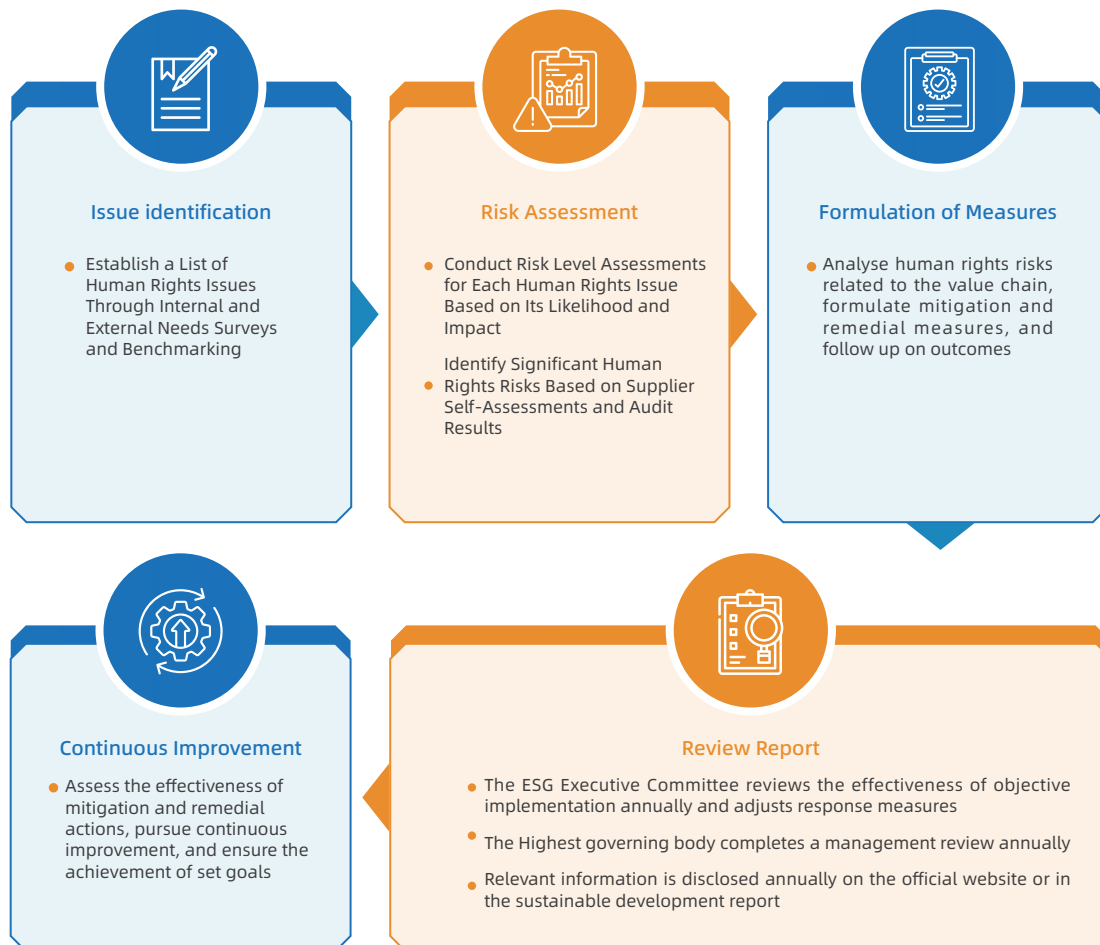
The Company has established a three-tiered governance structure covering modules such as employee recruitment, welfare experience, growth and development, and cadre management. The Human Resources Committee establishes the employer brand strategy, sets objectives, and makes decisions on top-level matters for each module.



Impact, Risk, and Opportunity Management

The Company enhances its employee rights protection audit system, conducting regular human rights risk assessments and due diligence. A multi-layered supervision mechanism has been formed through three channels: internal special audits, customer audits, and third-party audits. During the audit process, potential human rights risks are systematically identified and assessed to promptly detect and prevent potential human rights impacts. In 2025, the Company conducted human rights due diligence guided by the RBA Code of Conduct, focusing on multiple human rights management topics such as fair employment, child labor, forced labor, harassment, corporal punishment, bullying, working hours, and occupational health and safety. For high-risk items identified in the investigation, the Company has formulated mitigation and remedial measures. Concurrently, the Company also conducted third-party audits. All issues found during these audits have been incorporated into a Corrective Action Plan (CAP), with corresponding corrective measures formulated and closed out as required. During the reporting period, a total of 11 of the Company's manufacturing centres obtained and maintained valid RBA VAP certification.

The Company's human rights due diligence process



For suppliers, we have established investigation and assessment tools in the field of human rights based on the RBA, covering key areas including the prohibition of child labor, protection of human rights, prohibition of discrimination, equal treatment, legal working hours, remuneration and benefits, ethical standards, and environmental management, to identify significant risks in the supply chain. For details, please see the "Supplier CSR Audits" section.

The Company's human rights risk matrix

		Working Hours
	Wages and Benefits	Prohibition of Forced Labor
Identity Protection and Prohibition of Retaliation Child Labor and Underage Workers	Non-Discrimination, Non-Harassment, and Humane Treatment	
	Freedom of Association and Collective Bargain	

Strategy

The Company complies with the Labor Law of the People's Republic of China and the laws and regulations of each jurisdiction where it operates, and has formulated the *Human Rights Policy*, the *Anti-Discrimination and Anti-Harassment Policy*, and the *Management System for the Prohibition of Discrimination, Abuse, Harassment, and Forced Labor*. These requirements comprehensively cover the operational activities, products, and services of the Group and all its subsidiaries. We are committed to protecting the legitimate rights and interests of all stakeholders, including employees, workers in the supply chain, and business partners. We formulate corresponding measures for identified risks and promptly investigate related complaints and reports.

Fundamental principles of employee rights protection

Topic	Management Principles	Risk Response Measures
Respect for human rights	<ul style="list-style-type: none"> Respect the laws, regulations, religious cultures, and history of the operating locations, and respect and uphold the fundamental human rights of all employees 	<ul style="list-style-type: none"> Conduct regular compliance and human rights training to help Employees identify human rights-related standards of conduct Promote open and transparent communication channels
Fair employment	<ul style="list-style-type: none"> Adhere to fairness, impartiality, openness, and equality, providing equal application opportunities to candidates of different ethnicities, races, regions or nationalities, social classes, and political affiliations Equal pay for equal work 	<ul style="list-style-type: none"> Establish standardised and clear recruitment processes and promotion mechanisms to ensure that employees can achieve fair development under equal conditions Enhance employee rights protection policies to provide an equal and safe work and life support system for female employees
Prohibition of child labor	<ul style="list-style-type: none"> Prohibit the use of child labor 	<ul style="list-style-type: none"> Prevention mechanism: An identity dual-verification system has been established, employing an "ID card + facial recognition" verification system that is connected to the public security system to check ages, ensuring compliance with the legal working age Remedial measures: If a minor is found to have been mistakenly employed, their work will be immediately suspended in accordance with laws and regulations. Assistance will be provided for further verification, and appropriate support will be offered where necessary
Prohibition of forced labor	<ul style="list-style-type: none"> Do not employ any form of forced, bonded or indentured labor, prison labor, slaves or trafficked people Do not transfer or receive forced labor or services Do not restrict employees' freedom or withhold their identification documents 	<ul style="list-style-type: none"> Labor contracts are signed in strict accordance with labor regulations, clearly defining the rights, obligations, and employment conditions for both parties Conduct regular empowerment training to enhance employees' risk awareness and self-protection consciousness Communicate the resignation policy and related operational procedures
Diversity and anti-discrimination	<ul style="list-style-type: none"> Strictly prohibit any form of discriminatory behavior 	<ul style="list-style-type: none"> In recruitment and all types of employment decisions, the Company commits to not engaging in any form of discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, nationality, marital status, or gender identity
Anti-harassment, corporal punishment, bullying, and other inhumane treatment	<ul style="list-style-type: none"> Prohibit any form of gender-based violence, sexual harassment, sexual assault, corporal punishment, mental or physical coercion, bullying, public humiliation, or verbal abuse 	<ul style="list-style-type: none"> We resolutely prevent all forms of harassment, discrimination, corporal punishment, and bullying, and handle related violations in accordance with the <i>Employee Handbook</i>
Freedom of association and collective bargaining	<ul style="list-style-type: none"> Respect the right of all employees to voluntarily form and join, or refuse to join, trade unions, to engage in collective bargaining, and to assemble peacefully 	<ul style="list-style-type: none"> Provide necessary support and facilitation for the establishment and operation of trade unions or other forms of employee organizations in accordance with the law
Working hours and basic protections	<ul style="list-style-type: none"> Strictly comply with the legal and regulatory requirements concerning remuneration, social security, and working hours in the countries or regions of operation. We provide reasonable and lawful employee compensation and benefits, including minimum wage, overtime pay, paid leave, and legally stipulated welfare 	<ul style="list-style-type: none"> Prohibit forcing employees to participate in any production- or meeting-related activities outside of working hours Monitor employee working hours through an attendance system and a work-hour reporting mechanism Conduct wage data verification to ensure that salary calculations and disbursements comply with company policies and legal requirements

Living Wage Statement

The Company has formulated a Living Wage Commitment, pledging to fully implement a living wage. We ensure that the income earned by permanent employees during standard working hours, as stipulated by national laws and regulations, is sufficient to cover the basic living costs of themselves and their families. Remuneration levels are set explicitly higher than the local statutory minimum wage and align with local living standard benchmarks. The Company conducts scientific calculations and periodic adjustments based on the International Labor Organization (ILO)'s relevant wage policies and living wage estimation methods, combined with actual data from its operating locations.

The Company continues to improve the management of its living wage system, committed to providing fair and decent remuneration for all employees. In 2025, using the Anker methodology, the Company developed a quantitative assessment model that incorporates core livelihood factors such as food prices, family size, the Engel coefficient, education and medical expenses, and housing and transportation costs for each operating location. We conducted qualitative and quantitative comparative analyses of actual employee wage levels against local living wage standards across eight domestic and international operating sites: Shanghai, Wuxi, Xi'an, Nanchang, Dongguan, Heyuan, Vietnam, and India. This ensures our remuneration policy is scientific, reasonable, and meets decent work standards. Based on the assessment process and results, the Company continuously iterates and optimizes its internal remuneration system, while also extending the living wage management concept to the upstream and downstream of the supply chain. We proactively encourage suppliers to improve their wage guarantee mechanisms and empower partners to enhance their remuneration capabilities, jointly building harmonious, stable, and dignified labor relations.

Living wage commitment

01

Core commitments

- Covering Basic Living Costs
- A Transparent and Verifiable Mechanism
- Incorporating International Standards and Follow the Sustainable Development Requirements



02

Commitment to the Mechanism

To Establish a Transparent, Verifiable, and Social Dialogue-Based Mechanism for Calculating, Reviewing, and Dynamically Adjusting the Living Wage

- Scientific calculation: Adopting relevant ILO principles and living wage estimation methods to build a localised model
- Democratic Review: The "Living Wage Group" Is Responsible for Reviewing the Annual Calculation Plan and Results
- Regular adjustment: Conducting an annual review, dynamically adjusting based on factors such as local living costs, and publishing the results



03

Commitment to Governance and Strategy

To Deeply Integrate the Living Wage Principle into the Company's Remuneration Governance and Long-Term Development Strategy

- To incorporate the living wage commitment, calculation mechanism, and implementation status into the Company's sustainable development management and disclosure system for review by the Board of Directors as the highest governing body
- Actively responding to United Nations Sustainable Development Goals 8: Decent Work and Economic Growth
- To ensure employees receive a living wage to promote sustainable operations and achieve risk control



Human Rights Protection Training

The Company values the protection of its employees' human rights and regularly organises induction training for new employees and specialized human rights training. The content covers topics such as prohibiting discrimination, prohibiting harassment, and preventing abuse to strengthen employees' understanding of human rights requirements and their awareness of compliance.



Case

Conducting anti-discrimination training to create a fair and inclusive work environment

The Company regularly conducts anti-discrimination training aimed at strengthening employees' compliance awareness and concepts of equality. In 2025, the Company conducted anti-discrimination training for new employees, enabling them to systematically understand the basic definition and typical manifestations of discriminatory behavior, and to fully recognise the Company's clear institutional requirements for fairness, justice, and the prohibition of all forms of discrimination throughout all processes, including recruitment, remuneration allocation, promotion and incentives, and labor contract management.



Specialized training on anti-discrimination and harassment for new employees



Case

Conducting specialized training on harassment and abuse prevention to help employees enhance their awareness and response capabilities

In 2025, the Company invited external experts to conduct specialized training on harassment and abuse prevention. Combining legal regulations and real-life cases, the training helped employees clearly identify harassment, bullying, and abusive behavior in the workplace, affirmed the Company's "zero tolerance" stance, and helped employees enhance their awareness and response capabilities.



Specialized training on preventing harassment and abuse

Grievance and Communication

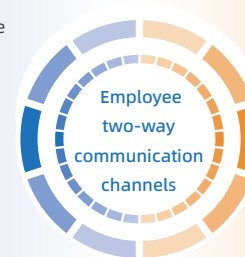
The Company has established diverse and open two-way communication channels, through which it promptly communicates development plans to employees and widely collects their feedback via channels such as the annual employee representative committee, the Feishu service desk, the "Huaqin Circle" internal forum, and regular interviews and seminars. Concurrently, the Company continuously improves its employee grievance and escalation procedures, has formulated the Employee Communication Management System, and provides various channels for both named and anonymous grievances, both online and offline, while strictly protecting employee information and privacy. Through efficient communication and grievance management, the Company responds to employee needs in a timely manner, promoting synergistic development between the organization and its employees.

Employee two-way communication channels

The Company's communication with employees

Employees Speak to the Company

- Annual Employee Representative Committee
- Annual Meeting with the President's Office
- Work/Performance Interviews
- System-Level Meetings



- Annual Employee Representative Committee
- Internal Forum: Huaqin Circle
- Employee Service Desk (Feishu)
- Compliance Reporting Hotline and Email
- Engagement and Satisfaction Survey



In 2025, the Company's Human Resources Department formulated an "Annual Listening Plan", constructing a multi-touchpoint communication network covering employees' work and life, including interviews with direct supervisors, resignation interviews, new employee follow-ups, cross-departmental collaboration meetings, quarterly themed communication sessions, and a digital "suggestion box" channel. For any form identified, the Company promotes improvements through a PDCA mechanism and integrates the results into its management systems and departmental performance evaluations. Additionally, the Company releases the "Progress on Employee Feedback Improvements" to management every quarter, openly responding to employee concerns.

Employee Trade Union

Trade union and collective agreements:The Company establishes a trade union organization in accordance with the law and signs a collective bargaining agreement that defines the rights and obligations of both parties. The content covers matters such as working hours and leave, occupational safety and health, protection of female employees, labor insurance and benefits, vocational skills training, labor contract management, reward and penalty mechanisms, and contract amendments, providing employees with comprehensive and institutionalised labor protection.

Employee Representative Committee:The Company has formulated and implemented the Trade Union Management System, encouraging employees to participate in democratic management and supervision. An Employee Representative Committee is held at least once a year, where the trade union committee organises employee representatives to hear reports on the Company's business operations, the progress of the trade union's work, and matters of common concern to employees.

Internal Communication Channels for Employees

Employee Service Desk (Feishu):This integrates the functions of Human Resources, Administration, Finance, and IT to provide consulting services on matters related to these four modules for all employees, and it supports the submission of related opinions and suggestions through manual channels.

"Huaqin Circle" Internal Forum: Since 2020, the Company has independently built the "Huaqin Circle" internal forum and continuously optimizes the platform's functions based on employee feedback.

Annual President's Office Meeting: A meeting is held annually between the President's Office and the management team to promote face-to-face communication between senior leaders and junior managers, understand the needs of junior managers, and assist in resolving practical issues.

Employee Feedback

Satisfaction and Engagement Surveys: Employee satisfaction surveys are conducted annually, and employee engagement surveys are conducted every two years. In 2025, employees from different positions and business lines were invited to participate in a survey covering multiple dimensions such as work environment, management support, remuneration and benefits, and training and development. The Company implements closed-loop management by optimising management processes and improving resource allocation to effectively enhance employee satisfaction. During the Reporting Period, the Company's employee satisfaction score was 85.02.

Employee Grievances

Grievance Feedback: Employee feedback is received through various channels, including suggestion boxes, hotlines, dedicated email addresses, and complaint QR codes, with strict confidentiality maintained for whistleblowers' information. In 2025, the Company further optimized its grievance handling mechanism on the basis of its existing communication system by implementing tiered management for complaint incidents and establishing an employee grievance escalation mechanism.

The Company's HR feedback channels

- Email: ssczx@huaqin.com
- Hotline: 4008913788--Extension 1 (HR Complaints and Suggestions)
- Offline Service Centres: Provide Feedback in Person at Local SSC Service Centres.
- Feishu: AI-Powered Service Desk – "XiaoQ Digital Employee Assistant" (24/7 Online)

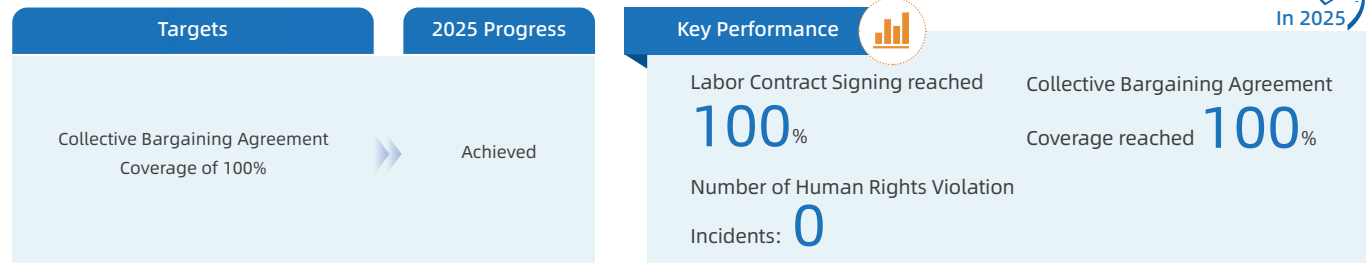
Trade Union Feedback Channels

- Employees Communicate with Employee Representatives, Who Then Consolidate and Report Feedback to Trade Union Committee Members.

Trade union committee members contact the relevant departments to resolve issues based on the information received and provide timely feedback to employee representatives.

Closed-Loop Response Within 3 Days.

Indicators and Targets



Fair Employment and Incentives

Huaqin Technology continuously enhances its remuneration management system and performance management mechanism covering all employees, implementing scientific and standardised remuneration management based on job categories, qualifications, and performance. We ensure the fairness and transparency of its remuneration and performance incentive system by establishing clear salary adjustment strategies, incentive methods, and grievance procedures.

Living Wage System

We have formulated the *Living Wage Management Procedure* based on ILO principles and established a calculation and assessment mechanism to regularly benchmark against minimum wages and living costs. In 2025, an assessment was conducted at the Company's headquarters, five major manufacturing centres, five major R&D centres, and the manufacturing centres in India and Vietnam, with 100% of employee salaries meeting or exceeding the local average living wage standards. The Company will continue to optimize its remuneration and benefits system to steadily improve the level of living security for its employees.

Remuneration and Incentive System

The Company strictly implements policies such as the *Staff Remuneration Management System*, adheres to the principle of equal pay for equal work, and builds its remuneration system based on job value, skill level, and market rates. We are committed to ensuring that our salary standards are 100% higher than the statutory minimum wage and living wage in our operating locations, and we conduct regular reviews and optimisations to maintain competitiveness. Remuneration consists of a fixed salary, position-based allowances, and performance bonuses, with core key employees enjoying medium- to long-term incentives (TUP), forming a "basic security + performance incentive + long-term development" model. By recognising employee value through performance appraisals and skills assessments, we stimulate the mutual growth of individuals and the organization.



Since 2015, the Company has granted TUP to core employees on an annual basis. The allocation takes into account the performance of the given year and the three-year rolling growth in operating net assets per share, thereby sharing operating results and value appreciation with key talent. This approach strengthens long-term incentives and organizational stability while fostering employees' engagement and sense of belonging through shared business success.

To improve the long-term incentive mechanism and align the long-term interests of employees with those of the Company, the Company continues to implement its medium- and long-term incentive policies.

- 

Prior to its A-share listing in August 2023, core employees held 26.85% of the Company's shares through an employee stock ownership platform;
- 

In December 2023, it launched the *Huaqin Technology 2023 Restricted Stock Incentive Plan* for the first time. In February 2024, the Company made an initial grant of 1,549,395 shares (adjusted to 2,169,155 shares after the 2023 rights issue) to 134 incentive recipients;
- 

In August 2024, it granted a reserved award of 411,483 shares to 33 incentive recipients;
- 

In January 2025, it launched the *Huaqin Technology 2025 Restricted Stock Incentive Plan*. In March 2025, it made an initial grant of 2,588,177 shares to 340 incentive recipients; in September 2025, it granted a reserved award of 440,350 shares to 88 incentive recipients;
- 

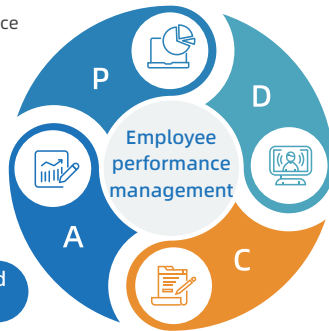
In January 2026, it launched the *Huaqin Technology 2026 Restricted Stock Incentive Plan*, planning to grant a one-time award of no more than 2.52 million shares to over 460 incentive recipients.

Performance Appraisal and Grievance

We adhere to the principles of "objectivity and fairness", and have established performance management systems for staff and operators, conducting appraisals for employees with quarterly attendance of 30 days or more. Following the PDCA cycle, we have built a closed-loop management system covering the entire process of goal planning, execution coaching, evaluation feedback, and results application. We have also established the *Performance Grievance Management Process*, providing convenient channels for grievances to ensure the fairness and transparency of performance management.

Performance management process

Performance objective and plan formulation: During each performance cycle, employees establish personal performance objectives based on organizational and team goals in conjunction with their job responsibilities. These objectives are confirmed by signing a Personal Business Commitment (PBC).



Performance execution and coaching

Managers and employees jointly track performance execution. Through continuous communication, they identify and resolve issues, regularly review and summarize goal completion, and promptly make adjustments and conduct gap analyses to strive to meet or exceed targets.

Performance application and enhancement

Performance evaluation results are linked to employee bonuses and other short-term and long-term incentives, and are also applied to promotions, performance awards, and contract confirmation.

Performance evaluation and feedback

After each performance appraisal, supervisors at all levels conduct performance feedback discussions with employees. These discussions cover appraisal results, work highlights, and suggestions and requirements for improvement, helping employees to continuously improve and enhance their capabilities.

Employee performance management process

Key Performance

In 2025

The Percentage of Employees Receiving Regular Performance Reviews Was	Average Pay Ratio of Men to Women	Median Pay Gap Between Men and Women
100%	1.14:1	9.10 _{RMB}

Diversity, Equity, and Care

The Company is committed to systematically building a working environment of diversity, equity, inclusion, and belonging (DEIB). By continuously deepening its organizational culture, optimising workplace infrastructure, and enhancing the employee benefits system, the Company attracts and retains outstanding talent from diverse backgrounds, fully stimulates innovation from different perspectives, and ensures that every employee feels genuine respect, care, and support at work.

Creating an Inclusive Workplace

Guided by the philosophy of "symbiotic diversity, equitable development, inclusive integration, and shared belonging", the Company continuously invigorates organizational vitality. In 2025, the Company released its *Diversity, Equity, and Inclusion Policy*, embedding DEIB principles throughout the entire cycle of recruitment, remuneration, and promotion to attract diverse global talent and ensure equal employment for persons with disabilities. The Company has established a three-tiered governance structure comprising a decision-making layer, a planning layer, and an executive layer. The Board of Directors oversees project progress, while the Human Resources Committee, as the highest decision-making body, coordinates overall advancement. The planning and executive layers are led by the HR Director, who is responsible for breaking down objectives, tracking progress, and delivering periodic reports. The Company sets annual diversity targets and compiles quarterly statistics on key indicators such as the proportion of diverse talent recruited, the promotion rates of women and minority groups, and the participation rate in employee clubs, continuously optimising management based on data analysis. These indicators have been incorporated into executive remuneration assessments to reinforce accountability and promote the long-term practice of diversity, equity, and inclusion within the organization.

Target	2025 Progress
Women Accounted for 30% of New Hires	Target Achieved

Key Performance

In 2025

Percentage of Women in All Management Positions	Percentage of Women in Senior Management Positions
17.1%	16.748%

Key Performance



In 2025

In 2025, the Overall Proportion of Female Employees in the Company Increased To

36%

In 2025, the promotion rate for women to manager-level positions and above reached **38%**

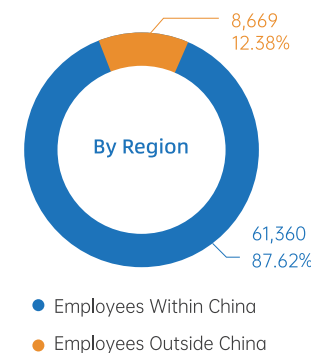
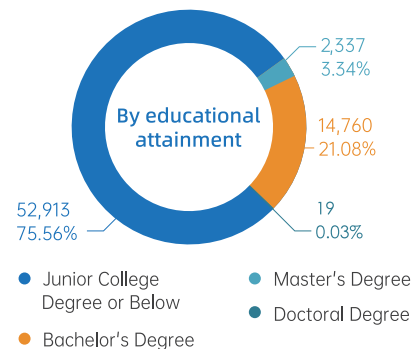
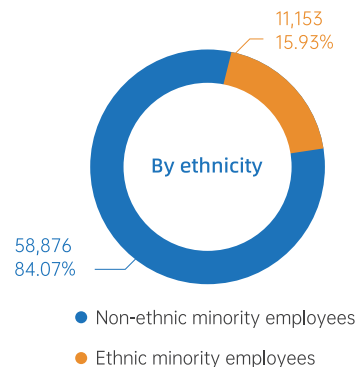
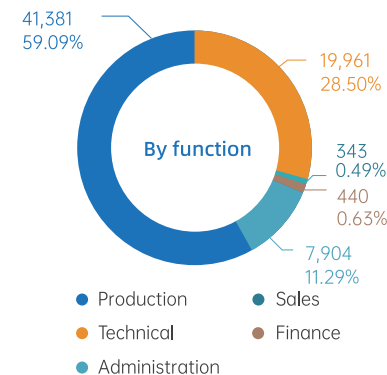
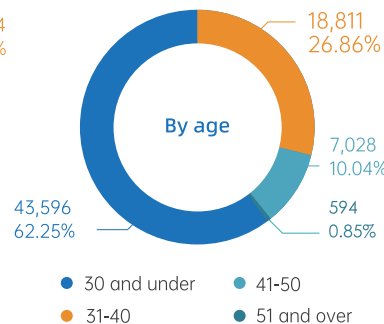
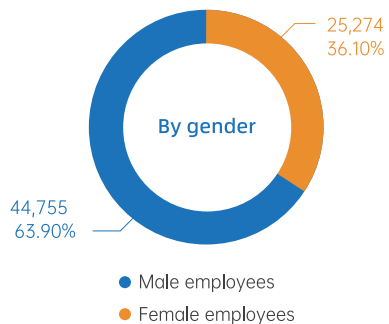
an increase of **7** percentage points from 2024

A total of **621** hours of training on diversity, equality, and inclusion was provided, covering

2,484 employees. Among them,

96 participants were from management and

2,388 were non-management employees



Key Performance



In 2025

As at the End of the Reporting Period:

The proportion of women in management positions related to revenue-generating functions was

41.9%

The Proportion of Women in STEM (Science, Technology, Engineering, and Mathematics) Related Positions Was

32.3%



Case

CSR overseas VMI risk management project

Our sustainable development management adheres to the principles of "strategic alignment and risk differentiation". In 2025, to strengthen social responsibility compliance management at its overseas operations, the Company launched a CSR Overseas VMI Risk Management Project for its manufacturing centres in Vietnam, India, and other locations. This project established a "Manufacturing Centre 1+2" collaborative mechanism, led by CSR in partnership with HR and EHS to form a cross-functional team covering labor compliance, occupational health and safety, and social responsibility management. During the reporting period, two rounds of specialized CSR training were conducted. Through methods such as regulatory interpretation, case studies, scenario discussions, assessments, and remote on-site audits, the project enhanced employees' understanding and execution of human rights and labor standards. It promoted the integration of CSR into daily management, continuously identified and improved potential risks, and solidified the foundation for compliant overseas operations.



Case

Digitalisation driving production line labor compliance and employee rights protection

In 2025, the Company advanced its systematic digitalisation efforts, deeply integrating AI and data tools to achieve an intelligent upgrade in labor compliance and occupational health protection.

Shift scheduling management: Optimized system logic reduced the time for a single scheduling operation from 1 hour to 5-10 minutes. The introduction of AI algorithms resolved skill-matching challenges, achieving a scheduling accuracy of 80% and ensuring employees know their shifts in advance to plan their rest time reasonably.

Production planning: Standardised uploads to the LPS system, increasing plan consistency from 79% to 98%. This ensures precise capacity analysis and reduces the impact of last-minute adjustments on attendance and income.

Allowances for Key Positions: An Integrated Online Process for Approval and Disbursement Was Established, Achieving 100% Accurate and Timely Payments.

Hazardous Positions: An Online Risk-Level Labelling System Was Established and Embedded into the Management System to Proactively Prevent Occupational Health Risks.

Management dashboard: The SP1 labor compliance report was launched, providing management with real-time data insights. This enables the immediate identification and correction of abnormal working hours and scheduling issues, enhancing labor protection and management transparency for front-line employees.



Case

Launching the "Friendly Workplace" special initiative

In 2025, we launched the "Friendly Workplace" special initiative. Based on employee feedback, we addressed employee concerns through key measures such as improving employee relations, optimising employment models, enhancing campus services, managing grievances and public sentiment, and fostering a caring culture, thereby increasing employee satisfaction.

Dormitory management: Organizations such as the "Conflict Resolution Room" and the "Dormitory Self-Governing Committee" were established to widely collect employee opinions and promptly resolve accommodation issues.

Grievance channels: Mechanisms such as a one-stop service centre, "Employee Service Days", satisfaction surveys, and multi-level interviews were established to promote face-to-face communication between HR, administration, and workshop managers and employees. The employee grievance and 24-hour public sentiment response mechanisms were iterated to ensure efficient and closed-loop feedback.

Employee care: A psychological counselling room was set up, and regular psychological support lectures are held. A "confession corner" and AI-powered smart psychological counselling were introduced to provide employees with an outlet for their emotions while ensuring privacy and security.

¹"Manufacturing Centre 1+2" means that the executive level of the CSR management team at each of Huaqin Technology's manufacturing centres is composed of a CSR Engineer, an EHS Engineer, and an HR Specialist.

Promoting Equality and Diversity

With the goal of "building a more attractive talent organization", we have constructed an employer brand strategy system with "EVP as the soul, DEIB as the environment, and the six HR modules as pillars", driving the evolution of talent management from functional support to strategic leadership. In 2025, we focused on empowering diversity and building an inclusive culture, systematically advancing DEIB project planning and practices to cultivate an open, fair, diverse, and engaging workplace ecosystem with a strong sense of belonging.

Objective	To leverage employer brand building to drive a comprehensive upgrade of the DEIB in the talent system, creating an organization that is more attractive to talent.					
	Recruitment Strategy and Social Impact	Employee Benefits and Experience Management	Cadre Management and Culture	Employee Growth and Development	Management Tools and Platform Development	Corporate Social Responsibility and Sustainable Development
Policy	A Diverse, Equitable, and Inclusive Talent Management System.	Create an exceptional employee experience, build harmonious labor relations, and enhance employee well-being and sense of belonging.	Drive improvements in organizational effectiveness and long-term sustainable development. Based on diversity and inclusion and guided by fairness and transparency, we jointly build a trustworthy, inclusive, and collaborative cadre ecosystem.	Build Fair and Transparent Career Development Pathways, Enabling Every Employee to Be Seen, Empowered, and Accomplished.	A Fair, Transparent, and Efficient Digital Platform.	Industry-Leading Social Impact That Fosters Employee Pride.

DEIB special strategy

Case

Globalisation of DEIB practices to build a diverse and inclusive talent ecosystem

The Company integrates its DEIB culture into the entire talent management process, including recruitment, promotion, and training. While providing universal resources and feedback channels, we pay special attention to the needs of overseas employees, helping foreign staff integrate quickly through customised language and cultural courses and the "Golden Seed" local mentorship programme. The KMS knowledge management platform, which supports five languages, has been opened to acquired companies to ensure equal access to resources for all global employees. We are committed to fostering an organizational atmosphere of respect for differences, equal opportunities, and psychological safety, ensuring every employee feels seen and empowered, with a tangible sense of growth and belonging.



Case

Online course series helping domestic and overseas employees adapt to multicultural work environments

In 2025, the Company launched the "Overseas Empowerment" and "Six Dimensions of Cross-Cultural Communication" online course series on the KMS platform to systematically conduct cross-cultural training. The "Overseas Empowerment" course covers expatriate preparation, local culture, regulations, and safety information. The "Six Dimensions of Cross-Cultural Communication" course analyses differences in communication styles, decision-making logic, and more. These courses are available to expatriates, overseas collaborators, and new local employees. During the reporting period, over 3,000 people participated, effectively enhancing cross-cultural collaboration skills and organizational inclusivity, thereby strengthening the humanistic foundation for the Company's globalisation.



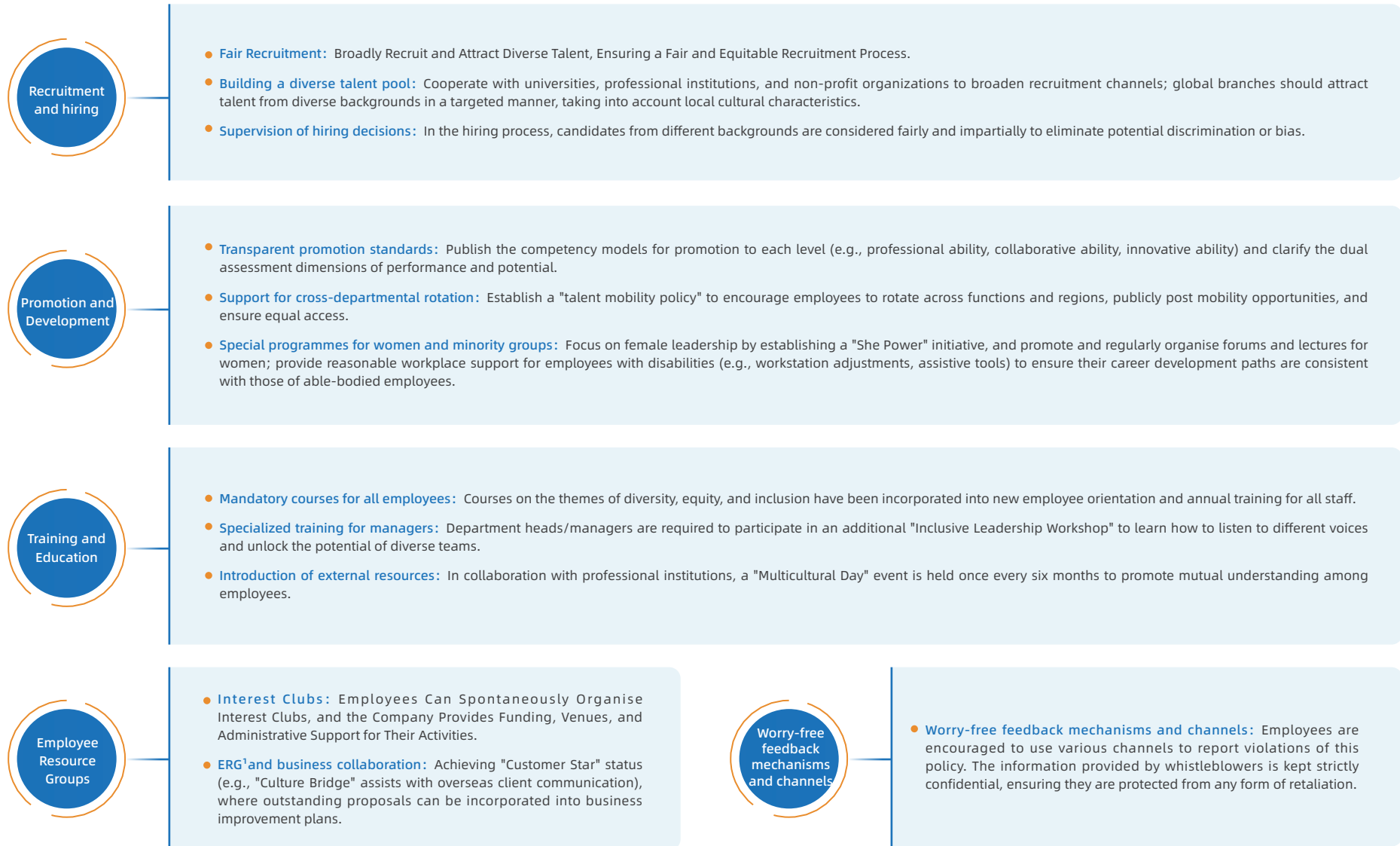
**Diversified & Inclusive
Respect for Our Cultural Differences**

We grow together through **mutual respect**,
not one-way imposition.

KMS overseas empowerment course series

¹EVP refers to the Employee Value Proposition.

Core initiatives for diversity, equity, and inclusion



¹ERG refers to Employee Resource Groups.

Employee Cultural Activities

The Company regularly organises a variety of cultural and team-building activities, such as departmental outward bound training, anniversary celebrations, R&D Day, and family carnivals, to enrich employees' work and personal lives. It also produces cultural columns like the Qin Weekly and features on role models, and publishes the "Qin Shangbao" cultural monthly to showcase Huaqin Technology's core values and latest developments to employees and clients.



20th anniversary carnival



2025 mid-to-senior level outward bound training



20th Anniversary Celebration Event at the Mexico manufacturing center



Celebration of a local festival at the India operational site

Employee Association Activities

The Company has established 33 employee interest associations, including sports clubs and arts and crafts clubs, across five regions: Shanghai, Wuxi, Xi'an, Nanchang, and South China. These associations have a total of 8,590 members. In 2025, the employee interest associations organised 1,900 events, with participation from over 3,500 employees.



Employee Interest Association

Benefits and Care

We adhere to the welfare principle of "helping employees balance work and life and unleash their potential", and have formulated the *Welfare Management System* and the *Care Fund Management System* to build a comprehensive care framework covering physical and mental health, career growth, and cultural belonging. The Company strictly implements the "five social insurances and one housing fund" and statutory holidays, and provides multi-dimensional support including health subsidies, long-service recognition, and commercial insurance (covering all employees and interns). For overseas employees, we provide statutory and distinctive local benefits in line with local regulations, ensuring comprehensive protection for both domestic and international employees and their families.

In addition, the Company has established a dynamic benefits optimisation mechanism, issuing an *Employee Well-being Implementation Report* every six months. We regularly benchmark against industry practices and continuously make improvements based on engagement surveys, driving the evolution of benefits from "standardised provision" to "personalised response". During the reporting period, employee insurance, pension, and retirement fund coverage reached 100%.



Basic benefits

- Pension Insurance, Medical Insurance, Unemployment Insurance, Work-Related Injury Insurance, and Maternity Insurance.
- Housing Provident Fund and Supplementary Housing Provident Fund.
- Marriage Leave, Bereavement Leave, Annual Leave, and Other Statutory Holidays.
- Flexible Working Hours; Unused Annual Leave from the Current Year Can Be Carried over Until the End of October of the Following Year.



Allowance

- Meal Allowance
- Transportation Allowance
- Business Trip Allowance
- High-Temperature Allowance
- Expatriate Allowance
-



Festive Benefits

- Various Special Festive Activities and Benefits, Such as Spring Festival Gift Packages, Dragon Boat Festival Activities, and Exquisite Mooncake Gift Boxes.
- Organising Singles Mixers, Family Days, Team-Building Events, and Anniversary Celebrations.
- Organise thematic events such as "Multicultural Week" and carry out cultural exchange activities centered around international holidays including Christmas



Care and Welfare Benefits

- Full-Time Employees May Apply for Wedding and Childbirth Gifts upon Marriage and Childbirth, Respectively.
- Establishment of a critical illness care fund and major accident assistance, providing condolence payments and timely aid to employees.
- Establishment of a long-service award, providing gifts to every employee who reaches a specific length of service, along with exclusive leave.
- Provide paid parental leave to all employees who have children between the ages of 0 and 3



Health Benefits

- In Addition to the Five Social Insurances and One Housing Fund, the Company Purchases Annual Accident Insurance, Commercial Medical Insurance, and Supplementary Medical Insurance for All Employees.
- Purchasing an overseas business travel protection plan for employees on business trips outside mainland China, which includes accident protection, medical coverage, personal property protection, and trip cancellation coverage.
- Annual Planning of Association Activities and Free Optional Health Check-Ups at Any Time Throughout the Year, with Customised Check-Up Packages Based on Job Position and Age.
- Setting Up "Health Stations" and "Employee Care Days", and Organising Activities Such as Psychological Counselling and Neck and Shoulder Relaxation Sessions.



Female Employee Care

- Providing Nursing Rooms for Female Employees.
- International Women's Day Benefits and Celebration Activities.
- The "Kingstar Second Generation" Summer Care Programme to Address Childcare Needs During Holidays.
- Organising a variety of interactive exchange activities for female employees, such as themed lectures, technical salons, DIY workshops, female role model sharing sessions, and leadership forums.

Employee benefits system



Women's Day activity



Music festival activity



Support and Empowerment for Female Employees

The Company places great importance on the development of its female employees, strictly adhering to regulations in all global operating locations and providing equal opportunities for employment and promotion. A Female Employees' Committee has been established within the trade union to legally guarantee paid maternity, breastfeeding, and childcare leave for female employees at all domestic and overseas sites, supplemented by facilities like "mother's rooms" and Women's Day benefits. We have built a career development support system that helps women unleash their potential and realise their value through empowerment projects, a "Women's Power Forum", and a "Female Role Models Column", which shares the growth stories of women in diverse fields.



Case

Establishing the "Her Power" female role model column to discover the power of female role models

The Company established the "Her Power" female role model cultural column to share the growth stories of outstanding female managers, technical experts, and front-line employees, reinforcing the power of role models. During the reporting period, 12 female employees from various fields, including managers, technical specialists, and manufacturing team leaders, were interviewed. The published articles and short videos accumulated over 45,700 views, significantly enhancing the sense of belonging among female employees and fostering a workplace culture that respects diversity and encourages breakthroughs.



Case

The "Qin Miaomiao" summer growth camp eases employees' summer childcare pressures

Focusing on employees' summer childcare needs, the Company launched the "Qin Miaomiao" summer growth camp simultaneously in five locations—Shanghai, Xi'an, Wuxi, Dongguan and Nanchang—in 2025, offering art, academic, science and safety education courses for different age groups, equipped with a triple guarantee of insurance, monitoring and medical care, and collaborating with university volunteers, teacher teams and various public welfare resources to provide the "second generation of Huaqin" with a happy, fulfilling and meaningful holiday through safer management, richer curricula and warmer care.



The "Qin Miaomiao" summer growth camp

Physical and Mental Health Management

We have a long-standing Employee Assistance Program (EAP) that provides guidance, training and counselling to support our employees and their family members in obtaining psychological and behavioral support. The Company's EAP module has been launched on the Knowledge Management System (KMS), featuring content related to employees' physical and mental health, such as psychological counselling and a "Health Hub", to help them manage stress and live with ease. Additionally, the Company has set up an anonymous "suggestion box", which collected 40 valid suggestions during the reporting period, all of which were incorporated into a closed-loop improvement process.



Case

The Company invited an external lecturer to conduct the "Mind Energy Station" training to help employees manage stress

In November 2025, the Company invited an external lecturer to conduct the "Mind Energy Station" training. The course focused on emotional awareness, understanding stress mechanisms and workplace stress management, helping employees enhance their psychological adjustment capabilities and better balance work and life.



The "Mind Energy Station" training

Key Performance



In 2025

During the reporting period, the Company achieved:

100% coverage for employee insurance, retirement funds and pensions

RMB **826,200** invested in gifts for employee marriages and births

Paid parental leave coverage rate of **100%**

RMB **7.26** million invested in employee commercial insurance

RMB **420,000** invested in consolation payments for employees with critical illnesses

Average leave taken by employees eligible for parental leave in the year: **65.4** hours per person

Talent Training and Development

Huaqin Technology aims to build a learning organization rich with talent and abundant with skilled leaders. We continuously optimize our systematic mechanisms for talent selection, appointment, training, retention and promotion; broaden diverse career development paths; and establish a fair and scientific talent cultivation and growth system covering all employees.

Governance

The Company places great importance on building talent echelons. Each year, the Chairman, the EVP of HR and Corporate Planning, and the Human Resources related department collaborate with managers from all departments to discuss the employee echelon strategy. We continuously improve the Huaqin Technology Training and Development Management System to enhance the standardization and systematisation of training at the institutional level, providing a more robust and orderly support system for talent development. Through scientific, fair and competitive compensation and incentive methods, we continue to stimulate employee potential and promote the mutual growth of the organization and individuals.

Impact, Risk and Opportunity Management

Huaqin Technology systematically manages the risks and opportunities in talent development around two core pillars, including talent cultivation and employee promotion. This approach continuously strengthens the Company's competitiveness in cutting-edge fields, ensures talent readiness to address global operational challenges, and meets the higher demands of overseas business for cross-cultural management and compliance capabilities.

The company has established a systematic training system covering new hires, professionals, management, and operations, continuously supplying professional talent to the organization. In terms of employee promotion, Huaqin implements three career development tracks: management, professional, and business. Through competency-based assessments and regular talent reviews, it achieves dynamic alignment between people and positions, effectively activating organizational vitality. By leveraging the synergy between these two systems, Huaqin Technology continuously enhances organizational resilience and talent competitiveness, laying a solid talent foundation for sustainable development.

Talent Development System



New Employee Training

● Tomorrow's Sequoia Programme

To help recent graduates transition from campus to the workplace, we established the "Sequoia Training Programme" for them. Training camps are conducted in phases from July to September in their first year of employment. These camps offer a systematic curriculum centered on three main goals: cultural integration, foundational skills development and practical experience. They also include core modules such as internships and practical projects to strengthen organizational identity and front-line awareness. During the reporting period, the training amounted to 177,720 hours.

● Huaqin Flavour Training

The Company helps experienced new hires quickly adapt to their roles and the organizational culture through a systematic induction mechanism. Cultural onboarding and mentor guidance enable them to rapidly understand Huaqin and its business, helping them integrate into the team. During the reporting period, the training amounted to 35,404 hours.

● Mentoring and Senior Employee Coaching Mechanism

Through project-based business practice and a three-in-one mentoring system of "teaching, helping and guiding", every new employee is assigned both a life and a work mentor to support their integration and development in all aspects. Mentors are responsible for creating development plans, holding weekly communications, providing professional guidance and giving phased feedback. They incorporate classroom learning, project performance and practical results into a comprehensive assessment, and provide differentiated training and employment suggestions for business departments based on different development paths, supporting graduates in becoming business backbones.

● Green Shoots Programme

We implement the "Green Shoots Development Programme" for interns, assigning them dedicated mentors and a one-month training plan. This plan comprises 70% on-the-job practice, 20% coaching and mutual assistance, and 10% training and learning, providing full-time job opportunities for "Green Shoots" to support their successful transition into the workplace.



Professional Training

Professional Academies

The Company has constructed a multi-level training system to continuously support the enhancement of employees' professional skills and qualifications. The Company has established and operates 25 professional academies focusing on key areas such as technology, R&D and Supply Chain. These provide employees with professional certification, project experience and expert promotion mechanisms, helping them advance their skills and accumulate qualifications in their professional fields.

Departmental Training

Each business department formulates training plans based on job requirements, organising empowerment and practical training sessions to improve job-specific professional skills. This further enhances employees' professional competence and practical abilities, providing continuous support for their career development.



Business Management Training

- We have established the "Huaqin Business School", primarily for LPDTs, marketing directors, high-potential individuals and core representatives. The curriculum covers business thinking, goal management and customer management, aiming to cultivate versatile talent with both strategic vision and business acumen. During the reporting period, the training amounted to 3,877 hours.



Degree Support Program

- In Dongguan and Nanchang, the Company has implemented the "Dream Realisation Programme", a university-enterprise collaborative education initiative for all manufacturing employees. Eligible employees can complete their studies free of charge, with tuition fees fully covered by the Company. During the reporting period, 129 employees successfully enrolled in the programme.



Management Training

Ivy League Programme

This is a management enhancement programme for high-potential directors and newly promoted VPs. The Company invites external think-tank experts and senior executives to create high-quality courses on culture, strategy, finance, organizational capabilities and innovation. Quarterly training sessions are held to help employees elevate their perspective, strengthen their strategic thinking and improve their leadership skills. During the reporting period, the training amounted to 2,496 hours.

Cypress Programme

This programme offers an elementary class for new directors and both elementary and advanced classes for all middle and senior managers. The curriculum is designed based on competency models and the Company's strategy, helping employees enhance their market acumen and understanding of industry trends. Through cross-disciplinary exchanges, it broadens their thinking and vision and improves their leadership skills. During the reporting period, the training amounted to 12,752 hours.

Phoenix Tree Programme

This programme offers an elementary class for new managers and an advanced class for incumbent managers, focusing on building key competencies such as understanding the managerial role, team management, communication, collaboration and problem-solving. During the reporting period, the training amounted to 14,591 hours.



Case

The "Tomorrow's Sequoia" graduate development programme

The Company continues to advance the "Tomorrow's Sequoia Programme", helping recent graduates systematically understand Huaqin's culture and business systems through cultural courses, business learning and team-building activities. In 2025, 1,554 "Little Sequoias" participated in two rounds of training camps focused on cultural integration, foundational skills development and practical experience. The curriculum included courses on corporate culture, the full IPD process and the AI ecosystem, accelerating the matching of individuals to roles and the transformation of their professional mindset.



Group photo of participants in the 2025 "Tomorrow's Sequoia Programme"



Case

The "Little Poplar" young talent development for manufacturing project

The Company has established the "Little Poplar" young talent development mechanism for its manufacturing division. Focussing on career paths and skills enhancement, it has built a development system covering corporate culture, goal management, professional mindset and skills advancement. Monthly training camps promote the steady growth of new employees in manufacturing. It implements a synergistic empowerment of both soft and hard skills, jointly developed by the General Management Branch and the Manufacturing Academy, and supplemented by a mentoring system to strengthen the passing on of experience. A mechanism for regular communication with management and coaching at key junctures has been established.

Leveraging a dual-track rotation system for management and professional roles, it provides diverse development options, continuously strengthening the young talent pipeline and providing outstanding manufacturing talent to support the organization's long-term development.



the Company's "Little Poplar" training programme

Channels for Employee Promotion and Assessment Development

The Company continuously strengthens the construction of its talent echelons. Focussing on future business strategy needs, the Chairman, the EVP of HR and Corporate Planning, and managers from all business lines jointly discuss the annual talent development plan, forming a systematic talent development framework of "Strategy-Project-Result". In terms of building talent development channels, the Company implements the Organizational and Post Management System. Guided by job value and competency requirements, it has established three tracks—management, professional and business—encompassing a total of six job families, ensuring that employees can achieve smooth upward promotion, lateral expansion, and long-term development along different career paths.

Internal Lecturer System

The Company selects internal lecturers through a process of voluntary application, selection and trial lectures, creating a professional and systematic team of instructors. By extracting experience and passing on knowledge, we promote organizational learning and support the long-term development of our talent training system, forming a professional teaching framework that covers management knowledge, business skills, cultural values and organizational development. As of the end of the reporting period, the number of registered internal trainers at the Company was 6,193.



Team of instructors

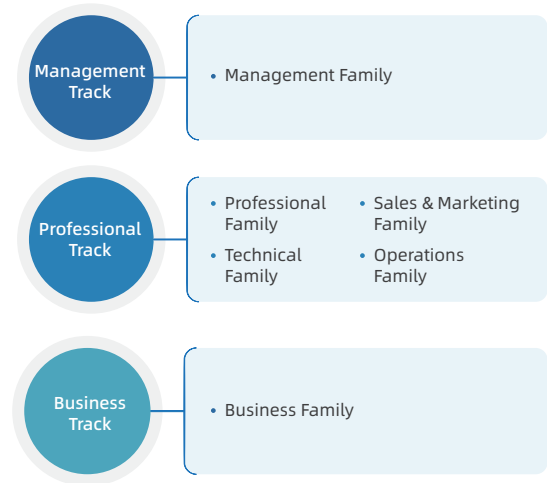
University-Enterprise Joint Training

The Company actively promotes joint training programmes with universities. During the reporting period, the Company collaborated with 259 institutions worldwide and established project partnerships with 11 universities, including Xi'an Jiaotong University, ShanghaiTech University and Xidian University. Through this university-enterprise collaboration mechanism, we build a bridge for students connecting theoretical learning with industrial practice, fostering the integrated development of professional knowledge and practical skills. This also provides the Company with a continuous stream of talent with professional backgrounds, solidifying the foundation for talent development.

Employee Promotion and Development

We have designed clear promotion paths and a systematic evaluation and feedback mechanism for our employees, operating on a dual-track basis to continuously drive the mutual growth of individuals and the organization.

Three Career Tracks and Six Job Families

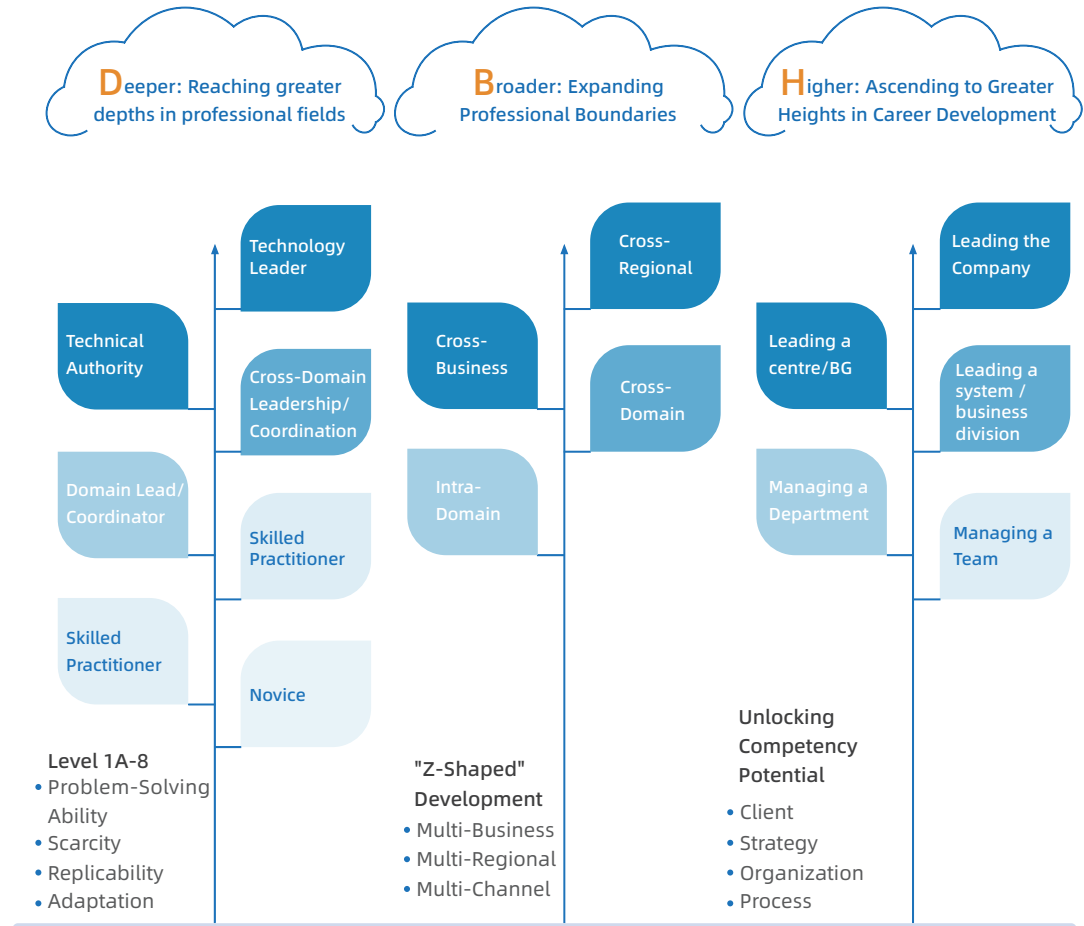


Talent Assessment and Appraisal

In terms of talent standards and assessment, the Company has established a job qualification and talent calibration mechanism that incorporates five key dimensions: values, performance, capabilities, potential, and experience. Through scenarios such as onboarding grading, promotions, demotions, transfers, and rotations, this mechanism ensures the dynamic optimisation of the match between talent and positions, establishing a regular talent evaluation system. The Company also conducts structured talent reviews (GAP analysis) periodically to build a pipeline for key positions six to twelve months in advance, creating a scientific talent supply and demand matching plan. For key position talent, we implement a "dynamic review + capability gap analysis + iterative update" mechanism, with unified assessments at least once a year. For sensitive, key, and special positions, the Company implements customised management, establishing a high-potential talent pool and succession plans to build a reserve of key talent in advance.

Internal Mobility Program

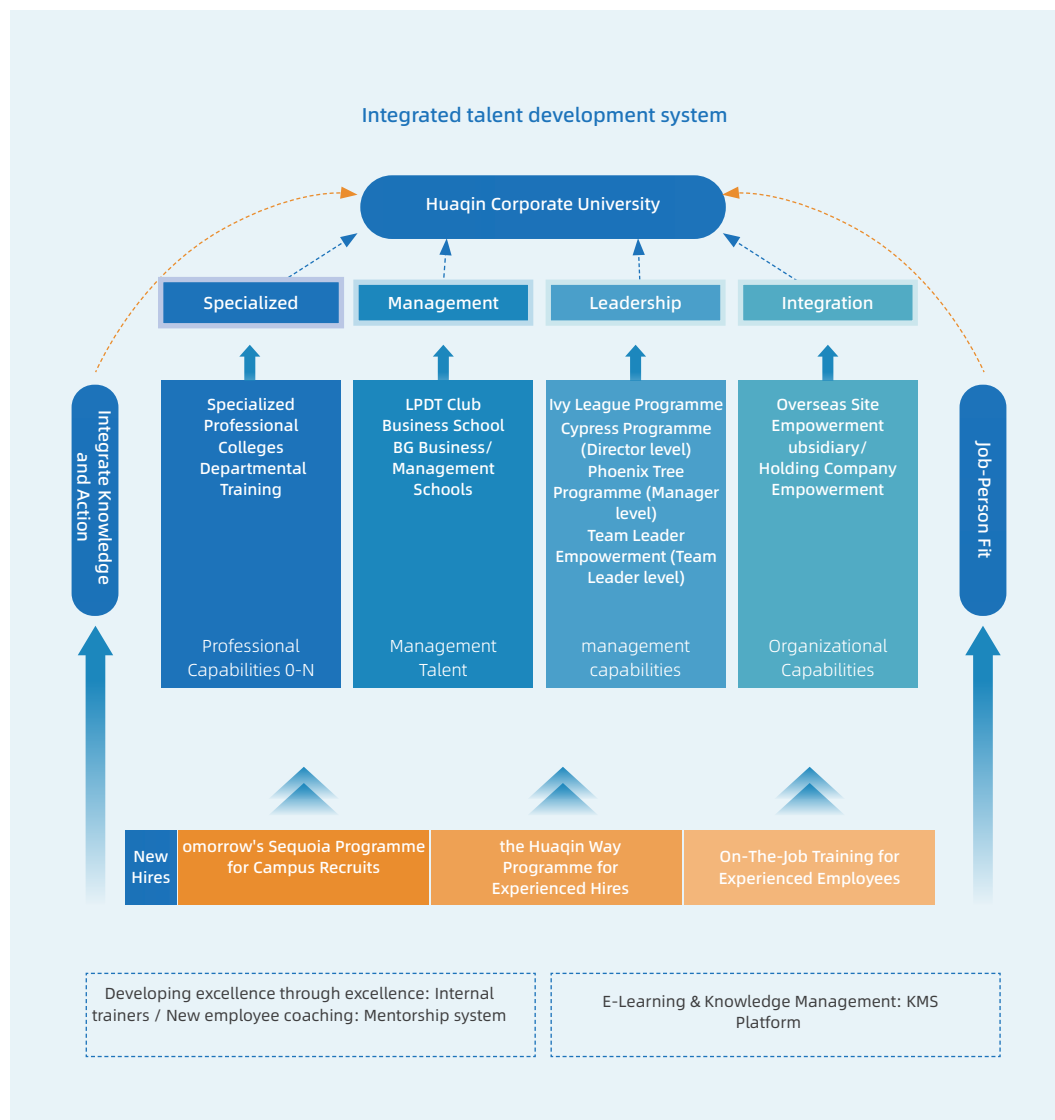
While supporting employees in deepening their professional expertise, the Company promotes horizontal internal talent mobility across different career tracks and specialisations through its "Internal Job Rotation Program", supporting employees in transitioning to new business areas and encouraging them to follow "zigzag" career paths to become versatile professionals with multi-position and multi-skill capabilities. In 2025, the Company further enhanced the flexibility of its cross-sequence mobility mechanism, resulting in 1,073 employees transferring between departments or systems through the internal programme, with 543 internal promotions, filling 63% of internal vacancies.



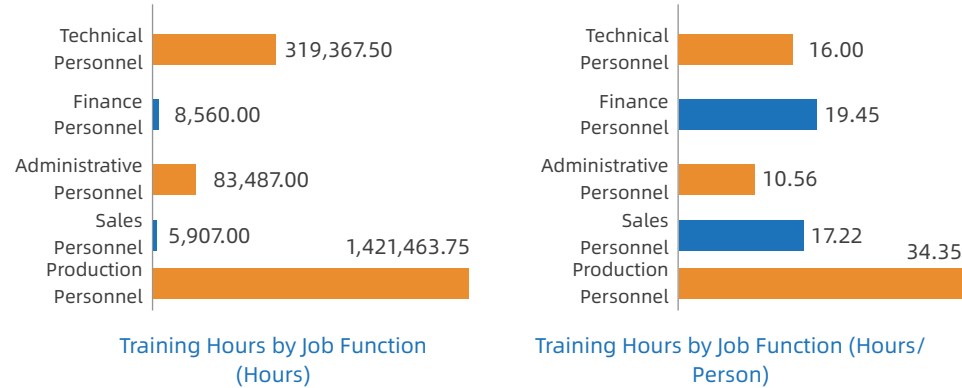
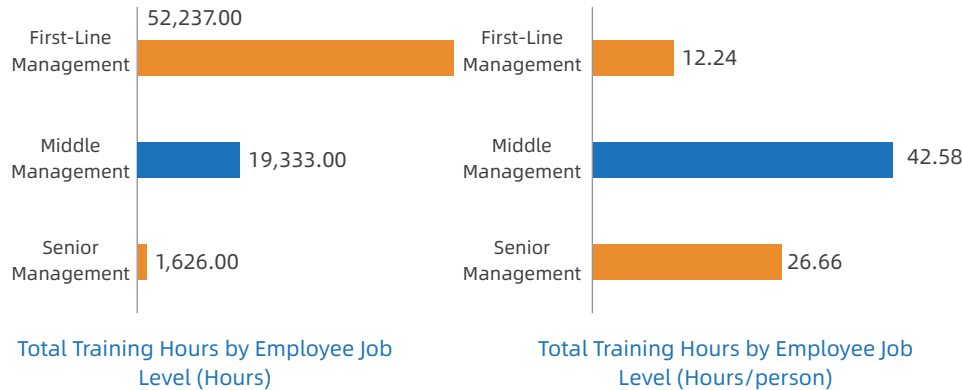
Diverse Career Development Paths

Strategy

The Company establishes a comprehensive, tiered, and categorised talent cultivation framework for all employees based on diverse talent development paths, establishes a comprehensive, tiered, and categorised talent cultivation framework for all employees, forming four main training tracks: "newcomers, professional, management, and business operation". Concurrently, the Company also offers an integration track for our overseas employees, leveraging an intelligent Knowledge Management System (KMS) to facilitate internal resource sharing. The Company has cultivated a team of internal instructors composed of managers and internal and external experts who, through a combination of online KMS resources and offline empowerment training, fully tap into employee potential and comprehensively support their personalised growth.



Indicators and Targets



In 2025

Key performance

During the Reporting Period,

The Company provided all employees with over **6,965** training courses covering core areas such as career development, leadership, compliance, and diversity, equity, inclusion, and belonging.

The total investment in employee training and empowerment was RMB **25,448,400**, with an average investment of RMB **363.4** per capita.

Over **2,108** employees (manager level and above) participated in leadership development programmes.

The overall permanent conversion rate for the sequoia programme trainees reached **98.48%**

The overall permanent conversion rate for the 2025 sequoia programme trainees reached **93.38%**.

The campus recruitment plan covers **200+** universities nationwide.

The permanent conversion rate for interns in the green shoots programme reached **34%**.

The proportion of employees who received promotions was **19.4%**.

Target

By the end of 2028, the average training hours per employee reach 20 hours, achieving 100% employee coverage

2025 Progress

Achieved

The average training hours per employee reaching 29.77 hours

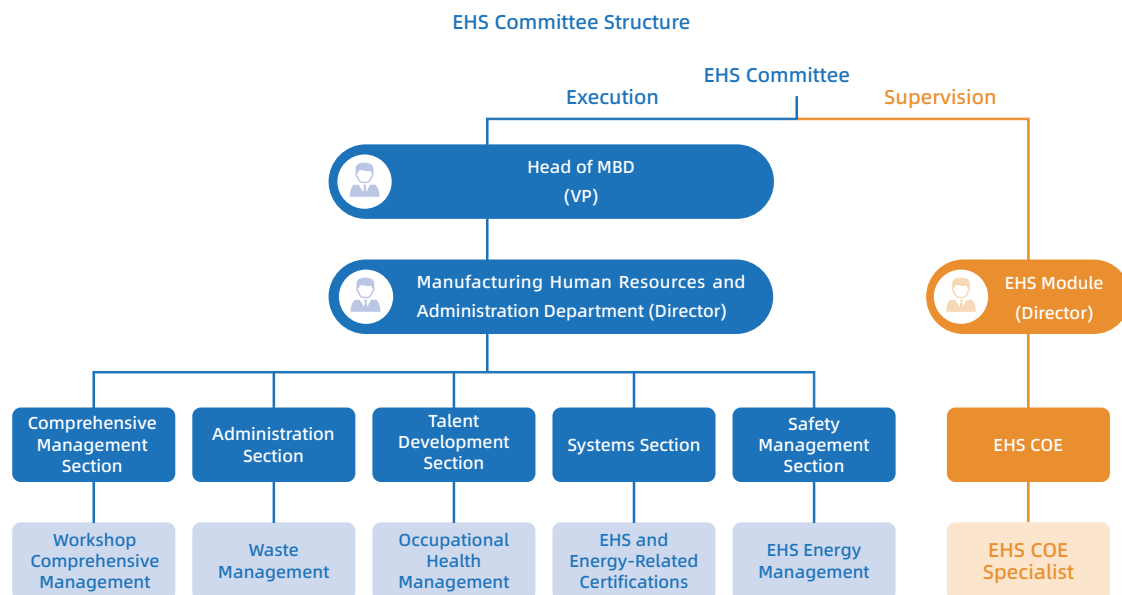
Occupational Health and Safety

Huaqin Technology strictly complies with laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, consistently adhering to the principle of "safety first, prevention foremost, and comprehensive governance". The Company has established and continuously improves its work safety management system, strengthens protections against safety hazards, and continually enhances employees' awareness of safety responsibilities to fortify the line of defence for occupational health and safety, thereby effectively safeguarding the lives and physical health of employees.

Work Safety Management

The Company has formulated and implemented regulations such as the *Specification for Work Safety Responsibilities*, the *Environmental, Health, and Safety (EHS) Management Policy*, and the *Specification for the Responsibilities of the Safety Committee*, systematically establishing and continuously improving its work safety management system. Through the establishment and operation of the EHS Committee, the Company fully promotes standardised work safety management to ensure the effective implementation of the work safety responsibility system.

Safety Management System



Digital empowerment of EHS management

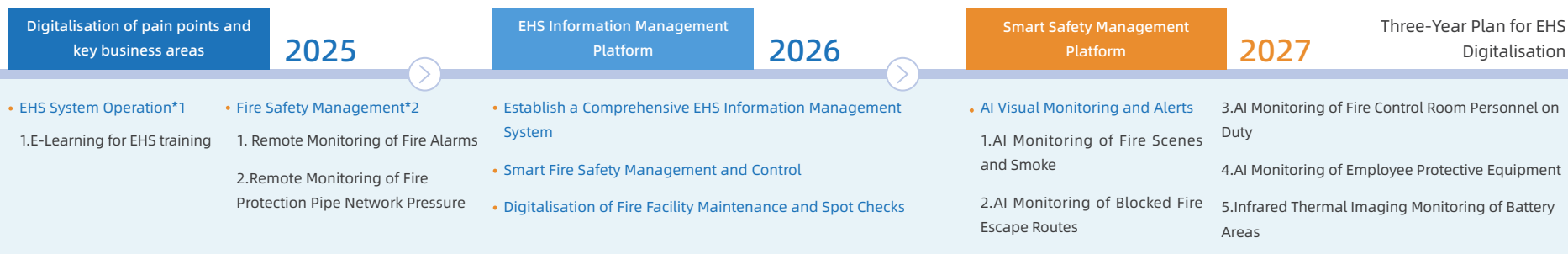
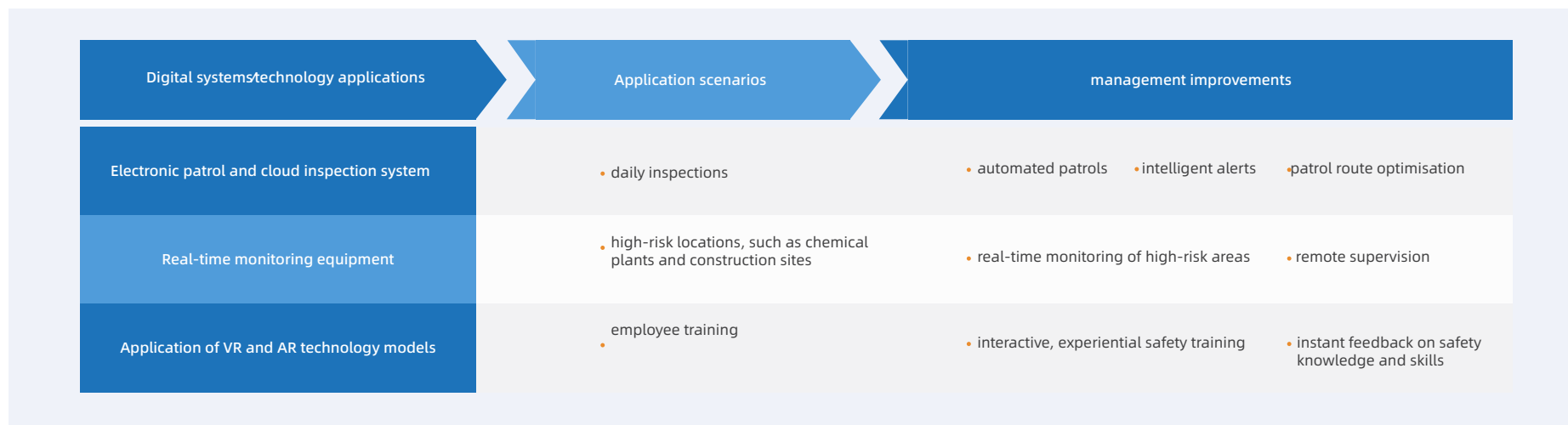
The Company is continuously advancing the digitalisation of its EHS management system by building a smart safety management platform. Through intelligent tools such as the electronic patrol cloud inspection system and real-time monitoring of high-risk areas, the Company has achieved automated inspections, smart alerts, and remote real-time monitoring; at the same time, it utilises VR/AR technology to conduct immersive safety training, enhancing employees' emergency response and safety protection capabilities, and comprehensively improving the level of risk prevention and control.

Case

Digital empowerment of employee occupational health management

In 2025, the Company established a digital identification mechanism for positions with occupational health risks, compiling a hazard list and risk levels to create an online labelling system. By embedding "hazard position labels" within process packages and linking them with the smart scheduling system, the Company enables automatic personnel identification and dynamic management, which improves the efficiency of pre-assignment reviews and provides digital support for the proactive management of occupational health risks.

In 2025, the Company completed a digital assessment of 47 sub-services across its seven major EHS business modules and formulated an implementation plan for 2025-2027. During the Reporting Period, two major projects were successfully launched: the occupational hazard post management system, which enables dynamic monitoring and early warnings, shifting management from reactive response to proactive prevention; and the three-tier online safety education management system, which ensures comprehensive, traceable, and standardised training. In the future, the Company will advance AI visual monitoring, a smart firefighting command centre, and an all-element EHS information platform to continue driving the systematic and intelligent evolution of safety management.

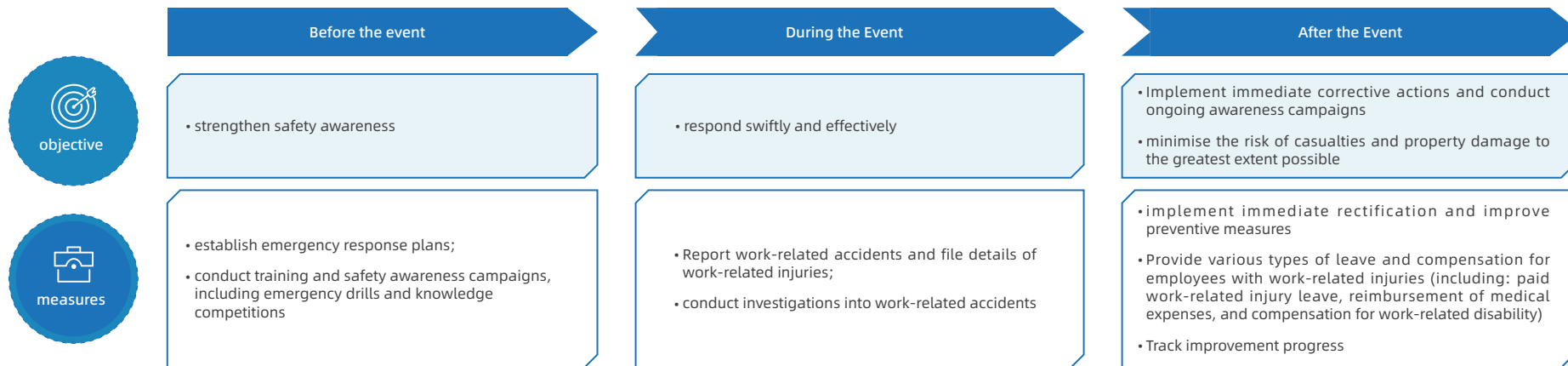


Occupational Health Management

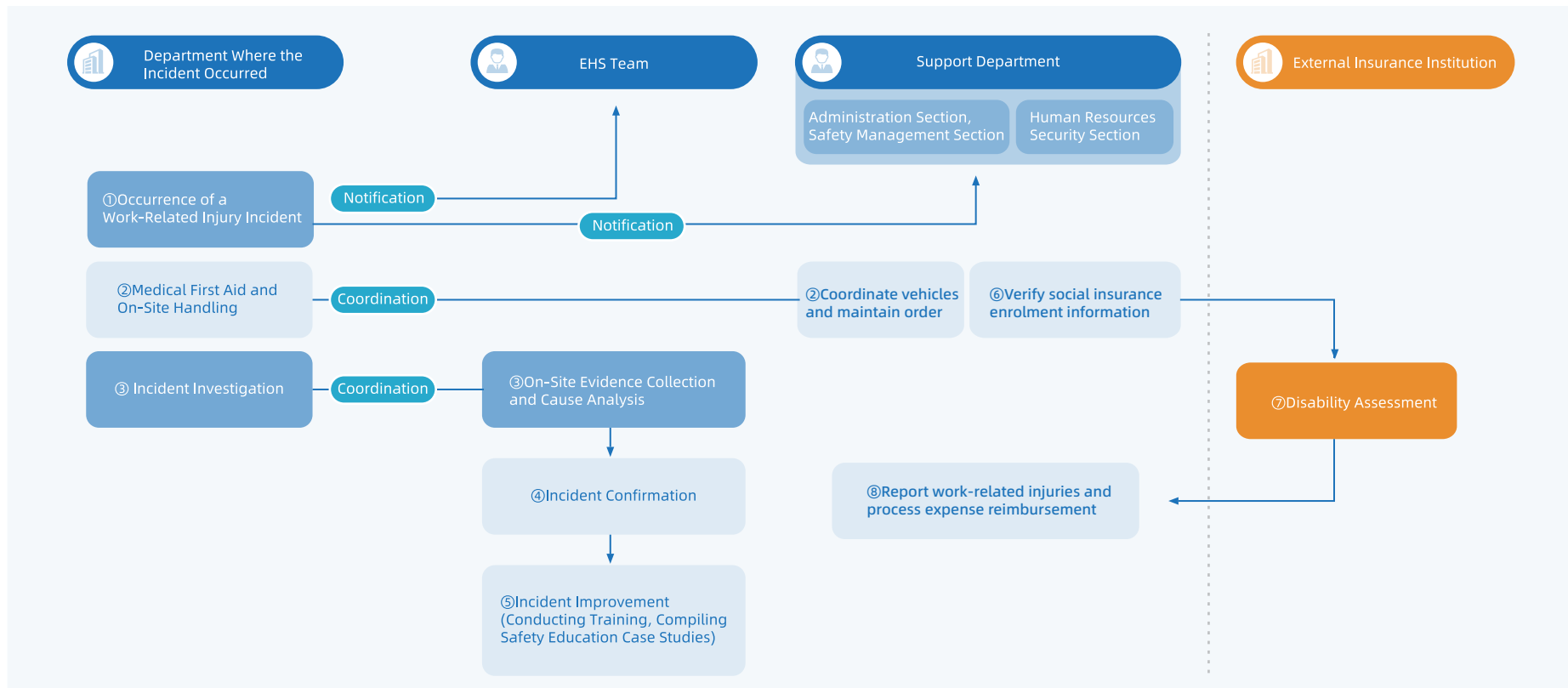
The Company consistently places the highest priority on safeguarding the occupational health and safety of its employees. It is committed to minimising injuries by continuously strengthening its work-related accident prevention and response mechanisms. Concurrently, the Company enhances the identification and prevention of occupational diseases to mitigate long-term health risks. As of the end of the Reporting Period, all of the Company's manufacturing and R&D centres had obtained ISO 45001 Occupational Health and Safety Management Systems certification.

Work Injury Management

The Company has formulated and implemented the *Administrative Standard for Work-Related Injury and Occupational Disease Incidents* and the *Emergency Plan for Production Safety Accidents*. It has established a work injury prevention and response mechanism covering the pre-incident, mid-incident, and post-incident stages. This has created a clear work injury handling process with well-defined responsibilities for support departments such as the EHS team and the Safety Management Section, thereby minimising and controlling the risk of casualties and property damage.



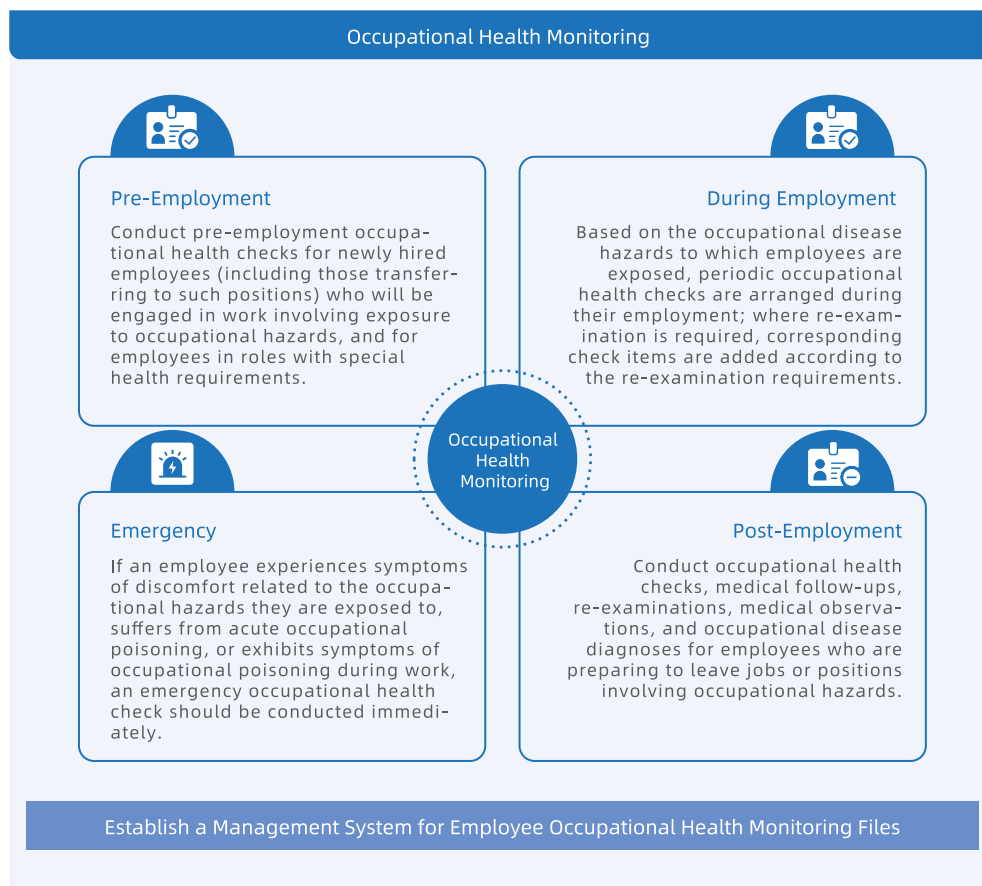
"pre-incident, mid-incident, and post-incident" work injury prevention and response mechanism



Work injury response process

Occupational Disease Prevention and Control

The Company has formulated a series of administrative standards and systems, including the *Administrative Standard for the Monitoring and Evaluation of Occupational Disease Hazards*, the *Standard for Warning Signs and Notification of Occupational Disease Hazards*, the *Administrative Standard for Employee Occupational Health Monitoring and Record Management*, the *Standard for Emergency Rescue and Management of Occupational Disease Hazards*, and the *Occupational Health Operating Procedures for Job Posts*. These measures continuously improve occupational disease prevention and control, incorporating initiatives such as occupational health examinations and the monitoring of occupational hazard factors, thereby strengthening overall prevention efforts.



Occupational disease prevention and control measures

Safety Hazard Protection

The Company has formulated management systems such as the *Standard for Hazard Identification and Management* and the *Administrative Standard for Risk Assessment and Control* to enhance its long-term mechanism for identifying and addressing potential production safety incidents. By defining a four-tier responsibility system comprising the "EHS Module - Production Safety Head - Departmental Head - Safety Officer", the Company ensures that safety management responsibilities are cascaded and implemented at every level. Each subsidiary consistently conducts systematic risk identification and hazard inspections and rectifications, effectively controlling and eliminating safety hazards in the production process to protect employees' occupational health and safety.

Safety Hazard Control Process

The Company regularly identifies hazard sources, assesses the likelihood and severity of potential harm, and implements hierarchical risk controls. It also conducts periodic inspections of equipment, facilities, hazard sources, and their operating environments, managing identified hazards based on their level and category. Furthermore, the Company carries out routine, specialized, and comprehensive production safety inspections covering all departments. For any identified hazards, the responsible parties are required to complete rectification within a specified timeframe according to clear standards, with a designated person verifying completion to ensure an effective closed-loop process for hazard management.

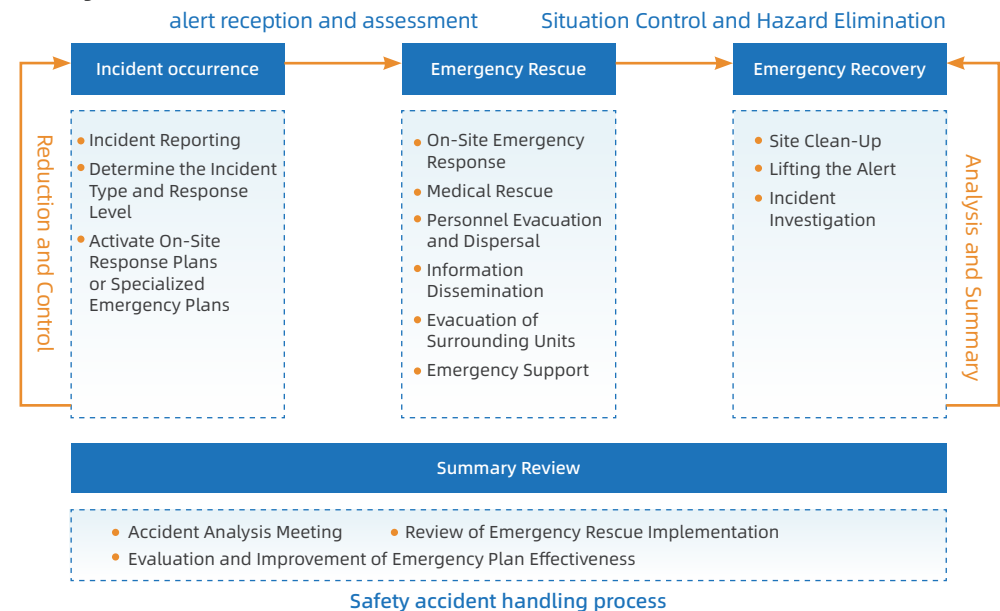


Key Performance  **in 2025** 

During the Reporting Period, the Company achieved **0** fires, **0** occupational diseases, and **0** environmental pollution incidents. The environmental monitoring compliance rate and the hazardous waste compliant transfer rate both reached **100%**.

Safety Accident Response and Management

We have formulated the Emergency Plan for Production Safety Accidents to standardise emergency management and improve rescue response speed and coordination. A tiered management system is implemented based on the severity of accident hazards. An emergency organization, consisting of a command headquarters, medical rescue, security, emergency rescue, and logistics support units, is established to command and manage major incidents on-site. A tiered response mechanism enables the rapid activation of on-site or specialized emergency plans according to the type and level of the incident, allowing for timely rescue, medical aid, and evacuation. Post-incident investigations and summaries are rigorously conducted to continuously refine systems, forming a closed loop for safety management.





Case

Hrobot conducts a "prevention first, life foremost" themed fire safety emergency drill

On 21 November 2025, Hrobot conducted a comprehensive fire drill under the theme "Prevention First, Life Foremost". Through fire simulations, emergency evacuations, knowledge briefings, and hands-on fire extinguisher practice, the drill tested and enhanced employees' ability to escape and handle initial fire-fighting. In response to issues identified, such as unfamiliarity with fire extinguisher operation and unclear equipment locations, a special retraining plan was developed to strengthen routine inspections and awareness campaigns, continuously improving emergency response capabilities.



Hrobot fire drill

Safety Capability Building

To enhance the environmental and safety knowledge and skills of employees and related personnel, The Company systematically promotes safety capability building in accordance with systems such as the *EHS Education and Training Management Specifications*. The Company continuously identifies issues and improves management through health and safety audits, and enhances the safety knowledge and skills of all staff through customised health and safety training. Furthermore, the EHS management of contractors and other related parties is deeply integrated into a unified risk management system, supplemented by diverse safety culture activities, to continuously foster a safety culture of full participation and comprehensively strengthen the solid foundation of safe production.

Health and Safety Audits

In 2025, the Company conducted four quarterly audits covering 13 areas, identifying and tracking 142 issues and ensuring 100% completion of corrective actions. This effectively promoted the sharing of experience and alignment of standards among different areas, strengthened regional autonomous management capabilities, and formed a closed loop of continuous improvement in safety supervision.

Health and Safety Training

The Company has established a multi-faceted training system that covers all employees, spans across job roles, and extends to the value chain. From the three-level safety training for new employees to specialized training for specific roles such as special and hazardous operations personnel, and from the legal responsibilities of production managers to the behavioral norms for contractors, the Company implements safety capability building through courses that are precisely matched to job-related risks.



Nanchang First Manufacturing Center Fire Safety Training



On-site Equipment Safety Audit and Training

Contractor EHS Management

The Company has formulated the *Safety Notice for Relevant Parties Entering the Park*, which clarifies EHS regulations for contractors and suppliers. By integrating them into the EHS system through entry notifications, on-site behavior control, high-risk operation management, and emergency response requirements, the Company has built an all-encompassing safe environment. For contractors, it requires the standardised wearing and replacement of personal protective equipment and ensuring the safe use of equipment to prevent occupational health risks.

Access and notification

- All personnel and vehicles entering the park must undergo a security check, be accompanied by designated staff, and comply with all park safety management regulations.

On-site Code of Conduct

- Strict compliance with rules including, but not limited to: no smoking, adherence to speed limits, proper parking, wearing of safety helmets and access passes, no photography without prior approval, and the use of compliant tools in explosion-proof areas.

High-risk work control

- For hazardous operations such as hot work, working at height, confined space entry, temporary electricity use, and lifting, a corresponding written work permit must be obtained in advance.

Emergency response obligations

- Know the location of emergency assembly points and be familiar with alarm signals.
- If any abnormality is discovered, report it immediately by calling the designated emergency telephone number.

Additional requirements for contractors

- Contractors must ensure their employees comply with regulations concerning the work environment, as well as safety, health, and environmental protection.
- Before work commences, contractors must consult with the on-site construction manager.
- Personal protective equipment must be worn as required and replaced immediately if damaged.

Handling of violations

- Any individual who violates the regulations will be escorted from the site and held liable for any related losses caused by the violation.

EHS management requirements for contractors and related parties

Community Communication and Responsibility

While promoting its own development, Huaqin Technology actively fulfills its social responsibilities. Since the establishment of Huaqin Public Welfare in 2011, it has continuously focused on the four major public welfare areas of "educational assistance, environmental protection and carbon reduction, rural revitalisation, and emergency disaster relief". In 2025, a total of RMB 5.3912 million was invested in public welfare, 17 public welfare projects were carried out, and the Company's volunteers reached 1,052 people. With "technology for good" as its mission, the Company continues to give back to society and convey corporate warmth.

Educational assistance

Educational assistance is fundamental to rural revitalisation, promoting rural development through the provision of high-quality educational resources.

Environmental Protection and Carbon Reduction

Centered on the goal of carbon neutrality, the Company promotes green projects such as the "Huaqin Charity Forest" and "Photovoltaic Educational Assistance", explores "Photovoltaic+N" development paths, supports ecological restoration and water resource protection, and empowers green development through public welfare initiatives.



Huaqin's public welfare system

Rural Revitalisation

Rural revitalisation is advanced through distinctive projects such as "Public Welfare Coffee", "Caring for the Elderly", and "Charity Library Rooms", which focus on industrial, ecological, and cultural revitalisation to support the sustainable development of underdeveloped areas in Central and Western China.

Emergency Disaster Relief

In response to major natural disasters, the "Qin Yuan Plan" is swiftly activated to coordinate resources for a rapid response, providing immediate living support to affected areas and demonstrating corporate responsibility through efficient action.

In 2025

Key Performance

Investment in Public Welfare Projects During the Reporting Period	Number of Company Volunteers Reached	Average Volunteer Hours per Person
RMB 5.3912 Million	1,052	12.37 Hours
Of Which, Investment in Rural Revitalisation Was	Benefiting	
RMB 524,000	122,314 People	

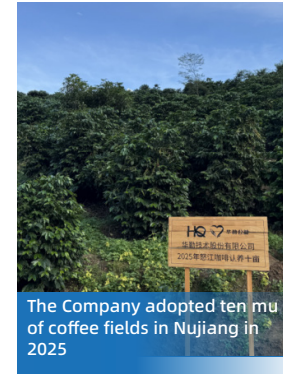
Rural Revitalisation



Case

The "Coffee Traceability Journey" project, helping coffee farmers increase their income and supporting the circular economy

The Company deepened its industrial support in Nujiang, Yunnan, providing targeted assistance to coffee growers. By adopting coffee trees and collaborating with suppliers on processing, it addresses sales challenges and enhances production efficiency. Each year, it purchases local coffee beans to produce "Huaqin Charity Coffee", which is sold in office areas nationwide at a charitable price of RMB 2 per cup, with the proceeds being channelled into a special fund to give back to the coffee farmers, thereby opening up the production and sales chain. In 2025, the "Traceability Journey" was launched, involving the adoption of 10 mu of coffee fields and an investment of RMB 233,700 to support cultivation improvements. Concurrently, the Company participated in the "100 Enterprises Paired with 100 Villages" initiative, undertaking projects in Shiyueliang Village and Ziguoduo Village in Fugong County, such as toilet revolution, housing renovations, and poverty relief, to improve the village environment and the quality of life for residents.



The Company adopted ten mu of coffee fields in Nujiang in 2025



Case

Emergency disaster relief - Urgent aid for Hong Kong fire rescue operations

In November 2025, after a major fire broke out at Wang Fuk Court in Tai Po, New Territories, Hong Kong, Huaqin Technology responded swiftly to public concern by immediately donating HKD 5 million towards the relevant rescue and post-disaster reconstruction work, to be used for the emergency relief and subsequent recovery of the affected people.



Huaqin's donation certificate

Social welfare



Case

Caring for autistic children, safeguarding the "children of the stars"

The Company continues to carry out the "Qin Communication" project to protect "children of the stars". Through teaching methods such as art therapy and situational simulations, it helps autistic children improve their cognitive and expressive abilities and enhance their social interaction skills. In April 2025, the Company held the "Faint Light Shines on Stars, Building the Future Together" public advocacy event for the 18th World Autism Awareness Day, launching a "Caring for Autism" advocacy appeal together with caring individuals from all sectors of society. In August of the same year, it organised a "Walk for Love" event, donating RMB 20,000 to the "Star Homeland Support Programme".



The "Caring for Children of the Stars" project



The "Qin Public Welfare-Walk for Love" event



Case

School-enterprise cooperation project, promoting the integration of vocational education and industry

The Company actively responds to the national call for promoting school-enterprise integration. By deepening the integration of industry and education, it provides students with more practical opportunities and career development pathways, contributing to the high-quality development of vocational education. In 2025, the Company established partnerships with Shanghai FAST Future Academy and Luohe Technician College to jointly develop corporate and professional courses tailored to students' competency development, and to provide students with high-quality internship positions to enhance their professional skills and employability.



Interaction with Shanghai FAST Future Academy



The Company awarding Luohe Technician College the "Excellent School-Enterprise Cooperation Institution" plaque



Case

Science popularisation in schools, supporting the development of basic science education

The Company continuously promotes the popularisation of science education, committing to combining its technological advantages with public welfare resources to broaden the scientific horizons of young people and contribute corporate strength to nurturing future science and technology talent. In 2025, the Company organised the Huaqin Science Popularisation in Schools public welfare project with the theme "'Core' Light in Schools, Igniting Curiosity", where employee volunteers went into primary and secondary school classrooms to stimulate children's interest in and spirit of exploration for science.



The Company's volunteer conducts science popularisation courses for primary and secondary school students



Case

The Company conducts a nursing home visit project, conveying corporate care

In the autumn of 2025, we conducted a nursing home visit project with the theme "Guarding the Silver-Haired, Warming the Golden Autumn". We organised employees from various locations to visit local nursing homes and carry out a series of activities. The project covered multiple nursing homes in areas including Shanghai, Dongguan, Nanchang, Wuxi, and Xi'an, providing the elderly with daily necessities, festive greetings, and warm companionship.



Company employees visiting elderly residents in a nursing home

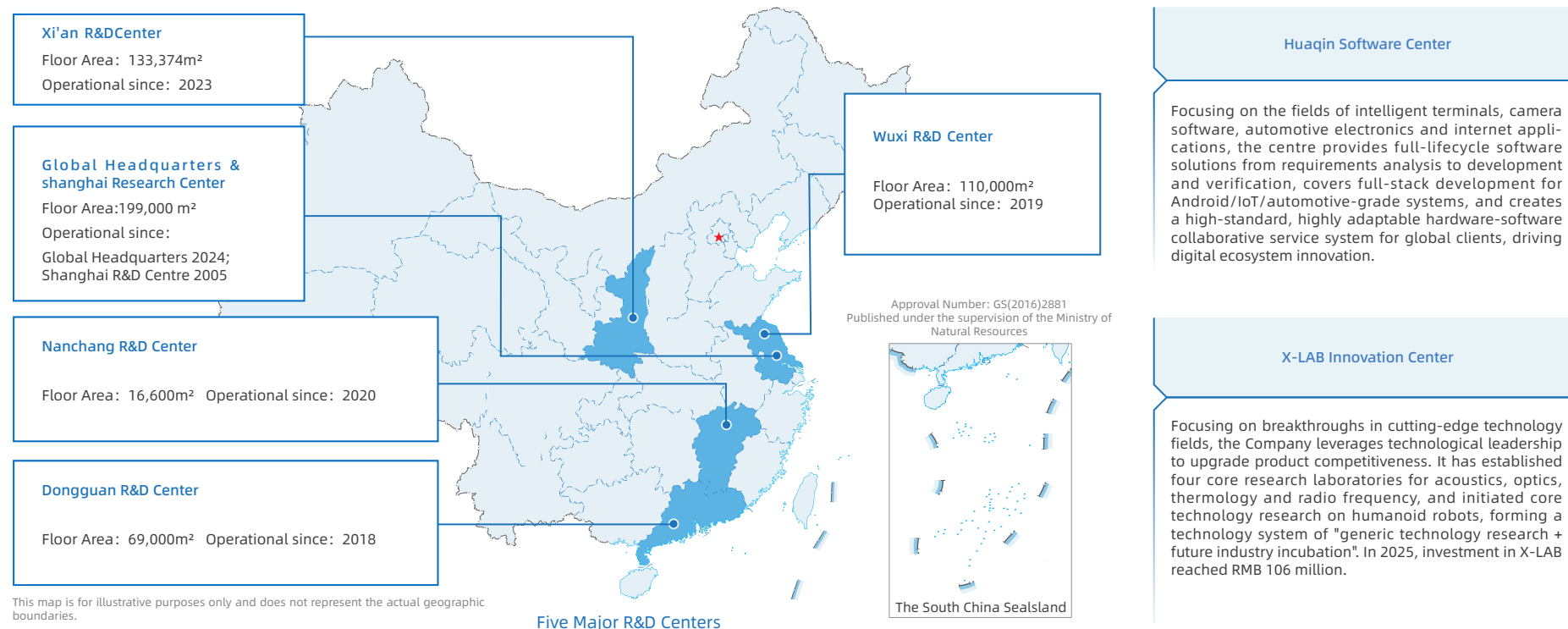
Technology R&D and Innovation

Huaqin Technology regards technological innovation as the core driving force for sustained growth, strengthens its technology reserves in key business areas, continuously increases R&D investment, and relies on a highly collaborative R&D platform to integrate cutting-edge technologies into product innovation. The Company enhances technological innovation, accessibility, and user experience, respects and protects intellectual property rights, promotes the commercialization of achievements, and collaborates with industrial chain partners to advance the sustainable development of the industry ecosystem.

Governance

The Company relies on its global "1+5+5" R&D layout, with the Shanghai Global R&D Centre at its core, building a highly collaborative, cross-regional, cross-institutional, and cross-national global R&D system that covers five major R&D centres in Shanghai, Dongguan, Nanchang, Xi'an, and Wuxi. It has established an R&D architecture with the Central Research Institute as the core, supported by the coordinated efforts of the R&D centres of various business units, to consolidate core technological capabilities and provide systematic support for technology reserves and the commercialisation of achievements.

The Company has built an R&D system encompassing "strategic planning–process optimization–resource integration–technology implementation", formulating clear short-, medium-, and long-term technology development strategies and proactively planning for forward-looking technology pre-research and development. Under the leadership of the Technology Committee led by co-founder, EVP and Chief Technology Officer (CTO), the technology management team coordinates technology planning and execution. Through high-level seminars, it defines medium- and long-term directions, pre-emptively builds technology reserves in line with business strategies, integrates strategic intentions into business design, clarifies R&D strategies and value objectives, breaks down key tasks into annual plans, incorporates key work into departmental key indicators, and continuously fosters a talent culture that supports innovation and technological development.



This map is for illustrative purposes only and does not represent the actual geographic boundaries.

Five Major R&D Centers

Impact, Risk and Opportunity Management

Through efficient R&D management and continuous investment, the Company has proactively deployed a full stack of core technologies covering R&D design, production manufacturing, quality control and supply chain, and possesses the capability for rapid end-to-end implementation from technology pre-research to mass production. Leveraging synergy and platform-based advantages, the Company promotes the rapid cross-business reuse of technological achievements, achieving 0-to-1 breakthroughs and 1-to-N large-scale applications to accurately meet the diverse needs of top global customers in fields such as on-device AI and computing power networks.

In terms of core technology deployment, the Company has achieved breakthroughs in dual systems for smart wearables, high-performance antennas and full-series waterproof processes in the mobile terminal sector; it has mastered technologies for wireless cameras, advanced heat dissipation and lightweight housings for computing and data centers; and its self-developed 77GHz millimeter-wave radar for automotive electronics has reduced the high-frequency board area by 20%. Meanwhile, the Company is actively laying out cutting-edge technologies such as full-color diffractive optical waveguide AR glasses, acoustic metamaterials and high-speed optical module cold plate assemblies to empower the next generation of smart products.



Case

High-end cockpit domain control platform wins best technology practice application award again

In October 2025, Huaqin's high-end cockpit domain control platform won the "2025 Best Technology Practice Application Award". The platform adopts a single-chip, multi-operating system architecture based on the self-developed HiOS technology foundation. It supports seamless 3D interaction, builds an "integrated vehicle-cloud" ecosystem and enables synergy between the AI intelligent assistant and intelligent driving, driving the evolution of the intelligent cockpit from "functional integration" to "scenario-driven" experiences.



Huaqin high-end cockpit domain control platform



Case

Liquid cooling invention patent obtained, breaking through thermal management technology bottleneck

In February 2025, the Company's self-developed "liquid cooling device and electronic equipment" was officially granted a national invention patent, which innovatively uses a leak-proof double-layer sealing design to overcome the liquid leakage challenges of traditional cold plate technology, demonstrating the Company's mastery of key core technologies in electronic equipment heat dissipation and providing a competitive, innovative solution for the green and low-carbon transformation of data centers.



Case

Breakthrough in key technology for low-cost, high-performance PC cooling

In 2025, the Company established a dedicated team to enhance high-performance PC cooling, which, by using an industry-first dual-channel fan and double-sided heat dissipation structure, increased airflow by 15% and doubled the heat dissipation area; the self-developed AI design platform further optimized efficiency by 8%, and the application of new thermal conductive materials achieved a thermal conductivity of 100W/m-K, significantly improving product performance and energy efficiency to drive a green and efficient product transformation through core technology breakthroughs.



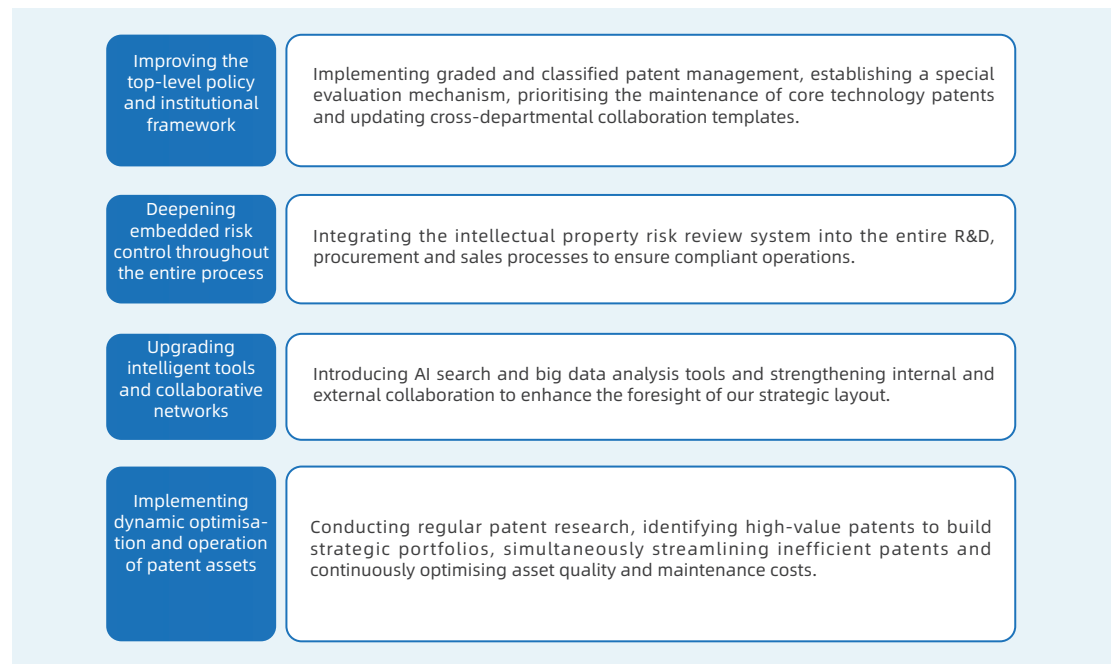
Case

Self-developed 4-breakpoint ID metal frame supports global 5G communication modes

In June 2025, the Company's self-developed 4-breakpoint ID metal frame 5G tablet and antenna technology successfully balanced the texture of the metal frame with structural strength, enabling stable reception of global 5G signals; through its "co-body coupled metal antenna" and "ultra-high frequency cavity antenna" designs, it improves anti-interference capabilities and over-the-air (OTA) performance, reduces development costs, enhances R&D efficiency, and has passed certifications from major global operators, allowing it to provide cost-effective 5G product solutions to clients worldwide.

Intellectual Property Protection

The Company places great importance on independent innovation and the full-lifecycle protection of Intellectual Property Rights. It has formulated and implemented policies such as the *Intellectual Property Management System* and the *Intellectual Property Risk Management Specification*, and has established a dedicated intellectual property group and a patent technology review expert team to standardise patent applications and reviews across the stages of "R&D, application, evaluation, review and incentives". In 2025, the Company systematically built and strengthened its end-to-end intellectual property management system:



The Company has established special bonuses, incorporated patent achievements into job-level assessments and technical team selections, and actively leverages local government talent policies to provide employees with supporting benefits such as household registration and school enrolment for their children, continuously stimulating innovative vitality and strengthening core technology protection. We sign an *Intellectual Property Letter of Commitment* with our suppliers, requiring them to promise that the materials, products or technologies they directly or indirectly provide to the Company do not infringe upon the legal rights and interests of any third party, either domestically or internationally. To enhance its intellectual property risk management and control capabilities, the Company empowers all employees through regular tiered training, a dedicated online KMS section, and knowledge sharing via a monthly intellectual property journal. These initiatives communicate awareness of intellectual property risk categories, their occurrence points, corresponding response measures and case analyses, comprehensively improving the level of Intellectual Property Protection and utilization.

Strategy

The Company deeply integrates technological ethics into its innovation system and has established an AI governance framework covering data security, privacy protection and algorithm governance. It strictly adheres to six basic technological ethics principles in every link of product design and R&D, including "promoting human well-being", "reasonably controlling risks" and "maintaining openness and transparency", ensuring that technological innovation and AI R&D and application are conducted within compliant and reliable boundaries. The Company continuously optimizes the Integrated Product Development (IPD) process, which covers the entire life cycle from concept to mass production, achieves efficient resource allocation and responds to customer needs with high quality. During the reporting period, the Company optimized the system, clarified the responsibilities of product lines, improved decision-making and execution efficiency, and promoted coordination among management, innovation and the industrial chain. Valuing talent incentives, the Company has formulated an innovation management system and established awards such as Top Ten Technologists, Blue Blood Ten Outstanding and Technological Innovation Award to recognize achievements and foster an innovation culture.

Intelligent Digital Transformation

Guided by top-level design, the Company's Digitalization Committee has built an intelligent management platform following the "dual fundamentals, three principles, and three flywheels" philosophy. The platform covers the entire business chain including operations, R&D and manufacturing, comprehensively improving efficiency and data-based decision-making capabilities.



AI-Powered Digitalization Transformation

Since launching the "Tianjixing" AI platform in 2023, the Company has completed three iterations, building a knowledge middle office and a data middle office (integrated with 45 systems) that cover more than 1,200 business scenarios including R&D, manufacturing and supply chain, with applications such as intelligent scheduling, logistics forecasting and AOI inspection implemented. By restructuring business models through the "AI + Workflow + Agent" model, the Company has improved quality and efficiency, fully empowering digital operations to enhance effectiveness.

In the development and application of the Tianjixing platform and other AI tools, the Company adheres to the principles of responsible AI and fulfills all-round security management requirements covering data, information, network and physical dimensions.

- **Data and Privacy Protection:** Privately deployed AI models to adapt to high-security scenarios, with full-link encryption and sensitive word filtering implemented to prevent the leakage of sensitive information such as customer names.
- **Fairness and Bias Mitigation:** Integration of multiple models including Qwen, Doubao, DeepSeek and GPT to reduce potential biases from a single model and ensure the interpretability of results is transparent and traceable.
- **Manual Verification and Review:** Establishment of an accuracy evaluation mechanism for AI-generated results in key scenarios such as finance and human resources, with low-confidence results automatically sent for manual review.
- **Transparency and Traceability:** Persistent storage of AI data and invocation logs to ensure full-process traceability, with clear identification of AI-generated content.
- **Scope of Application and Behavior Restrictions:** Clear definition of applicable scenarios and prohibited behaviors for AI. The Company commits not to use or deploy AI tools or systems with functions such as manipulative behavior, vulnerability exploitation or unauthorized biometric surveillance, and only deploys formal open-source models constrained by built-in system prompts.
- **Permission Management and Capability Development:** Management of usage permissions for different models on various platforms at the personnel and organizational levels, establishment of AI and RAG capability evaluation mechanisms, and regular AI usage training for all employees at the corporate, system and departmental levels.

Intelligent Supply Chain Improves Operational Efficiency

The Company has independently developed an industry-leading intelligent manufacturing system that enables real-time production monitoring, intelligent scheduling, and automated data collection. It dynamically optimizes production planning and logistics and links in real time with R&D, supply chain, and delivery processes to achieve full-link information sharing and traceability. Relying on an intelligent manufacturing data platform based on the principles of "unified platform, unified data, and unified operations", the system focuses on automation, digitalization, lean production, and green manufacturing. It integrates precision structural components, flexible production, and digital management, possesses micron-level precision processing and automated quality inspection capabilities. These capabilities underpin real-time scheduling and quality traceability across global production bases.

During the reporting period, the Nanchang 5G+ Smart Factory utilised a low-latency network to achieve intelligent coordination of production, warehousing, and energy consumption. This resulted in a 10% increase in production efficiency, a 10% reduction in warehousing labor costs, and a 5% decrease in energy consumption per unit of output, significantly enhancing operational efficiency and transparency.



Case

The Huaqin AI innovation and application competition

From June to October 2025, the Company held the Huaqin AI Innovation and Application Competition to popularise AI knowledge, explore the potential of business scenario applications, and promote technology implementation and talent incubation. The competition featured two tracks, "Idea Collection" and "Application Realisation", encouraging employees to propose innovative concepts or develop practical applications based on business needs. The event collected over 300 creative proposals, 36 of which were successfully implemented. These initiatives incubated solutions such as intelligent software code analysis, AI full-link automated testing, intelligent visual inspection for manufacturing, and intelligent logistics planning. These solutions effectively improved code quality, testing efficiency, production accuracy, and operational synergy, successfully addressing key business pain points.



Achievements of AI-assisted intelligent logistics globalisation

MRP | Driving Material Preparation

- Fast MRP planning (within 30 minutes) to efficiently respond to customer changes
- Supports complex alternative material selection scenarios

APS | Driving Production

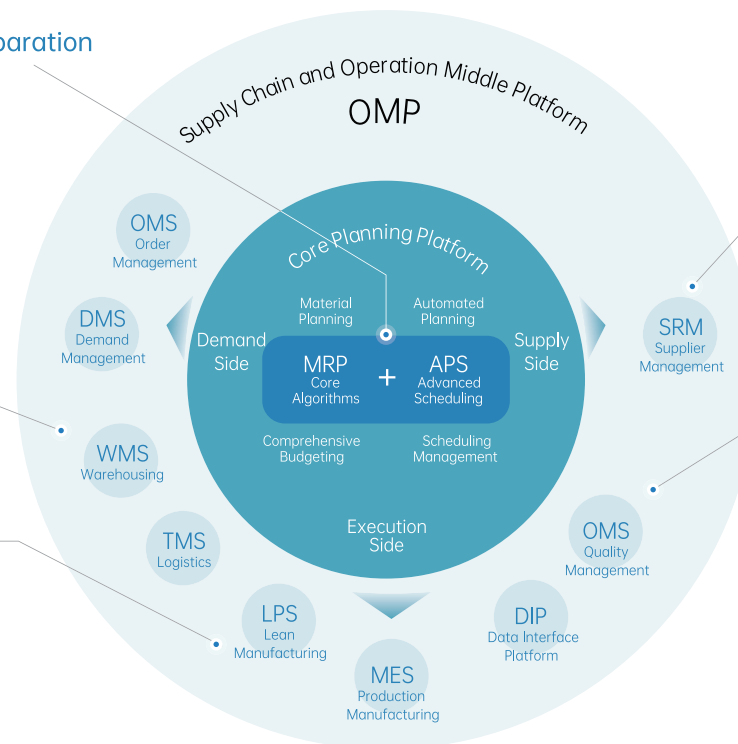
- Advanced planning and scheduling (APS) for efficient production scheduling

WMS + TMS

- Full visibility of the logistics and warehousing chain

MES+LPS+DIP

- Full process control of production, leading lean manufacturing improvements
- Cross-domain data aggregation, ensuring stable delivery of diverse group products



SRM

- Efficient Sourcing and Compliant Procurement
- Refined Management of Procurement Processes

QMS

- End-to-end process integration with comprehensive system coverage across all business areas
- Transparent data, enhancing management accuracy and efficiency

Digital-enabled Integrated Supply Chain Operations

Indicators and Targets

The Company has set clear targets for its patent portfolio, strengthened intellectual property training and assessment, and continuously increased internal innovation incentives. In 2025, various intellectual property and innovation awards yielded significant results.

Target	2025 Progress
Maintain a global portfolio of 3,200 valid patents by 2026	Achieved 3,569 valid patents



Key Performance



In 2025

R&D Investment RMB **6.377** billion

Intellectual Property Protection

Intellectual Property Training Held

10 Sessions

Number of Participants in Intellectual Property Training

695 Person-Times

Number of R&D Personnel Participating in Intellectual Property Examinations

10,276 staff

Pass Rate for Intellectual Property Examinations

96.85 %

Number of Software Copyrights Granted

273 Items

Number of Newly Granted Patents

375 Items

Internal Innovation Incentives

Top Ten Technologists

10 Awards

Top Ten Management Award

12 Awards

Technological Innovation Award

155 Awards

Product Innovation Award

14 Awards

ID Creative Award

14 Awards

Intellectual Property Innovation Award

1,076 Awards

Innovation Rewards for Management and Technology

5,251,800 RMB

Product Quality and Safety

Huaqin Technology has always regarded product quality and safety as the lifeline of its development. Adhering to the philosophy that "being customer-centric is predicated on being quality-centric", the Company continuously advances the digitalization and refined control of its quality management. It strengthens quality responsibility and culture among all employees, constantly enhancing product safety, stability, and consistency to provide trustworthy, high-quality products to its global customers.

Governance

The Company has established a Quality Committee chaired by the Chairman and CEO, with the co-founder serving as the Chief Quality Officer (CQO). This committee reviews quality policies and objectives annually and promotes the standardised operation of the full-lifecycle quality management system. A tiered meeting mechanism is in place: the CQO convenes quarterly meetings with business heads to discuss quality strategies and pain points, while quality heads of each business unit break down and take measures monthly, ensuring target achievement through specialized improvements and reviews. Each manufacturing base has a cross-departmental collaborative structure. The production and quality departments lead inspections and anomaly improvements throughout the entire process, while departments such as warehousing, procurement, and R&D collaborate to establish standards for packaging, protection, and delivery. This ensures that product quality is controlled throughout its entire lifecycle, consistently upholding high-standard quality requirements.

Impact, Risk, and Opportunity Management

The Company has built a quality management system covering the entire product life cycle, deeply integrating R&D, materials, production, management and IT systems. In the preliminary stage, proactive prevention is implemented through identification of standard requirements and risk planning. During implementation, in-process control is achieved through supplier audits, material control, digital monitoring of the production process and first article management. After-sales, rapid Voice of the Customer (VOC) response and data feedback drive continuous improvement, forming a quality closed loop of "proactive prevention, in-process control and post-event improvement" to comprehensively enhance product reliability and customer satisfaction.

The Company has established a full-chain risk management system that extends from compliance to innovative prevention. It strictly implements mandatory certifications and third-party testing and carries out tiered management of hazardous substances. The Company has innovated its quality risk management model by implementing layered reviews and closed-loop management to reduce risks associated with new product introductions. Relying on the QBR system, it tracks pre-deduction items in real time to guard against business continuity risks. In adherence with international standards, the Company conducts product Life Cycle Assessments (LCA), transforming environmental compliance into opportunities for eco-design.

Product Development Process	Product Roadmapping		Planning		Development		Design Verification		Release		Lifecycle			
Material Quality	Standards and Agreements Identification and Establishment		Project Quality Plan Development									TOPN Special Quality Improvement		
			Testing Strategy Management		Product Technical Review		3T Trial Production On-site Support		Change Management		After-sales EWP Management			
Material Quality	Supplier Auditing and Certification		Material Selection		Material Maturity Control		Sample Sealing Management		QSA/QPA and Exception Management		KPI Monitoring and Supplier QBR			
Production Quality	Factory/Operators Certification		Trial Production Quality Control		Production Line Certification		Resource Matching Risk Management		Production Ramp-up Management		TQM Supervision		Mass Production Delivery Quality Assurance	
Management Systems	Quality Management System		Environmental Management System Occupational Health Management System		Medical Device Quality Management System		Hazardous Substance Management System		Automotive Quality Management System		CSR Management System		Information Security Management System	
IT Systems	Project Management PLM System		Issue Management JIRA System		Traceability System MES		Exception Management System OA		Document Control System DCC System		Data Analysis Quality BI			

Full Life Cycle Quality Management Process

Product Recall Management

The Company has established a product recall management system covering four dimensions: trigger mechanisms, responsibility determination, process execution, and continuous improvement. This system comprehensively safeguards product quality, safety, and consumer rights. There have been no product recall incidents in the past four years.

Recall trigger and graded response mechanism

Recalls are triggered by brand notifications or internal quality analysis, covering design defects, batch issues, and customer complaints. A graded management system is implemented, establishing a "1, 3, 5"-day reporting and escalation mechanism, with response times defined according to the level of impact.

Responsibility definition and decision-making process

The Company determines when a recall is caused by ODM responsibility and leads the recall decision-making process, forming a decision-making chain with clear rights and responsibilities.

Full-process traceability and execution management

The traceability system is used to accurately locate affected products and execute steps such as assessment, replacement, and rework. Standardised forms ensure the recall process is controllable and auditable.

Closed-loop improvement and knowledge management

After a recall, the quality department organises a retrospective analysis, issuing bilingual reports and identifying areas for technical and managerial improvement. Case sharing and sessions are held regularly to transform common issues into design specifications, checklists, and process optimisations, which are incorporated into the quality case library to enhance the system's preventive capabilities.

Strategy

The Company strictly adheres to domestic and international laws, regulations, and globally recognised quality management standards, continuously improving its product quality management system. It has formulated management specifications such as the *Regulations on After-Sales Quality Management for Complete Machines*, *Test and Verification Process Document*, *Incoming Inspection Control Procedure*, *Product Monitoring and Measurement Control Procedure*, *Assembly and Packaging Process Inspection Management Specification*, and *Product Protection Management Specification*. These documents detail work assessment standards and fully mobilise employees' ability and awareness to enhance product quality. Currently, the Company has established and effectively operates both ISO 9001 Quality Management Systems and IATF 16949 automotive quality management system. Both systems have been certified by authoritative bodies and undergo annual audits to ensure their continued compliance and operational effectiveness.



Lean Quality Management

The Company integrates diverse methodologies such as QCC, Six Sigma, and TOPN to build a quality ecosystem covering the entire chain of "prevention-control-improvement". Key nodes like technical reviews (TR) and trial production release reviews are embedded in the product development phase, and a quality management review mechanism is established to ensure the deliverables at each stage are controllable. Structural cause analysis is conducted through case reviews to promote root-cause governance and the establishment of preventive mechanisms. QCC (Quality Control Circles) rely on a full-participation model, using the PDCA cycle to achieve a closed loop of quality problem-solving and continuous optimisation. TOPN initiatives focus on quality incidents, production abnormalities, and FFR (Field Failure Rate) issues, implementing comprehensive reviews and high-risk identification to drive process improvements. Six Sigma projects use the DMAIC method, based on customer needs and strategic pain points, to promote process standardization and reduce the defect rate.

During the Reporting Period, the Company received honors such as "Excellent Supplier" and "Outstanding Quality Award" from multiple clients for its excellent product quality and high-standard services, as well as several quality and product design accolades from various levels of government and industry associations.



Guangdong Provincial Government Quality Award Nomination

The Automotive Electronics HMI Design Team Won Three International Design Awards



Won the Gasgoo Award for Best Technical Practice and Application for the Second Consecutive Year



Industrial Design Won the German iF Design Award

Digitalisation of Quality Management

The Company is committed to empowering its business with high-quality data to drive data-led business transformation. We have constructed a business logic centered on "planning-architecture-data" and established a dual-drive mechanism of "coordination by the data management team + shared responsibility by domain VPs". This continuously empowers and promotes data quality in previously uncovered areas, breaking down departmental barriers to form a collaborative quality ecosystem of "business-technology-data". By strictly implementing the "Seven Elements for IT Annual Planning Admission" evaluation system and developing a supporting data quality talent certification system, we have solidified the foundation of our digital governance.

As of the end of the Reporting Period, digital quality monitoring has covered 18 key data objects, including R&D, manufacturing, and procurement. Over 610,000 data quality issues have been resolved based on 159 monitoring rules. Specialized projects, such as full-process management of quality OBA and RMA orders, have been steadily implemented. Through the digitalisation of quality, we have achieved closed loops for both business processes and data flows, supporting the efficient and sustainable development of our quality operations.

Building a Quality Culture

The Company places great importance on building a quality-focused culture among all employees. By conducting quality training, setting up quality "red and black" lists, holding Quality Month events, and organising quality knowledge competitions, we deeply embed quality awareness throughout the entire chain of R&D, manufacturing, and services. This drives a shift from passive compliance to proactive quality prevention for all employees.



Case

Six Sigma enablement training

The Company organizes Six Sigma enablement training to deepen employees' mastery of data analysis and problem-solving skills, enhancing their customer-facing ability and the logic and systematicity of closed-loop improvement. During the reporting period, training coverage was extended to business groups including Mobile Business Group (MBG), Computing Business Group (CBG) and Data Business Group (DBG). The certification exam pass rate has risen steadily from 25% to 55% over three consecutive years. The Company has added 3 new Black Belts and 20 new Green Belts, continuously strengthening the talent pipeline and effectively supporting the systematic optimization of business processes.



Case

Quality month activities establish internal benchmarks

Since 2008, the Company has held a "Quality Month" event every September. The 2025 event, themed "Customer-Centric, Quality-First", featured a series of promotional activities including quality benchmarking, knowledge competitions, and quality activity days. These events covered all domestic and international business groups and manufacturing centres, serving as an important vehicle for practising our quality commitments, strengthening organizational capabilities, and building employee consensus.



Quality month activities

Indicators and Targets

The Company has established an indicator and target management mechanism centered on quality and product management, tracking and evaluating performance against targets on a monthly basis. For any targets not met, a cause analysis is promptly initiated and improvement measures are implemented to ensure closed-loop management.

Target	2025 Progress
0 Customer Complaints	Not Achieved 5 Quality-Related Customer Complaints, 100% Closed-Loop Resolution
0 Violations	Achieved
0 Product Recall Incidents	Achieved
100% Pass Rate in Third-Party Product Testing	Achieved
Complete 2 Six Sigma Black Belt Projects	Achieved



Key Performance

In 2025

Product Quality and Safety

Percentage of the Group and Its R&D and Manufacturing Centres Certified to ISO 9001: Quality Management Systems

100%

Number of Subsidiaries Certified to the IATF 16949 Automotive Quality Management Systems Standard

4 companies

Number of Subsidiaries Certified to the ISO 13485 International Quality Management Systems Standard for Medical Devices

3 companies

Building a Quality Culture

Number of Quality Kick-Off Meetings Held

12 Sessions

Number of Participants in Quality Activity Day

3,000+ staff

Number of Participants in the Company-Wide Quality Knowledge Examination

13,819 staff

Passing Rate

98.2%



Customer Relationship and Services

Huaqin Technology is committed to customer success, leveraging its core capabilities and robust quality to provide end-to-end services, from product R&D to operations and manufacturing, for global technology brand clients.

Customer Service Management System

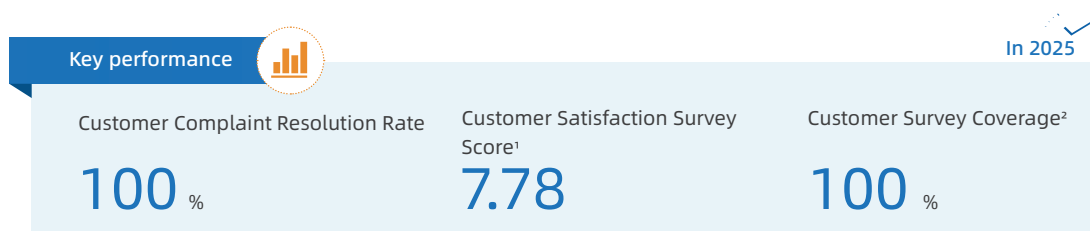
The Company continuously enhances its customer service governance system. It has formulated policies such as the *Customer Satisfaction Management Process* and the *Responsible Marketing Policy* to define service standards and compliance boundaries. "Infringing on customer interests" is classified as a top-level prohibition, and false advertising and unfair competition are strictly forbidden. The Company has established internal supervision and third-party evaluation mechanisms, commits to legally collecting information for service improvement only with customer authorisation, and regularly reviews compliance.

We strictly implement responsible marketing, ensuring that all promotional content is truthful, accurate, and consistent with contracts and actual product performance. The use of the "Three Sames" label is standardised to ensure quality claims are verifiable, and promotions of energy conservation and environmental protection are based on certified data. Product design considers both safety and ease of use, with special attention given to children and the elderly, using illustrations and videos to enhance the clarity of instructions. During the reporting period, there were no incidents of false advertising, unfair competition, or privacy breaches.



Customer Satisfaction

The Company has established a customer satisfaction management and improvement mechanism. It conducts at least one targeted survey annually for clients, using questionnaires and interviews, based on their actual shipment data and the depth of cooperation for the current year. The survey covers three parts: customer satisfaction, customer complaint issues, and QBR (Quarterly Business Review) issues. The survey results are directly linked to the performance evaluations of relevant positions, and assessment weights are dynamically adjusted according to client strategies to ensure internal actions are aligned with customer expectations and to reinforce a service-oriented approach. For issues raised by customers, corrective measures are formulated and their implementation is tracked through the Voice of Customer (VOC) system until closure.



¹The full score is 10 points.

²To ensure data validity, statistics are based on the customer group with actual shipment records during the year and in a stable cooperative relationship, covering the Company's top-tier customers.

Customer Complaint Response and Closure

The Company has established a customer complaint handling system where the marketing and quality teams collaborate with the Customer Quality Manager (CQM) to provide precise, tiered responses. The CQM leads the formation of a dedicated team to trace the root cause, requiring the responsible party to submit short-term measures within 3 days and formulate a long-term plan within 5 days, which is then closed after multiple levels of review. A customer satisfaction specialist summarizes and publicises the handling progress monthly to ensure substantive resolution of issues.



Pre-Sales

Customer needs are identified through multi-dimensional evaluation mechanisms and satisfaction surveys, with relevant requirements integrated into the solution design phase to formulate cross-departmental collaborative service strategies.



In-Sales

Project quality objectives are established, broken down, and implemented, while process-related issues are resolved to ensure delivery quality and timeliness.



After-Sales

Leveraging VOC standards, a tiered, full-process control system for customer complaints is implemented, defining all stages from submission to closure. Quality issues are handled according to the recall process to safeguard customer rights and interests.

Industry Leadership and Cooperation

Huaqin Technology adheres to the principle of open cooperation, actively plays a leading role in the industry, and is committed to building an industrial ecosystem of collaborative innovation. By introducing the Integrated Product Development (IPD) system, the Company achieves deep synergy across R&D, operations, delivery, and quality. Through participation in high-level industry exchanges, promotion of deep integration between industry, academia, and research, and contribution to the development of industry standards, Huaqin Technology works with global partners to explore new trends in technological development and deepen value co-creation across the entire industry chain.

Sharing Industry Perspectives

As a "chain-leader enterprise in the industry-academia-research-application joint research alliance", Huaqin Technology proactively takes the lead in building industrial collaboration platforms. It collaborates with universities and research institutions to jointly conduct research on key topics and explore technical standards, promoting collaborative innovation in cutting-edge technologies:

Collaborated with Shenzhen University to develop an ENC noise reduction algorithm, which employs a dual-MIC solution integrating traditional and AI-based sound pickup and noise reduction, significantly enhancing call clarity while effectively suppressing environmental noise.

Engaged in close collaboration with universities such as Xidian University, Chongqing University, and Shenzhen University to research and develop 5G/6G antenna technology.

Conducted research with universities including Shanghai Jiao Tong University on 4D millimetre-wave radar array waveguide antenna systems and high-precision signal processing algorithms.

Partnered with Dalian University of Technology to Conduct Research on High-Heat-Flux Two-Phase Heat Transfer Technology.

Engaged with Tsinghua University in Research on Aerodynamic Surface Drag Reduction Technology Within the Field of Aerodynamics.

Industry Ecosystem Development

In key areas such as artificial intelligence and automotive electronics, Huaqin Technology joins forces with industry peers to advance industrial innovation and development. The Company continuously strengthens ecosystem collaboration, helping the entire industry navigate the digital wave with stability.



Case

Debuting at the Intel Innovation and Industry Ecosystem Conference, empowering the new AI era with a full-stack product portfolio

In November 2025, Huaqin Technology appeared at the Intel Innovation and Industry Ecosystem Conference, showcasing its full-stack "Compute-Network-Storage-Management" product matrix for the AI era. Through keynote speeches and technical sharing sessions, the Company systematically presented its technological expertise and solution capabilities in the intelligent computing field, highlighting its leading position in AI infrastructure.



On-site exhibition of the Company's full-stack product matrix



Case

Huaqin Technology's integration of "three transformations" driving new industrial quality and innovative practices

In September 2025, Qiu Wensheng, Chairman of Huaqin Technology, attended the 25th China International Industry Fair and delivered a speech titled "Embracing New Quality Productive Forces in Industry, Jointly Creating Boundaryless Manufacturing". He elaborated on how the Company relies on its core ODMM competitiveness to deepen its high-end, intelligent and green transformation, build a full-life cycle digital management platform, implement green technologies such as 100% recyclable packaging materials, collaborate with the industrial chain for coordinated innovation, and jointly promote industrial upgrading.



Chairman Qiu Wensheng Delivering a Speech at the China International Industry Fair



Case

Hosting the first Technology Exhibition to showcase "hardcore innovation" platform capabilities

In August 2025, Huaqin Technology held its inaugural "Wu 20-Technology Towards the New" Technology Exhibition at its Shanghai Global R&D Centre. The exhibition displayed a full-chain technology layout covering smart terminals, data centers, and automotive electronics, and presented over 130 innovative achievements, including smart earphone technology, laptop cooling solutions, and AI cockpits, providing customers with technical solutions that offer superior performance and multi-scenario adaptability.



Case

Participating in the 2026 CES in Las Vegas, empowering global smart industry development through a technology platform approach

In January 2026, Huaqin Technology exhibited at the Consumer Electronics Show (CES) in Las Vegas, systematically showcasing its technological breakthroughs and ecosystem collaboration achievements in consumer electronics, automotive electronics, PCs, and AIoT devices. The Company launched AR full-color diffractive waveguide glasses, enhanced office efficiency and security with a cloud-edge collaborative AI Docking solution, and worked with partners to build an open ecosystem from components to terminals, driving sustainable industrial upgrades.



Display of automotive electronics products and solutions

Sustainable Supply Chain

Through systematic development, Huaqin Technology drives long-term value with a Sustainable Supply Chain. The Company collaborates with partners to build a compliant and transparent supply chain, a low-carbon and circular green supply chain, and a traceable and controllable conflict mineral management system, jointly creating a value chain that is resilient, responsible, and mutually beneficial.

Governance

The Company has established a sustainable supply chain management system coordinated by the ESG Executive Committee and led by the Quality Management Department. The Quality Management Department is responsible for CSR policy updates, supplier enablement and conflict minerals management. The Resource Development Department is responsible for supplier access evaluation and continuous improvement. The SQE Department conducts quality and CSR audits; the Human Resources and Administration Department is responsible for CSR management of on-site service suppliers.

The Company has published the *Conflict Mineral Use Management Procedure* and conducts supply chain investigations using the CMRT template to identify 3TG smelters and assess risks. This data is incorporated into the SRM system, and the compliance of smelters is verified against the RMI RMAP, continuously enhancing the standardization and effectiveness of management.

Impact, Risk, and Opportunity Management

Development and Access

The Company has established and dynamically updates supplier access management mechanisms for all business categories, including the *Supplier Certification Procedure* and the *Tiered Supplier Access Threshold Standards*. During the new supplier onboarding phase, corporate social responsibility (CSR) is a mandatory access condition. A comprehensive assessment evaluates their compliance performance in areas such as environment, occupational health and safety, labor and human rights, business ethics, and conflict minerals. Special attention is given to certifications like ISO 14001, ISO 45001, SA8000, RBA, and QC 080000. A minimum CSR audit score of 70% is required. Suppliers must also comply with applicable laws, regulations, and the RBA Code of Conduct, and sign a *Supplier Quality Agreement* that includes CSR clauses. Through on-site audits and joint assessments by multiple departments, the Company ensures that newly introduced suppliers are capable of fulfilling their obligations in quality, delivery, compliance, and social responsibility.

Risk Management

The Company has established a supply chain risk management system focused on "compliance, sustainability, and procurability", and regularly assesses supply risks such as geopolitical issues and industry changes. Risk assessments are conducted and contingency plans are developed before introducing new materials and suppliers. Existing suppliers undergo an annual CSR risk assessment based on dimensions like procurement volume, environmental and labor practices, and customer focus, with differentiated controls applied based on risk levels. An emergency risk response mechanism has been established, and a "Monitoring Daily" early warning system has been launched to enable proactive identification of cyclical risks and a 24-hour response to temporary risks, thereby reducing the risk of supply interruptions and non-compliance.



Supply chain emergency risk response mechanism

Tiered Management

The Company implements a tiered management system for suppliers based on monthly performance assessments and annual comprehensive evaluations. Suppliers are graded on dimensions including quality, delivery, cost, technical capability, and CSR performance, with the results serving as a key basis for procurement strategies and resource allocation. High-performing suppliers are given priority in cooperation and offered incentives under equal conditions, while underperforming suppliers are subject to stricter management and specialized coaching to drive continuous improvement.

Exit Management

The Company has established a standardised and prudent supplier exit mechanism to ensure supply security and compliance stability. For suppliers that fail the annual CSR audit or violate CSR red-line requirements, the Company demands rectification within a specified timeframe. If standards are not met by the deadline, a phase-out procedure will be initiated in accordance with the law. Before a supplier exits, a procurement engineer formulates a material supply assurance plan to ensure business continuity. The exit process is executed after internal approval, and related accounts and permissions are frozen simultaneously. As a general rule, exited suppliers are not eligible for re-introduction for three years.

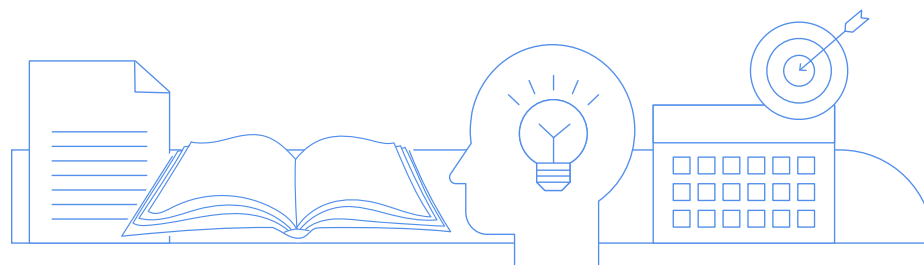
Supplier CSR Audits

The Company implements full lifecycle audit management for suppliers in accordance with relevant standards such as the *Supplier Quality Audit Management Specification* and the *Supplier Quality System Audit Checklist*, integrating CSR performance (which accounts for 15% of the supplier audit weight) into the performance system. Potential suppliers must pass a social responsibility self-assessment and an on-site audit. Registered suppliers conduct an annual online self-assessment based on RBA requirements, with on-site audits arranged for those identified as medium or high risk. The audits cover key areas including labor rights, health and safety, environmental protection, business ethics, and conflict minerals, following a closed-loop management process of "screening-self-assessment-scoring-rectification". Suppliers are encouraged to obtain certifications such as RBA, SMETA, and SA8000. If issues are found, corrective and preventive action plans must be submitted within one week, which the Company then reviews, verifies, and tracks. Audit results serve as an important basis for procurement share allocation, cooperation incentives, and exit management, continuously enhancing the compliance and sustainable development capabilities of the supply chain.

In 2025, the Company identified 1 high-risk supplier, 11 medium-risk suppliers, and 135 low-risk suppliers through its CSR audit process, achieving a 100% audit improvement rate.

Supplier Empowerment and Improvement

The Company has formulated the *Supplier Empowerment Process and the New Supplier Coaching Mechanism*. Through empowerment initiatives and regular communication channels, it promptly communicates the latest social responsibility requirements, including business ethics and conflict mineral management, to suppliers. This drives improvements in their quality management and sustainability performance. Differentiated training and advocacy are implemented based on the results of the supplier tiered management system. Regarding cooperation mechanisms, the Company has built a multi-level communication and exchange platform, strengthening long-term strategic partnerships with suppliers through high-level visits, regular site visits, industry exhibitions, peer exchanges, and third-party platforms.



Case

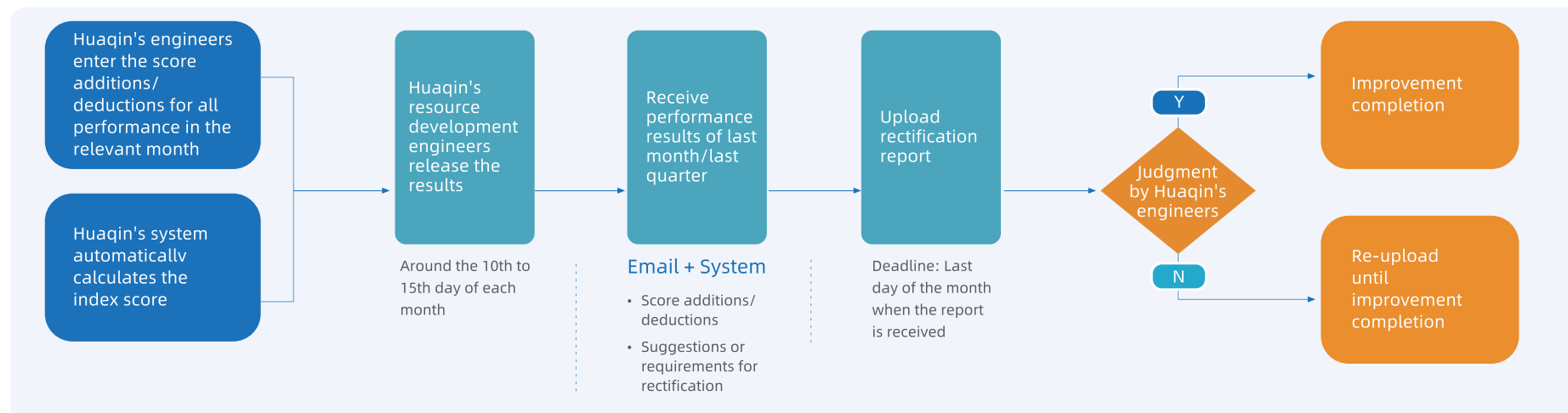
Huaqin Technology 2025 Supplier Sustainability Conference

On 16 May 2025, the Company held the "Huaqin Technology 2025 Supplier Sustainability Conference" in Dongguan, discussing the green supply chain with 350 representatives from over 200 suppliers. Heads of the Company's ESG management, CSR management, and product environmental compliance departments detailed strategic requirements, working together to build a resilient Value chain based on integrity, safety, and green principles.



Huaqin sustainable supply chain strategy briefing

For issues identified during audits, the Company requires suppliers to formulate a Corrective Action Plan (CAP) and follows up until closure. Suppliers classified as "restricted choice" and "needs improvement" are subject to special monitoring. Major sustainability issues must be rectified within one month, serious issues within three months, and general issues must be closed within six months, with improvement progress reported monthly.



Supplier Improvement Process

Strategy

The Company follows the RBA Code of Conduct, formulates responsible sourcing policies, and promotes the *Supplier Social Responsibility Code of Conduct* to its suppliers to create a fair, transparent, and ethical business environment. By building a comprehensive sustainable procurement system covering the entire process of access, performance, evaluation, risk control, and exit, and by establishing regulations such as the *Supplier Certification Procedure* and the *Graded Supplier Access Threshold Standards*, the Company provides a management basis for compliant and responsible sourcing. The Company requires suppliers to strictly adhere to CSR red lines, establish CSR management systems and publish policies with reference to international standards, incorporate social responsibility incident reporting mechanisms into cooperation agreements, and strengthen the forward-looking identification and rapid response capabilities for supply chain risks. In 2025, the Company will focus on advancing its supplier sustainable development performance excellence programme, using performance-based incentives to drive the strategic upgrade of its Sustainable Supply Chain management. The programme establishes a quantitative scoring mechanism covering dimensions such as conflict mineral management, CSR audits, energy and water resource management, and product environmental protection to implement a tiered management of supplier ESG performance: excellent suppliers are included in a special cooperation list and recognised with the "Sustainable Partner Award", medium-performing suppliers are continuously monitored, and underperforming suppliers are ensured to meet baseline requirements, supplemented by empowerment training and corrective actions. Through positive incentives and tiered management, this approach effectively promotes the sustainable transformation and upgrading of the Supply Chain, helps cultivate benchmark partners in sustainable development, and builds a healthy and resilient Value chain.

Digital Supplier Management

The Company continues to advance the digital transformation of its supplier management, having already integrated nearly all suppliers into a unified SRM system. In addition to conventional functions such as bidding and quotation, audits and inspections, material monitoring, and information dissemination, key ESG modules including sustainable management surveys, environmental compliance, conflict mineral screening, and carbon data inventories have been fully digitised, enabling routine management and control. Concurrently, a supplier risk map has been developed to support dynamic, visual monitoring and intelligent early warnings for risks associated with both domestic and international suppliers.

Transparent Supply Chain

The Company resolutely prohibits all forms of commercial bribery, illicit transfer of benefits, and unfair competition to ensure the long-term integrity and fairness of Supply Chain cooperation. We and our suppliers mutually agree to comply with applicable laws, regulations, and policy requirements both domestically and internationally, requiring them to sign the *Sunshine Agreement and the Quality Agreement*, which includes social responsibility requirements, establishing business ethics as a critical standard for supplier access and continued partnership. During the reporting period, 100% of suppliers signed the *Sunshine Agreement*, and no incidents of corruption occurred in the Supply Chain.



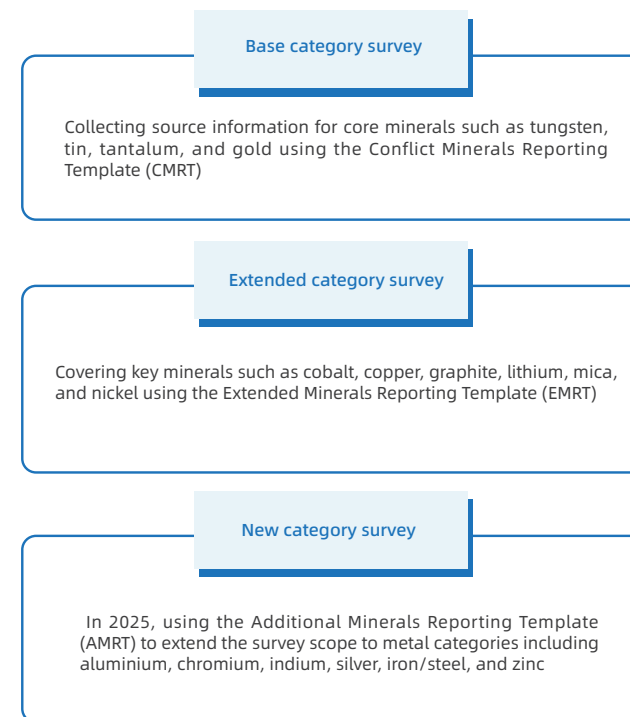
Core Measures and Requirements for Transparent Procurement

Responsible Supply Chain

The Company does not directly procure or use minerals, but essential materials in its products may contain 3TG, cobalt, mica, and others. As a member of the Responsible Minerals Initiative (RMI), we solemnly commit to implementing responsible sourcing, and we do not support or use conflict minerals or raw mineral materials of unknown origin, including tin, tantalum, tungsten, gold, cobalt, and mica. We support the actions against conflict minerals taken by the Responsible Business Alliance (RBA) and the Global e-Sustainability Initiative (GeSI). In accordance with the guidelines of the UNGC, OECD, the *Dodd-Frank Act*, and the RBA, we have formulated the *Huaqin Conflict Minerals Use Management Regulation* and the *Responsible Minerals Sourcing Policy*. These policies explicitly oppose actions in mineral extraction that involve human rights abuses, environmental damage, or the financing of conflict. We require suppliers to declare in their related commitment documents that the products and raw materials they supply do not involve conflict minerals and give preference to suppliers with qualifications such as RMAP certification and CFS certification to ensure the compliance and responsibility of our procurement.

Conflict Mineral Management Process and Due Diligence

The Company strictly adheres to the OECD due diligence standards, conducting Reasonable Country of Origin Inquiry (RCOI) and Due Diligence for products containing relevant raw materials. It has established a responsible management mechanism covering tier-3 (raw material) suppliers to comprehensively identify risks associated with smelters or refiners (SORs) in the Supply Chain. We require suppliers to submit survey results using CMRT and EMRT templates and publicly release the Huaqin Technology Responsible Minerals Sourcing Report to ensure that metals in our Supply Chain do not originate from conflict-affected regions in the Democratic Republic of Congo or its adjoining countries. We are continuously expanding the scope of our conflict mineral investigations, conducting systematic, full-supply-chain conflict mineral surveys annually and using multi-dimensional survey forms to achieve full coverage of mineral categories:



The Company integrates conflict mineral management requirements throughout all stages of procurement, production, and acceptance, strengthening management and traceability mechanisms to ensure that related risks are preventable, controllable, and traceable:

<p>Planning and Risk Pre-Assessment</p>	<ul style="list-style-type: none"> Formulating and promoting the <i>Conflict Minerals Use Management Procedure</i> to clarify responsibilities, work processes, and investigation requirements; Conducting in-depth analysis of product composition and material categories to proactively identify potential minerals, ensuring the accuracy and effectiveness of subsequent investigations
<p>Process Control and Verification</p>	<ul style="list-style-type: none"> Annually launching conflict mineral surveys for all material suppliers via the SRM system, verifying the compliance of their feedback with the RMI RMAP Conformant Smelter/Refiner list; Publishing a list of non-conformant smelters and delivering online training courses to ensure suppliers are fully aware of the requirements and equipped to implement them
<p>Traceability Management and Response</p>	<ul style="list-style-type: none"> If the use of a non-conformant smelter is identified, requiring the supplier to immediately cease procurement from/ use of the non-conformant smelter/ refiner and provide valid evidence and corrective and preventive measures; If a supplier refuses to cooperate with rectification or fails to achieve the desired results within a reasonable timeframe, the partnership will be terminated in accordance with the supplier exit procedure; Publicly Releasing Reports Related to Due Diligence¹

Supply Chain Human Rights Management

The Company integrates human rights protection throughout the entire lifecycle of its supply chain management, implementing a "zero-tolerance" policy and a one-strike veto on access for behaviors such as child labor, forced labor, and inhumane treatment. It establishes diverse communication and grievance channels to safeguard employee rights and reinforces the concept of human rights through annual training and sustainable development conferences, with a key focus on preventing human rights risks in mineral extraction. At the same time, the Company requires suppliers to pay wages in full and on time, ensuring they are no lower than the legal minimum standard and that overtime pay and statutory benefits are provided in accordance with the law. The Company promotes the establishment of a reasonable salary growth mechanism and is committed to enabling all employees in the Supply Chain to earn a decent living wage, jointly building a sustainable supply chain system that respects human rights and shares responsibility. The Company plans to advance living wage assessments for its suppliers, with the goal of "by 2028, encouraging at least 20 key material suppliers to commit to paying wages that meet local living wage standards". It will also share relevant living wage analysis methodologies through supplier conferences and on-site/online audits. For details, please refer to the section "Employee Rights Protection - Living Wage Statement".

Green Supply Chain

The Company progressively embeds carbon management and emission reduction requirements into its supplier management and product lifecycle management, continuously enhancing the green and low-carbon level of its Supply Chain.

Customer Collaboration and Management of High-Carbon-Emission Suppliers

- Conducting special reviews and on-site inspections of high-carbon-emission suppliers based on customer clean energy usage requirements, and inviting five core suppliers to sign relevant agreements;
- Assisting suppliers in completing third-party carbon audits;
- Planning to further refine supply chain carbon management and audit rules in 2026 to encourage high-carbon-emission suppliers to improve their carbon management work

Product Carbon Footprint and Compliance Management

- Organising and conducting ISO 14067 and ISO 14040/14044 product carbon footprint certifications;
- Implementing material and transport data traceability checks for high-carbon-emission suppliers, and cooperating with customers to advance CBAM-related compliance work;
- Collaborating with Suppliers on Carbon Footprint Certification Projects for Key Materials Such as Batteries, Screens, and PCBs

Supply Chain Carbon Management Capacity Building

- In 2025, conducting a special carbon management survey and online training for core suppliers accounting for over 60% of procurement volume to systematically assess their carbon management foundations and data capabilities;
- Assisting Nine Suppliers with Relatively Weak Carbon Management Capabilities in Conducting Carbon Emission Data Organization and Inventory Checks

¹ Relevant reports and initiatives can be found on the official Huaqin Technology website (https://www.huaqin.com/kechixufazhan/sustainable_report).

² Please refer to the section "Employee Rights Protection - Living Wage Statement" for details.

Indicators and Targets

The Company has set clear medium- and long-term indicators and phased targets for responsible sourcing and supply chain sustainability, covering key areas such as supplier CSR audits, carbon emissions and energy conservation management, and conflict mineral due diligence. Through quantitative KPIs, it continuously tracks progress, strengthens the empowerment and data management of key suppliers, and promotes a compliant, transparent, and low-carbon transformation of the Supply Chain. During the reporting period, the Company facilitated 45 Tier 1 suppliers to register on the IPE platform and conduct self-environmental inspections, and assisted 2 Tier 1 suppliers in rectifying and deleting 8 environmental regulatory records. As of the end of the reporting period, a cumulative total of 550 Tier 1 suppliers had undergone CSR audits, covering approximately 70% of the Group's suppliers.

Target	2025 Progress
Achieve a 100% compliance for supplier CSR audits by the end of 2028	Achieved
Complete CSR audits and empowerment for 70% of AVL suppliers in 2025	Achieved
From 2024 to 2028, drive suppliers to achieve a cumulative energy saving of 150 Million kWh through energy conservation initiatives.	In progress
Carbon Emission Data Management and Empowerment for the Top 70 Suppliers.	In progress
Continuously Maintain 100% Due Diligence on Conflict Minerals, with the Goal of Passing Third-Party Verification (IPSA) By 2028.	In progress
By 2028, drive no fewer than 20 key material suppliers to commit to paying wages that meet local living wage standards.	In progress

Key Performance



In 2025

Supplier Assessment

Number of Tier-1 Suppliers Undergoing Social and Environmental Assessments

194

Number of Tier-2 Suppliers Subject to Social and Environmental Management and Control

62

Number of Identified Social Non-Compliance Incidents Involving Suppliers

0

Controversial Procurement

Tier-1 Suppliers Dealing in Minerals Such as Tungsten, Tin, Tantalum, Gold, and Mica

Percentage That Completed Conflict Mineral Surveys

100 %

Number of Suppliers Involved with Conflict Mineral Risk

0

Percentage of Products with External Conflict-Free Certification (RMI)

100 %

Percentage Certified Through the Responsible Minerals Assurance Process (RMAP)

100 %

Number of Suppliers Undergoing 3TG Conflict Mineral Due Diligence Using the SRM System

333

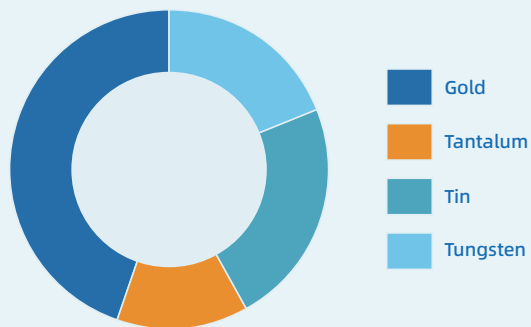
Percentage of raw materials containing 3TG in all products with completed country-of-origin traceability

100 %



Key Performance

Number/Percentage of Smelters or Refiners (SORs) by Mineral Category



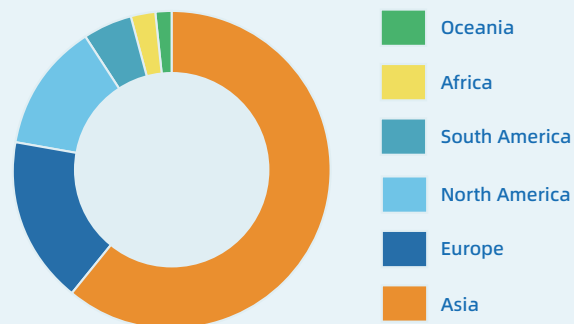
Tungsten
32 (16.0%)

Tin
48 (24.0%)

Tantalum
32 (16.0%)

Gold
88 (44.0%)

Geographical Distribution of Smelters or Refiners (SORs) for Relevant Minerals (Number/Percentage)



Asia
120 (60.0%)

Europe
31 (15.5%)

North America
24 (12.0%)

South America
14 (7.0%)

Africa
9 (4.5%)

Oceania
2 (1.0%)

Appendices

Key Performance Indicators Table

Environmental Performance ¹	Indicator	Unit	2025	2024	2023
Greenhouse Gas Emissions	Greenhouse Gas Emissions²				
	Greenhouse Gas Emissions (Scope 1)	Tonnes CO ₂ Equivalent	8,201.90	7,316.22	5,217.70
	Greenhouse Gas Emissions (Scope 2, Location-Based)	Tonnes CO ₂ Equivalent	321,078.70	241,304.65	209,570.82
	Greenhouse Gas Emissions (Scope 2, Market-Based)	Tonnes CO ₂ Equivalent	244,841.60	217,559.98	203,335.16
	Greenhouse Gas Emissions (Scope 3)	Tonnes CO ₂ Equivalent	192,671.22	27,838.83	22,108.67
	Total Greenhouse Gas Emissions (Scope 1 + Scope 2 + Scope 3, Location-Based)	Tonnes CO ₂ Equivalent	521,951.82	276,459.70	236,897.19
	Greenhouse Gas Emissions Intensity (Scope 1 + Scope 2 + Scope 3, Location-Based)	Tonnes CO ₂ Equivalent/Million in Revenue	3.04	2.52	2.77
	Total Greenhouse Gas Emissions (Scope 1 + Scope 2 + Scope 3, Market-Based)	Tonnes CO ₂ Equivalent	445,714.72	252,715.03	230,661.53
	Greenhouse Gas Emissions Intensity (Scope 1 + Scope 2 + Scope 3, Market-Based)	Tonnes CO ₂ Equivalent/Million in Revenue	2.60	2.30	2.70
Energy	Energy Consumption				
	Total Energy Consumption ³	MWh	814,812.30	527,745.03	414,914.25
	Energy Consumption Intensity	MWh/RMB 10,000 Revenue	0.0475	0.0480	0.0486
	Petrol Consumption	Litres	93,564.54	108,829.24	83,978.19
	Diesel Consumption	Litres	621,313.04 ⁴	150,683.27	99,729.68
	Natural Gas Consumption	Cubic Metres	2,906,240.30	3,055,972.03	3,390,005.60
	Total Electricity Consumption	MWh	781,828.21	497,949.60	382,849.70
	Purchased Municipal Electricity	MWh	727,557.59	474,785.25	368,529.00
	-Purchased Green Electricity Certificates	MWh	172,635.37	56,560.10	10,934.00
	Self-Generated and Self-Consumed Solar PV Green Electricity	MWh	54,270.62	23,164.35	14,320.70
	Energy Expenditure	RMB 10,000	55,712.62	33,354.03	27,537.00

¹ Unless otherwise specified, environmental performance data excludes PLAMEX SA DE CV (Mexico Manufacturing Centre) because the acquisition occurred in November 2025, and the impact materiality of the related data on the Company's full-year data is low.

² The Company's direct Greenhouse Gas Emissions (Scope 1) are calculated based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the China Energy Statistical Yearbook 2022; indirect Greenhouse Gas Emissions (Scope 2) are calculated using the emission factors from the Average Carbon Dioxide Emission Factors for National, Regional and Provincial Power Grids in 2022 issued by the Ministry of Ecology and Environment and the National Bureau of Statistics, the Calculation Results of Vietnam's Power Grid Emission Factor for 2023 from the Department of Climate Change (Ministry of Natural Resources and Environment) of Vietnam, and the Power Sector at a Glance report from the Central Electricity Authority of India; other indirect Greenhouse Gas Emissions (Scope 3), for which the primary identified and inventoried sources are Category 1 Purchased Goods and Services, Category 4 Upstream Transportation and Distribution, Category 5 Waste Generated in Operations, Category 6 Business Travel, and Category 9 Downstream Transportation and Distribution, are calculated based on the values in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the Dataset of Greenhouse Gas Emission Factors for Product Life Cycles in China (2022), and compared to the data disclosed in the prospectus, this Report includes supplementary data for Category 1 (in part) and Category 4, causing Scope 3 emissions to be higher than the prospectus data; for 2025, the inventory boundary for the Company's Greenhouse Gas Emissions was expanded from 2024 to include Bhagwati Products Ltd. (India Manufacturing Centre), Innovation Technology Company Limited Guangdong Hrobot Technology Co., Limited, and PLAMEX SA DE CV (of which PLAMEX SA DE CV – namely, the Mexico Manufacturing Centre – was acquired in November 2025, with its carbon inventory covering the period from November to December 2025), which has resulted in an increase in reported emissions.

³ The Company's total energy consumption data is calculated using the relevant conversion factors provided in the General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020). For 2025, the Company's energy inventory boundary was expanded from 2024 to include Bhagwati Products Ltd., Innovation Technology Company Limited and Guangdong Hrobot Technology Co., Limited, resulting in an increase in total energy consumption. The Company's main sources of energy consumption are petrol, diesel, natural gas, purchased electricity from the municipal grid, and self-generated and self-consumed green electricity from photovoltaics.

⁴ The increase in diesel consumption in 2025 was mainly due to: 1) increased generator diesel usage at the India Manufacturing Centre for production purposes; and 2) diesel consumption from employee shuttle bus services at the Vietnam Manufacturing Centre, which was included in the annual total.

Environmental Performance	Indicator	Unit	2025	2024	2023
Energy	Total Installed Capacity of Commissioned Solar PV Projects	MW	61.60	28.48	19.50
	Percentage of Clean Energy Used	%	27.85	15.11	6.63
	Energy-Saving Technological Upgrades				
	Number of New Energy-Saving Technical Renovation Projects During the Year	Projects	139	316	383
	Direct Electricity Savings from New Energy-Saving Technical Renovation Projects During the Year	MWh	28,923.97	22,124.20	34,222.10
Water Resource Management	Water Withdrawal and Consumption				
	Total Water Withdrawal	Tonnes	5,834,019.95	3,891,138.00	3,126,916.99
	Water Withdrawal Intensity	Tonnes/RMB 10,000 Revenue	0.34	0.35	0.36
	Total Water Consumption	Tonnes	5,834,019.95	3,891,138.00	3,126,916.99
	Water Consumption Intensity	Tonnes/RMB 10,000 Revenue	0.34	0.35	0.36
Waste	Waste Generation and Disposal				
	Total Waste Discharged	Tonnes	57,892.71	42,950.06	33,699.32
	Waste Discharge Intensity	Tonnes/RMB 10,000 Revenue	0.003377	0.003909	0.003949
	Hazardous Waste Discharged	Tonnes	2,791.91	2,425.35	493.62
	Hazardous Waste Discharge Intensity	Tonnes/RMB 10,000 Revenue	0.000163	0.000221	0.00005784
	General Solid Waste Discharged	Tonnes	55,100.80	40,524.72	33,205.70
	General Solid Waste Discharge Intensity	Tonnes/RMB 10,000 Revenue	0.003214	0.003688	0.003891
	- Landfill	Tonnes	0	330.00	0
	-Incineration, with Energy Recovery	Tonnes	1,639.69	1,436.85	770.72
	-Incineration, Without Energy Recovery	Tonnes	94.80	0.05	10.87
	- Stored Amount	Tonnes	0	209.75	54.05
	-Disposed of by Other Methods	Tonnes	857.17	131.19	109.85
	-Disposal Method Unknown	Tonnes	1.70	0	0
-Waste Recycled	Tonnes	57,512.70	42,304.33	32,763.97	
Waste Recycling and Reuse Rate	%	99.3	98.5	97.2	
Emissions Management	Emissions of Air Pollutants				
	Sulfur Oxide (SOx) Emissions	Kg	1,524.22	83.19	10.24
	Sulfur Oxide (SOx) Emission Intensity	kg/RMB 100 Million Revenue	0.889	0.076	0.011
	Nitrogen Oxide (NOx) Emissions	Kg	3,026.30	2,481.02	808.90
	Nitrogen Oxides (NOx) Emission Intensity	kg/RMB 100 Million Revenue	1.77	2.26	0.95
	Non-Methane Hydrocarbons (NMHC) Emissions	Kg	6,885.56	3,987.73	3,811.46
	Non-Methane Hydrocarbons (NMHC) Emission Intensity	kg/RMB 100 Million Revenue	4.02	3.63	4.47
	Particulate Matter (PM) Emissions	Kg	11,083.04	12,253.99	2,161.41
	Particulate Matter (PM) Emission Intensity	kg/RMB 100 Million Revenue	6.46	11.15	2.53
	Volatile Organic Compounds (VOC) Emissions	Kg	15,426.77	3,427.67	12,454.30
Volatile Organic Compounds (VOC) Emission Intensity	kg/RMB 100 Million Revenue	9.00	3.12	14.59	

Environmental Performance	Indicator	Unit	2025	2024	2023
Wastewater Management	Wastewater Management				
	Total Wastewater Discharge	Cubic Metres	4,287,029.75	3,144,597.49	2,459,600.00
	Wastewater Discharge Intensity	Cubic metres/RMB 10,000 Revenue	0.25	0.29	0.29
	-Total Industrial Wastewater Discharge	Cubic Metres	128,570.00	100,520.00	45
	- Industrial Wastewater Discharge Intensity	Cubic metres/RMB 10,000 Revenue	0.007499	0.009148	0.000005
	-Total Domestic Wastewater Discharge	Cubic Metres	4,158,459.75	3,044,077.49	2,459,555.00
	-Domestic Wastewater Discharge Intensity	Cubic metres/RMB 10,000 Revenue	0.24	0.28	0.29
	Wastewater Pollutant Discharge				
	Ammonia Nitrogen	Tonnes	39.23	106.70	76.15
	Chemical Oxygen Demand (COD)	Tonnes	305.30	697.55	528.85
Suspended Solids Discharged	Tonnes	89.08	151.20	192.06	
Packaging Materials	Total Packaging Materials Consumed	Tonnes	63,044.57	/	/
	-Paper	Tonnes	60,674.33	/	/
	-Plastic	Tonnes	2,343.44	/	/
	-Metal	Tonnes	26.80	/	/
Environmental Management	Total Environmental Investment	RMB 10,000	6,217.74	3,374.00	1,880.81
	Environmental Violations				
	Number of Major Environmental Penalties	Number	0	0	0

Social Performance	Indicator	Unit	2025	2024	2023	2022
Employment Management	Total Number of Employees	Persons	70,029	58,263	34,949	29,727
	Revenue per Capita	RMB 10,000 Revenue/Person	244.80	188.59	244.18	311.66
	Employees with Disabilities	Persons	166	181	1	/
Diversity and Equal Employment	Employee Gender Breakdown					
	Female Employees	Persons	25,274	19,938	10,030	8,242
	Male Employees	Persons	44,755	38,325	24,919	21,485
	Employee Age Breakdown					
	Employees Aged 51 and Above	Persons	594	320	199	174
	Employees Aged 41 To 50	Persons	7,028	6,051	2,929	1,762
Employees Aged 31 To 40	Persons	18,811	16,821	11,364	10,751	
Employees Aged 30 and Below	Persons	43,596	35,071	20,457	17,040	

Social Performance	Indicator	Unit	2025	2024	2023	2022
Diversity and Equal Employment	Employee Ethnicity Breakdown					
	Ethnic Minority Employees	Persons	11,153	14,230	2,797	/
	Non-Ethnic Minority Employees	Persons	58,876	44,033	32,152	/
	Employee Breakdown by Position					
	Production Personnel	Persons	41,381	34,868	18,430	12,165
	Sales Personnel	Persons	343	286	187	177
	Technical Personnel	Persons	19,961	16,568	11,253	12,308
	Finance Personnel	Persons	440	336	272	275
	Administrative Personnel	Persons	7,904	6,205	4,807	4,802
	Employee Breakdown by Education Level					
	Doctorate	Persons	19	19	17	11
	Postgraduate	Persons	2,337	1,614	1,303	1,334
	Bachelor's Degree	Persons	14,760	11,263	8,863	9,490
	Associate Degree or Below	Persons	52,913	45,367	24,766	18,892
	Employee Geographical Distribution					
	Number of Employees in Mainland China	Persons	61,360	54,446	34,910	/
	Number of Employees Outside Mainland China	Persons	8,669	3,817	39	/
	New Hire					
	Total number of new hires	Persons	36,834	27,818	/	/
	Number of new male hires	Persons	24,634	19,733	/	/
	Number of new female hires	Persons	12,200	8,085	/	/
	Female Leadership					
	Proportion of Women in All Management Positions	%	17.1	14	14.8	/
	Proportion of Women in Junior Management Positions	%	16.7	15	15.9	/
	Proportion of Women in Senior Management Positions	%	13.1	11	8.1	/
	Proportion of women in management positions in revenue-generating functions	%	41.9	26	9.8	/
	Proportion of women in STEM-related positions	%	32.3	28	26.5	/
Diversity, Equity, and Care						
Number of Paid Parental Leave Days Taken During the Year (Female)	Days	2,853.3	2,188.8	/	/	
Number of Paid Parental Leave Days Taken During the Year (Male)	Days	8,596.6	6,841.9	/	/	
Total Number of Employees Who Took Paid Parental Leave	Persons	2,404	1,984	/	/	

Social Performance		Indicator	Unit	2025	2024	2023	2022
Employee Turnover	Employee Turnover Rate		%	10.02	/	/	/
	By Gender						
	Male Employee Turnover Rate		%	10.22	/	/	/
	Female Employee Turnover Rate		%	9.31	/	/	/
	By Age Group						
	Turnover Rate for Employees Aged 30 and Under		%	10.91	/	/	/
	Turnover Rate for Employees Aged 31-40		%	9.88	/	/	/
	Turnover Rate for Employees Aged 41-50		%	6.51	/	/	/
	Turnover Rate for Employees Aged 51 and Over		%	6.41	/	/	/
	By Region						
	Employee Turnover Rate in Mainland China		%	10.10	/	/	/
Employee Turnover Rate Outside Mainland China		%	6.30	/	/	/	
Employee Rights Protection	Prevention of Child Labor						
	Number of Child Labor Incidents		Cases	0	0	0	0
	Prevention of Forced Labor						
	Number of Forced Labor Incidents		Cases	0	0	0	0
	Anti-Discrimination and Harassment						
	Number of Discrimination and Harassment Incidents		Cases	0	0	0	0
	Number of Discrimination and Harassment Incidents Handled		Cases	0	0	0	0
	Handling Rate of Discrimination and Harassment Incidents		%	100	100	100	100
	Freedom of Association						
	Coverage Rate of Trade Union Operating Sites		%	100	100	100	100
	Employee Coverage Rate by Trade Unions		%	100	100	100	100
	Right to Collective Bargaining						
	Collective Bargaining Agreement Coverage Rate		%	100	100	100	100
	Lawful Employment						
	Number of Unlawful Employment Incidents		Cases	0	0	0	0
Labor Contract Signing Rate		%	100	100	100	100	
Employee Benefits							
Social Insurance Coverage Rate		%	100	100	100	100	
Employee Benefits Coverage Rate		%	100	100	100	100	

Social Performance	Indicator	Unit	2025	2024	2023	2022	
Occupational Health and Safety	Total Work Hours	Million Hours	192.06	124.31	96.89	87.48	
	Personnel Coverage Rate for Work-Related Injury Insurance and Production Safety Liability Insurance	%	100	100	100	100	
	Occupational Disease Prevention and Control						
	Employee Occupational Disease Incidence Rate	%	0	0	0	0	
	Employee Work-Related Injuries/Fatalities						
	Number of Work-Related Injury Accidents	Incidents	67	36	12	8	
	Fatality Rate	%	0	0	0	0	
	Lost Workdays for Employees Due to Work-Related Injuries	Days	1,554.70	652.00	374.00	173.00	
	Number of Employee Fatalities Due to Work-Related Incidents	Persons	0	0	0	0	
	Contractor Health and Safety						
	Number of Contractor Fatalities Due to Work-Related Incidents	Persons	0	0	0	0	
	Lost-Time Injury Frequency Rate for Contractors	/	0	0	0	0	
	Safety Risk Assessment						
	Number of Safety Hazards Identified and Rectified	Items	10,402	6,914	4,671	5,402	
	Occupational Health and Safety Training						
Average Hours of Safety Training per Employee	Hours/Person	25.68	24.29	25.17	24.23		
Number of Fire Drills	Drills	54	25	21	16		
Number of Participants in Fire Drills	Person-Times	146,659	67,945	61,168	40,893		
Employee Development and Training	Investment in Employee Training and Empowerment	RMB 10,000	2,544.84	1,567.98	1,759.34	1,409.68	
	Number of Employees Supported for Education and Qualifications	Persons	129	144	/	/	
	Total Employee Training Hours	Hours	2,084,460.05	417,446.60	286,409.50	117,732.00	
	Average Training Hours per Employee	Hours/Person	29.77	18.46	11.50	/	
	Total training hours for female employees	Hours	752,490.08	/	/	/	
	Total training hours for male employees	Hours	1,331,969.97	/	/	/	
Community Responsibility	Community Investment						
	Total Community Investment	RMB10,000	539.12	111.65	34.18	62.11	
	Number of Company Volunteers	Persons	1,052	1,869	662	68	
	Average Volunteer Hours per Person	Hours/Person	12.37	34.53	3.22	3.42	
	Rural Revitalisation						
	of which, funds Invested in Rural Revitalisation	RMB10,000	52.40	59.23	24.00	7.20	
Number of People Benefiting from Rural Revitalisation	Persons	122,314	14,799	3,999	130		

Social Performance	Indicator	Unit	2025	2024	2023
Innovation and R&D Management	R&D Investment	RMB Million	6,376.9	5,155.8	4,547.5
	R&D Investment Amount and Its Percentage of Core Business Revenue	%	3.72	4.69	5.33
	Number of R&D Personnel	Persons	19,961	16,568	11,253
	Percentage of R&D Personnel in the Total Workforce	%	28.50	28.44	32.20
	Number of Invention Patents Applied to the Core Business ¹	Units	1,318	1,198	989
Patent Performance	Patent Applications Filed During the Year	Units	894	695	597
	Patents Granted During the Year	Units	375	369	433
	Number of Valid Patents	Units	3,569	3,158	2,815
Invention Patent Performance	Invention Patent Applications Filed During the Year	Units	492	426	378
	Invention Patents Granted During the Year	Units	139	189	179
	Number of Valid Invention Patents	Units	1,524	1,330	1,137
Customer Relationship	Customer Complaint Rate ²	%	0.269	0.242	0.208
	Customer Complaint Resolution Rate	%	100	100	100
	Customer Satisfaction Score	Points	7.78	7.77	7.82
Number of Suppliers	Number of domestic tier-1 suppliers	Number	2,315	1,952	1,933
	Number of overseas tier-1 suppliers	Number	248	322	80
	Number of suppliers involving responsible minerals such as tungsten, tin, tantalum and gold	Number	333	296	267
	Total Number of Tier 1 Suppliers	Number	2,563	2,274	2,013
Supplier Assessment	Number of Suppliers with Significant Actual and Potential Negative Environmental and Social Impacts	Number	0	0	0
	Number of Suppliers with Significant Actual or Potential Negative Impacts Whose Relationships Were Terminated	Number	0	0	0
	Percentage of Suppliers Who Have Signed Contracts Containing Clauses on Environmental and Labor Requirements	%	100	100	100
Supplier Capacity Building	Total Number of Suppliers Participating in Capacity Building Programmes	Number	218	287	70
	Percentage of Procurement Staff Who Have Completed Sustainable Procurement Training	%	100	100	100
	Coverage of suppliers that have signed the <i>Social Responsibility Agreement</i>	%	100	100	100
Supplier Audits	Number of tier-1 suppliers that have conducted social and environmental impact assessments	Number	2,563	2,274	2,013
	Percentage of suppliers that have conducted social and environmental impact assessments	%	100	100	100
	Number of Key Tier 1 Suppliers Audited	Number	194	213	70
	Percentage of key tier-1 suppliers audited	%	100	100	100
	Number of key tier-2 suppliers	Number	62	/	/
	Percentage of key tier-2 suppliers audited	%	100	/	/

¹The statistical scope of the number of invention patents applied to the core business has been corrected in the current period, and retrospective adjustments have been made to the prior-year data. For comparative data of previous years, please refer to this report.

²Customer complaint rate = (Average monthly number of complaints over the 12-month reporting period) / (30 days × Total number of customers shipped to during the same period). Based on this definition, retrospective adjustments have been made to prior-year data. For comparative data of previous years, please refer to this report.

Social Performance		Indicator	Unit	2025	2024	2023
Controversial Sourcing		Percentage of Products with Conflict-Free External Certification (RMI)	%	100	100	100
		Percentage of Products with Traceable Raw Material Sources	%	100	100	52.01

Governance Performance		Indicator	Unit	2025	2024	2023
Information/Data Security and Privacy Protection	Information/Data Security and Privacy Protection Training					
		Number of Participants in Information/Data Security and Privacy Protection Training	Persons	70,029	58,628	34,949
		Participation Rate in Information/Data Security and Privacy Protection Training	%	100	100	100
	Handling of Information/Data Security and Privacy Leakage Incidents					
		Number of Information/Data Security Incidents	Incidents	0	0	0
		Number of Customer Privacy Leakage Incidents	Incidents	0	0	0
	Information Security System Audits					
		Frequency of Information Security System Audits	Audits	2	2	2
	Supplier Coverage Rate of Information Security System Audits	%	100	100	100	

Governance Performance		Indicator	Unit	2025	2024	2023
Business Ethics	Business Ethics Capacity Building					
		Number of Directors Participating in Business Ethics Training	Number	9	9	/
		Number of Management Personnel Participating in Business Ethics Training	Number	2,079	1,626	/
		Number of Employees Participating in Business Ethics Training	Number	67,941	56,628	/
		Business Ethics Training Coverage Rate (Including Suppliers and Employees)	%	100	100	/
	Number of Suppliers Reached by Business Ethics Training	Number	2,563	2,274	/	

Index of Indicators

GRI Standards Index

Statement of Use	Huaqin Technology Has Prepared This Report with Reference to the Global Reporting Initiative (GRI) Standards for the Reporting Period from 1 January 2025 to 31 December 2025.
GRI Standard Used	GRI 1: Foundation 2021

Topic Standards	Disclosure	Corresponding Sections
GRI 2: General Disclosures	2-1 Organizational Details	Company Profile
	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	Materiality Analysis Key Performance Table
	2-5 External Assurance	Independent Assurance Statement
	2-6 Activities, Value Chain and Other Business Relationships	Company Profile
	2-7 Employees	Talent Attraction and Retention
	2-8 Workers Who Are Not Employees	Talent Attraction and Retention
	2-9 Governance Structure and Composition	Strengthening Corporate Governance
	2-10 Nomination and Selection of the Highest Governance Body	Strengthening Corporate Governance
	2-11 Chair of the Highest Governance Body	Strengthening Corporate Governance
	2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	ESG Management System
	2-13 Delegation of Responsibility for Managing Impacts	ESG Management System
	2-14 Role of the Highest Governance Body in Sustainability Reporting	ESG Management System
	2-15 Conflicts of Interest	Strengthening Corporate Governance
	2-16 Communication of Critical Concerns	Stakeholder Communication
	2-17 Collective Knowledge of the Highest Governance Body	Strengthening Corporate Governance
	2-18 Performance Evaluation of the Highest Governance Body	Strengthening Corporate Governance
	2-19 Remuneration Policies	Strengthening Corporate Governance
	2-20 Process for Determining Remuneration	Strengthening Corporate Governance
	2-21 Annual Total Compensation Ratio	Not Disclosed
	2-22 Statement on Sustainable Development Strategy	Chairman's Statement
	2-23 Policy Commitments	ESG Strategy and Principles
	2-24 Embedding Policy Commitments	ESG Strategy and Principles

Topic Standards	Disclosure	Corresponding Sections
GRI 2: General Disclosures	2-25 Processes to Remediate Negative Impacts	Operating with Integrity and Compliance Talent Attraction and Retention Customer Relationships and Services
	2-26 Mechanisms for Seeking Advice and Raising Concerns	Stakeholder Communication
	2-27 Compliance with Laws and Regulations	The Company Recorded No Incidents of Legal or Regulatory Non-Compliance.
	2-28 Membership of Associations	ESG Management System Operating with Integrity and Compliance
	2-29 Approach to Stakeholder Engagement	Stakeholder Communication
	2-30 Collective Bargaining Agreements	Talent Attraction and Retention
GRI 3: Material Topics	3-1 Process to Determine Material Topics	Double Materiality Assessment Process
	3-2 List of Material Topics	Impact Materiality Assessment Results Financial Materiality Assessment Results Double Materiality Assessment Results
	3-3 Management of Material Topics	Material Topic Analysis
GRI 201: Economic Performance	201-1 Direct Economic Value Generated and Distributed	Key Performance Table
	201-2 Financial Implications and Other Risks and Opportunities Due to Climate Change	Responding to Climate Change
	201-3 Defined Benefit Plan Obligations and Other Retirement Plans	Talent Attraction and Retention
	201-4 Financial Assistance Received from Government	The Company Is Unable to Disclose This Information Due to Confidentiality
GRI 202: Market Presence	202-1 Ratios of Standard Entry-Level Wage by Gender to Local Minimum Wage	Talent Attraction and Retention
	202-2 Proportion of Senior Management Hired from the Local Community	Not Disclosed at Present
GRI 203: Indirect Economic Impacts	203-1 Infrastructure Investments and Services Supported	Community Communication and Responsibility
	203-2 Significant Indirect Economic Impacts	Community Communication and Responsibility
GRI 205: Anti-Corruption	205-1 Operations Assessed for Risks Related to Corruption	Operating with Integrity and Compliance
	205-2 Communication and Training About Anti-Corruption Policies and Procedures	Operating with Integrity and Compliance
	205-3 Confirmed Incidents of Corruption and Actions Taken	Operating with Integrity and Compliance

Topic Standards	Disclosure	Corresponding Sections
GRI 206: Anti-Competitive Behavior	206-1 Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Anti-Monopoly Practices	Operating with Integrity and Compliance
GRI 207: Tax	207-1 Tax Approach	Operating with Integrity and Compliance
	207-2 Tax Governance, Control, and Risk Management	Operating with Integrity and Compliance
	207-3 Stakeholder Engagement and Management of Concerns Related to Tax	Operating with Integrity and Compliance
GRI 301: Materials	301-2 Recycled Input Materials Used	Green Technology and Products
	301-3 Reclaimed Products and Their Packaging Materials	Green Technology and Products Key Performance Table
GRI 302: Energy	302-1 Energy Consumption Within the Organization	Key Performance Table
	302-3 Energy Intensity	Key Performance Table
	302-4 Reduction of Energy Consumption	Green and Low-Carbon Operations
	302-5 Reductions in Energy Requirements of Products and Services	Green Technology and Products
GRI 303: Water and Effluents	303-1 Interaction with Water as a Shared Resource	Green and Low-Carbon Operations
	303-2 Management of Water Discharge-Related Impacts	Green and Low-Carbon Operations
	303-3 Water Withdrawal	Key Performance Table
	303-4 Water Discharge	Key Performance Table
	303-5 Water Consumption	Key Performance Table
GRI 305: Emissions	304-2 Significant Impacts of Activities, Products and Services on Biodiversity	Biodiversity Protection
	304-3 Habitats Protected or Restored	Biodiversity Protection
	305-1 Direct (Scope 1) Greenhouse Gas Emissions	Responding to Climate Change
	305-2 Energy Indirect (Scope 2) Greenhouse Gas Emissions	Responding to Climate Change
	305-3 Other Indirect (Scope 3) Greenhouse Gas Emissions	Responding to Climate Change
	305-4 Greenhouse Gas Emissions Intensity	Key Performance Table
	305-5 Reduction of Greenhouse Gas Emissions	Key Performance Table
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Key Performance Table

Topic Standards	Disclosure	Corresponding Sections
GRI 306: Waste	306-1 Waste Generation and Significant Waste-Related Impacts	Green and Low-Carbon Operations
	306-2 Management of Significant Waste-Related Impacts	Green and Low-Carbon Operations
	306-3 Waste Generated	Key Performance Table
	306-4 Waste Diverted from Disposal	Key Performance Table
	306-5 Waste Directed to Disposal	Key Performance Table
GRI 308: Supplier Environmental Assessment	308-1 New Suppliers That Were Screened Using Environmental Criteria	Development and Access
	308-2 Negative Environmental Impacts in the Supply Chain and Actions Taken	Supplier Empowerment and Improvement
GRI 401: Employment	401-1 New Employee Hires and Employee Turnover	Talent Attraction and Retention
	401-2 Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees	Talent Attraction and Retention
	401-3 Parental Leave	Talent Attraction and Retention
GRI 402: Labor/Management Relations	402-1 Minimum Notice Periods Regarding Operational Changes	Talent Attraction and Retention
GRI 403: Occupational Health and Safety	403-1 Occupational Health and Safety Management System	Occupational Health and Safety
	403-2 Hazard Identification, Risk Assessment and Incident Investigation	Occupational Health and Safety
	403-3 Occupational Health Services	Occupational Health and Safety
	403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety	Occupational Health and Safety
	403-5 Worker Training on Occupational Health and Safety	Occupational Health and Safety
	403-6 Promotion of Worker Health	Occupational Health and Safety
	403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	Occupational Health and Safety
	403-8 Workers Covered by an Occupational Health and Safety Management System	Occupational Health and Safety

Topic Standards	Disclosure	Corresponding Sections
GRI 403: Occupational Health and Safety	403-9 Work-Related Injuries	Occupational Health and Safety Key Performance Table
	403-10 Work-Related Health Issues	Occupational Health and Safety Key Performance Table
GRI 404: Training and Education	404-1 Average Hours of Training per Year per Employee	Talent Training and Development Key Performance Table
	404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs	Talent Training and Development
	404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews	Talent Attraction and Retention
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of Governance Bodies and Employees	Talent Attraction and Retention
	405-2 Ratio of Basic Salary and Remuneration of Women to Men	Talent Attraction and Retention
GRI 406: Non-Discrimination	406-1 Incidents of Discrimination and Corrective Actions Taken	Talent Attraction and Retention Key Performance Table
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and Suppliers Where the Right to Freedom of Association and Collective Bargaining May Be at Risk	Talent Attraction and Retention
GRI 408: Child Labor	408-1 Operations and Suppliers with Significant Risk for Incidents of Child Labor	Talent Attraction and Retention Key Performance Table
GRI 409: Forced or Compulsory Labor	409-1 Operations and Suppliers with Significant Risk for Incidents of Forced or Compulsory Labor	Talent Attraction and Retention Key Performance Table
GRI 413: Local Communities	413-1 Operations with Local Community Engagement, Impact Assessments, and Development Programs	Community Communication and Responsibility
	413-2 Operations with Significant Actual and Potential Negative Impacts on Local Communities	The Company Is Not Involved in Relevant Practices
GRI 414: Supplier Social Assessment	414-1 New Suppliers That Were Screened Using Social Criteria	Sustainable Supply Chain
	414-2 Negative Social Impacts in the Supply Chain and Actions Taken	Sustainable Supply Chain
GRI 415: Public Policy	415-1 Political Contributions	The Company Makes No Political Contributions
GRI 416: Customer Health and Safety	416-1 Assessment of the Health and Safety Impacts of Product and Service Categories	Product Quality and Safety
	416-2 Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services	Green Technology and Products Product Quality and Safety
GRI 417: Marketing and Labelling	417-1 Requirements for Product and Service Information and Labelling	Customer Relationship and Service
GRI 418: Customer Privacy	418-1 Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Comprehensive Security Management

Shanghai Stock Exchange Listed Companies Self-Regulatory Guideline No. 14 – Sustainability Report (Trial)

Dimension	Topic	Corresponding Sections
Environmental	Responding to Climate Change	Green and Low-Carbon Operations
	Pollutant Emissions	Green and Low-Carbon Operations
	Waste Management	Green and Low-Carbon Operations
	Ecosystem and Biodiversity Protection	Biodiversity Protection
	Environmental Compliance Management	Green and Low-Carbon Operations
	Energy Use	Green and Low-Carbon Operations
	Water Resource Use	Green and Low-Carbon Operations
	Circular Economy	Green Technology and Products
Social	Rural Revitalisation	Community Communication and Responsibility
	Social Contribution	Community Communication and Responsibility
	Innovation-Driven Development	Technology R&D and Innovation
	Technological Ethics	Technology R&D and Innovation
	Supply Chain Security	Sustainable Supply Chain
	Equal Treatment of Small and Medium-Sized Enterprises	Sustainable Supply Chain
	Product and Service Safety and Quality	Product Quality and Safety
	Data Security and Customer Privacy Protection	Comprehensive Safety Management Customer Relationship and Service
Employees	Talent Attraction and Retention Talent Training and Development	

Dimension	Topic	Corresponding Sections
Governance	Due Diligence	Talent Attraction and Retention Sustainable Supply Chain
	Stakeholder Communication	Stakeholder Communication
	Anti-Commercial Bribery and Anti-Corruption	Operating with Integrity and Compliance
	Anti-Unfair Competition	Operating with Integrity and Compliance

Index to the HKEX ESG Reporting Guide

	Mandatory Disclosure Requirements	Corresponding Sections / Remarks
Governance Structure	A Statement from the Board of Directors Containing the Following: (i) disclosure of the Board of Directors' oversight of environmental, social and governance matters; (ii) the Board of Directors' environmental, social and governance management approach and strategy, including the process for evaluating, prioritising and managing material environmental, social and governance-related issues (including risks to the issuer's business); and (iii) how the Board of Directors reviews progress against environmental, social and governance-related targets, and an explanation of how they relate to the issuer's business.	Promoting Sustainable Management
Reporting Principles	Describe or explain how the reporting principles are applied in the preparation of the Environmental, Social and Governance Report.	About This Report
Reporting Scope	Explain the reporting scope of the Environmental, Social and Governance Report and describe the process for selecting which entities or businesses are included in it. If there is a change in the reporting scope, the issuer should explain the difference and the reason for the change.	About This Report

Key Areas	Indicator Number	Aspects, General Disclosures and Key Performance Indicators	Corresponding Sections / Remarks
A. Environment			
A1 Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and Greenhouse Gas Emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste.	Green and Low-Carbon Operations
	A1.1	The types of emissions and respective emissions data.	Key Performance Table
	A1.3	Total hazardous waste produced (in tonnes) and, where applicable, intensity (e.g., per unit of production, per facility).	Key Performance Table
	A1.4	Total non-hazardous waste produced (in tonnes) and, where applicable, intensity (e.g., per unit of production, per facility).	Key Performance Table
	A1.5	Description of emission targets set and the steps taken to achieve them.	ESG Management System Green and Low-Carbon Operations
	A1.6	Description of how hazardous and non-hazardous waste is handled, and a description of reduction targets and the steps taken to achieve them.	Green and Low-Carbon Operations
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green and Low-Carbon Operations Green Technology and Products
	A2.1	Total direct and/or indirect energy (such as electricity, gas or oil) consumption by type (in '000 kWh) and intensity (e.g., per unit of production, per facility).	Key Performance Table
	A2.2	Total water consumption and intensity (e.g., per unit of production, per facility).	Key Performance Table
	A2.3	Description of energy use efficiency targets set and the steps taken to achieve them.	ESG Management System Green and Low-Carbon Operations
	A2.4	Description of any issues in sourcing water that is fit for purpose, and a description of water efficiency targets set and the steps taken to achieve them.	Green and Low-Carbon Operations
A3 the Environment and Natural Resources	A2.5	Total packaging material used for finished products (in tonnes) and, where applicable, per unit produced.	Green Technology and Products
	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Green and Low-Carbon Operations
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green and Low-Carbon Operations
B. Social			
Employment and Labor Practices			
B1 Employment	General Disclosure	Policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer, regarding compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination, and other treatment and benefits.	Talent Attraction and Retention
	B1.1	Total number of employees by gender, employment type (e.g. full-time or part-time), age group, and geographical region.	Key Performance Table
	B1.2	Employee turnover rate by gender, age group, and geographical region.	Key Performance Table
B2 Health and Safety	General Disclosure	Policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer, regarding providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities for each of the past three years (including the reporting year).	Key Performance Table
	B2.2	Number of lost days due to work injury.	Key Performance Table
	B2.3	Description of the occupational health and safety measures adopted, and the related implementation and monitoring methods.	Occupational Health and Safety

Key Areas	Indicator Number	Aspects, General Disclosures and Key Performance Indicators	Corresponding Sections / Remarks
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties and responsibilities. Description of training activities.	Talent Training and Development
	B3.1	Percentage of trained employees by gender and employee category (e.g. senior management, middle management, etc.).	Talent Training and Development Key Performance Table
	B3.2	The average training hours completed per employee by gender and employee category.	Talent Training and Development Key Performance Table
B4 B4 Labor Standards	General Disclosure	Policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer, regarding the prevention of child and forced labor.	Talent Attraction and Retention
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Talent Attraction and Retention
	B4.2	Description of the steps taken to eliminate such practices when discovered.	Talent Attraction and Retention
Operations Management			
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Supply Chain
	B5.1	Number of suppliers by geographical region.	Key Performance Table
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Sustainable Supply Chain
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Supply Chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Supply Chain
B6 Product Responsibility	General Disclosure	Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer regarding health and safety, advertising, labelling and privacy matters relating to products and services provided, and remedial methods.	Customer Relationship and Service
	B6.1	Percentage of total products sold or shipped that are subject to recall for safety and health reasons.	Product Quality and Safety
	B6.2	Number of complaints received regarding products and services and how they are dealt with.	Customer Relationship and Service
	B6.3	Description of practices relating to the maintenance and protection of intellectual property rights.	Technology R&D and Innovation
	B6.4	Description of quality inspection processes and product recall procedures.	Product Quality and Safety
	B6.5	Description of consumer data protection and privacy policies, and related implementation and monitoring methods.	Comprehensive Safety Management
B7 Anti-Corruption	General Disclosure	Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer regarding bribery, extortion, fraud and money laundering.	Operating with Integrity and Compliance
	B7.1	Number of concluded litigation cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of such cases.	Operating with Integrity and Compliance
	B7.2	Description of preventive measures and whistle-blowing procedures, and related implementation and monitoring methods.	Operating with Integrity and Compliance
	B7.3	Description of anti-corruption training provided to directors and employees.	Operating with Integrity and Compliance
Community			
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its business activities consider the communities' interests.	Community Communication and Responsibility
	B8.1	Focus areas of contribution (e.g. education, environmental matters, labor needs, health, culture, sports).	Community Communication and Responsibility
	B8.2	Resources contributed to the focus areas (e.g. money or time).	Community Communication and Responsibility

Aspect	Description	Corresponding Sections / Remarks
D. Climate Change		
Governance		Responding to Climate Change
Strategy	Climate-Related Risks and Opportunities	Responding to Climate Change
	Business Model and Value Chain	Responding to Climate Change
	Strategy and Decision-Making	Responding to Climate Change
	Financial Position, Financial Performance and Cash Flows	Responding to Climate Change
	Climate Resilience	Addressing Climate Change
Risk Management		Addressing Climate Change
Metrics and Targets	Greenhouse Gas Emissions	Addressing Climate Change Key Performance Table
	Climate-Related Transition Risks	Addressing Climate Change
	Climate-Related Physical Risks	Addressing Climate Change
	Climate-Related Opportunities	Addressing Climate Change
	Capital Deployment	Green and Low-Carbon Operations
	Internal Carbon Pricing	/
	Remuneration	Strengthening Corporate Governance
	Industry-Based Metrics	ESG Management System
Climate-Related Targets	ESG Management System	

ISSB S2 Index Table


Recommended Disclosures		Corresponding Sections
Governance	The Governance Body (Including the Board of Directors, Committees or Other Equivalent Governance Bodies) or Individuals Responsible for Overseeing Climate-Related Risks and Opportunities.	Climate Governance
	Disclose Management's Role in the Governance Processes, Controls and Procedures Used to Monitor, Manage and Oversee Climate-Related Risks and Opportunities.	
Strategy	Disclose the Climate-Related Risks and Opportunities That Could Reasonably Be Expected to Affect the Entity's Prospects.	Climate Risk Management
	Disclose the Current and Anticipated Effects of Climate-Related Risks and Opportunities on the Entity's Business Model and Value Chain.	Climate Risk Management
	Disclose the Effects of Climate-Related Risks and Opportunities on the Entity's Strategy and Decision-Making, Including Information About Its Climate-Related Transition Plan.	Climate Risk Management
	Disclose the Effects of Climate-Related Risks and Opportunities on the Entity's Financial Position, Financial Performance and Cash Flows for the Reporting Period, and the Anticipated Effects on Its Financial Position, Financial Performance and Cash Flows over the Short, Medium and Long Term, Considering How the Entity Has Reflected These Climate-Related Risks and Opportunities in Its Financial Planning When Disclosing Anticipated Effects.	Climate Risk Management
	The Climate Resilience of the Entity's Strategy and Business Model to Climate-Related Changes, Developments and Uncertainties, Considering the Climate-Related Risks and Opportunities the Entity Has Identified.	Climate Action Strategy Climate Risk Management
Risk Management	Disclose the Processes and Related Policies the Entity Uses to Identify, Assess, Prioritise and Monitor Climate-Related Risks.	Climate Risk Management
	Disclose the Processes the Entity Uses to Identify, Assess, Prioritise and Monitor Climate-Related Opportunities, Including Information About Whether and How the Entity Uses Climate-Related Scenario Analysis to Help Identify Such Opportunities.	
	Disclose the Extent to Which and How the Processes for Identifying, Assessing, Prioritising and Monitoring Climate-Related Risks and Opportunities Are Integrated into the Entity's Overall Risk Management Process.	
Metrics and Targets	Disclose Information Relevant to the Cross-Industry Metric Categories.	Progress on Metrics and Targets
	Disclose Industry-Specific Metrics Associated with Particular Business Models, Activities or Other Common Features That Characterise Participation in an Industry.	
	Disclose the Targets the Entity Has Set to Mitigate or Adapt to Climate-Related Risks or to Take Advantage of Climate-Related Opportunities, and Any Targets the Entity Is Required to Meet by Law or Regulation, Including the Metrics Used by the Governance Body or Management to Measure Progress Towards Achieving These Targets.	

Overview of System Certifications

Park	Operating Entity	ISO 9001: 2015	ISO 14001: 2015	ISO 45001: 2018	QC 080000: 2017	ISO 27001: 2022	IATF 16949: 2016	ISO 13485: 2016	ISO 50001: 2018	ISO 14064-1:2018	ESD S20.20: 2021	Auto motive SPICE	ISO/IEC 17025: 2017	CMMI V3.0	SA8000	ISO22301: 2019	RBA 8.0	UL 2799	ISO 26262	SMETA
Shanghai R&D Centre	Huaqin Technology Co., Ltd.	√	√	√	√	√						√	√							
	Shanghai Anqin Zhixing Automotive Electronics Co., Ltd.	√	√	√	√	√													√	
Xi'an R&D Centre	Xi'an Yipu Communication Technology Co., Ltd.	√	√	√	√	√														
Dongguan R&D Centre	Guangdong Hongqin Communication Technology Co., Ltd.	√	√	√	√	√														
	Guangdong Bay Area Intelligent Terminal Industrial Design Research Institute Co., Ltd.												√							
Wuxi R&D Centre	Wuxi Ruiqin Technology Co., Ltd.	√	√	√		√								√						
Dongguan First Manufacturing Centre	Dongguan Huabei Electronic Technology Co., Ltd.	√	√	√	√	√		√			√						√			
	Dongguan Heqin Electronics Co., Ltd.	√	√																	
	Guangdong Qiyang Technology Co., Ltd.	√	√	√	√	√														
Dongguan Second Manufacturing Centre	Guangdong Dongqin Technology Co., Ltd.	√	√	√	√	√					√									
	Dongguan Qinling Automotive Electronics Co., Ltd.	√	√	√	√	√				√	√								√	
	Guangdong Purui Yunchuang Technology Co., Ltd.	√	√	√	√	√														
Dongguan Third Manufacturing Centre	Guangdong Ruiqin Technology Co., Ltd.	√	√	√	√	√					√						√			
Nanchang First Manufacturing Centre	Nanchang Huaqin Electronics Technology Co., Ltd.	√	√	√	√	√			√	√	√				√		√	√		
Nanchang Second Manufacturing Centre	Nanchang Qinsheng Electronics Technology Co., Ltd.	√	√	√	√	√			√	√	√						√	√		

Park	Operating Entity	ISO 9001: 2015	ISO 14001: 2015	ISO 45001: 2018	QC 080000: 2017	ISO 27001: 2022	IATF 16949: 2016	ISO 13485: 2016	ISO 50001: 2018	ISO 14064-1:2018	ESD 520.20: 2021	Auto motive SPICE	ISO/IEC 17025: 2017	CMMI V3.0	SA8000	ISO22301: 2019	RBA 8.0	UL 2799	ISO 26262	SMETA
Vietnam Manufacturing Centre	RQ TECHNOLOGY ELECTRONICS VIETNAM COMPANY LIMITED	√	√	√					√						√		√			
India Manufacturing Centre	Bhagwati Products Ltd.	√	√	√	√						√									
Mexico Manufacturing Centre	PLAMEX SA DE CV	√	√	√					√								√			
Huayu Precision	Dongguan Huayu Precision Technology Co., Ltd.	√	√	√	√	√	√	√		√								√		√
Xiqin Precision	Guangdong Xiqin Precision Mould Co., Ltd.	√	√	√	√	√		√												√
	Guangdong Qinxian Technology Co., Ltd.	√	√	√	√	√														
Chunqin Precision	Nanchang Chunqin Precision Co., Ltd.	√	√	√	√	√	√									√				
Innovation Technology Shenzhen	Yilisheng Technology (Shenzhen) Co., Ltd.	√	√	√	√												√			
Innovation Technology Jiangxi	Yilutai Technology (Jiangxi) Co., Ltd.	√	√	√	√												√			
Innovation Technology Huizhou	Shengdian Electronic Technology (Huizhou) Co., Ltd.	√	√	√													√			
Innovation Technology Vietnam	Vietnam Future Innovation Co., Ltd.	√	√	√													√	√		
Hrobot	Guangdong Hrobot Technology Co., Limited	√	√	√	√		√													

Independent Verification Statement



ASSURANCE STATEMENT

REPORT ON SUSTAINABILITY ACTIVITIES IN THE HUAQIN TECHNOLOGY CO., LTD.'S SUSTAINABILITY REPORT FOR 2025

NATURE OF THE ASSURANCE/VERIFICATION
 SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by HUAQIN TECHNOLOGY CO., LTD. (hereinafter referred to as HUAQIN TECHNOLOGY) to conduct an independent assurance of the Sustainability Report for 2025 (Chinese version) for the period of January 1, 2025 to December 31, 2025.

INTENDED USERS OF THIS ASSURANCE STATEMENT
 This Assurance Statement is provided with the intention of informing all HUAQIN TECHNOLOGY's Stakeholders.

RESPONSIBILITIES
 The sustainability information in the Sustainability Report for 2025 and its presentation are the responsibility of HUAQIN TECHNOLOGY's Board of directors and the management. SGS-CSTC has not been involved in the preparation of any of the material included in the Sustainability Report for 2025.

Our responsibility is to express an opinion on the sustainability performance information within the scope of assurance based upon sufficient and appropriate objective evidence.

SGS-CSTC hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.


ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
 The SGS Group ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the ISAE 3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard	Level of Assurance
ISAE 3000	Limited

SCOPE OF ASSURANCE
 The scope of the assurance included evaluation of quality, accuracy and reliability of entire performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria
GRI Standards 2021 (With Reference to)
Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)



ESG PERFORMANCE

This assurance engagement is confined to verifying the material topic assessment process and accuracy and reliability of the entire sustainability performance information presented in the HUAQIN TECHNOLOGY's Sustainability Report for 2025. The key performance highlights are as follows:

Environmental indicators	Social Indicators	Governance indicators
<ul style="list-style-type: none"> Total energy consumption Total water consumption Scope 1:Direct GHG emissions Scope 2:Energy indirect emissions Scope 3: Greenhouse Gas emissions Total GHG emissions:Scope 1+ Scope 2+Scope3 GHG emission intensity Clean electricity consumption Waste recycling volume Waste landfilled Waste incinerated (energy recovery) Waste incinerated (without energy recovery) Waste stored Waste disposed by other means Total water intake VOC emissions 	<ul style="list-style-type: none"> Customer satisfaction rate Number of suppliers ESG assessment Total community investment amount Volunteer hours per employee volunteer service participants Total employee training hours Training hours per employee The overall salary ratio of male to female employees Median gender pay gap Total number of raw and auxiliary materials suppliers Total number of tier-1 suppliers Number of key tier-1 suppliers Number of key non-tier-1 suppliers 	<ul style="list-style-type: none"> Coverage rate of business ethics training Percentage of directors covered by business ethics training

ASSURANCE METHODOLOGY
 The assurance comprised a combination of pre-assurance research, interviews with relevant employees of the headquarters on-site at No. 699, Lvke Road,Beicai Town, Pudong new District, Shanghai, P. R. China, including documentation and record review and validation where relevant. This assurance engagement was restricted to the group level of HUAQIN TECHNOLOGY and did not include traceability of all original data from subordinate institutions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LIMITATIONS AND MITIGATION
 Data drawn directly from independently audited financial accounts and intensity data calculated based on financial data has not been checked back to source as part of this assurance process.

The greenhouse gas emissions related data in the Sustainability Report for 2025 was calculated by HUAQIN TECHNOLOGY. In the context of the present assurance engagement, our procedures were limited to sample-based validation.



STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. As an affiliate of SGS Group, SGS-CSTC affirm our independence from HUAQIN TECHNOLOGY, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance engagement performed, no inaccuracies or reliability issues were identified within the scope of the sustainability performance information covered by the HUAQIN TECHNOLOGY's Sustainability Report for 2025.

ADHERENCE TO GRI STANDARDS 2021

The assurance team concludes that the HUAQIN TECHNOLOGY's Sustainability Report for 2025 has been prepared with reference to the requirements of GRI Standards 2021.

ADHERENCE TO GUIDELINES NO. 14 OF SHANGHAI STOCK EXCHANGE FOR SELF-REGULATION OF LISTED COMPANIES—SUSTAINABILITY REPORT (TRIAL)

The assurance team concludes that the HUAQIN TECHNOLOGY's Sustainability Report for 2025 has been prepared in accordance with the requirements of Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial).

Signed:

For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Haidian District, Beijing, P.R. China

Apr. 8th, 2026
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Dear Reader, Thank you for reading the *Huaqin Technology 2025 Sustainability Report*.

Scan to explore Huaqin's sustainability policies and progress

