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2025

Dongguan Yiheda Automation Co., Ltd.

Sustainability Report



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About this Report >>>

Report Statement

This Report discloses, objectively, in a standardized, transparent and comprehensive manner, Yiheda's 2025 practices and performance in governance, economic, environmental, and social domains. Stakeholders may use this Report to understand the Company's sustainability performance and to jointly advance the Sustainable Development Goals.

Reporting Cycle: This Report is an annual report.

For ease of expression and reading, "Yiheda", "We" and "the Company" in this Report refer to Dongguan Yiheda Automation Co., Ltd.

Report Scope

Data Collection Period: From 1 January 2025 to 31 December 2025. For continuity and comparability, certain information has been appropriately extended beyond this period.

Reporting Entities: Unless otherwise stated, the policies and data presented in this Report cover the Company and its subsidiaries. The reporting scope is consistent with that of the annual report.

Preparation Basis

This Report has been prepared in accordance with *Shenzhen Stock Exchange Listed Company Self-regulatory Guideline No. 17 – Sustainability Report (Trial)*, *Listed Company Self-regulatory Guideline No. 3 – Preparation of Sustainability Reports (2026 Revision)*, and with reference to the Global Sustainability Standards Board's *Sustainability Reporting Standards (GRI Standards)*.

Data Sources

The information and data disclosed in this Report come from official internal documents, statistical reports, and annual reports of Yiheda and its subsidiaries. The financial information in this Report is presented in RMB. The Board of Directors is responsible for the truthfulness, accuracy and completeness of the Report.

Confirmation and Approval

This Report was approved by the Board of Directors for release on April 24, 2026, upon confirmation by the management.

Availability of this Report

Please consult this Report on the Shenzhen Stock Exchange website (<http://www.szse.cn>). If you have any suggestions regarding this report, please contact us at:

Phone: 0769-82886777-785

Email: lys@yiheda.com



FA工厂自动化 一站式采购平台



“ Chairman’s Statement ”>>

Time records our efforts and years witness our progress. 2025 marks Yiheda’s fifteenth year focusing on industrial automation and is a pivotal year for implementing the sustainable development strategy and pursuing high-quality growth through proactive transformation.

Fifteen years of steadfast purpose. Since establishment, we have adhered to the business philosophy of “delighting customers, ensuring employee well-being, satisfying shareholders, earning social respect,” and have consistently focused on the factory automation (FA) components sector, growing into an industry benchmark. Every step forward has depended on customers’ trust, the joint efforts of employees, partners’ cooperation, and broad societal support. This sustained backing underpins our resilience through market cycles and fuels a long-term commitment to sustainable development.

In 2025, amid major shifts in globalization and accelerating industry transformation, we met market changes with strategic resolve and addressed development challenges through reform. We embedded sustainable development across business processes, practiced responsibility in core operations, and demonstrated commitment through innovation, delivering annual results that balance development quality, environmental value, and social contribution.

In 2025, we strengthened product competitiveness and accelerated digital and intelligent enablement across production, operations, and services, improving operational efficiency and resource allocation simultaneously. Technological innovation reinforced our product advantages: high quality, short lead times, and strong cost performance. We advanced comprehensive supply-chain reform and worked with upstream and downstream partners to build a sustainable industrial value chain. We expanded globally, extending overseas markets and service networks to offer solutions from China to support global manufacturing transformation.

In 2025, we pursued a proactive change agenda, initiating organizational reform, strategic recalibration, cultural development, and system restructuring. We improved ESG management and strengthened risk management and internal controls. Through standardized, transparent governance, we protected shareholders’ rights and received multiple honors, including the SSE Eagle Gold Quality 2025 Corporate Governance Award.

In 2025, we treated green, low-carbon development as the foundation of high-quality growth and systematically advanced energy conservation, resource recycling, and pollution prevention. We implemented distributed photovoltaic projects, optimized our energy mix, and safeguarded ecological and environmental safety.

In 2025, we upheld a people-centered approach and comprehensively protected employees’ lawful rights. We improved compensation, benefits, and career-development systems and reinforced human-centered care so the Company serves as a harbor for employee growth and a stage for value realization. We view social reinvestment as a core mission and deepened philanthropic engagement and regional empowerment, participating in education initiatives and rural revitalization to deliver tangible corporate citizenship.

Industry automation is a core enabler of global manufacturing transformation and a key engine for high-quality development. At this new starting point, we recognize that sustainable development is not a slogan, but an essential, long-term choice embedded in our operations.

Looking ahead, we will continue to uphold the mission of “making intelligent manufacturing simpler” and pursue the vision of becoming a global leading one-stop service platform for long-tail manufacturing demand, providing critical support for industrial ecosystem linkage. Guided by a commitment to care toward customers, products, colleagues, and ourselves, we will create value for customers with sincerity and professionalism. With the courage to reform, we will break path dependence and embrace industry change to find new growth through continuous innovation. With a desire for growth, we will maintain an open mindset, pursue continuous improvement, grow together with all employees, achieve win-win outcomes with partners, and align with global industry development.

Liguo Jin
Founder and Chairman of the Board



About Yiheda >>>

Company Profile

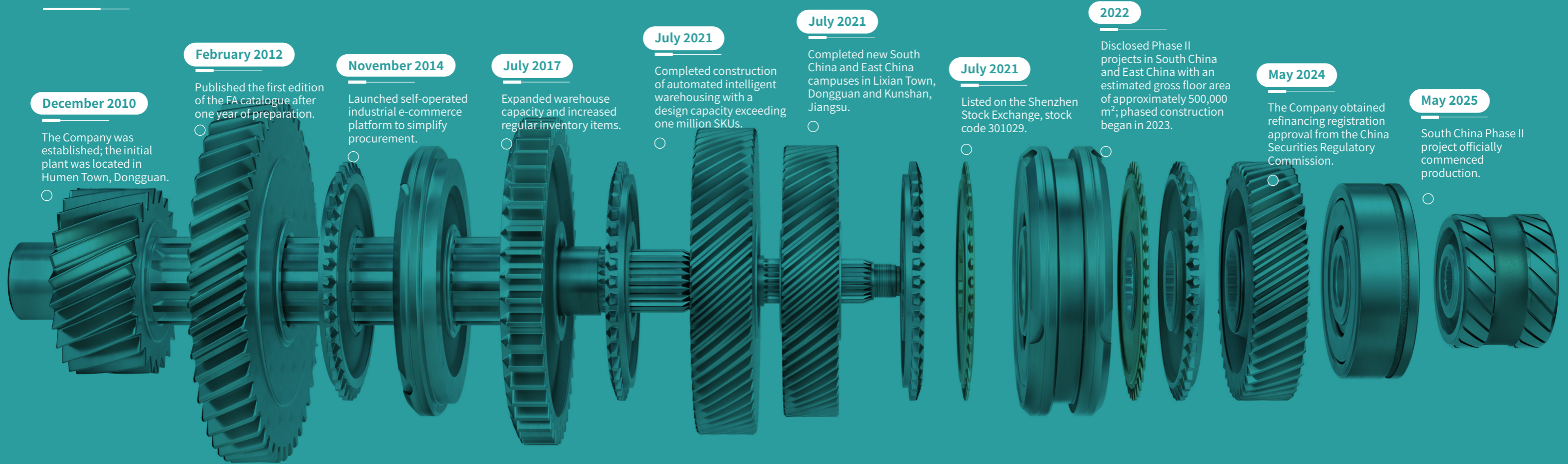
Dongguan Yiheda Automation Co., Ltd., founded in 2010, specializes in the research, manufacture and sale of factory automation (FA) components and serves as a leading domestic one stop supply platform for FA components.

Yiheda focuses on automation equipment and understands the long tail procurement characteristics of automation components, including large SKU counts, small batch sizes, multiple batches, high frequency and low unit value. Guided by the Four Modernization Initiatives — standardization of non-standard parts, consolidation of fragmented orders, platformization of delivery formats and empowerment of suppliers and buyers — the customer procurement model has shifted from “independent part design + offline multi-supplier sourcing” to “simple part selection + one-stop procurement.” This change has reformed the supply of automation components, shortened customers’ design, procurement and delivery cycles, and provided products and services that deliver timeliness, variety and reliability (TVR).

After fifteen years of development, Yiheda has adopted an information-driven platform model that integrates upstream and downstream resources across the automation industry. Beginning with standards setting and product development and following the path “product supply — platform integration — ecosystem drive,” the Company has progressively increased the share of standardized, modular, and componentized parts in automation equipment. For components that are difficult or uneconomic to standardize, the Company has strengthened full-chain digital capabilities for production and transactions, including automated quoting and programming systems, to improve supply efficiency, reduce overall costs, and promote technological advancement in the automation industry.



Milestones



Annual Honors and Awards



Top 20 Enterprises by Main Business Revenue in Hengli Town, 2024
Hengli Town People's Government, Dongguan

Ranked 170th among Guangdong Top 500 Manufacturing Enterprises, 2025
Guangdong Manufacturing Association; Guangdong Development and Reform Research Institute; Industrial Economics Research Institute, Jinan University

Outstanding Practice Case for Listed Company Boards, 2025
China Association for Listed Companies

SSE Eagle Gold Quality 2025 Corporate Governance Award
Shanghai Securities Journal

Hengli Town Contribution to Economic Performance Award, 2024
Hengli Town People's Government, Dongguan

Outstanding Practice Case for Listed Companies' Board Office, 2025
China Association for Listed Companies

Golden Information Disclosure Award, 2024
China Securities Journal

Top 300 Most Popular Listed Companies
iFinD

Dongguan "Enterprise Doubling" Award¹, 2025
Dongguan Municipal Bureau of Industry and Information Technology

Outstanding Practice Case for Annual Report Performance Briefing, 2024
China Association for Listed Companies

Top 100 Private Industrial Enterprises in Dongguan, 2025
Selection Working Committee for Dongguan Private Enterprises and Entrepreneurs

Dongguan Outstanding Quality Management Unit
Dongguan Market Supervision and Administration Bureau

¹ Enterprises achieving doubled economic performance.

01

INDUSTRY DEVELOPMENT

Industrial automation is a critical enabler of manufacturing transformation and upgrading. Guided by the mission “make intelligent manufacturing simpler,” Yiheda focuses on automation components and pursue technology-driven innovation while maintaining product quality and customer service as foundational priorities. The Company coordinates upstream and downstream partners to build a strategic, collaborative supply-chain mechanism, promotes standardization and ecosystem empowerment, and supports the high-quality development of the manufacturing sector.



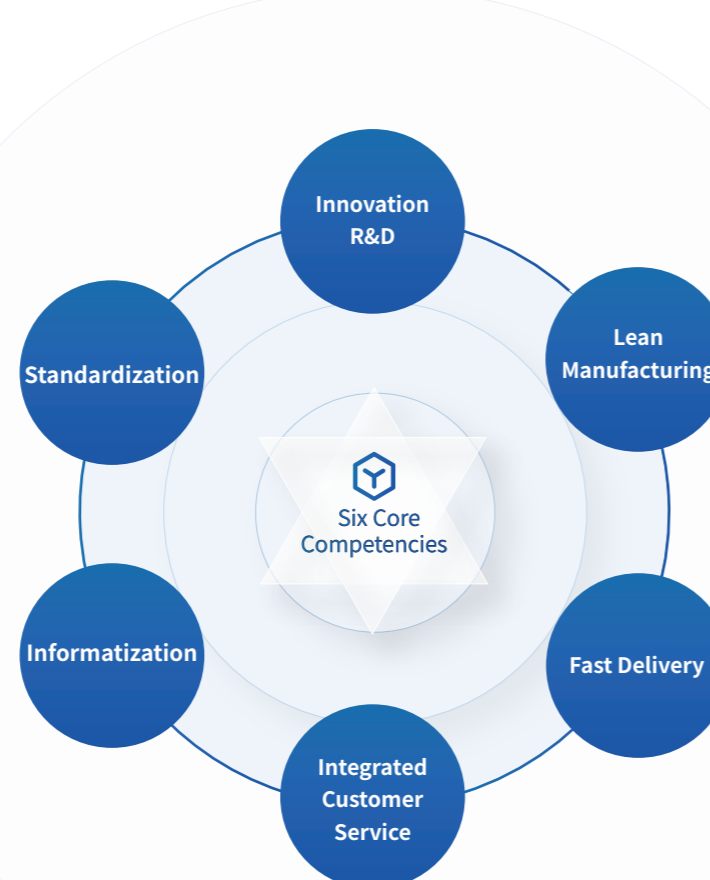
Guangdong Provincial Manufacturing Single-Product Champion Enterprise



Making Intelligent Manufacturing Simpler >>>

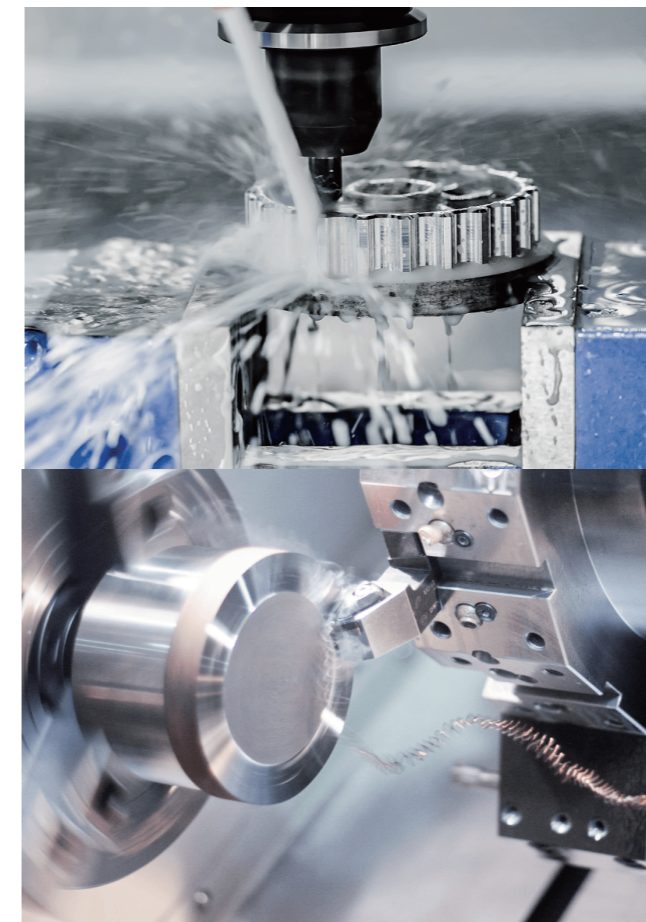
Focusing on core industry needs, Yiheda prioritizes high quality, fast delivery and low cost to address long tail procurement of nonstandard automation equipment, characterized by large SKU variety, small and frequent batches, multiple runs and low unit value. By standardizing nonstandard parts, consolidating fragmented orders, standardizing transaction formats on a platform and empowering suppliers and buyers, the Company optimizes supply chain resources to deliver its TVR promise: Time (speed), Variety (breadth) and Reliance (dependability).

Yiheda serves downstream markets including new energy lithium batteries, photovoltaics, 3C electronics, automotive, industrial robotics, defense, medical devices, semiconductors, laser processing, food and logistics. Leveraging six core capabilities and starting with standards setting and product development, the Company steadily raises the proportion of standardized, modular and component parts in automation equipment. For parts that are difficult or un-economic to standardize, the Company applies full chain digitalization across production and transactions and enhances features such as automated quoting and programming to boost supply efficiency, lower overall cost and advance technological progress in the automation industry.



Full-BOM One-Stop Procurement Platform

Based on a broad customer base and long-term accumulation of customer demand characteristics, Yiheda provides a full-BOM one-stop procurement platform covering FA (non-core standard components), FB (non-standard components) and FX (branded core components). The platform addresses end-to-end needs from standardized parts to customized components and branded core items, delivering comprehensive procurement solutions.



FA Standardized Components Business

Yiheda standardizes automation components into modular assemblies and, supported by a complete supply system, has established a factory automation standardization framework and product selection manuals covering six domains to support a one stop procurement platform.

Focus on non-standard automation equipment; standardize designs and categorized selection components by application scenario.

Leverage standards, product development, supply-chain and platform operations, enabled by digitalization, to deliver high-quality, low-cost components with short delivery times.



As of the end of the reporting period, Yiheda had developed an FA components product system covering 205 major categories, 4,025 subcategories and 2,800,000 SKUs, providing customers with a comprehensive one-stop procurement service.

As of the end of 2025

FA product system covering

205 major categories

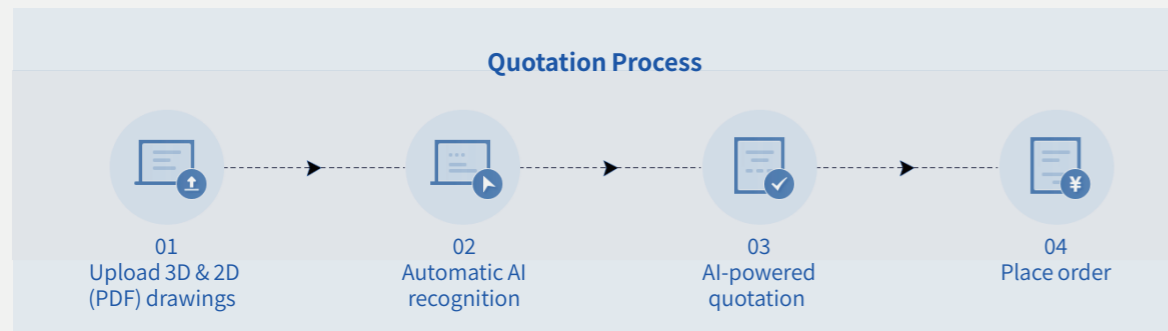
4,025 subcategories

2,800,000 SKUs

FB Non-standard Components Business

Yiheda manufactures custom-machined components for non-standard equipment based on customers' application scenarios. To address industry pain points in non-standard customization, the Company invests in equipment and in-house machining to support small-batch, multi-variety production, improve precision, and enhance automated quoting systems, thereby improving supply efficiency and reducing total cost.

- ❖ **Tailored solutions:** We provide bespoke non-standard product designs and customization services supported by a professional team and scalable capacity.
- ❖ **Comprehensive coverage:** Services span component machining, high-precision manufacturing, and module assembly and commissioning.
- ❖ **Processing capabilities:** Machining processes include milling, turning and grinding; support for 150+ materials and 50+ surface treatments.
- ❖ **Intelligent quoting:** An AI-driven quoting system analyzes part features and machining parameters, plans optimal process routes, and reduces quoting time from hours to seconds; system supports single-unit orders.



FX Branded Core Components Business

Yiheda's FX business has strengthened customer-segmentation management and improved operational turnover to develop capabilities for product selection, procurement, management, and modification. This one-stop procurement solution meets the purchasing needs of small and micro customers and provides brand owners with more granular market access, thereby generating greater value for both buyers and brand owners.

Advancing Industry Development

Yiheda's strategy, which comprises product supply, platform integration, and ecosystem development, aims to lower barriers to automation adoption. By standardizing and centralizing production, we cut costs and boost efficiency, enabling more manufacturers, especially SMEs, to access high-quality, low-cost automation components and services with shorter lead times, thereby improving accessibility and supporting inclusive industry growth.

Standardization of Non-standard Components

Focusing on platformization and ecosystem building, we promote technological progress and lower industry entry thresholds. We have developed professional design manuals to convert complex non-standard technologies into a standardized knowledge system. Relying on customer research and feedback, we continuously refine the product and knowledge systems to expedite technical standardization across the industry.



Deeply Empower Engineers

Yiheda focuses on engineers' core design needs and restructures the entire design-to-service workflow with digital tools to enable efficient automation design and boost industry productivity.

We address the time-consuming challenge of component selection in mechanical design by providing a product knowledge base, guided selection, e-book downloads, and online courses. Engineers can download our industry-leading digital selection tools and plugins free of charge, including the 3D Component Model Library, 3D Geometric Search, Non-standard Design Calculation and Selection Tool, and Aluminum Profile DIY Design Software. We also offer free online training and full-cycle technical support, front-loading services into the design phase to significantly increase selection efficiency and streamline design work.

Product Knowledge Base	Covers mechanical principles, materials science, engineering drawing, fluid mechanics, manufacturing technologies and automation to improve application efficiency.
Guided Selection	Uses scenario illustrations and descriptive prompts to assist junior engineers in choosing appropriate products.
Calculation-based Selection	Applies standardized, professional calculation logic to match application scenarios with optimal specification parameters and generate product model numbers.
Case Library	Aggregates extensive industry cases to inspire solutions, accelerate engineer development, and improve equipment R&D and implementation efficiency.
E-book Downloads	Courses designed for multiple proficiency levels; support offline reading and bookmarking to sustain continuous improvement of design capabilities.

Case Automation Parts Selection Software

Yiheda's selection software addresses the industry issue of large component variety and time-consuming screening by aggregating all component categories—from standard screws and nuts to complex transmission parts—and applying multidimensional classification by function, size, material and precision. The platform provides 3D model-based selection, curated cases, product knowledge outputs and end-to-end technical services, streamlining selection workflows and enabling engineers to locate suitable parts rapidly.

During the reporting period, we released 3D Model Library 2025—2.0, which improves functional configurations and supports fast local invocation and intelligent searches (fuzzy search, full-model search, 2D sketch search, 3D geometric search), shortening selection cycles and reducing duplicate modeling. The library fully integrates all versions of professional design plugins, supports plugin use and model export for modification, and offers online updates without full reinstallation, thereby improving design efficiency and controlling R&D costs.



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现成多种零件模型选择

零部件3D模型库下载

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随时变更规格, 直接导入模型

技术资料库

最新推出产品使用范例, 让自动化更简单

Steady Advancement of Global Business Layout

Relying on a competitive domestic supply chain and comprehensive FA service capabilities, Yiheda has expanded overseas through strategic partnerships, localized supply, distribution models, and cross-border e-commerce. Operations now cover more than 30 countries and regions across Asia, North America, Europe, South America and Oceania.

We will deepen industry and application engagement to address manufacturer's long-tail needs, build localized service teams and warehousing networks, and shift from "Chinese products sold globally" to "Chinese capabilities deployed globally." This shift will improve global response speed, enhance partner co-creation, and support efficient operation of international supply chains with high-quality solutions.

Digital-Intelligent Transformation

Yiheda treats digital-intelligent transformation as the primary means to address the FA sector's characteristics of small batches, many varieties and high-frequency deliveries, and to improve operational efficiency, resource utilization, supply-chain resilience and customer value through digitalization, flexible intelligent manufacturing and advanced smart warehousing.



Digitalization

Yiheda integrates information systems and digital capabilities to support one-stop procurement of FA components. We have customized and iteratively upgraded the ERP system to deliver end-to-end information management covering order intake, production planning, procurement coordination, and final delivery, thereby improving order response and shortening lead times. Standardized data interfaces enable data exchange and collaboration with upstream suppliers and downstream customers. The management platform is evolving into an integrated digital ecosystem that consolidates procurement, approvals, logistics, and settlement.

Leveraging a digital product database and an online e-commerce system, we provide precise product selection and efficient procurement, simplify customers' design-to-purchase workflows, and support 24/7 multi-language, multi-currency transactions. Digital tools permeate order processing, commercial collaboration and supply-chain management. In FB scenarios, we deploy large AI models for product image recognition and automated quoting, reducing quotation response from hours to seconds and significantly improving responsiveness to long-tail and customized orders.



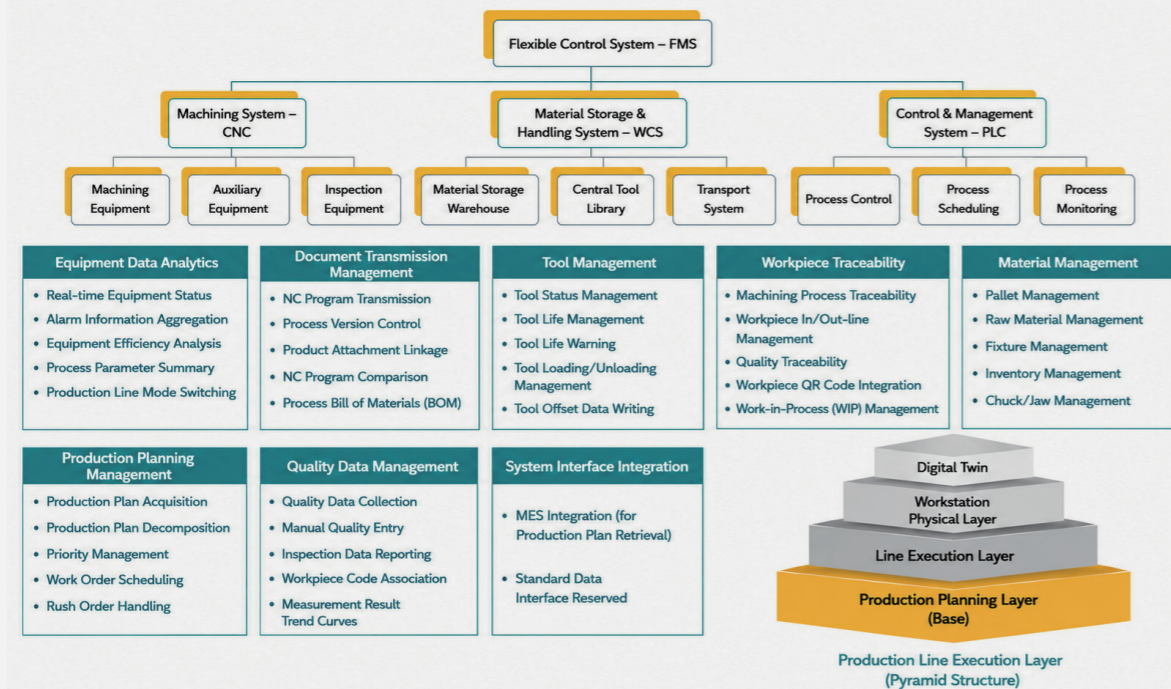
Intelligent Manufacturing

The Company regards intelligent manufacturing as the primary means to reduce costs, improve efficiency, save energy and ensure quality. We are deploying flexible manufacturing systems (FMS) to upgrade traditional production and to transition from automated production lines to intelligent production lines.

Case Flexible Control System

Yiheda has implemented a three-tier collaborative architecture centered on a flexible control system to support multi-variety, small-batch production, which breaks down machine data silos and enable unified intelligent scheduling across material handling, machining and quality inspection. The production line operates fully automatically with zero manual intervention, meeting multi-variety, small-batch production requirements.

By integrating APS advanced scheduling with MES execution for full-process control, the system automatically identifies bottlenecks and allocates resources to ensure stable, efficient production. The FMS is data-driven and provides visibility and traceability of equipment status, tool life, workpiece processing, and production data. These capabilities improve efficiency, lower unit energy consumption, and reduce defect rates, thereby strengthening production competitiveness.



Intelligent Production-line Dashboard



FB Flexible Production Line

Intelligent Warehousing

Yiheda has implemented a digital, automated intelligent warehousing system, which serves as the first large-scale smart-logistics benchmark in China's factory automation components sector and supports high-frequency deliveries.

We implemented an integrated warehouse management system that optimizes sorting routes, coordinates intelligent picking with manual operations, and links orders, storage, and logistics end-to-end to improve throughput.

The system interfaces with OA and ERP, automatically generates pick lists, plans routes, monitors order progress in real time, and issues alerts to shorten order processing time. Barcodes and RFID enable automated receiving and dispatch and accurate classification, reducing manual errors. Intelligent algorithms optimize sorting and routing; AI provides real-time inventory monitoring, analysis and demand forecasting to raise turnover and lower inventory costs and risks.

After implementation, order processing, logistics efficiency and customer service improved significantly, strengthening the Company's delivery capability.

During the reporting period, we advanced automated production lines and cost-reduction technologies and commissioned 13 automated lines. The utilization rate of non-standard small-parts equipment rose from 12% to 37.2%, peaking at 80.4%. Optimization of robot material-change processes increased efficiency by 50%. We installed zero-point fixtures and standardized tool tables, eliminating alignment waits and reducing setup time per drawing from about 50 minutes to virtually zero, freeing capacity and stabilizing production.



During the reporting period

Commissioned automated lines

13

Utilization rate of non-standard small-parts equipment rose

37.2%

Innovation-Driven Development >>>

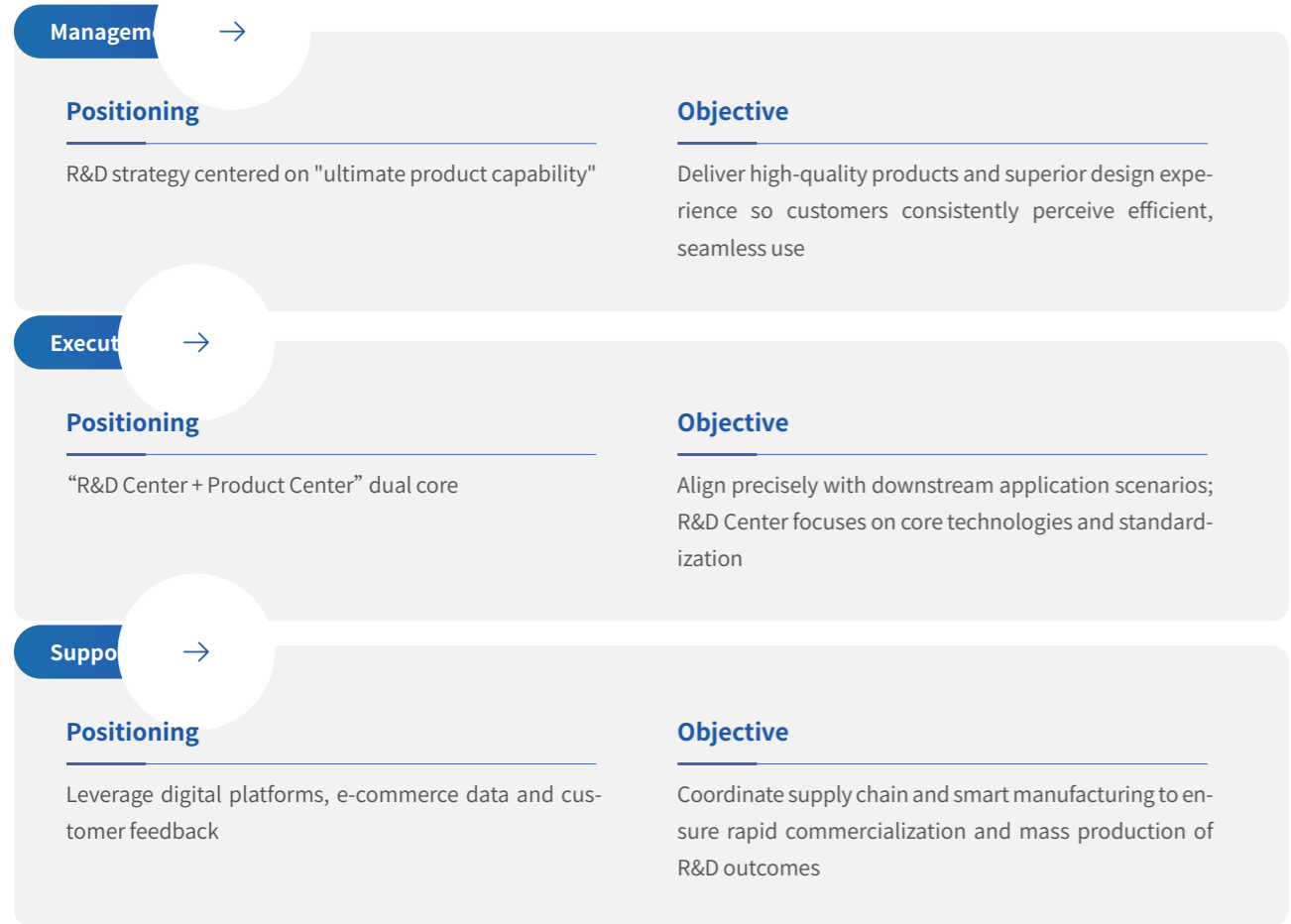
Technological innovation is the core engine of Yiheda's sustainable development. We drive high-quality growth in the automation components business by building R&D platforms, implementing talent development and incentive mechanisms, and strengthening commercialization and intellectual property management, thereby enhancing core competitiveness and advancing industry technologies.

R&D Strategy

Yiheda pursues the standardization, serialization, and modularization of automation components, guided by industry- and scenario-specific requirements. Focus areas include product development, process optimization, and the expansion and publication of corporate product standards to strengthen product competitiveness.

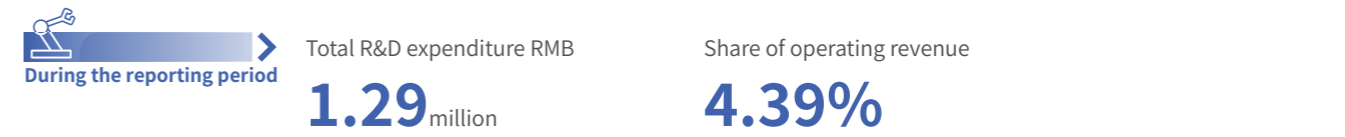
R&D System

Yiheda has established a three-tier R&D system with clear hierarchy, defined responsibilities and efficient collaboration to implement R&D strategy and drive technological breakthroughs.



Yiheda continuously enhances R&D infrastructure and equipment to support technological innovation. The research center exceeds 6,600 m², comprising an R&D design and planning office of approximately 3,400 m², a pilot-production area of approximately 1,800 m², and laboratories of approximately 1,400 m². The laboratories were established and operate under CNAS standards and received CNAS accreditation in 2024, enabling full-process testing of in-house developed products to ensure quality and technical reliability. The Company also maintains engineering and industrialization capabilities, with production and processing facilities covering approximately 60,000 m² and more than 500 CNC machines, providing mature standard and non-standard processing capabilities to support the rapid commercialization of technological results.

We prioritize R&D funding for infrastructure improvement, the recruitment of senior technical personnel, and new product development to ensure stable financial support for ongoing innovation. During the reporting period, total R&D expenditure amounted to RMB 129 million, representing 4.39% of operating revenue.



Yiheda balances external recruitment and internal development to build a professional, high-quality R&D talent pipeline. Through diversified channels, the Company attracts experienced industry professionals and high-potential candidates. A comprehensive training system and clear career paths support a stable talent structure that sustains technological innovation. As of the end of the reporting period, R&D personnel totaled 407.

We maintain a comprehensive innovation incentive system that encourages exploration of frontier technologies, ensures compliance with safety requirements in innovation activities, and streamlines commercialization channels to align technologies with market demand. A diversified reward framework, including performance bonuses for technology transfer and year-end special awards, ensures innovators share in the Company's growth and motivates sustained creativity.

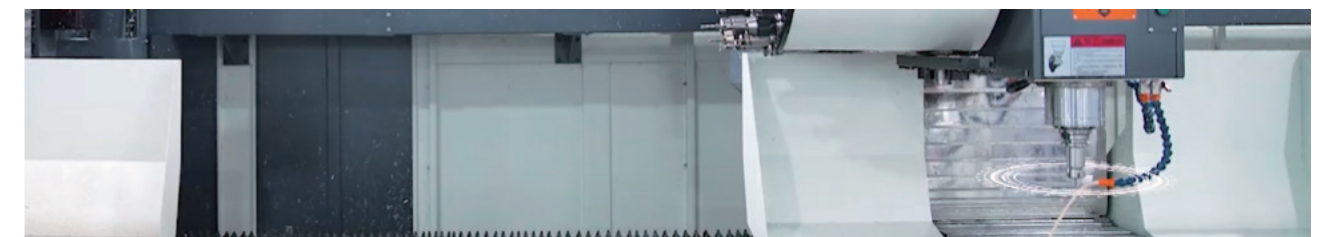
Yiheda was recognized as a High-Tech Enterprise, and its wholly owned subsidiary Suzhou Yiheda Automation Technology Co., Ltd. (hereinafter "Suzhou Yiheda") was designated a Jiangsu Province "Specialized, Sophisticated, Unique, and Innovative" (SSUI) Enterprise.



Certificate of Jiangsu Province SSUI Enterprise



High-Tech Enterprise Certificate



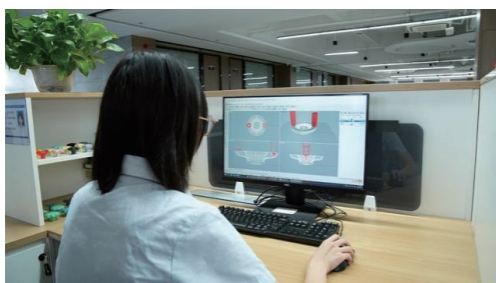
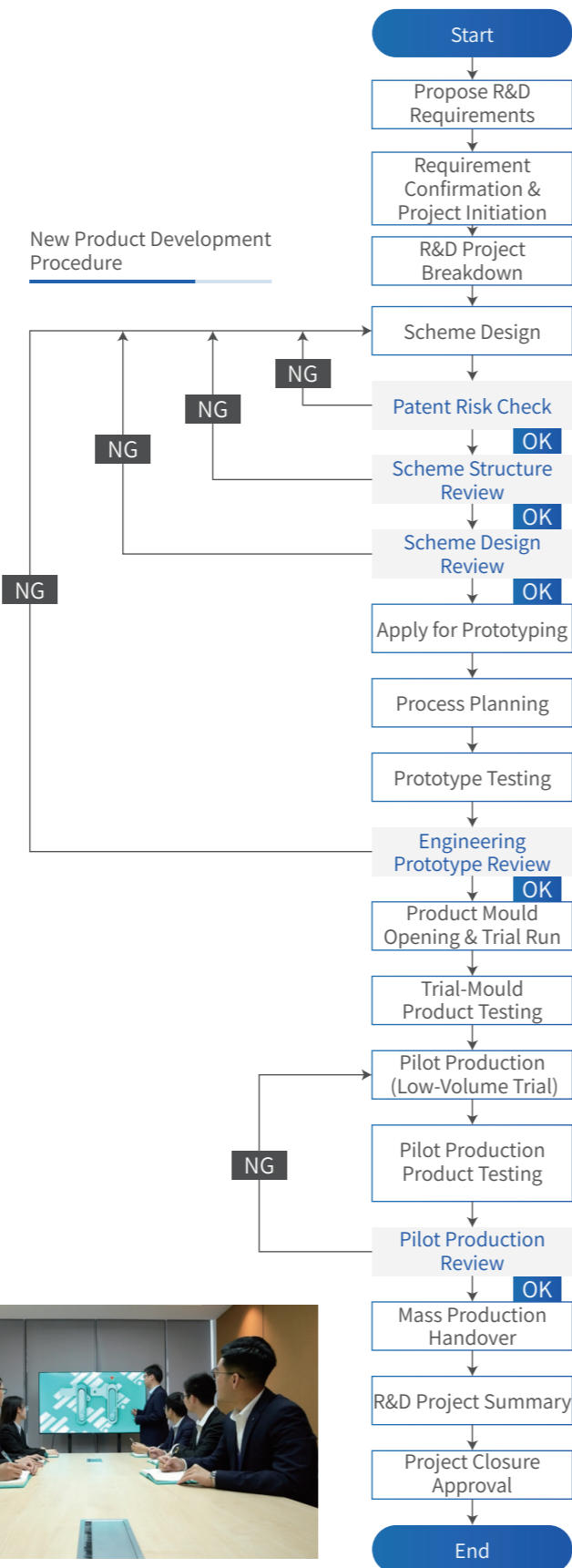
R&D Risk Management

Yiheda attaches great importance to risk management in new product development and, following formal procedures, implements standardized full-cycle controls from project initiation through acceptance and closure.

The Company has established the *New Product Development Management Procedure*, which divides the R&D process into five stages: project initiation, concept and detailed design, design verification, pilot production, and project closure. Routine process controls and stage-gate assessments enable real-time monitoring of progress and prompt issue resolution.

At project initiation, standardized requirement reviews and feasibility analyses control market, technical, and compliance risks. During concept and design, structural self-checks, tiered reviews, and patent-infringement screening mitigate design and intellectual property (IP) risks. In design verification, engineering samples and prototypes undergo comprehensive testing and dedicated reviews to validate performance and environmental compliance. In pilot production, mold trials and small-batch runs confirm mass-production feasibility. At project closure, project reviews and knowledge consolidation capture lessons learned to improve management effectiveness.

The Company has implemented a full-node, tiered review mechanism and a standardized document management system that standardizes initiation, mid-term, and acceptance/closure reports, defines baseline criteria for scope reduction and establishes a unified change-control process to ensure end-to-end traceability and control of R&D risks.



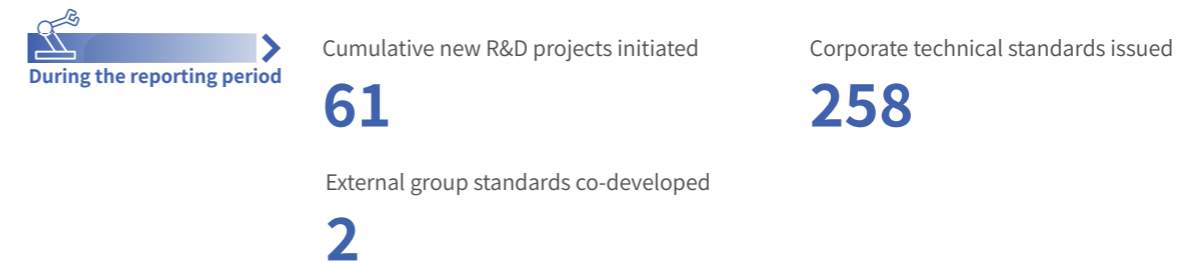
R&D Objectives and Targets

Yiheda has long focused on the automation sector, accumulating extensive R&D and commercialization experience, and establishing core technologies and products with independent intellectual property rights.

R&D Objectives

- Core Objective**
 Develop an automation-components product system characterized by high quality, low cost, and short lead times to support the industrial ecosystem.
- Technical Objective**
 Master core technologies for high-end automation components and align with internationally advanced standards.
- Industrial Objective**
 Address long design cycles, high procurement costs, and unreliable delivery times to increase the market share of domestically produced automation components.

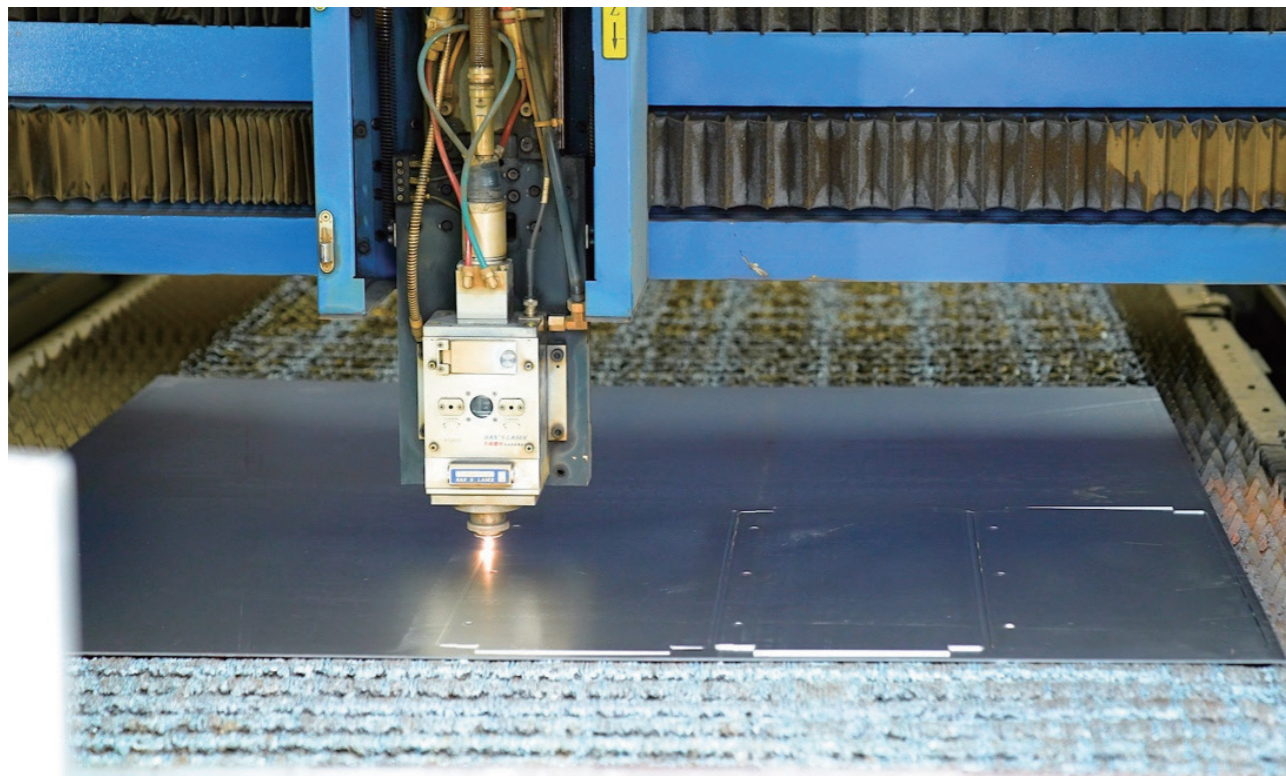
During the reporting period, Yiheda made breakthroughs in intellectual property strategy, new product development, construction of a technology middle-platform, and document standardization, supporting the implementation of the long-term strategy. The Company initiated 61 new R&D projects; project continuity and iterative capability were improved. The internal technical standards system was enhanced, with 258 corporate technical standards issued. The Company co-authored two external group standards: “Planetary Roller-Screw Assemblies for Humanoid Robots — Part 3: Test Methods” and “Accuracy and Performance Test Methods for Ball Screws Used in Humanoid Robots.”



Industry-University-Research Collaboration

We balance independent development with industry-university-research collaboration and have issued specific Management Measures. Stable university partnerships have supported projects including development of a multi-purpose automatic reclaiming feeder, multi-link adjustable-shaft flexible gripper technology, and a rapid lateral-transfer flip-and-pick manipulator, promoting technology transfer and application.

During the reporting period, Yiheda entered a long-term strategic partnership with South China University of Technology to establish a joint laboratory, focusing on CAM industrial software for large-scale customization of non-standard parts, enhancing automation in core businesses and advancing talent cultivation.



Intellectual Property Protection

Intellectual property is a core asset for technological innovation and sustainable development. Yiheda has established and certified an IP compliance management system under GB/T 29490 and was designated a Key Intellectual Property Enterprise by the Dongguan Market Supervision Administration.

IP Management Strategy

Yiheda follows four principles: strategic orientation, leadership commitment, company-wide participation, and end-to-end management. We integrate our IP strategy with business and technology strategies, covering the entire lifecycle of industrial aluminum profiles, linear motion components, and transmission parts.

IP Management System

The *Intellectual Property Management Manual* is the principal governance document, supported by procedures for IP risk control, IP management, R&D, procurement, production and sales, confidentiality, legal dispute handling, and rewards and penalties, forming a complete institutional control framework.

Yiheda has a clear hierarchical IP governance structure: the General Manager is the primary responsible person; a full-time management representative oversees system implementation and improvement; a dedicated IP department handles filings and protection; and each business and functional unit appoints part-time IP personnel.

We embed IP management into core business processes through specific control procedures for R&D, procurement, production, and sales, and continuously optimize effectiveness through internal audits, management reviews, and continuous improvement.



Intellectual Property Compliance Management System Certification

Intellectual Property Risk Management

Yiheda has established an end-to-end IP risk management system and issued the IP Risk Management and Control Procedure, designating the FA R&D Department as the lead for risk identification, assessment, response and lifecycle monitoring.

We integrate IP risk control across R&D project approval, product development, procurement, outsourcing, manufacturing, sales, and external cooperation, applying differentiated controls for internal and external risks, with an emphasis on prevention and remediation. A risk-warning mechanism and an emergency response plan require departments to monitor risks within their scope and issue timely alerts; the FA R&D Department maintains the IP risk register and implements targeted control measures.

Business stage	IP risk control measures
R&D	Full-process searches, tracking and monitoring before, during and after projects to avoid infringement.
Procurement	Verify supplier IP qualifications; review IP clauses in purchase contracts; annual IP risk survey of supplied products.
Production	Declare production-stage technological innovations; control IP for outsourced processing.
Sales	Pre-sale infringement analysis for key products; IP compliance review of commercial activities; technical confidentiality disclosures; market infringement monitoring.

Fostering an IP Compliance Culture

Yiheda adheres to the IP management principle of “encourage creation, prevent risks, manage effectively, and standardize use,” embedding IP compliance into the corporate culture and all business processes. Compliance training is mandatory, and a long-term awareness mechanism has been established.

During the reporting period, the Company delivered three targeted training sessions on patent filing and mining, IP compliance system operation, and copyright infringement identification and compliance. Training content covered patents, trademarks, copyrights, trade secrets and the GB/T 29490 compliance framework, and addressed practical topics—patent mining, end-to-end compliance controls, and infringement risk identification and avoidance—thereby closing knowledge gaps and enhancing IP operational capabilities in key roles.

Intellectual Property Management Objectives and Indicators

During the reporting period, Yiheda exceeded the IP-filing target, and achieved comprehensive IP coverage in core technology areas. The Company completed patent-infringement risk screening for 14,705 product codes, ensuring compliance coverage for core products and effectively mitigating IP risks.



Quality Management Strategy

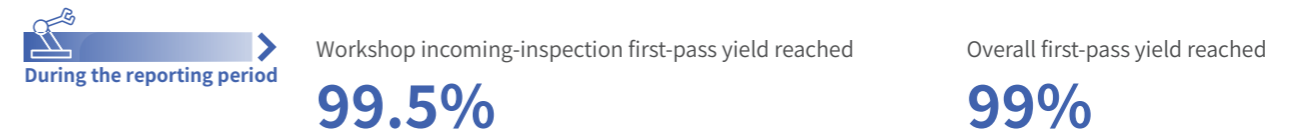
Yiheda embeds quality control across the business value chain to improve quality, enhance efficiency and create value. By strengthening process control and standardization, the Company ensures product reliability and improves customer experience, reduces quality-related costs, and enhances operational performance. The Company develops a quality talent pipeline, implements a QMS information system, and fosters a quality-improvement culture to build long-term competitive advantage in quality.

Quality Management Policy

Yiheda’s quality policy: customer-centric; pursuit of excellence; and delivery of the most reliable products to customers.

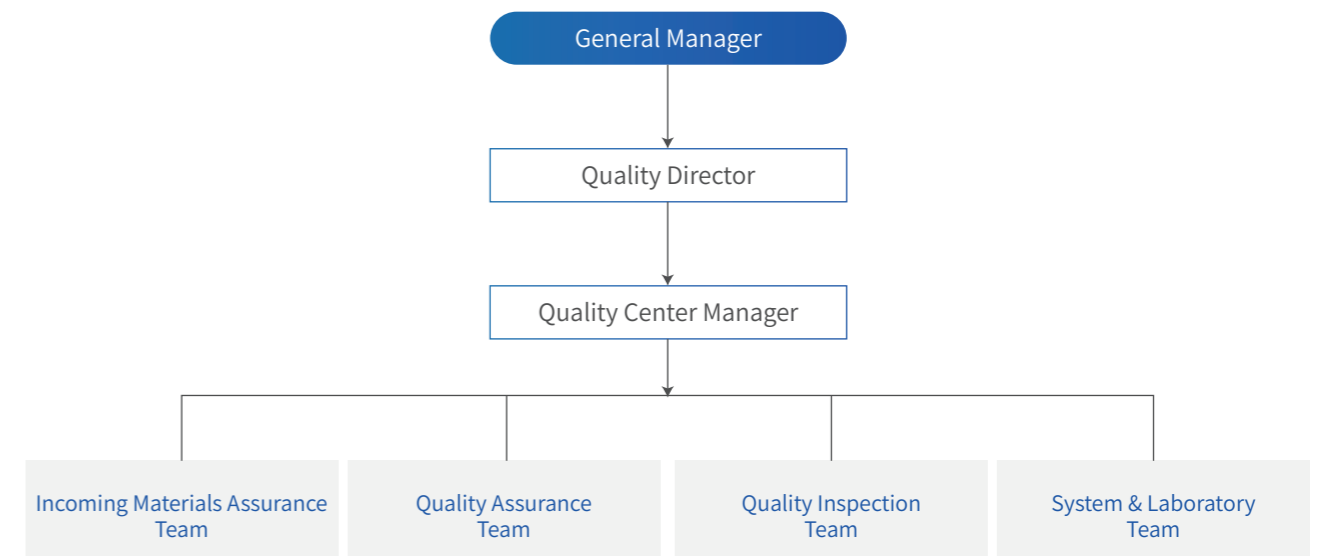
Quality Management Objectives and Indicators

Quality objectives align with Yiheda’s strategic plan. Departments set targets and implementation plans based on corporate goals and past performance; targets are approved and executed. Monthly data reporting and annual reviews track progress; departments that miss targets must implement corrective actions. During the reporting period, workshop incoming-inspection first-pass yield was 99.5%; overall first-pass yield was 99%.



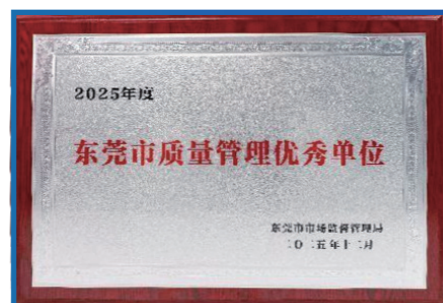
Quality Management Structure

Yiheda has established a clear, accountable hierarchical quality management structure, led by the General Manager, coordinated by the Quality Director, and executed by the Quality Center.



Product Quality Management >>>

Yiheda has established a customer-centric quality management system covering the entire product lifecycle, ensuring end-to-end quality from supplier qualification and production to delivery and after-sales through standardized management mechanisms. Yiheda is ISO 9001 certified. During the reporting period, the Company was awarded Outstanding Quality Management Unit in Dongguan.



Quality Management System

Yiheda strictly complies with laws and regulations, including the *Product Quality Law of the People's Republic of China*. Based on operational needs, the Company has issued internal rules and procedures including *Precision Manufacturing Production Process Control Procedure, First-Article and Patrol Inspection Guidelines, Incoming Material Defect Handling Regulations, and Supplier 100% Inspection Management System*, thereby forming a quality management system that covers all business processes and ensures traceable, rule-based quality control activities.

Yiheda maintains a regular procedure-revision mechanism and updates system content promptly in response to regulatory changes, shifts in the external environment, and business development needs to preserve the suitability and effectiveness of the quality management system.

Quality Risk Management

Yiheda has implemented a systematic quality-risk management mechanism. The *Risk and Opportunity Control Procedure* defines requirements for risk identification, assessment, response and review. Risks are quantified by severity and occurrence frequency to calculate a risk coefficient, then classified as high, medium, or low, with corresponding responses of avoidance, mitigation, or acceptance.

The Company conducts at least one annual risk-and-opportunity review and adjusts risk control strategies dynamically in response to internal and external changes to prevent quality incidents.

Quality Process Management

Yiheda's quality-process management spans the entire product lifecycle, forming a closed loop from order review, R&D, incoming-material inspection, production process control, finished-goods outbound inspection, inventory patrols and after-sales handling, ensuring effective control at every stage.

Production Process Control

Implement combined first-article and patrol inspections with defined standards, frequencies and sample sizes to detect and address production anomalies promptly.

Warehouse Control

Enforce receiving inspection, zoned storage, FIFO and regular patrols to prevent damage or mix-ups during storage.

Nonconforming Product Management

In accordance with the Nonconforming Product Management Procedure, apply standardized marking, isolation, review and disposition to prevent nonconforming products from entering the market or being used.

Process Traceability

Maintain records and traceability mechanisms for all quality control processes to enable verification, analysis and subsequent improvement.

Supplier Quality Management

Yiheda has established a closed-loop supplier-quality management system covering supplier development, qualification, daily-control and continuous improvement to secure supply chain quality at the source.

The Company has issued the *Supplier Development and Management Control Procedure* and *Supplier 100% Inspection Management System*, defining evaluation criteria, audit processes and cooperation requirements. Suppliers undergo regular performance assessments; all suppliers sign full-inspection quality agreements and are subject to incoming-material inspection and nonconformance feedback. Suppliers that deliver defective incoming materials must implement corrective actions and verification; repeated noncompliance may result in a warning, suspension, or termination of cooperation.

Quality Improvement Measures

Quality Management System Construction

During the reporting period, Yiheda enhanced the Quality Management System (QMS). The QMS is an integrated platform spanning product realization and linking quality data across the Company and subsidiaries, covering R&D, incoming materials, production, shipment, after-sales, system audits, organizational knowledge, laboratory, and hazardous-substance management. The platform supports the Quality Center in improving quality, reducing costs, and ensuring compliance.

Zero-Defect Pilot Project

During the reporting period, Yiheda launched Zero-Defect Phase II. The project comprised 27 initiatives across four pilot programs, focusing on quality improvements in shaft, pin, and fastener product centers, process and delivery in the FB Division workshop, and South China quality team development. The project translated quality methods into processes and systems, and strengthened professional capabilities to support business objectives and global expansion.



Quality Culture Construction

Yiheda places high priority on cultivating a quality culture and integrates it into daily operations as a foundation for quality management and staff alignment.

We designated 2025 as the Quality Standards Year and implemented multi-level communications, training, competitions, and consolidation activities to promote the learning and application of standards, strengthen quality awareness, and thereby support the continuous improvement of quality management.

Launch Meeting

A launch meeting opened the campaign; leadership pledged support and implementers took an on-site oath. Slogan collection and multi-channel publicity embedded the “learn standards, apply standards” concept into business practice.



Quality Training

Adopted an online + offline + supplier extension training model covering quality awareness and standard development. Total participants: 1,514 (online 1,344, offline 94). Training extended to 76 suppliers.



Competition-Driven Improvement

A quality knowledge contest attracted 321 participants with over 1,000 submissions. A debate with 6 teams discussed topics such as quality vs. efficiency and standards vs. innovation.



Standard Optimization

An improvement closed-loop was established: 6 outstanding standard documents were selected; 12 improvement suggestions were adopted as projects; an execution-feed-back-optimization loop was implemented.



Cultural Resonance

The “Quality in the Heart” essay contest received cross-department participation; 8 outstanding articles were selected.

Feedback and Outlook

Year-end survey collected 137 questionnaires and 74 suggestions. Over 80% of employees affirmed the campaign’s effectiveness and proposed improvements in training targeting and practical guidance to inform next steps.

During the reporting period

Quality training participants (person-times)
1,514

Employees in quality knowledge contest
321

Suppliers covered
76



Customer Service Management >>>

Yiheda is committed to delivering high-quality products and services, maintaining effective customer communication and collaboration mechanisms, prioritizing customer needs to create value, growing with customers, and safeguarding customer rights.

Customer Service Strategy

Yiheda centers on customer needs and integrates product capability development across R&D, production, sales and after-sales. R&D converts customer requirements for performance, functionality and appearance into design specifications. Production standardizes operating procedures and optimizes schedules to improve on-time delivery. Sales and after-sales operate rapid-response mechanisms to resolve issues and drive product improvements.

Yiheda offers a “component selection + one-stop procurement” solution to enhance responsiveness and service quality and to address procurement pain points. Through the Company’s self-operated e-commerce platform, customers can complete product selection, price inquiry, order placement, payment and order tracking online. A localized customer service team provides dedicated professional support.



E-commerce Platform

Customer Service Features



Fast

- 90% standard parts delivered within 3 days
- Products customizable per client request
- Custom-made items negotiable for delivery schedule
- Integrated intelligent warehousing enables expedited dispatch



Comprehensive

- FA component SKU: >280 million
- Covers 205 major categories, 4,025 subcategories
- Non-standard customization available
- Joint development of new industry products per client demand



Supportive

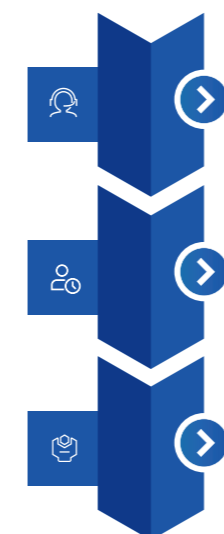
- Full product series support 3D modeling-based selection
- Enhanced design efficiency via curated case studies / product knowledge
- Pre-sales solution design assistance
- Post-sales technical training services

Customer Service Management System

Yiheda emphasizes standardized customer service and has issued Customer Satisfaction Control Procedure and Customer Complaint Control Procedure, linked with Corrective and Preventive Actions Control Procedure and Nonconforming Product Control Procedure to standardize satisfaction monitoring, complaint handling and corrective actions, thereby protecting customers’ rights and service experience.

Yiheda has established a clear, coordinated, closed-loop service management mechanism with defined departmental responsibilities: the Marketing Management Office and Sales Department oversee planning, implementation and performance review; the Marketing Center and Customer Service Group act as front-line rapid-response units for complaints and initial handling; the Quality Management Center and Product Department analyze root causes, develop targeted corrective plans and drive implementation.

The Company maintains a professional sales and technical service team comprising 26 sales-engineer teams and 28 sales offices, and integrates online service, hotline and on-site visits to provide full-cycle pre-sales, in-sales and after-sales support.



Pre-sales Support

Provide sizing calculations, product training and case studies to help customers complete solution design efficiently.

In-sales Assistance

Resolve technical and commercial issues during procurement via dedicated technical groups and rapid quotation responses.

After-sales Training

Deliver professional technical training and maintain regular service response Monday–Saturday to meet customer needs comprehensively.



Customer On-site Training

Enhancing Customer Service Practices

Yiheda focused on systemic remediation of common complaint issues during the reporting period and set a quantitative target for 2024–2025 to achieve a 50% reduction in the number of common issues accounting for 80% of complaints. Measures included forming a dedicated task force, establishing complaint classification standards, compiling improvement logs, piloting solutions in selected departments, conducting phased reviews and rolling out company-wide. The Company met the target as scheduled.

Annual customer satisfaction was 95.23% and complaint rate was 0.331%.



During the reporting period

Annual customer satisfaction

95.23%

Complaint rate

0.331%



Awarded “Outstanding Service Supplier”

Safeguarding Customer Information

Yiheda treats customer data as a top-tier asset. Through a robust information governance framework, end-to-end controls, and ongoing staff training, the Company ensures the confidentiality of customer information in storage, transmission, and use, fully upholding the Company’s duty to protect customer privacy.

Structured Protection Framework

The Information Security Management System formally covers sensitive customer data, including business records, contractual terms, and pricing information. A tiered accountability model is in place: the IT Internal Control Department designs and deploys technical safeguards. Department heads supervise data handling within their teams, and all staff with access to customer data must strictly follow protocols.

Secure Data Storage

Storage security combines digital and physical controls. All workstations run mandatory encryption software that automatically secures documents, including those containing customer information. Shared files reside only on designated, classified servers, eliminating unsecured local copies. Highly sensitive materials are centrally archived under strict physical safeguards.

Granular Access Controls

Access to customer data is tightly governed. Systems storing such data enforce strong authentication. Access permissions are promptly adjusted or revoked when roles change. Network activity is continuously monitored. Guest Wi-Fi is fully isolated from internal systems, preventing unauthorized access at both the user and network levels.

Controlled Transmission and Use

Data transfer and usage follow strict rules. Personal USB drives and similar devices are prohibited unless pre-approved for specific roles. Decrypting protected files requires managerial authorization and a documented, justified purpose. Security breaches trigger defined disciplinary actions proportionate to their severity.

Incident Response Readiness

Disaster recovery and business continuity plans underpin a formal incident response protocol. Incidents are promptly detected, contained, and remediated in full compliance with applicable regulations, ensuring formal closure. Regular tabletop and live-fire drills test and sharpen team readiness.

Ongoing Privacy Training

Privacy protection is central to Yiheda’s security curriculum. New hires receive mandatory onboarding training, and refresher courses reinforce vigilance across the Company. IT specialists attend advanced training and industry exchanges to sharpen defensive capabilities.

During the reporting period, Yiheda delivered one cybersecurity awareness session and conducted three simulated phishing and breach exercises, with zero confirmed customer data leaks.



During the reporting period

Conducted cybersecurity awareness training session

1

Conducted cybersecurity awareness training session

3

Sustainable Supply Chain >>>

Yiheda follows a supply chain management philosophy of compliance, green collaboration, and shared responsibility, building an ecosystem that balances environmental compliance, social responsibility, and commercial value, and establishing long-term, responsible supplier partnerships to promote sustainability across the supply chain.

Supply Chain Management System

Yiheda has issued the *Supplier Development and Management Control Procedure*, the *Environmental Product Management Control Procedure*, and the *Product Quality Full-Inspection Agreement*, forming a comprehensive, end-to-end framework for supplier onboarding, daily management, performance evaluation and exit. A procurement system centralizes supplier records, contracts, and test reports to standardize processes, increase transparency, and improve efficiency in supply chain management.

Supply Chain Risk Management

Yiheda manages supply chain risks in three areas: environmental compliance, quality stability, and delivery assurance.

Environmental compliance: A graded environmental-risk mechanism and risk-based testing are applied; suppliers must pre-report changes to raw materials, processes or production sites; hazardous-substance exceedances are strictly controlled.

Quality control: A closed-loop system for full inspection, corrective improvement and incoming-material defect handling ensures rapid response and remediation.

Delivery assurance: Supplier safety stock, order forecasting, emergency procurement, multi-sourcing and rational order allocation enhance resilience and delivery stability.

On this risk-control foundation, the Company pursue collaboration opportunities. In 2025 we launched the Model Supplier Development Project to improve incoming-material pass rates, stabilize quality and shorten lead times through technical support, management coaching, and process coordination, thereby reducing customer complaints and upgrading the supply chain from passive management to proactive collaboration.

Supplier Assessment and Exit

Yiheda applies differentiated, dynamic assessments by supplier tier, with tier-specific focus, frequency, and standards.

Temporary suppliers are assessed primarily on incoming-material pass rates and monthly incoming-item requirements. Only after meeting the pass-rate standard for three consecutive months are they eligible for comprehensive evaluation and promotion. Qualified suppliers undergo quarterly and annual reviews. The Company assigns supplier grades and applies differentiated order-allocation policies. Evaluation covers delivery quality and timeliness, price reasonableness and after-sales service.

A clear exit and tier-adjustment mechanism ensures closed-loop management. Substandard incoming materials or failed reviews trigger immediate suspension of transactions and require a corrective-action report. Failure to improve, or repeated assessment failures, results in downgrade to a backup supplier. Qualified suppliers with no transactions for over one year are downgraded. Temporary suppliers that persistently fail to meet qualification standards are similarly downgraded, safeguarding supply chain quality and stability.

Supplier Evaluation and Admission

Yiheda enforces strict supplier certification and performance assessment, dynamically managing suppliers by delivery, quality, and responsiveness. A tiered admission system is applied: collect and preliminarily review supplier documentation; screen by business qualifications, production capacity and testing equipment; upon passing, conduct on-site audits and sample validation; only suppliers meeting standards advance.

Admitted suppliers are initially register as temporary suppliers. The Company monitors incoming-material pass rate and on-time delivery; Suppliers that meet monthly incoming-material requirements, achieve the pass-rate standard for three consecutive months, and pass a comprehensive evaluation may be promoted to a qualified supplier.

Qualified suppliers must sign cooperation agreements covering quality assurance, collaboration, and social responsibility. Suppliers of products subject to RoHS must also submit a RoHS commitment or sign an environmental agreement.



Supplier Environmental and Social Responsibility Management

Yiheda integrates environmental requirements across supplier cooperation. The Company requires all suppliers to sign environmental agreements specifying control limits for restricted substances (e.g., lead, cadmium) and to submit annual third-party environmental test reports. Incoming materials undergo dual inspection: XRF screening plus third-party chemical testing. Non-compliant materials are isolated and fully traced to prevent entry into production.

Yiheda incorporates social responsibility into supplier admission and daily management. All suppliers must sign social responsibility agreements. The Company evaluates suppliers on protection of labor rights, production safety, and business integrity, and uses these results in supplier routine management.

Supplier Communication and Training

Yiheda maintains regular supplier communication via quarterly reviews, annual summary meetings and on-site visits to share requirements, improvement priorities and compliance standards; focused discussions address quality, delivery and environmental issues to enable rapid feedback and closed-loop remediation.

Yiheda provides ongoing training on quality management, hazardous-substance and chemical control, and safety management to strengthen supplier compliance and capability. Suppliers with substandard incoming-material pass rates or delivery performance receive targeted corrective coaching and must submit evidence of improvement for re-evaluation.

During the reporting period, we conducted 73 on-site supplier visits, jointly established improvement plans, delivered targeted training, verified results by data comparison, and recognized model suppliers following cross-department review.





02

CORPORATE GOVERNANCE

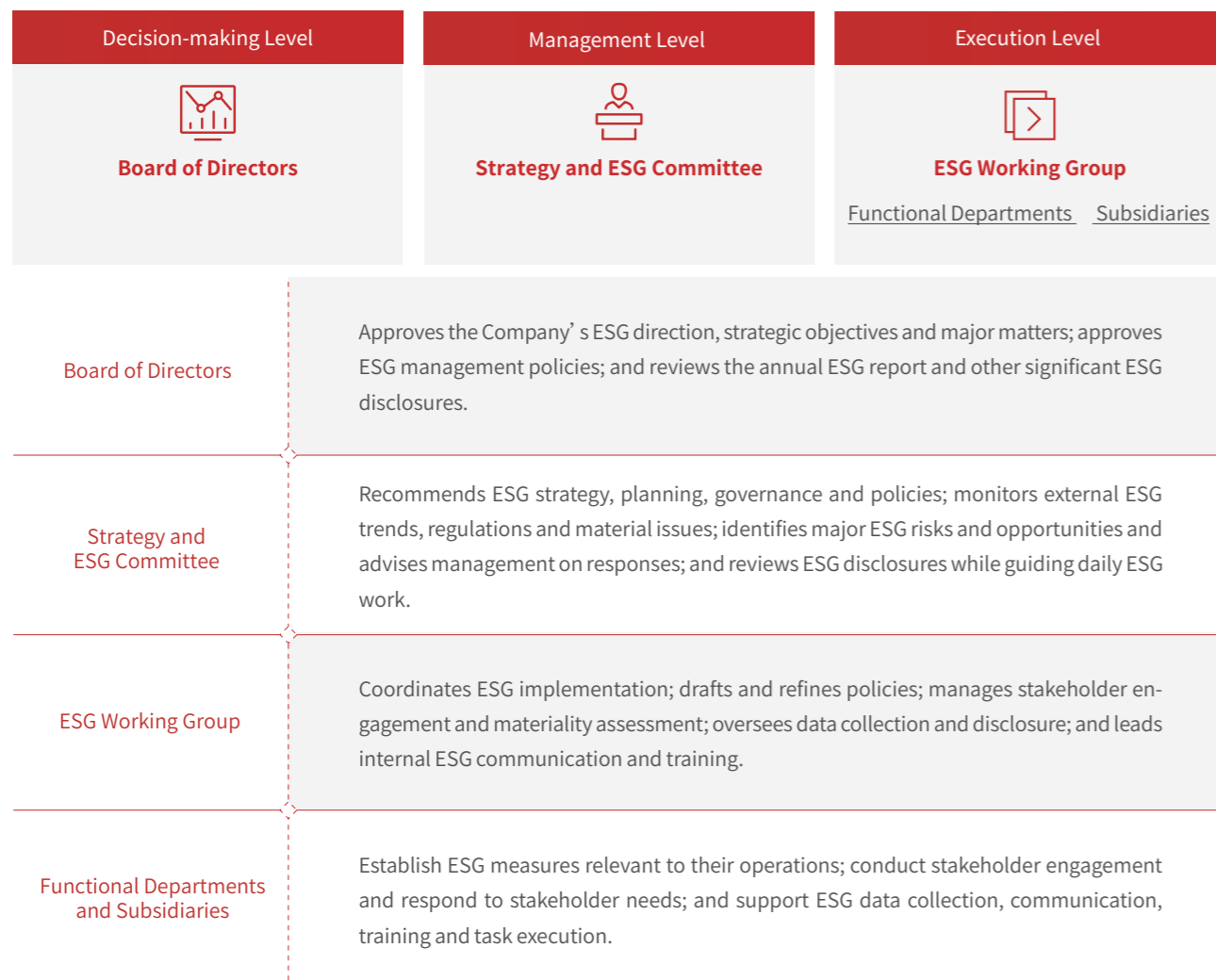
Yiheda integrates sustainability across its governance processes. The Company complies with applicable laws and regulations and has established a modern corporate governance system with clearly defined statutory authorities and responsibilities, transparent oversight, and efficient operations.

Sustainable Development >>>

Since establishment, Yiheda has embedded sustainability across business operations and into the core strategy. We prioritize ESG development and, by enhancing the governance framework, defining core ESG strategies, strengthening stakeholder engagement and refining materiality management, professionalize ESG management to drive coordinated economic, social and environmental outcomes and establish a sustainable, mutually beneficial ecosystem with stakeholders.

Sustainable Development System

Yiheda has established a comprehensive, clearly tiered ESG system with defined responsibilities and efficient operation, embedding ESG into business processes to drive coordinated development.



Yiheda has integrated ESG performance metrics into executive compensation and applies differentiated rewards and penalties based on annual ESG assessments to incentivize management and ensure orderly, effective ESG implementation.

Yiheda has promoted ESG concepts across all employees and strengthened the integration of corporate governance and ESG management. During the reporting period, the Company organized sustainability-focused training to enable the governance team to accurately grasp the substance of sustainable development issues.

Responding to Sustainable Development Goals



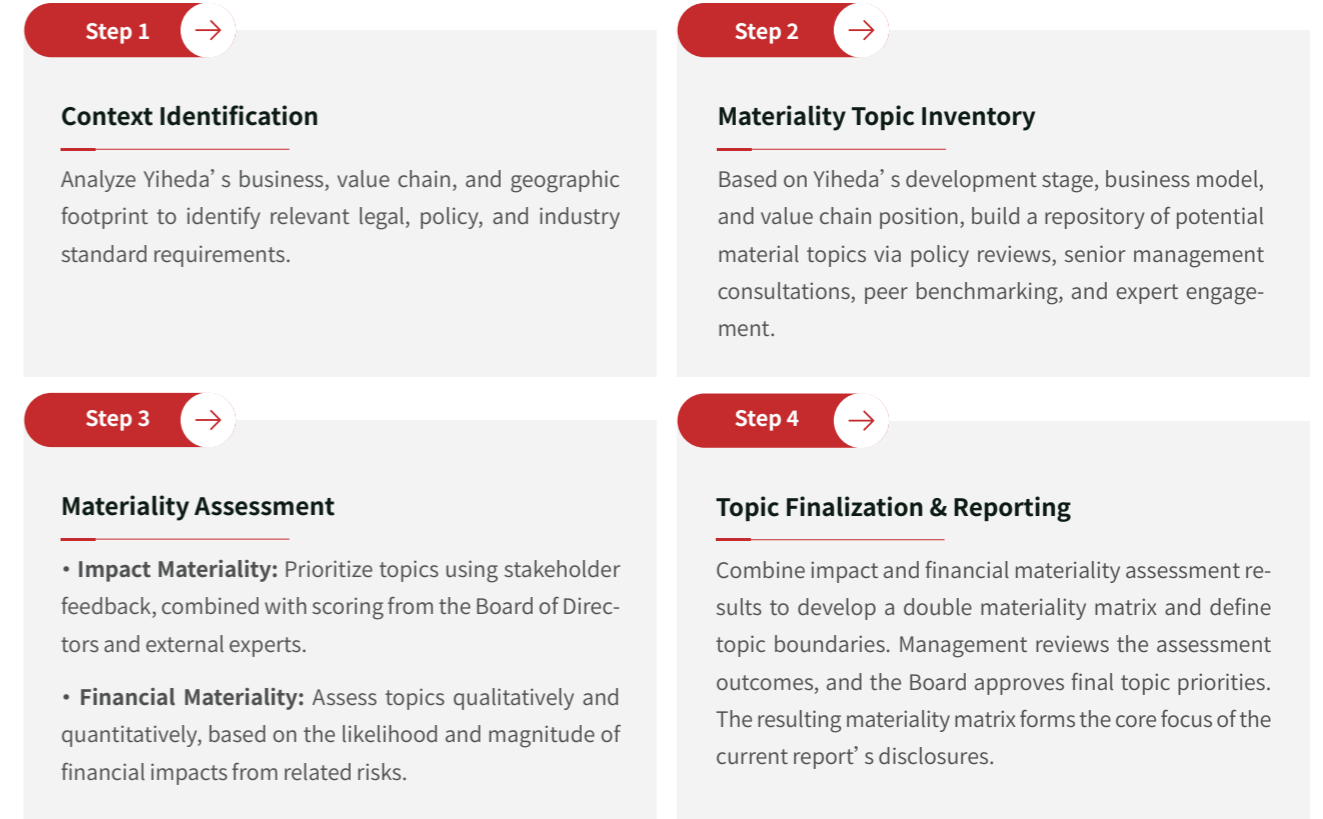
Stakeholder Engagement

We regard in-depth collaboration with stakeholders as a cornerstone of sustainable development. Based on our business layout and full-value-chain operations, we categorize stakeholder groups and have built a standardized, multi-channel regular engagement system. We dynamically track stakeholders' core concerns and legitimate expectations, integrate those insights into ESG strategy formulation, refine ESG implementation measures, and continuously upgrade our sustainable-development governance capabilities.

Stakeholder	Key Concerns	Communication Channels	Company Actions
 Government and Regulators	<ul style="list-style-type: none"> Tax Compliance Environmental Protection Support for Local Development 	<ul style="list-style-type: none"> Policy Briefings Thematic Meeting Briefings Information Submissions 	<ul style="list-style-type: none"> Timely Tax Compliance Promotion of Low-Carbon Transition Support for Rural Revitalization
 Shareholders and Investors	<ul style="list-style-type: none"> Sustainable and Stable Returns Transparent and Timely Disclosure 	<ul style="list-style-type: none"> Shareholders' Meetings Investor Hotline/Email Investor Conferences 	<ul style="list-style-type: none"> Pursuit of High-Quality Development Enhanced Investor Engagement Transparent Information Disclosure
 Customers	<ul style="list-style-type: none"> Product Safety and Quality Privacy and Information Security R&D and Innovation 	<ul style="list-style-type: none"> Customer Visits Customer Meetings Customer Satisfaction Surveys 	<ul style="list-style-type: none"> Quality Management System Improvement Information Security Safeguards Increased R&D Investment Enhanced Customer Service
 Employees	<ul style="list-style-type: none"> Training and Development Protection of Basic Rights Health and Safety Human-Centred Care 	<ul style="list-style-type: none"> Employee Satisfaction Surveys Workers' Congress Corporate Culture Activities Site Visits 	<ul style="list-style-type: none"> Diverse Training and Development Opportunities Improved Compensation and Benefits Strengthened Democratic Management Enhanced Occupational Health and Safety
 Partners	<ul style="list-style-type: none"> Adherence to Business Ethics Honest and Trustworthy Cooperation 	<ul style="list-style-type: none"> Business Exchanges and Cooperation Supplier Training Regular Visits 	<ul style="list-style-type: none"> Strategic Cooperation Sustainable Supply Chain Development Industry-University-Research Collaboration
 Community	<ul style="list-style-type: none"> Economic Development Stimulation Participation in Community Building Employment Promotion Support for Vulnerable Groups 	<ul style="list-style-type: none"> Public Welfare and Charity Activities External Surveys Community Engagement 	<ul style="list-style-type: none"> Priority Local Hiring Support for Public Welfare Activities Participation in Community Development

Materiality Assessment

Yiheda complies with *Shenzhen Stock Exchange Guidelines No.17 and No.3 (2026 revision)* and aligns with *IFRS Sustainability Disclosure Standards*, the *GRI Standards* and *ESRS*. Adopting both impact materiality and financial materiality, we perform a double materiality assessment to evaluate sustainability issues' effects on the Company' s financial position, the environment and society, and address double-material topics in this report to ensure accurate disclosure of key responsibilities and practices.



Sustainable Development Strategy

Yiheda, based on deep insight into industry development, conducts comprehensive assessments of macroeconomic trends, market supply-demand shifts, the competitive landscape, and internal strengths and weaknesses, and integrates available resources to formulate a robust sustainable development strategy.

Business Vision

To become a global leading one-stop service platform for long-tail manufacturing needs, providing essential support for connectivity across the industrial ecosystem.

Business Mission

Make intelligent manufacturing simpler.

Business Philosophy

Delight Customers

We understand customer expectations and needs, consistently deliver products and services that exceed those expectations, and offer solutions that resonate emotionally.

Ensure Employee Well-Being

We cultivate mutual trust across the organization, build relevant capabilities and know-how, and promote employee growth through targeted training and appropriate empowerment. We provide competitive, steadily increasing compensation, fairly recognize contributions, and share corporate achievements with employees.

Care for Customers



Customer value is paramount. We are customer-centric, continuously create value, coordinate internally and externally, and grow together.

Care for Products



Products and services must achieve excellence. We apply rigorous standards across the product and service lifecycle to advance quality, experience and innovation.

Care for Colleagues



We advocate shared responsibility and collaborative success, fostering team strength through trust and accountability.

Care for Self



We pursue continuous improvement and excellence, believe in better approaches, and drive personal and organizational evolution through ongoing reflection and iteration.

Core Values

Satisfy Shareholders

We generate profit by creating customer value. Returns from customers are allocated to balance value between employees and shareholders. Failure to create value for customers, employees, or shareholders will result in the loss of customers, talent, or capital, respectively.

Earn Social Respect

We recognize that Yiheda is a social institution and a public asset. We focus on social value and actively give back to strengthen the societal foundation that sustains long-term development.

Sustainable Risk Management

After years of practice and continuous improvement, Yiheda has established an effective internal control and risk management system for production and operations, continuously refining policies, strengthening controls and enhancing oversight to improve compliance and risk mitigation.

Risk Management

Risk Management system Yiheda has implemented a comprehensive risk management framework that clarifies responsibilities at each level and operates under the model of Board oversight; Strategy and ESG Committee leadership; business-unit coordination; and internal audit supervision, ensuring the orderly and effective implementation of risk management.

The Board serves as the highest decision-making body for risk management, responsible for approving risk policies and guidance and for supervising their execution. The Strategy and ESG Committee oversees the execution of risk management in accordance with Board-approved policies, working closely with business units to identify, assess, and manage risks. The Internal Audit Department conducts regular reviews of risk controls and reports findings to the Audit Committee to support continual improvement.

Risk Management Process Yiheda maintains formal risk management procedures and policy documents, periodically assesses market and operational changes, and updates policies and processes to align risk management with business objectives and development.

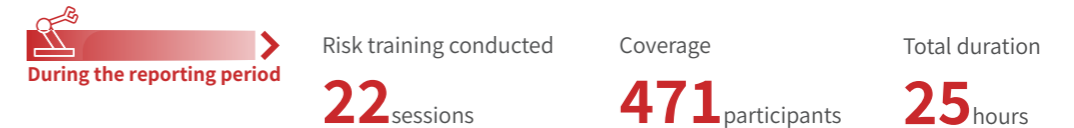
Risk Management Process

Risk Identification and Assessment	Conduct annual major risk identification using a combined qualitative and quantitative approach. Assess the likelihood and impact of identified risks, and establish a list of key risks to support targeted response.
Risk Management Strategy	Hold regular operational management meetings to analyze challenges, develop and implement risk response plans, and keep risk levels within acceptable ranges.
Risk Monitoring & Reporting	Integrate risk management into all corporate activities and business levels to ensure real-time monitoring and prompt resolution of risk incidents.
Supervision & Evaluation	Conduct annual internal control reviews. Track identified issues in corrective action logs, resolve them within deadlines, and achieve closed-loop management.

Risk Prevention Training

Yiheda prioritizes risk-prevention capacity building through regulatory training for directors and senior management, and compliance training for middle managers and staff, reinforcing risk awareness and ensuring effective implementation of internal controls.

During the reporting period, the Company held 22 risk prevention training sessions with 471 participants, totaling 25 training hours.



Internal Control

Yiheda enforces segregation of duties, authorization and approval controls, accounting system controls, budgetary controls and performance appraisal controls. By defining responsibilities, standardizing approval workflows and strengthening end-to-end process controls, the Company continuously improves the effectiveness of internal controls.

Internal Supervision

Yiheda complies with the Basic Norms for Enterprise Internal Control, Application Guidelines for Enterprise Internal Control, Standards for Internal Accounting Control and the Shenzhen Stock Exchange Guidelines for Internal Control of Listed Companies. An internal control supervision structure centered on the Audit Committee ensures effective implementation and full-process oversight. Supporting documents, including the Internal Audit System, clarify supervisory responsibilities, procedures and standards to institutionalize routine supervision.

Audit Committee	Responsible for coordinating and overseeing internal and external audits; supervising the establishment and implementation of internal controls; reviewing the annual internal control evaluation report; and reporting to the Board.
Audit Department	Operating under the Audit Committee's guidance, the Internal Audit Department issues the annual audit plan and conducts audits focused on financial transactions, economic activities and compliance with internal control procedures.

Yiheda has established a closed-loop audit rectification tracking mechanism to ensure timely remediation and periodic follow-up of audit findings, thereby ensuring effective implementation of internal controls and the mitigation of major risks.

Sustainable Target Management

Yiheda has embedded sustainable development as a core strategy and established a tiered, measurable, and actionable target management system. The system spans long-, medium- and short-term horizons and covers all functions and management levels to ensure strategic intent is cascaded to operations.

When breaking down and implementing targets, the Company defines implementation paths, allocates resources, assigns responsibilities and deadlines, and prepares risk-response and opportunity plans. We monitor progress through internal audit and management review and dynamically revise targets, in response to internal and external changes, strategic adjustments and system performance.

Corporate Governance >>>

Yiheda continuously refines the governance framework and internal control system to ensure compliant operations and stable development. The Company clearly defines shareholders' rights and obligations, prevents abuse of rights, and safeguards minority investors' interests.

During the reporting period, Yiheda received the "SSE Eagle Gold Quality 2025 Corporate Governance Award," underscoring the capital market's recognition of the Company's governance standards and sustainability capabilities.



Governance Structure

Yiheda complies with the *Company Law of the People's Republic of China*, the *Securities Law*, the *Code of Corporate Governance for Listed Companies*, the *SZSE GEM Listing Rules*, *SZSE Self-regulatory Guideline No.2* and other applicable laws and continuously improves corporate governance and internal control to enhance governance standardization and professionalism.

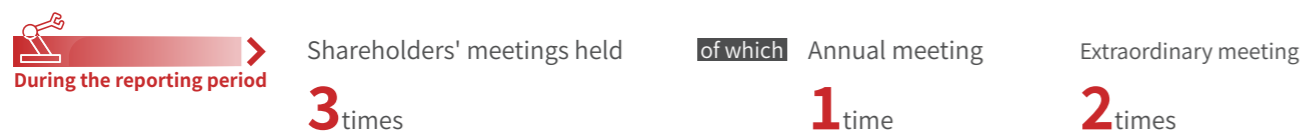
The Company has established a governance framework comprising the shareholders' meeting, the Board of Directors, and management, with clear authority and responsibility boundaries and effective checks and balances.

To ensure the governance framework operates efficiently and in an orderly manner, the Company has adopted and continuously refines governance rules, including *Rules of Procedure for Board Meetings*; *Audit Committee Working Rules*; *Remuneration and Appraisal Committee Working Rules*; *Strategy and ESG Committee Working Rules*; *Nomination Committee Working Rules*, covering decision-making, execution and supervision and defining procedures and performance requirements to ensure compliance and coordinated action.

Shareholders' Meeting

The shareholders' meeting is the governing body of Yiheda. The Company complies with the *CSRC Rules on Shareholders' Meetings* and related regulations, ensuring that convening, attendance, voting procedures and results conform to applicable laws and the *Articles of Association*.

During the reporting period, the Company held three shareholders' meetings (one annual and two extraordinary) and considered 28 proposals.



Board of Directors

The Board reports to the shareholders' meeting and performs core functions: setting strategy, making decisions and managing risks. Yiheda convened seven Board meetings during the reporting period and approved 63 proposals. Director attendance was 100%.

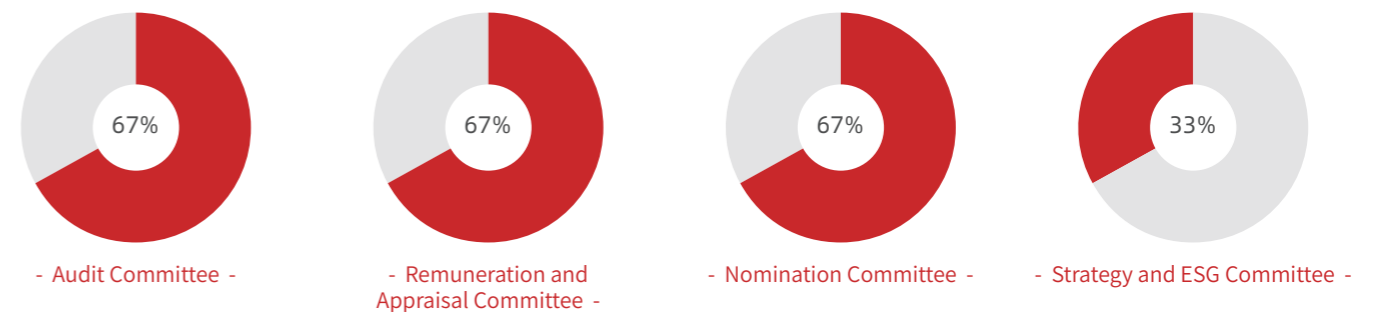
Independent directors provide decision-making input, oversight and professional advice to safeguard the overall interests of the Company and protect minority shareholders.

Yiheda promotes Board diversity. Nominations prioritize the skills and experience needed for effective Board operation while balancing term structure, gender balance and age to achieve a complementary professional composition. As of the end of the reporting period, the Board comprised eight directors, including three independent directors and two female directors.

The Board has four specialized committees — the Audit Committee; the Strategy and ESG Committee; the Nomination Committee; and the Remuneration and Appraisal Committee— each composed of a majority of independent directors, and each chaired by an independent director. The chair of the Audit Committee has an accounting background to ensure professional oversight.



Proportion of Independent Directors in Specialized Committees



During the reporting period, Yiheda received from the China Association of Listed Companies the "2025 Outstanding Practice Case for Listed Company Boards" and the "2025 Outstanding Practice Case for Board Offices," in recognition of standardized board operations, professional governance practices and efficient board office performance.

Executive Management

Executive Management is responsible for business planning, execution and operational control. The General Manager reports to the Board and, under the Board’s authorization, exercises operational management authority and implements Board decisions.

Protection of Shareholders’ Rights and Interests

Yiheda treats the protection of shareholders’ rights as a core priority. In compliance with the Company Law of the People’s Republic of China, the Securities Law, the Guidelines for Investor Relations Management of Listed Companies and the Articles of Association, the Company promotes alignment between intrinsic and market value through standardized investor relations, an institutionalized dividend policy, and high-quality information disclosure, thereby safeguarding the lawful rights of all shareholders, especially minority shareholders, and supporting long-term mutual benefits.

Investor Relations Management

Yiheda has adopted an Investor Relations Management System, appointing the Board Secretary as the responsible officer and the Securities Department as the implementing unit, to establish a systematic and routine investor relations framework that protects investors’ rights to information, participation, expression and supervision.

Yiheda standardizes the convening, holding, and voting procedures for shareholders’ meetings and uses both on-site and online voting methods to facilitate minority shareholder participation and ensure the full exercise of voting rights.

Yiheda operates a multi-channel communication platform—the investor relations section on the official website, the “Easy IR Platform”, an investor hotline, and a public email address—supplemented by earnings briefings and investor visits to maintain regular communication, promptly respond to material inquiries, and collect investor feedback on business and management.



Shareholder Dividends

Yiheda adheres to the business philosophy of “satisfying shareholders.” The Articles of Association set profit-distribution principles and prioritize cash dividends. Through an institutionalized, standardized dividend policy, the Company seeks to be a “growth + return” enterprise and to deliver long-term, stable and sustainable returns to shareholders.

Since listing, Yiheda has maintained continuous dividend payments, with cumulative distributions of RMB 1.096 billion, thereby sharing the results of development with all shareholders.



Information Disclosure

Yiheda adheres to disclosure principles of honesty, accuracy, information symmetry, avoidance of hype, and candor, and has established an Information Disclosure Management Policy that designates the Board Secretary as responsible for disclosure and appoints China Securities Journal; Shanghai Securities News; Securities Times; Securities Daily; and CNINFO as the Company’s disclosure channels.

Yiheda continuously improves disclosure quality, relevance, and transparency to provide investors with sufficient, accurate information for valuation and decision-making.

During the reporting period, Yiheda received an A-level rating in the Shenzhen Stock Exchange information disclosure assessment for the third consecutive year and earned industry honors including the China Association for Public Companies’ “Outstanding Practice Case — 2024 Annual Report Performance Briefing,” the China Securities Journal’s “2024 Golden Disclosure” award, iFinD’s “Top 300 Most Popular Listed Companies,” and the Board Secretary was named among the “Top 300 Most Popular Board Secretaries.”



Top 300 Most Popular Listed Companies



Top 300 Most Popular Board Secretaries

Adherence to Business Ethics

Yiheda regards adherence to business ethics and compliance as a cornerstone of sustainable development. The Company complies with applicable laws and continuously strengthens the ethics and compliance management system, adopting institutionalized, routine, full-chain governance to prevent corruption, commercial bribery and unfair competition.

During the reporting period, Yiheda recorded no incidents of commercial bribery, embezzlement, or corruption, and no litigation or major administrative penalties related to unfair competition.

Integrity Governance

Yiheda bases integrity governance on a management-system framework and has issued the Integrity Self-Discipline Management Regulations and related policies. Under Board authorization, the Audit Department manages integrity publicity, supervision, complaint intake and audit investigations, enforcing a zero-tolerance stance on commercial bribery, improper benefit transfers, conflicts of interest and irregular related-party transactions.

For high-risk areas, which include sales, procurement and engineering projects, the Company conducts routine risk identification and review, implements targeted controls and improvement plans, and operates a full-chain control mechanism covering source prevention, process control and long-term governance.

The Company embeds integrity requirements in the supply-chain management system by including integrity clauses in the Supplier Cooperation Agreement that prohibit commercial bribery, improper benefit transfers, conflicts of interest, and irregular related-party conduct. Suppliers who breach integrity obligations face contract termination, compensation claims, liquidated damages, and, where criminal conduct is suspected, referral to judicial authorities.

During the reporting period, 517 employees signed the integrity pledge; the signing rate among senior management was 100%; and the inclusion rate of integrity clauses in new supplier agreements reached 100%.



Employees signed integrity pledge

517

Inclusion rate of integrity clauses in new supplier agreements

100%

Senior management signing rate

100%

Anti-Unfair Competition Management

Yiheda strengthens anti-unfair-competition controls by maintaining a routine risk-review mechanism focused on key areas such as sales, marketing, and procurement. The Company conducts targeted risk inspections and preventive measures for practices such as price manipulation and market division, with the Audit Department supervising implementation.

Reporting and Complaint Management

We encourage company-wide participation in supervision and maintain a standardized reporting, investigation and remediation mechanism. A hotline and reporting email are available, and reporter identities as well as complaint details are kept strictly confidential. Verified reports that result in loss recovery are rewarded in accordance with the Company's rules.

Business Ethics Culture Building

Yiheda promotes anti-corruption, anti-bribery, and anti-unfair-competition policies to employees and partners through internal emails, noticeboards, and targeted training, embedding compliance awareness throughout the organization. During the reporting period, business-ethics training covered 3,663 participants.



Total Anti-Corruption Training Attendance

3,663 person-times

Total Anti-Corruption Training Sessions

3

Board Participation in Anti-Corruption Training

7 hours





03

ENVIRONMENTAL RESPONSIBILITY

Practicing Green Development, Safeguarding the Ecological Future. Yiheda integrates environmental responsibility into every aspect of its strategy and operations to establish a systematic environmental management system. With compliance as the baseline and innovation as the driving force, the Company advances energy conservation, resource recycling, and green production, constantly optimizing its energy structure and reducing its environmental footprint to earnestly fulfill its corporate responsibility for ecological protection.

Environmental Resilience Management >>>

Yiheda has fully integrated environmental management into the entire production and operations chain. Balancing scientific rigor with practicality in phased environmental goals, it relies on a comprehensive management system to achieve precise, end-to-end control, and strengthens responses to sudden environmental incidents through risk identification and emergency drills. By leveraging systematic environmental monitoring to ensure data authenticity and validity, the Company provides solid support for decision-making. Additionally, regular environmental protection training enhances employee responsibility and professional skills, driving steady improvements in environmental performance.

During the reporting period, Yiheda did not receive any administrative penalties from environmental authorities for environmental violations.

Environmental Management Targets

Through the issuance of the Approval Order for Management Policies and Objectives, Yiheda established the management principles of "energy conservation and emission reduction, environmental protection; people-oriented, safety first; prevention-oriented, comprehensive management; standardized management, continuous improvement," along with annual and medium-to-long-term environmental targets covering wastewater, exhaust emissions, hazardous waste, and noise. These are supported by clear control measures and management systems, with a phased implementation plan and rolling adjustment mechanism to ensure alignment with strategy, policy, and industry best practices. During the reporting period, the Company achieved a 100% attainment rate for its environmental management targets.

Environmental Management Targets

- Ensure that all wastewater discharged by Yiheda meets regulatory standards.
- Waste gas emissions generated by Yiheda meet regulatory standards.
- Noise emissions generated by Yiheda meet regulatory standards.
- Hazardous waste is recycled and treated in accordance with the law.

During the reporting period,

Environmental management target achievement rate

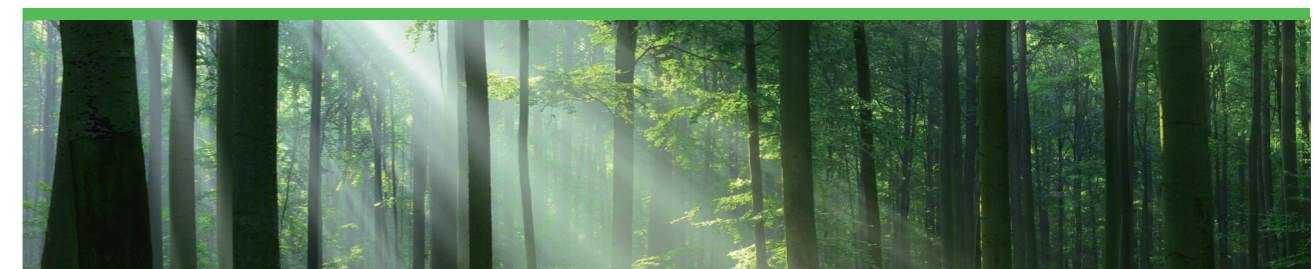
100%

Environmental Management System

Yiheda has formulated normative documents such as the "EHS Management System" and the "EHS & 5S Control System," establishing a closed-loop environmental management system covering decision-making, execution, supervision, and improvement. Integrating the "process approach," "risk-based thinking," and the "PDCA cycle," the system systematically identifies environmental impacts in key areas like production and the supply chain, proactively addresses risks in high-energy-consumption and high-emission scenarios, and drives closed-loop rectification and iterative upgrades. An EHS Committee and a management structure with clear responsibilities have been established, strictly implementing inspection, evaluation, and reward mechanisms to ensure precise implementation of environmental measures. As of the end of the reporting period, the Company has obtained ISO 14001 Environmental Management System Certification.



ISO 14001 Environmental Management System Certification



EHS Management System Management Commitment

Strictly comply with relevant national laws, regulations, and standards;

Establish, implement, and maintain an integrated management system in accordance with the requirements of GB/T 24001—2016/ISO 14001: 2015 "Environmental Management Systems—Requirements and Guidance for Use" and GB/T 45001—2020/ISO 45001: 2018 "Occupational Health and Safety Management Systems—Requirements and Guidance for Use";

Adopt a people-oriented approach, fully mobilize employee initiative, and harness their wisdom and talents to contribute to the company's development;

Continuously adopt new technologies and processes, improve management, and consistently meet the evolving needs of stakeholders.

Environmental Risk Management

Yiheda places high priority on environmental risk prevention and control. It has established the "Environmental Risk Identification Management System" to manage risks across the full process—identification, analysis, assessment, monitoring, control, and review. For major and high-risk scenarios, the Company formulated the "Major Environmental Risk Control Plan," defining control objectives, response measures, responsible departments, deadlines, and resource guarantees. This ensures risk control measures are actionable and traceable, effectively preventing and reducing the likelihood of environmental pollution incidents.

In addition, based on regulations and Yiheda's specific risk characteristics, the Company developed the "Emergency Response Plan for Sudden Environmental Incidents" and the "Emergency Response Plan for Environmental Accidents." These plans clearly define the emergency organizational structure, response procedures, mitigation measures, and resource allocation to ensure responses follow established protocols. Concurrently, the Company regularly organizes emergency drills to continuously optimize its response mechanisms and comprehensively enhance capabilities in organizational command, rapid response, and efficient incident resolution.

Environmental Risk Management Process

Environmental Risk Identification	The Company employs methods such as expert consultation, process analysis, on-site observation and interviews, and analogy to systematically conduct environmental risk identification, including comprehensive, routine, and specialized identification.
Environmental Risk Monitoring	For identified risk points, particularly those classified as medium-to-high risk, the Company shall establish a monitoring mechanism, including monitoring targets/indicators, monitoring methods and tools, and monitoring frequency.
Environmental Risk Assessment	The Company establishes an assessment team to evaluate identified risk points using the "risk matrix method," producing the "Environmental Risk Assessment Report." This report includes risk inventory, levels, assessment criteria, and recommended control measures.
Risk Control and Review	The Company selects control measures following the hierarchy of "elimination → substitution → engineering controls → administrative controls → personal protection," and conducts a systematic annual review—coupled with management reviews—of environmental risk identification, assessment results, and control measure effectiveness.



Scope of Environmental Risk Identification

Risk Categories	Risk Scenarios
Substance Risks	Storage, use, transportation, and disposal of hazardous chemicals (e.g., lubricants, cutting fluids, paints, thinners), toxic and harmful gases, and hazardous waste (waste oil, waste liquids, etc.).
Facility and Process Risks	Operation and malfunction of production equipment, pollution control facilities (e.g., oil mist collectors, dust collectors), and emergency facilities (e.g., containment dikes, emergency spill ponds).
Operational Activity Risks	Equipment maintenance, hot work operations, confined space operations, chemical loading/unloading, hazardous waste transfer, etc.
External Factors and Natural Hazards	Extreme weather (heavy rain, flooding), earthquakes, and secondary impacts from accidents at neighboring facilities.

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Emergency Drill for Sudden Environmental Incidents

In December 2025, Yiheda organized a specialized emergency drill simulating the hazardous waste leak scenario. The drill comprehensively tested the activation, response, and resolution phases of the emergency plan, effectively enhancing all employees' risk prevention awareness and on-site incident response capabilities.



CASE

Environmental Risk Emergency Tabletop Exercise

In December 2025, Suzhou Yiheda organized an environmental emergency tabletop exercise simulating a hazardous waste warehouse cutting fluid leak. This exercise effectively validated the procedures in the "Special Emergency Plan for Hazardous Waste Leaks," tangibly improving the risk assessment, strategy formulation, and coordination capabilities of middle and senior management as well as key personnel under high-pressure scenarios.



Environmental Monitoring Management

Yiheda adheres to an environmental risk monitoring mechanism combining internal and external oversight. Internally, it focuses on medium- and high-risk points, establishing routine monitoring of key environmental factors with real-time data collection, recording, and analysis to ensure timely anomaly detection and rapid response. Externally, the Company regularly commissions third-party agencies to conduct independent sampling and testing, providing objective assessments and verification of emissions, including waste gas, wastewater, and noise. Through comprehensive, multi-tiered monitoring, the Company continuously enhances its early warning and prevention capabilities, building a solid defense for green production and operations.

Internal Environmental Risk Monitoring Mechanism

Risk Categories	Primary Monitoring Targets /Indicators	Monitoring Methods and Tools	Monitoring Frequency
Leakage risk	Floor of Hazardous Waste Temporary Storage Area	Video surveillance	Daily inspections 24-hour video surveillance of critical areas
Facility operation risks	Dust collector operating parameters (pressure, flow rate, concentration, temperature)	Online monitoring instruments, manual inspection records	Online real-time Manual recording per shift
Operational activity risks	High-risk operations (hot work, confined spaces) site environment, protective measures	Work permit approval, on-site supervision, gas detectors	Full-time supervision during operations
Natural and external risks	Weather forecasts, flood warnings, and developments at neighboring facilities	Subscribe to official warning alerts	Stay informed and respond promptly



Third-Party Entrusted Environmental Testing Report



Third-Party Waste Gas Testing Report



Environmental Training and Management

Yiheda places great emphasis on enhancing employee environmental literacy and professional competence, striving to internalize environmental concepts and translate them into action. For internal training, it regularly conducts systematic sessions for relevant personnel, focusing on operating procedures, emergency skills, and practical energy conservation measures to strengthen practical capabilities; for external training, the Company selects key personnel to attend specialized industry training and technical seminars to stay abreast of the latest policies, best practices, and innovations, incorporating these insights into internal materials and management optimization. Through the organic integration of internal and external training, the Company effectively strengthens employee environmental awareness and job competence, making environmental protection a voluntary and conscious action for everyone.

During the reporting period, Yiheda conducted a total of 13 internal environmental protection training sessions, reaching 613 employees and totaling 626 training hours.



Internal environmental protection training sessions

13 times

Employees reached

613 participant-times

Total training

626 hours



Specialized Business Training Session for Air-Related Enterprises in Hengli Town



Internal Environmental Training Sessions



CASE

Environmental Training and Awareness Campaign in the Cafeteria

Suzhou Yiheda actively practices environmental principles by conducting training for cafeteria staff. Focusing on energy conservation, food waste reduction, and waste sorting, the Company promotes the deep integration of environmental concepts into daily cafeteria operations through systematic communication and practical guidance.



Addressing Climate Change >>>

In the face of the severe global climate crisis, Yiheda has established mitigating climate impacts and advancing green, low-carbon transition as strategic priorities. Following the Task Force on Climate-related Financial Disclosures (TCFD) framework, we comprehensively identify and assess potential risks and opportunities posed by climate change to our business. We systematically deploy and implement response measures to continuously enhance our resilience against climate shocks, contributing to global climate governance through concrete actions.

Climate Change Management System

Yiheda is systematically advancing greenhouse gas emission reduction efforts and has established a climate change management system centered on balancing risks and opportunities. Following TCFD recommendations, the system comprehensively identifies physical and transition risks posed by climate change to our business, while capitalizing on opportunities such as clean energy application and energy efficiency improvements. We coordinate low-carbon process upgrades, clean energy substitution, resource recycling, and energy conservation practices to continuously reduce operational carbon intensity, laying a solid foundation for consolidating and expanding our competitive advantage in the low-carbon transition.

Climate Change Risks and Opportunities

Yiheda references the recommendations of the TCFD framework and the SZSE GEM Listing Rules Guide No. 3 – Preparation of Sustainability Reports (2026 Revision). Through policy research, industry benchmarking, and expert consultation, the Company identifies climate-related risks (including transition risks and physical risks) that may affect it and implements effective response measures, integrating climate change risks into the Company's sustainability management framework and risk management system.

Transition Risks

Policy and Legal Risks

Timeframe of Impact Medium and Long Term

Risk Description

- ❖ Governments have tightened green regulations to combat climate change, elevating compliance standards and raising litigation risks.

Mitigation Measures

- ❖ Closely monitor government requirements on emissions and disclosure to ensure regulatory compliance, adjust operations promptly, and mitigate compliance risks.

Timeframe of Impact Medium and Long Term

Risk Description

- ❖ Industry "dual carbon" requirements are becoming increasingly clear, and policy pressure to reduce greenhouse gas emissions is intensifying.

Mitigation Measures

- ❖ Promote energy conservation and emission reduction via systems like the "5S Energy Conservation Provisions" and "Green Office Management Measures," enforcing requirements and penalties to foster proactive energy-saving culture;
- ❖ Develop and operate distributed photovoltaic power generation projects to increase the share of clean energy.

Timeframe of Impact Short-term, Medium-term, and Long-term

Risk Description

- ❖ Globally, supporting control and adjustment mechanisms for carbon emissions trading may increase operational and financial costs.

Mitigation Measures

- ❖ Continue advancing energy conservation and emission reduction, monitor global and host-country carbon pricing, and respond proactively to emerging challenges.

Timeframe of Impact Medium and Long Term

Risk Description

- ❖ Geographical and language barriers may hinder understanding of local procedures, creating environmental compliance risks for overseas exports.

Mitigation Measures

- ❖ Strengthen training on local laws, appoint dedicated compliance staff, and strictly enforce policy requirements.

Technical Risks

Timeframe of Impact Medium and Long Term

Risk Description

- ❖ Failed investments in R&D and upgrades for energy-saving and environmental protection technologies.

Mitigation Measures

- ❖ Strengthen the recruitment and development of professional talent to enhance the Company's R&D capabilities.

Timeframe of Impact Medium and Long Term

Risk Description

- ❖ Failure to adopt energy-saving technologies in time may leave the Company trailing peers in low-carbon factory and product transformation.

Mitigation Measures

- ❖ Boost R&D in low-carbon technologies, advance lightweight and recyclable product design, and strengthen industry collaboration.

Market Risks

Timeframe of Impact Medium and Long Term

Risk Description

- ❖ Rising costs of raw materials and energy.

Mitigation Measures

- ❖ Reduce waste and improve recycling rates for key resources, including metals, packaging, and cutting fluids. For key resources such as metal materials;
- ❖ Establish long-term, stable, and sustainable partnerships with raw material suppliers;
- ❖ Advance R&D and deployment of energy-saving technologies while increasing the share of clean energy.

Timeframe of Impact Medium and Long Term

Risk Description

- ❖ Failure to effectively meet consumer demand for eco-friendly products.

Mitigation Measures

- ❖ Actively develop eco-friendly products that are lightweight, long-lasting, and easy to disassemble and recycle to meet consumer needs;
- ❖ Increase consumer research and demand analysis to drive product innovation and optimization.

Reputational Risks

Timeframe of Impact Short-term, Medium-term, and Long-term

Risk Description

- ❖ Climate or environmental harm by the Company or its supply chain may damage reputation and weaken investor confidence.

Mitigation Measures

- ❖ Strengthen internal sustainability management and address climate change proactively;
- ❖ Strictly require the Company's upstream and downstream supply chains to adhere to sustainability principles;
- ❖ Strengthen disclosure transparency by publishing management information via annual and sustainability reports.

Operational Risks

Acute Risks - Extreme weather events such as typhoons, heavy rains, and floods

Timeframe of Impact Short-term, Medium-term, and Long-term

Risk Description

- ❖ Extreme weather may damage factories, office buildings, and equipment, resulting in asset loss.

Mitigation Measures

- ❖ Perform regular inspections and maintenance to identify asset risks, and insure key facilities;
- ❖ Develop emergency plans for extreme weather and strengthen monitoring and early warnings.

Timeframe of Impact Short-term, Medium-term, and Long-term

Risk Description

- ❖ Extreme weather may damage equipment, disrupt labor and transport, and impair normal operations.

Mitigation Measures

- ❖ Train staff on extreme weather response and strengthen natural disaster emergency response mechanisms;
- ❖ Identify potential asset damage and purchase necessary insurance.

Chronic Risks - Persistent high temperatures, droughts, etc.

Timeframe of Impact Short-term, Medium-term, and Long-term

Risk Description

- ❖ Prolonged high temperatures may cause power equipment failures, raise accident risks, and threaten productivity and safety.

Mitigation Measures

- ❖ Strengthen equipment inspection and maintenance, enforce pre-operation checks, and resolve malfunctions promptly;
- ❖ Install cooling and temperature-reduction systems.

Timeframe of Impact Short-term, Medium-term, and Long-term

Risk Description

- ❖ High temperatures threaten employee health, limit working hours, and reduce operational efficiency.

Mitigation Measures

- ❖ Install cooling facilities, regulate indoor temperatures, optimize equipment use, and provide heatstroke prevention and cooling supplies to frontline staff;
- ❖ Ensure adequate water supply for living and production, and implement health and emergency response measures;
- ❖ Scientifically schedule production plans, adjust work hours or suspend operations as needed.

Timeframe of Impact Short-term, Medium-term, and Long-term

Risk Description

- ❖ Prolonged drought may lead to water shortages, affecting the stability of production and operations.

Mitigation Measures

- ❖ Prioritize low-consumption, waterless, or recycling technologies in R&D and process design;
- ❖ Strengthen maintenance of water equipment, upgrade to water-saving systems, and adopt efficient fixtures;
- ❖ Utilize non-conventional water sources, build rainwater harvesting systems, and reuse treated water for irrigation and cleaning;
- ❖ Avoid constructing factories in areas with high water supply risks;
- ❖ Implement water resource management and promote water conservation among all employees.

Opportunities

Resource Efficiency

Timeframe of Impact Medium and Long Term

Opportunity Description

- ❖ Develop or use more energy-efficient equipment and technologies.

Countermeasures

- ❖ Develop or adopt new technologies and processes to boost resource efficiency and cut energy costs.

Timeframe of Impact Medium and Long Term

Opportunity Description

- ❖ National and regional supportive policy incentives.

Countermeasures

- ❖ Leverage government subsidies to introduce new technologies and processes in response to support policies.

Products and Services

Timeframe of Impact Medium and Long Term

Opportunity Description

- ❖ Research, development, and application of green, low-carbon products.

Countermeasures

- ❖ Strengthen R&D in green products and adopt new technologies and equipment, such as oil mist collectors in workshops and automatic cutting machines in shaft workshops.

Market

Timeframe of Impact

Medium and Long Term

Opportunity Description

- Increased consumer demand for low-carbon products;
- Increased demand for integrated energy services;
- Development of emerging markets.

Countermeasures

- Increase the market share of green and eco-friendly products;
- Optimize resource use, cut energy and GHG emissions, and drive technological innovation;
- Proactively identify and participate in emerging markets.

Resilience

Timeframe of Impact

Medium and Long Term

Opportunity Description

- Utilize renewable energy;
- Energy substitution and diversification strategies.

Countermeasures

- Expand renewable energy projects, such as distributed photovoltaic power generation.

Greenhouse Gas Emissions Management

Yiheda actively responds to the national "Dual Carbon" strategy, conducting independent greenhouse gas inventories to identify and seize emission reduction opportunities. By implementing energy-saving and carbon-reduction measures, it steadily lowers its carbon footprint. Simultaneously, the Company monitors industry carbon accounting standards, continuously improving the accuracy and completeness of emissions statistics, and advances its carbon reduction efforts through scientific, reasonable, and actionable emission reduction pathways.

During the reporting period, Yiheda's total greenhouse gas emissions (Scope 1 and Scope 2) amounted to approximately 10,708.90 tons of CO₂ equivalent, with Scope 1 emissions at 520.15 tons, and Scope 2 emissions at 10,188.75 tons. The greenhouse gas emission intensity was 3.63 metric tons of CO₂ equivalent per million RMB of revenue.



During the reporting period

Total greenhouse gas emissions (Scope 1 and Scope 2)

10,708.90 tCO₂e

Greenhouse gas emission intensity

3.63 tCO₂e/million RMB revenue

 Yiheda's Greenhouse Gas Emissions in 2025 (Unit: tCO₂e)

By Site	Direct Greenhouse Gas Emissions (Scope 1)	Indirect Greenhouse Gas Emissions (Scope 2)	Total Greenhouse Gas Emissions (Scope 1 and Scope 2)
Dongguan Yiheda Production Base	305.81	8,750.28	9,056.10
Suzhou Yiheda Production Base	214.33	1,438.47	1,652.80
Total	520.15	10,188.75	10,708.90

 Yiheda's Greenhouse Gas Emission Intensity in 2025 (Unit: tCO₂e / million RMB revenue)

Category	Greenhouse Gas Emission Intensity
Direct Greenhouse Gas Emissions (Scope 1)	0.18
Indirect Greenhouse Gas Emissions (Scope 2)	3.46
Total Greenhouse Gas Emissions (Scope 1 and Scope 2)	3.63

Note: The calculation of greenhouse gas emissions is based on Appendix II of the Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions by Enterprises in Other Industrial Sectors (Trial) issued by the National Development and Reform Commission; the Notice on Strengthening the Management of Greenhouse Gas Emission Reporting for Enterprises in the Power Generation Industry for 2023-2025 issued by the Ministry of Ecology and Environment (MEE); and the Announcement on the Release of 2023 Carbon Dioxide Emission Factors for the Power Sector jointly issued by the MEE and the National Bureau of Statistics.

Resource Utilization Management >>>

Yiheda strictly adheres to national laws and regulations, leveraging manufacturing resource endowments and operational characteristics to formulate and refine the "Resource Conservation and Recycling Management System." By clarifying cross-departmental authority and responsibility and refining end-to-end management standards, the Company integrates resource conservation and recycling throughout all aspects of production and operations. Through systematic governance, it drives steady improvements in resource efficiency and the continuous reduction of its environmental footprint.

Principles of Resource Conservation and Recycling Management

Principle of Prioritizing Reduction	Principle of Resource Recovery	Principle of Full-Process Management	Principle of Full Participation
Prioritize the adoption of technical and managerial measures to reduce resource consumption and waste generation at the source.	For generated waste, prioritize recovery and recycling in accordance with relevant regulations.	Implement standardized, end-to-end management of resources and waste across generation, collection, storage, transport, utilization, and disposal.	Clarify departmental and employee responsibilities and incentivize participation in resource conservation and recycling.

Energy Consumption and Management

Yiheda adheres to a green energy strategy balancing "expanding supply" with "reducing consumption." On the "reduction" side, it scientifically schedules equipment operation to minimize idle energy consumption and promotes high-efficiency, energy-saving lighting and appliances to foster a culture of conservation; on the "expanding sources" front, it proactively plans for clean energy alternatives and develops distributed photovoltaic projects to steadily reduce reliance on fossil fuels and build a solid foundation for energy management.



Energy Conservation and Consumption Reduction Management

Relying on frameworks such as the "5S Energy Conservation Provisions" and "Green Office Management Measures," Yiheda focuses on lighting, temperature, and equipment standby modes. Using clear guidelines and penalty mechanisms, it systematically advances the lean implementation of electricity-saving measures. Additionally, the Company coordinates intelligent lighting control systems with the energy efficiency management of office equipment and air conditioning, driving progress through both hardware upgrades and management optimization to create a model of environmentally friendly modern office operations. During the reporting period, the Company's cumulative investment in energy-saving technological upgrades reached RMB 313,000.



During the reporting period

Cumulative investment in energy-saving technical upgrades RMB

313,000

Office Area Energy-Saving Guidelines

- ❖ When leaving work, employees should turn off fans, computer towers, monitor screens, and office lights in their work areas.
- ❖ Turn off non-essential lighting when occupancy is low, adjust lighting to actual needs, and eliminate unnecessary usage to reduce waste.
- ❖ If you need to leave your desk for more than 30 minutes during working hours, you should proactively turn off the monitor to avoid power consumption.
- ❖ In any area, the last person to leave is responsible for and obligated to turn off all electrical equipment and lighting in that area.
- ❖ Strictly enforce national regulations on air conditioning temperature control: set indoor air conditioning to no lower than 26°C in summer and no higher than 20°C in winter.
- ❖ Clean air conditioning filters regularly and perform professional maintenance on the air conditioning system twice a year to ensure efficient operation.
- ❖ During the transitional seasons of spring and autumn, we encourage opening windows to utilize natural ventilation and reduce air conditioning use.

Penalty Mechanism for Energy Conservation and Consumption Reduction

Number of Violations	Person Penalized	Penalty
Calculated by department, up to 5 violations (inclusive) within a month	The directly responsible individual and the department head	The directly responsible person and department head shall receive a warning.
Calculated by department, 5 or more but fewer than 10 instances (including 10) within a month	The directly responsible person and the department head	The directly responsible person receives a warning; the department head receives a minor disciplinary action.
Calculated by department, 10 or more instances within a month	Department head	The department head is accountable for managerial negligence; the Administrative Support Center will report this, deducting 3 annual performance points.

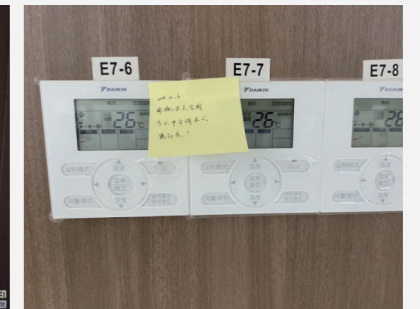
CASE

Penalties for Air Conditioning Violations

Yiheda has established a special penalty mechanism for air conditioning violations, targeting areas where units are not promptly turned off after hours. Violations are recorded and assigned to responsible parties, accompanied by a phased suspension of air conditioning service for the affected area. This rigid mechanism reinforces energy-saving awareness among all employees.



Air Conditioning Violation Inspection and Record-Keeping



Penalties for Shutting Down Air Conditioning Due to Violations

CASE

Strengthening Energy Efficiency Management of Equipment and Systems

Suzhou Yiheda has systematically advanced lighting and energy equipment upgrades: replacing fixtures with high-efficiency LEDs to cut consumption by about 60% at equal illuminance; adopting radar-sensor-based zone lighting in parking garages; enforcing Class 1 efficiency standards for office and AC equipment; and optimizing workstation layouts to maximize natural lighting—reducing daytime lighting electricity use and effectively lowering office energy intensity.

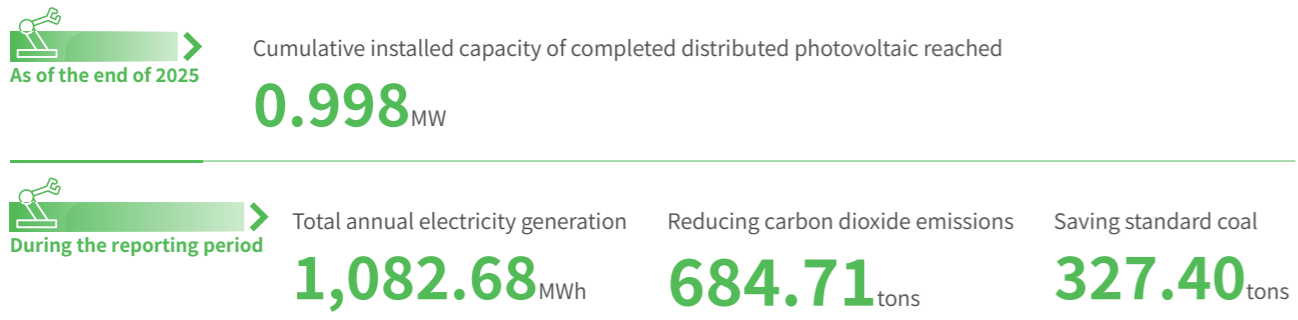


Promoting Electricity Conservation

Clean Energy Utilization

Yiheda has established distributed photovoltaic power generation projects as the core of its clean energy strategy. By utilizing idle factory rooftops to build green energy facilities under a "self-generation and self-consumption" model, the Company has constructed a green power network covering production and office areas. Through stable clean electricity output, the Company reduces fossil fuel consumption and indirect greenhouse gas emissions from purchased electricity, thereby driving the transition of its energy structure toward low-carbon solutions.

As of the end of the reporting period, Yiheda's cumulative installed capacity of distributed photovoltaic power generation projects reached 0.998 megawatts. During the reporting period, Yiheda's total annual power generation was approximately 1,082.68 megawatt-hours, reducing carbon dioxide emissions by approximately 684.71 tons and saving approximately 327.40 tons of standard coal.



Environmental Benefits of Energy Conservation and Emission Reduction from Photovoltaic Power Generation Projects

Project Location	Installed Capacity (MW)	Annual Electricity Generation (MWh)	Annual CO ₂ Equivalent Emissions Reductions (tCO ₂)	Annual Standard Coal Savings (tons)	Annual Sulfur Dioxide Reduction (tons)	Annual Nitrogen Oxide Reduction (tons)
Suzhou Yiheda Production Base	0.998	1,082.68	684.71	327.40	0.09	0.15
Total	0.998	1,082.68	684.71	327.40	0.09	0.15

Note: Calculation factors for CO₂ emission reduction were based on the China Regional Power Grid Baseline Emission Factors for Greenhouse Gas Reduction Projects (2024), published by the National Center for Climate Change Strategy and International Cooperation under the Ministry of Ecology and Environment.

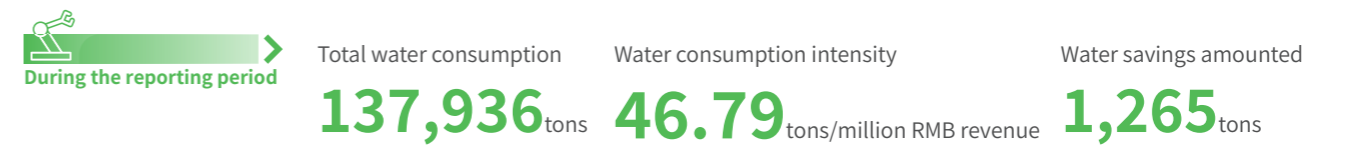


Suzhou Yiheda Production Base Photovoltaic Power Generation Project

Water Resource Use and Management

Yiheda focuses on diverse scenarios, implementing targeted water-saving measures to continuously improve water use efficiency. In production, it prioritizes low-water-consumption, waterless, or water-recycling technical solutions; in daily operations, it strengthens equipment inspections and promotes water-saving fixtures to reduce unnecessary use; additionally, the Company actively utilizes non-conventional water sources. A rainwater collection network has been constructed on-site, where rainwater and reclaimed water are treated for landscape irrigation and road washing, achieving synergistic benefits from rainwater utilization and water recycling.

During the reporting period, the Company's total water consumption was 137,936 tons, with a water consumption intensity of 46.79 tons per million RMB of revenue and water savings of 1,265 tons.



CASE

Sanitary Ware Water-Saving Upgrade

During the reporting period, Suzhou Yiheda completed comprehensive upgrade of its sanitary ware, replacing all toilets and urinals with water-saving models, cutting average water consumption per flush by over 40% and significantly reducing domestic water consumption.



Rainwater Collection Network on the Factory Premises



Water Conservation Slogans

Resource Recycling and Reduction Management

Aligned with green and circular economy goals and policies like the "Resource Conservation and Recycling Management System," Yihe-da implemented reduction measures for metals, packaging, and cutting fluids across procurement, usage, and recycling. By enhancing process-based sorting and recycling, we increased waste recovery rates, minimized virgin resource consumption, and reduced environmental impact.

In addition, Yiheda promotes paper conservation and paperless operations. By leveraging paperless workflows and IT, we achieved full coverage of digital platforms and completely paperless meetings. We also enforce strict management of necessary printing, requiring double-sided printing and A5 paper to minimize waste at the source. Furthermore, the Company mandates that all office paper be 100% recycled pulp or FSC-certified, ensuring environmentally friendly and fully traceable resource utilization.

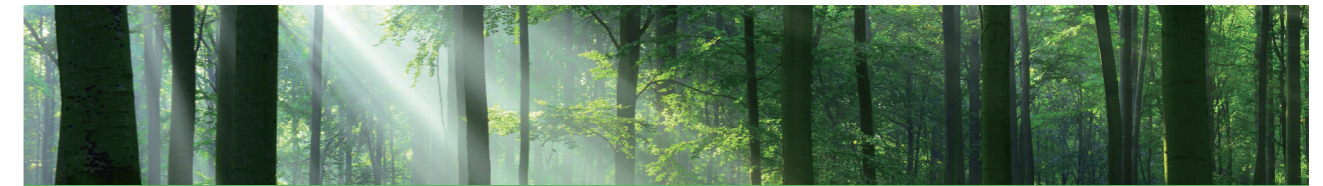
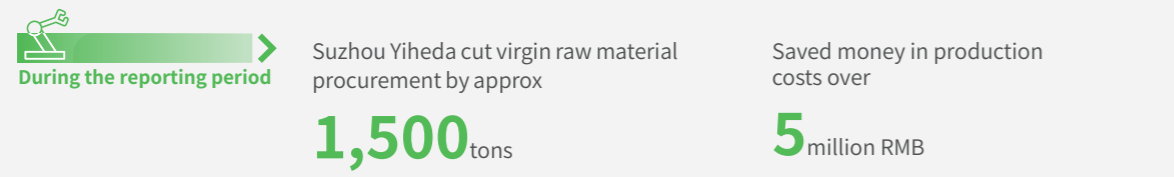
Resource Recycling and Reuse Measures

Resource Category	Primary Source	Recycling Measures	Management Approach
Metal Materials	Machining, stamping, sheet metal work	Separate collection of scrap steel and scrap aluminum → Return to steel mills for remelting	Specialized recycling agreements, settled monthly
Packaging Materials	Raw material intake, finished product shipment	Corrugated boxes, wooden crates, and plastic returnable containers: Graded management → Repair/modification → Reuse	Specialized recycling agreement, settled monthly
Cutting Fluid	Machining center	Centralized filtration system (removes metal chips and impurities) → Composition testing and formulation → Reuse	Regular professional maintenance
Used Lubricating Oil	Equipment maintenance	Collection → Recycling by a specialized company → Conversion into base oil or industrial fuel	Full-process tracking via hazardous waste consignment notes

CASE

Suzhou Yiheda's Circular Economy Achievements

During the reporting period, Suzhou Yiheda implemented circular economy measures across the entire production process, reducing virgin raw material procurement by approximately 1,500 tons and saving over 5 million RMB in production costs. The comprehensive utilization rate of industrial solid waste reached 96.5%, while the Company achieved a 100% compliance rate for hazardous waste disposal and resource recovery, effectively demonstrating the synergy between efficient resource utilization and green development.



Paper Conservation and Paperless Office Initiatives

Comprehensive Coverage of Digital Office Platforms

We have fully implemented the OA, ERP, and Huilianyì systems, along with collaboration platforms like DingTalk and WeCom, achieving 100% online and paperless operations for document circulation, leave and attendance, and meeting management.

Paperless Meetings

Equip meeting rooms with smart TVs or projectors, and promote the use of online collaborative documents for sharing, recording, and editing meeting materials. In principle, meeting materials will no longer be printed.

Mandatory Double-Sided Printing

All network printers are set to double-sided printing by default to technically eliminate single-sided printing. Any necessary single-sided scrap paper is collected centrally for reuse as draft paper.

Use of A5 Paper

For documents such as stamp application forms and invoices, printers are set to print on A5 paper by default.

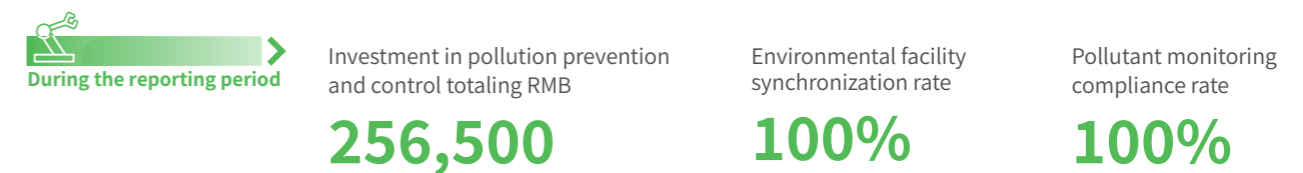
Recycled Paper Procurement

All office paper purchased (including copy paper, notebooks, sticky notes, etc.) must meet the standards for 100% recycled pulp or sustainable forest certification (such as FSC).

Pollution Prevention and Emission Reduction >>>

Yiheda prioritizes pollution prevention and control, focusing on waste, wastewater, waste gas, and noise. We have formulated comprehensive regulations—including the Waste Management Regulations, Industrial Waste Gas Emission Management Regulations, Industrial Wastewater Discharge Management Regulations, and Equipment Noise Management Regulations—to ensure precise, full-lifecycle control of pollution sources. Through refined waste classification, process-based emission reduction, efficient disposal, and routine monitoring, we are committed to strict targets: continuously improving solid waste utilization, ensuring wastewater compliance, keeping air emissions within limits, and maintaining 24/7 noise compliance at the plant boundary, effectively establishing a robust pollution barrier.

During the reporting period, Yiheda's cumulative investment in pollution prevention and control totaled RMB 256,500. Environmental facility synchronization and pollutant monitoring compliance both reached 100%. With no environmental incidents occurring, the Company faced no penalties from authorities nor received any major or collective complaints from local residents, enterprises, institutions, or social groups.



Configuration of Pollution Control Facilities and Process Flow

Pollution Categories	Primary Pollution-Generating Stages	Pollution Control Facilities	Core Technologies/Processes
Waste Gas	Machining, assembly areas, etc.	Oil mist purification system	Mechanical centrifugation + electrostatic adsorption
Particulate Matter	Grinding, polishing, etc.	Cyclone dust collection system	Cyclone Dust Collector + Bag Filter
Wastewater	Employee living quarters, cafeteria, etc.	Domestic wastewater treatment facilities	Septic tank + grease trap + municipal sewer system
	Spray washing, ultrasonic cleaning, and grinding, etc.	Industrial wastewater collection facilities	—
Noise	Air compressors, fans, production equipment, etc.	Noise control facilities	Vibration-damping mounts, sound enclosures, silencers, factory building soundproofing
Waste	Entire production process	Temporary storage area for general solid waste	Sorted collection, rain- and leak-proof storage
		Hazardous waste temporary storage warehouse	Sealed, corrosion-resistant, leak-proof, fully labeled, and monitored via a network

Waste Management

Yiheda focuses on both production and operational scenarios, categorizing waste into recyclable, hazardous, and non-recyclable types. We implement comprehensive, refined management across control, sorting, storage, and disposal. Specifically, the Administration Department coordinates collection and preliminary processing, while the Supply Chain Department vets recycler qualifications and signs hazardous waste contracts. All departments strictly enforce sorting and storage protocols within their scope, effectively enhancing resource efficiency and environmental risk prevention while significantly reducing environmental impact.

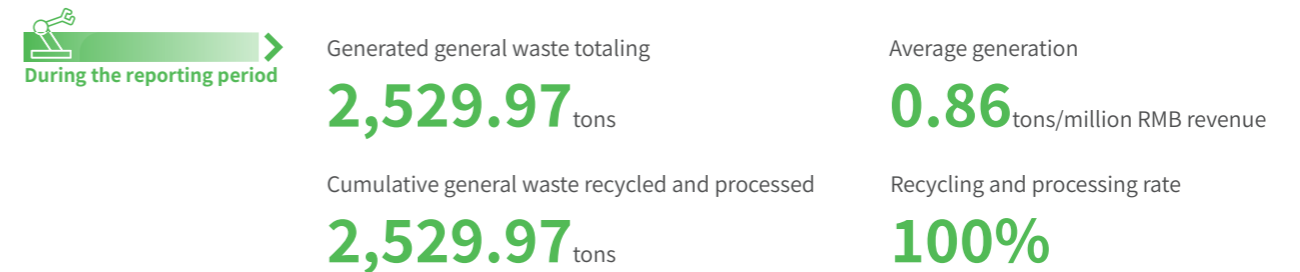
Waste Classification Management System

Scenario-Based Classification	Waste Classification	Specific Details
Production Scenarios	Recyclable Waste	Paper products, metal scraps and offcuts, slag, waste packaging bags, welding slag, metal dust, scrap metal parts, etc.
	Hazardous Waste	Batteries, toner/ink cartridges, and fluorescent tubes; waste quenching/cutting/spark oils, engine oil, activated carbon, empty containers, and oil-absorbing cotton; plus waste liquid tanks (cutting fluid, engine oil, diesel), etc.
	Non-Recyclable Waste	Household waste such as fruit peels, tea leaves, cigarette ash, dust, and leaves, as well as food scraps and other non-recyclable, non-toxic, and non-hazardous waste.
Operational Management Scenarios	Recyclable Waste	Used packaging paper and plastic, office waste paper, and scrap parts, etc.
	Hazardous Waste	Batteries, toner cartridges, ink cartridges, fluorescent tubes, etc.
	Non-recyclable Waste	Household waste such as fruit peels, tea leaves, cigarette ash, dust, and leaves, as well as food scraps and other non-recyclable, non-toxic, and non-hazardous waste.

General Waste

For general waste, production operators must dispose of it directly at designated collection points. Office and public areas are equipped with standardized recycling bins, requiring employees to sort waste correctly per signage. Documents containing confidential information must be shredded before disposal in wastepaper bins. Each department and team is responsible for collecting and organizing waste within their areas, transporting it regularly to the Company's central waste storage, and entrusting qualified firms for compliant recycling and disposal—ensuring standardized management from collection and transportation through to final disposal.

During the reporting period, Yiheda generated 2,529.97 tons of general waste, averaging 0.86 tons per million in revenue. All 2,529.97 tons were recycled and processed, achieving a 100% recycling and processing rate.



Scrap Aluminum Storage Area



Strict Sorting and Organization of Scrap Materials

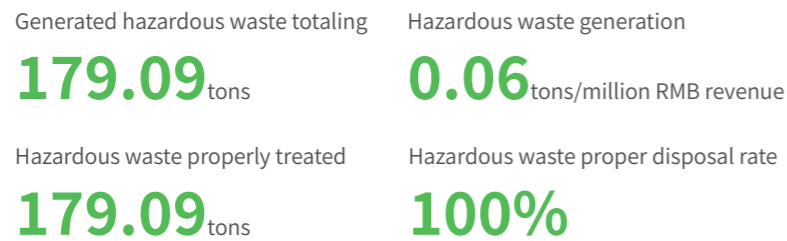


Separate Collection of Household Waste

Hazardous Waste

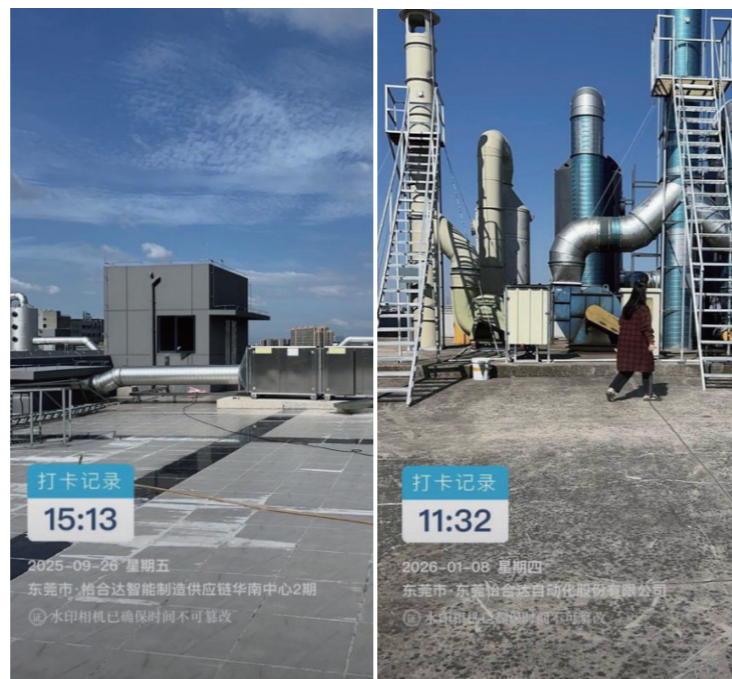
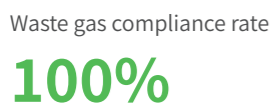
Yiheda strictly adheres to the principle of "unified collection, classified disposal, and hazard elimination," establishing a hazardous waste management system covering the entire process from classification and storage to disposal. In the classification stage, hazardous waste packaging must bear standardized labels to ensure clear identification; in the storage stage, waste must be kept in dedicated warehouses equipped with fire protection facilities to prevent leakage and fire risks; in the disposal stage, an inventory control system requires both generating and receiving departments to record key information, while entrusting qualified third-party organizations for compliant collection and disposal—ensuring safe, controlled hazardous waste management.

During the reporting period, Yiheda generated 179.09 tons of hazardous waste, with 0.06 tons of hazardous waste generated per million in revenue. A total of 179.09 metric tons of hazardous waste was properly treated, resulting in a proper disposal rate of 100%.



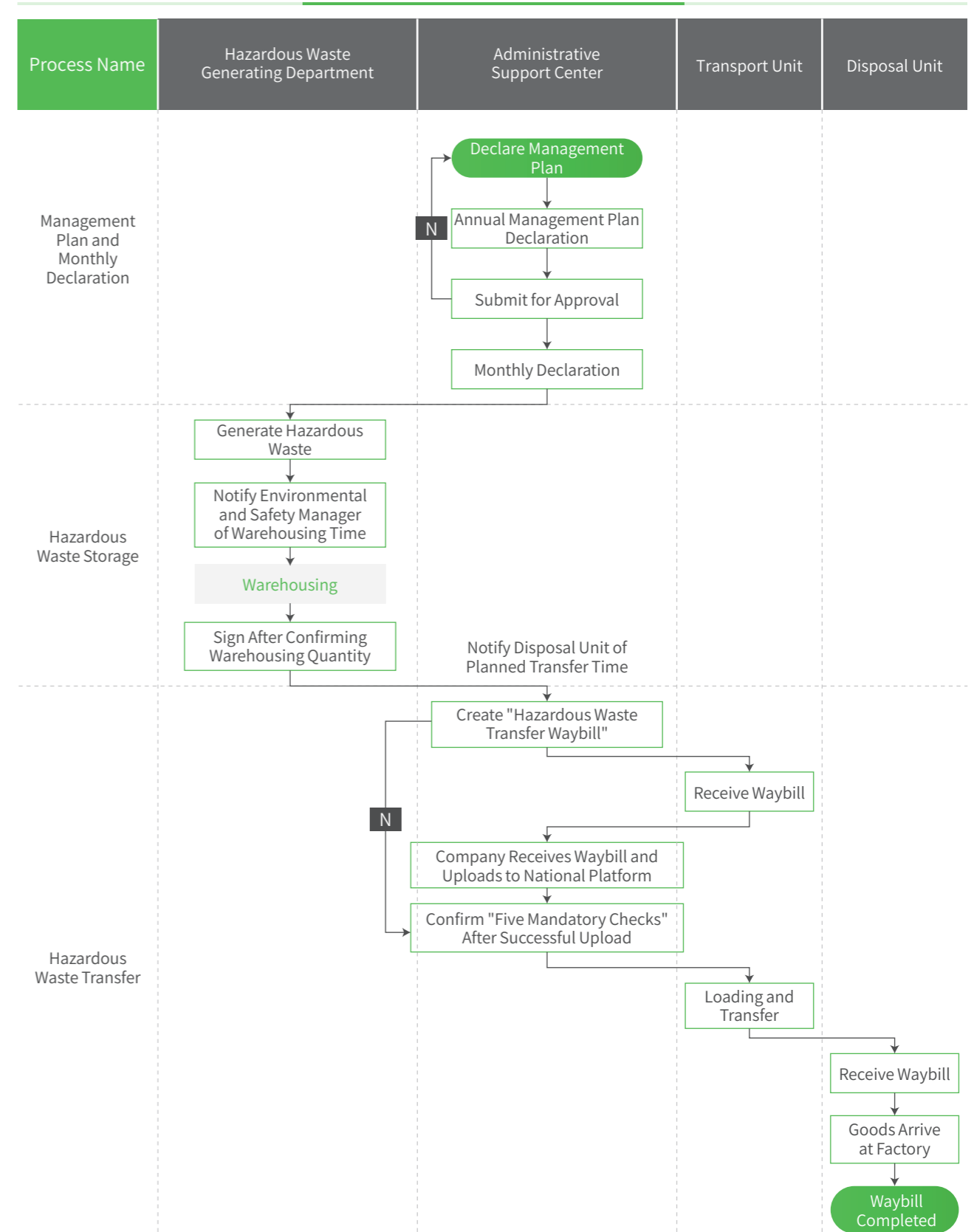
Waste Gas Management

Based on the "List of Key Environmental Factors and Control Plans," Yiheda established a tiered waste gas management system with targeted measures, guiding all departments in implementation. For oil mist from production, oil mist collectors installed on equipment ensure compliant fugitive emission control. For dust from grinding and polishing, exhaust hoods or enclosed ductwork collect particulates, which are transported to a dedicated dust removal system; treated gas is then discharged via a high-altitude stack in compliance with standards. Additionally, the Company commissions qualified agencies for annual waste gas monitoring to ensure precise emission control. During the reporting period, the Company's waste gas compliance rate was 100%.



Waste Gas Treatment Equipment

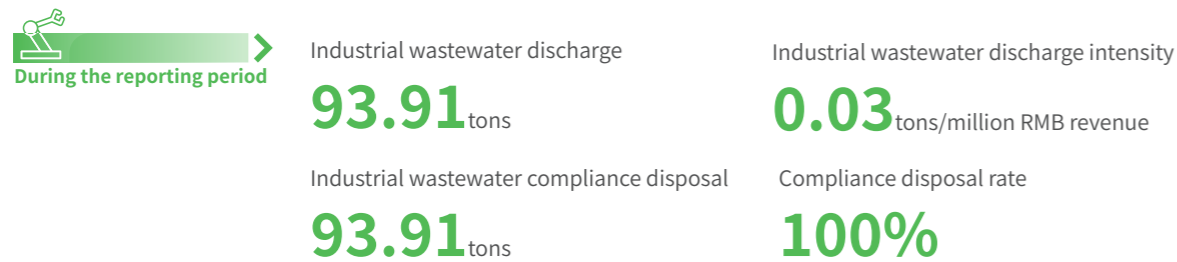
Hazardous Waste Storage and Disposal Process



Wastewater Management

Yiheda's industrial wastewater mainly comes from spray water, ultrasonic cleaning water, and grinding water. Ultrasonic cleaning and grinding water are collected on-site and entrusted to third-party agencies for compliant treatment, while spray water is internally recycled, achieving zero external discharge. Domestic wastewater originates from restrooms, the cafeteria, and dormitories, and is channeled into a sewage tank for tertiary treatment. After maturation and meeting standards, it is discharged periodically in compliance with regulations, effectively mitigating water pollution risks and improving water resource efficiency.

During the reporting period, the Company discharged approximately 93.91 tons of industrial wastewater, averaging 0.03 tons per million in revenue. All 93.91 tons were disposed of in compliance with regulations, achieving a 100% compliance disposal rate.



Industrial Wastewater Pollutant Discharge

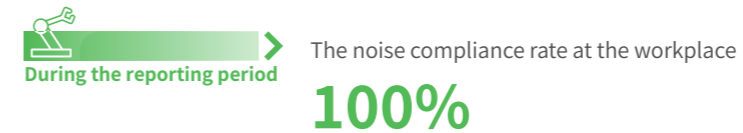
Category of Industrial Wastewater Pollutants	Emissions (kg)
Chemical Oxygen Demand (COD _{Cr})	1,568.30
Ammonia Nitrogen (NH ₃ -N)	2.00
Total Phosphorus (TP)	2.30
Total Nitrogen (TN)	2.66

Industrial Wastewater Pollutant Discharge Intensity

Industrial wastewater pollutant category	Discharge intensity (kg / million RMB of revenue)
Chemical Oxygen Demand (COD _{Cr})	0.53
Ammonia Nitrogen (NH ₃ -N)	0.00
Total Phosphorus (TP)	0.00
Total Nitrogen (TN)	0.00

Noise Management

Noise pollution during production and operations primarily stems from cutting, grinding, air compressors, fans, and temporary generators. In response, Yiheda conducts strict pre-operation inspections and daily maintenance to ensure stable equipment operation and reduce abnormal noise. Where feasible, soundproof doors, windows, and structural renovations are implemented to enhance building insulation. At the same time, strict personal protective measures are enforced to protect occupational health, achieving precise source control and minimizing noise impact. During the reporting period, the noise compliance rate at the Company's workplaces was 100%.



CASE

Comprehensive Noise Control at the Air Compressor Station

During the reporting period, Suzhou Yiheda implemented comprehensive noise control at the air compressor station. By replacing standard windows with fixed single-pane soundproof glass, ensuring fire doors remained closed, and installing vibration-damping pads under compressors, Yiheda successfully blocked transmission pathways and reduced noise intensity. Consequently, noise levels dropped significantly, the working environment improved markedly, and noise pollution was effectively mitigated.



Green and Eco-Friendly Production >>>

Yiheda consistently prioritizes green and eco-friendly practices as a core operational principle. By selecting eco-friendly materials, embedding green design in R&D, and using technology to advance clean production, we continuously optimize sustainable packaging. We ensure these values run through our entire delivery process to systematically reduce environmental impact. Ultimately, we deliver high-quality products that balance economic and environmental benefits, reflecting our responsibility as an industry leader.

Eco-Friendly Raw Materials

The Company prioritizes eco-friendly materials to minimize toxic substance risks during manufacturing and use. For metals like steel and aluminum, we mandate third-party verification and strictly control substances such as lead and mercury, resolutely preventing hexavalent chromium from entering production. This effectively reduces environmental impact and health threats, driving the continuous upgrade of our products and production toward low-carbon, safety standards.

Environmental Raw Material Testing Standards (Partial List)

Raw Material Category	Testing Requirements	Test Results
Ace 45# Steel	Amendment (EU) 2015/863 to Annex II of the EU RoHS Directive 2011/65/EU—Lead, Mercury, Cadmium, and Hexavalent Chromium	Compliant
GB 6061 Round Bar	Amendment (EU) 2015/863 to Annex II of the EU RoHS Directive 2011/65/EU—Lead, Mercury, Cadmium, Hexavalent Chromium, Polybrominated Biphenyls (PBB), Polybrominated Diphenyl Ethers (PBDE), Di (2-Ethylhexyl) Ehtalate (DEHP), Butyl Benzyl Phthalate (BBP), Dibutyl Phthalate (DBP), and Diisobutyl Phthalate (DIBP)	Compliant
S136	Amendment (EU) 2015/863 to Annex II of the EU RoHS Directive 2011/65/EU—Lead, Mercury, Cadmium, and Hexavalent Chromium	Compliant
Saigang Steel Plate	Amendment (EU) 2015/863 to Annex II of the EU RoHS Directive 2011/65/EU—Lead, Mercury, Cadmium, Hexavalent Chromium, Polybrominated Biphenyls (PBB), Polybrominated Diphenyl Ethers (PBDE), Di (2-Ethylhexyl) Ehtalate (DEHP), Butyl Benzyl Phthalate (BBP), Dibutyl Phthalate (DBP), and Diisobutyl Phthalate (DIBP)	Compliant



Ace 45# Steel RoHS Test Report



Saigang Plate RoHS Test Report



GB 6061 Round Bar RoHS Test Report

Green Design

Yiheda systematically advances green design by adopting standardized, modular approaches to optimize cutting plans and reduce scrap, boosting resource efficiency at the source. We focus on developing lightweight, durable, and recyclable products, while creating clean production processes that enable resource recovery and high-value reuse of waste. By integrating resource and environmental impact assessments throughout development, we ensure the comprehensive implementation of green design.

Clean Production

Yiheda continues to deepen energy-saving and clean production practices. By accelerating the upgrade to high-efficiency equipment and replacing traditional machinery with advanced CNC systems, we effectively reduce material waste and energy consumption. We control pollutants by improving oil mist purification and dust collection systems, managing emissions of harmful gases and particulates. This comprehensively enhances process cleanliness while synergizing environmental optimization with operational efficiency.

CASE

Deployment of Workshop Oil Mist Collectors

During the reporting period, the Company systematically deployed 426 oil mist collectors across production lines. These devices instantly recover, filter, and convert the oil and water mist generated by CNC machines during machining into recycled cutting fluid, achieving precise capture and purification of pollutants while reducing secondary pollution and resource waste.



CASE

Introduction of Automatic Cutting Machines in the Shaft Workshop

During the reporting period, the Company vigorously promoted replacing traditional equipment with energy-efficient CNC machinery. In the shaft workshop, automatic cutting machines replaced conventional ones, shifting the process from dry cutting to wet processing with cutting fluid. This eliminates dust pollution at the source and drives the workshop's transition from extensive methods to lean, green manufacturing.



Green Packaging

Yiheda has deeply advanced the greening and upgrading of logistics packaging. For core products such as linear modules, FB furnace door drive assemblies, conveyor lines, and robotic water units, heavy-duty cardboard boxes have been fully adopted to replace traditional wooden crates. Leveraging the design advantages of both lightweight construction and high strength, Yiheda has achieved systematic optimization of packaging costs, warehouse space, and transportation expenses, significantly increasing the recycling rate of packaging materials and laying a solid foundation for a green supply chain.



FB Furnace Door Drive Assembly Packaging Before Improvement



FB Furnace Door Drive Assembly Packaging After Improvement



Linear Module Packaging Before Improvement



Linear Module Packaging After Improvement

Ecosystem and Biodiversity Protection

Yiheda fully implements ecological sustainability goals, adhering to the principle of "balancing development and conservation" through concrete actions. During site selection, we incorporate ecological impact as a core consideration, carefully assessing and mitigating risks; during production, we enforce clean production standards and pollution prevention to minimize our environmental footprint. Furthermore, we actively engage in ecological restoration—such as organizing employee tree-planting—contributing to the recovery and resilience of regional ecosystems.

As of the end of the reporting period, none of the Company's production and business locations were included in national-level nature reserves or biodiversity priority protection areas, and there were no projects with significant impacts on biodiversity.

CASE

Environmental Impact Assessment of Projects

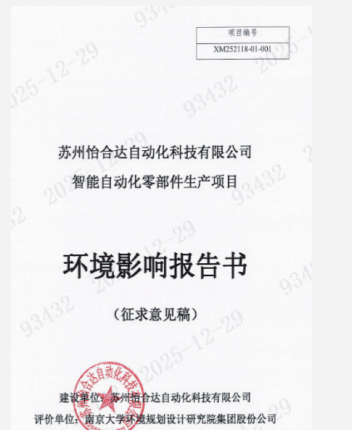
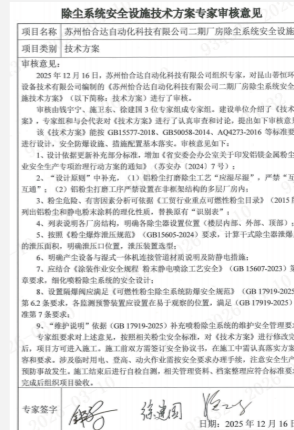
During the reporting period, Suzhou Yiheda actively conducted the environmental impact assessment for its smart automated components project. Yiheda classified the initiative as a "strategic emerging industry," showcasing its advanced nature, and successfully passed expert reviews on critical aspects like explosive dust hazards. After compiling the environmental impact report and submitting it to the provincial department, Yiheda demonstrated through concrete actions its commitment to protecting ecosystems and biodiversity.

苏州市发展和改革委员会

关于确认苏州怡合达自动化科技有限公司智能自动化零部件生产项目属于江苏省太湖流域战略性新兴产业类别目录的复函

昆山市发改委:

经商市工信局、市生态环境局, 我们对你委报来的关于苏州怡合达自动化科技有限公司智能自动化零部件生产项目属于江苏省太湖流域战略性新兴产业类别目录的认定结论无不同意见。特此复函。



Conducting Ecological Restoration Activities





04

SOCIAL RESPONSIBILITY

Upholding our original commitment to responsibility, we work together to build a better society. Yiheda has always regarded social responsibility as a fundamental pillar of our development. Internally, we enhance systems for employee rights, benefits, and career growth to foster a warm, dynamic workplace. Externally, we engage in educational philanthropy, rural revitalization, and public safety to empower regional progress. Through these concrete actions, we convey the Company's warmth and align corporate and social values.

Walking Hand in Hand with Our Employees >>>

Yiheda regards talent as its most solid foundation. In providing basic protections, we strictly adhere to compliance and safety standards, serving as our employees' strongest support; in our growth mechanisms, we create a level playing field, empowering employees through training and employee stock ownership so that those who work hard are rewarded and those who innovate share in the benefits; in our care and management, we listen to the voices of frontline staff, warming hearts through democratic communication and generous benefits, and building a warm and dignified workplace for all employees.

Employee Hiring

Yiheda strictly adheres to applicable laws and regulations and has established a standardized employment system centered on the Recruitment and Hiring Management System, Campus Recruitment Management System, Onboarding Procedures and Management Regulations, and New Employee Probationary Period Management Regulations. We refine talent acquisition mechanisms—covering campus, external, and internal channels—to align with precise job requirements and optimize our talent structure. Upholding equal pay and opportunity, we effectively safeguard the legitimate rights and interests of every employee.

Compliant Hiring

Yiheda strictly defines recruitment red lines in accordance with the "Recruitment and Hiring Management System," resolutely prohibiting the employment of forced, bonded, trafficked, or enslaved labor. We firmly defend human rights, strictly forbid hiring minors under 18, and pledge not to participate in or support child labor. During talent selection, we conduct legal background checks to verify information authenticity, establish scientific qualification standards for job grades, define clear entry requirements for each role, and promptly sign standardized employment contracts to effectively ensure the legality and stability of the employment relationship.

During the reporting period, no cases of child labor or forced labor were identified within the Company, and no strikes or work stoppages occurred. A total of 1,101 new employees were hired, with a labor contract signing rate of 100%.



Newly hired employees

1,101

Labor contract signing rate

100%

Equal Employment

In the recruitment and employment processes, Yiheda strictly prohibits any form of discrimination based on gender, age, race, disability, or other factors. We ensure that all employment decisions are based solely on candidates' professional skills and work potential, thereby effectively safeguarding employees' equal employment rights and personal dignity. As of the end of the reporting period, Yiheda had a total workforce of 3,503 employees, including 324 employees from ethnic minority groups, accounting for approximately 9.25%; and 2 employees with disabilities, accounting for approximately 0.06%.



Total number of employees

3,503

Number of ethnic minority employees

324

Number of employees with disabilities

2

By Gender

Male

2,516

Female

987

By age

Under 30 (excluding 30)

1,470

30-40 years old (including 30, excluding 40)

1,553

40-50 (inclusive of 40, exclusive of 50)

433

50-60 years old (including 50, excluding 60)

47

60 and older

0

By educational attainment

Master's degree and above

38

Bachelor's degree

1,224

Associate degree or below

2,241



Compensation, Benefits, and Performance

Through the implementation of regulations such as the "Compensation Management System" and the "Performance Management System," Yiheda integrates market-competitive compensation incentives, comprehensive welfare benefits, and a clear performance evaluation mechanism. We ensure fair, transparent distribution to recognize employee value, boost belonging with generous benefits, and guide goal achievement via performance objectives. Long-term equity incentives align our shared vision. By sharing development gains and shouldering future missions together, we unite core forces to drive sustainable growth.

Compensation Management

Yiheda has established a differentiated compensation system aligned with market principles and internal fairness. Anchored in production operations and performance targets, the system builds scientific models evaluating knowledge, skills, responsibilities, and contributions to determine fair benchmarks and enforce equal pay for equal work. Through a mechanism linking "value" and "reward," we use performance incentives to energize individuals, boost efficiency and competitiveness, building a solid human capital foundation for continuous innovation and long-term development.

Company Compensation Structure

Category	Details
Fixed Compensation	Base Salary
Fixed Compensation - Allowances	Position-based pay, functional pay
Fixed Compensation - Benefits	Social insurance and housing fund, other company benefits
Variable Compensation	Performance bonuses, position-based performance bonuses, overtime pay, piece-rate pay, commissions, special incentives, other rewards and penalties, annual bonuses, etc.
Other	Negotiable compensation

Employee Benefits

Yiheda places great emphasis on employee care, strictly adhering to national regulations to provide statutory benefits such as statutory holidays, social insurance, and housing provident funds. We also offer diverse supplementary benefits, including holiday and birthday allowances, meal and communication subsidies, education, training, and group activities. Through these concrete actions, we demonstrate deep care for employees and fulfill our social responsibilities, striving to create a "happy workplace." During the reporting period, Yiheda's social insurance coverage rate was 100%.



List of Employee Benefits

Category	Details
Basic Coverage	Five Insurances and One Fund: Upon joining the Company, employees are enrolled in pension insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and housing provident fund.
	Leave Entitlements: In accordance with legal regulations, employees are entitled to statutory leave, including maternity leave, paternity leave, marriage leave, and annual leave.
Living Benefits	Three Meals a Day: Three meals are provided daily, and employees may dine in the cafeteria.
	Dormitory Accommodations: Dormitories are equipped with air conditioning, water heaters, balconies, and private bathrooms.
	Communication Allowance: Depending on work requirements, employees may receive a Company-provided phone card or request a landline at their workstation.
Professional Development	Holiday Benefits: Gifts for the Dragon Boat Festival, Mid-Autumn Festival, and Women's Day.
	Certification Exam Subsidy: 1. Employees who pass the NPDP certification and meet the specified requirements will receive a one-time bonus of RMB 3,000; 2. Employees who pass the PMP certification and meet the specified requirements will receive a one-time bonus of RMB 2,000.
	Undergraduate-to-Graduate Program: Eligible students receive tuition subsidies ranging from 30,000 to 100,000 RMB, along with 20 days of paid leave each year for study and exams.
Family Support	Employee Children's Benefits: 1. We provide public school enrollment slots for elementary and middle school students each year to address the challenge of school enrollment for employees' children; 2. Dedicated activity rooms are established for employees' children, staffed by professional teachers who provide after-school tutoring and meals.
	Recreation and Team Building



Primary and Secondary Public School Placements



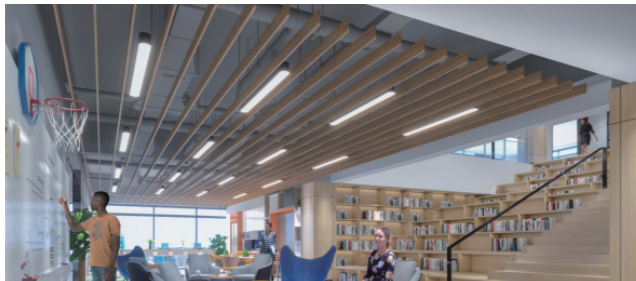
Activity Room for Employees' Children



Women's Day gifts



Mid-Autumn Festival benefits



Leisure reading lounge



Café



Gym



Badminton Court

Performance Management

To leverage the motivational role of evaluations, Yiheda has established the "Performance Management System." This system builds a performance management incentive mechanism that is scientific, fair, efficient, and precise in its evaluations, thereby creating a closed-loop management cycle encompassing "goal setting—results evaluation—feedback interviews—application of results." By scientifically assessing and incentivizing contributions, the Company effectively safeguards employee rights and earnestly fulfills its "people-oriented" corporate social responsibility commitment.

Performance Management System



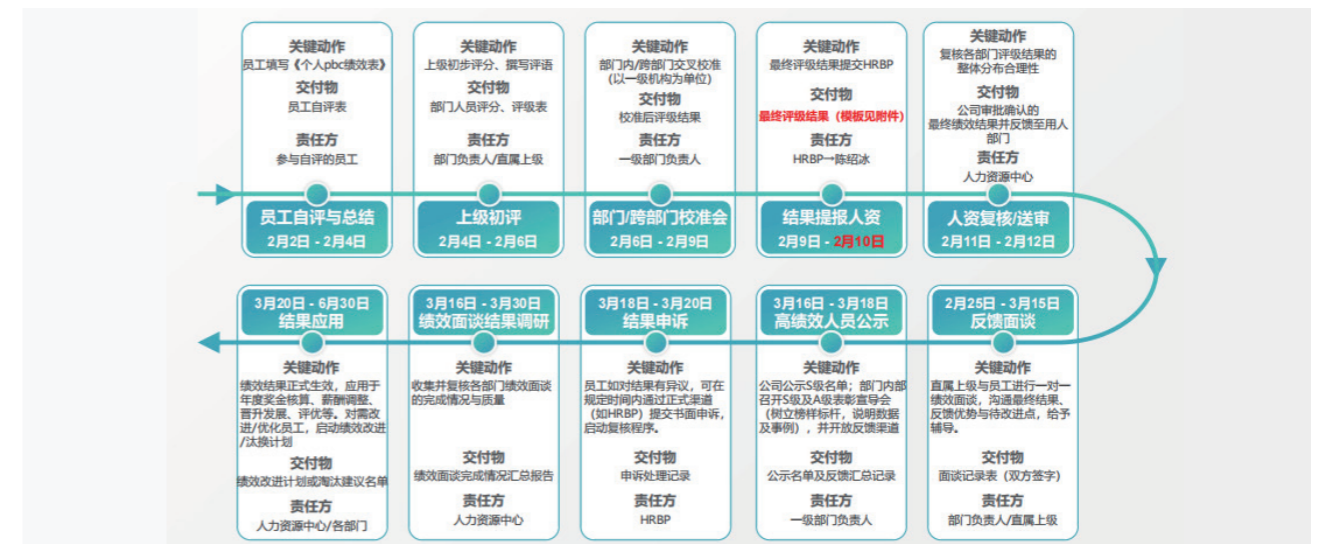
Performance Appraisal

Yiheda has implemented a core evaluation model integrating assessment and appraisal to provide comprehensive annual performance ratings. This system objectively measures value contributions across goal acceptance, achievement, process, and overall performance. Appraisal results serve as a critical basis for HR decisions—including bonuses, salary adjustments, promotions, and annual awards—helping employees clarify development paths and empowering continuous organizational optimization.

During the reporting period, employee performance appraisal coverage reached 100%, ensuring fair assessment and positive recognition of every employee's contribution.

During the reporting period **100%** Employee performance evaluation coverage reached

Individual Performance Rating Workflow



Dimensions of Individual Performance Evaluation

Dimensions	Key Focus Areas	Key Notes
Goal Assignment and Achievement (Assessment)	Key Alignment	The evaluation focuses on how an individual's work directly supports and contributes to departmental and supervisory objectives.
	Quantitative Records	Evaluations must be based on facts and data, clearly presenting the quantitative results of performance achievement.
Process and Overall Performance (Evaluation)	Task Difficulty	Assess relative value by evaluating task complexity and innovativeness alongside resource constraints and external challenges.
	Personal Attitude and Behavior	Assess the individual's initiative, sense of responsibility, teamwork, and performance under adverse conditions.

Individual Performance Rating Guidelines

Individual Performance Grades	Percentage	Core Definition
S (Outstanding Contributor)	10%	Performance consistently meets and exceeds the responsibilities and expectations of the current position, serving as a benchmark for performance within the department.
A (Excellent Contributor)	20%	Willing to continuously expand their scope of work and influence, with performance results frequently exceeding the expectations of others and the organization.
B (Reliable Contributor)	60%	Makes few mistakes; some performance metrics exceed organizational standards; willing to take on new tasks; performance results generally meet expectations.
C (Below Expectations)	10% (of which at least 5% are Grade D)	Performance does not fully meet current job responsibilities and performance expectations, but work attitude and initiative are acceptable.
D (Unsatisfactory)		Unable to fulfill job responsibilities and performance expectations; clearly lacks the knowledge, skills, work effectiveness, and initiative required to perform job duties normally.

Performance Feedback and Appeals

Yiheda promotes a culture of open, two-way communication and is committed to establishing regular performance feedback and appeal mechanisms. During feedback, the direct supervisor meets with the employee to discuss results, identifying strengths and areas for improvement. A "Performance Feedback Interview Record Form" is completed and submitted to the Human Resources Center for record-keeping. Employees requiring improvement will enter a Performance Improvement Support Plan, where the direct supervisor assists in developing a "Performance Improvement Plan (PIP)" and tracks its effectiveness to help the employee address weaknesses and enhance capabilities.

In the performance appeal process, employees disagreeing with results may submit a written appeal via designated channels (such as the HR Business Partner) within the specified timeframe. The Company will promptly initiate a review and provide timely, transparent feedback on the outcome, effectively safeguarding the employee's rights to know, participate, and be heard throughout the evaluation process.

Key Steps in Individual Performance Reviews

- Clarify the Purpose**: Open the meeting by explaining its positive and developmental purpose to create an atmosphere of open communication.
- Employee Self-Assessment**: Invite the employee to share their perspectives on their annual work, including highlights and areas of concern.
- Manager Feedback**: Clearly explain the rationale for the rating based on factual evidence, and provide specific, sincere praise and constructive criticism.
- Listening and Responding**: Listen patiently to employees' opinions, and provide explanations or take notes regarding any objections.
- Develop a Plan**: Reach a preliminary consensus on areas for improvement and development goals.

绩效反馈面谈记录表		
核心目的: 正式沟通绩效结果, 共识优势与改进点, 制定未来发展计划, 并确保过程留痕。		
项目	内容	说明/填写指引
员工基本信息	姓名: _____ 部门: _____ 岗位: _____	用于快速识别面谈对象
面谈基本信息	面谈日期: _____年____月____日 面谈人 (通常为直属上级): _____ 记录人: _____	明确面谈时间与责任人
绩效评估结果	2025年度绩效评级: 【 S / A / B / C / D 】 (请圈选)	清晰告知员工最终评级结果
面谈核心内容记录		
上级反馈要点 (基于事实与数据): • 主要成绩与贡献 (肯定优势): (示例: 在XXX项目中, 主导了XXX工作, 实现了XXX指标的超额完成, 获得客户好评。) • 待改进领域与具体事例:		上级需提前准备具体事例和数据, 确保反馈客观、有说服力。
1. 绩效结果沟通		

Performance Feedback Interview Record Form

绩效改善计划 (PIP)				
一、基本信息				
工号		姓名		
部门		岗位		
直属上级		上一级负责人		
改善计划开始时间		改善计划评估时间		
二、绩效问题 员工以下绩效问题责任经理必须按规定时间及制定绩效改善计划 <input type="checkbox"/> 年度绩效等级为C (有待改善); <input type="checkbox"/> 年度绩效等级为D (不符合), 适用于给予改善机会的情况; <input type="checkbox"/> 工作中出现其他重大失误需要立即改善。				
三、绩效改善计划 (不超过五项)				
序号	绩效具体问题	改善行动	改善目标	完成时间
①				

Performance Improvement Plan (PIP)

Equity Incentives

To enhance cohesion, Yiheda has launched a stock incentive plan for senior management, key technical (business) personnel, and other individuals identified by the Board of Directors as requiring incentives. During the reporting period, the 2025 Restricted Stock Incentive Plan was announced, granting 6.29 million shares of restricted stock to 90 participants—approximately 1.00% of the total share capital of 634,202,712 shares at the time of the draft announcement. By leveraging profit-sharing to unlock team potential, the Company aims to translate talent advantages into core competitiveness for its leapfrog development.



Granting restricted stock to 90 incentive recipients

6.29 million shares

2025年限制性股票激励计划首次授予激励对象名单 (授予日)				
序号	姓名	职位	授予数量 (万股)	占授予总量的比例 (%)
1	李强	财务总监	12.00	1.91%
2	张明	技术总监	8.00	1.27%
授予对象合计			20.00	3.18%
授予总量			629.00	99.82%

2025年限制性股票激励计划首次授予激励对象名单 (授予日)				
姓名	职位	授予数量 (万股)	占授予总量的比例 (%)	占目前总股本的比例 (%)
李强	财务总监	12.00	1.91%	0.0019%
张明	技术总监	8.00	1.27%	0.0013%
授予对象合计		20.00	3.18%	0.0032%
授予总量		629.00	99.82%	0.0998%

List of Grantees for the 2025 Restricted Stock Incentive Plan

Employee Care

Yiheda continues to strengthen its commitment to employee well-being. By establishing the Cultural and Sports Association Management Regulations, it consistently fosters innovation within the associations. The Company organizes events such as the "Yiheda Cup" badminton and basketball tournaments, themed annual gatherings, Women's Day care, and Qixi Festival social events—all aimed at enhancing happiness and belonging. Simultaneously, for employees facing illness or financial hardship, the Company immediately activates assistance mechanisms pooling company funds and staff donations, ensuring the Company serves as a solid support system in times of need.

As of the end of the reporting period, Yiheda had provided assistance to four employees and their family members affected by illness, with total aid reaching roughly RMB 126,100.



Cumulative assistance to ill employees and their families

4

Cumulative assistance amount RMB

126,100

CASE

Caring for Female Employees

In March 2025, Yiheda took the occasion of International Women's Day to extend sincere holiday greetings and present carefully selected gifts to all female employees. Through these concrete actions, the Company demonstrated its tribute to and empowerment of women, continuing to foster a workplace environment where every female employee can shine and realize her full potential.



CASE

YHD Annual Gathering

In January 2025, Yiheda hosted its annual gathering and 2025 YHD Family Day, inviting employees' family members to share in the Company's achievements alongside staff. This strengthened both employees' and families' sense of identification and belonging, infusing the Company's development with a warm and steadfast driving force.



Programmer's Day Event



Mid-Autumn Festival Fair



Winter Solstice Dumpling-Making Event

Democratic Management

Yiheda actively builds an open, diverse democratic management platform. Utilizing online channels such as the corporate WeChat official account, internal broadcasts, and corporate publications, as well as offline channels like the Employee Representative Assembly, we have established a comprehensive feedback mechanism covering production, technology, management, culture, and daily life. We listen attentively and address employee suggestions to foster an open, inclusive environment. During the reporting period, one Employee Representative Assembly was held.



Number of Employee Representative Assemblies held

1 time

CASE

"Executive Mailbox" Employee Feedback Channel

Yiheda has launched an employee feedback channel, allowing all staff to submit improvement suggestions or raise concerns anytime via the "Executive Mailbox" module on our WeChat official account, "Yiheda: With You Every Step of the Way." This ensures convenient access to participation and oversight rights, contributing to the continuous optimization of corporate management.



"YHD Cup" Team Badminton Tournament



"Yiheda Cup" Basketball Tournament



New Year Kickoff Event



Team-Building Activities



"Yiheda People" In-House Magazine Essay Contest



"Yi Voice" Radio Program

Employee Development

Yiheda prioritizes employee growth, establishing a comprehensive training system and promotion pathways to create a platform that empowers employees to advance and grow in multiple dimensions. We systematically build an organizational empowerment ecosystem characterized by warmth, precision, and depth, making employee growth visible and aligning the pursuit of personal value with the Company's shared vision.

Training and Empowerment

Guided by the Training Management Regulations, Yiheda has established a dual-track development model combining "internal training and external training" to continuously build a high-caliber professional team and empower employees to grow in tandem with the Company.

Regarding the internal training system, Yiheda leverages the "Yixuetang" online learning platform to establish a comprehensive development framework that spans onboarding orientation, pre-job training, on-the-job training during the probationary period, and continuous improvement after confirmation of employment. Building on this, we implement tiered and categorized strategies through the Leadership, Professional, General Competency, and New Employee Academies to tailor growth paths and curricula. Furthermore, the Company emphasizes the "self-sustaining" role of internal trainers; through systematic selection, development, certification, and incentives, we fully leverage their ability to distill experience, deliver training, and mentor talent, thereby continuously energizing the organization's evolutionary momentum.

Regarding external collaborative training, Yiheda focuses on cutting-edge insights and core skills, inviting industry experts and senior mentors to conduct in-house training on common competencies. We also support employees in customized external programs, fully covering associated costs to eliminate educational concerns. Furthermore, mechanisms are established to internalize external knowledge, ensuring high-quality experiences feed back into team practices to achieve a multiplier effect where "one person trains, everyone benefits."

During the reporting period, Yiheda's cumulative investment in vocational training totaled RMB 5.7322 million, with 336 new online courses added; 118 employee training sessions were conducted, reaching a cumulative total of 25,569 participants, with a cumulative training duration of 28,273.38 hours, and an average training duration per employee of approximately 7.30 hours.

During the reporting period

Investment in vocational training RMB
5.7322 million

Number of new online courses
336 items

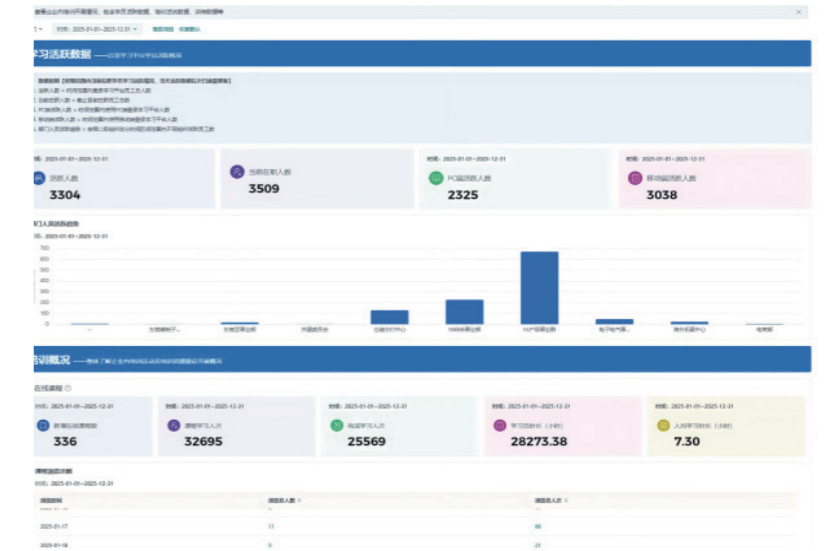
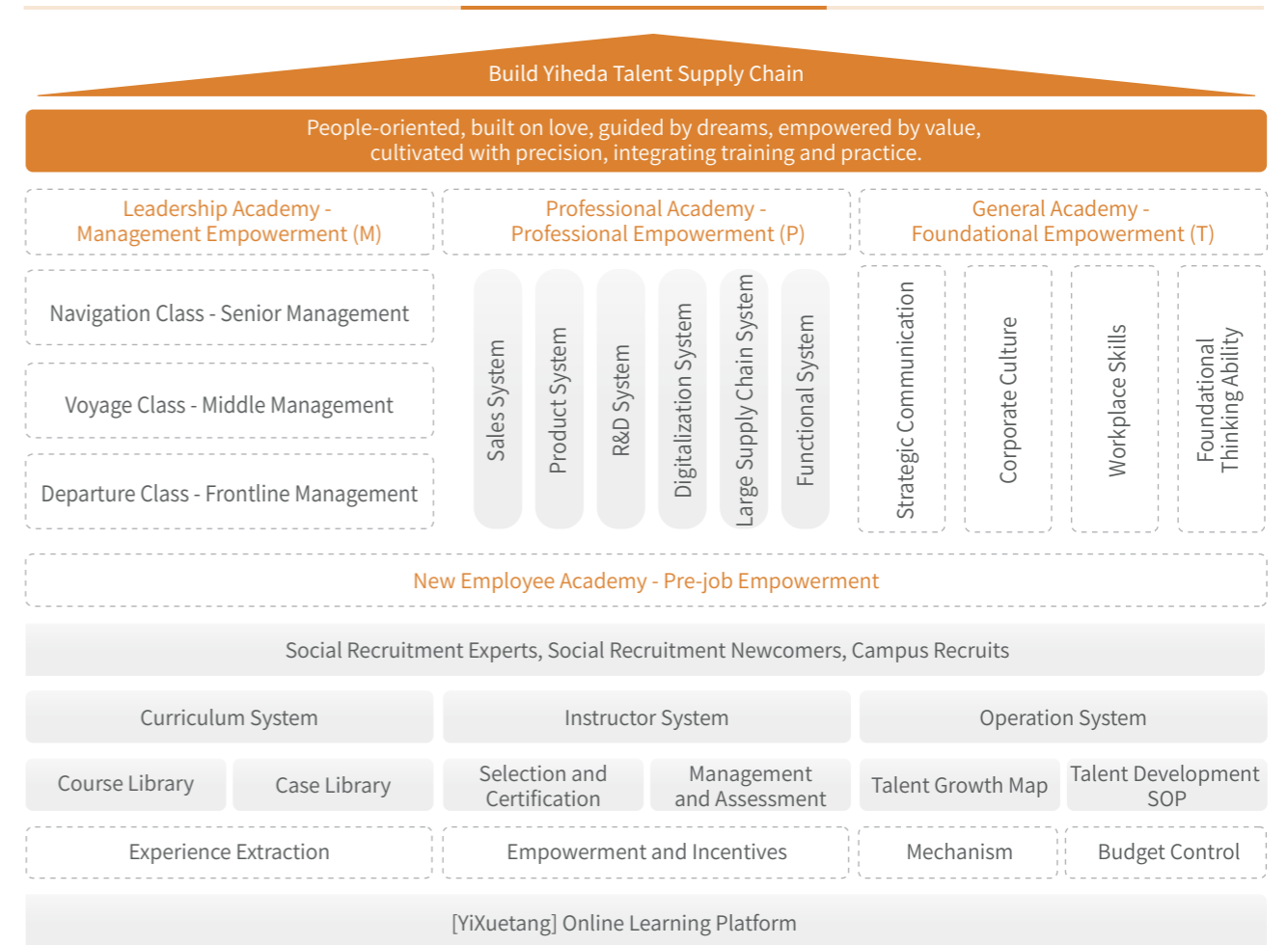
Number of employee training sessions conducted
118 times

Training coverage
25,569 participant-times

Cumulative training duration
28,273.38 hours

Average training duration
7.30 hours/person

Overview of the Talent Development System



"Yixuetang" Online Learning Platform

CASE

Inauguration of "Yixuetang"

In June 2025, Yiheda's talent development base, "Yixuetang," was officially inaugurated. By establishing comprehensive curriculum, instructor, and operational frameworks, the platform has established four academic divisions: Leadership, Professional Competence, General Competence, and New Employee Development. This drives the synergistic advancement of "talent growth, cultural consensus, and strategic implementation," deeply integrating talent development with business needs to ensure the process is "visible, replicable, and sustainable."



CASE

Hosting the First Instructor Certification Event

In September 2025, Yiheda held its first inaugural instructor certification event, selecting and certifying the first cohort of 86 internal instructors. A four-tier honor system—Founder-level, Senior, Intermediate, and Junior—was established. Through an award ceremony and appointments, certification was completed, continuously strengthening the internal training team and laying a solid talent foundation for the Company's strategic implementation.



Onboarding Training for Campus Recruits



Pre-employment and On-the-Job Training



Training for Management Trainees



Specialized Training on Operational Efficiency



Career Development

Yiheda has established career development pathways covering management, professional, and operational tracks, while building corresponding talent pools. From a full-cycle perspective, we plan growth trajectories, customize training programs, and match practical opportunities to precisely accelerate high-potential talent advancement; meanwhile, we regularly promote internal competitive selection based on "merit-based promotion and demotion" to stimulate talent mobility. This allows employees across different tracks to discover opportunities and break through bottlenecks through fair competition, paving a clear path for their career development.

CASE

Internal Competition for Product Manager

During the reporting period, Yiheda organized an internal competition for product manager positions within the Machining Comprehensive Business Division. The initiative sought to recruit versatile leaders capable of driving product iteration, leading operations, and integrating the supply chain. These leaders were granted exclusive decision-making authority, profit-linked incentives, and career safeguards to open up clear advancement pathways for employees.

Occupational Health and Safety

Yiheda consistently prioritizes employee occupational health and safety, having established a systematic framework centered on the "EHS Management System" and "EHS & 5S Control System." Based on this, the Company defines clear objectives and, through the EHS Committee, fully implements safety production and health control requirements. We systematically enhance EHS awareness among all employees, reinforce the safety responsibility chain, and create a healthy, safe work environment. As of the end of the reporting period, the Company has obtained ISO 45001 certification.



ISO 45001 Occupational Health and Safety Management System Certification

EHS Committee Responsibilities and Authority

Responsible Party	Responsibilities
EHS Committee Chair and Vice Chair	Direct leaders responsible for promoting EHS activities
EHS Implementation Chair	Person in charge of and planner for EHS activities
EHS Executive Chairperson	Implementer of EHS Activities
Supervisory Committee Member	Responsible for overseeing the implementation of the "EHS Management System"
Department Directors or Managers	Directly responsible for implementing EHS management activities within their department
Departmental EHS Executive Committee Members	Responsible for promoting and overseeing EHS activities within their respective departments
EHS Team, Administration Department	Responsible for inspecting, recording, and reporting on the use of personal protective equipment (PPE) and safety violations



Work Safety Management

Yiheda adheres to the work safety policy of "Safety First, Prevention First," systematically establishing regulations such as the "Work Safety Management System" and "Accident Hazard Identification and Rectification System" to build a scientific institutional defense. At the organizational level, a Work Safety Leadership Group led by the General Manager and departmental teams headed by managers ensure responsibilities are firmly implemented at every level. Based on this, the Company strictly enforces safety measures, conducts routine inspections, establishes a long-term hazard rectification mechanism, and strengthens closed-loop management and dynamic supervision to effectively safeguard employees and company assets.

During the reporting period, Yiheda's total investment in work safety amounted to RMB 1.723 million, accounting for 0.06% of operating revenue. One work safety standardization project was implemented, with zero major fire (or explosion) incidents and zero work-related fatalities. A total of 284 safety hazards were identified, with a 100% rectification rate.



During the reporting period

Total investment in work safety RMB	Ratio of work safety investment to operating revenue
1.723 million	0.06%
Number of work-related fatalities	Establishment safety standardization project
0	1
Number of identified safety hazards	Safety hazard rectification rate
284 items	100%

Work Safety Principles

Safety first, prevention foremost.

Those responsible for production must also be responsible for safety; the principle of "whoever is in charge is responsible" applies.

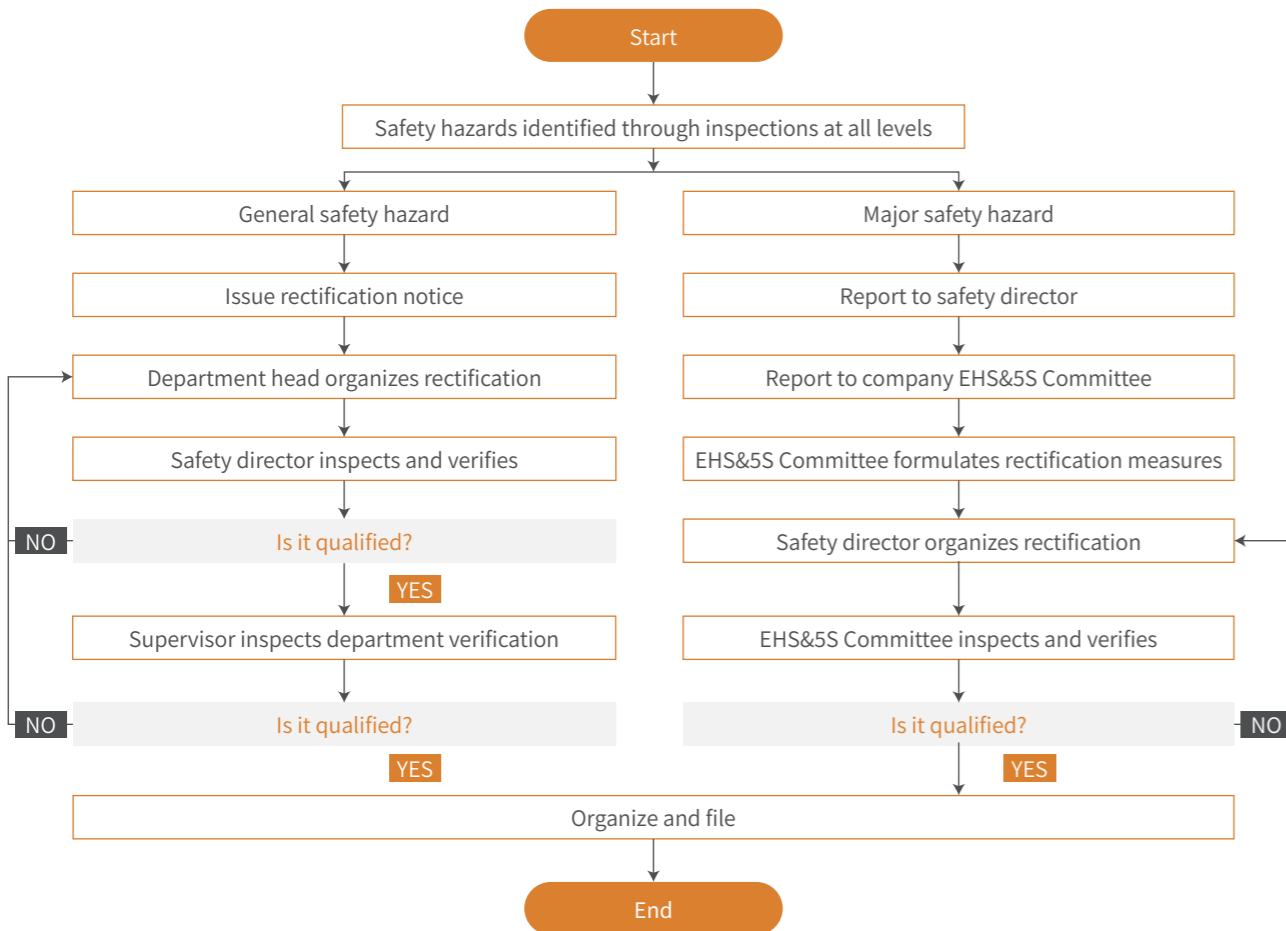
Workplace safety is everyone's responsibility. We require comprehensive safety management covering all employees, all processes, and all aspects.

The "Five Simultaneities" Principle: When planning, arranging, inspecting, summarizing, and evaluating production, safety work must be planned, arranged, inspected, summarized, and evaluated simultaneously.

The "Three Simultaneities" Principle: In new construction, renovation, expansion, and technical renovation projects, occupational safety and health facilities must be designed, constructed, and put into operation simultaneously with the main project.

The "Four No-Let-Ups" Principle: In accident investigation and handling, the following must be met: (1) Do not let the matter rest until the cause is clearly identified; (2) Do not let the matter rest until responsible parties and staff have been educated; (3) Do not let the matter rest until effective preventive measures are implemented; (4) Do not let the matter rest until those responsible have been duly disciplined.

Flowchart for the Identification and Rectification of Safety Hazards

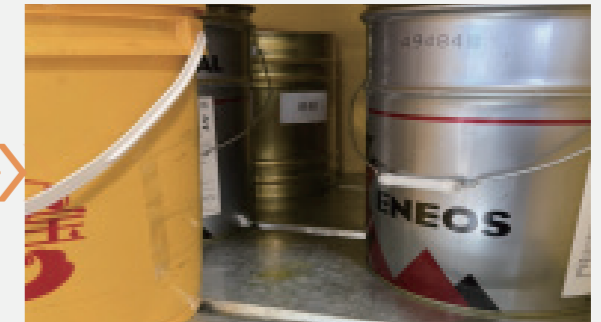


CASE

Identification and Rectification of Safety Hazards



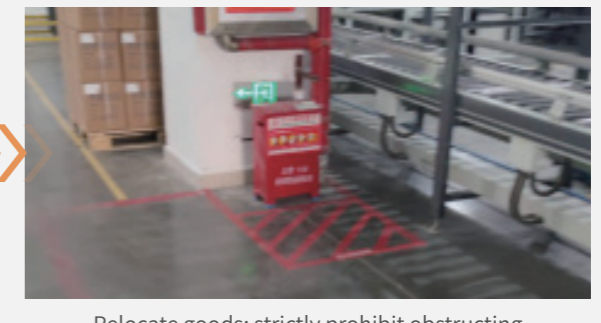
Alcohol not stored in a dedicated storage cabinet



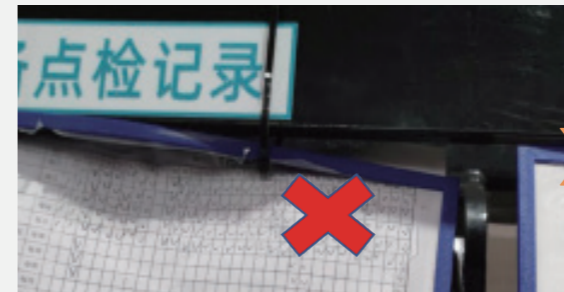
Standardize Material Management



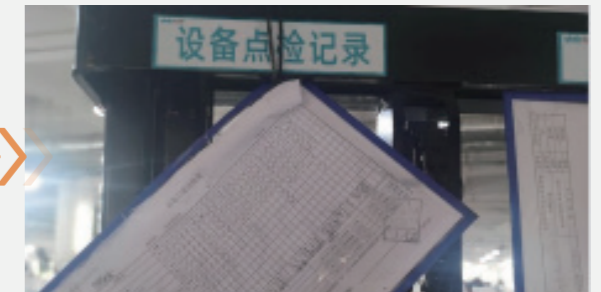
Goods Blocking Fire Safety Equipment



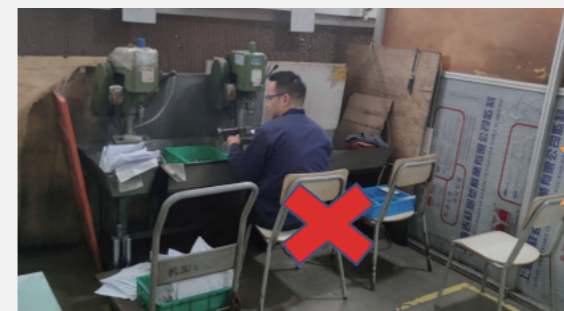
Relocate goods; strictly prohibit obstructing firefighting equipment and facilities



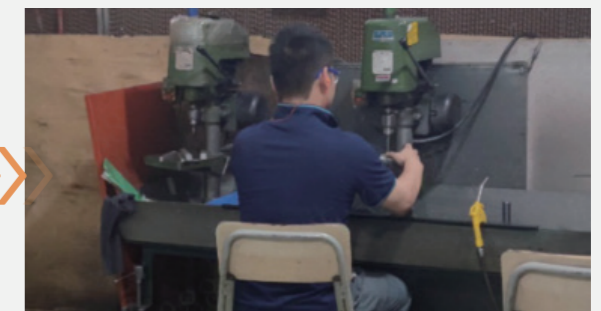
Production equipment not subjected to daily pre-operation safety inspections



Implement the equipment inspection system and strengthen equipment safety training



Failure to wear required personal protective equipment during work



Strengthen on-site management and conduct regular safety training



Occupational Health Management

In accordance with the "Occupational Health and Safety Management System" and the "Employee Health and Female Worker Protection Management System," Yiheda established an Occupational Health and Safety Management Leading Group, led by the General Manager with daily management handled by the Administration Department. The group systematically carries out early prevention of hazards, labor employment and health examinations, workplace management, occupational disease diagnosis, and health education; meanwhile, the Company places special emphasis on female employees' occupational health. It adds specialized examinations for female workers and provides specific care during designated life stages in accordance with regulations, effectively safeguarding the occupational health rights and interests of all employees.

During the reporting period, Yiheda's work-related injury incidence rate decreased by 34% year-over-year, with zero new cases of occupational disease reported; employee health record coverage reached 100%, occupational health examination coverage reached 100%, and the provision and compliance rate of personal protective equipment (PPE) reached 100%.

34%
Year-over-Year decrease in work-related injury incidence rate

100%
Occupational health examination coverage

100%
Provision and compliance rate of personal protective equipment

100%
Employee health record coverage

0
Number of new occupational disease cases

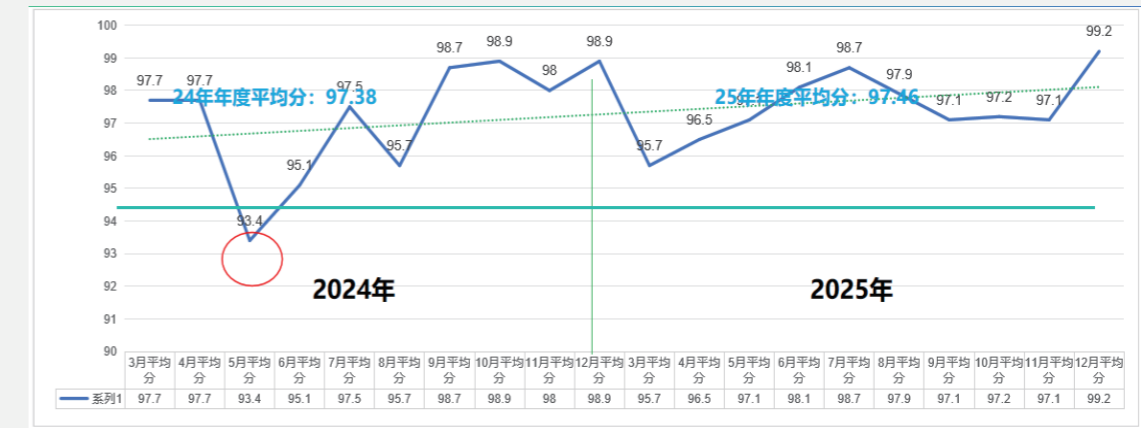
Occupational Health Examination Guidelines

Examination Type	Eligible Employees	Examination Frequency	Examination Content
Pre-employment Physical Examination	New employees in production departments	Conducted once every two months	Examinations for dust, noise exposure, and other special job-related items
On-the-Job Medical Examinations	Current Production Employees	Conducted once a year	Noise, dust, and noise + dust items

CASE

6S Management Drives Workplace Environment Improvement

During the reporting period, Suzhou Yiheda vigorously advanced its 6S management initiatives, continuously improving on-site management and environmental order. Yiheda's overall work environment has seen steady improvement, effectively reducing adverse impacts on occupational health—such as dust accumulation, noise interference, and cluttered storage—to ensure safe production on the front lines.



CASE

"Dual-Mode" Promotion Plan for Employee Hearing Protection

During the reporting period, Suzhou Yiheda established a "Hearing Protection Selection Corner" offering hands-on trials and interactive training in simulated scenarios, while implementing a long-term mechanism for team leaders to conduct "comfort inspections." As a result, the rate of proper ear protection usage among employees in high-noise positions significantly improved, and no new suspected cases of occupational noise-induced hearing loss were identified during annual screenings, effectively safeguarding the occupational health of frontline employees.





Employee Occupational Health Examinations



Dongguan Yiheda Health and Safety Training



Health and Safety Training

In accordance with the "Work Safety Education and Training Management System," Yiheda has established a tiered and categorized training mechanism, systematically planning content and implementation pathways. It conducts diverse health and safety programs targeting specific groups, including managers, all employees, and new hires; additionally, the Company aligns training with the specific hazard characteristics of each section and post, prioritizing practical exercises such as proper use of protective equipment and emergency response. This helps employees master core skills in safety analysis, decision-making, and occupational health management, effectively preventing production safety accidents and occupational health risks.

During the reporting period, Yiheda conducted a total of 26 occupational health and safety training sessions, reaching approximately 5,300 participants. The total training duration amounted to approximately 9,800 hours, with an average of about 2.80 hours per person, achieving a training coverage rate of 100%.

During the reporting period

Conduct cumulative occupational health and safety training activities

26 times

Cumulative training duration

9,800 hours

Cumulative coverage

5,300 participant-times

Average training duration

2.80 hours/person

Training coverage rate

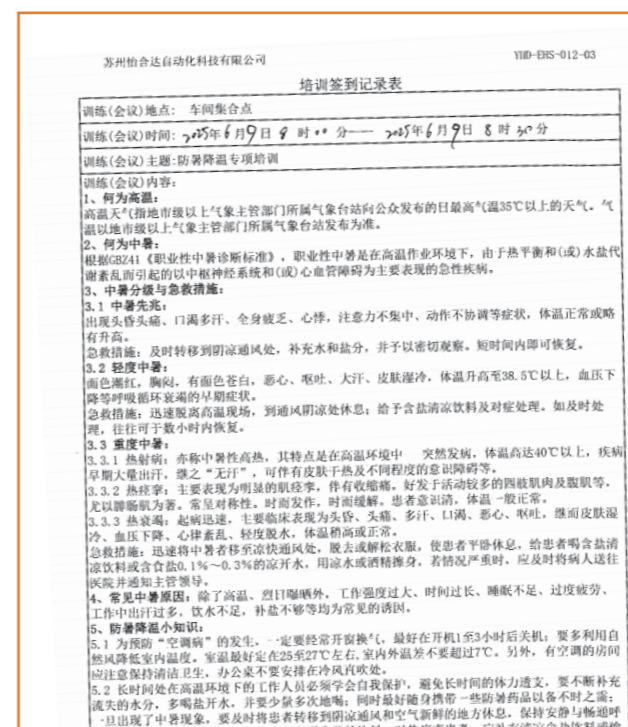
100%

Company Safety Training and Education Mechanism

Responsible Department	Training and Education Mechanism
All Departments	Utilize pre-shift meetings to conduct labor discipline education and promote the principle of "safety first, prevention foremost."
Administration Department	Conduct safety education through bulletin boards, informational cartoons, and safety knowledge contests with prizes.
Administration Department	Organizes a quarterly safety education meeting for all employees to share best practices and lessons learned from accidents.
Administration Department	Organize a monthly safety performance evaluation to recognize top performers and address underperformers.



Suzhou Yiheda Health and Safety Training



Specialized Heatstroke Prevention and Cooling Training

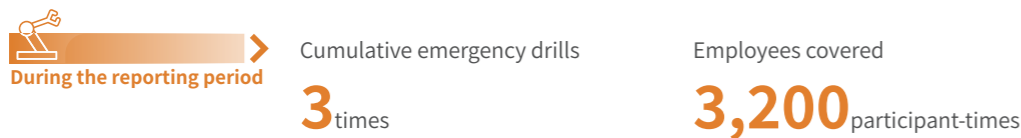


Occupational Health Training Assessment

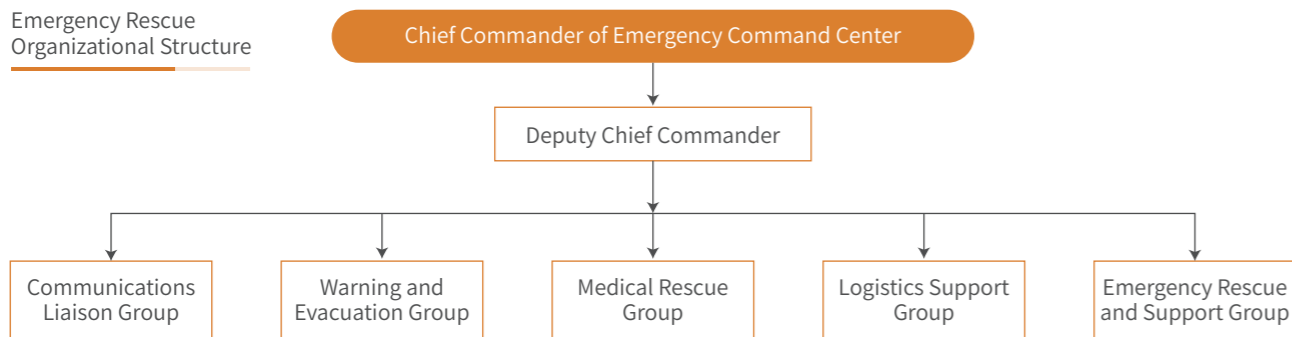
Improving Emergency Response Capabilities

In accordance with the "Emergency Preparedness and Response Plan" and "Emergency Rescue Plan and Drill Regulations," Yiheda established an Emergency Rescue Command Center comprising five specialized teams, forming a unified command system with clear division of labor and efficient coordination; targeting common accident types such as fires, major workplace injuries, falls, electrocution, floods, poisoning, and heatstroke, the Company formulated specialized plans detailing responsibilities and response procedures by level, ensuring comprehensive risk coverage and precise implementation of response measures.

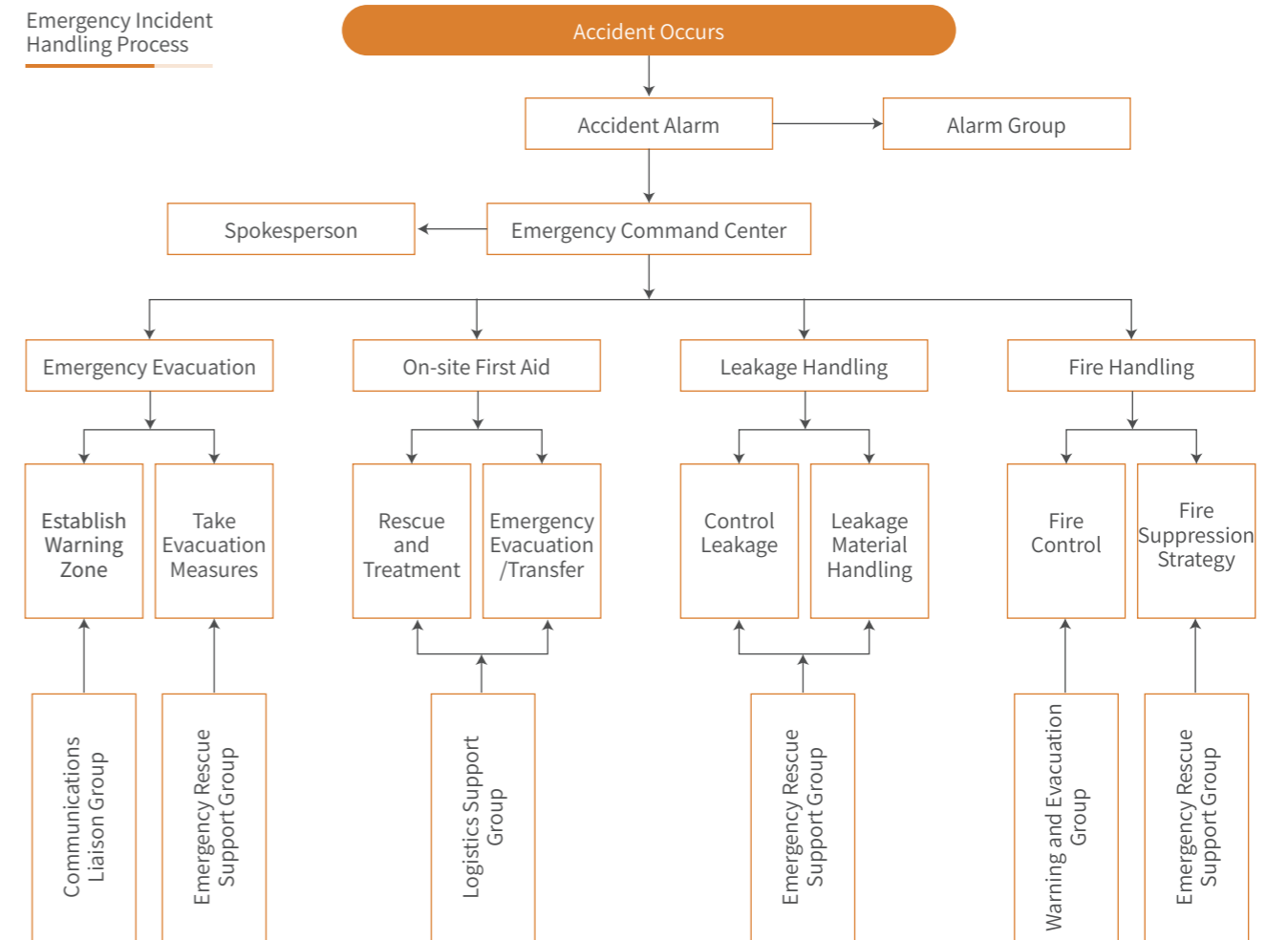
During the reporting period, Yiheda conducted a total of three emergency drills, involving 3,200 employee participants. These drills effectively strengthened employee risk awareness and emergency response capabilities, ensuring personnel safety and stable operations.



Emergency Rescue Organizational Structure



Emergency Incident Handling Process



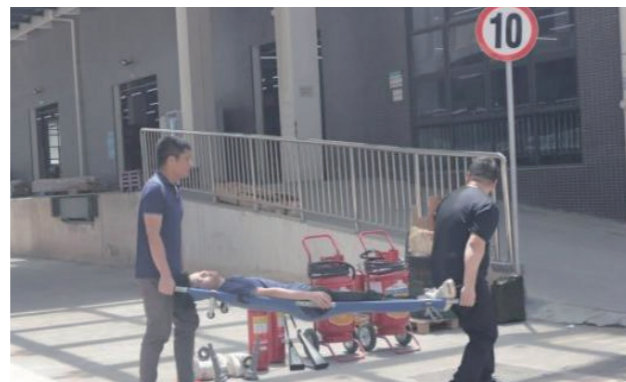
Three-Tier Emergency Response Classification

Level	Details
Level 1 Response	When an incident exceeds the organization's emergency response capabilities, shows signs of escalating, or impacts surrounding communities, the organization's principal responsible officer shall request support from relevant departments or recommend activating the higher-level emergency response plan.
Level 2 Response	An emergency situation requiring the mobilization of all relevant units (departments or teams) within the organization and all available corporate resources.
Level 3 Response	An emergency that can be handled by the normal, available resources of a specific department (or team) within the organization.

CASE

Fire Emergency Response Plan Tabletop Exercise

In December 2025, Suzhou Yiheda organized a tabletop exercise for its fire emergency response plan. Through scenario simulations and process drills, the exercise effectively enhanced employees' fire prevention awareness, systematically tested the scientific validity and practicality of the plan, and laid a solid foundation for real-world emergency response by accumulating experience.



Fire Emergency Drill

Building a Better Society >>>

Yiheda remains true to its founding mission of "giving back to society and promoting shared development." Through diversified philanthropic investments, it contributes to social welfare; leveraging strong business performance and innovation, it empowers local development; and by utilizing its resources, it comprehensively serves societal needs. This ensures responsibility and compassion become the Company's hallmark, achieving a symbiosis between corporate growth and social value.

Deepening Our Commitment to Public Welfare

Yiheda continues to deepen its commitment to public welfare, using the "Yiheda Foundation" as its core vehicle to convey warmth and positive energy. In education, it focuses on poverty alleviation, assistance, and incentives, initiating the "Dongguan Hengli Community Development Foundation Education Development Special Fund" to lay a solid foundation for high-quality educational development in Hengli Town; in public safety, it donated the Hengli Firefighter Care Fund to the "Dongguan Hengli Charity Foundation," providing targeted support for firefighters and their families to help improve the local fire safety system.

During the reporting period, Yiheda's total charitable donations amounted to RMB 1.55 million, including the initial installment of RMB 1.5 million for the "Dongguan Hengli Community Development Foundation Education Development Special Fund" and RMB 50,000 for the Hengli Firefighter Care Fund.



During the reporting period

Cumulative charitable donations totaling RMB

1.55 million

CASE

Deepening Commitment to Educational Philanthropy, Illuminating the Light of Hope

Yiheda donated RMB 5 million to the Dongguan Hengli Community Development Foundation to establish the "Education Development Special Fund" and was awarded the honorary "Commemorative Plaque for Caring Enterprises that Respect Teachers and Value Education." During the reporting period, the Company completed the first installment disbursement of RMB 1.5 million for this fund, taking concrete actions to advance regional educational philanthropy.



CASE

Dedicated to Safety Philanthropy, Conveying a Spirit of Protection

During the reporting period, Yiheda donated RMB 50,000 to the Dongguan Hengli Charity Foundation's Fire Rescue Care Fund, designated to assist firefighters and rescue personnel killed in action, disabled, or seriously ill, as well as their families. The Company was awarded the "Loving Support, Jointly Safeguarding Fire Services" certificate of honor, fully demonstrating its commitment to public safety philanthropy and social integrity.



Empowering Regional Development

Adhering to the development philosophy of "mutual growth and shared prosperity with the region," Yiheda has not only achieved outstanding operational performance and steadily increased revenue but also provided stable tax revenue to local finances. By continuously creating new jobs, the Company has effectively alleviated regional employment pressure, contributing to stable employment and improved livelihoods, thereby ensuring that the fruits of development benefit the local community.

Building on this foundation, Yiheda has established a long-term partnership and co-development mechanism with the Cunwei Joint Economic Cooperative in Hengli Town. By providing targeted support across the dimensions of "industry, talent, culture, ecology, and organization," the Company transforms its development momentum into a powerful driving force for rural prosperity, helping to build a beautiful, livable, and business-friendly rural community.

During the reporting period, Yiheda paid a total of RMB 272.3601 million in taxes and created over 1,000 new jobs, demonstrating the corporate strength driving high-quality regional development.



Cumulative tax payment amount RMB
272.3601 million

Number of new jobs created over
1,000



Honor: "Top 500 Manufacturing Enterprises in Guangdong Province for 2025"



Honor: "2025 Top 100 Private Industrial Enterprises in Dongguan"



Honor: "2024 Hengli Town Economic Contribution Award"

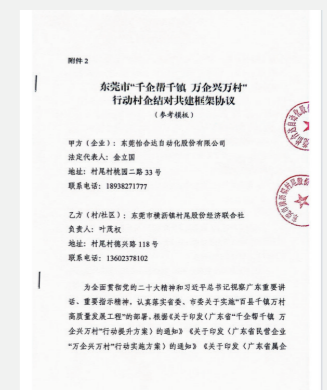


Honor: "Top 20 in Main Business Revenue in Hengli Town for 2024"

CASE

Practicing Village-Enterprise Partnership to Illuminate the Path to Revitalization

During the reporting period, Yiheda signed a village-enterprise partnership framework agreement with the Cunwei Joint-Stock Economic Cooperative in Hengli Town, Dongguan City. By adopting a multi-dimensional approach and coordinating resources, the Company provided comprehensive support to its partner, using diverse measures to stimulate the endogenous momentum of rural revitalization.



SUSTAINABLE DEVELOPMENT KEYPERFOR MANCE INDICATORS

INDUSTRY DEVELOPMENT

Indicator	Unit	2025 Sustainability Performance
INDUSTRY DEVELOPMENT		
R&D expenditure	RMB10,000	12,945.76
R&D expenditure ratio to revenue	%	4.39
Number of R&D employees	Person	407
Annual patent applications	Item	154
Cumulative granted patents	Item	662
Among which: Invention patents	Item	15
Utility model patents	Item	538
Design patents	Item	109
Cumulative self-developed software copyrights	Item	3
Newly launched R&D projects	Item	61
Released corporate technical standards	Item	258
Participation in industry group standard setting	Item	2
Product Quality Management		
Number of product recalls	Units	0
Product recall rate	%	0
Overall product first-pass yield	%	99
Quality culture training headcount	Person-time	1,514
Customer Service Management		
Customer satisfaction	%	95.23
Customer complaint rate	%	0.331
Complaint timely handling rate	%	100
Number of customer information leakage incidents	Case	0
Times of information security training & drills	Case	1
Sustainable Supply Chain		
Total number of suppliers	Supplier	2,402

Indicator	Unit	2025 Sustainability Performance
Local supplier proportion	%	75.19
Local procurement value proportion	%	50.15
Number of suppliers attended quality training	Supplier	76
Number of suppliers suspended for non-compliance	Supplier	183
Rejected potential suppliers for non-compliance	Supplier	4

CORPORATE GOVERNANCE

Indicator	Unit	2025 Sustainability Performance
Sustainable Development System		
Number of ESG training sessions	Times	1
ESG training participant headcount	Person-time	30
Number of risk training sessions	Times	22
Risk training participant headcount	Person-time	471
Corporate Governance		
Number of shareholders' meetings held	Times	3
Among which: Annual general meeting	Times	1
Extraordinary general meeting	Times	2
Board of directors members	Person	8
Among which: Inside directors	Person	4
Outside directors	Person	4
Independent directors	Person	3
Female directors	Person	2
Average tenure of board members	Year	3
Proportion of independent directors in the Audit Committee	%	67
Whether the chair of Audit Committee is an accounting professional	Yes/No	Yes
Proportion of independent directors in the Remuneration and Assessment Committee	%	67
Proportion of independent directors in the Nomination Committee	%	67
Proportion of independent directors in the Strategy and ESG Committee	%	33
Number of board meetings held	Times	7
Board member attendance rate	%	100

Indicator	Unit	2025 Sustainability Performance
Number of meetings of specialized board committees	Times	9
Among which: Strategy and ESG Committee	Times	1
Audit Committee	Times	4
Remuneration and Assessment Committee	Times	4
Attendance rate of special committee members	%	100
Number of investor communication activities held	Times	253
Responses to investor inquiries via the "Easy IR Platform"	Times	139
Number of anti-corruption training sessions	Times	3
Anti-corruption training participant headcount	Person-time	3,663
Number of directors attending anti-corruption training	Hour	7
Number of employees signing integrity pledges	Person	517
Proportion of management staff with signed integrity commitments	%	100
Inclusion rate of integrity clauses in new supplier contracts	%	100
Number of concluded litigation cases related to unfair competition and antitrust laws	Case	0
Amount of damages awarded in concluded litigation cases related to unfair competition and antitrust laws	RMB	0
Material litigation and arbitration cases specified by Stock Exchange Listing Rules	Case	0

ENVIRONMENTAL RESPONSIBILITY

Indicator	Unit	2025 Sustainability Performance
Resource Utilization Management		
Water consumption	Tonne	137,936.00
Water consumption intensity	ton/million RMB revenue	46.79
Water savings	Tonne	1,265.00
Natural gas consumption	Cubic meter	73,183.70
Diesel consumption	Litre	1,000.00
Gasoline consumption	Litre	165,903.00
Purchased electricity	MWh	19,202.32
Electricity consumption intensity	MWh/million RMB revenue	6.51

Indicator	Unit	2025 Sustainability Performance
Total energy consumption	tce	4,092.85
Energy consumption intensity	tce/million RMB revenue	1.39
Proportion of renewable energy consumption	%	3.15
Installed photovoltaic capacity	MW	0.998
Photovoltaic power generation	MWh	1,082.68
Annual standard coal savings i)	Tonne	327.40
Annual CO ₂ equivalent emission reduction ii)	Tonne	684.71
Annual Sulfur Dioxide reduction iii)	Tonne	0.09
Annual Nitrogen Oxide reduction	Tonne	0.15
Synchronization rate of environmental protection facilities	%	100
Qualification rate of pollutant monitoring	%	100
Addressing Climate Change		
Direct Greenhouse Gas emissions (Scope 1) iv)	tCO ₂ e	520.15
Indirect Greenhouse Gas emissions (Scope 2) v)	tCO ₂ e	10,188.75
Total Greenhouse Gas emissions (Scope 1 and Scope 2)	tCO ₂ e	10,708.90
Total Greenhouse Gas emission intensity	tCO ₂ e/million RMB revenue	3.63
Pollution Prevention and Emission Reduction		
Total wastewater discharge	Tonne	93.91
Chemical Oxygen Demand (COD _{Cr}) emissions	Kilogram	1,568.30
Ammonia Nitrogen (NH ₃ -N) emissions	Kilogram	2.00
Total Phosphorus (TP) emissions	Kilogram	2.30
Total Nitrogen (TN) emissions	Kilogram	2.66
Total non-hazardous waste generated	Tonne	2,529.97
Recycled non-hazardous waste	Tonne	2,529.97
Non-hazardous waste recycling rate	%	100
Non-hazardous waste emission intensity	Tonne/million RMB revenue	0.86
Total hazardous waste generated	Tonne	179.09
Proper disposal rate of hazardous waste	%	100

Indicator	Unit	2025 Sustainability Performance
Hazardous waste emission intensity	Tonne/million RMB revenue	0.06
Total paper consumption	Tonne	84.54
Investment in energy-saving technology renovation	RMB 10,000	31.30
Investment in pollution prevention	RMB 10,000	25.65
Environmental Resilience Management		
Number of environmental protection training activities	Times	13
Number of employees covered by environmental training	Person-time	613
Total hours of environmental training	Hour	626

Notes

i) The conversion of energy consumption into standard coal equivalent references the General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2008) issued by the State Administration for Market Regulation (SAMR) and the Standardization Administration of the People's Republic of China (SAC);
 ii) The calculation factor for CO₂ emission reductions from photovoltaic power generation in 2025 references the 2024 Baseline Emission Factors for Regional Power Grids in China, published by the National Center for Climate Change Strategy and International Cooperation (NCSC) under the Ministry of Ecology and Environment (MEE);
 iii) The national average coal consumption rate for thermal power supply in 2024 references the Annual Development Report of the Power Industry (2025), released by the China Electricity Council (CEC);
 iv) Scope 1 greenhouse gas emissions include direct emissions from gasoline, diesel, and natural gas; the calculation of greenhouse gas emissions references the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions for Enterprises in Other Industrial Sectors (Trial) issued by the National Development and Reform Commission (NDRC), as well as the Notice on Managing Greenhouse Gas Emission Reports of Enterprises in the Power Generation Sector for 2023-2025 issued by the Ministry of Ecology and Environment (MEE);
 v) Scope 2 greenhouse gas emissions include indirect emissions from purchased electricity; the calculation factor for Scope 2 greenhouse gas emissions references the Announcement on Releasing the 2023 Power Sector CO₂ Emission Factors, issued by the Ministry of Ecology and Environment (MEE) and the National Bureau of Statistics (NBS), adopting the 2023 power sector CO₂ emission factor.

SOCIAL RESPONSIBILITY

Indicator	Unit	2025 Sustainability Performance
Walking Hand in Hand with Our Employees		
Number of child laborers identified	Person	0
Number of forced laborers identified	Person	0
Number of strikes / work stoppages	Case	0
Labor contract signing rate	%	100
Social insurance coverage rate	%	100
Total number of employees	Person	3,503
Gender		
Total female employees	Person	987
Total male employees	Person	2,516
Age		
Under 30 (excluding 30)	Person	1,470
30-40 years old (including 30, excluding 40)	Person	1,553
40-50 (inclusive of 40, exclusive of 50)	Person	433
50-60 years old (including 50, excluding 60)	Person	47
60 and older	Person	0

Indicator	Unit	2025 Sustainability Performance
Education level		
Master's degree and above	Person	38
Bachelor's degree	Person	1,224
Associate degree or below	Person	2,241
Total ethnic minority employees	Person	324
Total employees with disabilities	Person	2
Total new hires in the year	Person	1,101
Percentage of employees covered by performance appraisal & incentive bonuses	%	100
Number of employees receiving assistance for hardship	Person	4
Amount of financial assistance for disadvantaged employees	RMB 10,000	12.61
Expenditure on vocational training	RMB 10,000	573.22
Total number of training sessions	Times	118
Total number of training participations	Person-time	25,569
Total training hours received	Hour	28,273.38
Average training hours per employee	Hour	7.30
Total investment in work safety	10,000 RMB	172.30
Number of work safety standardization projects	Case	1
Number of major fire / explosion incidents	Case	0
Number of safety hazard inspections	Unit	284
Safety hazard rectification rate	%	100
Number of fire & special emergency drills conducted	Times	3
Personnel covered by emergency drills	Person-time	3,200
Occupational health check-up coverage rate	%	100
Occupational health record coverage rate	%	100
Certification rate for special operations personnel	%	100
Number of new occupational diseases	Case	0
Work-related fatalities	Person	0
EHS training coverage rate	%	100
Total number of EHS training sessions	Times	26
Total person-times of EHS training	Person-time	5,300
Total hours of EHS training	Hour	9,800.00
Average EHS training hours per employee	Hour	2.80
Number of workers' congress meetings held	Times	1
Building a Better Society		
Total amount of public welfare donations	RMB 10,000	155.00

SUSTAINABILITY REPORTING TOPIC INDEX

Referenced Standards

Shenzhen Stock Exchange Listed Company Self-regulatory Guideline No.3 — Preparation of Sustainability Reports (2026 Revision);
Shenzhen Stock Exchange Listed Company Self-regulatory Guideline No.17 — Sustainability Report (Trial).

Dimension	No	Topic	Corresponding Report Section
Environmental	1	Climate Change Response	ENVIRONMENTAL RESPONSIBILITY: Addressing Climate Change
	2	Pollutant Emissions	ENVIRONMENTAL RESPONSIBILITY: Pollution Prevention and Emission Reduction
	3	Waste Management	ENVIRONMENTAL RESPONSIBILITY: Pollution Prevention and Emission Reduction
	4	Ecosystem and Biodiversity Protection	ENVIRONMENTAL RESPONSIBILITY: Ecosystem and Biodiversity Protection
	5	Environmental Compliance Management	ENVIRONMENTAL RESPONSIBILITY: Environmental Resilience Management
	6	Energy Utilization	ENVIRONMENTAL RESPONSIBILITY: Resource Utilization Management
	7	Water Resource Utilization	ENVIRONMENTAL RESPONSIBILITY: Resource Utilization Management
	8	Circular Economy	ENVIRONMENTAL RESPONSIBILITY: Resource Utilization Management; Green and Eco-Friendly Production
Social	9	Rural Revitalization	SOCIAL RESPONSIBILITY: Building a Better Society
	10	Social Contribution	SOCIAL RESPONSIBILITY: Building a Better Society
	11	Innovation Drive	INDUSTRY DEVELOPMENT: Innovation-Driven Development
	12	Technology Ethics	The Company's principal business activities do not involve life sciences, medicine, or artificial intelligence development; therefore, technology ethics is not deemed a material topic for the Company.
	13	Supply Chain Security	INDUSTRY DEVELOPMENT: Sustainable Supply Chain
	14	Equal Treatment of SMEs	INDUSTRY DEVELOPMENT: Sustainable Supply Chain
Sustainability Governance	15	Product and Service Safety and Quality	INDUSTRY DEVELOPMENT: Product Quality Management; Customer Service Management
	16	Data Security and Customer Privacy Protection	INDUSTRY DEVELOPMENT: Customer Service Management
	17	Employees	SOCIAL RESPONSIBILITY: Walking Hand in Hand with Our Employees
	18	Due Diligence	CORPORATE GOVERNANCE: Sustainable Development
	19	Stakeholder Engagement	CORPORATE GOVERNANCE: Sustainable Development
	20	Anti-Bribery and Anti-Corruption	CORPORATE GOVERNANCE: Corporate Governance
	21	Anti-Unfair Competition	CORPORATE GOVERNANCE: Corporate Governance

