KAIFA

2025

Shenzhen Kaifa Technology (Chengdu) Co., Ltd.
Environmental, Social and Governance (ESG) Report

Stock Code: 920029

Contents

About This Report

Explanation for Report

This report is the Environmental, Social and Governance (ESG) Report issued by Shenzhen Kaifa Technology (Chengdu) Co., Ltd. (abbreviated as "Kaifa", Stock Code: 920029), which focuses on disclosing the Company's philosophy, work progress and future plans and so on related to sustainable development, and fully responds to the expectations and requirements of stakeholders.

Explanation for Nomenclature

For the convenience of presentation and reading, references to "Kaifa", "the Company" and "we" in this report all refer to Shenzhen Kaifa Technology (Chengdu) Co., Ltd. Unless otherwise stated, the terms used in this report have the same meanings as those defined in the Company's Annual Report 2025.

Report Scope

This report presents Kaifa's annual performance and achievements from January 1, 2025 to December 31, 2025 (current reporting period), and is the first Environmental, Social and Governance (ESG) Report released by the Company. Unless otherwise specified, this report covers Shenzhen Kaifa Technology (Chengdu) Co., Ltd. and its subsidiaries and branch companies within the scope of the consolidated financial statements in the Company's annual report. When necessary, partial content may extend beyond the above scope.

Preparation Basis

This report is prepared with reference to the GRI Sustainability Standards 2021 (GRI Standards 2021) issued by the Global Sustainability Standards Board (GSSB), and the Beijing Stock Exchange Continuous Supervision Guideline No. 11 for Listed Companies - Sustainability Report (Trial) issued by the Beijing Stock Exchange.

Explanation for Data

The financial data in this report is sourced from the company's audited financial statements, while other materials and data are mainly obtained from the Company's official documents and relevant internal statistical reports. The data is primarily for 2025, with some historical comparison data included. Unless otherwise specified, all amounts in this report are denominated in Renminbi (CNY).

Access to Report

This report is published in electronic version, which can be viewed or downloaded online via the official website of the Beijing Stock Exchange (www.bse.cn) and the official website of Shenzhen Kaifa Technology (Chengdu) Co., Ltd. (kaifametering.com).

Report Feedback

We attach great importance to the suggestions and opinions of stakeholders, and welcome and encourage readers to provide feedback to us through the following contact methods. Your suggestions and opinions will help us further improve this report and enhance our ESG performance.

Contact Tel: 028-65706888

Corporate Email: CDESG@kaifa.cn

Chairman's Address

Mo Shangyun, Chairman of Kaifa and Convener of the Strategic and Sustainable Development Committee

Adhere to Green Development, Lead the Achievement of Dual Carbon Goals, Write a New Chapter of Sustainable Development

In 2025, the waves of global energy transformation and digital transformation converge, with artificial intelligence and green low-carbon technologies reshaping the industrial landscape at an unprecedented speed. Facing the opportunities and challenges given by the times, Kaifa has always anchored its corporate vision of "Innovation brings a Better Life", and persists in deeply integrating the concept of sustainable development into the whole lifecycle of corporate governance and business operation. We have established the "POWER" sustainable development strategy to comprehensively improve the company's green capability, operation capability, collaboration capability, talent capability and governance capability. While achieving long-term value growth of the Company, we continue to create positive environmental and social impacts, contributing corporate strength and responsibility to the realization of global sustainable development goals.

Kaifa has taken solid steps on the path of sustainable development this year,. Relying on our outstanding performance in technological innovation, green manufacturing and corporate governance, we have won a number of honors such as "Sichuan Provincial Enterprise Technology Center" and "Chengdu Intelligent Factory", and continue to promote international standard and system certification, to consolidate the foundation of development with authoritative standards.

Robust Governance: Leading In-depth Strategic Progress with Structure Upgrade

The Company firmly believes that an efficient governance system is the foundation of steady and long-term development. The Company's board of directors takes overall charge of sustainable development work, and has set up the "Strategic and Sustainable Development Committee of Board of Directors" under it. This committee is responsible for reviewing the Company's long-term development strategy, major sustainable development plans, climate change response strategies and other matters, to ensure that sustainable development goals are aligned with the Company's strategy. We will continuously improve the professionalism and forward-looking awareness of the decision-making level, to ensure that the company maintains strategic focus and compliance resilience in the complex and changing market environment.

Excellent Innovation: Empowering Green Transformation with Digital and Intelligent Technologies

Innovation is the core engine of the Company's development. Through a sound innovation governance system, we deeply bind the sustainable development strategy with R&D and innovation. In the field of energy metering, we focus on the technological iteration of smart electricity, water and gas meters, and create a new generation of products with high precision, long service life and low power consumption; in the new energy field, we base on zero-carbon smart energy and energy storage businesses, and launch high-efficiency low-carbon energy storage products and supporting solutions to help customers realize digital and intelligent energy management.

Low-Carbon and Environmental Protection: Building a Zero-Carbon Ecosystem through Whole-Chain Collaboration

We adhere to the green development concept, and integrate the "Dual Carbon" goals into the corporate gene. Through the introduction of solar photovoltaic projects, usage of green electricity and implementation of ecological design, we increased the proportion of clean energy used to nearly 80% in 2025. We have established a whole-chain ecological design governance system to fully promote resource recycling. On the supply chain side, we practice the principle of responsible procurement, incorporate sustainable development indicators into the supplier assessment system, and promote partners to jointly carry out carbon reduction actions.

People-Oriented and Co-creating Social Value with Inclusive Culture

The Company has always adhered to the "People-Oriented" principle, committed to building a safe, healthy, equal and inclusive rights and welfare security system for employees, and established a systematic training system as well as a scientific, fair and transparent performance appraisal and promotion mechanism, so as to continuously improve employees' sense of belonging and satisfaction, and consolidate the Company's talent competitive advantage and core competitiveness of innovation and creation. Meanwhile, we have also established a human rights system and management system covering employees, customers, suppliers and other relevant stakeholders.

We are well aware that only with happy employees and a harmonious society can an enterprise achieve real sustainable development. We participate in rural revitalization and social public welfare through activities such as targeted assistance and charitable donations, and actively fulfill our social responsibilities.

2026 marks the 10th anniversary of the founding of the Company, and is also a critical year for deepening sustainable development practices. In the next decade, we will continue to be guided by the "POWER" strategy, make systematic layout around the three pillars of environment, society and governance, adhere to the concepts of digital-intelligence driven and green development, and deepen collaborative cooperation with employees, customers, suppliers and all sectors of society.

Looking forward to the future, let us continue to work hand in hand, protect clear water and green hills with innovative technology, create a better life with excellent governance, and contribute the strength and responsibility of enterprises to the realization of the global sustainable development goals!

About Kaifa

Shenzhen Kaifa Technology (Chengdu) Co., Ltd. (abbreviated as "Kaifa", stock code: 920029) was officially established in Chengdu, Sichuan Province in 2016. It is a controlling subsidiary of Shenzhen Kaifa Technology Co., Ltd. (stock code: 00021), and its predecessor can be traced back to the R&D center established by Shenzhen Kaifa Technology Co., Ltd. in 1995. With more than 30 years of profound accumulation, Kaifa was successfully listed on the Beijing Stock Exchange on March 28, 2025, and set a new record for IPO fundraising scale since the opening of the Beijing Stock Exchange.

Adhering to the values of pioneering and innovation, win-win cooperation, integrity and pragmatism, and smart global connectivity, Kaifa is deeply engaged in global smart utilities such as electric power, water and gas, and provides full-industry-chain IoT solutions covering smart meters, AM Advanced Metering Architecture, master station system software and SaaS cloud services. Based on its technological advantages, Kaifa actively lays out the green energy field, continuously delivers low-carbon solutions by expanding new energy and energy storage businesses, and joins hands with global partners to build a sustainable green future.

As of the end of December 2025, Kaifa has delivered a total of more than 10.7 billion smart meter products to more than 40 countries and over 80 energy companies around the world. Among them, shipments in the European market exceeded 59,000,000 units, making it one of the few Chinese enterprises in the industry that have successfully expanded into the developed European market and have large-scale delivery capabilities. According to data from the China Instrument Manufacturer Association, Kaifa ranked first in China in terms of export delivery value of electrical instruments and meters for four consecutive years from 2020 to 2023, and was rated as "the most successful Chinese smart meter supplier in the European market" by well-known consulting firm Berg Insight. In addition, Kaifa provides integrated smart energy management system solutions with coordinated software and hardware for Saudi Arabia, Uzbekistan, Uruguay, Bangladesh, Senegal and other countries, helping these countries build a complete AM Advanced Metering Architecture and assisting public utility departments to achieve efficient energy management. To deepen localized services, Kaifa has set up branches in countries and regions including the United Kingdom, the Netherlands, Uzbekistan, Brazil, Tajikistan, Pakistan, Shenzhen and Hong Kong. In China, Kaifa's service network covers nearly 30 provincial-level power grid regions, and it deeply participates in the transformation and upgrading of new power systems of State Grid and China Southern Power Grid.

Looking ahead, Kaifa will always uphold the vision of "Innovation brings a Better Life ", focus deeply on energy metering, concentrate on intelligent and digital energy management, empower public utilities to achieve dual carbon goals, and provide world-leading smart energy management solutions.

Company Name:
Shenzhen Kaifa Technology (Chengdu) Co., Ltd.

Company Address:
No.99, Tianquan Road, Chengdu High-tech Zone

Development History

1995

- Established R&D center and entered the electric energy metering business sector

1996-2015

- Supplied electronic prepaid electricity meters to the domestic market in bulk
- Provided remote electricity meters for ENEL, the Italian national power company, and launched R&D work for the world's first generation of AMR projects
- Reorganized the R&D center into the Metering System Business Unit (MSBU)
- Cooperated with IBM in Europe to promote smart electricity meters
- Exported smart water meter modules to Brazil and Mexico

2016

- Shenzhen Kaifa Technology (Chengdu) Co., Ltd. was officially established
- Established Kaifa Metering Technology (H.K.) Limited

2017

- Exported nearly one million smart electricity meters to 29 power companies in Norway in bulk

2018

- Provided a national-level master station system solution for real-time management of millions of electricity meter devices for Uruguay

2019

- Won the bid for the national-level master station system project of energy metering in Uzbekistan (including HES & MDMS systems)
- Established Kaifa Technology (Netherlands) B.V.

2020

- Participated in the world's first smart electricity meter project in large-scale deployment of NB-IoT & PRIME v1.4 communication methods in Saudi Arabia
- Won the bid for the smart metering product project in the UK, becoming the first Chinese smart energy solution provider to obtain smart meter and instrument orders in the UK market

2021

- Won the bid for the ultrasonic water meter and water metering system SaaS service project in Brazil, becoming the first Chinese solution provider to deploy smart water metering AMI systems in the Brazilian market in bulk

2022

- Won the bid for State Grid Class A single-phase smart electricity meter project
- Won the bid for the EPC project of distribution network and metering system in Tajikistan
- Won the bid for Pakistan's first large-scale smart electricity meter renovation project

2023

- Established Branch of company SHENZHEN KAIFA TECHNOLOGY (CHENGDU) CO., LTD in Republic of Tajikistan
- Established Branch of Shenzhen Kaifa Technology (Chengdu) Co Ltd. in Pakistan
- Passed CMMI Level 5 R&D process capability maturity assessment

2024

- Won the smart meter project of the UK's largest power company and the smart meter project of the Netherlands' second largest power company
- Promoted and applied Class 0.2 high-precision electricity meters and system software to the European market for the first time
- Won the bid for 13,300 ultrasonic smart water meters in the Middle East, becoming the first Chinese metering solution provider to deploy ultrasonic smart water meters on a large scale in this market
- Participated in the revision of IEC reliability standards, promoted technological innovation and industrial upgrading, and improved product reliability and global competitiveness

2025

- Officially listed on the Beijing Stock Exchange on March 28, 2025 (Kaifa, 920029), setting a new record for IPO fundraising scale since the opening of the Beijing Stock Exchange
- Invested RMB 284 million to start the construction of the Manaus production base in Brazil, accelerating the localized strategic deployment in the Latin American market
- Reached strategic cooperation with leading power companies in Spain, Poland, the Netherlands, Germany and other countries, continuously strengthening its benchmark position in the European power metering market
- Relying on the integrated "source-grid-load-storage" technical architecture, completed the delivery of large-scale integrated solutions for zero-carbon parks, built full-scenario smart energy solutions, and provided core support for industrial green transformation

Honors & Awards

In 2025, Kaifa obtained multiple honors such as the Sichuan Provincial Science and Technology Progress Award and Sichuan Provincial Enterprise Technology Center.

1. Qualification and Honor Name
Sichuan Provincial Science and Technology Progress Award
Issuing Authority
Sichuan Provincial People's Government

2. Qualification and Honor Name
Sichuan Provincial Enterprise Technology Center
Issuing Authority
Sichuan Provincial Department of Economy and Information Technology
Sichuan Provincial Development and Reform Commission
Science & Technology Department of Sichuan Province
Sichuan Provincial Finance Department
Sichuan Provincial Tax Service, State Taxation Administration
Chengdu Customs District P.R. China

3. Qualification and Honor Name
Top 100 Sichuan Manufacturing Enterprises
Issuing Authority
Sichuan Provincial Enterprise Confederation

4. Qualification and Honor Name
Top 100 Sichuan Digital Economy Enterprises
Issuing Authority
Sichuan Provincial Enterprise Confederation

5. Qualification and Honor Name
Top 100 Sichuan Enterprises in Technological Innovation Capability
Issuing Authority
Sichuan Provincial Enterprise Confederation

6. Qualification and Honor Name
Top 100 Sichuan Enterprises in Invention Patent Holdings
Issuing Authority
Sichuan Provincial Enterprise Confederation

7. Qualification and Honor Name
Chengdu Smart Factory
Issuing Authority
Chengdu Municipal Bureau of Economy and Information Technology

8. Qualification and Honor Name
Chengdu "Zero-Waste Factory"
Issuing Authority
Chengdu Municipal Ecological and Environmental Protection Committee

9. Qualification and Honor Name
Top 100 Chengdu Manufacturing Enterprises
Issuing Authority
Chengdu Enterprise Confederation

Sichuan Provincial Science and Technology Progress Award

Top 100 Sichuan Manufacturing Enterprises

Chengdu Smart Factory

Note: The "Chengdu Smart Factory" was declared in 2024 and awarded the board in 2025.

List of Industry Associations the Company Joined and Membership

Domestic Association Information List

Serial No.	Organization Name	Membership Level
1	China Instrument Maufacturer Association	Regular Member
2	Electric Instruments Branch of China Instruments Manufactures Association	Vice President Unit
3	China Chamber of Commerce for Import and Export of Machinery and Electronic Products	Regular Member
4	Water Meter Working Committee of China Metrology Association	Regular Member
5	China Urban Water Association	Council Member
6	County and Town Water Branch of China International Association for Promotion of Science and Technology	Council Member
7	China Electricity Council	Regular Member
8	China Electric Power Promotion Council (Special Committee for Measurement Perception and Data Fusion Application)	Regular Member
9	Sichuan Urban Water Association	Regular Member
10	Shaanxi Urban Water Association	Council Member
11	Henan Urban Water Supply Association	Member
12	Association of Chengdu Power Industry	Regular Member
13	Shenzhen Water Association	Regular Member

Overseas Association Information List

Serial No.	Organization Name	Membership Level
1	DLMS Alliance	Advanced Membership
2	STS Association	Non-Voting Member
3	PRIME Alliance	Regular Membership
4	G3-PLC Alliance	Regular Membership
5	Meter&More Association	Associated Membership
6	Connectivity Standards Alliance（Zigbee Alliance）	Adopter Membership
7	Wi-SUN Alliance	Contributor Membership
8	LoRa Alliance	Adopter Membership
9	OSGP Alliance	Gold Membership
10	International Water Association	Corporate Medium Membership
11	Forum Network Technology/ Network Operation in the VDE	/
12	SWAN Forum	Annual Membership

Management of Sustainable Development

The Company attaches great importance to corporate ESG governance, integrates ESG governance into daily operation processes, and continuously improves the ESG governance system to better balance and meet the needs of all stakeholders. To improve the Company's ESG governance capacity, in 2025, the Company organized the Board of Directors and senior management members to study documents including the Beijing Stock Exchange Continuous Supervision Guidance No. 11 for Listed Companies - Sustainability Report (for Trial Implementation), held multiple discussions on the Company's ESG-related construction, and continuously enhanced the awareness and understanding of the Company's directors and senior management on ESG governance and practice. During the reporting period, the Company prepared for and completed the renaming of the original Strategic Committee under the Board of Directors to the Strategic and Sustainable Development Committee of Board of Directors (hereinafter referred to as the Strategy and Sustainability Committee) prior to the report release date, forming the complete sustainability governance structure as follows. The Strategic and Sustainable Committee is mainly responsible for researching and providing recommendations on the Company's long-term development strategy, major investment decisions, sustainability planning and ESG work (covering issues such as climate change, innovation-driven development, etc.). Resolutions and proposals formed by the Strategy and Sustainability Committee shall be reviewed and decided by the Board of Directors. Meanwhile, we have embedded the decision-making level's supervision responsibilities for sustainability-related impacts, risks and opportunities into its performance appraisal system, disclose the performance appraisal results and self-assessment of sustainability governance capacity to the public annually, and accept independent third-party assurance or stakeholder inquiries, to ensure that the decision-making level not only fulfills its supervision functions, but also proactively promotes the implementation and continuous improvement of the Company's sustainable development strategy through actions.

Governance Body	Level	Composition	Responsibilities
Board of Directors Strategic and Sustainable Committee of Board of Directors	Decision-making Level	Members of the Board of Directors Committee Members	• The Board of Directors of the Company is the highest decision-making and leading body for sustainability work, which coordinates and leads the sustainability work of the entire Company, is responsible for supervising, reviewing and deciding on major matters related to the Company's sustainability, and bears full responsibility for such matters. • The Strategy and Sustainability Committee is established under the Board of Directors, responsible for researching and providing recommendations on major matters involving the Company's sustainability within its scope of authority, reviewing the Company's sustainability strategy, objectives, medium and long-term plans and sustainability reports, and guiding the Company to carry out work around sustainability objectives.
Sustainability Management Group	Management Level	Composed of members of the Company's leadership team, with the General Manager serving as the team leader, the Board Secretary as the deputy team leader, and heads of other departments as team members.	• Under the leadership of the Board of Directors and the Strategy and Sustainability Committee, the Sustainable Management Group is responsible for formulating the Company's sustainability strategy, objectives, medium and long-term plans and annual sustainability work plan, and monitoring progress and implementation measures. • Promote the implementation of the Company's sustainability work rules, and formulate management systems and measures related to sustainability. • Organize the identification and assessment of the Company's sustainability risks and opportunities, as well as stakeholder communication work. • Regularly report the progress of sustainability work and development trends, etc. to the decision-making level.
Sustainability Execution Group	Execution Level	ESG Focal Points of all departments of the Company	• The Sustainability Execution Team covers all relevant departments of the Company, with its main members being the ESG focal points of each department, responsible for implementing the annual sustainability work plan issued by the Sustainable Management Group. • Implement the work of identifying and assessing the Company's sustainability risks and opportunities as well as stakeholder communication. • Regularly report the implementation results, target completion status and next-step plans to the Sustainable Development Management Group.

Governance Mechanism

Kaifa is committed to deeply integrating the concept of sustainable development into corporate governance. In accordance with the Working Rules of Strategic and Sustainable Development Committee of Board of Directors and the Sustainable Development (ESG) Management System, we have established a three-level meeting governance mechanism covering the whole process from strategic decision-making to execution and implementation (Strategic and Sustainable Development Committee, Sustainable Development Management Group, Sustainable Development Execution Group of Board of Directors), with clearly defined responsibilities and division of labor at each level, to ensure the systematic and efficient implementation of relevant work. To empower the board of directors to better perform its supervision and strategic guidance duties in the field of sustainable development, the Company regularly organizes directors to participate in ESG training, and hires external professional institutions to provide in-depth interpretation of cutting-edge policies, major trends and core rating elements, so as to continuously improve the professionalism and systematicness of relevant decisions made by the board of directors.

Meetings of the Strategic and Sustainable Development Committee of Board of Directors Frequency: At least once a year	Contents include: supervising and reviewing the Company's ESG vision, strategic objectives, policy formulation, organization and implementation, performance, information disclosure, list of material ESG risks and opportunities and their management strategies, etc.; reviewing the annual ESG report and other ESG-related information disclosures and submitting them to the board of directors for approval; researching and putting forward professional suggestions on the Company's material ESG-related investment plans. The meeting shall be attended by no less than two-thirds (including two-thirds) of the members of the Strategic and Sustainable Development Committee of Board of Directors, and meeting resolutions shall be formed after the meeting and submitted to the board of directors.
Meetings of the Sustainable Development Management Croup Frequency: At least once a year	Contents include: following up on the implementation of previous resolutions, reviewing ESG reports and ad hoc motions. Core review items include: examining and adjusting the achievement status of ESG vision, commitments, policies, topics and objectives; evaluating annual ESG performance indicators, reviewing material incidents and conducting annual summary. Meanwhile, the meeting plans the ESG work objectives for the next year. As required by the meeting agenda, heads of internal departments, external experts or stakeholders may be invited to attend the meeting as non-voting participants and provide relevant information.
Meetings of the Sustainable Development Execution Group Subject to actual work requirements	Contents include: explanation on the implementation of previous meeting minutes, ESG project reports, ad hoc motions; collection and compilation of relevant materials for the sustainable development report; explanation on the implementation of annual ESG performance indicators, review and improvement of material ESG incidents, sharing of excellent annual ESG projects, planning of annual ESG objectives; review of the implementation of audit feedback, corrective measures and preventive measures, project kick-off reports; undertaking of relevant matters assigned by the meetings of the Sustainable Development Management Group.

Composition of the Board of Directors

A board of directors with diversified backgrounds can bring a wide range of perspectives and knowledge to the Company and guide the Company to stay on the right track. The Company attaches great importance to the diversity of board members in terms of gender, ethnicity, culture, professional background, etc., as well as the richness and complementarity of their academic and industrial experience. The members of the company's board of directors have a reasonable professional structure, with backgrounds in different professional fields such as financial accounting, management, science and technology, electronic and computer engineering, as well as rich knowledge, skills and experience required for performing their duties, and most of them hold a master's degree or above. Among them, three independent directors, with their professional knowledge and rich experience, can provide valuable guidance and suggestions for the Company and support the steady development of the Company.

Sustainable Development Strategy

Kaifa actively responds to the United Nations Sustainable Development Goals (UNSDGs) and is committed to integrating the ESG concept into all aspects of the Company's corporate culture and business operations. The Company has formulated the "POWER" sustainable development strategy covering the three major areas of environment, society and governance, to comprehensively improve the Company's green capability, operational capability, synergy capability, talent capability and governance capability. While achieving long-term corporate value growth, we continue to create positive environmental and social impacts, and contribute corporate strength and responsibility to the realization of global sustainable development goals.

Mission

Through smart metering, energy management and digital solutions, improve the operational efficiency and transparency of energy systems, and continue to create positive environmental and social impacts while achieving long-term value growth for the Company.

Vision

Leveraging smart energy and digital technologies, promote the construction of an efficient, low-carbon and reliable energy system, and strive to become a trusted long-term partner in the global public utility sector.

Strategic Pillars

Powering Energy Transition	Operational Excellence	Worldwide Responsibility	Empowering People & Organization	Robust Governance
Innovation-Driven Addressing Climate Change	Product Safety and Quality Data Security and Customer Privacy Protection Environmental Compliance Management	Supply Chain Security Customer Relationship Management	Employment and Employee Rights and Interests Employee Training and Development Occupational Health and Safety (OHS)	Risk Management Anti-commercial Bribery and Anti-corruption Anti-unfair Competition
SDG 7, 9, 13	SDG 9, 12, 13	SDG 8, 11, 17	SDG 4, 5, 8	SDG 16, 17

POWER = Green Capability + Operational Capability + Synergy Capability + Talent Capability + Governance Capability

Stakeholder Communication

While maintaining steady business development, the Company pays close attention to and actively responds to the requirements and expectations of all stakeholders. The Company has established a regular and diversified communication mechanism to listen to opinions from all parties and actively respond through multiple channels.

Stakeholders	Shareholders and Investors	Government and Regulatory Authorities	Customers	Partners/Suppliers	Employees	Communities and the Public
Key Focus Topics	• Product Safety and Quality • Customer Relationship Management • Innovation-Driven • Risk Management • Circular Economy	• Risk Management • Anti-commercial Bribery and Anti-corruption • Anti-unfair Competition • Environmental Compliance Management • Product Safety and Quality • Equal Treatment of Small and Medium-sized Enterprises • Social Contribution and Rural Revitalization	• Innovation-Driven • Product Quality and Safety • Supply Chain Security • Customer Relationship Management • Data Security and Customer Privacy Protection	• Anti-commercial Bribery and Anti-corruption • Anti-unfair Competition • Supply Chain Security • Equal Treatment of Small and Medium-sized Enterprises • Energy Utilization	• Employment and Employee Rights and Interests • Occupational Health and Safety • Employee Training and Development • Diversity and Equal Opportunity	• Addressing Climate Change • Environmental Compliance • Management • Waste Disposal • Pollutant Emission • Water Resource Utilization • Science and Technology Ethics • Social Contribution
Communication Channels	• Shareholders' Meeting • Investor Hotline and Email • Performance Briefing • Investor Communication Activities • Regular Information Disclosure	• Guidance and Inspection • Regulatory Information Submission • Regular Information Disclosure • Policy Consultation and Feedback	• Contracts and Contract Performance • Daily Communication • Customer Visits • Customer Satisfaction Survey • Customer Complaints and Feedback	• Daily Exchanges • On-site Visits • Supplier Coaching	• Workers' Congress • Employee Care Activities • Internal and External Training • Symposiums	• Charitable Donations • Volunteer Activities • Regular Information Disclosure

Management of Material Issue

In 2025, the Company referred to sustainability information disclosure standards including the GR Sustainability Standards 2021 (GR Standards 2021) issued by the Global Sustainability Standards Board (GSSB) and the Beijing Stock Exchange Continuous Supervision Guideline No. 11 for Listed Companies– Sustainability Report (Trial), followed the double materiality principle, carried out materiality topic research targeting all stakeholders, identified material topics, and delivered focused disclosure and response in this report to better meet the expectations and demands of stakeholders.

Materiality Topic Assessment Process

Sorting & Identification

Refer to macro policies in the regions where the Company operates as well as industry-specific policies and standards, sort out the ESG topic list based on analysis of internal and external development trends, and identify 24 important general topics and industry-specific topics.

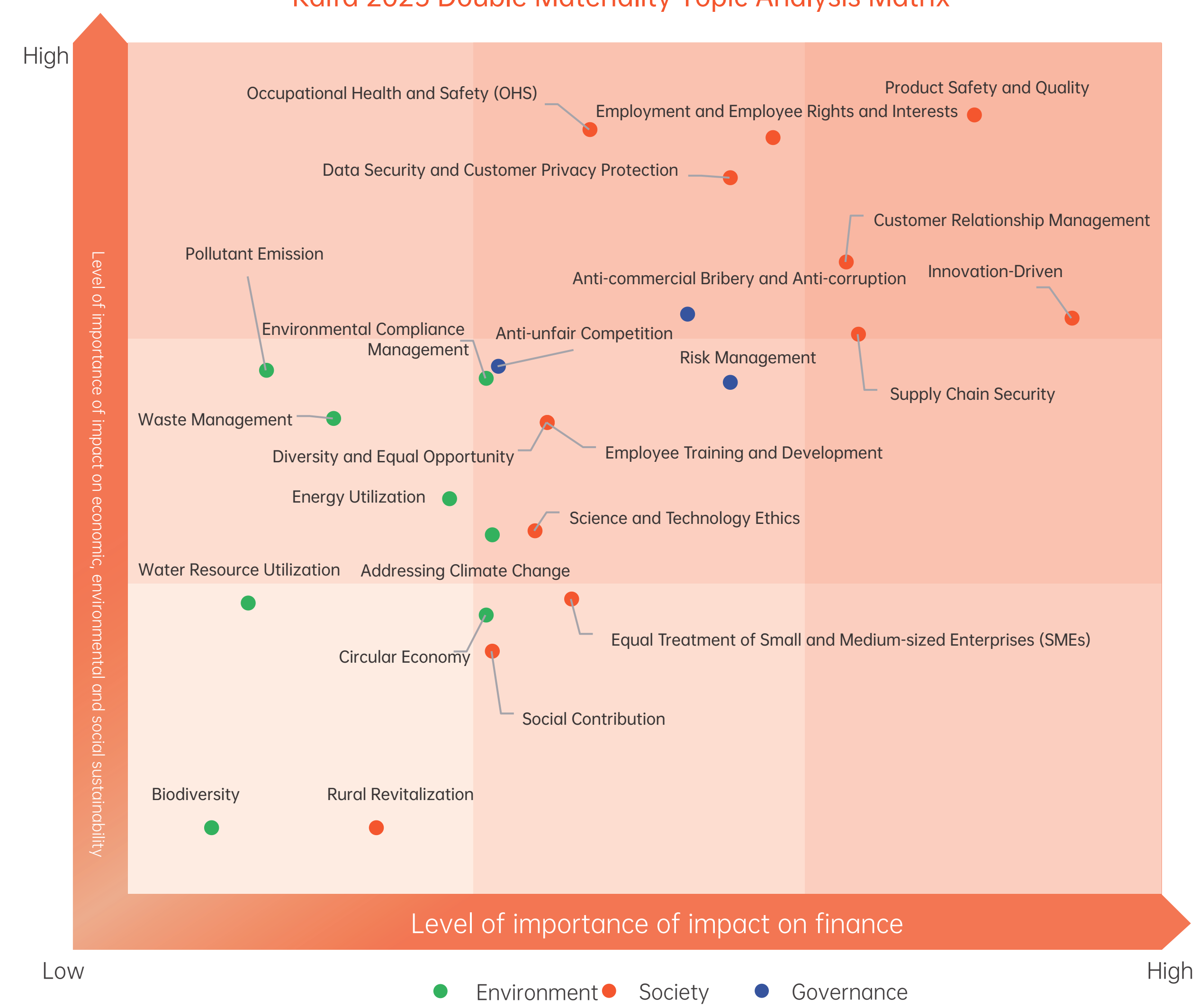
Research & Assessment

Follow the double materiality principle, carry out materiality topic research from two dimensions: "impact materiality" (i.e., the level of importance of the impact on economic, environmental and social sustainability) and "financial materiality" (i.e., the level of importance of the impact on the Company's finance), formulate the 2025 materiality topic matrix, and determine the material topics of the year and their priorities. Stakeholders participating in the questionnaire survey and daily communication analysis include directors, senior executives, employees, customers, suppliers, investors, regulatory authorities, media and the public, with a total of 198 valid questionnaires collected.

Confirmation & Response

Based on the research results, build the materiality topic matrix from the two dimensions of "impact materiality" and "financial materiality", and determine the key ESG topics for focused disclosure after final review and confirmation by the Strategic and Sustainable Committee of the Board of Directors.

Kaifa 2025 Double Materiality Topic Analysis Matrix



24 important topics are identified this year, among which "Product Safety and Quality", "Customer Relationship Management", "Innovation-driven Development" and "Supply Chain Security" are fully disclosed in accordance with the four-pillar framework.

Topic List

Serial No.	Topic Name	Financial Materiality	Impact Materiality	Impacts, Risks and Opportunities	Impact Cycle
1	Innovation-Driven	●	●	Impact: The Company's management capability in innovation and intellectual property may affect business development, stakeholder rights and interests, and the technological level of the industry. Risk: The direction of technological innovation may deviate from customer needs, resulting in waste of resources, and may even reduce the Company's competitive advantage. Opportunity: Continuously improving the Company's competitiveness in the industry helps the Company respond to market development trends more flexibly and improve business performance.	Long-term
2	Product Safety and Quality	●	●	Impact: The Company's product safety and quality management capability may affect customer experience as well as customer health and safety. Risk: A decline in product safety and quality management level may increase the enterprise's operating costs and lead to revenue loss. Opportunity: Improving product safety and quality management level can further reduce resource waste, while enhancing the Company's reputation and customer satisfaction.	Long-term
3	Supply Chain Security	●	●	Impact: The Company's supply chain security management capability may affect the working environment and labor benefits of upstream supply chain workers. Risk: ESG risks in supply chain (e.g., environmental violations, corruption, human rights issues, etc.) may lead to failure to meet customer requirements and affect the normal operation of the Company's business. Opportunity: Building a sustainable supply chain helps improve the stability of product and service supply, and promotes the joint development of supply chain enterprises.	Medium and long term
4	Customer Relationship Management	●	●	Impact: The quality of the Company's customer relationship management may affect customers' consumption experience and their consumer rights and interests. Risk: A rise in customer complaint volume may lead to customer churn and even administrative penalties, which will further damage the Company's reputation and reduce its revenue. Opportunity: Robust customer relationships help drive business growth, facilitate new commercial opportunities, and have the potential to increase the company's revenue.	Long-term
5	Employment and Employee Rights and Interests	-	●	Impact: The company's management standard in terms of human rights and labor rights and interests may exert a certain degree of influence on employees' physical and mental health as well as social stability. Risk: Outflow of frontline or senior talents will increase the Company's costs in manufacturing, technology R&D, management capability improvement and other aspects, and even cause economic losses. Opportunity: Protecting employees' rights and interests helps improve employee satisfaction and boost the company's productivity.	Medium and long term
6	Data Security and Customer Privacy Protection	-	●	Impact: The company's data and privacy protection mechanisms may affect the probability of data and privacy breaches involving customers, employees, suppliers and other parties. Risk: Negative incidents such as data security breaches and customer privacy leaks may violate relevant laws and regulations, give rise to compliance risks, and cause financial losses such as fines. Opportunity: Robust data security and customer privacy protection mechanisms can foster more solid business relationships for the Company, enhance customer trust, and drive business volume growth.	Medium and long term
7	Risk Management	-	●	Impact: The Company's risk management capability will, to a certain extent, affect the basic rights and interests of stakeholders, as well as the security and stability of society and the environment. Risk: An unperfect risk management system may reduce the Company's overall risk response capacity, resulting in financial losses, legal issues, reputational risks and other consequences. Opportunity: A sound risk management system may effectively improve the Company's resilience to risks, and reduce financial losses caused by sudden emergencies or negative incidents.	Short and medium term
8	Anti-commercial Bribery and Anti-corruption	-	●	Impact: The Company's governance capacity against corruption, embezzlement and other misconduct may affect the basic rights and interests of investors, shareholders, employees, customers, partners and other parties. Risk: Occurrences of non-compliant practices such as corruption and embezzlement may lead to legal issues, sanctions, financial losses, reputational damage, as well as customer and investor outflow. Opportunity: Maintaining high standards of business ethics and compliance can increase the trust of customers and investors, enhance the company's reputation, and reduce legal and financial risks.	Long-term

Topic List

Serial No.	Topic Name	Financial Materiality	Impact Materiality	Impacts, Risks and Opportunities	Impact Cycle
9	Occupational Health and Safety (OHS)	-	●	Impact: The working environment provided by the Company for employees may affect employees' health and safety. Risk: Violation of relevant laws and regulations may lead to financial losses such as fines and damage the company's reputation. Opportunity: A healthy and safe workplace can reduce the frequency of employee safety risk incidents, and has the potential to cut the corresponding financial losses and operating costs of the Company.	Medium and long term
10	Equal Treatment of Small and Medium-sized Enterprises (SMEs)	-	-	Impact: The payment terms the Company applies to small and medium-sized suppliers may affect their capital chains as well as the stability of the overall supply chain. Risk: Violation of relevant laws and regulations may lead to financial losses such as fines and damage the Company's reputation. Opportunity: Timely payment helps maintain relationships with small and medium-sized suppliers of high-quality, enhance supply chain stability, and amplify cost advantages.	Medium and long term
11	Employee Training and Development	-	●	Impact: The talent training and development paths established by the Company may affect employees' work skills, rapid promotion and career development. Risk: Employees' skills may fail to keep pace with changes in industry technologies and the business environment, which will in turn incur higher labor and R&D costs and reduce the Company's competitiveness. Opportunity: Improvement of employees' skills helps them better adapt to the fast-changing business environment, enhances the Company's competitiveness, and can reduce labor costs to a certain extent.	Medium and long term
12	Diversity and Equal Opportunity	-	●	Impact: The level of diversity and equality in the Company's working environment may affect employees' work motivation and innovation vitality. Risk: A decline in employee motivation and innovation capacity will increase the Company's operating costs to a certain extent. Opportunity: A diverse and equal working environment can attract more high-caliber talents to join us, and reduce talent retention costs to a certain extent.	Medium and long term
13	Science and Technology Ethics	-	●	Impact: The Company's use of emerging technologies such as AI may have an impact on intellectual property rights, data authenticity and other aspects. Risk: If the application of technology fails to meet ethical or compliance requirements, it may lead to project suspension, fines and additional management costs. Opportunity: Complying with technology ethics and meeting stakeholder expectations can enhance the Company's reputation and obtain policy support.	Short and medium term
14	Anti-unfair Competition	-	●	Impact: The company's management and control level of unfair competition practices may affect the basic rights and interests of investors, shareholders, employees, customers, partners and other parties. Risk: The occurrence of unfair competition practices may lead to legal issues, sanctions, financial losses, reputational damage, as well as loss of customers and investors. Opportunity: Maintaining high standards of business ethics and compliance can increase the trust of customers and investors, enhance the Company's reputation, and reduce legal and financial risks.	Long-term
15	Addressing Climate Change	-	●	Impact: The Company's operations, production, proportion of clean energy use, green transformation plans and other aspects may have an impact on climate change. Risk: More frequent extreme weather in the future, increasingly stringent policy regulations and unstable fossil energy supply may lead to rising costs and operational disruption risks. Opportunity: Identifying and responding to the relevant risks and opportunities brought by climate change can improve the company's adaptability, reduce operating costs and gain market favor at the same time.	Medium and long term
16	Social Contribution	-	-	Impact: The Company's operation status may have an impact on the culture, society and environment of the location where it operates. Risk: Failure to establish a smooth communication and participation mechanism with local residents may cause conflicts of interest, affecting the Company's stable local operations. Opportunity: Actively contributing back to society helps enhance the company's reputation and obtain policy support.	Long-term

Topic List

Serial No.	Topic Name	Financial Materiality	Impact Materiality	Impacts, Risks and Opportunities	Impact Cycle
17	Circular Economy	-	-	Impact: The Company's ability to implement circular economy may have an impact on natural resources and the rights and interests of relevant stakeholders. Risk: The use of recycled materials may lead to a decline in product quality or performance, further resulting in customer churn. Opportunity: Circular economy can help the Company save resources and reduce costs.	Medium and long term
18	Environmental Compliance Management	-	●	Impact: The Company's compliance with environment-related laws and regulations may have an impact on the ecological environment. Risk: Violation of relevant laws and regulations will lead to losses such as fines and business restrictions. Opportunity: Meeting environmental compliance management requirements will improve the Company's efficiency of resource use, reduce its operating costs and enhance its reputation.	Medium and long term
19	Energy Utilization	-	●	Impact: The Company's energy consumption structure may have a certain degree of impact on the ecological environment and climate change. Risk: Renewable energy resources are scarce and costly, and excessively increasing the proportion of renewable energy may lead to instability. Opportunity: Adjusting the energy mix and using renewable energy can help the company reduce the carbon footprint of its products and improve its market competitiveness.	Medium and long term
20	Rural Revitalization	-	-	Impact: The Company's operation status and development speed may have a certain degree of impact on rural employment. Risk: The Company's scale expansion may accelerate the migration of rural population to cities for work, affect the Rural Revitalization Strategy, and may bring compliance risks. Opportunity: Contributing its humble efforts to rural revitalization helps enhance the Company's reputation and obtain policy support.	Long-term
21	Waste Management	-	●	Impact: The Company's management level of waste disposal may have an impact on the ecological environment. Risk: Violation of waste-related laws and regulations may lead to compliance risks, resulting in financial losses such as fines, and even administrative penalties. Opportunity: A sound waste treatment process can improve the Company's resource utilization efficiency, meet compliance requirements, reduce the Company's operating costs, and enhance the company's reputation.	Short-term
22	Pollutant Emission	-	●	Impact: The Company's management level of pollutant discharge may have an impact on the ecological environment. Risk: Violation of laws and regulations related to pollutant discharge may lead to compliance risks, resulting in financial losses such as fines, and even administrative penalties. Opportunity: Sound pollutant discharge management can improve the Company's resource utilization efficiency, meet compliance requirements, reduce the Company's operating costs, and enhance the Company's reputation.	Short-term
23	Water Resource Utilization	-	-	Impact: The Company's management level of water resource utilization may have an impact on the ecological environment and climate change. Risk: Excessive water consumption may lead to waste of water resources and increase operating costs. Opportunity: Sound water resource management can improve the Company's water usage efficiency, reduce operating costs, and bring financial benefits.	Medium and long term
24	Biodiversity	-	-	Impact: The Company's operation, expansion, and organized biodiversity conservation activities may all have an impact on the surrounding biodiversity and ecosystem. Risk: Biodiversity loss caused by the Company's operations may lead to compliance risks, and the Company may face administrative penalties such as fines and shutdown. Opportunity: Focusing on biodiversity conservation can enhance the Company's reputation to a certain extent and attract more attention from stakeholders.	Medium and long term

01

Powering Energy Transition

Kaifa Technology has always adhered to the beautiful vision of "Innovation brings a Better Life ", actively responds to climate change, vigorously promotes the use of green energy, and practices circular economy to improve resource efficiency, so that every input can release greater value.

Innovation -driven

Climate Change Response

Circular Economy

Energy Utilization

7 AFFORDABLE AND CLEAN ENERGY

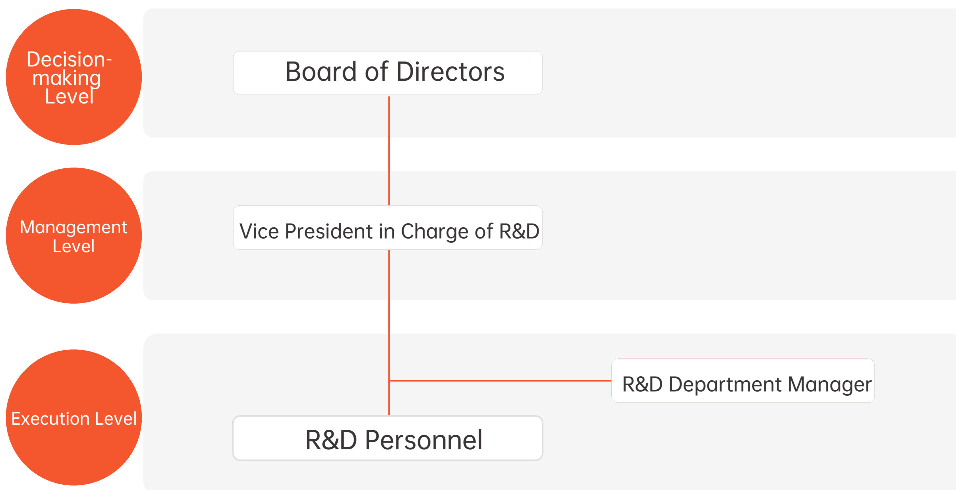
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

Innovation-driven

Governance

Kaifa follows the sustainable development "POWER" strategy. By setting up R&D centers, system software departments and energy business departments, it is respectively responsible for the innovation and R&D of meter products, system software products and new energy products, and is committed to creating green products conforming to ecological design and empowering the green transformation of products. With the concept as the core, it builds an innovative governance system of "architecture guarantee - system empowerment - process embedding - assessment guidance", and promotes the transformation of product innovation towards high quality, high efficiency and high adaptability through scientific governance. In terms of intellectual property, Kaifa attaches great importance to the Company's intellectual property management, has established a top-down management structure, and encourages innovation and intellectual property protection.



Decision-making Level

- Formulate intellectual property development strategies.
- Make decisions on and guide major events.

Management Level

- Set work objectives for intellectual property.
- Inspect, guide and supervise the implementation of intellectual property work.

Execution Level

- Implement intellectual property work objectives.
- Be responsible for sorting out and evaluating intellectual achievements generated or adopted in the process of technology, product and process flow development, and form patent application proposals or software copyright registration proposals.

Strategy

Scientific and technological innovation is the driving force for the sustainable development of enterprises. Kaifa attaches great importance to innovation management, continues to invest in R&D and innovation, anchors core directions such as precise metering, smart interconnection, green and low-carbon development, takes product line expansion and technology iteration as dual engines, builds a differentiated innovation layout for electric meters, water meters and gas meters, and enables the digital, intelligent and low-carbon transformation of the energy metering industry. It focuses on expanding the ultrasonic water meter series, which forms generational advantages by virtue of precise metering free from interference of air bubbles or impurities, long durability without mechanical wear, and smart sensing with strong perception and communication capabilities, serving as the "precision nerve" of smart water services. In cooperation with European partners, it explores the implementation and application of data-driven intelligent algorithms in pipeline network leakage monitoring and safety status assessment. Gas meter R&D closely follows European technological trends, builds a gas metering system with high precision, long service life and low power consumption, and continuously improves diaphragm materials for diaphragm gas meters and ultrasonic metering technology. Electric meter R&D focuses on smart energy metering + digital passport, optimizes core technologies such as IoT integration, structural integration, low consumption and environmental protection, to create metering solutions adapted to the development needs of new power systems. System software R&D, driven by the dual wheels of "digitalization" and "low-carbonization", provides auxiliary capabilities for utility customers, helps them shift from passive management to active operation and maintenance, and provides data and technical support for the governance of non-technical losses. Meanwhile, it provides safe, lightweight and efficient monitoring and optimal scheduling services for user-side new energy, energy storage and other assets, aiming to build a sustainable energy interconnection ecosystem. In the new energy sector, it is rooted in core zero-carbon smart energy and energy storage businesses, deeply integrates innovation with ESG strategy, focuses on the innovation directions of high-efficiency and low-carbon energy storage products and intelligent and precise zero-carbon platforms, increases investment in low-carbon safety technologies, promotes the integration of innovation achievements and business, and builds an ESG innovation benchmark.

To further stimulate employees' work enthusiasm and innovation potential, create a cultural atmosphere of positivity, pioneering and enterprising spirit, and courage to innovate, and better present the Company's core values and competitiveness, the Company has specially formulated the Employee Reward Measures, and set up 19 awards including the "Lead R&D Personnel Award" and "Technological Breakthrough Award" to incentivize key talents and project teams that have achieved important R&D results. Meanwhile, in terms of R&D personnel training, the Company actively organizes relevant skill training, strengthens R&D innovation learning and exchanges, and continuously improves employees' professional skills and comprehensive quality.

Impact, Risk and Opportunity Management

Throughout the whole process of technological innovation, Kaifa has built a sound risk management and control system, continuously carries out risk identification, assessment and monitoring, and dynamically adjusts R&D risk management strategies in a timely manner according to changes in internal and external environments, to ensure all R&D activities are under control. To effectively respond to various risks including rapid technology iteration, fierce market competition, shortage of scientific and technological talents, evolving policies and regulations, and financial risks, Kaifa takes customer demand as the core orientation of product R&D, pays close attention to market trends, technological development directions and policy dynamics, actively integrates resources, strengthens cross-functional team collaboration among R&D, marketing, manufacturing and other departments, strives to respond quickly to market changes, minimizes the deviation between R&D innovation and market demand, so as to better reduce R&D risks and seize innovation opportunities.

Meanwhile, the Company has identified the R&D direction of sustainable development products that is highly valued both domestically and internationally at present, driving the transformation of the Company's R&D and design towards green products and significantly reducing product energy consumption.

Indicators and Targets

The Company continuously monitors R&D investment, number of patents and sets relevant targets. During the reporting period, the Company's total R&D investment amounted to RMB 168 million, accounting for 5.56% of its main business revenue. The total number of R&D personnel was 331, accounting for 22% of the Company's total headcount. The company applied for a total of 52 patents, including 39 invention patents, 2 design patents and 11 utility model patents, continuously consolidating its technical barriers.

The Company has established an innovation-driven strategic layout and planned phased development goals: the short-term goal is to improve the governance structure and achieve core technology breakthroughs; the medium-term goal is to build an industry-leading R&D system and become a benchmark enterprise for ESG practices in the region; the long-term vision is to lead the industry's technological development direction, support and promote the global zero-carbon transition process. In line with the strategic layout, the Company has anchored the new energy business track, and plans to focus on the iteration of large-format cell and liquid cooling technologies in the energy storage field in terms of technological development direction, and deepen the AI intelligence and digital twin integrated application of the zero-carbon smart energy management platform. To strengthen strategic synergy and cultivate the "new energy business" as the second growth curve, the Company will focus its layout on areas including the application of energy storage technologies in power companies, virtual power plant operation, and supporting energy storage for AIDC (Artificial Intelligence Data Center), relying on existing core technologies to develop high-value application scenarios and create new profit growth points.

Product Eco-design

Smart Electricity Meter

Low-carbon and eco-friendly, energy saving and consumption reduction	Minimal use of plastic materials: 47% reduction for three-phase meters, 40% reduction for single-phase meters
Optimal design, smaller size	Product design optimization: 34% size reduction for three-phase meters, 37% size reduction for single-phase meters
Efficient life, worry-free quality	The first spring terminal in Europe that has passed the IEC 60999-1 test

Smart Electronic Gas Meter

European MID, ATEX	Electronic digit wheel, electronic temperature compensation
Intelligent sensing, fault diagnosis	Multiple communication modes, real-time data reporting
Safe and efficient, intelligent early warning	Valve shut-off and alarm for over-flow, valve shut-off and alarm for ultra-long duration of low-flow

Smart Ultrasonic Water Meter

Low starting flow rate, with accurate data	Support bidirectional metering, wide measuring range, low pressure loss
Multiple protections, safe and reliable	Multi-layer protection design, service life > 10 years

Photovoltaic Modules & Outdoor Distributed Energy Storage Systems

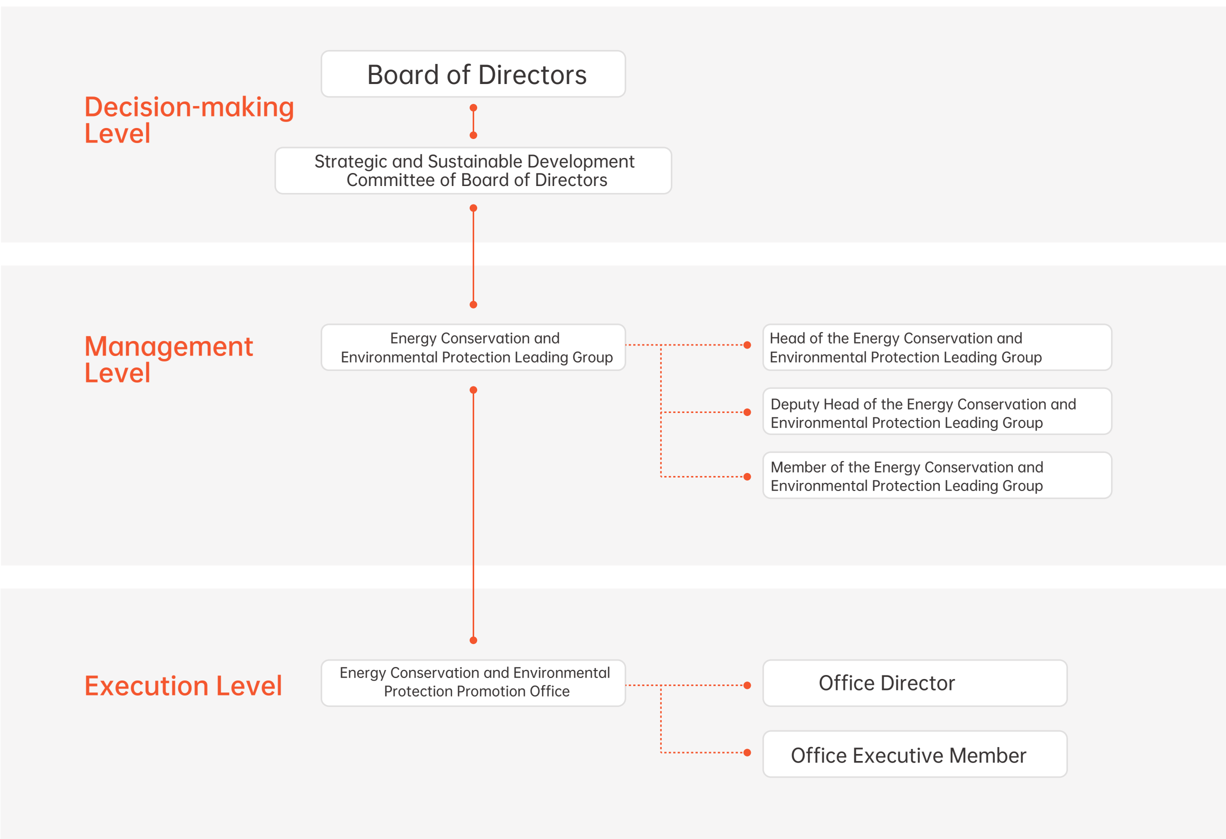
Large-scale Energy Storage System	PACK design reconstruction, definition of comprehensive large-scale energy storage product, grid-forming technology reserve and application, focusing on large-capacity, high energy density, long-life LFP cells, and forming core product technical advantages with three-level BMS architecture and intelligent liquid cooling temperature control design
Plug and Play	Adopt easy-to-install modular design for industrial and commercial scenarios, enabling rapid deployment, and supporting peak-valley arbitrage and demand management
Full-stack Capability	From end-side data collection to cloud-side optimal scheduling, AI algorithms are applied to realize power generation and consumption forecasting, load optimization and grid coordination, further optimizing energy utilization

Addressing Climate Change

Climate change is a common challenge facing all humankind. Kaifa is deeply aware of the importance of addressing climate change, and has made it a core topic of "Powering Energy Transition", one of the pillars of its POWER strategy. By continuously exploring the path of green development, the Company enhances its resilience to climate change, and contributes to creating a greener and healthier future.

Governance

To ensure that climate change-related issues are fully considered and effectively managed, the Company integrates climate change-related functions into its ESG governance framework. The Strategic and Sustainable Development Committee of Board of Directors' leads and supervises the work related to climate change issues, while all departments promote and implement specific work concerning climate change issues to continuously improve the response capacity for climate risks. At the same time, the Company has established the Energy Conservation and Environmental Protection Leading Group, with the Energy Conservation and Environmental Protection Promotion Office set up under it, to actively respond to the national call for energy conservation, emission reduction and environmental protection, earnestly carry out the Company's energy conservation, emission reduction and environmental protection work, and comprehensively build a new model of green, low-carbon and circular development.



Strategy

The Company strictly abides by the Energy Conservation Law of the People's Republic of China, the Law of the People's Republic of China on Promoting Clean Production and other relevant laws and regulations to ensure that our business activities comply with relevant standards, and continuously tracks regulatory updates to maintain compliance. The Company has obtained certifications for management systems including ISO14001, ISO14064, WEEE, EPD Certificate and ISO50001. Relying on the sound management system, we minimize energy consumption and negative environmental impacts, and promote efficient energy utilization. In support of global climate action and in response to China's goal of "achieving carbon peaking by 2030 and carbon neutrality by 2060", the Company is committed to achieving carbon neutrality in its own operations by 2030, completing supply chain carbon emission accounting, and then promoting the achievement of full value chain carbon neutrality by 2040. To ensure the realization of the goals, the Company has set up a professional team and allocated special funds to guarantee steady progress of all work as planned.

Time	Contents of Planning
2021 - 2023	Carry out green enterprise construction focusing on basic requirements, such as infrastructure, management system, energy and resource input, products, environmental emissions and performance, and launch the rooftop photovoltaic project.
2024 - 2026	Establish a green development promotion and management organization, and build a green development management and evaluation mechanism. Carry out green factory application and green development construction work based on the green factory evaluation indicators of the Ministry of Industry and Information Technology. Expand the scale of photovoltaic installations and increase the proportion of clean energy.
2026 - 2030	Complete the low-carbon transformation of the enterprise, fully roll out the low-carbon management system across the supply chain, introduce energy storage products, reduce factory energy consumption per product unit by 20%, and achieve the operational carbon neutrality goal by 2030.
2030 - 2040	Promote green development across the entire value chain, and achieve the carbon neutrality goal for the full value chain by 2040.

Impact, Risk and Opportunity Management

The Company has systematically identified and assessed climate change-related risks covering legal, technological, market, physical and other dimensions, and formulated corresponding response measures. At the same time, climate change is also creating new policy and market opportunities, which are expected to bring new market opportunities and revenue sources such as green product exports and low-carbon project financing. The Company will actively seize policy dividends and green consumption trends, and continue to promote business transformation and sustainable development.

Risk Level	Dimension	Specific Description	Response Measures/Possible opportunities	Affected Time Range
Severe	Legal Risk	The government may introduce new policies and regulations such as carbon pricing, carbon emission limits and environmental standards; additional investment in new technologies and equipment is required to meet compliance requirements.	Timely learn and comply with relevant regulatory provisions; incorporate the low-carbon priority principle into project development and decision-making; include carbon emission reduction factors in supplier management; understand the requirements of investment institutions for carbon and climate information disclosure to ensure compliance.	Medium and long term
Major	Technical Risk	Energy transition and clean technology development require technological transformation, as well as improvement of product design and production processes; the direction of technological transformation is a major uncertain factor.	Conduct sufficient pre-research and select reliable technology suppliers; carry out small-scale pilot applications; establish a sound technology management system and risk management mechanism; cooperate with universities and scientific research institutions.	Medium and long term
Major	Market Risk	Consumers' environmental preference is rising, leading to declining demand for traditional electronic products; carbon tariffs and mandatory climate information disclosure (CDP/TCFD/ISSB) increase cost and compliance pressure.	Seek business opportunities for green products; implement product carbon footprint and life cycle assessment; control/avoid harmful or restricted materials; strengthen communication with stakeholders such as investors to improve ESG rating and environmental performance disclosure level.	Medium and long term
Major	Acute Physical Risk	Extreme weather events (floods, droughts, etc.) affect energy supply, equipment, infrastructure, supply chains and logistics, resulting in production disruption or delivery delay.	The Sustainable Development Execution Group reviews Business Continuity Management (BCM) procedures annually and conducts regular emergency drills. Meanwhile, extreme weather risks are incorporated into the business decision-making process, such as adding manufacturing bases to decentralize production capacity, evaluating and optimizing supply chain layout, and introducing clean energy to build a diversified energy structure.	Medium-term
/	Policy Opportunity	The government encourages green consumption (certification, subsidies, etc.); green and low-carbon projects can enjoy preferential interest rates, priority approval and diversified financing channels.	Actively apply for green product certification; apply for financing support for green and low-carbon projects; leverage policy dividends to expand the green product market.	Medium and long term
/	Market Opportunity	There is strong demand for green and low-carbon products and technologies in foreign markets, and we can expand overseas business by virtue of our technological/cost advantages to achieve international development.	Export green and low-carbon products and services; participate in international market competition; formulate differentiated market strategies in combination with regional emission reduction targets.	Medium-term

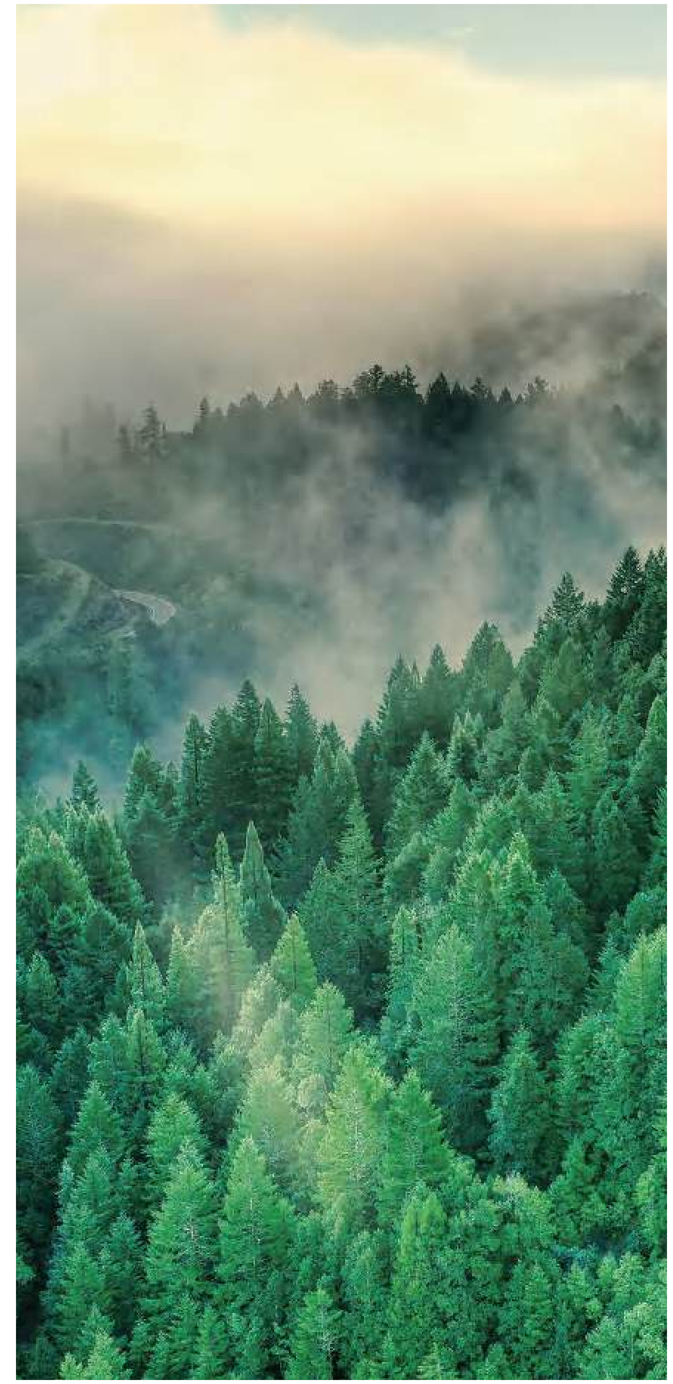
Note:

1. Short-term: 2026; Medium-term: 2027-2028; Long-term: 2029-2030.

2. The priority refers to the Company's comprehensive risk assessment standard: assessment is carried out from two dimensions of influence probability and consequence severity, and the risk level is determined comprehensively.

Energy Conservation and Emission Reduction Project

Project	Details	2025 Annual Energy Conservation Project Achievements
Reclaimed Water Recycling System	The Company has built a rainwater recycling system (500m recycling reservoir and purification equipment), and simultaneously improved the recycling of air conditioning condensate and test water. It not only realizes water conservation, but also is of great significance for alleviating urban flood problems.	Recycled reclaimed water 4,142t
Air Compressor Waste Heat Recovery	The Company has completed the first phase of the air compressor waste heat recovery system, which consists of water circulation pipelines and heat recovery units. It collects and converts the excess heat emitted by the air compressor during operation through circulating cooling water, so as to realize the reuse of waste energy. It saves a large amount of energy costs for the Company's daily operation and reduces the operation burden of the enterprise.	Recycled heat 729.32GJ
Phase I and II Photovoltaic Projects	The Company built the rooftop distributed photovoltaic power generation system in two phases, with an installed capacity of 275kW.	Power generation 227.5MWh



Climate Opportunity: Zero-Carbon Park Solution

Build a new ecosystem for green development of parks via dual drivers of digitalization and intelligence

Against the background of deep integration of the "dual carbon" goal and energy transition, the Company leverages its years of accumulation in the digital technology and energy sectors to develop zero-carbon smart energy solutions. Centered on "energy-carbon synergy and digital-intelligence empowerment", the solution builds a full-stack closed service loop of "consulting and planning - technology implementation - intelligent operation - value monetization", covering the entire chain of park energy supply, consumption and management, realizing the transformation leap from "passive emission reduction" to "active zero carbon", and providing customized, implementable green development paths for industrial parks.

Core Positioning of the Solution: The "Smart Brain" orchestrates the entire energy and carbon chain

The company addresses the pain points of traditional energy systems, namely "fragmented management and insufficient coordination", by deeply integrating digital technology and energy technology to build a "smart brain" centered on the Integrated Energy Management System (IEMS) for multi-energy flows, realizing coordinated regulation of multi-energy flows including electricity, heat, cold, gas, hydrogen and carbon flows. The solution not only focuses on the current practical demands of parks for energy conservation and carbon reduction, cutting energy costs through refined management, but also plans for long-term value release of carbon assets, helping parks build core competitiveness in the green transition, and adapting to diverse scenarios such as industrial parks, science and innovation parks, and smart cities.

Panorama of Zero-Carbon Park Solution

Energy Consumption Management Subsystem

- Air conditioning
- Lighting
- Boiler
- Air Compression
- Collection and Monitoring
- Power Consumption and Electricity Cost Analysis
- Energy Consumption Diagnosis
- Demand Management
- Energy Consumption Forecasting
- Load Analysis
- Power Quality Analysis
- Energy Saving Recommendations
- Reactive Power Optimization
- Energy Saving Retrofit

Photovoltaic Power Generation Subsystem

- Equipment Monitoring
- Data Reports
- Power Generation Forecasting
- Energy Accommodation Recommendations
- Power Generation Analysis
- Intelligent Operation and Maintenance
- Revenue Management
- Asset Metering

Energy Storage Management Subsystem

- Energy Storage Regulation and Control
- Energy Storage Monitoring
- Peak Load Shaving and Valley Filling
- Revenue Management
- Demand Response
- Multi-source Planning

Charging Pile Subsystem

- Charging and Discharging Management
- Status Monitoring
- Operation Strategy
- Vehicle-Pile Interaction
- Revenue Management
- Peak-Valley Matching
- Solution Comparison and Selection
- Electricity Tariff Management

Four Core Systems: Build solid support for zero-carbon transition

Based on "source-grid-load-storage integration", the solution integrates technologies including AI, digital twin and Internet of Things to form four core systems, realizing deep synergy of energy, data and carbon flows.

Full-Domain Green Energy Supply System

With green power self-sufficiency as the goal, build a diversified renewable energy matrix to alleviate the volatility of new energy. Take distributed photovoltaics and energy storage as the core to realize the closed loop of green power "generation-storage-consumption"; combine technologies such as waste heat recovery to meet the demand for multi-energy complementation of electricity, heat and cold, and improve comprehensive energy efficiency.

Digital-Intelligent Energy and Carbon Management System

Based on the "cloud-edge-end" architecture, a digital management platform is built. Real-time data is collected through IoT devices to realize visualized and traceable carbon emissions; the energy large model is used to analyze factors such as weather, load, and electricity price to optimize energy storage and energy consumption strategies; digital twin is applied to simulate different power consumption scenarios in the park, supporting decisions on energy-saving renovation and capacity expansion.

Flexible Interaction and Value Conversion System

Promote the shift of energy from "passive consumption" to value creation. Aggregate resources such as energy storage and adjustable load to participate in virtual power plants and power grid auxiliary services; connect with green power and carbon trading markets to realize asset-based monetization of emission reductions; deploy V2G technology to realize two-way interaction between electric vehicles and the power grid.

Full-Cycle Safety and Operation System

The dual guarantee of "technology + service" ensures stable system operation. AI monitoring enables electrical fire early warning and predictive diagnosis of equipment failures; provide integrated "investment-construction-operation" services, combine online O&M with offline teams to ensure efficient and stable operation of the system, as well as supporting policy-related and carbon management value-added services.

Indicators and Targets

Since 2017, Kaifa has systematically carried out carbon emission management, including ongoing data collection, accounting and verification. On this basis, we have formulated targeted carbon reduction strategies and broken down the 2030 operational carbon neutrality goal across all business segments to ensure full implementation. We take solid actions to contribute to global low-carbon transition.

2025 Greenhouse Gas Emissions

Classified by Source Type

Emission Scope	Source Type	Emissions (tCO_2e)
Scope 1 (Direct Emissions)	Stationary Combustion (Diesel Generators, Gasoline-powered Commercial Vehicles)	7.16
	Fugitive Emissions (Refrigerants, Fire Extinguishers, Wastewater Treatment, etc.)	443.85
Scope 2 (Indirect Emissions)	Grid Electricity - Location-based	7,157.45
	Grid Electricity - Market-based	1,542.59
Scope 3 (Other Indirect Emissions)	Employee Business Travel (Air/Train/Car)	1,267.34
	Employee Commuting (Fuel-powered Vehicles/Electric Vehicles/Motorcycles)	344.84
	Raw Material Transportation (Land/Sea/Air)	1,968.21
	Finished Product Transportation (Land/Sea/Air)	5,201.89
	Hotel Accommodation	618.19
	Waste Transportation	4.18
	Upstream Fuel Production (Diesel, Gasoline)	1.92
	Outsourced Canteen Electricity	445.10
	Purchased Goods and Services (Components, Plastics, Packaging Materials, etc.)	471,924.00
	Tap Water Supply and Wastewater Treatment	24.25
	Upstream Electricity (Fuel Production and Line Loss)	612.59
	Fixed Asset Procurement	175.14
	Outsourced Waste Disposal	-
	Product Use Stage (Power Consumption)	1,264,877.66
	End-of-Life Product Disposal (Recycling/Physicochemical Treatment)	36.09
Total	Total Emissions - Location-based	1,755,109.87
	Total Emissions - Market-based	1,749,495.00

Classified by Business Unit or Facility

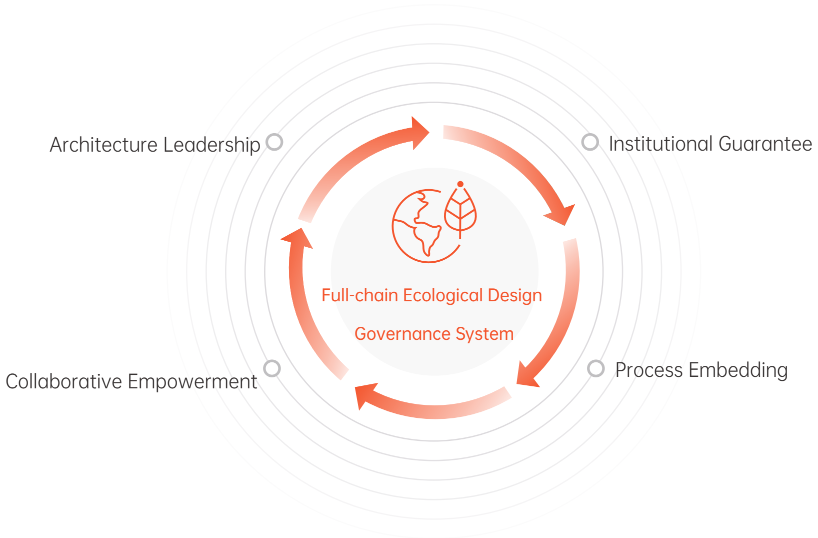
Name of Business Unit or Facility	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Scope 3 (tCO_2e)	Total (tCO_2e)
Shenzhen Kaifa Technology Co. (Chengdu), Ltd.	451.01	7,157.45	1,747,501.40	1,755,109.87

Classified by Country or Region

Country/Region	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Scope 3 (tCO_2e)	Total (tCO_2e)
Chinese Mainland	451.01	7,157.45	1,747,501.40	1,755,109.87
Global (Others)	-	-	-	-
Total	451.01	7,157.45	1,747,501.40	1,755,109.87

Note:
1. All emission sources of Kaifa are concentrated in the single operating site of Shenzhen Kaifa Technology (Chengdu) Co., Ltd.
2. Scope 3 emissions occurring within the territory of China (such as domestic employee business travel, domestic transportation, procurement of domestic raw materials, etc.) are mainly estimated based on the location where the activity data is generated.
3. Emissions in other regions mainly consist of indirect emissions generated during the use phase of exported products, as well as emissions from international transportation, overseas business trips, etc., which are distributed in multiple countries around the world.
4. Description of greenhouse gas accounting methodology:
① Main standard: ISO 14064-1:2018 Specification with Guidance at the Project Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.
② Quantification principles: Relevance, completeness, consistency, accuracy, and transparency.
③ Consolidation method: The operational control approach is adopted to account for 100% of greenhouse gas emissions generated by all facilities over which the Company has operational control.
④ Reporting boundary: Covers all facilities controlled and owned by Shenzhen Kaifa Technology (Chengdu) Co., Ltd. within its organizational scope.
⑤ Basic method: Emission factor method (activity data × emission factor).
⑥ Activity data sources: Direct measurement (electricity bills, water payment receipts), regular records (diesel/gasoline refueling records, procurement records, equipment maintenance records, waste statistics forms, fire extinguisher inventory lists), self-estimation (employee business trip statistics, commuting statistics, raw material transportation distance).

Circular Economy



On the R&D front, Kaifa has built a full-chain ecological design governance system featuring "Architecture Leadership - Institutional Guarantee - Process Embedding - Collaborative Empowerment", which promotes efficient resource utilization and reduction of environmental impact throughout the entire lifecycle of electricity meter products through systematic governance. At the governance architecture level, led by the R&D department, it collaborates with departments including the material group, structural R&D, hardware R&D, process engineering and procurement management. The material group is responsible for recycled material selection and scarce material substitution; the structural R&D and hardware R&D teams lead the implementation of modular and easy-to-disassemble design; the process engineering team formulates adaptation standards for ecological design processes; the procurement management team works with suppliers to establish a green material supply mechanism, forming a collaborative closed-loop management standard of "design - process - procurement" to ensure that ecological design requirements run through the entire R&D process. In terms of system construction, a series of institutional documents such as the Product Ecological Design Operation Guidelines, Ecological Design Checklist - Hardware and Ecological Design Checklist - Structure have been issued to quantify ecological design requirements into clear governance standards.

Risks and Opportunities

The implementation of ecological design reduces the environmental impact of products from the dimension of the full product lifecycle, effectively lowers carbon emissions and resource consumption in the production and use phases, and improves the overall recyclability and disassembly efficiency of products. Meanwhile, durable materials and low-power design extend the service life of electricity meter products, reduce product replacement frequency and solid waste generation, and promote the transformation of electricity meter products from "one-off manufacturing" to "circular design".

In the short term, the procurement of recycled materials, research and development of new durable materials and redesign of product structure will increase R&D investment and material procurement costs to a certain extent, bringing short-term cost fluctuation risks. However, from the perspective of long-term interests, the implementation of eco-design is deeply aligned with the national "Dual Carbon" strategy and relevant industrial policies on energy conservation, environmental protection and circular economy. We can apply for policy dividends such as government green technology R&D subsidies and special support for high and new technology enterprises based on green R&D achievements to reduce the pressure of R&D investment. On the market side, current power grid upgrades, government and enterprise procurement are gradually incorporating green environmental protection indicators into procurement standards, and products after eco-design are more in line with the market's green procurement demand, which can form differentiated competitive advantages. The R&D practice of eco-design brings cross-domain cooperation opportunities for enterprises. We can jointly carry out R&D of circular economy technologies for electricity meters with material suppliers, resource recycling enterprises and scientific research institutes, jointly build a green industry innovation platform, explore new business growth points such as recycled material application and product remanufacturing, and promote the enterprise to extend from single product R&D to the construction of a green circular industrial ecosystem.

Case: Tin Slag Reduction

Tin slag reduction is a closed-loop economic model centered on "efficient resource utilization" and "minimized environmental impact", which converts tin slag (hazardous waste) generated in the production process into valuable products (such as tin bars and tin ingots) through professional reduction technology, and puts them into the production process again. It completely subverts the traditional linear model of "extraction → production → discard", and transforms it into the circular model of "resource → product → renewable resource → new product". During the reporting period, the weight of tin slag reduced by the third-party professional institution entrusted by the Company reached **22,898.97** kg.

Green Design and Management

In the production process design stage, measures such as optimizing wave soldering parameters are taken to reduce tin slag generation, and a standardized tin slag classification, collection and storage system is established.

Professional Recycling and Transportation

Recyclers with recycling qualifications use special hazardous waste transport vehicles to safely transport tin slag from waste-generating enterprises to the treatment center.

Green Reduction and Regeneration

Through processes such as metallurgical reduction (e.g. electric furnace smelting, adding reducing agents), tin in tin oxide slag is extracted and refined into recycled tin materials that meet relevant standards.

Value Re-creation

Recycled tin materials (reduced tin bars) are sent back to the production line to replace part or all of the virgin tin materials to manufacture new products, completing a resource recycling process.

Case: Improvement of Panel Edge-free Design

As the energy industry raises requirements for material cost and resource efficiency, the problems of low substrate utilization and high scrap rate caused by traditional panel edge design in metering product manufacturing have become increasingly prominent. Panel edge-free design directly reduces material cutting waste by eliminating reserved process edges. Through process optimization, the Company has applied panel edge-free design to equipment manufacturing, reducing material consumption and improving economic and environmental benefits.

The improvement of panel edge-free design achieves a significant reduction in material consumption through process optimization, which is an effective path for the green transformation of the manufacturing industry.

- Through panel edge-free design and panelization optimization

  PCB panel utilization rate increased by **8.5%**

- Batch processing reduces equipment debugging time

  Unit production capacity increased by

  10%-15%

Before optimization

After optimization

Case: Introduction of Selective Wave Soldering

In the field of electronic manufacturing, the traditional wave soldering process has problems such as large solder dross generation and low raw material utilization, leading to rising production costs and resource waste. By introducing selective wave soldering technology combined with process optimization, solder dross generation can be significantly reduced, raw material utilization can be improved, and a win-win situation of green manufacturing and cost control can be achieved.

Selective wave soldering adopts a precise local welding method, realizes accurate positioning of solder joints through the control system, and reduces unnecessary molten tin coverage, thereby reducing solder dross generation. Its core advantages include:

Precision welding: High-precision nozzles and control systems enable accurate positioning of solder joints to avoid molten tin waste.

Local heating: Only the solder joint area is heated, which reduces overall molten tin consumption and dross generation, while effectively controlling energy consumption and improving energy utilization efficiency.

Intelligent control: Integrated parameter monitoring systems for temperature, flow and other indicators adjust welding parameters in real time to optimize welding effect.

- Precision welding + local heating

  Dross generation reduced by more than **22%**

- Reduced welding defect rate

  Improved customer satisfaction

Selective wave soldering equipment

Energy Utilization

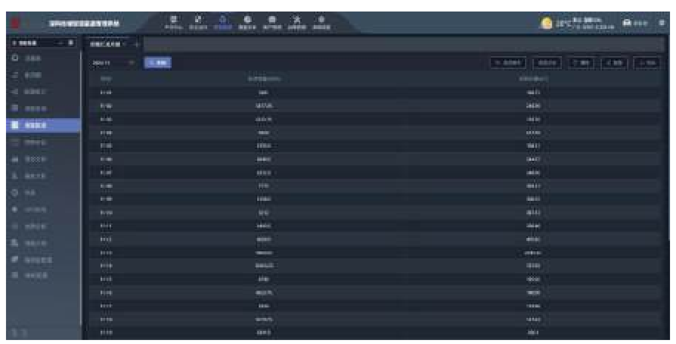
The Company strictly abides by the Energy Conservation Law of the People's Republic of China, the Cleaner Production Promotion Law of the People's Republic of China and other relevant laws and regulations, ensures that our business activities comply with relevant standards, and continuously tracks regulatory updates to maintain compliance. The Company has formulated procedural documents such as the Energy Management Manual, and has obtained ISO 50001 energy management system certification. It is committed to establishing and maintaining a sound energy management system to minimize energy consumption and negative environmental impacts, and promote effective energy utilization.

Smart Energy Management Platform

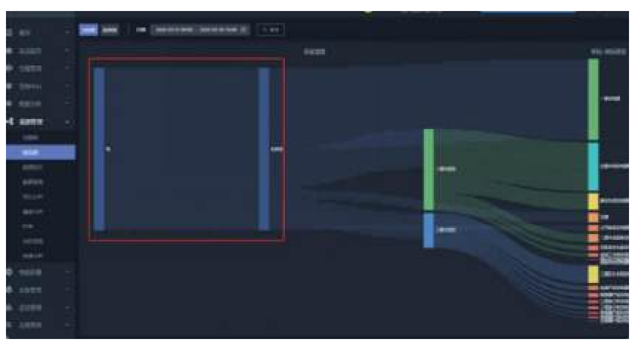
With digital means and real-time monitoring, we actively identify abnormal energy consumption, optimize energy use, reduce energy waste, clearly and intuitively present the actual energy use situation and consumption distribution trend, and provide accurate data support for energy management decisions.

Energy Use Overview

Classified Statistics

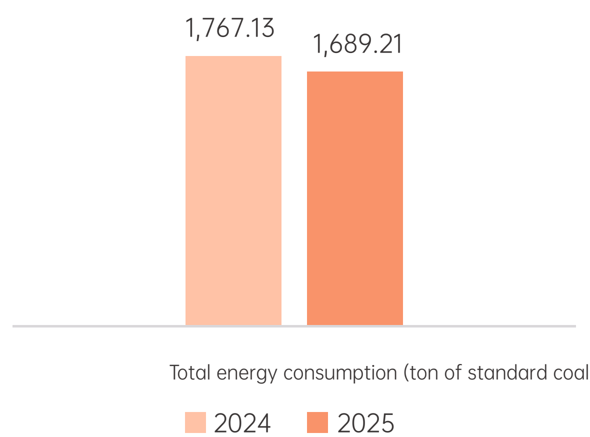


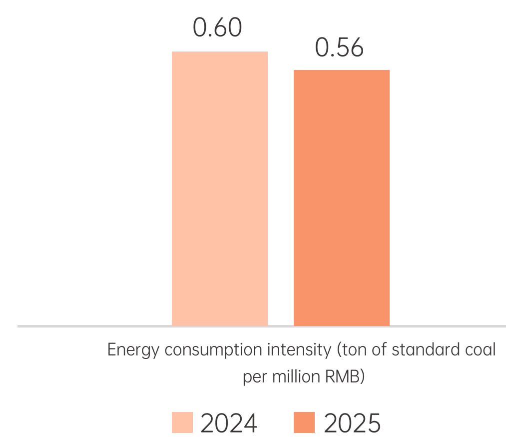
Energy Use Report

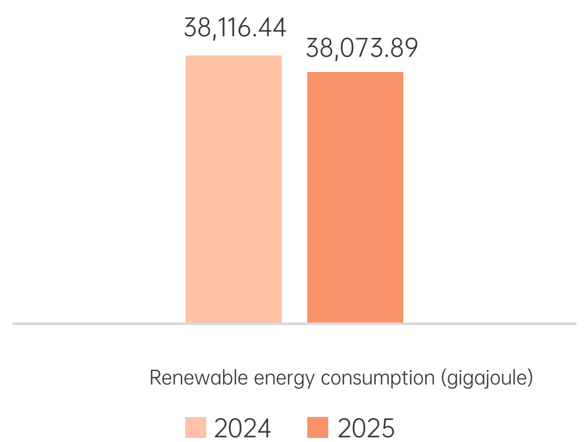


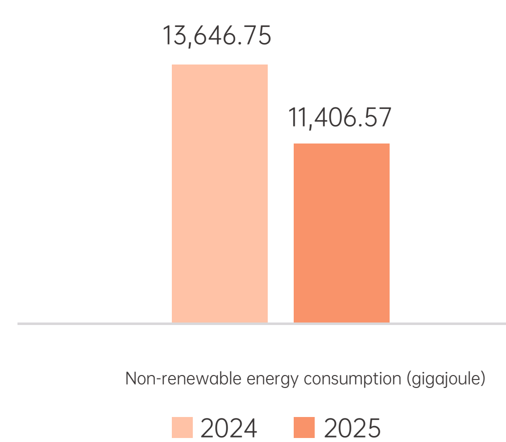
Energy Flow

Energy Use Status









Optimize energy structure

The Company has formulated medium and long-term renewable energy development goals, which are broken down into annual targets to gradually increase the proportion of renewable energy use. In 2025, the company's renewable energy use target is 11,000 MWh. Through a series of energy transition measures, the company's actual renewable energy consumption reached **10,348.5** MWh (10,121 MWh from green certificate trading, 227.5 MWh from self-owned photovoltaic power generation). As of the end of the reporting period, the proportion of green power used by the Company reached 75.4%.

The Company's park is equipped with a rooftop distributed photovoltaic power generation system, with an average annual stable power generation of about 250 MWh.

Rooftop PV

The park is equipped with a 522 kWh electrochemical energy storage system, which actively relieves grid pressure through the peak shaving and valley filling strategy, effectively reducing energy costs. At the same time, V2G (Vehicle-to-Grid) charging piles are built to support reverse vehicle discharge, realize two-way energy flow and information interaction between electric vehicles and the power grid, and fully tap the energy storage carrier value of new energy vehicles.

Charging Pile

Energy Storage Cabinet

Case: Green Power Trading in the Kaifa Technology Park

The proportion of green power consumed by the Company has increased year by year, with a cumulative purchase of 10,121 MWh worth of green vouchers during the reporting period.

2025 Green Electricity Certificate Trading Voucher (Excerpt)

02

Operational Excellence

Kaifa integrates quality and responsibility throughout the entire production process, strictly adheres to product safety and quality standards, builds a solid line of defense for data security, and is accountable to every user. We always maintain reverence for environmental protection, strictly comply with relevant laws and regulations, and make responsible manufacturing the foundation of operational excellence.

- Product Safety and Quality
- Data Security and Customer Privacy Protection
- Environmental Compliance Management
- Water Resource Utilization
- Waste Disposal
- Pollutant Emission
- Biodiversity

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

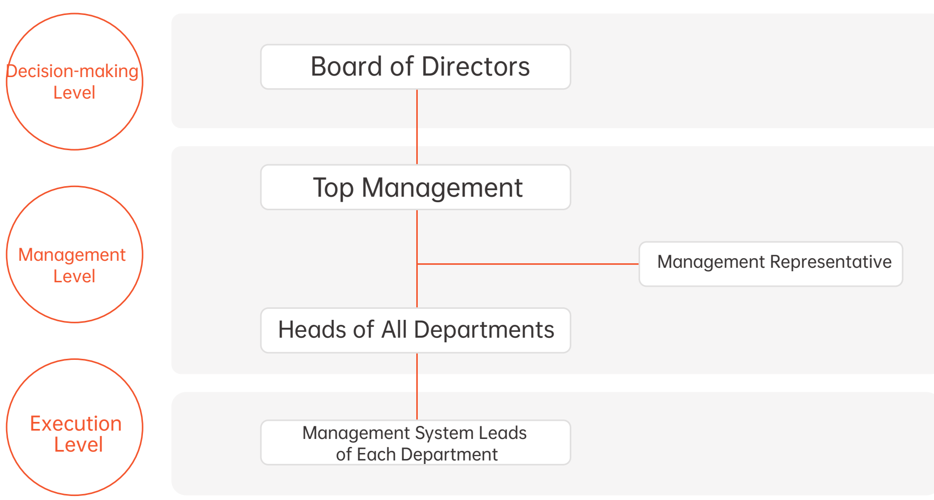
13 CLIMATE ACTION

Product Safety and Quality

Product safety and quality are important components of the Company's "Operational Excellence (Operational Excellence and Responsible Manufacturing)" strategic pillar. The Company has established a sound quality management system and full-lifecycle quality control mechanism, integrates the lean manufacturing concept throughout the whole process of R&D, production and delivery, continuously improves product reliability and customer experience, and provides stable, high-quality energy metering solutions for global utility customers.

Governance

Kaifa is committed to ensuring product quality and safety. The Company has built a organizational structure of quality management system with the top management as the head of the leading group for quality management system construction in accordance with its own business characteristics. The top management is responsible for formulating and communicating quality policies and objectives, and regularly presides over management review meetings. Meanwhile, a management representative is designated to be responsible for the establishment and implementation of the quality management system, report to the top management, and improve employees' awareness of quality and competence. The Company has issued product quality management policy documents such as the Quality Manual, and continuously revises and improves them in line with the latest industry standards to ensure that the policy documents always meet the actual needs of business development and high-quality product development. The Company has always adhered to the quality policy of "customer focus, quality first, prevention priority, continuous improvement, win-win cooperation", and puts the accuracy, reliability and safety of products at the core of corporate governance.



Decision-making Level

- The Board of Directors is responsible for examining and approving the Company's long-term product development strategies and objectives, reviewing major matters related to product quality and safety, and providing guidance to the management.

Management Level

- The top management is the General Manager of the company, responsible for formulating the company-level quality policy, and regularly reviewing
- relevant policies, strategies and quality performance to ensure they are consistent with the Company's long-term development goals.

Execution Level

- Ensure that every link from R&D design, production and manufacturing to after-sales service strictly implements the technical
- and management standards stipulated by the Company.

Strategy

Strong detection capability is the prerequisite for ensursing products have high quality and high reliability from the very beginning of design. In the requirements analysis phase, verification standards and test cases are defined synchronously to guarantee testability, and Failure Mode and Effects Analysis (FMEA) is applied simultaneously to identify potential faults. In the R&D and testing phase, tests including the Dual 85 Test (reliability test under 85°C and 85%RH) and ALT (Accelerated Life Testing) are carried out to ensure stable operation of products within their expected service life. Meanwhile, excellent production quality management is the cornerstone of the "Operational Excellence" strategy. Kaifa takes the ISO9001 quality management system as the framework, and deeply integrates its requirements into the whole process covering supplier management, incoming material inspection, process control, final inspection and after-sales service. Through regular internal audits, management reviews and corrective and preventive actions, we drive the self-improvement and effectiveness enhancement of the quality management system. The company's overall strategy is to build an integrated quality management system characterized by prevention-oriented, full-process controllability and continuous improvement, which runs through the entire product lifecycle. At the same time, we will continue to advance digital and automation construction, use big data analysis to predict potential risk points, drive design optimization and process improvement, and shift from reactive response to proactive prevention. Through continuous training and incentive mechanisms, we internalize quality culture into the conscious action of all employees, and focus on reserving quality strategic talents with interdisciplinary knowledge.

Impact, Risk and Opportunity Management

To ensure the achievement of the Company's strategic goal of "Product Safety and Quality", we have established a systematic and process-based risk and opportunity management mechanism. This mechanism aims to proactively identify, scientifically evaluate, effectively respond to and continuously monitor internal and external factors related to product safety and quality, integrate risk management into daily operations, and seize opportunities to realize value improvement.

Identification

Risk and opportunity information is collected through multiple channels, including updates of regulations and standards, analysis of customer feedback and complaints, internal audits and management reviews, FMEA, test exception reports, production quality data, supplier performance evaluation, etc. Each department is the primary responsible party for risk identification.

Evaluation

A unified risk matrix is adopted for evaluation. Ratings are conducted based on two dimensions: the likelihood (probability) of risk occurrence and the severity of consequences once the risk occurs, and risks are divided into three levels: critical, major and minor.

Response

According to the risk level and nature, formulate and implement corresponding risk management strategies (avoidance, control, dispersion, neutralization, acceptance, transfer) and response measures.

Monitoring and Reporting

All major and critical risks are included in the tracking list, with clear risk solutions and time node arrangements, and their risk status is tracked regularly. Risks and opportunities are one of the core inputs for management reviews, and critical risks as well as their response status are regularly reported to the management.

Indicators and Targets

To effectively measure and promote the implementation effect of the "Product Safety and Quality" strategy, the Company has set four core directions focusing on customer privacy protection, product safety accident prevention and control, product reliability and process quality, established a quantifiable indicator system, and set clear annual management targets for each indicator, including the number of customer quality issues not closed in time, the number of internal reworks in the mass production stage, the number of external defects of mass-produced products, etc., aiming to drive continuous improvement and transparently demonstrate our performance and commitments to stakeholders. For the established indicators and targets, the company implements a regular management review and inspection mechanism, and carries out closed-loop tracking of indicator achievement progress, implementation deviations and improvement measures, to ensure the strategic goals are effectively implemented as scheduled.

During the reporting period, the Company had no major safety and quality liability accidents related to products and services, nor received any relevant administrative penalties. All targets were achieved except that the number of internal reworks in the mass production phase exceeded the target value by 10%. For indicators with deviations from target achievement, the Company will focus on implementing relevant improvement measures in the next year to facilitate target attainment.

Name of Quantitative Indicator	Indicator Description	Unit	2024 Actual Data	2025 Actual Data
Customer Privacy-Related Complaints	Count of complaints verified by the institution from external parties related to customer privacy breaches	Times	0	0
Number of Major Product and Service Safety and Quality Liability Accidents	Major safety and quality liability accidents related to products and services occurring during the reporting	Times	0	0
Number of Recalled Products	Number of product recalls occurred during the reporting period	Units	0	0
Finished Product Inspection Pass Rate	Finished product inspection pass rate during the reporting period	%	99.95%	99.96%

After-sales Service System

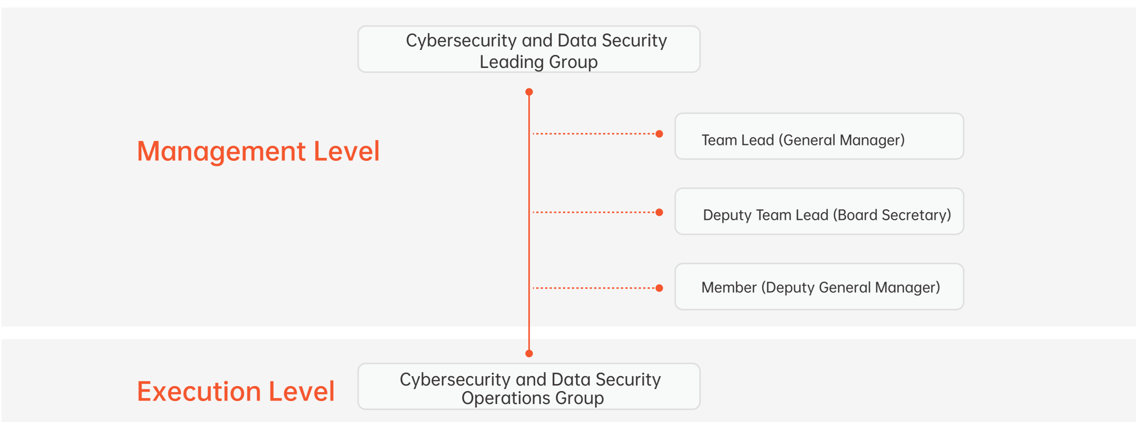
The Company has established a sound after-sales service management system in accordance with GB/T 27922-2011 Evaluation System for After-sales Service of Commodities and internal quality management standards. It has also launched the domestic after-sales service system (DAS), which digitizes the entire after-sales service process and connects the data link from customer feedback to internal processing, providing technical support for rapid response and accurate analysis.

Data Security and Customer Privacy Protection

Kaifa attaches great importance to information security of the Company and all stakeholders. We strictly abide by relevant laws and regulations including the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China, as well as international standards such as the ISO 27001 and ISO 27032 information security management systems. We have incorporated security specifications into the "Operational Excellence (Operational Excellence and Responsible Manufacturing)" strategic pillar, which is implemented throughout daily operations to ensure that information security and privacy protection work has laws to abide by and rules to follow.

Governance

The Company has established a two-tier structure where the "Cybersecurity and Data Security Leading Group" makes decisions and the "Cybersecurity and Data Security Operations Team" executes, ensuring that the information security strategy is implemented from the management level to the execution level. The Leading Group is responsible for strategy formulation and major budget approval; the Operations Team is responsible for the implementation of specific measures, monitoring and maintenance, and compliance audits.



Strategy

The Company follows five core principles: legality, accountability, transparency, minimization and security, and guides the full-lifecycle management of internal and external data from three dimensions: technology, hardware and employee awareness.

Five Core Principles

- **Legality** – Process data based on legal basis.
- **Accountability** – Clarify responsible persons for protection, and conduct regular compliance audits.
- **Transparency** – Explicitly inform internal employees and partners of data usage, scope and storage period.
- **Minimization** – Adhere to the "Minimum Necessary" principle, and only collect necessary information directly related to business.
- **Security** – Ensure the confidentiality, integrity and availability of data through technical means such as "Source Encryption + Boundary Defense".

Three Dimensions

Technology Dimension

Data Encryption: Encrypt sensitive data for storage and transmission.
Access Control and Identity Authentication: Restrict employees' access permissions to resources of different classification levels.
Cybersecurity protection: Regularly update antivirus software and malware protection tools.

Hardware Dimension

Equipment asset management: Conduct unified registration and management of all hardware devices.
Physical security measures: Install access control systems, surveillance cameras and other facilities.
Obsolete equipment disposal: Perform professional data wiping operations when equipment is decommissioned.

Employee Awareness Dimension

Internal Communication and Publicity: Conduct publicity via emails, announcements and other channels.
Formulate Information Security Systems: Clarify employee responsibilities and code of conduct.
Cultural Construction: Integrate information security into corporate culture.

Impact, Risk and Opportunity Management

To ensure controllable information security and privacy protection risks, the Company strengthens risk-oriented information security and privacy management, and implements control measures matching the risks. The Company's Cybersecurity and Data Security Operations Group carries out 7×24-hour system monitoring and maintenance, and regularly conducts data security hazard investigation and risk assessment to ensure the confidentiality, integrity and availability of data. Meanwhile, through State Cryptography Algorithm encryption and full-process data management and control, we strictly protect users' sensitive data related to electricity, water and gas consumption as well as personal privacy, fulfill our responsibility commitments to customers, and comply with regulatory requirements such as the Personal Information Protection Law of the People's Republic of China.

Indicators and Targets

The Company is committed to maintaining high-standard compliance, aiming to pass the external supervision and audit of ISO 27001 and ISO 27032 information security management systems with a 100% compliance rate every year, and realize regular coverage of security compliance audits. On the premise of controlled risks, we strive for "zero occurrence" of annual major cyber security and internal core data leakage incidents. Meanwhile, we insist on carrying out at least one company-wide special training on privacy protection and data security every year, to ensure that both the training coverage rate and emergency drill participation rate reach 100%, so as to build an enterprise-level defense culture.

During the reporting period

0 incidents of customer privacy and information leakage

100% pass rate of information security management system audits

100% participation rate in training and emergency drills

Prevention of phishing email attacks

To help the Company's employees develop good email usage habits and further consolidate the "first line of defense" for information security, the Company regularly carries out information security awareness promotion and education through company-wide emails. It analyzes common current cyber attack methods in a simple and easy-to-understand manner, focusing on how to accurately identify phishing emails, prevent malicious links, and strengthen awareness of password security management. Through typical case analysis and practical drills, we help employees stay vigilant at all times in daily work and improve their practical ability to respond to security threats. We believe that every employee is an important guardian of information security, and only with everyone's participation and multi-layered defense can we jointly build a safer and more reliable digital office environment.

During the reporting period

The Company organized a total of **3** phishing email prevention promotion and education sessions.

Environmental Compliance Management

Kaifa fully integrates the green and low-carbon concept into the entire process of the Company's operations, strictly complies with the requirements of laws and regulations including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Renewable Energy Law of the People's Republic of China, and the Circular Economy Promotion Law of the People's Republic of China, and continuously improves its internal environmental management system.

Environmental Management System

Kaifa is committed to parallel corporate development and environmental protection, improving resource use efficiency, optimizing energy structure, strengthening waste management and promoting the development of circular economy. The Company has compiled the Environmental and Occupational Health and Safety Management Manual and established an environmental management system. The general manager bears full leadership responsibility for the Company's environmental management, presides over the formulation, approval and issuance of the environmental management policy, and continuously improves its effectiveness. The Quality Center is the centralized management department of the environmental management system, responsible for system planning, operation and other work. All departments are responsible for implementing daily environmental management work. Since the Company passed the ISO14001 environmental management system certification in 2016, it has been operating effectively for 8 years. At the same time, the Company actively responds to the national call for energy conservation, emission reduction and environmental protection, earnestly completes the Company's energy conservation, emission reduction and environmental protection work, and comprehensively builds a new model of green, low-carbon and circular development.

During the reporting period

Number of pollution accidents **0**

Environmental Management System Certification Certificate

ISO 14001:2015

Environmental Management System Certification


SGS
成都长城开发科技股份有限公司
ISO 14001:2015
C. Moran
IAF

Environmental Risk Identification and Management & Control

The Company attaches great importance to pollutant discharge and disposal, and carries out regular environmental monitoring. The current waste gas emission is far lower than the national discharge limit requirements. The Company has fully met the Class A requirements of performance grading indicators for enterprises in general industries (covering energy type, production process, pollution control technology, monitoring and supervision level, environmental management level, etc.), and has successfully obtained the enterprise certification of "Class A Performance for Heavy Pollution Emergency Emission Reduction". At the same time, the Company obtained the credit evaluation of "Environmental Credit Integrity Unit" in 2025.

Environmental Incident Risk Assessment

- The Company has established a normalized environmental risk identification mechanism, and regularly conducts comprehensive risk assessment on production links, storage facilities, transportation processes, etc.
- Adopt a combination of quantitative and qualitative methods to identify potential environmental risk points, and assess the possibility of occurrence and the degree of impact.
- Focus on special assessment of hazardous chemical use, storage areas, waste gas treatment facilities, etc., and formulate targeted management and control measures.

Risk Prevention and Management Measures

- Implement full-life-cycle environmental management, from ecological design, green procurement, clean production to end-of-pipe treatment, to systematically reduce environmental risks.
- Promote pollutant reduction and substitution technologies, optimize process routes, and reduce source emissions.
- Strengthen daily inspection and online monitoring, establish an early warning mechanism for abnormality, and timely detect and dispose of potential risks.
- Establish and improve environmental risk prevention and control facilities, such as leakage alarm systems, to ensure no leakage of pollutants.

Emergency Response Plan for Sudden Environmental Incidents

- Formulate and continuously update the Emergency Response Plan for Sudden Environmental Incidents, covering scenarios such as fire, leakage, and excessive discharge.
- Clarify the emergency organization structure, division of responsibilities, response procedures and disposal measures to ensure rapid and orderly response.
- Organize regular emergency drills to test the feasibility of the contingency plan and the coordination ability of various departments, and continuously optimize the emergency response mechanism.
- Equip with sufficient emergency materials and equipment, and establish a linkage mechanism with local governments and environmental protection departments to improve collaborative disposal capacity.

Environmental Protection Training

The Company has always adhered to the environmental protection concept of prioritizing prevention, continuously strengthens environmental protection training efforts, and is committed to raising the environmental risk awareness of all employees. By conducting regular training on environmental protection regulations and standards, it ensures that employees are familiar with and strictly abide by national and local environmental protection laws and regulations. For key control points such as solid waste, wastewater, waste gas, and noise, special operation training is carried out to improve the environmental risk identification and response capabilities of frontline personnel. Combining the Company's experience as an enterprise with "A-level Performance in Emergency Emission Reduction for Heavy Pollution", emergency response drill training is carried out to ensure that independent emission reduction measures are fully implemented during heavy pollution weather.


Safety Training by Team Leaders for Work and Production Resumption


Hazardous Waste Management Training

Case: Emergency Drill for Hazardous Waste Leakage

During the emergency drill, the Company simulated a scenario where an accident occurred during the storage and transfer of hazardous waste, resulting in waste spillage, pollution of the surrounding environment, and injury to disposal staff. After the incident, on-site personnel quickly set up cordons and isolation zones, reported the situation and activated the emergency plan. Finally, through timely and professional on-site disposal, the hazardous waste did not cause further pollution. This emergency drill complied with the disposal procedures specified in the Emergency Response Plan for Environmental Emergencies, and achieved the intended purpose of the drill.

Water Resource Utilization

Kaifa strictly follows laws, regulations and policies including the Water Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, and the Regulation of the People's Republic of China on Water Conservation, and has formulated the overall policy, objectives and action plans for the Company's water resource management. By strictly standardizing all its measures in water resource management, it promotes the global water resource management work to a new height. The Company's water resource management is based on its ESG management framework, and has formed a set of operation modes with clear responsibilities and high execution efficiency. The Company's board of directors is responsible for supervising and managing the Company's overall water resource objectives; the Sustainable Development Management Group formulates management strategies and target planning; each subsidiary, branch and department is responsible for promoting the implementation of specific objectives.

To ensure efficient utilization of water resources, meet regulatory requirements, and carry out risk management of water resources, the Company entrusts third-party testing institutions to conduct water quality testing of secondary water supply every year, and plans to entrust a third-party institution to implement a water balance test in 2026. Through third-party institutions, defects and deficiencies in the Company's water use management can be identified in time, the water use system can be diagnosed, scientific water management suggestions can be provided and water use systems can be formulated, to curb water resource waste and reduce water use risks. The Company's park was positioned as a two-star green building from the design and planning stage, and a rainwater recycling system was equipped during construction, so as to ensure partial water can be recycled and improve water resource utilization rate.

As the company's production scale expands rapidly year by year, water consumption has also increased significantly. The Company attaches great importance to the management of risks and opportunities related to water resources.

Risk Management

Risk Level	Risk Type	Specific Risk Description	Associated Climate Factor
Medium-High	Supply Risk	Extreme drought leads to regional fresh water supply shortage, and urban industrial expansion and population growth make water demand increasingly tight.	Precipitation reduction caused by climate change
Medium-High	Compliance Risk	Local water pollutant discharge standards are upgraded (such as tightening of COD limits), regulatory measures of local water conservation management authorities are stricter, and penalties are heavier.	Strengthening of environmental protection policies
Medium	Water Quality Risk	Water source pollution causes incoming water quality to fail to meet standards.	Pollutants carried by rainstorm runoff
Medium	Cost Risk	Water resource fees and sewage treatment fees increase.	Increasing resource scarcity
Low-Medium	Supply Chain Risk	Non-compliance of suppliers in water resource utilization will damage brand reputation.	Tightening ESG regulation

During the reporting period

The Company's total water consumption is

71,662 tons

The Company's total water use intensity is

23.73 tons per million RMB

Management Initiatives

Water Management

By formulating the KFCD Water Supply and Drainage Management Process Guidelines, the Company has established standardized daily water resource management processes, organizes employees to participate in internal and external professional training to further enhance compliance awareness and improve sustainable development capacity, and sets an annual target of a 2% year-on-year decrease in water use intensity.

In response to the waste caused by direct discharge of test water, concentrated water from the pure water system (RO), air conditioning condensate and other water sources, the Company completed the recycling and reuse transformation in 2025, which can save approximately 4,142 tons of water annually.

The introduction of an automatic green space irrigation system to replace manual flood irrigation has significantly improved water resource utilization efficiency.

Actively participate in the water use assessment and training organized by the Chengdu Water Saving Office, to realize scientific and rational water use.

Water Balance

It is planned to entrust a third-party institution to carry out water balance testing, accurately grasp the water resource consumption status, and improve the management level of water resource utilization.

Automatic Green Space Irrigation System

Rainwater and Condensate Recovery System

Waste Management

Kaifa strictly complies with the requirements of relevant environmental laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes . The company implements a waste governance system of "classified collection, designated storage, compliant disposal", which is coordinated by the Property Management Department, and each waste-generating department has a dedicated waste management officer. The "waste transfer manifest" system is implemented for full-process tracking and recording, and regular audits are carried out.

Waste Classification Management

The Company takes "reduction, recycling, harmless treatment" as its core strategy to promote circular economy transformation. The short-term goal is to achieve 100% compliant disposal rate of hazardous waste, and the long-term goal is to explore the "Zero Waste Factory" model.

Recyclable Waste

- Domestic source: Waste classification management is implemented in office premises. Cleaners regularly collect and transport waste to designated areas, and solid waste recyclers carry out classified recycling and disposal.
- Industrial source: Waste classification management is strictly implemented in production premises. Recyclable waste is delivered to the recyclable waste room by AGV, and solid waste recyclers carry out classified recycling and disposal.

Non-recyclable Waste

- Office and domestic waste are transported to designated locations by cleaners daily to ensure daily clearance, and the environmental sanitation department is responsible for daily transportation and disposal.

Hazardous Waste

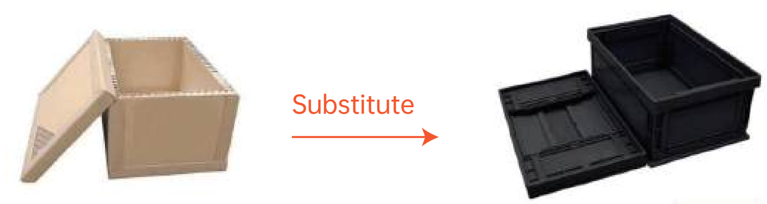
- Hazardous waste is temporarily stored in a professional hazardous waste warehouse, and a third-party professional company is entrusted for disposal.

Waste Disposal Data

The Company carries out monthly statistics and assessment of waste generation. In 2025, through production process optimization, the total generation of non-hazardous waste was 610.41 tons, and hazardous waste decreased by 28.4% year-on-year. The "Waste Resource Utilization Cooperation Project" was implemented to establish long-term partnerships with compliant recycling enterprises.

Case: Circular Utilization of Supply Chain Packaging Materials

Realized the transformation of supply chain packaging turnover boxes in Chengdu area, replacing outer packaging of disposable corrugated paper with reusable turnover boxes to reduce environmental impact.

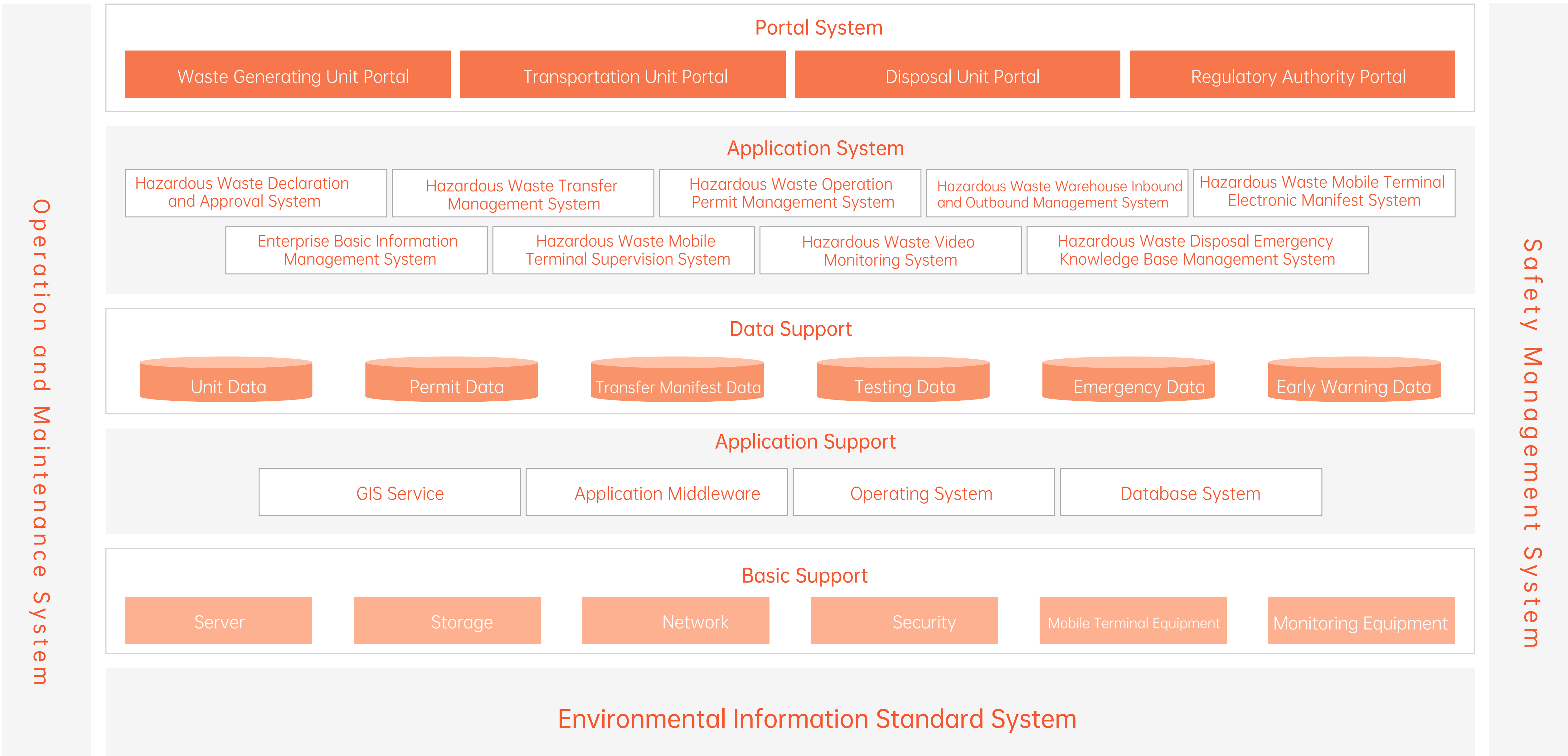


Waste Classification	Unit	Data
Total Waste Generation	Ton	708.04
Total Non-hazardous Waste Generation	Ton	610.41
Total Non-hazardous Waste Disposal	Ton	610.41
Total Hazardous Waste Generation	Ton	97.63
Total Hazardous Waste Disposal	Ton	97.63
Hazardous Waste - Recycling and Treatment	Ton	79.02
Hazardous Waste - Incineration Treatment	Ton	18.57

The Company's non-hazardous waste is uniformly disposed of by relevant government departments. There is no actual weighing data, and all current data are estimated.
Estimation process: ① Total non-hazardous waste generation = Total domestic waste volume + Total kitchen waste volume + Total solid waste volume
② Total domestic waste volume ≈ 24 tons/month * 12 months = 288 tons
③ Total kitchen waste volume = Total volume on working days + Total volume on rest days ≈ 31.7 tons

Case: Intelligent IoT Management of Industrial Solid Waste

The Company attaches great importance to hazardous waste management, and has realized full life cycle traceability from "generation" to "disposal" through the IoT system. By assigning a unique "electronic code" to each piece of hazardous waste, combined with intelligent weighbridges and electronic manifests, a closed-loop supervision system featuring "traceable source, trackable destination, and accountable liability" has been successfully built, ensuring hazardous waste is fully controlled in every circulation link.

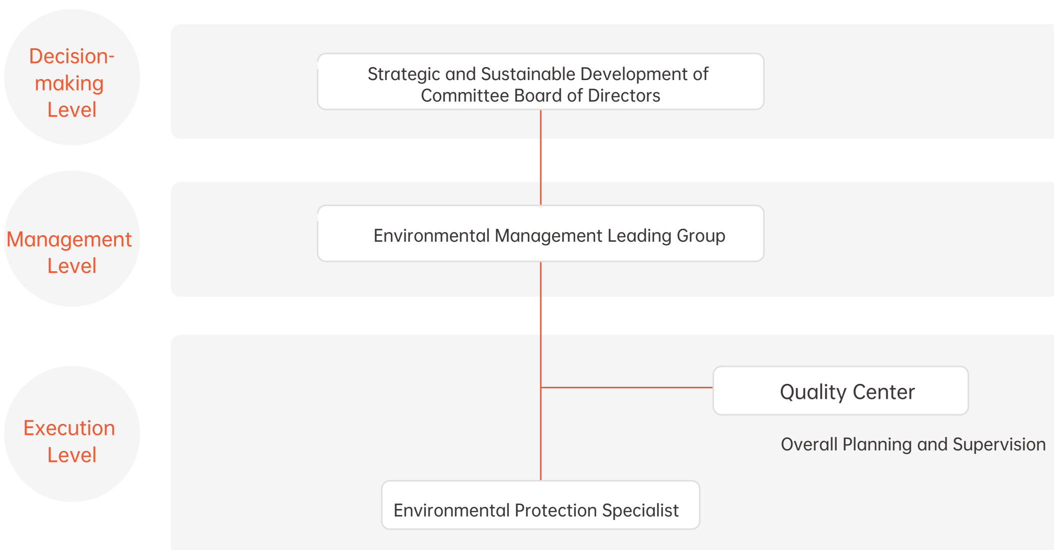


Pollutant Emission

Kaifa strictly complies with requirements of relevant environmental laws and regulations including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, and the Law of the People's Republic of China on the Prevention and Control of Water Pollution, to ensure the Company's operation conforms to environmental protection laws and regulations.

Governance

The Company has established a three-level environmental governance structure: the Strategic and Sustainable Development Committee of Board of Directors is responsible for supervising environmental objectives and directions; the management has set up an Environmental Management Leading Group, led by the general manager, with the deputy general manager in charge of specific implementation; environmental protection specialists are assigned at the factory area to take charge of daily monitoring and execution. Special environmental protection meetings are held regularly, reports are submitted to the management quarterly, and regular environmental work meetings are held monthly.



Strategy

The Company implements the whole-chain environmental management strategy of "source prevention, process optimization, and end-of-pipe controllability", systematically reduces environmental footprint, and drives green transformation and sustainable development.

Compliant Emission — Short-term

1. Regularly maintain waste gas treatment equipment to ensure stable and standard-compliant operation of environmental protection facilities.
2. Entrust a third-party testing institution to carry out monitoring to ensure data accuracy.
3. Submit emission reports to regulatory authorities on schedule, and disclose environmental information.

Cleaner Production — Medium-term

1. Carry out control from the source, reduce the usage of chemicals and other materials, and lower the concentration of pollutant emissions.
2. Optimize production processes, improve resource utilization efficiency, and reduce waste generation.

Near-zero emission — Long-term

1. Adopt ecological design, and use recyclable materials and clean energy.
2. Conduct in-depth supply chain collaboration, adopt reusable and returnable packaging, and promote green upgrading of the supply chain.

Impact, Risk and Opportunity Management

The company has formulated the Environmental Risk Identification and Assessment Procedure, regularly carries out environmental impact identification, and monitors and assesses waste gas, waste water and noise emissions every year. In 2025, we launched a special work program for VOCs (Volatile Organic Compounds), reducing VOCs emissions through source substitution. The annual pass rate of waste gas discharge outlet testing reached 100%, with emission concentrations far below the limit standards. In 2026, the Company will continue to carry out the "source substitution" work to further reduce pollutant emissions.

Case: Substitution of solvent-based cleaning agents

We replace solvent-based cleaning agents used for stencil cleaning and tooling cleaning in the production process with water-based ones. The volatile organic compound content of water-based cleaning agents is about 80% lower than that of solvent-based ones, which can greatly reduce VOCs emissions.

Components	Content	CAS No.
Dichloromethane, 141B	65-85%	75-09-2
Isopropyl alcohol	5%	67-63-0
Alkane solvent	10-15%	/
Nonionic surfactant	Balance	Not applicable

Chemical substitution

Components	Content	CAS No.
Water	75-82%	7732-18-5
N,N-Dimethylethanolamine	10-15%	1081-01-0
Modified alcohol	8-10%	/
Water	75-82%	7732-18-5

Case: Upgrading noise control for stricter standards

While the Company's noise emission already meets the required standards, we have taken proactive noise reduction measures. In the first phase, we retrofit fans with mufflers, and in the second phase, we installed sound barriers for fans at exhaust outlets. These improvement measures have achieved remarkable results.

Indicators and Targets

The Company has established a target decomposition, execution follow-up mechanism and performance appraisal mechanism, which breaks down short-, medium- and long-term goals into annual and quarterly targets, formulates implementation paths, and carries out quarterly and annual management reviews and retrospections. We have formulated the Performance Appraisal Scheme and conduct quarterly and annual management reviews. Based on actual business conditions, we have established a feedback mechanism to motivate and promote teams at all levels to actively participate in and advance the achievement of goals. During the reporting period, none of the Company's major pollutant emissions exceeded the standards.

2025 Third-party Monitoring Data

Emission status	Pollutant	Unit	Data	Emission limit
Organized waste gas	Volatile Organic Compounds (VOCs) concentration	mg/m³	7.28	60
	Particulate Matter (PM) concentration	mg/m³	1.33	120
Unorganized waste gas	Volatile Organic Compounds (VOCs) concentration	mg/m³	0.72	2.0
	Particulate Matter (PM) concentration	mg/m³	0.311	1.0
Factory boundary noise	Daytime	dB(A)	50.75	60
	Nighttime	dB(A)	46.5	50
Waste water general outfall	pH	Dimensionless	7.1	6~9
	Suspended solids	mg/L	100	400
	Chemical Oxygen Demand (COD)	mg/L	487	500
	5-day Biochemical Oxygen Demand	mg/L	264	300
	Ammonia nitrogen	mg/L	42.4	45
	Total phosphorus	mg/L	6.00	8
	Animal and vegetable oils	mg/L	1.94	100

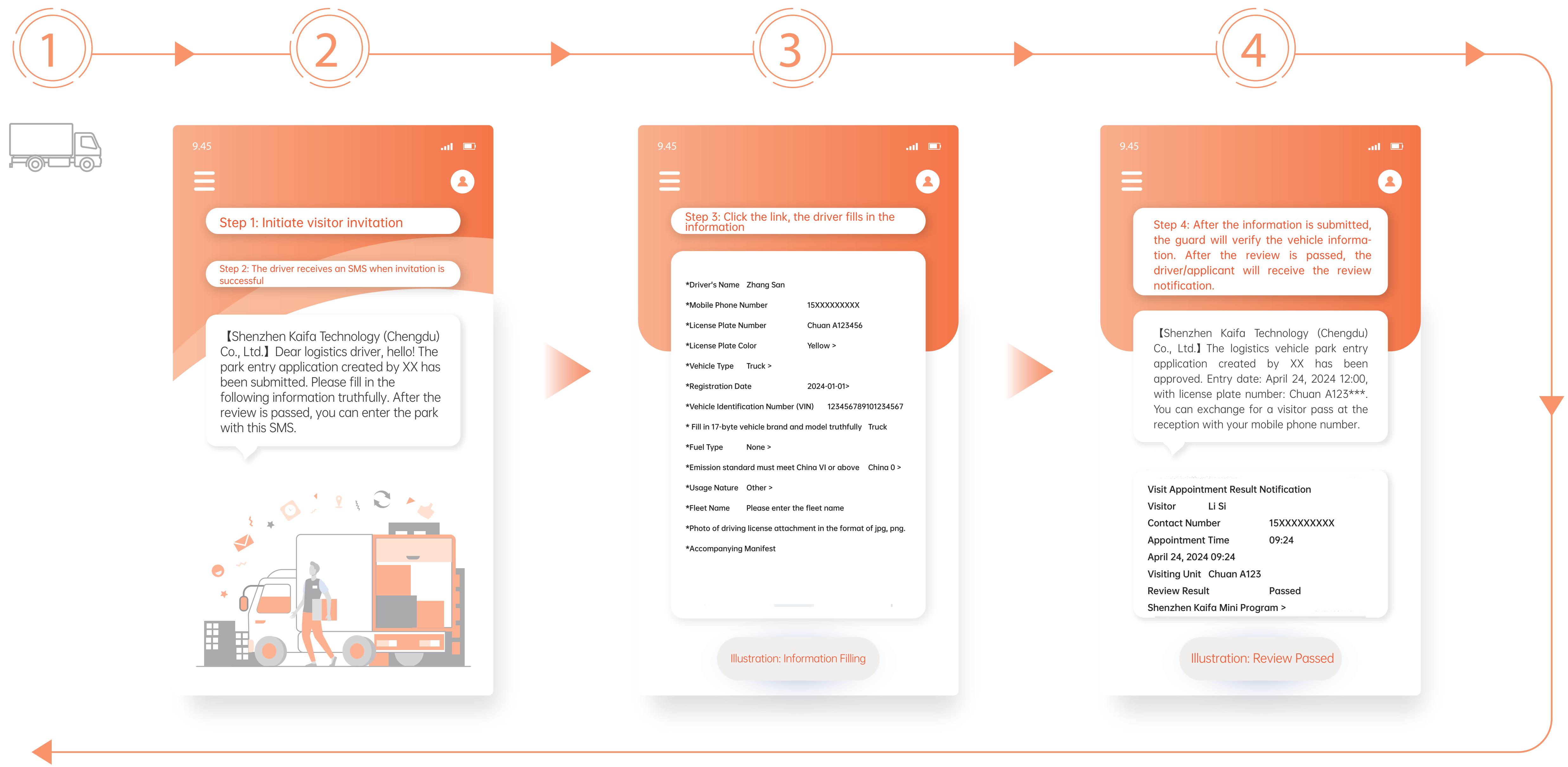
Total emission of major pollutants

Pollutant	Unit	2024	2025
Volatile Organic Compounds (VOCs)	Ton	1.21	2.92
Particulate Matter (PM)	Ton	0.251	0.439
Ammonia nitrogen	Ton	2.21	1.79
Chemical Oxygen Demand (COD)	Ton	26.02	20.61

Data Note: Total Emissions = Monitored Emission Rate Data × Annual Working Hours. As monitoring results only present the exhaust emission status during a specific period on the monitoring day, and this period is highly correlated with the day's production capacity plan, the total emission data may fluctuate due to variations in monitoring results.

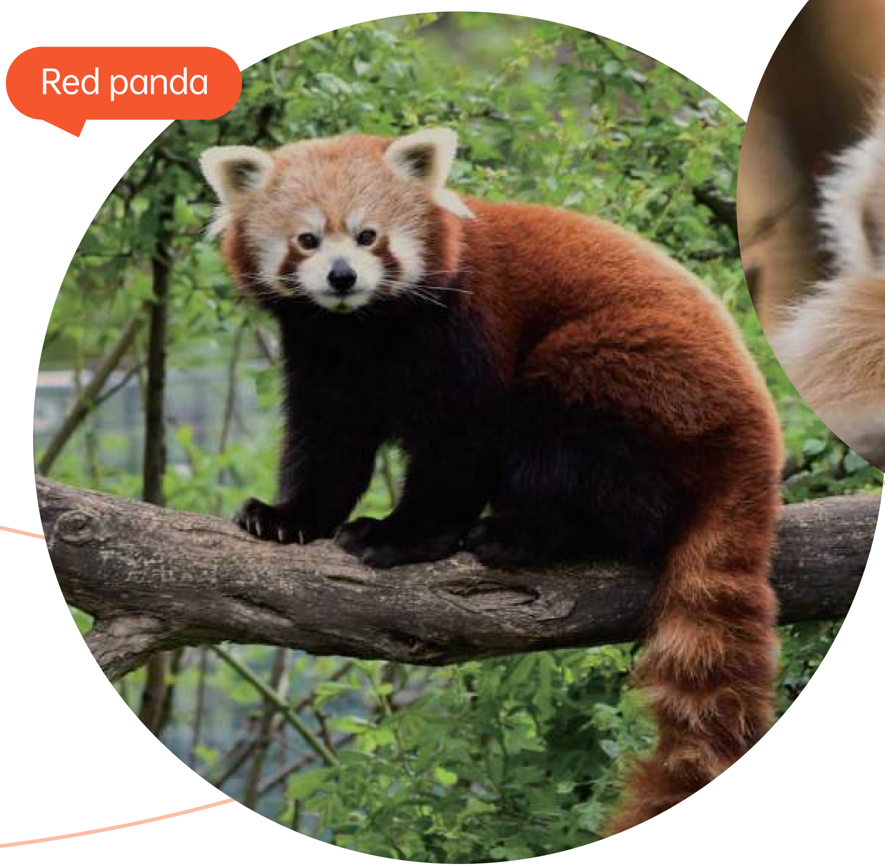
Case: Management of Emission Standards for Road Transport Vehicles

To reduce the pollution impact of diesel vehicles on heavily polluted weather, the Company upgraded and developed its freight vehicle management system, reviews the emission information of freight vehicles, and raises the emission standard for freight vehicles entering the park to China VI or new energy vehicles.



Biodiversity

The Company complies with laws and regulations including the Regulations of the People's Republic of China on Nature Reserves, the Forest Law of the People's Republic of China, and the Biosecurity Law of the People's Republic of China, carries out environmental impact assessment work, evaluates the adverse impacts and risks that business activities may pose to animals, plants and the ecological environment, and formulates corresponding improvement measures to minimize or eliminate adverse impacts on the environment. The Company's site is located far from special protection objects such as scenic spots, nature reserves and cultural heritage sites, and is not within the ecological protection red line. All pollutants generated by the Company's production and operation activities are discharged in compliance with regulations after meeting emission standards, and will not cause adverse impacts on the local ecological environment.



Red panda

Golden snub-nosed monkey

Giant panda

03

Worldwide Responsibility

While strictly safeguarding supply chain security, sharing responsibilities with customers, treating every SME partner equally, and fostering a healthy business ecosystem, we actively engage in social contribution and rural revitalization to extend the fruits of development to more rural areas, and create sustainable shared value balancing global responsibility and local sentiment.

- Supply Chain Security
- Customer Relationship Management
- Equal Treatment of SMEs
- Science and Technology Ethics
- Social Contribution
- Rural Revitalization

8 DECENT WORK AND ECONOMIC GROWTH

11 SUSTAINABLE CITIES AND COMMUNITIES

17 PARTNERSHIPS FOR THE GOALS

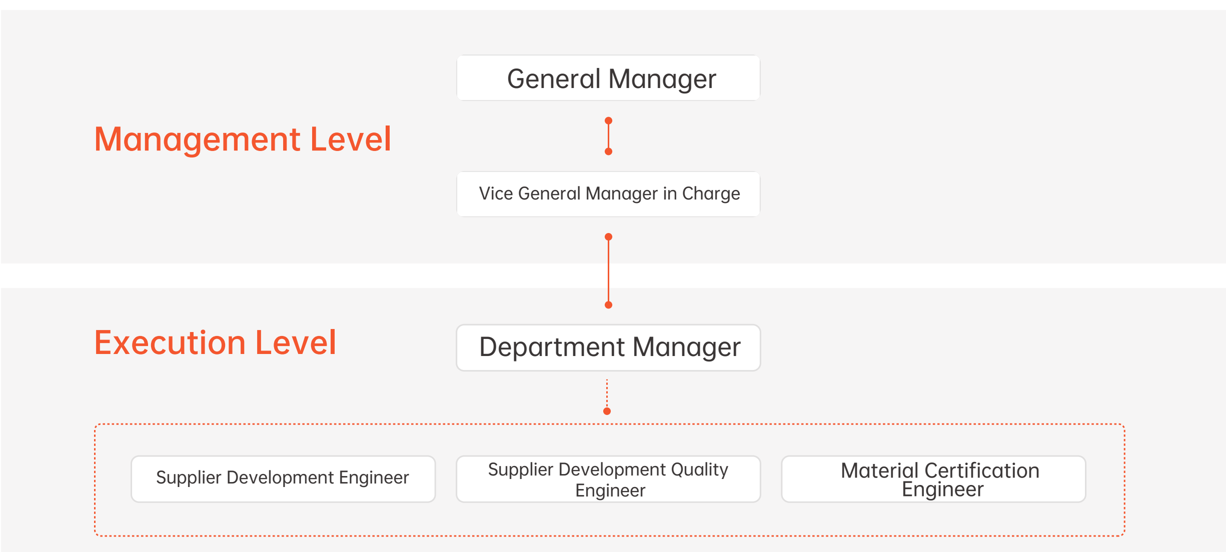
Supply Chain Security

Supply chain security is an important component of the "Worldwide Responsibility (Global Responsibility and Local Collaboration)" strategic pillar of the Company's sustainable development POWER strategy. The company comprehensively manages and controls supply chain risks and promotes the green transformation of the supply chain by establishing and improving the supply chain management system.

Governance

The Company has multiple platform systems including SRM system (Supplier Relationship Management Platform), OMETA (Digital Office Platform), SAP (Chinese name "Siai Pu", a global enterprise-level application management software), BI (Data Visualization and Analysis Platform) to support supplier management. All processes are fully managed online to realize data traceability. At the same time, suppliers are strictly required to sign the Supplier Code of Conduct, which regulates aspects including ethics, labor and human rights, health and safety, environment, and management systems, to ensure that supply chain management is consistent with the Company's own operation standards, and the current signing rate has reached 100%. Meanwhile, the company requires suppliers to sign the Procurement Framework Agreement, Product Quality Assurance Agreement, Confidentiality Agreement and Supplier Code of Conduct to improve the procurement governance system.

The Company requires procurement personnel to be familiar with supply chain management requirements, and receive relevant training during onboarding and on-the-job periods, to ensure that procurement behaviors comply with the Company's ESG requirements. The Procurement Department has established a mechanism for separation of powers and responsibilities. For the procurement of productive materials, there are two positions: Supplier Development Engineer and Purchaser. The Supplier Development Engineer is responsible for supplier introduction and management. The Purchaser is responsible for back-end process management such as order release, material delivery and reconciliation. For non-productive materials, the entire procurement process is completed by the same person. The Company has set up a cross-functional team (procurement, quality, material certification) to implement supplier access assessment and quality control. Relevant responsible persons and management exercise the access approval authority and make the final decision on supplier introduction.



Strategy

The Company puts forward sustainable development requirements in the stages of supplier screening, evaluation and access, and continuously guarantees supply chain security by signing agreements.

Cost Optimization	The Company conducts irregular technical exchanges with suppliers and provides them with capacity optimization suggestions.
Long-termism	Make payments according to the agreed payment terms, reduce the short-term capital pressure of suppliers, and focus on the stability of long-term cooperation.
Transparency and Mutual Trust	Regularly share demand forecasts and capacity plans to ensure on-time delivery of materials.
Continuous Improvement	Drive suppliers to carry out iterative optimization in terms of quality, cost, delivery, technology and other aspects.
Digital Collaboration	Realize real-time data interworking through system interfacing to improve response speed.

Impact, Risk and Opportunity Management

Against the backdrop of globalization and digitalization, the sustainable development of supply chains has become increasingly important. Risks arising from any link in the supply chain management process may cause severe impacts on the production and operation of enterprises. The company follows the KFCD Supplier Development Management Process Guideline, KFCD Supplier Certification Management Process Guideline and KFCD Supplier Performance Management Process Guideline to continuously deepen supply chain management and actively promote the construction of a sustainable supply chain system. In the supplier admission stage, the Company strictly evaluates and audits suppliers' basic information, qualifications and ESG performance in accordance with system requirements, and requires suppliers to meet the Company's admission conditions.

Comprehensive Risk Identification

Conduct a comprehensive analysis of all links in the supply chain, including suppliers, production, logistics, etc., to identify potential risk factors, such as supplier credit standing, human rights risks, supply disruption risks, etc.

Risk Impact Assessment

Qualitative methods are adopted to assess the occurrence probability of each risk factor and the degree of potential impact, so as to determine risk priorities.

Supplier Diversification

Develop multiple qualified suppliers for key materials to form a "main supplier + alternative supplier" echelon, and build a supplier network to diversify risks.

Strengthen Supplier Evaluation

Conduct regular quarterly supplier performance evaluation on suppliers' performance in business, delivery, quality, technology and other aspects, to identify potential problems in time and take corresponding measures.

Reduce Supply Disruption Risks

Accelerate the order placement rhythm, shorten the order placement cycle, and reduce hidden delivery dangers caused by untimely order transfer. Establish an end-to-end business continuity system, identify potential risks of the Company, analyze the impact of risk occurrence on the supply chain, and protect the interests of key stakeholders by implementing response measures.

Raw Material Inventory Guarantee

Guarantee the stability of raw material supply by jointly building a safety stock strategic reserve mechanism and a raw material supply guarantee linkage mechanism with suppliers.

Conflict Minerals Investigation

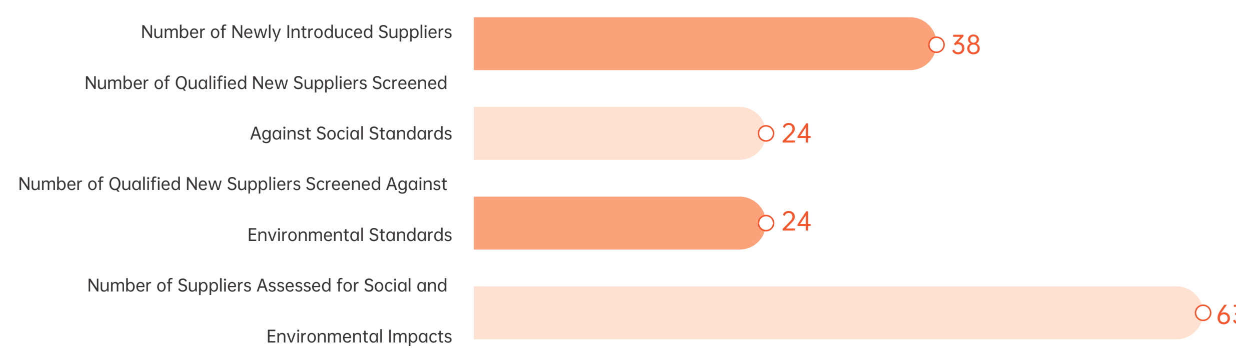
In accordance with the requirements of the KFCD Procurement Compliance Management Process Guideline, conduct conflict minerals due diligence for key projects. Trace the source of minerals through investigation to ensure no illegal minerals from conflict-affected and high-risk areas are used, and continuously promote the construction of a responsible and sustainable supply chain.

Indicators and Targets

The Company implements classified management of suppliers, identifies and assesses supply chain sustainable development risks and opportunities through links such as screening, evaluation and admission, and tracks the rectification situation in a closed loop with qualitative indicators to control the risk level of the supply chain. Meanwhile, to effectively improve procurement operation efficiency and supply chain collaboration level, we have set the following performance targets for purchasers.

Serial No.	Performance Target	Target Value
1	PO Transfer Timeliness Rate	⩾98%
2	Supplier Reconciliation Timeliness	⩽3 working days
3	Success Rate of Alternative Material Recommendations by Supplier Development Engineers	⩾40% per year, number of submitted orders > 30 orders per person per year

The Company currently has **531** suppliers. To avoid fluctuation and uncertainty risks of supply chain disruption, the procurement department sets indicators and targets focusing on supply chain security, among which the coverage rate of business continuity plan drills reaches **100%**.



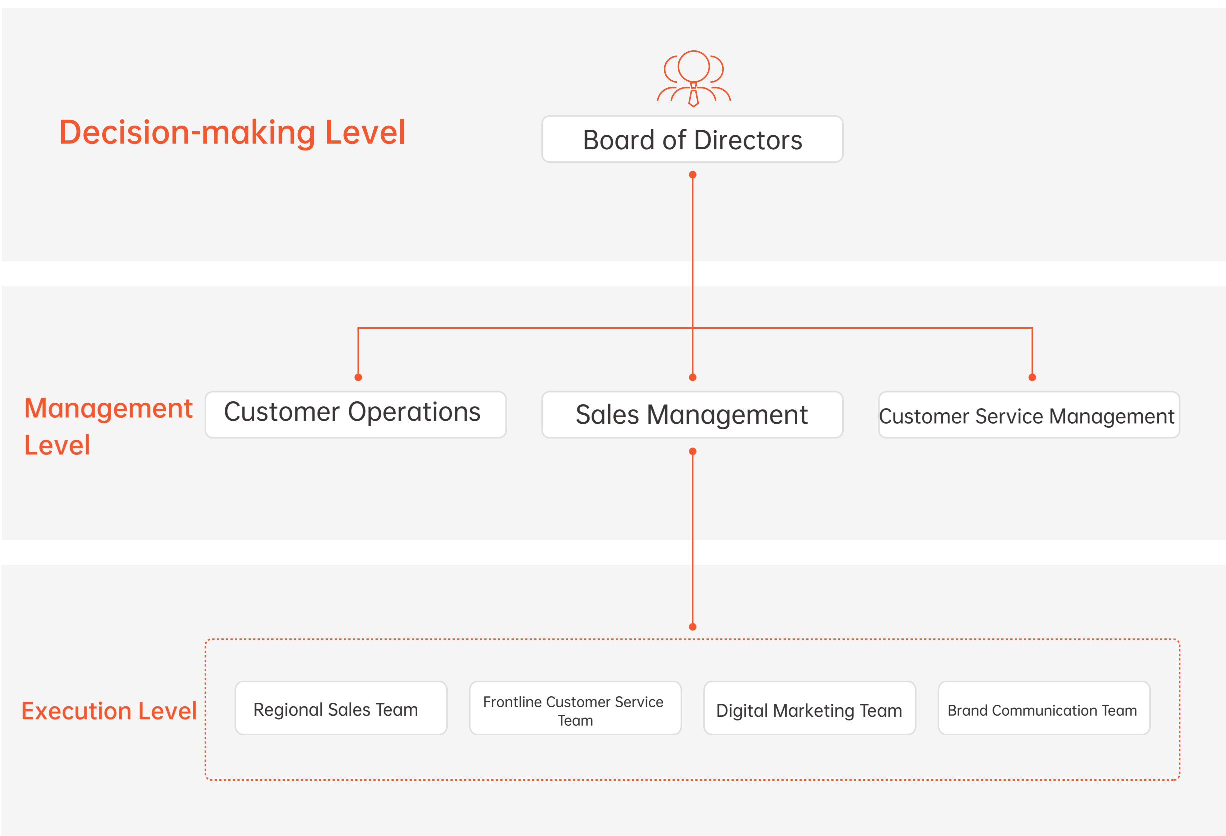
Note: In this report, the "number of new suppliers" is calculated on the basis of independent legal entities (i.e., supplier companies). If the same supplier company (including agents) brings in multiple brands during the same reporting period, it is only counted as 1 newly onboarded supplier. This approach is designed to avoid double counting and more accurately reflect the breadth of supply chain partnerships.

Customer Relationship Management

Kaifa has long been engaged in the field of energy metering R&D and manufacturing. Based on its global layout and strong platform-based capabilities, it can provide customers with high-level customized services. At the same time, we continue to explore technological innovation, closely align with customer needs in new product development, and constantly identify and meet customer requirements.

Governance

The "customer-centric" concept runs through the entire chain of enterprise operations. Based on implementable and traceable management rules, Kaifa has established a governance system with clear rights and responsibilities and full employee participation, so as to provide solid support for improving the quality of full-life-cycle customer services and building long-term trust, and fundamentally prevent service deficiencies and compliance risks. The decision-making level is responsible for strategic decision-making and resource allocation; the management level is responsible for overall execution, demand management, risk control, data management and team empowerment; the execution level is responsible for frontline demand collection, information gathering and risk reporting.



Strategy

Strategic management is the core guide for customer relationship management, aiming to translate goals such as "improving service quality and customer trust" into a clear long-term development path. By defining strategic positioning, phased targets and implementation roadmaps, it is deeply integrated into all links of the customer's full life cycle, ensuring that the service strategy is fully aligned with the Company's overall strategy. It not only guarantees customers' short-term experience, but also taps into long-term value, providing directional guidance for the enterprise to build differentiated competitive advantages in customer relations.

Customer Acquisition

Carry out green marketing and compliance publicity, and build customer portraits.

Customer Communication

Build a digital service platform, provide customized service solutions (such as product usage guidance, demand upgrade support), conduct customer satisfaction surveys, and respond to and resolve customer issues in a timely manner.

Customer Retention

Deeply tap into the potential needs of customers, launch value-added services (such as industry solutions, consulting services), and increase customer lifetime value.

Impact, Risk and Opportunity Management

The Company focuses on three core issues of customer service: "what value to create, what risks to avoid, what opportunities to seize", aiming to strengthen the positive impact brought by services, prevent service quality and compliance risks, and tap potential market opportunities, so as to achieve controllable risks, value co-creation and win-win opportunities, and provide key support for enhancing customer trust and promoting enterprise development.

Indicators and Targets

Translate goals such as "improving service quality and customer satisfaction" into a monitorable and evaluable indicator system. By building core indicators covering service, trust and satisfaction, setting phased targets, and establishing a regular monitoring mechanism, we ensure that management is measurable and optimizable, and provide a data-driven decision-making basis for the enterprise to continuously improve its service capabilities.

2025

Overall customer satisfaction (target value: 90%)

93%

Problem resolution rate

97.3 %

Impact Management and Control

Positive impact: Improve customer satisfaction and loyalty through high-quality full-life-cycle services, promote long-term cooperation with customers, and drive the enterprise's performance growth; build a good brand image of the enterprise, attract more potential customers and partners; drive customers to jointly fulfill social responsibilities.
Negative Management and Control: Strengthen customer data management, strictly abide by laws and regulations related to data privacy, avoid circumstances that damage customer rights and interests such as data leakage and abuse; timely handle customer complaints and negative feedback, prevent the spread of public opinion, control negative impacts to the minimum extent, and reduce damage to customer trust and corporate brand.

Risk Management

Risk Identification: Sort out potential risks in all links of the entire customer lifecycle, including service quality risk, product delivery risk, compliance risk, public opinion risk, etc.
Risk Assessment: Establish a risk assessment indicator system, classify various risks into grades (minor, moderate, severe) from dimensions such as risk occurrence probability and impact degree, and focus on high-level risks.
Risk Response: Formulate risk management strategies, response measures, and management and control processes for risks of different levels.

Opportunities

Demand Opportunities: Tap into potential customer needs and launch targeted product and service solutions.
Technology Opportunities: Utilize digital tools (CRM, Jira, DAS) to improve customer service efficiency, ensure customer data security and transparency, and enhance customer stickiness and trust.
Cooperation Opportunities: Collaborate with upstream and downstream enterprises in the industrial chain and third-party service institutions to build a customer service ecosystem, and provide customers with one-stop and diversified services.

Note: "CRM": Customer Relationship Management System (applicable to customer management in China and overseas)
"Jira": Jira Service Management System (applicable to overseas customer service management)
"DAS": After-Sales Service System (applicable to customer service management in China)

Equal Treatment of Small and Medium-sized Enterprises (SMEs)

The Company follows a unified supplier evaluation and access mechanism, strictly implements the supplier performance management process, conducts regular performance assessments on suppliers, and actively follows up on the improvement of assessment results, providing a fair competition platform for suppliers. It signs the Procurement Framework Agreement, Product Quality Assurance Agreement, Confidentiality Agreement and Supplier Code of Conduct with suppliers, and explicitly requires suppliers to comply with mandatory standards in their operations through legally binding contract clauses, covering requirements in key areas such as labor and human rights, health and safety, environment, ethics, trade security and anti-terrorism security, cyber security, production, transportation and loading/unloading safety, external construction operation safety, and management systems. Meanwhile, it promotes supply chain partners to strengthen self-discipline and guides supply chain operators to conduct fair competition in accordance with the law. During the reporting period, the balance of the Company's accounts payable (including notes payable) accounted for far less than 50% of total assets.

Specific Measures

Timely Payment	Strategic Cooperation	Employee Performance Management	Digital Interfacing	Training and Sharing	Supplier Performance Evaluation
Make payment according to the agreed payment term, reduce the short-term capital pressure of suppliers, and focus on the stability of long-term cooperation.	Help suppliers improve their process level and ensure the delivery quality of finished products by dispatching engineers.	Payment timeliness has been included in the performance assessment of purchasers, to eliminate unequal treatment such as unprovoked and delayed payment or setting hidden thresholds, effectively reduce the cash flow pressure of small and medium-sized enterprises, and ensure their stable operation.	By introducing the SRM system (Supplier Relationship Management Platform), internal and external collaboration is realized, and the threshold and cost of digital interfacing for small and medium-sized enterprises are reduced.	Organize training for suppliers on quality management, production technology, digital transformation, sustainable development and other aspects. Share industry trends and market information.	Through supplier performance evaluation, we comprehensively improve the product quality consistency and on-time delivery rate of the supply chain, and build a healthier supply chain ecosystem that is more competitive, innovative and inclusive.

Science and Technology Ethics

The Company always abides by the Patent Law of the People's Republic of China and scientific ethics principles, and prohibits the research, development or application of technologies that may cause harm to the natural environment, life and health, public safety or violate ethics and morality. For the AI applications promoted by the Company, the core of ethical governance is to effectively guarantee industrial data security and decision-making transparency. All AI systems that process production data (such as visual recognition, communication analysis) are deployed in local or privatized environments to realize closed-loop management of core data; for applications such as AI assistants involving proprietary knowledge, intellectual property rights are protected through strict permission and boundary control. To ensure credible decision-making, we have set up a closed-loop manual verification mechanism for AI outputs. For example, wiring errors identified by AI will be attached with image evidence for review, and generated code must be reviewed by engineers, thus forming a reliable process of "AI-assisted, human decision-making". In the future, in plans such as AI-powered drawing inspection and inventory forecasting, we will further establish traceable decision logs to ensure that every key judgment is well-documented, so that AI always operates within a safe, transparent and controllable framework.

Social Contribution

The Company is well aware that enterprise growth comes from social support, and actively giving back to society is its due responsibility. In October 2025, Kaifa participated in the public welfare donation activity of "Sending Warmth to Weizipo Village, Le'an Town, Butuo County, Liangshan Yi Autonomous Prefecture" organized by the Sichuan Listed Companies Association, and donated RMB 20,000. In November 2025, 38 employees of Kaifa participated in the voluntary blood donation activity, with a total blood donation volume of 11,660 ml.

Voluntary Blood Donation Site

捐赠证书
DONATION CERTIFICATE

兹证明成都长城开发科技股份有限公司向四川省残疾人福利基金会捐赠人民币20000元（大写：贰万元整）。

此次捐赠善款将用于"爱星工程·暖冬慰问"公益活动中。

[illegible]

此证！

四川省残疾人福利基金会

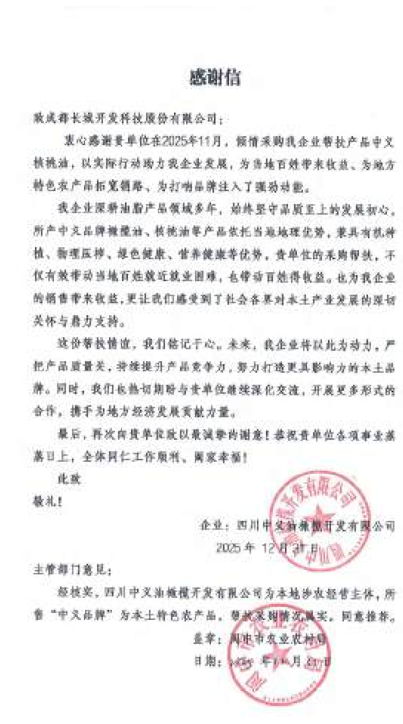
Donation Certificate

Voluntary Blood Donation Site

Rural Revitalization

Kaifa has always adhered to its original aspiration and mission, actively responded to the call of the national rural revitalization strategy, and helped promote rural revitalization and the sustainable development of assisted areas by participating in the "Agricultural Revitalization Week through Consumption Assisted by Central Enterprise" activity. In November 2025, through consumption-based poverty alleviation, it purchased walnut oil products worth RMB 229,100 from Langzhong, Sichuan, a designated poverty alleviation county of China Electronics.

Received a Commendatory Silk Banner



感谢信

致成都长城开发科技股份有限公司：

衷心感谢贵单位在2025年11月，倾情采购我企业帮扶产品中文核桃油，以实际行动助力我企业发展，为当地百姓带来收益、为地方特色农产品拓宽销路、为打响品牌注入了强劲动能。

我企业深耕油脂产品领域多年，始终坚守品质至上的发展初心。所产中文品牌橄榄油、核桃油等产品依托当地地理优势，兼具有机种植、物理压榨、绿色健康、营养健康等优势，贵单位的采购帮扶，不仅有效带动当地百姓就近就业困难，也带动百姓得收益。也为我企业的销售带来收益，更让我们感受到了社会各界对本土产业发展的深切关怀与鼎力支持。

这份帮扶情谊，我们铭记于心。未来，我企业将以此为动力，严把产品质量关，持续提升产品竞争力，努力打造更具影响力的本土品牌。同时，我们也热切期盼与贵单位继续深化交流，开展更多形式的合作，携手为地方经济发展贡献力量。

最后，再次向贵单位致以最诚挚的谢意！恭祝贵单位各项事业蒸蒸日上，全体同仁工作顺利、阖家幸福！

此致

敬礼！

企业：四川中文油橄榄开发有限公司
2025 年 12 月 [illegible] 日

主管部门意见：

经核实，四川中文油橄榄开发有限公司为本地涉农经营主体，所售"中文品牌"为本土特色农产品，[illegible]，同意推荐。

盖章：阆中市农业农村局
日期：[illegible]

Thank-you Letter

04

Empowering People & Organization

Kaifa always adheres to the "people-oriented" principle. We strive to create a diverse, equal and healthy working environment for every employee, so that everyone can receive support and care and realize their own development.

- Employment and Employee Rights and Interests
- Employee Training and Development
- Occupational Health and Safety (OHS)
- Diversity and Equal Opportunity

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Employment and Employee Rights and Interests

The company attaches great importance to the protection of employees' rights and interests, which has been included in the "Empowering People & Organization" section of its sustainable development POWER strategy, and strictly supervises the implementation by setting annual monitoring indicators.

Governance

Kaifa attaches great importance to employment and the protection of employees' rights and interests. The Strategic and Sustainable Development Committee of the Company's Board of Directors directly supervises this issue. The Sustainable Development Management Group takes the lead in formulating strategies, major policies and annual objectives related to employment and employees' rights and interests, anchors the Company's core business strategy, promotes the alignment of rights and interests protection with the business strategies of the entire chain of marketing, R&D and production, and incorporates the protection of employees' rights and interests into the Company's overall strategic planning. At the same time, special meetings are held regularly to coordinate and solve core issues such as salary and benefits, occupational health, track the progress of strategy implementation, and dynamically optimize and adjust strategies.

Anchoring Principal Responsibility

As the core responsible entity, the Company's Human Resources Department is responsible for translating the employment and employee rights and interests strategy into specific management measures, formulating core documents including the Regulations on Labor Contract Management and Signing Procedures, Salary Management Measures and Career Development Management Measures, and taking overall charge of recruitment compliance, contract management, compensation incentives, career development and other work, so as to ensure the suitability of systems and effectiveness of implementation during the strategy implementation process.

Clarify the Supervision Mechanism

The Company establishes an employee rights and interests management mechanism led by the Human Resources Department and coordinated by all departments, clarifies the division of powers and responsibilities, and gives full play to the core role of the Workers' Congress in democratic management, appeal feedback and rights and interests supervision. At the same time, it sets up communication channels such as employee symposiums, Workers' Congress, questionnaire surveys, opinion solicitation, help hotlines, reporting hotlines and mailboxes, to ensure efficient response and closed-loop handling of employee appeals.

Workers' Congress
Voting for the election of worker representative directors

Workers' Congress
Review of the revision of the Employee Handbook

Employee symposium

Strategy

The Company has built a complete employee rights and interests protection system, of which core systems include the Administrative Measures for Recruitment of Technical and Management Personnel, Employee Handbook, Social Responsibility Manual, Employee Reward Measures, Salary Management Measures, Career Development Management Measures, Administrative Regulations on the Company' Employee Health Examinations, Reward Measures for Continuous Improvement Atmosphere Benchmarks, Reward Regulations on Obtaining Academic Degrees While in Service, Administrative and Incentive Measures for Domestic and Overseas Business Trips, etc., and is supported by special systems for labor contract management, salary and benefits, employee appeals and so on. All systems strictly comply with the Labor Law of the People's Republic of China and relevant regulations, realize full-process compliance management, and effectively safeguard the legitimate rights and interests of employees.

Overall strategic direction: Anchor the four core directions of "compliance without risks, guaranteed rights and interests, retained talents, and dynamic team". The Company adheres to the concepts of people orientation, compliant employment and employee care, continuously improves the employee rights and interests protection, diversified incentive, efficient communication mechanisms and humanistic care system, builds harmonious and stable labor relations, and promotes the common growth of employees and the enterprise.

In terms of employee rights and interests protection, the Company strictly abides by labor and employment laws and regulations, fully pays five social insurances and one housing provident fund for employees, and implements leave systems such as paid care leave, travel leave and parental leave in accordance with the law and in a humanized manner. It regularly organizes free physical examinations, and distributes care benefits such as red envelopes for start of work, hospitalization consolation money, maternity consolation money, hardship subsidies, festival allowances and Spring Festival gift packages. It deeply integrates employee rights and interests protection into the entire business chain, adapts to the industry characteristics of technology-intensive, differentiated post risks and high dependence on core talents, and builds a rights and interests management system featuring compliance, adaptability and incentive.

Short and medium-term goals

Short and medium-term goals (1-3 years): Maintain a 100% compliance rate in the entire employment process; control the annual voluntary turnover rate of core talents below 10%. During the reporting period, all targets have been achieved.

Long-term goals

Long-term goals (3-5 years): Form a positive cycle of "rights protection - talent incentive - business empowerment"; build a diversified talent attraction and retention mechanism with sufficient core talent supply, to effectively support the company's technological iteration and business expansion; cultivate a workplace culture of "fairness and justice, symbiosis and win-win", and transform rights management into one of the core competitiveness of the enterprise.

Impact, Risk and Opportunity Management

Main risks

In the process of employment of employee and management of rights and interests, the Company mainly faces two types of key risks. The first is recruitment management risk, including talent selection deviation and compliance loopholes in the recruitment process, which easily trigger labor disputes and increase the compliance cost of the enterprise; the second is the risk of talent loss in technical positions. The loss of core technical talents will lead to blocked project progress and technical experience gaps, while pushing up recruitment and retraining costs and affecting the Company's operational efficiency.

Response Measures

The Company has established a whole-process prevention and control system and special plans. Standardized procedures are implemented in the recruitment link, qualification review and compliance control are strengthened, and multi-dimensional recruitment channels are established to accurately match talents; for core technical talents, the Company improves career development paths and incentive mechanisms to enhance such employees' sense of belonging. At the same time, a closed-loop risk management mechanism is established to realize the whole-process control of risk identification, assessment, disposal and review, so as to ensure the implementation of prevention and control work.

Potential Opportunities

Optimizing employee rights and interests management can create multiple values for enterprises. On the one hand, sound rights and interests protection can enhance talent attraction and retention, laying a solid manpower foundation for technological innovation and business development; on the other hand, a stable talent team can improve team collaboration and production efficiency and reduce operational losses. At the same time, standardized employment management can strengthen the brand image of corporate social responsibility and promote the sustainable and high-quality development of enterprises.

Practices of Risk Response

Recruitment Compliance

The Company strictly implements recruitment compliance management and builds a fair and transparent full-process recruitment mechanism. It is clearly stipulated in the Employee Handbook that the Company's employment will fully depend on the candidate's ability, quality, moral character and suitability for the position, regardless of gender, race, skin color, fertility status, disability, age and other factors, so as to protect the equal employment rights of all job seekers. Adhering to the principle of "openness, fairness and justice", the Company has established a standardized recruitment process, attracts talents through diversified channels such as social recruitment, campus recruitment and industry channels, and explicitly prohibits recruitment discrimination based on gender, age, ethnicity, physical condition and other factors.

Personnel Development and Retention Management

The Company has established a clear employee transfer process, standardizes the operation standards of post adjustment, promotion, resignation and other links, so as to ensure transparent processes and no infringement of rights and interests. Measures such as building career development paths, optimizing compensation incentives and improving the working environment are adopted to reduce the turnover rate of core talents. Regular surveys on resignation reasons are carried out, analysis reports are formed and management measures are optimized pertinently to build a stable talent team. During the reporting period, the turnover rate of core technical positions was controlled at a reasonable level in the industry, and the overall employee retention rate increased steadily.

Indicators and Targets

This year, the recruitment work was carried out in an orderly manner. A total of **406** formal employees were recruited throughout the year, of which women accounted for **38%**, contributing to the stability of social employment. All employees sign labor contracts in accordance with the law, clarify salary standards and labor protection responsibilities, and simultaneously protect their rights to necessary job training, labor safety protection, legal salary payment and other rights and interests. During the reporting period, the Company paid employees' salaries in full and on time in accordance with the law, and paid social insurance for all employees as required, achieving **100%** coverage of social insurance. The signing rate of labor contracts for formal employees is **100%**, and there were **0** major compliance risk incidents such as illegal recruitment and salary arrears.

Employee Training and Development

The Company has always adhered to the core value of "collaboration for win-win results", integrating it deeply into all links of the Company's operations, especially in the field of talent development. The Company is acutely aware that employees are the core driving force for the Company's development, so it is committed to working closely with all employees to jointly build a talent team with excellent efficiency, lay a solid talent foundation for the Company's development, and realize the coordinated and sustainable development of employees and the Company.

Employee Training System

The Company has established a training management framework with clear powers and responsibilities and standardized processes. Led and coordinated by the Human Resources Department, with each business department as the main body of collaboration and implementation, this framework forms an operation mechanism of up-down linkage and horizontal collaboration. It is committed to continuously improving employees' professional skills and comprehensive quality through systematic cultivation to support their long-term development. The training planning follows the principle of combining strategic guidance and business needs. The annual plan is coordinated and formulated by the Human Resources Department according to the Company's strategy, and each business department submits demands in combination with technology trends and business reality, which are implemented after joint review, to ensure that the training content not only conforms to the strategic direction, but also responds to the technological development of the industry, providing systematic support for employee growth and organizational capability improvement.

Training System Design:

The Company has built a tiered and categorized training system to realize the coordination between employee development and the Company's strategy. At the level of talent development strategy, the Company has built a comprehensive, multi-level training system that is highly adapted to the Company's development needs. Exclusive training programs are tailored for different groups such as new employees, high-potential talents, newly promoted managers, middle and senior managers, and technical personnel of various positions.

According to its own development strategy and actual business needs, the Company adopts diversified training methods to comprehensively carry out training activities for employees of different positions and levels. The training forms cover internal training, external assignment learning, lectures by external experts, outward bound training, etc., striving to meet the diverse learning and growth needs of employees. At the same time, the Company has established and improved a complete set of talent training and management system, formulated and implemented a series of detailed policies and implementation processes, including Administrative Provisions on Employee External Training, Administrative Measures for Selection and Training of Reserve Cadres, Guidelines for Internal Course Development and Management Process, and Guidelines for Professional Learning Project Management Process of Business Departments, etc. We carefully plan talent development paths and formulate implementation plans to ensure the standardization, scientization and sustainability of talent training.

Relying on the online learning platform, the Company endows employees with the flexibility of independent learning, fully meeting their diverse career development demands. In the iteration process of the training system, the Company continuously innovates and optimizes the training system based on dynamic business changes, strategic planning and employee development needs, from improving the depth and breadth of course content, strengthening the professional quality and teaching ability of the lecturer team, to enriching the diversity of learning resources and optimizing the convenience and efficiency of learning modes, to improve training effectiveness in an all-round way.

Evaluation Mechanism:

The Company has established an effect evaluation and tracking mechanism covering the whole process of training. Through the combination of immediate feedback collection after the course and practice transformation evaluation after the training, the training effect is measured systematically, aiming to scientifically measure the training effect and drive continuous improvement.

Type	Training and Development System
Talent Echelon Training Series	Middle and Senior Manager Training Program Newly Promoted Manager Training Program High-Potential Talent Training Program Management Trainee Development Program
Professional Skills Training Series	Different types of professional skill courses are provided for different job families (Yunfan Academy Knowledge Base) Management Family, Professional Family, Sales Family, Technical Family, Operations Family
General Literacy Series	Courses including communication and collaboration, innovative thinking and problem solving, emotional management and physical and mental health
New Employee Training Series	All departments implement the "mentorship system" for new employee on-the-job training Onboarding Training for External Hires; Onboarding Training for Campus Recruits; Production Internship

The Company's training is positioned with the core mission of "empowering talent growth, supporting business development, and achieving mutual growth and win-win results". In the short term, it focuses on "filling competency gaps and improving skills" to build a high-quality talent team; in the long term, it focuses on "cultivating talents and strengthening the talent echelon", aiming to nurture a core talent team with both technical competence and innovation awareness to support the implementation of the Company's projects and technological breakthroughs. Meanwhile, training participation and skill certification results are directly linked to employee promotion and salary incentives, to stimulate employees' enthusiasm for active learning and promote the effective implementation of the training strategy.

2025 Employee Training Overview

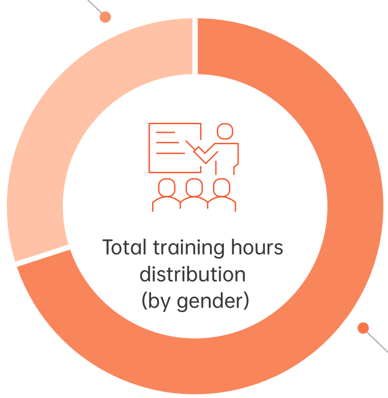
Approximate training expenditure amount	Total employee training hours	Approximate average per-capita employee training hours
RMB 640,000	21,352 hours	15 hours

Talent Echelon Development Series	General Literacy Series Training	Professional Skills Series Training
296 person-times	460 person-times	3,947 person-times

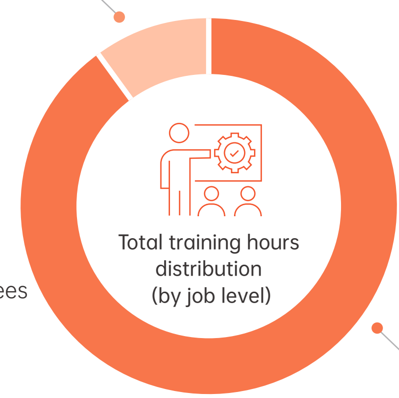
Average Employee Training Satisfaction Rate 96%

Female employees 30%

Middle and senior level employees 10%



Male employees 70%



Rank-and-file employees 90%

Talent Echelon Development Program

To support the development of employees' competency and systematically improve the comprehensive capabilities of individuals and teams, the Company has planned and implemented a series of talent development programs based on its talent development strategy, focusing on the differentiated needs of different job levels and echelons. In 2025, the Company focused on special training programs for management trainees and high-potential talents: Sailing Program (Management Trainees). This 4-month program consisting of systematic learning and practice transformation helps participants break through growth bottlenecks and realize the role transition from business executors to high-potential core staff. The program focuses on improving participants' self-motivation, team collaboration and structured thinking skills, and effectively improves individual work efficiency and team collaboration level through the practical application of tools and methodologies.

Voyage Program (High-Potential Talents): This program focuses on team integration, thinking upgrading and personal development, and enhances participants' comprehensive qualities in emotional resilience, systematic thinking and collaboration efficiency through a combination of theoretical teaching and practical drills, laying a solid foundation for them to take on higher responsibilities and drive business development.

Case: Management Trainee Development Program

Sailing Development Program

Sand table simulation training is adopted, which integrates learned leadership knowledge into case scenarios to inspire participants. Instructors encourage participants to communicate fully and provide comments and feedback.

Voyage Development Program

Sand table simulation teaching is adopted to integrate the acquired leadership knowledge into case scenarios,
Inspire trainees, and the instructor motivates trainees to communicate fully and conduct thorough reviews and comments.

Data Revision Note: To enable training indicators to more comprehensively reflect the Company's investment in learning and development for all employees, effective from the current reporting period, the statistical scope of "per capita employee training hours" has been expanded from the original "technical and managerial personnel" to "all employees". To ensure the longitudinal comparability of historical data, we have retrospectively recalculated the 2024 data based on the new statistical scope. The adjusted data is as follows: The 2024 per capita training hours have been revised from the originally disclosed 23.97 hours to 8.66 hours. After this expansion of the statistical scope and revision of historical data, both the total annual employee training hours and per capita employee training hours of the Company show an upward trend over the years, indicating that training resources cover a wider range and benefit more frontline employees.

Job-specific Professional Knowledge and Skill Training

To continuously build a positive and sound learning atmosphere, enhance the Company's competitiveness and attractiveness, constantly strengthen knowledge exchange and collaboration between departments, and help employees grow rapidly, the Company established Yunfan Academy. It organizes experts from various business departments and senior engineers to develop courses based on job-specific professional knowledge and deliver lectures to target groups, so as to comprehensively improve employees' professional skills and comprehensive capabilities.

2025

A total of **116** courses have been completed and learning materials shared, with **3,046** persons participating in the course in total.

Case: Courses of Yunfan Academy


Explanation of AI Agent R&D Process


Basic Knowledge of Electric Meters


Introduction to DLMS Protocol


ISO 10012 Measurement Management System Training

Professional Skill Training Series

To ensure the cutting-edge advantages and applicability of training content, the Company continuously introduces external authoritative courses and industry expert resources to keep the curriculum system synchronized with technological development and standard updates, and continuously empowers the organization from multiple dimensions including technological innovation, risk management and control, organizational effectiveness, and talent development. Meanwhile, relying on the continuous input of cutting-edge industry content, the Company promotes the simultaneous iteration of employees' professional capabilities and job requirements, and jointly builds a systematic training system that supports the Company's strategic development and business expansion.

Case: Full-process Case Analysis of Software Requirement Design Methodology and UML

To comprehensively improve the requirement analysis, design and modeling skills of team members and further enhance team competitiveness, in March 2025, the Company invited the chief expert of UMLChina to explain UML modeling methodology to more than 100 trainees including software R&D and testing personnel, and guide trainees to use tools such as use case diagrams, class diagrams and sequence diagrams to master the entire process from business modeling to architecture design, so as to achieve the goal of developing highly competitive products at low cost.

Case: Training on Business Operation and Contract Management for International Projects

To improve the team's overseas project engineering management capability, and enhance staff's competence in business operation and partner management, the company organized a special training on "Business Operation and Contract Management for International Projects" in September 2025. The training adopted a hybrid online and offline mode, focused on core contents such as contract management, bidding quotation and risk response, and conducted systematic analysis combined with real cases. Through the training, the team further strengthened its ability to identify, prevent and control business risks, laying a solid professional foundation for the stable operation of overseas projects.

Employee Promotion System

Management Structure:

The Company has established a clear employee career development management structure with well-defined rights and responsibilities to ensure the fairness, professionalism and sustainability of talent development. This structure consists of three parties: the General Manager's Office Meeting, the Human Resources Department, and the Review Expert Panel, forming a three-level collaborative mechanism of "decision-making - execution - professional support": as the highest decision-making body, the General Manager's Office Meeting is responsible for reviewing and approving career development systems and principles, verifying and approving promotion results, and exercising final decision-making power over special matters, ensuring at the strategic level that the employee development system aligns with the company's long-term goals and social responsibilities. As the core management body, the Human Resources Department is responsible for system design, process organization, standard optimization and daily management, to ensure the effective implementation and continuous improvement of the career development system. The Review Expert Panel, composed of senior professionals from various fields, is independently responsible for assessing performance contributions and qualifications, participating in standard formulation, training and promotion, and guaranteeing the objectivity and credibility of the review process from a professional perspective.

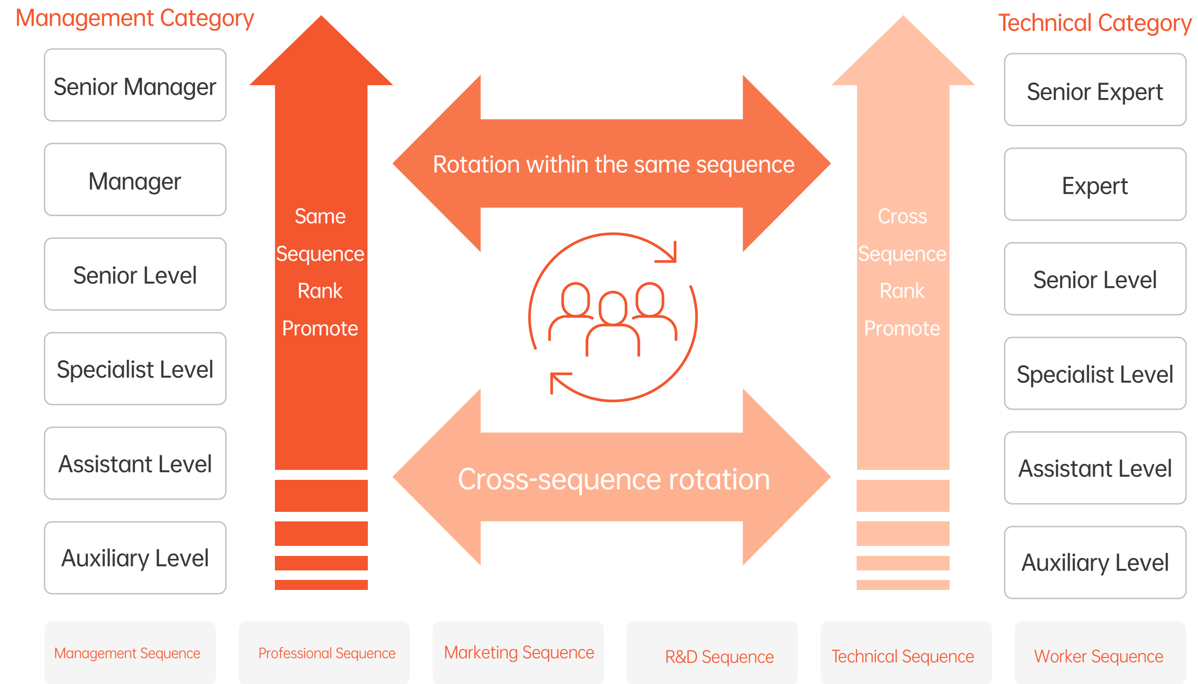
Track Design:

The Company has established a scientific and transparent dual-track career development system, which horizontally covers 5 major job families to support cross-domain development, and vertically sets 11 job ranks and 27 job grades to build a promotion ladder. It guarantees employees' equal right to development through a standardized system and provides diversified career development tracks for employees.

Process Specifications:

The Company has established rigorous and transparent career development process specifications to ensure that the employee promotion review process meets ESG governance requirements. The process requires all promotions to be based on the public Career Development Blueprint standards, and go through the three-level review mechanism of preliminary qualification review (Human Resources Department) - professional review (Expert Panel) - final approval (General Manager's Office Meeting), so as to ensure the professionalism and fairness of the review.

Diversified Career Development Tracks



Standardized Review Process

Strictly implement the three-level review mechanism of "preliminary review (Human Resources Department) - professional review (Expert Panel) - final approval (General Manager's Office Meeting)" to ensure the professionalism and impartiality of the review process.

Unified Application of Standards

Reviews are carried out strictly in accordance with the qualification standards of the Career Development Blueprint to ensure consistent review criteria for all sequences.

Full System Coverage

The track for technical and management personnel (24 job grades) and the track for workers (3 job grades) operate simultaneously, realizing full coverage of career development paths for all employees. A total of 199 employees were promoted after passing the review this year.

Employee Incentive

The incentive system of the Company is designed under the leadership of the Human Resources Department, which works in conjunction with the finance and business departments to formulate rules, roll out differentiated incentive policies for various businesses, clarify incentive budgets, approval processes and effect evaluation mechanisms, and build a multi-dimensional incentive system integrating "short-term + long-term, material + spiritual" incentives. Short-term incentives including performance salary, floating performance salary, year-end bonus and instant recognition are adopted to drive performance; long-term incentives such as equity and career development paths are used to retain core talents. Deeply integrating the features of technology-intensive and project-based operations, we have set up the Main R&D Personnel Award, Technology Breakthrough Award, Market Pioneer Award, Star of Craftsman Award, knowledge contribution incentives and dynamic team sharing mechanisms, aiming to effectively retain key staff, stimulate innovation, and realize common growth of talents and the Company. Compliance is the cornerstone of the incentive system. The Company ensures that all incentive schemes strictly follow the Labor Law of the People's Republic of China, the Company Law of the People's Republic of China and regulatory provisions. Equity incentives go through approval procedures in accordance with the law, and all rules and distribution are open and transparent, to protect employees' rights and interests, guarantee the legality and standardization of corporate governance, and achieve a balance between incentive effects and risk management and control.

A scientific and effective employee incentive system is an important engine driving sustainable development, which is deeply related to the Company's multi-faceted impacts, potential risks and development opportunities. Through the multi-dimensional design combining "short-term and long-term, material and spiritual" incentives, the company's incentive system has produced significant positive impacts on employee satisfaction, talent retention rate and organizational innovation capability. We also prudently manage the related compliance, fairness and financial risks, ensure that all incentive measures strictly abide by regulations including the Labor Law of the People's Republic of China, and maintain the transparency and fairness of the rules. This system constitutes our core talent strategic opportunity. It is not only the cornerstone for retaining key technical backbones, but also a brand business card for attracting top external talents, and ultimately transforms human resources into a strong driving force for sustained business growth and innovation.

Main risks	Insufficient incentive intensity, conflicts caused by uneven distribution, and long-term incentive fulfillment risks.
Response Measures	Regularly benchmark against industry incentive levels, optimize quantitative distribution rules, and clarify long-term incentive fulfillment and exit mechanisms.
Potential Opportunities	Precision incentives stimulate innovation vitality, and enhance talent attractiveness and market competitiveness.

Risk Response Measures

Management by Objectives

Implement company-wide performance management, strengthen target decomposition, build a coordinated and consistent target system and organizational atmosphere, and ensure that the Company's strategy is effectively decomposed and effectively aligned with employees' personal goals.

Material Incentives

Implement market-oriented salary distribution, benchmark against industry levels, and provide competitive compensation for core talents. Explore employee stock ownership plans that meet policy and regulatory requirements to bind core key staff, so that the enterprise and employees can share development achievements; at the same time, provide supporting special benefits such as supplementary commercial insurance and enterprise annuities.

Increase the proportion of floating performance salary, tilt it towards value creators and key frontline positions, set up diversified incentive policies to realize precise and instant incentives, and fully mobilize the enthusiasm of employees for work and entrepreneurship.

Spiritual and Development Incentives

We have established a sound spiritual and development incentive system, setting up individual and team awards including the Long Service Award, R&D Key Contribution Award, Technological Breakthrough Award, and Company-wide Rapid Improvement Award, to recognize employees who demonstrate loyal dedication and outstanding performance in R&D, technology, lean improvement and other fields. We provide special rewards for employees who obtain academic diplomas/degrees or professional technical qualifications during their employment, to support employees' self-improvement; we have set up overseas business trip incentives to protect the rights and interests of expatriate employees. We have built a long-term service and honor recognition system, carrying out award selection, award ceremonies and role model promotion on a monthly, quarterly and annual basis. Incentives are closely linked with training and career development, and core talents are provided with growth opportunities such as participation in key projects and overseas work experience, so as to effectively enhance employees' sense of belonging and motivation for continuous endeavor.

Company's Achievements in Employee Incentives, Care and Culture Building

Relevant activity photos are displayed below, covering annual award ceremonies, badminton competitions, yoga, aerobics, Teachers' Day activities, team building activities, birthday get-togethers, Spring Festival condolences and various themed cultural activities. For all photos containing frontal portraits of employees, prior authorization and consent have been obtained from the employees concerned, fully respecting employees' right to privacy and portrait rights.

Various Reward Announcements

2025下半年工作系统PO/PA激励名单

优秀PO名单

子系统-流程模块	PO	得分
005制造-制造过程审核管理	罗登兵	96
004研发-计量产品研发管理	戚冬丽	88
016过程支持-通用制造环境管理	朱光云	85
009人力资源-全模块	廖杰	80

优秀PA名单

子系统-流程模块	PA	得分
005制造-制造过程审核管理	罗登兵	101
016过程支持-通用制造环境管理	陈林	85
004研发-计量产品研发管理	王钱莉	83

勇于创新 追求卓越


Badminton Competition


Team Building of Kayaking Competition


Themed Movie Viewing Activity

Annual Award Ceremony – Long-term Service Award


Aerobics

Spring Festival Condolence Visit to Disabled Colleagues


Goddess Day - Themed Cultural Activity

Celebrating the Spring Festival with Expatriate Employees


Birthday Get-together

Occupational Health and Safety (OHS)

Kaifa has established a comprehensive occupational health and safety management system in accordance with relevant occupational health and safety standards and regulations including the Work Safety Law of the People's Republic of China and Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and with reference to the requirements of the International Labour Organization and other industry associations. The system covers all links including R&D design, production and manufacturing, to ensure safe and controllable work processes, and safety management measures are continuously improved through regular audits and assessments. The Company completed the system construction in the same year when the ISO 45001:2018 Occupational Health and Safety Management System standard was released, and obtained authoritative certification from a third-party certification body. By fully implementing the requirements of the Requirements for Work Safety Standardization Management System of Large and Medium-sized Enterprises (GB/T 33000-2025), the Company is committed to building an intrinsically safe production enterprise. The Company has established a three-level safety management structure covering "Board of Directors, Work Safety Committee - Safety Committee Office - All Departments" internally. The general manager serves as the director of the Work Safety Committee, and each department is equipped with safety management personnel.

Work Safety Management

The Company takes "zero work-related fatalities, zero major accidents" as its safety goal, improves the intrinsic safety level by promoting "safety enhancement through technology", and continuously improves the responsibility chain of "one post with two responsibilities, accountability for dereliction of duty" to consolidate the work safety defense line. Through the signing of work safety responsibility letters at all levels and detailed decomposition of assessment indicators, safety responsibility pressure is effectively transmitted to all departments. Work safety performance assessment is implemented, with results closely linked to performance-based salary, selection of outstanding individuals and advanced collectives, as well as promotion and development, which effectively stimulates the internal motivation of all employees to perform their duties, forming a work pattern of "All level assume responsibility, and everyone undertake responsibility,with each performing his own duties", and ensuring that all work safety arrangements are implemented and deliver tangible results. During the reporting period, the Company's investment in work-related injury insurance amounted to RMB 255,600, with 100% personnel coverage, and no work-related fatality accidents occurred.

Quantitative Indicators	Unit	2025 Actual Data	2024 Actual Data
Number of work-related fatalities	Person(s)	0	0
Work-related fatality rate per million working hours	Person (s) per million working hours	0	0
Number of serious work-related injuries (excluding fatalities)	Person(s)	1	0
Serious work-related injury rate per million working hours (excluding fatalities)	Person(s) per million working hours	0.25	0
On-the-job training rate for team leaders and safety officers	%	100%	100%

Data note: The 1 serious work-related injury in 2025 was caused by an accident on the commute home from work.

Safety Inspection

In 2025, a total of 16 safety inspections were organized, including 4 inspections led by the management, 6 comprehensive inspections, 3 special inspections and 3 other inspections, 193 hidden safety hazards were identified, and the rectification rate of hidden hazards reached 79.79% as of the end of December.

Right to refuse dangerous work

Special emphasis is given during new employee onboarding training:

- Employees' right to refuse unsafe work.
- Safety awareness, especially traffic safety during commuting.

The company firmly adheres to the path of improving work safety through technology, and reduces safety risks and occupational hazards in workplaces from the perspective of intrinsic safety via mechanization and automation.

Case: Lights-out Warehouse

The warehouse implements lights-out management, and the workshop adopts separate access for pedestrians and vehicles, shifting from 'human-based prevention' to 'technology-based prevention', realizing intrinsic safety from the spatial dimension and eliminating critical risks such as collision and crushing.

Safety protection measures such as interlocking devices, photoelectric protection, and limited motion control are applied to all automated equipment and facilities, basically realizing intrinsic safety of automated equipment.

Case: Improving Intrinsic Safety

Risks of welding posts:

- High temperature of soldering irons poses scalding risks.
- Exposure to welding fumes causes occupational hazards.

- Workpieces are transported via rails to robotic arms for automatic welding, eliminating scalding risks.
- Welding fumes are collected through a closed negative-pressure system, eliminating occupational hazards caused by dust.

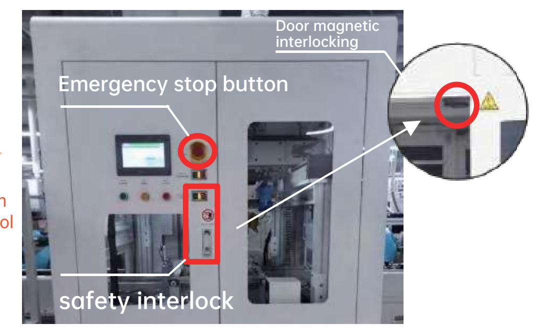
Risk Managem
ent and Control

Risks of testing posts:

- Mounting test meters poses mechanical injury risks.
- Testing process poses phase-to-phase electric shock risks.

- Products are transported to testing machines via rails. Power terminals are automatically plugged in by the transfer mechanism.
- Power-on testing is conducted in a closed environment.

Risk Managem
ent and Control



Occupational Health Management

Workplace Monitoring and Physical Examination of Occupational Disease

Risk classification of occupational disease hazard: General

- Main occupational disease hazard factors in the Company's workplaces include: other dust, welding fumes, tin dioxide, copper fume, manganese and its inorganic compounds, isopropyl alcohol, methanol, ultraviolet radiation, microwave radiation, laser radiation, power frequency electric field and noise. All monitoring results are qualified.
- Obtained the "Class A" rating in the 2025 occupational health classification and grading management assessment of Chengdu High-tech Zone.
- No occupational disease cases occurred in the Company during the reporting period.


Methanol Testing


Illuminance Testing


Power Frequency Electric Field Testing


Dust Testing


Welding Fume Testing


Noise Testing

Occupational Health and Safety Training

Personnel Category	Training Course
Employees	▪ Three-level work safety education for new hires ▪ Safety training for team/group leaders ▪ Training on work safety responsibility system ▪ Job transfer and return-to-work training ▪ Accident case training
Safety management personnel	▪ Safety management personnel training ▪ Occupational health management personnel training
Special operation personnel	▪ Electrician and high-altitude operation training ▪ Pressure vessel training ▪ Forklift training ▪ Elevator management training ▪ Building (structure) firefighter training
Emergency response personnel	▪ Volunteer firefighter training ▪ First aider training

Emergency management

Emergency drill

In response to potential risks in workplaces, the Company formulates an annual emergency drill plan, which is organized and implemented by various departments, covering emergency drills for special equipment, electric shock prevention, fire accidents, chemical leakage, etc. Through carrying out emergency drills, we identify and improve weak links in emergency management, test the feasibility and effectiveness of emergency response plans, enhance employees' coordination capability and emergency handling capacity for sudden incidents, to ensure rapid response and effective disposal when unexpected safety incidents occur, and minimize environmental impacts and safety risks to the greatest extent.


Laboratory electric shock emergency drill


Meter hanging area electric shock emergency drill


AGV injury emergency drill


Forklift injury emergency drill


Night emergency evacuation drill


Daytime emergency evacuation drill


Dormitory emergency evacuation drill


Fire disposal emergency drill

Safety culture construction

Safety activities

The Company carries out various safety activities through themed months such as Safety Month and Fire Prevention Month, including safety knowledge competitions, warning education exhibitions, hidden hazard screening by all-staff, interactive experiential training and more, to create a strong safety culture atmosphere. Through diverse, content-rich activities, the Company enhances employees' ability to perceive safety risks and their prevention awareness, instills safety concepts deeply into employees' minds, effectively improves employees' safety awareness and emergency response capability, builds a sound atmosphere where "everyone values safety and everyone masters emergency response skills", and promotes the shift from "I am required to be safe" to "I want to be safe".

- Carry out all-staff training and examination of"Find hidden dangers around you".
- Launch online safety activities including "Work Safety Month", "I Find Safety Hidden Dangers" and "Test Your Safety Competence".
- Carry out the safety activity of "Draw a risk map around you".
- Launch the "Fire Emergency Training Call" activity to provide fire training for volunteer firefighters and participants.
- Launch the "First Aider Retraining" activity to provide retraining for first aiders.
- Carry out all-staff activity of "Draw an evacuation map, keep the safety lifeline in mind".
- Carry out all-staff training and examination of "Safe Use of Fire and Electricity".
- Launch the "Guard Life, First Aid By Your Side" training for first aiders to renew their certificates.
- Launch the "Fire and Electricity Use - I Find Hidden Dangers for Safety" activity.
- Carry out "Safety Promotion Day Consultation Activity" and gift redemption activity where employees can exchange gifts with points earned from participating in activities.
- Carry out "Promotion Day Activities" including fire smoke escape house experience and all-staff emergency evacuation drill.

Diversity and Equal Opportunity

Kaifa respects diverse differences and provides an accessible, discrimination-free and equal working environment for every employee. We believe that the Company's diversity, equity and inclusion culture not only helps give full play to everyone's talents, but also serves as a solid foundation for building professional operation capabilities and innovation vitality.

The Company has established a three-level DEI (Diversity, Equity, Inclusion) governance framework featuring "HR-led, business-collaborated, all-staff participation", to ensure that diversity and equal opportunity work forms a closed loop from top-level design to frontline implementation, while strengthening supervision and accountability to guarantee the effectiveness of policy implementation. The human resources department is defined as the executive body for DEI work, responsible for policy formulation, process optimization, training promotion and effect evaluation. We have a collective negotiation mechanism to ensure the collection of employee demands, supervise the fairness of policy implementation, and build a communication bridge between employees and management. Adhering to the principles of "fairness and non-discrimination, equal opportunity, personalized support", we have built a DEI policy system covering all employees, which explicitly prohibits any form of discrimination based on factors such as gender, age, ethnicity, race, religious belief, physical disability, marital status, fertility status, etc., covering the entire process of recruitment, interview, employment, training, promotion, compensation, resignation, etc. We have opened diversified grievance channels, including anonymous mailboxes and online grievance platforms, with clear grievance handling procedures and time limits to ensure that employees can conveniently safeguard their rights when encountering discrimination or unfair treatment. At the same time, a grievance case review mechanism is established to optimize policies and processes for typical problems and avoid the recurrence of similar issues.

Diverse and Inclusive Workplace

The Company deeply integrates the DEI strategy with its business innovation and development as well as talent echelon construction. Through continuous investment and iterative optimization, diversity and inclusion will become one of the Company's core competitiveness, and a diverse and inclusive workplace atmosphere will be created. At the same time, in response to risks such as unbalanced gender ratio in technical positions, insufficient employee awareness of DEI concepts, and potential discrimination complaints, the Company carries out advance prevention and control by strengthening policy publicity, optimizing recruitment strategies, improving the grievance mechanism, etc., and regularly conducts DEI compliance risk investigations to ensure that all measures meet the requirements of laws and regulations, and avoid reputational and legal risks.

Short and Medium-term Goals (1-3 Years)

First, meet the quantitative indicators: the proportion of female employees is no less than **35%**, and the proportion of female employees in the management is no less than **25%**; the number and proportion of employed persons with disabilities meet the requirements of local policies; second, the policies are implemented effectively, achieving full coverage of DEI training for all employees, and zero discrimination complaints in recruitment and promotion links.

Long-term Goals (3-5 Years)

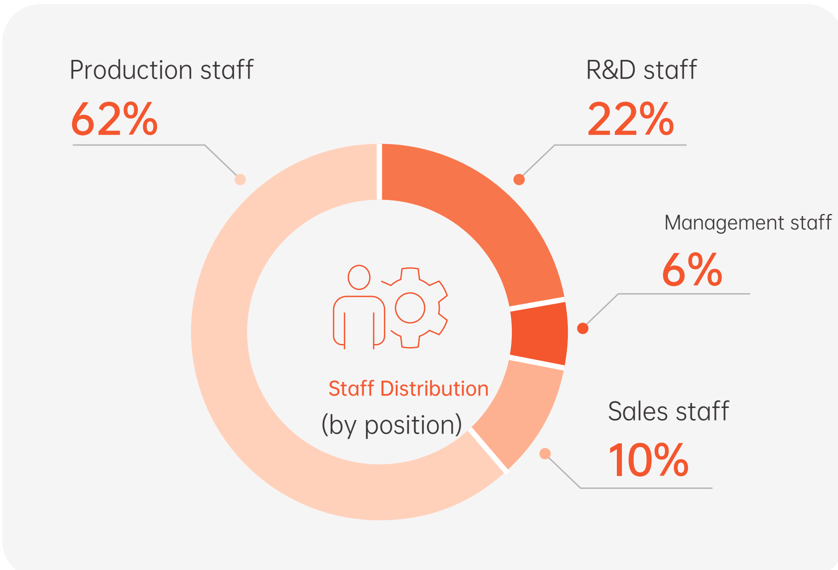
First, build a mature DEI cultural ecosystem, and form a workplace atmosphere of "respect for differences, collaborative innovation";
Second, build a diversified talent echelon and diversified teams to contribute core value to technological innovation.

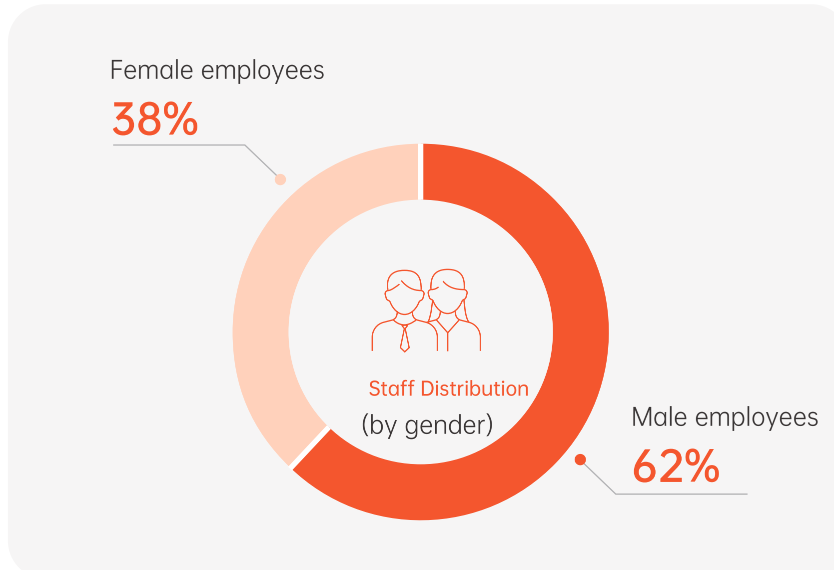
Strategic Positioning

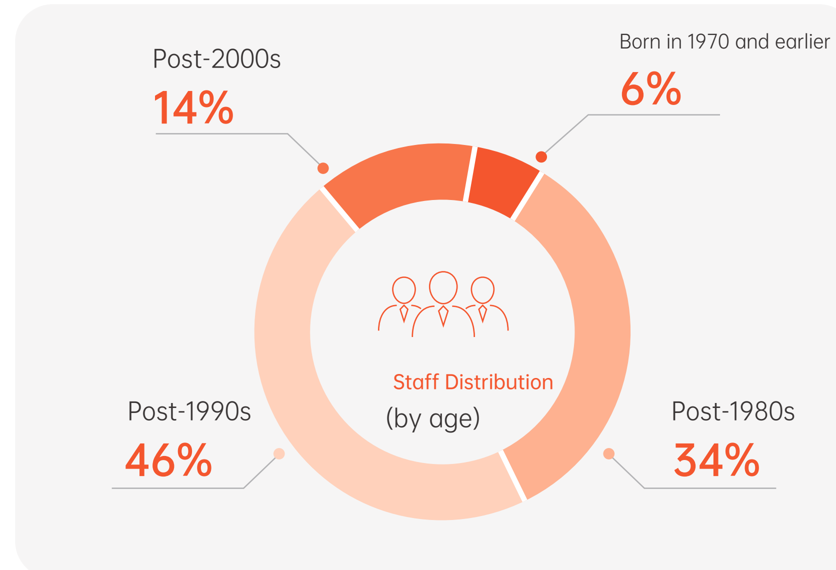
Activate the innovation vitality of talents through DEI construction, promote technological innovation and business expansion by building diversified teams, and set a benchmark for DEI practice in the industry at the same time, so as to enhance brand reputation and stakeholder recognition.

2025 Personnel Distribution

The Company has always placed talent echelon cultivation and diversified talent structure development at a strategic height. By building a systematic, multi-level professional training system, vigorously supporting cross-post learning and exchanges among employees, and establishing a sound innovation incentive system, we continuously stimulate the innovation vitality of talents, and forge a high-quality talent team that is vibrant, proactive, broad-minded, and equipped with cutting-edge international concepts. During the reporting period, the Company's staff distribution is as follows:







Equality and Diversity Policy

Equal Recruitment Policy

It is explicitly prohibited to conduct recruitment with "preferences for gender, age, etc.", so as to reduce the impact of non-core competence factors such as gender and age.

Equal Promotion Policy

The Company implements an equal promotion policy: a three-level collaborative mechanism ensures fairness, a dual-channel system adopts unified standards, and three-level review ensures transparent procedures, granting all employees equal development opportunities.

Equal Remuneration Policy

Adhering to performance orientation, we determine remuneration levels based on post value and individual contribution, balance external competitiveness and internal fairness, and regularly conduct market remuneration research and analysis to ensure the incentive effect of remuneration.

Protection of Female Employees

We respect and protect the legitimate rights and interests of female employees, strictly implement provisions on maternity protection, occupational safety and anti-discrimination, create an equal, inclusive and safe working environment, and support the career development of female employees.

Protection of the Rights and Interests of Persons with Disabilities

We provide reasonable accommodations for disabled employees, including office facility renovation, adaptation of operating tools, work process optimization, etc.; we pay the Employment Security Fund for Persons with Disabilities in full in accordance with the law, and actively recruit qualified persons with disabilities for employment.

05

Robust Governance

Kaifa is committed to building a sound risk management system to ensure the stability of the Company's operations. We strictly prohibit commercial bribery, corruption and unfair competition, to make Kaifa a trustworthy company.

- Risk Management
- Anti-commercial Bribery and Anti-corruption
- Anti-unfair Competition

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

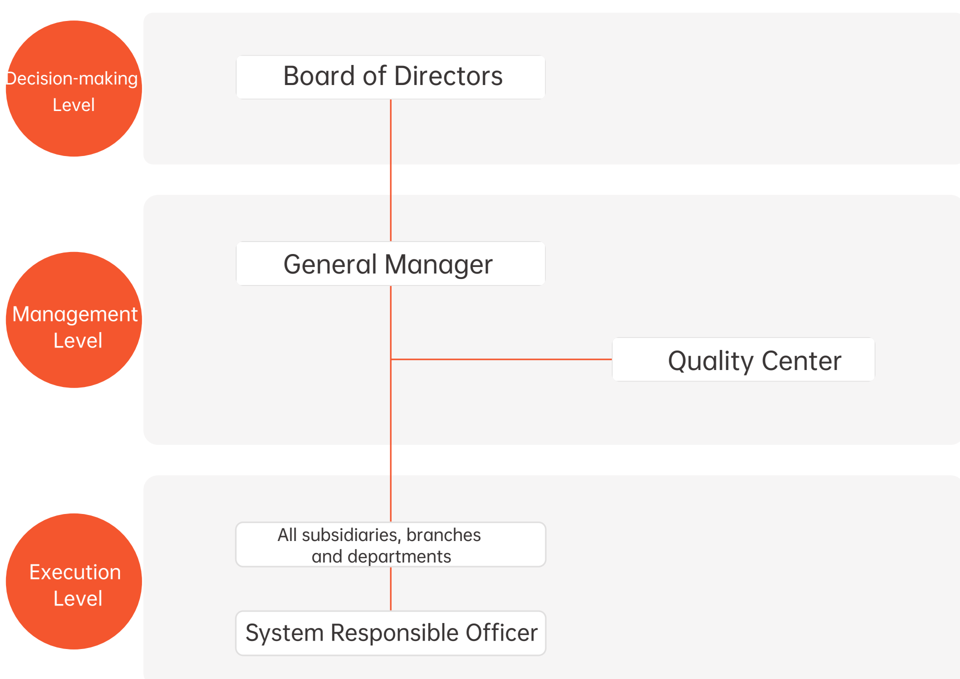
17 PARTNERSHIPS FOR THE GOALS

Risk Management

Against the current complex and volatile internal and external environment, Kaifa regards risk management as the core of sustainable development. As an important part of the "Robust Governance" strategic pillar, the company continuously explores ways to efficiently identify, assess and respond to various risks and opportunities, aiming to enhance its risk foresight capability and risk resilience, and actively seize every opportunity that may drive enterprise growth. While pursuing steady improvement in economic benefits, the company also focuses on strengthening corporate governance and risk management capabilities. By optimizing the top-level design of risk management, improving risk management systems and processes, and carrying out risk assessments, the Company achieves comprehensive monitoring of risks and opportunities in key areas including strategy, finance, operation (including compliance) and hazard risks, focuses on key risks and improvement opportunities, and promotes the in-depth and refined development of risk and opportunity management.

Governance

Kaifa attaches great importance to the fundamental role of risk governance in the ESG framework, regarding it as the cornerstone of the Company's stable operation and sustainable development. The Company has established a systematic and structured enterprise-wide risk management system to ensure clear risk management responsibilities, well-defined division of labor, and effective implementation.



Decision-making Level

The Company's board of directors is responsible for making major decisions on the Company's risk control and compliance issues, hearing reports on major risk matters, and providing strategic guidance and resource guarantee for the effective operation of risk management.

Management Level

As the top manager of the Company's risk management system, the General Manager leads the Quality Center to support and supervise matters related to the Company's risk management, with specific responsibilities as follows: Ensure the implementation of the Company's risk management work; organize and carry out daily risk management work; organize at least one risk assessment every year, covering five major categories of risks, i.e., strategy, market, finance, law and operation.;summarize risk information from all subsidiaries, branches and departments, establish and maintain the company-level Risk Event Repository; organize regular inspection and assessment of the completeness of risk information and the effectiveness of control measures; promote the continuous optimization and standardized implementation of risk management processes.

Execution Level

Heads of all subsidiaries, branches and departments are responsible for risk governance within their respective scopes of responsibilities, which specifically include: Ensuring the effective implementation of risk control systems; organizing and supervising risk identification, assessment and control activities; carrying out daily business monitoring, identifying deviations and promoting improvement; organizing internal risk training and knowledge sharing within the department; coordinating the collection, analysis and reporting of risk-related data of their respective departments.

Strategy

The formulation of Kaifa comprehensive risk management strategy is a decision-making process that takes the Company's development strategy as the fundamental guidance and also takes the risk assessment results obtained based on clearly defined assessment criteria in a systematic way as the key basis. First, in accordance with a set of quantitative risk assessment criteria, we conduct comprehensive analysis from two dimensions: the likelihood of risk occurrence and the severity of consequences, scientifically classify risks into three levels, and clarify the Company's risk tolerance for each level. On this basis, we formulate strategies following the differentiation principle: For "critical" risks, we adopt strategies of strict control, avoidance or transfer, and set control objectives; for "major" risks, we explicitly require the establishment of process control and regular monitoring; for "minor" risks, we optimize management when resources permit. Meanwhile, combining with the annual work plan and budget, we allocate corresponding human and financial resources for risks of each level to ensure that the strategies are executable and implementable, and finally form a complete closed strategy loop from risk identification to resource guarantee, so as to support the steady achievement of strategic objectives.

Impact, Risk and Opportunity Management

Kaifa deeply embeds comprehensive risk management into all links of corporate strategic planning and daily operation, ensuring that risk management is not only a defensive tool, but also a core capability that drives the achievement of strategic objectives and guarantees the sustainable development of the enterprise. The Company has formulated the Comprehensive Risk Management Process Guideline, and established a set of scientific, rigorous and executable standardized risk assessment process, which is the core methodology for the Company to effectively connect risk with strategy.

Standardized full-process assessment	Multi-dimensional assessment combining qualitative and quantitative methods	Continuous cyclic dynamic assessment
We strictly follow the progressive logic of "Identification → Analysis → Evaluation" to carry out assessments. First, all subsidiaries, branches and departments systematically "scan" business processes and key operational activities through questionnaires, comprehensive seminars and other methods to ensure no risks are missed. Subsequently, all identified risks are categorized and analyzed in accordance with the five unified categories (strategy, market, finance, legal and operations). Finally, comprehensively evaluate the degree of impact of risks on corporate governance.	Kaifa adopts a two-dimensional matrix model to assess and classify risks. The assessment not only focuses on the likelihood of risk occurrence, but also measures the severity of its potential consequences. Through cross-comparison of the rating results of the two dimensions, risk levels are finally and objectively divided into three grades: "Minor", "Major" and "Severe", providing a clear basis for subsequent differentiated resource investment and strategy formulation.	Risk assessment is not a one-time project. By regularly updating the Risk Event Repository and conducting regular tracking of major risks every year, Kaifa ensures that risk assessment can dynamically reflect changes in internal and external environments, the launch of new businesses and adjustments to strategic priorities. This continuous cyclical process enables risk assessment results to be updated and adjusted in a timely manner, becoming a key information source to guarantee the Company's strategic resilience and flexibility.

The identified sustainability-related risks and opportunities of the Company will not exert any material impact on its financial position, operating results, cash flows and other aspects in the current year and the next fiscal year.

2025 ESG-related Risk Assessment Results (Excerpts)

Risk Level	Risk Category	Risk Name	Risk Event Description	Risk Solution
Major	Operational Risk	External Construction Management Risk	External construction personnel carry out hazardous operations without work permits.	▪ Require external construction personnel to strictly abide by the Company's management regulations, sign a responsibility letter, and apply for work tickets. ▪ Require external construction personnel to work with valid certificates and strictly abide by the Company's management regulations.
Major	Operational Risk	Traffic Management Risk	Vehicles overspeed or drive in violation of regulations in the park.	▪ Conduct regular safety awareness education for drivers. ▪ Formulate and post the Notice on Vehicle Entry and Exit to the Park at each gate post to manage traffic in the park. ▪ Prohibit bicycles, electric vehicles and motorcycles from driving randomly in non-parking areas.
Major	Operational Risk	Health, Safety and Environmental (HSE) Risk	Occurrences of public health events, mass infectious diseases and other incidents lead to damage to employees' health.	▪ The Company mainly carries out management through safety standardization, fire protection standardization and the ISO 45001 system, formulates emergency plans for public health emergencies, and sets up relevant organizational bodies.
Major	Operational Risk	Energy Management Risk	Power rationing is implemented in high-temperature weather, and the Company uses diesel generators to generate electricity.	▪ Introduce solar photovoltaic power generation projects to reduce dependence on a single energy source. ▪ Establish and maintain an energy management system, regularly monitor energy performance, and identify energy improvement opportunities.
Major	Operational Risk	Reputational Risk	Inaccurate and inconsistent ESG data disclosure will weaken the credibility of the report and may expose part of the Company's information.	▪ Clarify the ESG organizational structure, and define the responsibilities of each department in ESG data collection, management and reporting. ▪ Clarify data sources, collection methods, responsible persons and approval processes to ensure the accuracy, completeness and consistency of data. ▪ Seek professional advice, and invite professional institutions to provide consulting and training.

Indicators and Targets

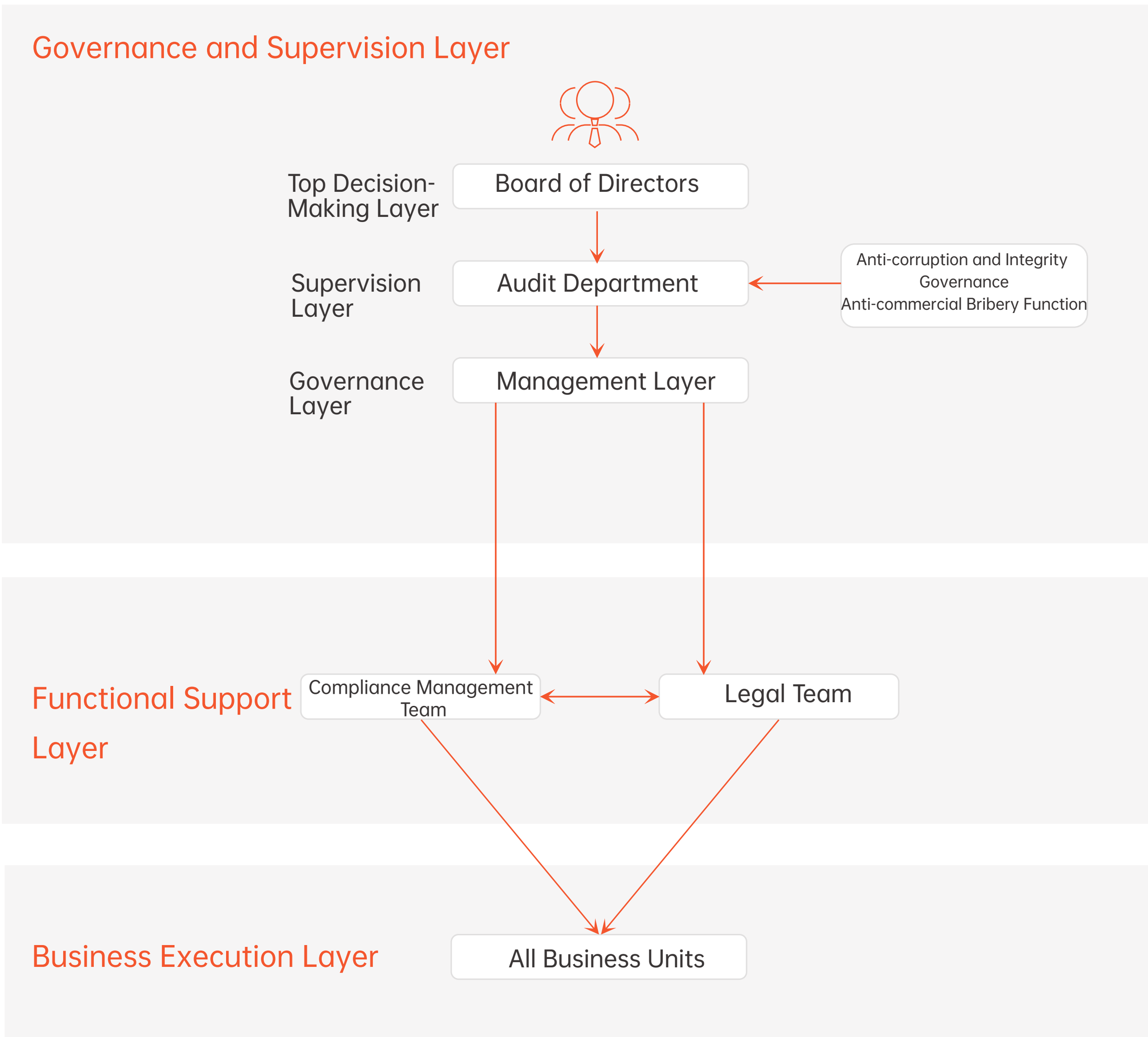
Through annual target setting and regular tracking, we continuously review the resource input and implementation effectiveness of risk management, and drive the shift of risk response measures from "passive response" to "active prevention". Going forward, we will dynamically optimize indicator setting in response to changes in internal and external environments, provide transparent and reliable evidence of risk management performance for stakeholders, and consolidate the line of defense for the sustainable development of the enterprise.

Name of Quantitative Indicator	Indicator Description	Unit	2024 Actual Data	2025 Actual Data
Completion rate of risk response measures	(Number of response measures completed under the annual plan ÷ Total number of measures in the annual plan) x 100%	%	100%	100%
Key Risk Indicator (KRI) monitoring coverage rate	(Number of major risks under regular monitoring with established indicators ÷ Total number of major risks) x 100%	%	83.3%	100%
Number of major risk incidents	Number of major risk incidents occurred within the year	次	0	0

Anti-commercial Bribery and Anti-corruption

Governance

The Company attaches great importance to business ethics and integrity compliance management, and has built a well-structured, clearly-responsible, collaborative organizational framework of integrity compliance management to ensure that integrity compliance requirements run through all links of decision-making, implementation and supervision.



Strategy

The Company always adheres to the corporate values of integrity and pragmatism in business activities, and promises to comply with relevant anti-corruption and business ethics policies and regulations of the country and regions where its businesses are located. Through systems and norms such as the Employee Handbook and Integrity Compliance Management Regulations, the Company clarifies that integrity compliance is the bottom line of its operation and management, requires the Company, all its employees and business partners to uphold the highest integrity standards in all business interactions, and strictly prohibits any corruption and commercial bribery activities.

Impact, Risk and Opportunity Management

Normalized Integrity Education	The Company has established a normalized integrity education model, adopts a dual-track mechanism of "daily training + holiday pre-warning", and uses the combination of "laws and regulations publicity + typical case warning" to vividly and accurately convey anti-corruption policies, legal red lines and system requirements to all employees, ensuring that integrity education covers all staff and runs throughout the year.
Internal Inspection and Audit	The Company systematically assesses the commercial bribery risks of each department through regular internal inspection and audit. Inspection and audit adopts methods such as process review and on-site interview to dynamically identify potential risk points in the operation process, form special reports, and put forward rectification suggestions and prevention and control measures item by item. At the same time, a closed-loop problem tracking mechanism is established to ensure that rectification is implemented in place.
Conflict of Interest and Commitment Letter	For personnel in key positions of the sales department, the company has formulated conflict of interest management measures and established a declaration mechanism, requiring regular reporting of relevant matters that may affect impartial performance of duties, to ensure that post behaviors are consistent with the company's interests. At the same time, integrity compliance is included in the performance appraisal requirements for the management and key positions, and personnel in key positions are organized to sign the Integrity Work Commitment Letter to further implement integrity risk prevention and control measures.

Handling Process of Reporting

1. Accept and register report information
2. Pre-investigate and analyze involved departments
3. Distribute the report to the investigation department
4. Launch investigation to verify and screen the facts
5. Dispose of relevant personnel in accordance with the Company's management regulations
6. Timely provide feedback on the investigation results to the whistleblower

Reporting and Complaint Channel: Corporate Audit Department

Tel: 028-65706888-73793

Reporting Email:

Indicators and Targets

During the reporting period

The Company recorded **0** litigation-level cases of embezzlement and corruption.

Anti-corruption and Anti-bribery Training: **100%** participation coverage for directors, **100%** participation coverage for employees.

Anti-unfair Competition

The Company strictly abides by the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, as well as applicable anti-unfair competition and anti-monopoly laws and regulations in regions where its international business operates, and participates in market competition in a law-abiding and compliant manner. The Company firmly opposes acts violating fair competition, abides by all legal and ethical standards promoting free and fair competition, and strictly prohibits immoral or illegal business conduct to seek competitive advantages, and participation in any improper business activities is strictly prohibited.

To standardize market competition behaviors, the Company has established a management and control structure with the board of directors as the decision-making layer, the corporate legal affairs and compliance management team as the management layer, and each business unit as the execution layer, and has set up an internal audit and reporting supervision mechanism to jointly promote the daily management, control and effective handling of business ethics risks such as anti-monopoly and anti-unfair competition.

During the reporting period, no litigation-level violations of fair competition occurred in the Company.

Appendix: Key Performance Data

Environmental Performance

Indicator	Unit	2024	2025
Organized Waste Gas Emission			
VOC	Ton	1.21	2.92
PM	Ton	0.251	0.439
Greenhouse Gas (GHG)			
Direct (Scope 1) GHG Emissions	ton CO2e	117.46	451.01
Location-based Indirect (Scope 2) GHG Emissions	ton CO2e	3,158.35	7,157.45
Other Indirect (Scope 3) GHG Emissions	ton CO2e	2,127,313.96	1,747,501.40
GHG Emission Intensity	ton CO2e /million RMB	1.12	2.52
Energy			
Total Energy Consumption	Tonnes of Standard Coal	1,767.13	1,689.21
Non-renewable Energy Consumption	Megajoules	13,646,751.97	11,406,571.98
Gasoline	Megajoules	109,103.87	99,619.98
Diesel	Megajoules	93,160.10	0.00
Non-clean Electricity	Megajoules	13,444,488.00	11,306,952.00
Renewable Energy Consumption	Megajoules	38,116,440.00	38,073,888.00
Self-consumed Photovoltaic Power	Megajoules	927,396.00	819,144.00
Purchased Green Electricity	Megajoules	37,189,044.00	37,254,744.00
Energy Intensity			
Energy Consumption Intensity	Tonnes of standard coal / million RMB	0.60	0.56
Energy Consumption Reduction			
Annual Electricity Savings	Megajoules	2,630.00	2,330.96

Indicator	Unit	2024	2025
Water Use			
Total Water Consumption	Ton	77,275.00	71,662.00
Fresh Water Consumption	Ton	77,275.00	67,520.00
Reclaimed Water Recycling Volume	Ton	0.00	4,142.00
Total Water Discharge	Ton	54,092.50	47,264.00
Total Water Consumption	Ton	23,182.50	24,398.00
Waste			
Total Waste Generated	Ton	755.17	708.04
Non-hazardous Waste			
Total Non-hazardous Waste Generated	Ton	618.77	610.41
Non-hazardous Waste Generation Density	Ton / million RMB	0.21	0.20
Total Non-hazardous Waste Disposed	Ton	618.77	610.41
Hazardous Waste			
Total Hazardous Waste Generated	Ton	136.4	97.63
Hazardous Waste Generation Density	Ton / million RMB	0.05	0.03
Total Hazardous Waste Disposed	Ton	136.4	97.63

Note:
1. The statistical scope of all environmental performance data included in this report only covers Chengdu Kaifa Technology Co., Ltd.
2. The Company's main energy consumption sources are gasoline, diesel, photovoltaic power, purchased electricity, and purchased renewable energy.
3. Energy consumption data is calculated based on the consumption of electricity and fuels and relevant conversion factors specified in the General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020).
4. ① Non-renewable energy consumption = Gasoline consumption + Diesel consumption + Non-clean electricity
② Renewable energy consumption = Self-consumed photovoltaic power + Purchased green electricity
③ Total water consumption = Total water usage - Total water discharge

Social Performance

Employee Employment

Indicator	Unit	2024	2025
Employees			
Total Number of Employees	Person	1,454	1,474
Breakdown of Total Employees by Gender			
Male	%	62	62
Female	%	38	38
Breakdown of Total Employees by Region			
Chinese Mainland	%	99.0	98.2
Hong Kong, Macao and Taiwan Regions of China	%	0.1	0.1
Overseas Regions	%	0.9	1.7
Breakdown of Total Employees by Age			
Post-2000s	%	12	14
Post-1990s	%	47	46
Post-1980s	%	35	34
Post-1970s and Earlier	%	6	6
Breakdown of Technical and Management Personnel by Education Background			
Junior College and Below	%	14	11
Bachelor's Degree and Above	%	86	89
New Hires			
Number of New Hires	Person	1,156	406
Breakdown of Number of New Hires by Gender			
Male	%	66	62
Female	%	34	38
Breakdown of Number of New Hires by Region			
Chinese Mainland	%	99.7	96.6
Hong Kong, Macao and Taiwan Regions of China	%	0.0	0.0
Overseas Regions	%	0.3	3.4
Breakdown of Number of New Hires by Age			
Under 30 years old	%	46	45
30-50 years old	%	54	54
Over 50 years old	%	0	1
Employee Turnover			
Total Employee Turnover Headcount	Person	975	386
Breakdown of Employee Turnover Headcount by Gender			
Male	%	66	61
Female	%	34	39
Breakdown of Employee Turnover Headcount by Region			
Proportion of Mainland Employees	%	100	99
Hong Kong, Macao, Taiwan and Overseas	%	0	1

Anti-discrimination

Indicator	Unit	2024	2025
Anti-discrimination			
Total Number of Discrimination Incidents	Case(s)	0	0

Diversity and Equal Opportunity

Indicator	Unit	2024	2025
Diversity and Equal Opportunity			
Ethnic Minorities	Person	36	38
Persons with Disabilities	Person	31	24

Training and Development

Indicator	Unit	2024	2025
Vocational Training and Development			
Employees receive regular performance and career development assessments	%	94	96
Total Person-times of Employee Training	Person-times	2,986	4,912
Total Hours of Employee Training	Hours	12,588.6	21,352.7
Average Training Hours per Employee	Hours	8.66	14.49
Employee training hours categorized by gender			
Male	Hours	9,138.3	14,973.2
Female	Hours	3,450.2	6,379.5

Employee Health and Safety

Indicator	Unit	2024	2025
Occupational Health and Safety (OHS)			
Coverage rate of occupational health and safety management system	%	100	100
Total person-times of employees receiving safety training	Person-times	/	2,800
Person-times of participation in safety emergency drills	Person-times	2,350	2,157
On-the-job training rate for team/group leaders and safety officers	%	100	100
Number of fatalities caused by work-related injuries	Person(s)	0	0
Work-related fatality rate per million working hours	Persons per million working hours	0	0
Number of work-related injuries with severe consequences (excluding fatalities)	Person(s)	0	1
Severe consequence work-related injury rate per million working hours (excluding fatalities)	Persons per million working hours	0	0.25
Number of accidents causing property loss of over RMB 10,000	Cases	0	1

Supply Chain Management

Indicator	Unit	2024	2025
Suppliers			
Total number of suppliers	Cases	/	531
Number of newly added suppliers	Cases	/	38
Proportion of qualified new suppliers screened against environmental standards	%	/	63.16
Proportion of qualified new suppliers screened against social standards	%	/	63.16

R&D and Innovation

Indicator	Unit	2024	2025
R&D and Innovation			
R&D Investment	100 million RMB	/	1.68
Proportion of R&D investment	%	/	5.56
Number of R&D personnel	Person	299	331
Number of patent applications	Pieces	24	52

Public Welfare

Indicator	Unit	2024	2025
Public Welfare			
Public Welfare Investment	10,000 RMB	0	2
Rural Revitalization			
Rural Revitalization Investment	10,000 RMB	20.33	22.91

Standards Index

GRI Index

Instructions for Use	Kaifa prepared this report in accordance with GRI Standards for the period from January 1, 2025 to December 31, 2025
Adopted GRI 1	GRI1: Foundation 2021
Applicable GRI Industry Standards	No applicable Industry standards

GRI Standards	Disclosure Item		Report Chapter	Page Number	Reason for Omission	Explanation
GRI 2: General Disclosures 2021	2-1	Organizational Details	About Kaifa Technology	03	/	/
	2-2	Entities included in the organization's sustainable development report	About This Report	01	/	/
	2-3	Reporting period, reporting frequency and contact person	About This Report	01	/	/
	2-4	Information Restatement	Key Performance Data	71	/	/
	2-6	Activities, value chain and other business relationships	About Kaifa Technology	03	/	/
	2-7	Employees	Employment and Employee Rights and Interests	50	/	/
	2-9	Governance Structure and Composition	Sustainable Development Management	07	/	/
	2-10	Nomination and selection of the highest governance body	See the annual report for details	/	/	/
	2-11	Chairperson of the highest governance body	Chairman's Address	02	/	/
	2-12	Oversight role of the highest governance body in impact management	Sustainable Development Management	07	/	/
	2-13	Delegation of responsibility for impact management	Sustainable Development Management	07	/	/
	2-14	Role of the highest governance body in sustainability reporting	Sustainable Development Management	07	/	/
	2-15	Conflict of Interest	See the annual report for details	/	/	/
	2-16	Communication of material concerns	Sustainable Development Management	07	/	/
	2-17	Collective knowledge of the highest governance body	Sustainable Development Management	07	/	/

GRI 2: General Disclosures 2021	Disclosure Item		Report Chapter	Page Number	Reason for Omission	Explanation
GRI 2: General Disclosures 2021	2-18	Performance evaluation of the highest governance body	See the annual report for details	/	/	/
	2-19	Remuneration Policy	See the annual report for details	/	/	/
	2-20	Procedures for determining remuneration	See the annual report for details	/	/	/
	2-21	Annual total remuneration ratio	Omitted	/	Confidentiality Restriction	Not disclosed to the public temporarily in accordance with information confidentiality requirements
	2-22	Statement on sustainable development strategy	Sustainable Development Management	07	/	/
	2-25	Procedures for Remediating Negative Impacts	Employment and Employee Rights and Interests	50	/	/
	2-26	Mechanisms for Seeking Advice and Raising Concerns	Anti-commercial Bribery and Anti-corruption	69	/	/
	2-27	Compliance with Laws and Regulations	See Contents of Each Topic	/	/	/
GRI 3: Material Topics 2021	2-28	Association Membership	About Kaifa Technology	06	/	/
	2-29	Stakeholder Engagement Methods	Sustainable Development Management	07	/	/
GRI 101: Biodiversity 2024	2-30	Collective Bargaining Agreement	Employment and Employee Rights and Interests	50	/	/
	3-1	Process for Identifying Material Topics	Sustainable Development Management	07	/	/
	3-2	List of Material Topics	Sustainable Development Management	07	/	/
	3-3	Management of Material Topics	Biodiversity	41	/	/
	101-2	Biodiversity Impact Management	Biodiversity	41	/	/
	101-4	Biodiversity Impact Identification	Biodiversity	41	/	/

GRI Standards	Disclosure Item		Report Chapter	Page Number	Reason for Omission	Explanation
GRI 201: Economic Benefits 2016	3-3	Management of Material Topics	About Kaifa Technology	03	/	/
	201-1	Directly Generated and Distributed Economic Value	About Kaifa Technology	03	/	/
	201-2	Financial Impacts, Other Risks and Opportunities Arising from Climate Change	Addressing Climate Change	18	/	/
	201-3	Defined Benefit Plan Obligations and Other Retirement Plans	Employment and Employee Rights and Interests	50	/	/
	201-4	Government Financial Subsidies	See the annual report for details	/	/	/
GRI 202: Market Performance 2016	3-3	Management of Material Topics	Employment and Employee Rights and Interests	50	/	/
GRI 203: Indirect Economic Impacts 2016	3-3	Management of Material Topics	Social Contribution, Rural Revitalization	48	/	/
	203-1	Infrastructure Investment and Supportive Services	Social Contribution, Rural Revitalization	48	/	/
	203-2	Significant Indirect Economic Impacts	See the annual report for details	/	/	/
GRI 204: Procurement Practices 2016	3-3	Management of Material Topics	Supply Chain Security	43	/	/
GRI 205: Anti-Corruption 2016	3-3	Management of Material Topics	Anti-commercial Bribery and Anti-corruption	69	/	/
	205-1	Operating Sites that has conducted Corruption Risk Assessment	Anti-commercial Bribery and Anti-corruption	69	/	/
	205-2	Communication and Training on Anti-Corruption Policies and Procedures	Anti-commercial Bribery and Anti-corruption	69	/	/
	205-3	Confirmed Corruption Incidents and Actions Taken	Anti-commercial Bribery and Anti-corruption	69	/	/
GRI 206: Anti-Competitive Behavior 2016	3-3	Management of Material Topics	Anti-unfair Competition	70	/	/
	206-1	Legal Proceedings Concerning Anti-Competitive Behavior, Antitrust and Anti-Monopoly Practices	Anti-unfair Competition	70	/	/
GRI 207: Tax Affairs 2019	3-3	Management of Material Topics	See the annual report for details	/	/	/
	207-1	Tax Policy	See the annual report for details	/	/	/
	207-2	Tax Governance, Control and Risk Management	See the annual report for details	/	/	/
	207-3	Stakeholder Engagement and Management Related to Tax Concerns	See the annual report for details	/	/	/
	207-4	Country-by-Country Report	See the annual report for details	/	/	/
GRI 301: Materials 2016	3-3	Management of Material Topics	Circular Economy	23	/	/
	301-1	Weight or Volume of Materials Used	Circular Economy	23	/	/
	301-2	Recycled Feedstock Used	Circular Economy	23	/	/
	301-3	Recycled Products and Their Packaging Materials	Circular Economy	23	/	/

GRI Standards	Disclosure Item	Report Chapter	Page Number	Reason for Omission	Explanation
GRI 302: Energy 2016	Management of Material Topics	Energy Utilization	25	/	/
	Internal Energy Consumption of the Organization	Energy Utilization	25	/	/
	External Energy Consumption of the Organization	Omitted	/	Insufficient Information	The organization covers too many business segments and links, making it difficult to calculate external energy consumption
	Energy Intensity	Energy Utilization	25	/	/
	Energy Consumption Reduction	Energy Utilization	25	/	/
	Reduced Energy Demand for Products and Services	Energy Utilization	25	/	/
GRI 303: Water and Effluents 2018	Management of Material Topics	Water Resource Utilization	34	/	/
	Interaction Between the Organization and Water as a Common Resource	Water Resource Utilization	34	/	/
	Management of Impacts Related to Water Discharge	Water Resource Utilization	34	/	/
	Water Withdrawal	Environmental Performance	71	/	/
	Water Discharge	Environmental Performance	71	/	/
	Water Consumption	Environmental Performance	71	/	/
GRI 305: Emissions 2016	Management of Material Topics	Addressing Climate Change	18	/	/
	Direct (Scope 1) GHG Emissions	Addressing Climate Change	18	/	/
	Energy indirect (Scope 2) greenhouse gas emissions	Addressing Climate Change	18	/	/
	Other Indirect (Scope 3) GHG Emissions	Addressing Climate Change	18	/	/
	GHG Emission Intensity	Environmental Performance	71	/	/
	Greenhouse gas emission reductions	Addressing Climate Change	18	/	/
	Emissions of Ozone-Depleting Substances (ODS)	Omitted	/	Insufficient Information	Emissions of this type of gaseous pollutant have not been counted, and we are continuously improving relevant information statistics
	Emissions of nitrogen oxides (NO_x), sulfur oxides (SO_x) and other significant gases	Omitted	/	Insufficient Information	Emissions of this type of gaseous pollutant have not been counted, and we are continuously improving relevant information statistics
GRI 306: Waste 2020	Management of Material Topics	Waste Management	36	/	/
	Waste generation and significant waste-related impacts	Waste Management	36	/	/
	Management of significant waste-related impacts	Waste Management	36	/	/

GRI Standards	Disclosure Item		Report Chapter	Page Number	Reason for Omission	Explanation
GRI 306: Waste 2020	306-3	Waste generated	Waste Management	36	/	/
	306-4	Waste diverted from disposal	Waste Management	36	/	/
	306-5	Waste sent for disposal	Waste Management	36	/	/
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of Material Topics	Supply Chain Security	43	/	/
	308-1	New suppliers screened using environmental assessment dimension	Supply Chain Security	43	/	/
	308-2	Negative environmental impacts of the supply chain and actions taken	Supply Chain Security	43	/	/
GRI 401: Employment 2016	3-3	Management of Material Topics	Employment and employee rights and interests, employee training and development, diversity and equal opportunity	50、52、63	/	/
	401-1	New employee hiring rate and employee turnover rate	Social Performance	72	/	/
	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	Employment and Employee Rights and Interests	50	/	/
	401-3	Parental leave	Employment and employee rights and interests, social performance	50、72	/	/
GRI 402: Labor Relations 2016	3-3	Management of Material Topics	Employment and Employee Rights and Interests	50	/	/
GRI 403: Occupational Health and Safety 2018	3-3	Management of Material Topics	Occupational Health and Safety (OHS)	58	/	/
	403-1	Occupational Health and Safety Management System	Occupational Health and Safety (OHS)	58	/	/
	403-2	Hazard identification, risk assessment and incident investigation	Occupational Health and Safety (OHS)	58	/	/
	403-3	Occupational health services	Employment and employee rights and interests, occupational health and safety	50、58	/	/
	403-4	Occupational health and safety matters: worker participation, consultation and communication	Occupational Health and Safety (OHS)	58	/	/
	403-5	Occupational health and safety training for workers	Occupational Health and Safety (OHS)	58	/	/
	403-6	Worker health promotion	Occupational Health and Safety (OHS)	58	/	/
	403-7	Prevention and mitigation of occupational health and safety impacts directly related to business relationships	Occupational Health and Safety (OHS)	58	/	/
	403-8	Workers covered by the occupational health and safety management system	Occupational Health and Safety (OHS)	58	/	/
	403-9	Work-related injuries	Occupational health and safety, social performance	58、72	/	/
	403-10	Work-related health issues	Occupational Health and Safety (OHS)	58	/	/
GRI 404: Training and Education 2016	3-3	Management of Material Topics	Employee Training and Development	52	/	/
	404-1	Average annual training hours per employee	Employee Training and Development	52	/	/
	404-2	Employee upskilling programs and transition assistance programs	Employee Training and Development	52	/	/
	404-3	Percentage of employees who receive regular performance and career development reviews	Social Performance	72	/	/

GRI Standards	Disclosure Item		Report Chapter	Page Number	Reason for Omission	Explanation
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of Material Topics	Diversity and Equal Opportunity	63	/	/
	405-1	Diversity of governing bodies and employees	Diversity and Equal Opportunity	63	/	/
GRI 406: Anti-Discrimination 2016	3-3	Management of Material Topics	Diversity and Equal Opportunity	63	/	/
	406-1	Discrimination incidents and corrective actions taken	Diversity and Equal Opportunity	63	/	/
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3	Management of Material Topics	Employment and Employee Rights and Interests	50	/	/
	407-1	Operating sites and suppliers where freedom of association and the right to collective bargaining may be at risk	Employment and Employee Rights and Interests	50	/	/
GRI 410: Security Practices 2016	3-3	Management of Material Topics	Employment and Employee Rights and Interests	50	/	/
GRI 413: Local Communities 2016	3-3	Management of Material Topics	Social Contribution	48	/	/
GRI 414: Supplier Social Assessment 2016	3-3	Management of Material Topics	Supply Chain Security	43	/	/
	414-1	New suppliers screened using social assessment dimensions	Supply Chain Security	43	/	/
GRI 416: Customer Health and Safety 2016	3-3	Management of Material Topics	Product Safety and Quality	28	/	/
	416-1	Assess health and safety impacts of product and service categories	Product Safety and Quality	28	/	/
	416-2	Non-compliance incidents involving health and safety impacts of products and services	Product Safety and Quality	28	/	/
GRI 418: Customer Privacy 2016	3-3	Management of Material Topics	Data Security and Customer Privacy Protection	30	/	/
	418-1	Substantiated complaints involving customer privacy infringement and customer data loss	Data Security and Customer Privacy Protection	30	/	/

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	3	Waste Management	Article 31	Waste Management	36
	4	Ecosystem and Biodiversity Conservation	Article 32	Biodiversity	41
	5	Environmental Compliance Management	Article 33	Environmental Compliance Management	32
	6	Energy Utilization	Article 35	Energy Utilization	25
	7	Water Resource Utilization	Article 36	Water Resource Utilization	34
	8	Circular Economy	Article 37	Circular Economy	23
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	15	Product and Service Safety and Quality	Article 47	Product Safety and Quality	28
	16	Data Security and Customer Privacy Protection	Article 48	Data Security and Customer Privacy Protection	30
	17	Employees	Article 50	Employment and Employee Rights and Interests, Employee Training and Development, Occupational Health and Safety, Diversity and Equal Opportunity	50、52、58、63
Governance	18	Due Diligence	Article 52	Supply Chain Security	43
	19	Stakeholder Communication	Article 53	Sustainable Development Management	07
	20	Anti-commercial Bribery and Anti-corruption	Article 55	Anti-commercial Bribery and Anti-corruption	69
	21	Anti-unfair Competition	Article 56	Anti-unfair Competition	70

ISO 14064 Carbon Emission Verification Statement

SGS

声明编码 CN26/00002154

温室气体核查声明

以下组织的 2025 年 01 月 01 日至 2025 年 12 月 31 日温室气体盘查清册

成都长城开发科技股份有限公司

注册地址：中国四川省成都高新区天全路 99 号
组织边界：中国四川省成都高新区天全路 99 号

已由 SGS 依据 ISO 14064-3:2019 进行了核查并满足以下要求

ISO 14064-1:2018

直接温室气体排放
451.01 吨二氧化碳当量
间接温室气体排放
1,749,043.99 (基于市场) 1,754,658.86 (基于位置) 吨二氧化碳当量
经量化的总排放量
1,749,495.00 (基于市场) 1,755,109.87 (基于位置) 吨二氧化碳当量

间接温室气体排放的具体类别详见本声明书的附件，声明书附件是本声明书的组成部分

签署
David Xin
Sr. Director - Business Assurance
签署日期：2026 年 03 月 24 日

通标标准技术服务有限公司
北京市阜成路 73 号世纪裕惠大厦 16 层 100142
t +86 (0)10 58251188 www.sgsgroup.com.cn

ISO 14064-1 SGS

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SGS

Statement of Conformity CN26/00002154

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in
01 Jan. 2025 to 31 Dec. 2025 of

Shenzhen Kaifa Technology (Chengdu) Co., Ltd.

Business address: No. 99, Tianquan Road, Hi-Tech Development Zone, Chengdu City, Sichuan Province, P.R. China
Organization boundary: No. 99, Tianquan Road, Hi-Tech Development Zone, Chengdu City, Sichuan Province, P.R. China

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

ISO 14064-1:2018

Direct Emissions
451.01 tonnes of CO_2e
Indirect Emissions
1,749,043.99 (Market-based) 1,754,658.86 (Location-based) tonnes of CO_2e
Total Emissions Quantified
1,749,495.00 (Market-based) 1,755,109.87 (Location-based) tonnes of CO_2e

The specific categories of indirect greenhouse gas emissions are detailed in the appendix of this statement, which is an integral part of this statement

Authorised by
David Xin
Sr. Director - Business Assurance
DATE: 24 Mar. 2026

SGS-CSTC Standards Technical Services Co., Ltd.
16F Century YuHui Mansion, No. 73 Fucheng Road, Beijing, P.R. CHINA 100142
t +86 (0)10 58251188 www.sgsgroup.com.cn

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