



2025

Environmental, Social and Governance (ESG) Report



Wuxi Lead Intelligent Equipment Co., Ltd.

Promoting Global Green Energy Transformation Through Intelligent Manufacturing

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Report Preparation Notes

Report Profile

This Report is the sixth Social Responsibility or Environmental, Social and Governance (hereinafter referred to as 'ESG') Report published by Wuxi Lead Intelligent Equipment Co., Ltd. (hereinafter referred to as 'Lead Intelligent', 'the Company' or 'we'), reflecting the practices and achievements of the Company and its affiliates in ESG. This Report was reviewed and approved at the 20th meeting of the 5th Board of Directors on April 28, 2026.

Reporting Period

This is an annual report covering the period from January 1, 2025 to December 31, 2025 (hereinafter referred to as the 'Reporting Period'); to ensure the continuity, completeness and comparability of the report, some content extends beyond this period and is explained herein.

Organizational Scope

This Report covers Lead Intelligent and its controlled subsidiaries and branches, consistent with the scope of the consolidated financial statements of Lead Intelligent.

Basis of Preparation

This Report has been prepared in accordance with the *Self-regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (for Trial Implementation)* (hereinafter referred to as the 'SZSE Guidelines'), the *Self-regulatory Guideline No. 3 for Companies Listed on the ChiNext Market of Shenzhen Stock Exchange – Preparation of Sustainability Reports (Revised in 2026)*, and *Appendix C2 Environmental, Social and Governance Reporting Code of the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited* (hereinafter referred to as the 'HKEX ESG Code'). This Report also references authoritative standards and guidelines, including the *Corporate Sustainability Disclosure Standards – Basic Standard (for Trial Implementation)* and *Corporate Sustainability Disclosure Standard No. 1 – Climate (for Trial Implementation)* issued by the Ministry of Finance of the P.R.C., the *GRI Sustainability Reporting Standards* (GRI Standards) of the Global Sustainability Standards Board (GSSB), the United Nations Sustainable Development Goals (SDGs), the 'Ten Principles' of the United Nations Global Compact (UNGC), and the *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 Climate-related Disclosures* issued by the International Sustainability Standards Board (ISSB).

Reporting Principles

- **Materiality:** In preparing this Report, we have comprehensively identified key stakeholders and the sustainability issues they are concerned about, and made targeted disclosures on sustainability matters based on the relative importance of these issues. For details on the results of the double materiality assessment, please refer to the 'Stakeholder Engagement' and 'Double Materiality Assessment' sections later in this Report.
- **Quantitative:** This Report uses quantitative data to present key performance indicators at the ESG level, and details the Company's quantifiable performance data for three consecutive years in the 'ESG Key Performance Table'. The measurement standards, methods, assumptions and/or calculation tools for the key performance indicators in this Report, as well as the sources of conversion factors used, have been stated in the corresponding sections.
- **Balance:** The content of this Report reflects objective facts, ensuring that both positive and negative information concerning the Company during the Reporting Period is disclosed impartially.
- **Consistency:** The preparation of this Report maintains consistency with the content of previous years' reports. If any information has been changed, explanations have been provided in the corresponding sections.

Assurance of Reliability

The Company guarantees that the content of this Report is free from any false records or misleading statements. The financial data herein is sourced from the Company's audited financial reports. In case of any discrepancy between the financial data in this Report and the annual report, the annual report shall prevail. Other data is sourced from information provided by the relevant departments of the Company. Unless otherwise specified, all currencies and monetary amounts mentioned in this Report are denominated in Renminbi (RMB).

Report Language

This Report is published in Simplified Chinese, Traditional Chinese and English. In case of any discrepancy, the Simplified Chinese version shall prevail.

Publication Format

This Report is published in electronic format. To obtain a copy, you can download the electronic version from the official website of Lead Intelligent (www.leadintelligent.com), the designated information disclosure website of the China Securities Regulatory Commission - www.cninfo.com.cn, the website of the Shenzhen Stock Exchange (www.szse.cn), or the HKEXnews website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

Feedback

Thank you for reading this Report. Should you have any suggestions or questions regarding this Report or the sustainable development work of Lead Intelligent, please contact us via the following channels.

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Chairman Message



王燕清

The year of 2025 marks both the concluding year of China's 14th Five-Year Plan and a critical juncture in the accelerated restructuring of the global energy system. The deep integration of green, low-carbon transition and intelligent manufacturing is becoming the core engine driving high-quality development. Amidst a new wave of technological iteration and global industrial restructuring, Lead Intelligent has consistently adhered to its vision of 'To be a world leading intelligent equipment manufacturer'. We have deepened our global presence, seized the technological high ground with forward-looking research and development, empowered customer value creation with intelligent manufacturing, and consolidated our long-term competitiveness with the philosophy of sustainable development, thereby building a more resilient and responsible development system in an uncertain environment.

Compliance ensures steady and long-term success. In 2025, with governance as a priority and compliance as a strategic cornerstone, the Company continued to enhance its full-chain management system and information disclosure mechanism, earning the highest A-level rating for information disclosure from the Shenzhen Stock Exchange for the seventh consecutive year, and gaining high recognition from the capital market. The Company was selected as one of the 'Forbes China Top 50 Most Innovative Companies 2025', standing as the only selected enterprise in the new energy intelligent equipment sector, demonstrating its comprehensive strength underpinned by technology-driven development and governance synergy. The Company has continued to deepen its sustainable development strategy and ESG governance. It has been successfully selected into the *S&P Global Sustainability Yearbook (China Edition) 2025* and awarded the "Industry Mover", providing solid support for the Company's steady growth and long-term value creation.

Technological breakthroughs drive intelligent manufacturing upgrades. In 2025, the Company focused on building a future-oriented innovation system and establishing a comprehensive innovation hub that integrates cutting-edge R&D, key process breakthroughs and industrialisation of achievements, so as to comprehensively enhance its original innovation capabilities across the board. We targeted the core pain points of the industry and accelerated the large-scale application of next-generation technologies such as solid-state batteries. Supported by high-efficiency, high-precision core equipment, we helped drive the global energy transition, continued to inject strong technological momentum,

and consolidated our technological leadership in the industry.

Pursue low-carbon operations for a circular and shared future.

In 2025, the Company continued to deepen its green development practices, promoting low-carbon transition and energy efficiency improvements. The Wuxi No. 2 Factory of Lead Intelligent was awarded the ISO 14068 Carbon Neutral Factory certification. As the first demonstration enterprise in the industry, it fully exemplifies excellence in clean production and smart energy management. The Company released its first *White Paper on Climate Action*, leading the industry's low-carbon transition with systematic solutions. We have advanced the development of distributed photovoltaic projects and increased the consumption of renewable energy, supporting the carbon peaking and carbon neutrality goals with practical actions and demonstrating our green commitment and long-term vision.

Care for growth, strive for good. In 2025, we further embedded talent development, safety baselines and social responsibility into the core blueprint of the Company's long-term value creation. The cumulative learning time for our employees throughout the year was approximately 570,000 hours, comprehensively empowering employee career growth and talent pipeline building. Upholding the responsibility philosophy of 'Intelligent Manufacturing for Good', the Company established the RMB 30 million 'Warm Light Public Welfare Fund' to provide long-term investment in projects such as inclusive education, rural revitalization and community development, transforming social responsibility into sustainable value and fully embodying our people-centric care and commitment.

Start from the near, strive without fear. Looking ahead, the global energy transition will never cease, and we will keep pushing beyond our limits. We are steadfast in implementing our sustainable development strategy of 'promoting global green energy transformation through intelligent manufacturing', enhancing core competitiveness through technological innovation, and solidifying our development foundation with high-standard ESG governance. Together with upstream and downstream partners, we will play our part to build a greener, lower-carbon and sustainable future.

Wuxi Lead Intelligent Equipment Co., Ltd.

Chairman

Wang Yanqing

About Lead Intelligent

Company Profile

Wuxi Lead Intelligent Equipment Co., Ltd. (Lead Intelligent) was founded in 2002, listed on the ChiNext Board of the Shenzhen Stock Exchange in 2015 (stock code 300450.SZ), and listed on the Hong Kong Stock Exchange in 2026 (stock code 0470.HK). Its business covers intelligent equipment for Li-ion battery, intelligent equipment for solid-state battery, intelligent photovoltaic equipment, intelligent 3C equipment, intelligent logistics, automobile production line, and intelligent hydrogen equipment, making it a world-leading new energy intelligent equipment manufacturer. By the end of the Reporting Period, the Company has 15,173 employees, including 4,072 R&D engineers. Lead Intelligent is committed to providing customers with one-stop turnkey solutions from consultation, design, manufacturing, installation, commissioning, training and subsequent upgrades, and continuously improving the customer experience.

As of the end of the Reporting Period

15,173

Employees

4,072

R&D engineers



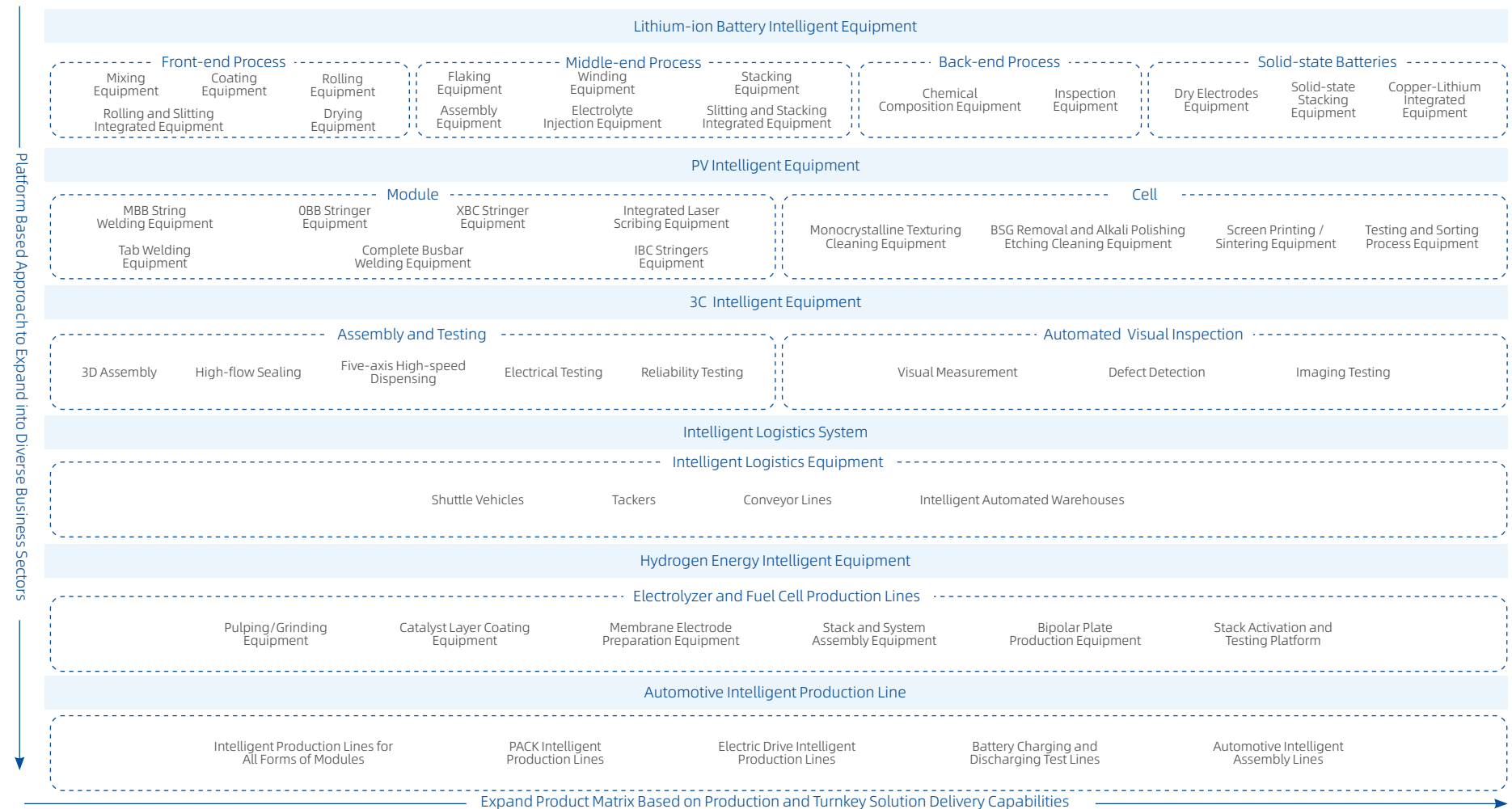
Development History



Business Layout

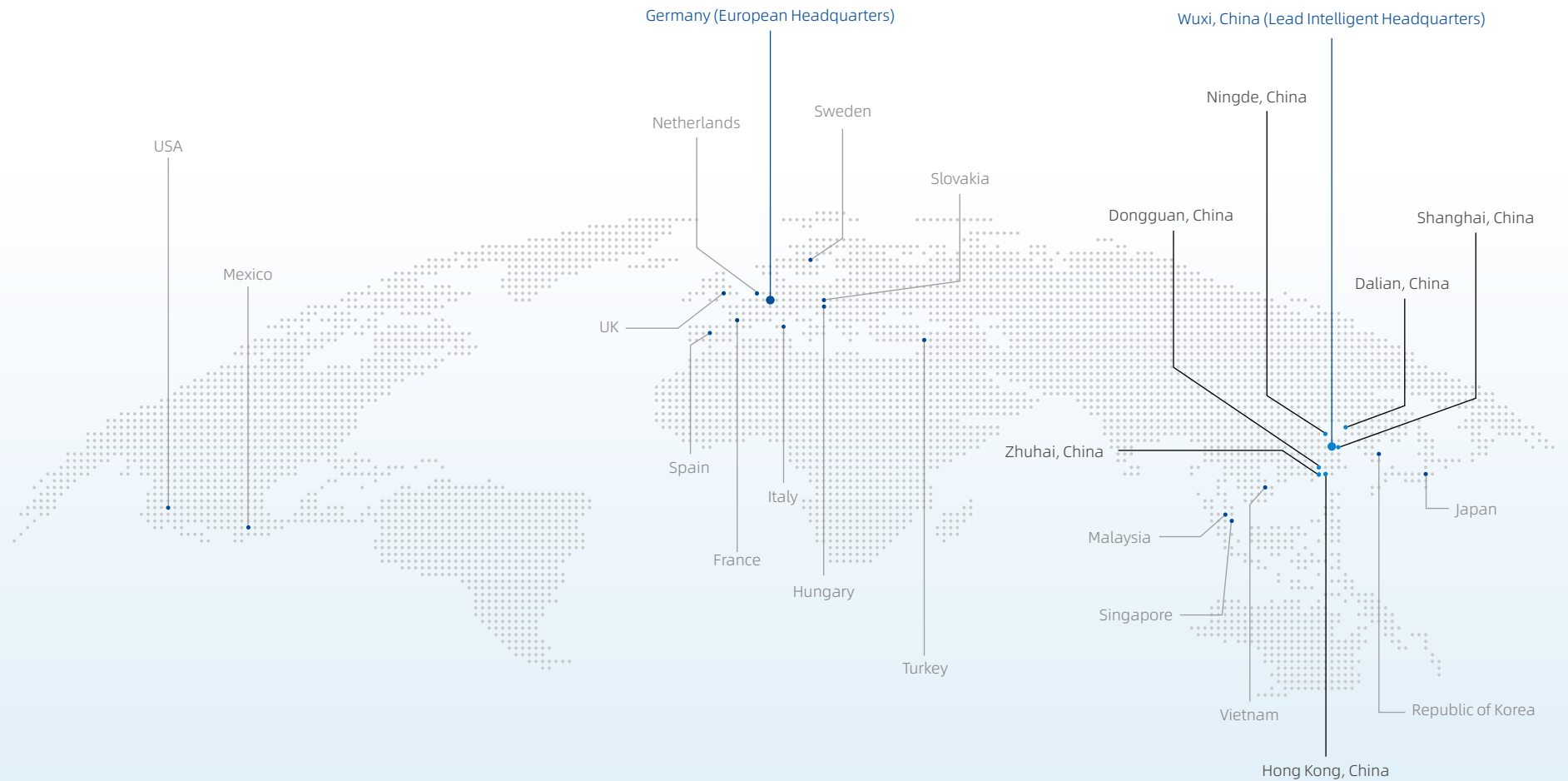
Key Products and Solutions

Focusing on 'New Energy + High-end Equipment', Lead Intelligent is committed to providing customers with turnkey intelligent manufacturing solutions.



Globalization Layout

Keeping abreast of evolving market trends and customer demands, Lead Intelligent steadfastly advances its international development strategy by integrating high-quality resources globally and establishing overseas offices and service branches to consistently reinforce its technological leadership. Currently, the Company's products have been exported to numerous countries and regions, including Germany, France, Japan, South Korea, Sweden, Turkey, and Vietnam. It has also established multiple branches and subsidiaries worldwide, building an extensive localised service network to serve global customers with its global technological capabilities, thereby earning widespread recognition and support from international markets.



Strategic Direction

Excellent Operation

The Company deepens its operational excellence to solidify the foundations for development. Centred on product quality, it rigorously implements lean management across the full value chain. It deeply optimizes its cost structure, production processes, and supply chain system to ensure superior product performance, efficient delivery, and controllable costs. Adhering to a customer-centric approach, the Company focuses on core customer needs and leverages its integrated product development system. It strengthens three core advantages—technology, cost, and delivery—to improve customer service quality and response efficiency, thereby enhancing customer loyalty and market recognition.

Steady Growth

The Company pursues steady growth to achieve sustainable development. By fundamentally strengthening its core competitiveness, it consolidates its advantages in the core businesses of Li-ion batteries and photovoltaics, optimises its business layout, and enhances the quality of its products and services. Adhering to the principles of market orientation, resource synergy and steady progress, the Company prudently undertakes diversified business expansion and strategically positions itself in emerging sectors. Such initiatives mitigate industry cyclical fluctuations, broaden revenue channels, reduce operational risks, and achieve stable growth in both revenue and profit.

Agile Innovation

The Company promotes agile innovation to seize development opportunities. It focuses on the R&D of high-tech and high value-added products, targets the future direction of the industry, and makes forward-looking investments in cutting-edge technologies and emerging markets such as solid-state batteries, perovskite, and hydrogen energy equipment. Leveraging its professional and efficient R&D and operational teams, the Company responds swiftly to market changes and customer demands, concentrates resources on overcoming core technological bottlenecks, accelerates the industrialization of innovative achievements, and drives product upgrades and business expansion through technological innovation, continuously consolidating its leading position in the global industry.

Corporate Culture

Lead Intelligent has systematically established and continuously refined its corporate culture system, which comprehensively covers three dimensions: culture & concept, behavior culture, and culture-rooted construction, forming a clearly structured and hierarchical cultural framework. The Company has formulated and dynamically updated the *Lead Intelligent Corporate Culture Handbook*, which clarifies the core substance and practical requirements of the corporate culture. This culture is promoted through diverse channels such as the official website, cultural wall displays, departmental notice boards, and employee badges, encouraging its principles to become shared values for all staff. In 2025, the Company released *Lead Intelligent Values and Behavioural Guidelines* to further guide the effective translation of Lead Intelligent's culture from conceptual understanding to practical action.



Culture&Concept

Our Vision

To be a world leading intelligent equipment manufacturer

Our Mission

Create value for customers
Seek wellbeing for employees

Our Culture

Excellence with Efficiency

Our Values

Customer-centricity, diligence, integrity, responsibility, innovation, focus, perfection, reputation, efficiency



Culture-rooted Construction

Quality Culture

Craftsmanship, focus on quality

Innovation Culture

Independent innovation to make itself intelligent

Brand Culture

Be a world-leading intelligent manufacturing turnkey solution provider



Behavior culture

Execution

Focus, perfection, reputation, efficiency

Talent

Virtue, attitude and ability

Orientation

Customer-centric, to be a world leading intelligent manufacturing turnkey solution provider

Honours and Ratings

Annual Honours

 National Advanced Collective in the Industry and Information Technology System Ministry of Human Resources and Social Security Ministry of Industry and Information Technology	 China's Top 500 Private Enterprises in Invention Patents China's Top 500 Private Enterprises in R&D Investment All-China Federation of Industry and Commerce	 2025 Forbes China Top 50 Most Innovative Companies Forbes China	 China's Top 500 Energy Enterprises China Energy News China Institute of Energy Economics	 China's Top 500 Listed Manufacturing Companies by Value Economic and Management Research Institute of the Machinery Industry, SASAC China Association of Plant Engineering China Heavy Machinery Industry Association
 Golden Bull Award for Sci-Tech Innovation Listed Companies (High-end Equipment) China Securities Journal	 Top 100 Taxpayers in Wuxi City Wuxi Municipal People's Government	 2025 Megawatt-level Emerald Award for BC Production Line Organizing Committee of the International Photovoltaic Power Generation and Smart Energy Conference & Exhibition Organizing Committee of the International Energy Storage and Battery Technology & Equipment Conference	 Li-power Award – Influential Enterprise of the Year Li-power Award – Innovative Enterprise of the Year Organizing Committee of the 10th International Summit on Power Battery Applications (CBIS2025)	 Outstanding New Energy + Energy Storage Innovative Enterprise Jiangsu Renewable Energy Society
 A-level Rating in the 2024-2025 Information Disclosure Evaluation for ChiNext Market Listed Companies Shenzhen Stock Exchange	 2025 Global New Energy ESG Top 100 Global Green Energy Industry Council (GGEIC) New Energy Industry Association for Asia and the Pacific (NEIAAP) Asian Photovoltaic Industry Association (APVIA)	 Zero Carbon Earth • Singularity Award Working Committee of the Global Collaborative Project for the United Nations Sustainable Development Goals Yangtze River Delta International Green Development Alliance Yangtze River Delta Business Innovation Institute	 Cailian Press 2025 Zhiyuan Award – ESG Pioneer Enterprise Cailian Press	 2025 ESG New Benchmark Enterprise Award Outstanding Enterprise for New Quality Productivity Securities Star
 2025 For Good Award – Top 15 in ESG Sustainable Development Caixin CYZONE Sunward Future	 2025 Sustainable Brand Model – Shareholder Rights Guardian Award Huxiu	 Best Sustainable Development Disclosure Award New Fortune Magazine	 LinkedIn Global Talent Magnet Employer LinkedIn China	 2025 ESG Charity Innovation Case for Listed Companies in Wuxi City Wuxi Charity Federation

ESG Mainstream Ratings

S&P Global Corporate Sustainability Assessment

ESG Score: **48** CSA Score: **47**

Selected for the *Sustainability Yearbook (China Edition) 2025*

CDP

Climate Change: **B** Water: **B**

Supplier Engagement Assessment: **A**

ecovadis

EcoVadis Silver Medal

SILVER | Top 15%
ecovadis
Sustainability Rating
APR 2026

Wind ESG

Wind ESG Rating **AA**

Sustainability Management

Sustainability Governance

Board ESG Statement

As the highest governing body responsible for the Company's ESG management and information disclosure, the Board of Directors consistently integrates ESG principles into its development strategy. Relying on a top-down, four-tiered governance structure, it comprehensively fulfils its duties of supervision, review and leadership to drive the Company's sustainable, high-quality development.



Core Responsibilities for Supervision and Review

The Board of Directors coordinates the deliberation and approval of the Company's medium- and long-term ESG strategy, annual objectives and major policies, ensuring deep synergy with core businesses such as Li-ion batteries; supervises the performance of the ESG Management Committee and assesses the effectiveness of the governance system; and reviews response plans for major ESG risks, promoting the integration of ESG requirements into the entire process of business decision-making, production operations and global Supply Chain Management.



Review and Implementation of Material Issues

The Board of Directors guides the establishment of an importance assessment mechanism that combines 'Stakeholder Engagement + Industry Benchmarking + Trend Tracking'; diligently reviews and confirms the results of the 2025 ESG double materiality assessment and the list of core topics; and urges management to formulate targeted management measures and quantifiable goals, regularly listens to progress reports, and makes dynamic optimizations and adjustments to ensure targeted implementation of the work. For details of the relevant assessment, please refer to the 'Double Materiality Assessment' chapter of this report.



Reporting and Information Disclosure Responsibility

The Board of Directors bears ultimate responsibility for this year's ESG report and related public disclosures. It has comprehensively reviewed and verified the report's contents, confirming that they are true, accurate, and complete, free from false records, misleading statements, or major omissions, and objectively reflect the Company's ESG practices and performance in 2025.



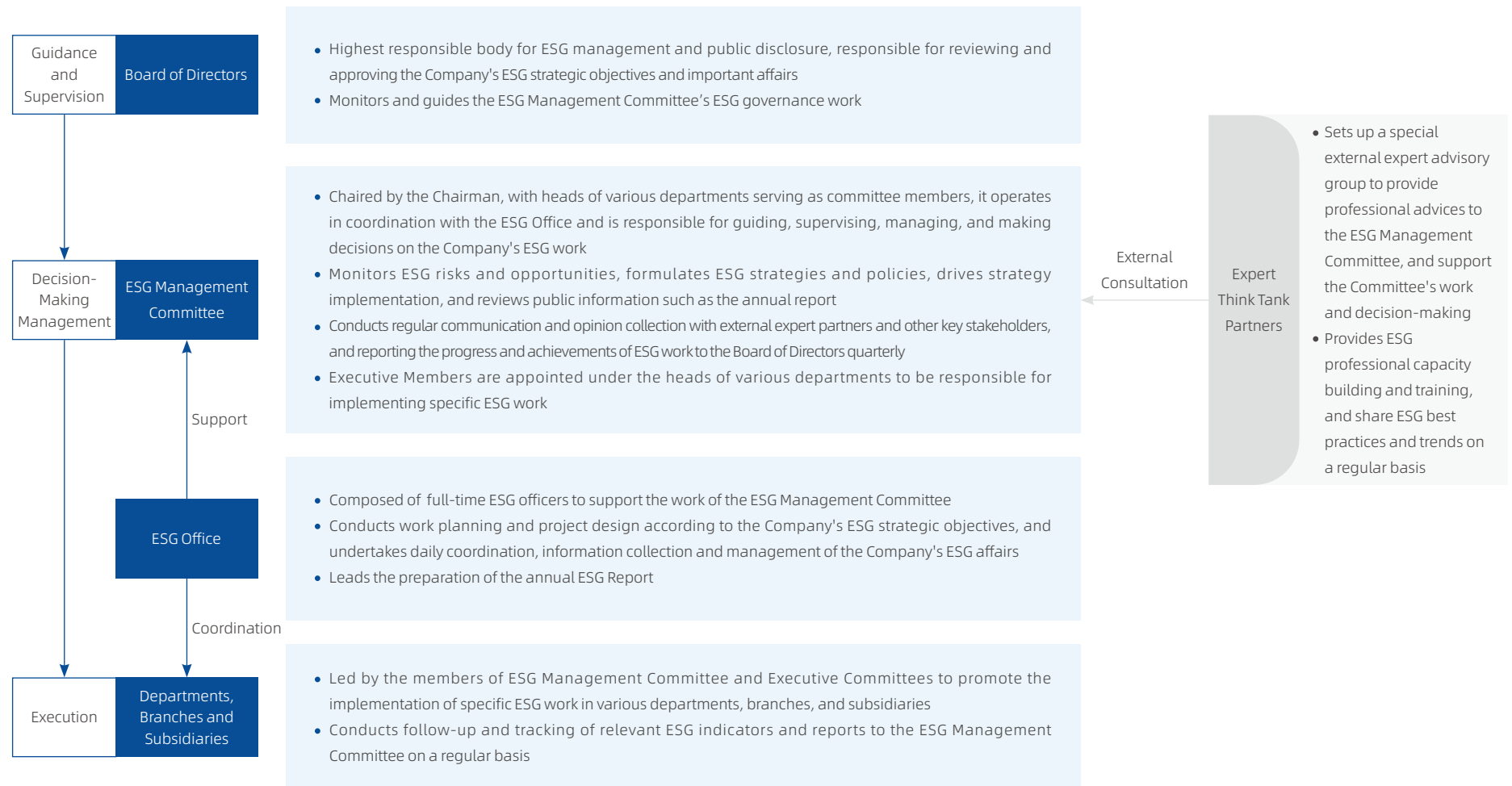
Annual Supervision and Guidance Practices

During the Reporting Period, the Board of Directors regularly received reports on key ESG work and provided deliberation and guidance on core topics such as green production, low-carbon research and development, and a sustainable supply chain. It also assessed the completion of annual ESG goals and put forward requirements for key matters such as green intelligent manufacturing and the implementation of carbon peaking and carbon neutrality goals, promoting the deep integration of ESG with business operations and development.

The Board of Directors will continue to enhance its ESG governance and improve the quality of management and disclosure, empowering the green development of the new energy industry with intelligent manufacturing to achieve a win-win situation for the enterprise, society, and the environment.

Sustainability Governance Structure

The Company has established a sustainability governance structure with the Chairman as the highest responsible person, guided and supervised by the Board of Directors, and with the ESG Management Committee responsible for the management and decision-making of ESG work. This structure provides a solid governance guarantee for setting sustainability goals, tracking progress, and managing related risks. At the same time, the Company has established an external expert advisory group to provide professional advice to the ESG Management Committee, further enhancing the scientific and forward-looking nature of its decision-making.



Sustainability Governance Structure

Sustainable Performance and Remuneration Incentives

To continuously improve the Company's sustainability management, the Company has established a mechanism linking sustainability performance with remuneration incentives. Key sustainability performance indicators such as resource efficiency, delivery quality, customer satisfaction, employee development, anti-corruption and compliance, information security, environment, and occupational health and safety are incorporated into the annual performance evaluation system for relevant executives and employees at all levels. Through target decomposition, process monitoring, and results evaluation, the synergistic advancement of sustainability goals and business management objectives is achieved. Details on how ESG performance is linked at various levels can be found in 'Talent Cultivation and Development'.

Incentive Subject	Incentive Type	Incentive Plan Description	Examples of ESG Indicators
Senior Management Personnel	Remuneration Rewards	Key sustainability performance indicators are incorporated into the performance evaluation system for relevant senior management personnel and linked to their remuneration.	• Cost Reduction and Efficiency Improvement • Resource Efficiency • Delivery and Quality Stability • Customer Delivery and Satisfaction • Organisational Capability Building • Key Talent Development • Effectiveness of Cross-departmental Collaboration • Anti-corruption and Compliance • Information Security • Environment • Occupational Health, and Safety
All Employees	Remuneration Rewards Non-remuneration Rewards	Targets are cascaded down and implemented through the sustainability-related organizational performance, key project performance, and key special tasks of first-level departments. In addition, all employees are encouraged to provide suggestions for sustainable development through internal channels. Suggestions that are adopted and rated will be given corresponding cash and honorary rewards.	

Sustainability Due Diligence Management

The Company continuously benchmarks against international mainstream evaluation systems and actively cooperates in completing due diligence and industry standard audits from customers and third parties, constantly enhancing the standardization and transparency of its ESG management. During the Reporting Period, the Company proactively participated in the EcoVadis corporate social responsibility rating, disclosing its ESG management performance in environment, labour and human rights, business ethics, and sustainable procurement to customers. We also successfully passed the online audit of the automotive industry's SAQ 5.0 standard, achieving a score of 90 and a B-level (Green) rating, meeting the industry's high standards for quality, environmental, and social responsibility in the supply chain. Furthermore, the Company completed multiple customer ESG due diligence questionnaires and drove continuous internal improvements based on external requirements. The Company also strengthened due diligence on its own supply chain, conducting supplier self-assessments or on-site inspections during access and audits to standardize supplier behaviour and improve supply chain compliance and sustainable management levels (see 'Sustainable Supply Chain Management' for details).

Empowering Sustainability Management

The Company places great importance on the dissemination of ESG concepts and capacity building, continuously conducting specialized training both online and offline on core sustainability topics. As of the end of the Reporting Period, the cumulative number of learning participants exceeded 5,000. Among these, 23 sustainability-themed courses were launched on the 'Lead Intelligent e-Learning' online platform to strengthen employees' professional understanding of issues such as climate change and responsible supply chains. Specialized offline training on international ESG standards and supplier ESG assessment management was organized to continuously enhance the compliance management capabilities and sustainability practice levels of our business teams.

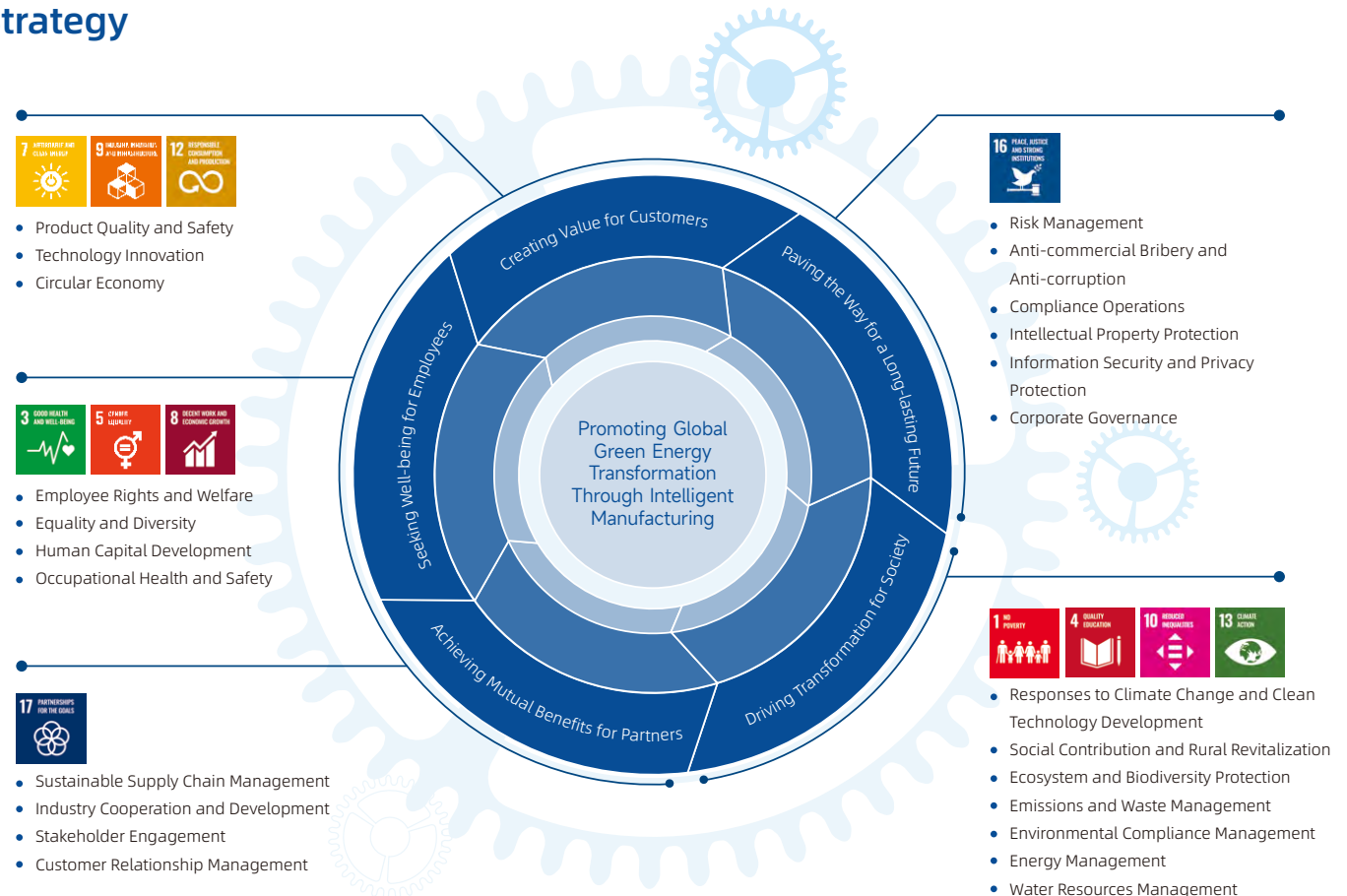


Sustainability Strategy and Goals

Sustainable Development Strategy

ESG Strategy Model

Lead Intelligent has established 'Promoting Global Green Energy Transformation Through Intelligent Manufacturing' as its vision for sustainable development. We have built an ESG value co-creation and risk management system around five pillars: 'Creating Value for Customers', 'Seeking Well-being for Employees', 'Achieving Mutual Benefits for Partners', 'Driving Transformation for Society', and 'Paving the Way for a Long-lasting Future'. We are committed to working with stakeholders to jointly support the United Nations Sustainable Development Goals and create a better future.



Sustainability Goals and Progress

Response to the United Nations Sustainable Development Goals (UN SDGs) and Progress Towards Targets

As a member of the United Nations Global Compact (UNGC), Lead Intelligent supports the ten principles of the UNGC in the four areas of human rights, labour, environment, and anti-corruption. We also actively respond to the United Nations Sustainable Development Goals, committed to closely integrating our corporate operations with global sustainability actions and contributing to the achievement of global sustainable development goals.

UN SDGs	1 NO POVERTY	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION
Corresponding Topics	Social Contribution and Rural Revitalization	Occupational Health and Safety	- Human Capital Development - Social Contribution and Rural Revitalization	Equality and Diversity	Water Resources Management
Progress In 2025	- Established the 'Warm Light Public Welfare Fund' with a total fund size of RMB 30 million, donating RMB 6 million in the first year and committing to continuous annual contributions. - Organized 16 volunteer service activities, including environmental clean-up, care for the elderly, and charity bazaars, with a total of 768 volunteer hours contributed.	- Strictly adhered to safety red lines, achieving 100% coverage in health and safety risk assessments at operational sites, while continuously improving the corporate safety culture and overall EHS performance. - Passed the annual audit for the ISO 45001 Occupational Health and Safety Management System.	- Achieved 100% employee training coverage, with a total cumulative learning time of approximately 570,000 hours. - Systematically advanced educational equity initiatives through the 'Warm Light Public Welfare Fund' platform, recognized outstanding students, supported students in need, and continuously provided higher-quality and more equitable educational support.	Formulated the <i>Regulations on the Protection and Management of Vulnerable Groups</i>, covering key aspects such as recruitment, job placement, vocational training, compensation and benefits, and career advancement.	- Established water consumption targets, enhanced water management mechanisms, and strengthened water risk management. - Built and commissioned 5 intelligent rainwater collection and utilization systems to promote the recycling of water resources.

UNSDGs				
Corresponding Topics	• Responses to Climate Change and Clean Technology Development • Technology Innovation	• Employee Rights and Welfare	• Product Quality and Safety • Technology Innovation • Intellectual Property Protection	• Social Contribution and Rural Revitalization
Progress in 2025	• Built comprehensive intelligent manufacturing solutions in fields including new energy Li-ion batteries, solid-state batteries, energy storage, photovoltaics, and hydrogen energy. • Focused on the full value chain of solid-state battery production and delivered multiple sets of dry mixing and coating equipment designed for large-scale solid-state battery production line, which has been validated in actual production and can reduce energy consumption by over 35% and material and manufacturing costs by over 15%, thereby accelerating the industrialisation of solid-state batteries. • Achieved major breakthroughs in core technologies for manufacturing large-capacity batteries in the large-scale energy storage equipment sector, delivering an intelligent manufacturing solution for ultra-large energy storage batteries with an overall equipment effectiveness (OEE) above 75%, a first-pass yield above 93%, and a comprehensive yield above 96%.	• Revised the <i>Employee Handbook</i> to standardize democratic consultation procedures and effectively safeguard employee rights. • Achieved 100% coverage of rights training for new employees, covering topics such as compliant employment, anti-forced labor, anti-discrimination and anti-harassment, and democratic communication and negotiation.	• Passed the annual audit for the ISO 9001 quality management system, covering the entire process of product design, development, production, and service. • Passed the annual audit for the ISO 56005 Innovation and Intellectual Property Management Capability Classification and Rating System and was honoured with the 'Best Practice Award' in the 2024-2025 ISO 56005 Innovation and Intellectual Property Management Capability Classification and Evaluation Outstanding Case category. • R&D expenditures reached RMB 1,605,067,131.63, accounting for 11.11% of operating revenue. • 778 new patents were granted during the year, bringing the total number of granted patents to 3,592 as of the end of the Reporting Period.	• Donated to build maker classroom in Yichuan, Shaanxi; expanded financial aid coverage for students in need; and donated school uniforms and books to rural schools, thereby narrowing the urban-rural education gap.

UNSDGs				
Corresponding Topics	• Environmental Compliance Management • Energy Management • Emissions and Waste Management • Circular Economy • Ecosystem and Biodiversity Protection	• Responses to Climate Change and Clean Technology Development	• Corporate Governance • Compliance Operations • Risk Management • Anti-commercial Bribery and Anti-corruption • Information Security and Privacy Protection	• Industry Cooperation and Development • Sustainable Supply Chain Management • Customer Relationship Management • Stakeholder Engagement
Progress in 2025	• Passed the annual audits for the ISO 14001 environmental management system and the ISO 50001 energy management system. • Launched rooftop solar projects at domestic production bases, with a total planned installed capacity of approximately 25 MW, which are expected to generate over 26 million kWh of electricity annually and reduce carbon emissions by more than 13,000 tonnes; as of the end of the Reporting Period, 4.62 MW had been connected to the grid. • Established an integrated management platform for electricity consumption to enhance digital energy efficiency management and control capabilities. • Effectively reduced pollutant emissions and waste generation through measures such as strengthening exhaust gas purification and monitoring, sorting and properly disposing of wastewater, and managing the reduction of hazardous waste; during the Reporting Period, the intensity of hazardous waste decreased by 37.67% compared to the previous year. • Achieved an average reduction of 25% in wood used for packaging and 60% in vacuum bags used for packaging per unit of equipment through proactive implementation of a circular economy. • Prioritized biodiversity conservation in the construction and operations, with none of the production bases or operational sites located within or near nature reserves, nor in areas rich in biodiversity outside such reserves.	• Steadily advanced carbon neutrality goals - Scope 1 and Scope 2 greenhouse gas emissions peaking at core operations by 2030, and achieving carbon neutrality at core operations by 2035. • Conducted a climate change scenario analysis and formulated corresponding response measures. • Lead Intelligent's Wuxi No. 2 Factory received the ISO 14068 Carbon Neutrality Certification for the second consecutive year.	• Continuously maintained the ISO 37001 Anti-bribery Management System; achieved 100% coverage of anti-corruption training for directors and senior executives and business ethics training for employees; achieved 100% signing rate for the <i>employee integrity commitment letter</i> and the <i>letter of integrity to suppliers</i>. • The number of data breaches, major information security incidents, or related litigation cases was zero.	• Undertook or participated in 18 science, technology, and industrialisation projects at or above the provincial and ministerial level, continuously promoting the transformation of research achievements into tangible productivity and enhancing core technological competitive advantage. • The percentage of new suppliers screened using environmental/ social dimensions reached 100%. • Achieved a 100% customer complaint response rate and a 100% complaint resolution timeliness rate, ensuring timely response and closed-loop management of customer feedback.

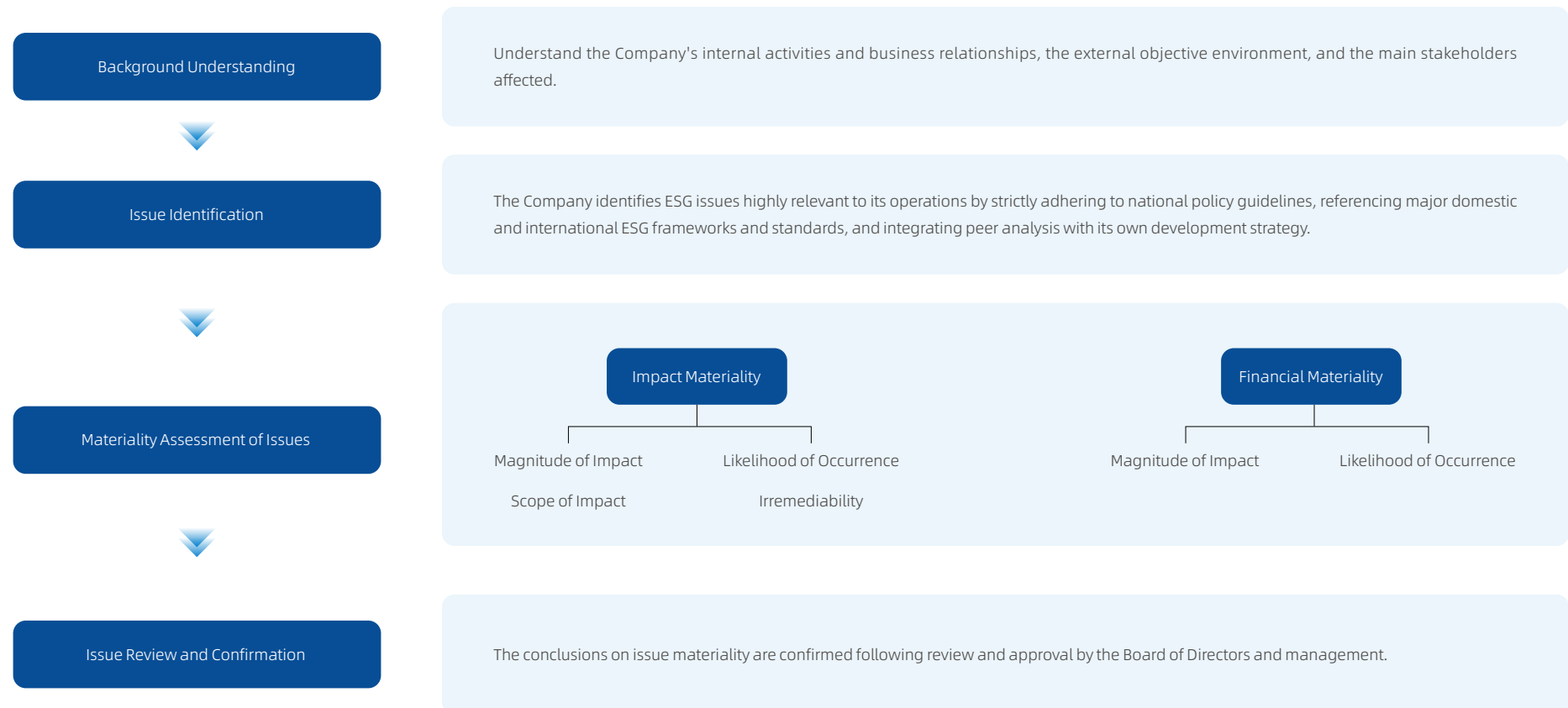
Stakeholder Engagement

The Company places great importance on the requests of its stakeholders and, through various channels such as interviews, questionnaire surveys, its official website, and public accounts, comprehensively understands and actively responds to their concerns and expectations, remaining committed to building long-term, mutually beneficial relationships and continuously improving its sustainable development management.

Stakeholders	 Shareholders/Investors	 Customers	 Suppliers and Other Business Partners	 Employees	 Government	 Media	 Community and the Public	 Industry/Academic/ Rating Agencies
Key Topics of Concern	• Risk Management • Compliance Operations • Anti-commercial Bribery and Anti-corruption • Intellectual Property Protection • Corporate Governance	• Product Quality and Safety • Technology Innovation • Information Security and Privacy Protection • Customer Relationship Management	• Sustainable Supply Chain Management • Industry Cooperation and Development	• Employee Rights and Welfare • Human Capital Development • Occupational Health and Safety	• Responses to Climate Change and Clean Technology Development • Social Contribution and Rural Revitalization • Compliance Operations • Corporate Governance • Anti-commercial Bribery and Anti-corruption • Technology Innovation	• Responses to Climate Change and Clean Technology Development • Social Contribution and Rural Revitalization • Technology Innovation	• Responses to Climate Change and Clean Technology Development • Emissions and Waste Management • Energy Management • Social Contribution and Rural Revitalization	• Responses to Climate Change and Clean Technology Development • Product Quality and Safety • Sustainable Supply Chain Management • Employee Rights and Welfare • Human Capital Development • Occupational Health and Safety • Corporate Governance
Communication and Engagement Channels	• Official Website • Investor Hotline • Investor Relations Email • Shenzhen Stock Exchange Interactive Platform • Results Briefings • Investor Open Days • Institutional Research • Shareholders' Meetings	• Official Website • WeChat Official Account • CRM (Customer Relationship Management) System • Regular Visits • Technical Exchange Meetings • Project Teams • After-sales Service System • Satisfaction Surveys	• Official Website • WeChat Official Account • Supplier Management System • Tendering Meetings • Technical Exchange Meetings	• Employees' Congress • Team Building • Interest Clubs • Themed Events • Chairman's Mailbox • Whistle-blowing and Complaint Hotline • Continuous Improvement (CI) Suggestion Platform • Satisfaction Surveys	• Official Correspondence • Daily Communication • Institutional Visits	• Official Website • WeChat Official Account • Media Briefings • Press Conferences	• Official Website • WeChat Official Account • Community Activities • Volunteer Activities	• Report Disclosure • Rating Questionnaires • Thematic Research

Double Materiality Assessment

In accordance with regulatory requirements such as the *SZSE Guidelines*, and with reference to the *GRI Sustainability Reporting Standards* and the SDGs, the Company systematically conducts the identification and management of double materiality topics, while also considering key ESG topics of concern to capital market indices such as S&P Global.



Methodology and Process for Identifying Double Materiality Topics

Step 1: Background Research and Stakeholder Identification

By integrating industry development trends and sustainable development dynamics, the Company regularly updates and optimizes its ESG topics to ensure they are comprehensive and forward-looking.



List of ESG Topics

ESG Topic Identification and Assessment

We identify current or potential impacts, risks and opportunities (IROs) related to ESG topics:

ESG Topic	IROs Description		Value Chain Position	Affected Stakeholders	Impact Period ¹	Impact Magnitude ²
 Emissions and Waste Management	Positive Impact	Through the establishment of a stringent emissions and waste management system, companies can effectively reduce their own operational emissions and drive collective emission reductions with their supply chain partners	- Corporate Operations - Downstream Value Chain	- Customers - Community and Public	Short Term	●●
	Negative Impact	Ineffective emissions control or improper waste disposal could exacerbate local environmental pollution and resource consumption, posing potential long-term risks to community health and ecological balance				●●
	Opportunity	- Reduced waste disposal costs resulting from improved emission and waste reduction levels - Generation of by-product revenue through resource utilisation				●
	Risk	- Non-compliant emissions or hazardous waste disposal, facing fines, rectification orders or production suspension - Reputational risks arising from non-compliant emissions or hazardous waste disposal				●
 Responses to Climate Change and Clean Technology Development	Positive Impact	By actively investing in the R&D and application of clean technologies, companies can reduce their own carbon footprints, promote the industry's low-carbon transition, and contribute innovative solutions to the global response to climate change	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Employees - Customers - Suppliers and Other Business Partners - Shareholders/Investors - Community and Public	Medium to Long Term	●●●
	Negative Impact	If a company fails to respond effectively to climate change, its business activities will generate significant negative externalities, not only directly harming the health of employees and the community, but also exacerbating social inequality caused by uneven distribution of resources and risks, and thereby slowing the industry's green transition process and weakening supply chain resilience				●●●
	Opportunity	- Proactively arranging carbon credits and green electricity to establish a low-carbon benchmark and gain a market premium - Leveraging technological advantages to drive the energy revolution, empower new energy development, and open up incremental revenue streams				●●●
	Risk	- Extreme weather leading to asset damage and supply chain disruption - Increased compliance costs due to carbon taxes and the purchase of carbon allowances - Failure in clean technology R&D or disruption of technological pathways				●●●
 Environmental Compliance Management	Positive Impact	Excellent environmental compliance management directly reduces pollution emissions and resource consumption from corporate operations, laying a practical foundation for the regional green economic transition	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Customers - Suppliers and Other Business Partners - Shareholders/Investors - Community and the Public	Medium to Long Term	●●
	Negative Impact	If there are loopholes in environmental compliance management or if it is inadequately implemented, corporate operations will continuously externalise pollution and ecological pressure, directly harming community environmental quality and resident health				●●
	Opportunity	- Maintaining high compliance standards to gain priority access to green credit/bonds - Enjoying environmental tax incentives or government rewards				●
	Risk	- Stricter environmental regulations necessitating mandatory modifications to existing auxiliary industrial equipment - Compliance violations leading to corporate reputational damage and restricted access to green credit				●

¹ Impact period: The timeframe over which a risk or opportunity event is expected to impact the Company after its occurrence, categorised as short-term (0-5 years), medium-term (5-10 years), and long-term (over 10 years).

² Impact magnitude: The degree of impact for each topic is determined based on the results of this year's double materiality topics questionnaire.

ESG Topic	IROs Description	Value Chain Position	Affected Stakeholders	Impact Period	Impact Magnitude
 Water Resources Management	Positive Impact Effective water resources management can not only alleviate the pressure of water consumption from business expansion but also encourage value chain partners to jointly promote water conservation and protection, contributing to the sustainable development of the regional water ecosystem	Corporate Operations	Community and the Public	Medium to Long Term	●
	Negative Impact The daily operations of a business continuously consume water resources; if accompanied by business expansion or inadequate management measures, this could lead to a significant increase in water consumption, exacerbating local water stress				●
	Opportunity - Reducing water consumption per unit through process improvements, equipment upgrades, and water recycling systems - Enhanced production continuity and operational resilience				●
	Risk Increased costs from water scarcity or rising water prices				●
 Circular Economy	Positive Impact Implementing a circular economy model can effectively reduce a company's reliance on natural resources, promote efficient resource recycling, and foster synergistic development between the economy and the ecosystem	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Customers - Suppliers and Other Business Partners - Community and the Public	Short, Medium, and Long term	●●
	Negative Impact If the circular economy is implemented ineffectively, it could exacerbate resource waste and refuse accumulation; if recycled material technologies are immature, it could also affect product performance and harm user interests				●
	Opportunity - Actively practising the circular economy, promoting the use of recyclable materials and the reuse of production waste to reduce procurement costs - Launching a full-cycle digital recycling solution to empower the new energy industry's green closed loop from manufacturing to recycling				●
	Risk - High dependence on single-use virgin materials, facing resource scarcity or supply interruptions - Existing production processes and equipment lack the capacity for recycling, dismantling, or remanufacturing				●
 Energy Management	Positive Impact Efficient energy management directly contributes to achieving climate targets and improving regional air quality by reducing greenhouse gas and pollutant emissions	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Customers - Suppliers and Other Business Partners - Community and the Public	Short, Medium, and Long term	●●
	Negative Impact Inefficient energy management makes a company a persistent source of high emissions, which not only exacerbates climate and environmental pressures and encroaches on public environmental resources and health budgets, but also slows the overall decarbonization pace of the industrial chain due to technological lock-in				●
	Opportunity - Improving energy efficiency to reduce unit energy consumption costs - Developing distributed photovoltaic systems to replace purchased electricity				●●●
	Risk - Fluctuations in energy prices leading to uncontrollable production costs - Power rationing or outages leading to decreased capacity utilisation and order delays				●

●●● High ●● Medium ● Low

ESG Topic	IROs Description	Value Chain Position	Affected Stakeholders	Impact Period	Impact Magnitude
 Ecosystem and Biodiversity Protection	Positive Impact By incorporating ecological protection into operational decisions, a company can effectively reduce disturbances to natural habitats and enhance regional biodiversity through ecological restoration projects	Corporate Operations	Community and the Public	Medium to Long Term	●
	Negative Impact If a company neglects ecological protection during project development, its engineering activities will directly cause fragmentation, degradation, or even loss of natural habitats, leading to irreversible damage to biodiversity and weakening the ecosystem's functions, such as climate regulation				●
	Opportunity - Creating eco-friendly factories to enhance brand image and community relations - Appreciation of land assets due to environmental improvements				●
	Risk - New factory site selection involving ecological red lines leading to project delays or cancellations - Ecological damage from raw material extraction in the supply chain triggering public boycotts				●
 Sustainable Supply Chain Management	Positive Impact By promoting sustainable supply chain management, a company can help upstream partners improve their overall performance in areas such as labour rights, environmental performance, and business ethics, thereby jointly reducing negative impacts on society and the environment	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Customers - Suppliers and Other Business Partners - Shareholders/Investors	Medium to Long Term	●●●
	Negative Impact If a company neglects supply chain sustainability, it may lead to deteriorating labour conditions and a lack of environmental management among its partners, which in turn increases operational risks and reputational hazards within the supply chain				●●
	Opportunity - Building a sustainable supply chain can create a brand moat, meet the requirements of high-end clients and regulators, and secure a market premium. - An outstanding supply chain can secure longer payment terms, lower-cost financing, and improve cash flow stability				●●
	Risk - Violations of EU Regulations such as the CBAM and CSDDD will result in the direct loss of orders and market access - The absence or failure of a supplier screening mechanism will lead to inefficient evaluations and supply chain disruptions, subsequently causing a decline in revenue				●●●
 Product Quality and Safety	Positive Impact Excellent equipment quality and safety design can enhance the customer experience and ensure operational safety and production continuity; it can also improve durability, thereby reducing resource consumption and waste generation	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Customers - Suppliers and Other Business Partners	Short, Medium and Long Term	●●●
	Negative Impact A rising rate of defective equipment affects customer trust and threatens personnel safety and production stability; frequent breakdowns also increase maintenance waste, adding to the environmental burden				●●●
	Opportunity - High quality and safety records differentiate products from homogenized competition and support higher pricing - Safe and reliable products cultivate high-loyalty customers, reducing customer acquisition costs				●●
	Risk - Product quality issues will trigger returns processing, incurring direct costs for logistics, warehousing, and repairs - Product quality problems damage customer trust and the company's reputation, leading to fines from regulatory bodies and business losses				●●

●●● High ●● Medium ● Low

ESG Topic	IROs Description	Value Chain Position	Affected Stakeholders	Impact Period	Impact Magnitude
 Employee Rights and Welfare	Positive Impact A comprehensive system for protecting employee rights and interests and providing welfare can directly enhance workers' sense of economic security, reduce the risk of poverty for individuals and families, cultivate a workforce with greater consumption power and health literacy, and provide a solid social foundation for economic stability				●●●
	Negative Impact Inadequate protection of employee rights and interests or a lack of welfare directly harms the economic security and physical and mental health of workers, exacerbates their vulnerability and social injustice, and suppresses the improvement of overall consumption power and labour force quality	- Upstream in the Value Chain - Corporate Operations - Downstream in the Value Chain	- Employees - Customers - Suppliers and Other Business Partners	Short, Medium and Long Term	●●
	Opportunity - Highly engaged employees typically have higher per capita output and lower management costs - Competitive benefits and a positive work experience reduce voluntary turnover, thereby saving on replacement costs				●●
	Risk - Violations of labour regulations (such as those concerning overtime, social security, and discrimination) will result in compensation, fines, and litigation costs - Tense labour relations may lead to passive resistance or even work stoppages, causing operational disruptions				●●
 Equality and Diversity	Positive Impact Building a diverse, equal, and inclusive work environment not only breaks down employment barriers and career ceilings to provide fair development opportunities for individuals from different backgrounds, but also injects diverse innovation potential into the economic system				●●
	Negative Impact Inequality and a lack of inclusion in the workplace can harm the professional dignity and development rights of specific groups, lead to a significant waste of human resources, and stifle the vitality of the overall social innovation ecosystem				●
	Opportunity - An inclusive environment encourages dissent and challenges, leading to more thorough consideration of major decisions (such as investments and mergers and acquisitions), thereby reducing the risk of strategic errors - The diversity of internal teams enables them to better understand and serve client groups from different genders, ethnicities, and cultural backgrounds, thereby tapping into incremental markets	Corporate Operations	Employees	Medium to Long Term	●●
	Risk - A lack of equality and diversity may lead to employee dissent and differing viewpoints being ignored, making major decisions (such as investments, mergers and acquisitions) less comprehensive and increasing the risk of strategic errors - Inequalities in recruitment, remuneration, and promotion can trigger class-action litigation, regulatory investigations, and compensation claims; scandals involving discrimination or a lack of inclusion can damage corporate reputation				●
 Human Capital Development	Positive Impact By establishing a systematic talent cultivation system and diverse development pathways, enterprises can effectively enhance employees' professional capabilities, helping break down structural barriers to career development and promoting an upgrade in the overall skill level of the workforce				●●
	Negative Impact If training mechanisms are weak or promotion paths are not transparent, it not only hinders employee growth, causing valuable human resources to be underutilized and wasted, but may also weaken the iterative improvement of the overall quality of the workforce				●
	Opportunity - Training reduces the time it takes for employees to become proficient, thereby improving work quality and efficiency - A strong training system enables the continuous cultivation of internal talent, reducing the costs associated with recruitment, integration, and trial and error	Corporate Operations	Employees	Medium to Long Term	●●●
	Risk - Employee skills fail to keep pace with technological changes (such as AI and automation), leading to a decline in per capita output and operational efficiency that lags behind competitors - The absence of an internal succession plan creates a risk of business interruption in the event of core personnel departures				●●

●●● High ●● Medium ● Low

ESG Topic	IROs Description	Value Chain Position	Affected Stakeholders	Impact Period	Impact Magnitude
 Occupational Health and Safety	Positive Impact A sound occupational health and safety management system can create a safe and reliable working environment for employees, effectively reducing the risk of occupational injuries and enhancing the overall level of social labour welfare	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Employees - Customers - Suppliers and Other Business Partners	Short, Medium, and Long Term	●●
	Negative Impact If the working environment has safety hazards or inadequate health protection, it may endanger the physical and mental health of employees, exacerbate social inequality in the field of occupational health, and increase the burden on public healthcare and social security systems				●●
	Opportunity - A safe working environment is a fundamental need for employees; meeting this need can significantly enhance their loyalty and dedication - Large multinational corporations and ESG investors use occupational health and safety performance as a core assessment indicator, with high performers gaining more orders and lower-cost capital				●●
	Risk - Violations of safety regulations will result in substantial fines and, in severe cases, may lead to orders to suspend production for rectification - Work-related accidents can lead to high compensation for disability or even death benefits; a high accident rate results in increased insurance premiums				●●
 Social Contribution and Rural Revitalization	Positive Impact By participating in social welfare and rural revitalization projects, enterprises can support local community economic development and improve public livelihood, while also enhancing their corporate social image and gaining recognition from stakeholders	Corporate Operations	- Employees - Community and the Public	Long Term	●●
	Negative Impact If social contribution projects are detached from local needs or lack sustained investment, they may fail to produce substantial results and could even risk resource misallocation and unmet community expectations				●
	Opportunity - A brand with an outstanding ability to fulfil its responsibilities is more likely to win the strategic trust and long-term loyalty of its customers - Enterprises that make active contributions are more likely to receive support from local governments in areas such as project approvals and taxation				●
	Risk - Against the backdrop of national strategies such as rural revitalization, companies with insufficient social contributions may lose government support in areas such as project approvals and taxation - Financial institutions use rural revitalization as an important basis for assessing a company's social credibility, and a lack of practical engagement will lead to increased financing costs				●
 Customer Relationship Management	Positive Impact Effective customer relationship management can effectively safeguard the legitimate rights and interests of customers and enhance customer satisfaction and loyalty by providing high-quality services	- Corporate Operations - Downstream Value Chain	- Customers - Suppliers and Other Business Partners	Medium to Long Term	●●●
	Negative Impact Poor customer relationship management may lead to delayed responses to customer requests, damaging the customer experience and affecting the corporate reputation				●●●
	Opportunity Strong customer relationships and high switching costs can support higher pricing or reduce price wars				●●
	Risk Neglecting customer retention leads to continuous customer churn, requiring the company to persistently invest heavily in acquiring new customers				●●

●●● High ●● Medium ● Low

ESG Topic	IROs Description	Value Chain Position	Affected Stakeholders	Impact Period	Impact Magnitude
 Industry Cooperation and Development	Positive Impact Active participation in industry collaboration can promote technical exchange and joint standard-setting, drive collaborative innovation across the industrial chain, and help the industry as a whole move towards sustainable, high-quality development	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Customers - Suppliers and Other Business Partners	Long Term	●●
	Negative Impact A lack of industry collaboration mechanisms or disorderly competition could lead to duplicated resource investment, strengthened technical barriers, delayed industrial transformation, and weakened overall competitiveness				●
	Opportunity - Leveraging outstanding technological innovation capabilities, the Company collaborates on technology with partners across the entire industrial chain to jointly drive innovation in the new energy industry, enhancing cost control capabilities and profit stability - Establish joint laboratories with universities and research institutions to share intellectual property (IP) and accelerate technology commercialisation				●●
	Risk - Independently developed technologies may result in sunk R&D investment costs due to issues such as process adaptability - A lack of deep collaboration and information sharing with upstream and downstream partners makes the supply chain rigid, fragile, and vulnerable to disruptions				●
 Technology Innovation	Positive Impact Continuous technology innovation drives the Company's technological advancement and product upgrades, enhances core competitiveness, and provides the market with solutions of sustainable value	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Employees - Customers - Suppliers and Other Business Partners - Shareholders/Investors	Medium to Long Term	●●●
	Negative Impact Insufficient R&D investment or innovation that is misaligned with market demand will fail to effectively drive technological upgrades and value enhancement in related industries, potentially causing the entire industrial chain to remain at a low-tech level				●●
	Opportunity - Successful R&D creates intangible assets such as patents and non-patented technologies, building a commercial moat - Process innovation and the optimisation of production technology can directly reduce production costs and increase efficiency				●●●
	Risk - R&D projects with substantial resource investment that fail to achieve expected results can lead to a total loss of the initial investment - Sustained, high-intensity R&D investment consumes significant company cash flow, potentially diverting resources from production and market expansion				●●
 Anti-commercial Bribery and Anti-corruption	Positive Impact Strict enforcement of anti-commercial bribery and anti-corruption policies can build a clean business environment, protect the cornerstone of integrity in the market economy, and lay the foundation for economic health	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Employees - Customers - Suppliers and Other Business Partners - Shareholders/Investors	Medium to Long Term	●●
	Negative Impact If anti-corruption mechanisms have loopholes or are poorly enforced, it could lead to the proliferation of unfair competition, fundamentally hindering the formation of a healthy market culture and the spirit of the rule of law				●●
	Opportunity - A sound internal anti-corruption control system can prevent bribery and illicit transfers of benefits, reducing asset loss and operational waste caused by fraud - An image of integrity and a strong compliance record can enhance credit ratings and reputation, helping secure preferential green loans and long-term investor support				●●
	Risk - Facing economic losses such as substantial fines, confiscation of illegal gains, and civil damages - Reputation damage may lead to a decline in brand value, loss of customers, and termination of partnerships				●●

●●● High ●● Medium ● Low

ESG Topic	IROs Description	Value Chain Position	Affected Stakeholders	Impact Period	Impact Magnitude
 Compliance Operations	Positive Impact Adhering to compliance operations helps consolidate the authority of the market's rule of law, provides a micro-foundation for building a stable business order in society, and enhances the overall resilience of the economic system	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Employees - Customers - Suppliers and Other Business Partners - Shareholders/Investors	Medium to Long Term	● ● ●
	Negative Impact A lack of or lax enforcement of compliance management can trigger legal litigation and regulatory penalties, damage the foundation of integrity in the business ecosystem, and ultimately increase the operational risks and trust costs of the entire economic system				● ● ●
	Opportunity - Sound internal controls and process compliance can reduce operational errors and waste, lowering cost losses - Rigorous corporate governance and compliance performance can enhance credit ratings, helping secure preferential loan rates and greater investor support				● ●
	Risk - Violations of industry standards, commercial regulations, or listing rules may result in fines, litigation, and production suspension for rectification - Investigations, rectifications, or supply chain audits triggered by non-compliance can disrupt production and operations and affect order delivery				● ●
 Intellectual Property Protection	Positive Impact Effective intellectual property protection can incentivise corporate innovation investment, safeguard R&D outcomes, and establish clear property rights rules for society-wide knowledge creation and technological innovation activities	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Employees - Customers - Suppliers and Other Business Partners - Shareholders/Investors	Medium to Long Term	● ● ●
	Negative Impact Ineffective intellectual property protection could lead to the loss of core technologies or a proliferation of counterfeit activities, trapping industrial development in a cycle of low-level imitation and vicious price competition				● ● ●
	Opportunity - Establishing an exclusive market advantage under legal protection through patents and trade secrets supports product pricing power and high gross profit margins - Licensing revenue can be generated directly through the licensing or transfer of intellectual property (IP), or business can be expanded through technology equity contributions				● ●
	Risk - Facing infringement litigation could result in substantial compensation payments and court orders to cease the sale of related products, causing a sharp decline in revenue - If a company's own intellectual property has defects, it may face the termination of licences, claims from partners, or even a ban on the sale of its products in key markets				● ●
 Information Security and Privacy Protection	Positive Impact A robust system for information security and privacy protection is not only fundamental to compliant business operations but also effectively safeguards customer and employee data security, providing a trusted foundation for building a secure and regulated market environment and promoting digital innovation	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Employees - Customers - Suppliers and Other Business Partners	Medium to Long Term	● ● ●
	Negative Impact Inadequate information security measures or vulnerabilities in privacy protection directly threaten corporate data assets and trade secrets, damage customer trust, increase legal and operational risks, and may disrupt the industry's security ecosystem, hindering technological innovation and healthy market development				● ●
	Opportunity - A secure and reliable brand image can enhance product/service premiums and serve as an entry permit for highly regulated markets (such as the EU) - Proactive privacy-by-design reduces compliance complexity and provides a compliant foundation for data-driven innovative businesses (such as artificial intelligence and precision marketing)				● ●
	Risk - Facing class-action lawsuits, civil compensation claims, and severe penalties from regulatory authorities due to leaks of customer/user private data - The company's reputation and brand value are severely damaged, leading to a large-scale loss of customers, breakdowns in partner relationships, and weakened market competitiveness				● ●

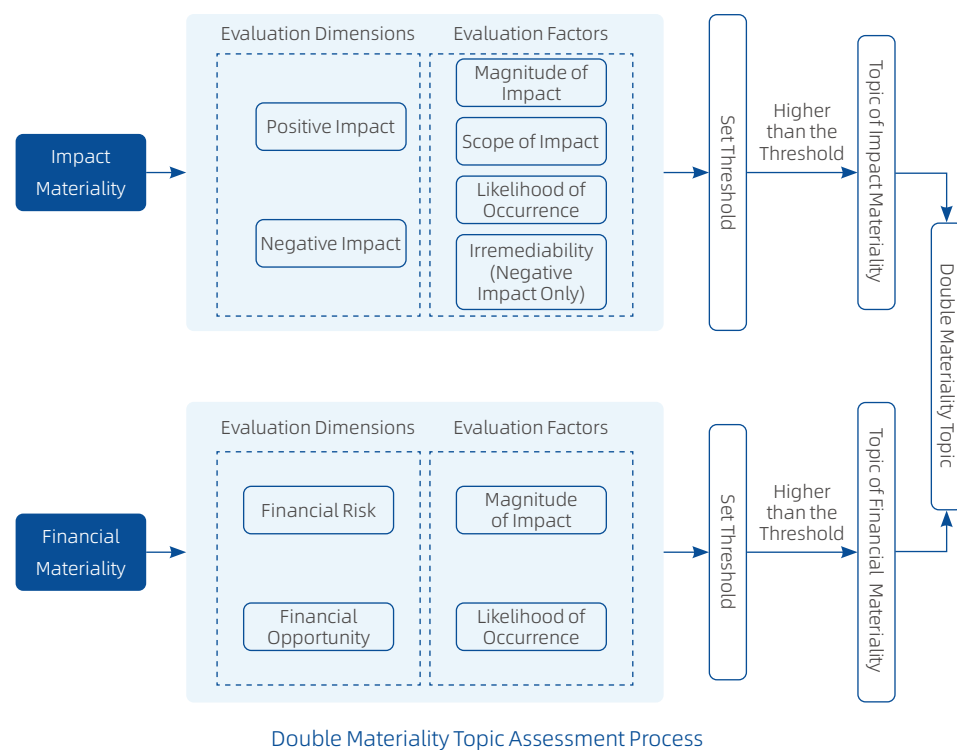
● ● ● High ● ● Medium ● Low

ESG Topic	IROs Description	Value Chain Position	Affected Stakeholders	Impact Period	Impact Magnitude
 Risk Management	Positive Impact A robust risk management system can effectively safeguard the rights and interests of all stakeholders and contributes to maintaining the long-term stability of social and environmental order	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Employees - Customers - Suppliers and Other Business Partners - Shareholders/Investors - Community and the Public	Short to Medium Term	●●●
	Negative Impact If a company's risk management is flawed, operational incidents or emergencies could harm the rights and interests of stakeholders and cause damage to society and the environment				●●●
	Opportunity - Excellent risk management capabilities help secure more favourable financing terms and a lower cost of capital - Winning the continued favour of long-term investors, optimising the shareholder structure, and supporting long-term valuation				●●
	Risk - Neglecting ESG risks may lead to sudden disruption of the business model and the failure of long-term strategy - Being deemed a high-risk company by the market and rating agencies, leading to a discount on share price valuation and difficulties in financing				●●
 Stakeholder Engagement	Positive Impact Establishing a transparent and efficient stakeholder engagement mechanism helps the enterprise promptly identify expectations and demands, thereby promoting the flow of social resources towards sustainable directions	Corporate Operations	Shareholders/Investors	Medium to Long Term	●●
	Negative Impact If communication mechanisms are ineffective or lack substantive responses, it may lead to misunderstandings and conflicts, exacerbate information asymmetry, weaken social co-governance capabilities, and result in imbalanced regional development				●
	Opportunity - Stakeholder engagement can build deep social trust and brand loyalty - Proactively resolving potential conflicts through dialogue, transforming ESG challenges into new business opportunities and collaborative projects				●●
	Risk - Failure to establish effective channels will prevent the timely identification of operational risks and social trends - Strategic decisions made without the perspective of stakeholders are detached from reality and have an increased probability of failure				●
 Corporate Governance	Positive Impact A sound corporate governance structure helps protect the rights and interests of investors and shareholders, builds a fair and transparent market environment, promotes effective capital allocation, and provides institutional support for sustainable economic growth	- Upstream Value Chain - Corporate Operations - Downstream Value Chain	- Employees - Customers - Suppliers and Other Business Partners - Shareholders/Investors	Medium to Long Term	●●
	Negative Impact If corporate governance mechanisms are flawed or supervision is ineffective, it will not only directly harm investor rights and distort resource allocation efficiency but may also trigger a crisis of market confidence, hindering the healthy development of capital markets				●●
	Opportunity - An efficient system of powers and responsibilities and internal control processes can minimise operational errors and fraud and maximise resource utilisation efficiency - Transparent, fair, and shareholder-responsible governance practices are the cornerstone of attracting and retaining long-term value investors				●●
	Risk - The failure of the Board of Directors and the absence of oversight lead to major strategic decision-making errors - Shareholder rights are not protected, causing investors to 'vote with their feet', which leads to financing difficulties				●

●●● High ●● Medium ● Low

Step 3: ESG Topic Impact and Financial Materiality Assessment

The Company has established a double materiality issue assessment process to conduct a comprehensive evaluation of the impact materiality and financial materiality of each issue based on stakeholder survey results, using set thresholds to screen for and form impact materiality issues, financial materiality issues, and double materiality issues; for impact materiality, its significance is assessed from both positive and negative dimensions by combining factors such as magnitude, scope, likelihood of occurrence, and irremediability, while for financial materiality, its significance is assessed from the perspectives of financial risks and opportunities by considering the degree of impact of the relevant issues on financial indicators and their likelihood of occurrence.



Double Materiality Topic Assessment Process

¹Includes impact magnitude and scope of impact.

²Includes impact magnitude, scope of impact, and irremediability.

Impact Materiality Assessment

In 2025, the Company selects the maximum value between the positive and negative impacts of each issue to represent its impact materiality, using the average value as the materiality threshold, whereby issues above the average are considered to have impact materiality, with the assessment dimensions and calculation methods for their positive and negative impacts as follows:

Impact Type	Assessment Dimension	Score Calculation
Positive Impact	Degree of Impact ¹	Positive Impact = (Weight × Degree of Impact) × (Weight × Likelihood of Occurrence)
	Likelihood of Occurrence	
Negative Impact	Degree of Impact ²	Negative Impact = (Weight × Degree of Impact) × (Weight × Likelihood of Occurrence)
	Likelihood of Occurrence	

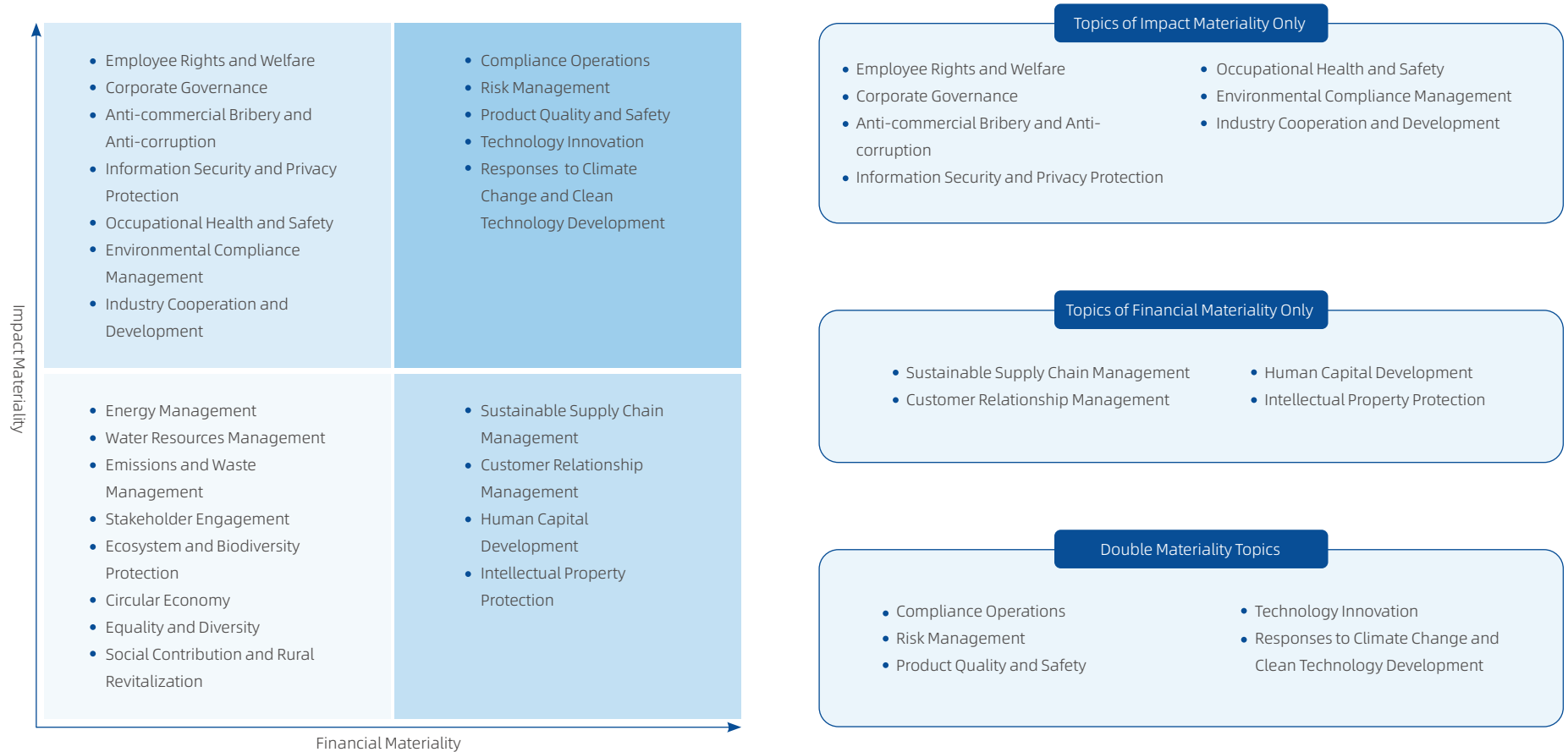
Financial Materiality Assessment

During the Reporting Period, we used the maximum value between the risks and opportunities of each issue to represent its financial materiality, and took the average value as the materiality threshold, with issues above the average value being considered financially material issues; the risk and opportunity assessment dimensions and calculation methods are as follows:

Impact Type	Assessment Dimension	Score Calculation
Risk	Degree of Impact	Risk = (Weight × Degree of Impact) × (Weight × Likelihood of Occurrence)
	Likelihood of Occurrence	
Opportunity	Degree of Impact	Opportunity = (Weight × Degree of Impact) × (Weight × Likelihood of Occurrence)
	Likelihood of Occurrence	

Step 4: Prioritization and Matrix of Double Materiality Issues

Based on the results of the stakeholder questionnaire survey, we developed a double materiality matrix. During the Reporting Period, a total of 5 double materiality issues, 4 financial-only materiality issues, and 7 impact-only materiality issues were identified.



The Company conducts comprehensive risk control and governance for the identified double, financial, and impact materiality issues, formulates management measures, continuously tracks performance to form a closed-loop management system, and the relevant issues and corresponding chapters are shown in the table below.

Issue Dimension	Material Issue	Materiality Level	SDGs	Corresponding Report Chapter
Environment	Responses to Climate Change and Clean Technology Development	Double Materiality	 	Responses to Climate Change
	Environmental Compliance Management	Impact Materiality		Environmental Compliance Management
Social	Product Quality and Safety	Double Materiality	 	Strengthening Quality Control
	Employee Rights and Welfare	Impact Materiality	  	Protection of Employee Rights and Interests
	Human Capital Development	Financial Materiality		Talent Cultivation and Development
	Occupational Health and Safety	Impact Materiality		Occupational Health and Safety
	Customer Relationship Management	Financial Materiality		Customer Relationship Management
	Industry Cooperation and Development	Impact Materiality	   	Product R&D and Innovation

Issue Dimension	Material Issue	Materiality Level	SDGs	Corresponding Report Chapter
Social	Technology Innovation	Double Materiality	 	Product R&D and Innovation
	Sustainable Supply Chain Management	Financial Materiality	 	Sustainable Supply Chain Management
Governance	Compliance Operations	Double Materiality		Risk and Compliance Management
	Risk Management	Double Materiality		Risk and Compliance Management
	Anti-commercial Bribery and Anti-corruption	Impact Materiality		Business Ethics
	Intellectual Property Protection	Financial Materiality		Product R&D and Innovation
	Corporate Governance	Impact Materiality		Corporate Governance
	Information Security and Privacy Protection	Impact Materiality		Information Security and Privacy Protection



01 Governance

Material Issues Covered in This Chapter

- Corporate Governance
- Compliance Operations
- Risk Management
- Anti-commercial Bribery and Anti-corruption
- Information Security and Privacy Protection
- Stakeholder Engagement

SDGs Addressed in This Chapter



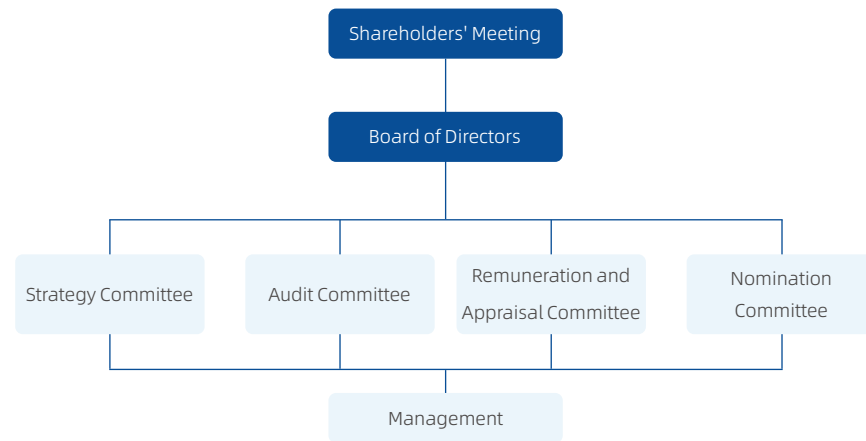
Corporate Governance

Corporate Governance Structure

Lead Intelligent strictly complies with laws, regulations, and supervisory requirements such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, and the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, and has established a sound internal governance structure with clear rights and responsibilities and efficient collaboration. The Company's highest authority is the Shareholders' Meeting, which exercises core rights including the election and replacement of directors and the review of major matters in accordance with the law. Within the scope of authority granted by the Shareholders' Meeting, the Company has established a Board of Directors, which is responsible for formulating business policies, reviewing important business matters, and supervising the performance of management personnel. The Board of Directors has four specialized committees: the Strategy Committee, the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee, to further refine professional supervision and governance functions. The management is appointed by the Board of Directors and is responsible for the execution of specific affairs and daily business management.

In 2025, in active response to the latest revised requirements of the *Company Law of the People's Republic of China*, the Company abolished the Board of Supervisors and the Position of Supervisor, merging their relevant powers and responsibilities into the Audit Committee under the Board of Directors to further optimize the governance hierarchy and enhance supervisory efficiency.

During the Reporting Period, the Company was recognized in the '2025 Typical Practice Cases for the Boards of Listed Companies' by the China Association for Public Companies.



Corporate Governance Structure

Key Performance

During the Reporting Period

4 Shareholders' meetings convened

34 Proposals reviewed

34 Proposals subject to separate vote counting for small and medium-sized shareholders

9 Board of Directors meetings convened

100% Director attendance rate

66 Proposals reviewed and approved

Independence of the Board of Directors

The Company places great emphasis on the key role of independent directors in the standardized performance and scientific decision-making of the Board of Directors. It has formulated the *Working System for Independent Directors*, which explicitly requires that the number of independent directors shall not be less than one-third of the total number of Board members, including at least one accounting professional. Independent directors must constitute the majority of members in the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee, and serve as conveners. The system also stipulates that independent directors must maintain their independence, shall not be employed by the Company or hold senior management positions, and shall not be immediate family members of the Company's management personnel. In terms of business and service relationships, independent directors are prohibited from holding positions at the Company's major customers or suppliers, from signing personal service contracts with the Company, and from holding management or compliance positions in intermediary agencies that provide services such as consulting or auditing to the Company. Through these provisions, the Company ensures that independent directors are free from interference by the Company, major shareholders, actual controllers, and other stakeholders, enabling them to provide objective opinions on major business decisions, related-party transactions, and the performance of senior executives based on their diverse professional backgrounds, thereby effectively safeguarding the scientific rigour and transparency of the Board's decision-making.

Key Performance

During the Reporting Period

3 Independent directors **42.86%** Percentage of the Board

Board Diversity

Lead Intelligent strictly selects and appoints directors in accordance with the *Articles of Association*, giving full consideration to diversity in terms of gender, culture, educational background, and professional skills to scientifically optimize the composition and skill set of the Board, ensuring the scientific rigour and effectiveness of its decision-making.

Key Performance

During the Reporting Period

2 Female directors

28.57% Percentage of the Board



Professionalism of the Board of Directors

The members of the Board of Directors of Lead Intelligent possess extensive educational backgrounds and professional experience in fields such as new energy manufacturing, intelligent equipment, financial accounting, legal compliance, and corporate management. They prudently evaluate the Company's strategy and operational decisions from multiple perspectives, scientifically manage risks, and enhance the quality of scientific decision-making and governance effectiveness, providing solid support for the Company's sustained and steady growth. Concurrently, to continuously strengthen the performance capabilities of its directors, the Company conducts specialized training for them covering topics such as the standardized operation of listed companies, compliance management, business ethics, risk control management, and ESG, thereby genuinely enhancing the directors' understanding and management capabilities concerning relevant laws, regulations, and policies.



Members of the Board of Directors	Mr Wang Yanqing	Mr Wang Jianxin	Mr You Zhiliang	Mr Wang Lei	Ms Zhang Mingyan	Mr Dai Jianjun	Ms Huang Siying
	Chairman	Executive Director	Executive Director	Executive Director	Independent Director	Independent Director	Independent Director
Business Strategy	√	√	√	√			√
Corporate Governance	√	√	√	√			
Legal Compliance						√	
Risk Management					√		
Finance and Accounting Management					√		√
Environmental Management					√		
Engineering and Technology Management	√	√	√				
Sustainable Development Management	√						
Information Technology Management				√			

Professional Backgrounds of Board of Directors

Executive Remuneration Management

Lead Intelligent places great importance on the standardization, incentive-based nature, and sustainability of executive remuneration. With reference to the *Working Rules of the Remuneration and Appraisal Committee of the Board of Directors*, the Company scientifically designs and rigorously reviews the remuneration plans for directors and senior management based on a thorough assessment of corporate operating performance, industry remuneration levels, and job responsibilities. The Company strictly implements a recusal system for remuneration reviews, requiring directors to recuse themselves from matters concerning their personal remuneration to ensure the independence, fairness, and transparency of remuneration decisions. Concurrently, the Company links executive remuneration to ESG performance, ensuring that management assumes responsibility and plays a key role in promoting the achievement of sustainable development goals.

Related-party Transaction Management

In accordance with laws, regulations, and normative documents such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Rules for Listing Stocks on the ChiNext Market of the Shenzhen Stock Exchange*, as well as the *Articles of Association* and other requirements, Lead Intelligent has defined the scope of related parties and relationships, basic principles, decision-making procedures, approval authority, recusal systems, and information disclosure for related-party transactions. The Company reviews and approves anticipated related-party transactions annually to ensure that they align with its actual operational needs, that the decision-making process is lawful and compliant, and that the pricing and settlement mechanisms are fair and reasonable. This approach prevents harm to the interests of the Company or its shareholders while safeguarding the Company's operational independence.

Investor Relations Management

Regulated Information Disclosure

Lead Intelligent strictly adheres to laws, regulations, and regulatory requirements, including the *Company Law of the People's Republic of China*, the *Rules for Listing Stocks on the ChiNext Market of the Shenzhen Stock Exchange*, and the *Measures for the Administration of Information Disclosure of Listed Companies*. The Company lawfully fulfils its information disclosure obligations, ensuring that all disclosed content is truthful, accurate, timely, and complete. It also upholds the principle of fair disclosure to guarantee all shareholders equal access to information. In 2025, the Company disclosed 175 announcements and received the highest A-level rating for information disclosure from the Shenzhen Stock Exchange for the seventh consecutive year, consistently maintaining an industry-leading standard of quality.

Investor Communication

Lead Intelligent maintains regular communication with investors, continuously enhancing the professional depth and relevance of these interactions. To address the specific focuses, information needs, and risk concerns of different types of investors, the Company has established point-to-point and differentiated communication mechanisms to improve the effectiveness and precision of information delivery. During the Reporting Period, the Company participated in and conducted over 120 domestic and international roadshows and communication events.

Additionally, the Company strengthens information guidance and value communication. Before and after the disclosure of periodic reports and major events, it proactively releases press releases and in-depth analyses through mainstream financial media, industry platforms, and channels such as Xueqiu. This disseminates rational, professional perspectives on the industry and its operations, thereby enhancing investors' understanding of the Company's strategy and performance. During the Reporting Period, the Company facilitated the publication of over 70 research reports by more than 30 domestic and international brokerage firms.

Investor Rights Protection

Lead Intelligent diligently safeguards the legitimate rights and interests of shareholders, creditors, and other stakeholders. In accordance with the *Guidelines for Investor Relations Management of Listed Companies* and other relevant institutional requirements, the Company fully implements all regulatory provisions concerning investor protection. It continually improves its investor relations management mechanisms to foster a standardized, transparent, and positive interactive relationship with investors. The Company also places a high priority on protecting the rights of minority investors, strictly enforcing mechanisms that secure shareholders' rights to make proposals and vote. For major issues, a special resolution procedure is applied, fully upholding the 'One Share, One Vote' principle to ensure that minority shareholders can lawfully and fairly participate in corporate governance and significant decision-making.

Honours and Awards

During the Reporting Period, the Company received:

- The 'Shareholder Return Award for Investor Relations Management of a Listed Company' at the 16th Tianma Awards for Investor Relations Management of Listed Companies, hosted by Securities Times.
- The 'Outstanding ESG Value Communication Award' at the 6th Panorama Golden Awards for Investor Relations, hosted by Panorama Network.
- The 'Best Investment Value Award' at the 8th Cailian Press Investment Annual Conference.
- The 'Top 300 Most Popular Listed Companies' recognition in the 2025 Annual Selection of Listed Companies, hosted by Hithink RoyalFlush.

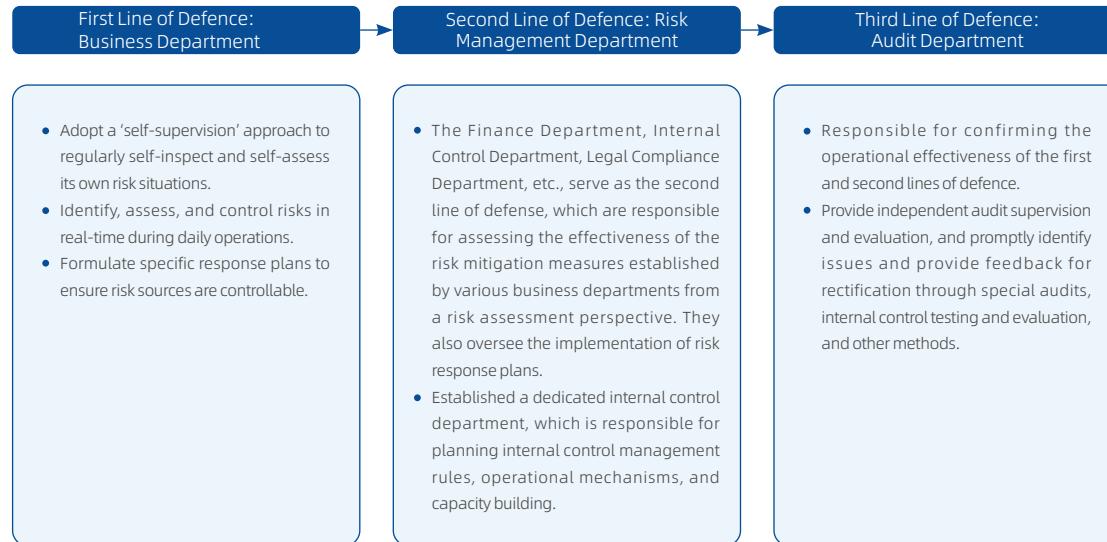


Risk and Compliance Management

Governance

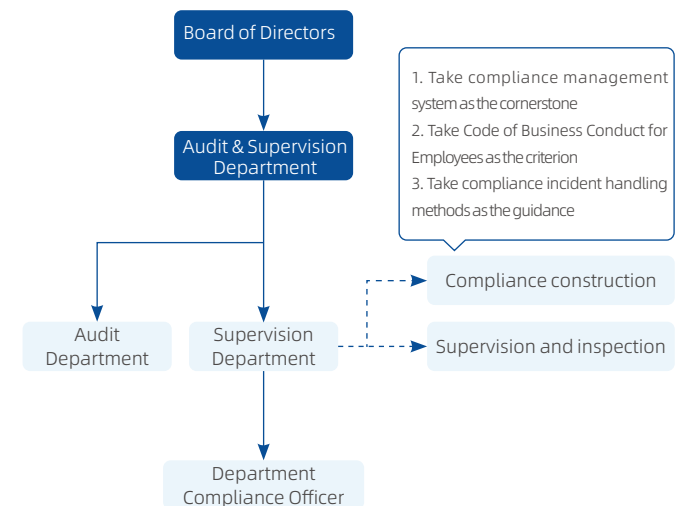
Lead Intelligent strictly complies with the relevant laws and regulations in its areas of operation, having formulated and refined a series of institutional documents, including the *Risk Management System* and the *Internal Control Manual*. It continuously optimizes its three-line-of-defense risk governance structure and compliance governance framework, clearly defining the responsibilities of each department in risk and compliance management to create a control system with clear authority, defined responsibilities, and effective coordination.

The Company has constructed a three-line-of-defense risk governance structure: the Board of Directors, as the highest decision-making body, is responsible for approving overall risk management objectives and determining risk tolerance levels. Within this framework, the various business departments, risk management functions, and the audit department collectively form the three lines of defense, ensuring the comprehensiveness and effectiveness of risk management.



The Three-line-of-defense Risk Governance Structure

The Company has established a comprehensive compliance governance structure: the Board of Directors serves as the highest decision-making body for overall compliance management, responsible for formulating compliance strategies and overseeing their general implementation. The Audit & Supervision Department, as the functional department for internal execution and third-party supervision and inspection, reports directly to the Board of Directors. Each business department has appointed a Department Compliance Officer responsible for organising internal compliance training and regularly submitting departmental compliance materials to the Audit & Supervision Department, thereby forming a top-down, company-wide compliance management system.



Compliance Governance Structure

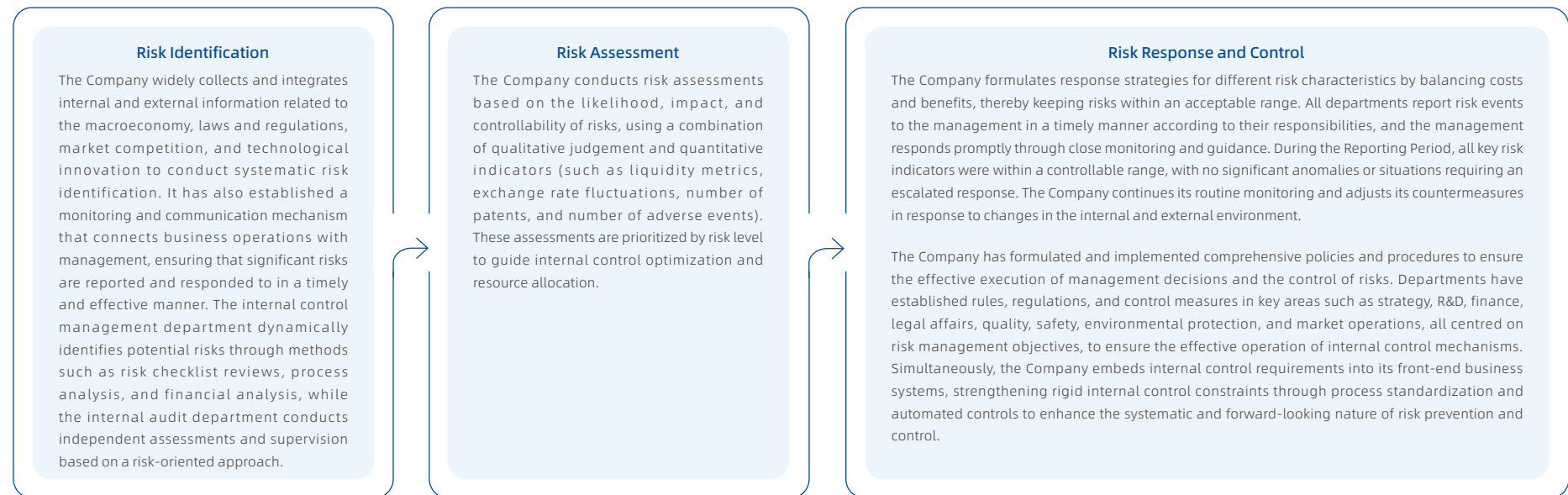
Strategy

The Company deeply integrates risk and compliance management into its overall corporate strategy formulation and execution processes. During annual strategic planning, the Board of Directors and senior management systematically assess key risks and potential opportunities in areas such as finance, taxation, sales, the supply chain, information security, and the external regulatory environment. They also analyse the financial impact of these factors on current and future expectations to inform the formulation of strategic directions and business objectives. Concurrently, the Company sets targeted control measures, incorporating risk identification, assessment, and response into daily operations and decision-making processes. This ensures that strategic goals are advanced effectively within a compliant and controlled framework, achieving a synergistic implementation of risk prevention and business development.

Impacts, Risks, and Opportunities Management

Risk Management

Lead Intelligent has established a systematic risk management process that clarifies the standards and responsibilities for core stages, including risk identification, assessment, response, and control. This provides unified management guidance for all business departments, ensuring that risk management activities are standardized, efficient, and collaborative.



Risk Management Process

The Company continuously improves its emergency risk management mechanism to respond swiftly to sudden risks and potential negative impacts. For common operational risks (such as safety incidents, customer complaints, and IT system failures), the Company has developed comprehensive emergency plans and handling procedures; in the event of major deviation incidents (like financial anomalies or data breaches), the relevant departments immediately initiate internal reviews to analyse the causes and formulate corrective measures; and for matters involving cross-departmental or significant impacts, the management takes the lead in establishing ad-hoc working groups to coordinate resources and drive timely responses and rectifications, ensuring risks are effectively controlled and addressed.

The Company continues to advance the development of a comprehensive risk culture, strengthening risk awareness and management practices among all employees. In 2025, the Company conducted 8 risk-related management training sessions for key positions, including senior executives, finance personnel, and business operators, as well as for all staff. It also published 8 articles on risk awareness and promotion via WeCom, achieving a total of 12,000 views and effectively increasing employees' awareness of and engagement in risk prevention and control.

Compliance Management

Special Compliance Initiatives

Lead Intelligent continuously promotes the deep integration of compliance management and comprehensive risk management, relying on a standardized risk assessment system to achieve real-time awareness and closed-loop control of compliance risks. The Company organises annual compliance risk identification and assessment activities for all business departments to ensure that risk management is controllable throughout the entire process.

In 2025, the Company focused on core issues such as tax management, customs management, and export control to conduct special compliance risk inspections. In terms of tax management, the Company conducted internal self-inspections for tax compliance and underwent examinations by external tax authorities, continuously optimizing control processes and rectifying risk areas through these internal and external reviews to effectively reduce tax-related risks. In customs management, the Company completed import qualification applications for three overseas subsidiaries, continually strengthening trade compliance risk control to ensure the compliant operation of its overseas business.

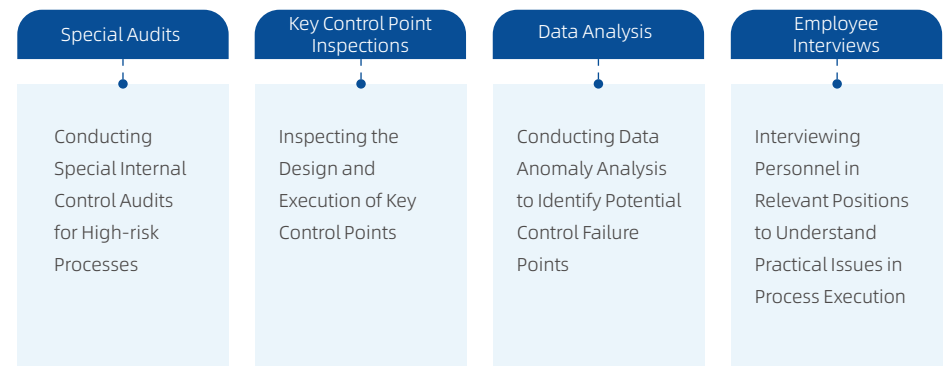
Tax Compliance Management

Lead Intelligent strictly adheres to national tax laws and regulations and actively promotes tax compliance management. The Company is committed to paying taxes in accordance with the law, filing returns and paying various taxes such as value-added tax and corporate income tax on time, while also leveraging internal self-inspection mechanisms and external professional consulting to establish and implement the *Tax Management System*, achieving standardized tax processes and controllable risks to ensure global tax information is transparent and traceable.

In 2025, the Company conducted multiple tax compliance training sessions focused on overseas business. The training covered the analysis of key clauses, case studies, permanent establishments, and related tax impacts and countermeasures, effectively enhancing employees' tax risk awareness and operational capabilities in international business.

Internal Control

Lead Intelligent continuously improves its internal control mechanisms, employing various methods such as special audits, key control point inspections, data anomaly analysis, and employee interviews to identify and assess internal control risks.



The Company fully incorporates significant ESG risks into its corporate internal control system and establishes specific control points within the *Internal Control Matrix*. Under the 'Social Responsibility' process, key control measures cover environmental protection and resource conservation, production safety management, product quality management, and the promotion of employment and protection of employee rights and interests; the 'Internal Information Communication' process explicitly includes measures such as internal reporting mechanisms and anti-fraud management. In 2025, the Company included the aforementioned ESG control points in the scope of its annual internal control self-assessment, completing updates and testing without finding any material weaknesses or anomalies. This fully demonstrates the Company's systematic identification, control, and continuous supervision of ESG risks in its internal management.

The Company integrates emerging risks into its overall risk management framework. In daily operations, the Company dynamically adjusts control measures in response to changes in the regulatory environment, such as implementing cybersecurity regulations, advancing the signing of consents for facial information use and IT data classification and access control. Simultaneously, the Company focuses on climate change risks. In 2025, it organized employee participation in training on dual-carbon goals and corporate carbon management to strengthen awareness of and response capabilities for emerging risks like climate transition.



Metrics and Targets

Management Targets

Adhere to the *Basic Standard for Enterprise Internal Control* and its supporting guidelines, continuously deepen the construction of the internal control system, refine internal control systems, standards, and processes, and strengthen internal control evaluation and supervision

Enhance the comprehensive risk management system, build a dynamic risk identification mechanism, strengthen quantitative risk assessment capabilities, and establish a closed-loop risk response mechanism

Management Progress

During the Reporting Period

- Have promoted the stringent implementation of internal control requirements in key business processes by optimising the internal control manual, internal control matrix, and specialised management systems in various fields, as well as by refining internal control processes and key control points
- Have conducted internal control evaluation and supervision to ensure the effective implementation of management requirements
- Have completed **9** internal control audits of key business processes during the Reporting Period

- Have been continuously improving risk management systems and processes, clarifying the duties and authorities of each department in risk management, and promoting the integration of risk management with daily operations
- Have identified weak links and potential risk points in operational processes, construct a risk assessment model combining qualitative and quantitative methods, implement risk classification and grading management strategies, and formulate a closed-loop response plan for the entire process
- Have completed **8** audits of overseas business, **12** operational audits of affiliated companies, and **23** audits of high-risk areas during the Reporting Period

Business Ethics

Business Ethics and Anti-corruption Management

Business Ethics Governance Structure

Lead Intelligent integrates 'Integrity' into its corporate core values, strictly adheres to the laws and regulations applicable to the Company's business activities, and, with reference to international conventions and practices, has formulated and implemented a series of normative management systems, including the *Code of Business Conduct for Employees*, *Integrity Management System*, *Tendering and Bidding Management System*, *Procurement Management Procedures*, and *Financial Management System*, which clarify the Company's code of conduct and management standards in areas such as anti-corruption and anti-bribery, conflicts of interest, antitrust and anti-unfair competition, anti-money laundering, and responsible marketing; these standards apply to all employees of Lead Intelligent and its subsidiaries and also require all stakeholders with business dealings with the Company (including suppliers, service providers, contractors, and customers) to strictly comply with the relevant regulations, ensuring effective management of business ethics across the entire value chain.

The Company coordinates the advancement of business ethics management within its overall compliance governance framework, incorporating issues such as anti-corruption and anti-unfair competition into the key supervision scope of its compliance management system. With respect to anti-corruption management, the Company has established a management structure guided by the Board of Directors' Audit Committee and centred on the internal Audit & Supervision Department, forming a relatively independent management, review, and supervision mechanism to ensure that integrity and compliance requirements are effectively implemented in all aspects of the Company's operations and management, continuously fostering a business environment of integrity, transparency, and compliance.

¹The scope of data statistics covers Lead Intelligent and its controlled subsidiaries located within China.

²The scope of this system certification covers Wuxi Lead Intelligent Equipment Co., Ltd. (single entity).

Business Ethics Management

The Company attaches great importance to business ethics risk management, incorporating it into the annual priorities for internal audit and compliance work and building a multi-level, multi-channel supervision and control system. In 2025, the Company implemented multi-dimensional controls through various methods, including online reporting, offline inspections, high-risk area investigations, and self-examination and correction. During the Reporting Period, it completed 23 business ethics-related risk audits, identified 68 issues, and had supervised the rectification of 70% of them by the end of the period, with rectifications expected to be completed within an average of three months of discovery, thereby effectively promoting closed-loop risk management.

At the same time, the Company extends its business ethics and compliance requirements to partners through policies such as the *Supplier Anti-commercial Bribery Declaration* and the *Code of Integrity for Procurement Activities*, which define strict standards for anti-commercial bribery, responsible procurement, and anti-unfair competition. For non-compliant suppliers, the Company strictly implements an accountability mechanism and, in accordance with the law, refers cases of suspected illegal activity to judicial authorities for handling. In 2025, the Company initiated investigations into 24 cases of fraud, resulting in action against 21 individuals; cases of a serious nature suspected of involving criminal offences are resolutely handed over to judicial authorities, and there were 0 concluded litigation cases for corruption during the Reporting Period; 15 suppliers were penalized for breach of contract after violating the terms of the Company's *Supplier Anti-commercial Bribery Declaration*¹.

Key Performance

During the Reporting Period

100% Signing rate for the employee integrity commitment letter **100%** Signing rate for the letter of integrity to suppliers

0 Incidents of money laundering or insider trading

Continuously maintained and effectively operated the **ISO 37001** Anti-bribery Management System²



Lead Intelligent's ISO 37001 Anti-bribery Management System Certification

Building a Business Ethics Culture

Lead Intelligent continues to strengthen the development of its business ethics culture, building a systematic, multi-layered, and classified business ethics training system. In 2025, the Company conducted 33 business ethics training sessions, achieving a 100% coverage rate. Among these, the Company organized 12 specialised training sessions for the procurement line, 11 for business departments, and 4 quarterly compliance and integrity training sessions. Additionally, 6 integrity training and related promotional sessions were conducted for suppliers. Through its internal platform, 57 articles on business ethics were published, continuously reinforcing the compliance and integrity awareness of both employees and suppliers and promoting the effective implementation of business ethics requirements in daily operations and management.

Key Performance

During the Reporting Period

100% Employee coverage for business ethics training

11 Directors and senior executives receiving anti-corruption training

100% Training coverage

Fair Competition and Responsible Marketing

Lead Intelligent strictly complies with the *Anti-unfair Competition Law of the People's Republic of China*, the *Antitrust Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China*, and other relevant laws and regulations, systematically building and improving its anti-unfair competition and Antitrust management systems. The Company adheres to fair and orderly market competition, upholds the principles of business integrity, and explicitly prohibits obtaining cooperation opportunities through commercial bribery or other improper means. In product sales and business negotiations, prices are strictly determined based on market mechanisms to ensure the pricing process is fair and transparent. Concurrently, the Company has established and enhanced a contract compliance review mechanism, embedding anti-unfair competition and Antitrust requirements into the contract management process. It conducts special checks on key transaction terms to ensure contract content complies with legal and regulatory requirements and effectively prevents compliance risks. During the Reporting Period, the Company had no incidents of non-compliance related to unfair competition or Antitrust behaviour.

On this basis, the Company is committed to responsible marketing and product promotion, advancing the establishment of a responsible marketing system that covers the entire process of sales, marketing, product, and after-sales services. All advertising and marketing activities undergo strict internal review to ensure their content is accurate and compliant. We continuously enhance the compliance capabilities of our marketing teams, prohibiting all non-compliant and unfair competitive practices. The Company also encourages its subsidiaries, joint ventures, partners, and related parties to actively practise responsible marketing principles, jointly fostering a fair and honest market environment.

Complaint Management and Whistleblower Protection

Lead Intelligent has formulated the *Regulations on Complaint and Whistleblowing Management* to standardize complaint and whistleblowing procedures and ensure the efficient operation of internal and external complaint and monitoring mechanisms. The Company encourages all employees, suppliers, customers, and other stakeholders to report any misconduct that harms the interests of the Company and its employees. It has established multiple reporting channels, including a WeChat official account, a whistleblowing hotline, and an email address, to continuously maintain the accessibility and effectiveness of these internal and external mechanisms.

The Company designates the Audit & Supervision Department as the centralized management body for all reporting channels, responsible for handling the receipt, review, investigation, and notification of reported matters, as well as channel development, promotion, whistleblower protection, and rewards. In 2025, the Company's business divisions appointed 56 dedicated compliance personnel to assist the Audit & Supervision Department in its work. The Company reviews and assesses all received complaints and leads, and depending on the nature and severity of the case, the Audit & Supervision Department either launches an investigation or refers it to the Human Resources Centre and relevant business management departments for handling. If an investigation confirms that a case involves corruption, bribery, or other illegal or criminal activities (including accepting bribes as a non-public official, misappropriation of funds, embezzlement, or theft), the Audit & Supervision Department, after completing its internal investigation procedures, will resolutely transfer the case to public security authorities and hold the responsible individuals strictly accountable, safeguarding the Company's compliance principles. For substantiated cases, the Company provides rewards to the whistleblowers.

The Company encourages employees to report under their real names and pledges to strictly protect the confidentiality of whistleblowers' identities and the investigation process, with a zero-tolerance policy for any form of discrimination or retaliation. The accused party is prohibited from retaliating or instigating others to retaliate against the whistleblower. Once discovered, the Company will handle such actions severely, and cases involving suspected illegal or criminal activities will be handed over to public security authorities.

Key Performance

During the Reporting Period

33 Valid complaints received

28 Business ethics-related complaints included

100% Percentage of complaint and whistleblowing handling rate

Reporting Channels

Hotline: +86 18795605971

Email: compliance@leadintelligent.com

WeChat Official Account: Report via the 'Complaint & Whistleblowing' Section of the 'Lian Zheng Xian Dao' (Integrity Lead Intelligent) Official Account

By letter or in person: Audit & Supervision Department, Wuxi Lead Intelligent Equipment Co., Ltd., No. 18 Xinzhou Road, National High-tech Industrial Development Zone, Wuxi, Jiangsu Province

Information Security and Privacy Protection

Information Security Management

Information Security Management System

In accordance with the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *EU's General Data Protection Regulation* (GDPR), and other relevant laws and regulations in its operating locations, Lead Intelligent continuously improves its information security management system. The Company formulates and optimizes a series of management policies to standardize information security requirements in business operations, ensuring the effective protection of information security and compliance across all business segments, including operations, R&D, the supply chain, and customer service.

The Company has established a comprehensive information security governance structure, with an Information Security Committee, chaired by the Chairman, to oversee all information security management work. Reporting to the committee, the Information Security Department is responsible for daily operational management and independently carries out various tasks in line with the Company's information security strategy, ensuring the effective implementation of policies and risk control measures.

In 2025, the Company introduced new policies such as the *Specification for Seal Management* and the *Backup and Recovery Management Process*. It also revised regulations including the *Information Security Incident Management Procedure*, the *Regulations on Rewards for Reporting Information Security Incidents*, and the *Notice on Security and Confidentiality for Suppliers*, further refining and strengthening its information security management framework.

The Company established its ISO 27001 Information Security Management System in 2017, adopting the PDCA (Plan, Do, Check, Act) cycle management method to comprehensively protect company information assets in terms of confidentiality, integrity, and availability. During the Reporting Period, the Company completed its routine ISO 27001 surveillance audit, and the system continues to operate effectively¹.

To further enhance global information security governance capabilities, the Company and its German subsidiary each obtained their initial TISAX AL2 level certification in 2023. During the Reporting Period, the Company passed the triennial TISAX AL2 level recertification and expanded the scope of certified entities. The German subsidiary will undergo its recertification in 2026, continuously consolidating the foundational capabilities of global information security management².



ISO 27001 Information Security Management Systems Certification for Lead Intelligent and its Subsidiaries

¹The scope of this system certification covers Wuxi Lead Intelligent Equipment Co., Ltd. and its following controlled subsidiaries: Jiangsu Lead Technology Co., Ltd., Jiangsu Lead Hydrogen Intelligent Equipment Co., Ltd., and Zuhai Titans New Power Electronics Co., Ltd.; the geographical boundary encompasses its four main production bases located within China.

²The scope of this system certification covers Wuxi Lead Intelligent Equipment Co., Ltd. and its following controlled subsidiaries: Jiangsu Lead Technology Co., Ltd. and Lead Intelligent Equipment (Deutschland) GmbH.

Information Security Risk Control

Lead Intelligent has built a systematic and regular information security risk control mechanism and formulated the *ISMS Risk Management Procedure*. Centred on risk identification and assessment, it implements multi-layered protection and closed-loop control to achieve dynamic monitoring, scientific analysis, precise response, and continuous tracking of risks, ensuring comprehensive protection of information assets. The Company regularly updates its information asset and risk inventories annually, conducting risk assessments and treatments, which are reported at the information security management review meeting. For items where the risk value exceeds the prescribed threshold, the information security organization collaborates with the responsible departments to formulate risk mitigation measures. After reassessment, the risk acceptance is reported to the management review meeting for approval, achieving closed-loop risk management.

The Company requires all employees to immediately report any information security incidents, system vulnerabilities, or suspicious activities to the information security team to enable a rapid response and effective resolution of security issues.

Information security issue feedback channel



WeCom



E-mail: ismc@leadintelligent.com



Phone: 0510-80526699

Information Security Emergency Management

Lead Intelligent links information security incidents to departmental information security risk control performance and has established a systematic performance evaluation mechanism to enhance emergency response and preventive management. For data leakage incidents, the Company uses information security DLP (Data Loss Prevention) alerts for blocking and logging, and handles them in accordance with laws and regulations in conjunction with the audit and legal departments. For business system security incidents, the Information Security Department, together with the Information and Digital Technology Centre, has formulated the *Control Process for Business System Information Security Emergency Plans*, set up a dedicated response team, and defined clear handling procedures. In terms of proactive prevention, the Company identifies risks through special internal audits, on-site inspections, and phishing drills. It also optimizes data security warning and interception strategies and has built a security log big data platform to ensure comprehensive information security protection from prevention and monitoring to emergency response.

Information Security Testing and Auditing

The Company regularly conducts information security tests and internal and external audits across all business processes to continuously identify potential risks, verify the effectiveness of protective measures, and promote the implementation of corrective actions, thereby strengthening the overall level of information security protection.

Internal

- **Internal audits of the information security management system:** 42 in total for the year, including 29 special system audits and 13 special IT audits
- **Security testing and monitoring:** Company-wide phishing email drill once every six months, company-wide information security awareness phishing test once per quarter, physical security review once per month, and one round of routine security inspections per week
- **Information security emergency response testing:** Once every six months

External

- **Third-party ISO 27001 audit:** Once per year
- **Third-party TISAX certification:** Once every 3 years; recertified and passed in 2025
- **External penetration testing:** Once per year

In terms of supply chain information security management, the Company has formulated the *Supplier Security and Confidentiality Notice*, applicable to all suppliers. This notice specifies the information security obligations that suppliers must adhere to, including security and confidentiality management for visitors, information security assurance for products and services, and undergoing regular or ad-hoc information security audits. Concurrently, the Company closely integrates information security requirements with key processes such as supplier qualification reviews, contract signing, development process management, and performance evaluations. This approach effectively prevents information security vulnerabilities and compliance risks arising from supplier delivery defects, continuously enhancing the information security capabilities of the entire supply chain.

Key Performance

During the Reporting Period

0 Number of data breach incidents, major information security incidents, or related litigation

Building an Information Security Culture

The Company continues to foster an information security culture of full participation and proactive defence. In 2025, the Company organized 46 information security training sessions, launched two compulsory courses for all employees on Lead Intelligent e-Learning, and conducted quarterly examinations for all staff to ensure the continuous improvement of their information security awareness and capabilities. The Company also periodically issues information security promotional announcements and displays awareness videos on a loop on public screens to deepen employee understanding. Furthermore, in response to any violations, the responsible departments are required to provide evidence of internal training and education. This reinforces the primary responsibility of business departments in information security management, creating a closed-loop mechanism driven by both institutional constraints and cultural education.



Privacy Protection Management

Lead Intelligent continues to enhance its privacy protection management system. The Information Security Management Representative and the Chief Data Officer (CDO) jointly serve as the Data Protection Officer (DPO), responsible for data protection decisions across the Company. Each department is equipped with an Information Security Specialist (ISS Specialist) who handles daily data privacy awareness, inquiries, and management, as well as internal privacy data anomalies. ISS Specialists report their daily work to the Information Security Department while receiving guidance and support from their departmental leadership, forming a closed-loop system of top-down management supervision and bottom-up execution feedback. This ensures the Company's privacy protection efforts operate efficiently and in compliance with regulations.

To safeguard the privacy and personal information rights of customers, employees, and other stakeholders, the Company has developed the *General Data Protection Management Standards and Procedures*. This is based on the *Personal Information Protection Law of the People's Republic of China* and the EU's *General Data Protection Regulation* (GDPR), tailored to its business realities. The document clarifies the rights of data subjects and how to exercise them, information transfer channels, data management and audit procedures, and complaint handling processes. This establishes a comprehensive privacy protection mechanism that ensures personal information is handled legally, securely, and controllable throughout its collection, storage, use, and transmission.

Lead Intelligent strictly adheres to the principle of minimization, restricting data access based on the responsibilities of each business department to ensure the security of customer privacy and business data. The Company implements tiered access control, requiring special applications for core data, which is accessible only to specific positions, and periodically reviews personnel permissions to identify potential risks. All business documents are encrypted. In 2025, a file classification and control system was launched to enforce strict management, auditing, and access prevention for customer information and highly sensitive data. The Company has also established a comprehensive training and assessment mechanism for employee privacy protection. New employees receive systematic training upon joining, followed by compulsory courses on Lead Intelligent e-Learning and quarterly exams to ensure full coverage of privacy protection awareness and operational skills. Through these measures, Lead Intelligent has earned a high level of trust from top-tier global clients, successfully undertaking multiple high-confidentiality, high-value core projects.

Key Performance

During the Reporting Period

0 Number of major incidents involving the leakage or infringement of privacy for internal or external stakeholders

LEAD

02 Value Chain

Material Issues Covered in This Chapter

- Product Quality and Safety
- Technology Innovation
- Sustainable Supply Chain Management
- Customer Relationship Management
- Industry Cooperation and Development

SDGs Addressed in This Chapter



Product R&D and Innovation

Governance

Lead Intelligent has established a comprehensive mechanism for transmitting technology innovation. Two major research institutes coordinate core technology breakthroughs and cutting-edge innovation R&D, and they lead technology implementation and pilot-scale conversion. Meanwhile, various business divisions focus on productisation development and market application. This creates a clearly structured, collaborative, and efficient technology innovation and development system. The Company has also built a complete institutional framework centered on technology innovation, results transformation, and technical coordination management, providing strong institutional support for continuously enhancing its innovative capacity and technological competitiveness.

Strategy

Lead Intelligent adheres to its core strategic direction of 'Agile Innovation'. The Company proactively develops new technologies, businesses, and markets, focusing on breakthroughs in core areas and using innovation to build its core competitiveness. It has already achieved a global leading position in fields such as Li-ion batteries, photovoltaics, and hydrogen energy. The Company's deployment for building its independent innovation capabilities is as follows: optimizing its market-oriented R&D mechanism and improving its two-tier system for technology and product development to accelerate the application and industrialization of new technologies; maintaining a high level of R&D investment, focusing on the development and introduction of new technologies, processes, and equipment, and building a comprehensive innovation incentive mechanism; creating a resource platform that combines talent acquisition with technical cooperation, and establishing standardized processes for technology development projects and an intellectual property protection mechanism; deepening its digital R&D transformation to build an efficient, collaborative, and integrated R&D innovation platform.

Impacts, Risks, and Opportunities Management

R&D and Innovation Management

R&D and Innovation System

Adhering to the innovation philosophy of 'Independent Innovation to Make Itself Intelligent', Lead Intelligent has constructed an R&D and innovation system that covers the entire chain from basic research to application development.

The Company has built a multi-level, comprehensive R&D support platform, providing a solid foundation for technology innovation. In terms of layout, the Company has established a global R&D network, gathering talent through its R&D centres in Wuxi (headquarters), Shanghai, South China, and Europe. Regarding qualifications, it is recognized as a National Technology Innovation Demonstration Enterprise, a key high-tech enterprise under the National Torch Program, a champion product enterprise, and a benchmark factory for Industrial Internet in Jiangsu Province. In terms of platforms, it operates 7 R&D institutions at the provincial level or above, including the National Enterprise Technology Center, the National Postdoctoral Research Workstation, the Jiangsu Provincial Enterprise Technology Center, the Jiangsu Provincial Li-ion Battery Equipment Engineering Center, the Jiangsu Provincial Capacitor Automation Equipment Engineering Technology Research Center, the Jiangsu Provincial Postdoctoral Innovation Practice Base, and the Lead Intelligent Industrial Design Center. For verification, it has a national CNAS certified lab that conducts comprehensive testing and verification in areas such as artificial intelligence, machine vision, laser technology, structural validation, simulation, electromagnetic compatibility, and human-computer interaction, ensuring the reliability and feasibility of its R&D outcomes.

Leveraging its comprehensive R&D and innovation platform system, the Company focuses on technology implementation and enhancing R&D efficiency, continuously forging core R&D capabilities adapted to industry characteristics. The Company has prioritized building a digital R&D cloud platform that spans the entire process from customer needs to product delivery, and it promotes digital twin technology to support the construction of Industry 4.0 unmanned factories. In 2025, to better adapt to industry demands such as high customization, rapid technological iteration, tight delivery schedules, and stringent quality requirements, the Company established a market-oriented Integrated Product Development (IPD) process management system. This system strengthens component productization and modularization in design methods, improving R&D efficiency through platformization and standardization. In process construction, it forms an end-to-end closed loop from market insight and requirements management to product planning and project development. In organisational collaboration, it ensures efficient and seamless R&D through a cross-functional team operational mechanism.

In 2025, the Company also advanced the optimisation of its R&D and innovation organisational structure by establishing the new Automation Technology Research Institute and Innovation Research Institute. The Automation Technology Research Institute focuses on automation and intelligence in new energy equipment, covering the entire chain from basic research to technology development and further to results transformation. This supports the Company's core technology breakthroughs and enhances industrial competitiveness. The Innovation Research Institute concentrates on investigating cutting-edge processes, planning new product directions, and driving industrialisation, and nurturing new drivers for future growth.

Thus, with a solid foundation from the R&D platform, integrated digitalization and process management across the entire chain, and an optimized organizational structure, the Company has systematically built agile, collaborative, and sustainable R&D and innovation capabilities.

R&D and Innovation Achievements

In 2025, Lead Intelligent achieved multiple breakthroughs in core technology areas such as AI intelligent inspection and solid-state battery dry electrode equipment, delivering industry-leading innovative results.



AI-empowers intelligent battery welding quality inspection

In the field of new energy battery manufacturing, Lead Intelligent is a pioneer in applying artificial intelligence to ultrasonic welding inspection. Its independently developed AI intelligent quality inspection system integrates multi-dimensional CT scanning technology with AI deep learning, enabling second-level diagnostic capabilities. Such innovation drives the intelligent and digital transformation of welding workshops ushering battery production into a new era of intelligent quality inspection.

The system performs CT scan-style diagnosis on the production line, simultaneously collecting and analysing over 20 key parameters such as welding energy, pressure, and current. This allows for comprehensive internal quality control without damaging the battery structure. Since its implementation, the production line has achieved 7x24 online monitoring, with the false alarm rate reduced to one part per million and inspection efficiency increased by 90%. This not only reduces costs and improves efficiency but also significantly cuts labour input and operating time.



AI predictive maintenance leads industrial new quality productivity

To address the operational and maintenance challenges for Li-ion battery production lines in the TWh large-scale manufacturing era, Lead Intelligent launched the LEADACE PHM predictive maintenance system, shifting equipment operation and maintenance from 'traditional reactive response' to an era of intelligent asset management. The system deeply integrates multi-source heterogeneous data, including equipment time-sequence data, visual images, operational logs, and expert experience, enabling it to issue equipment failure warnings 7-15 days in advance, with a fault prediction accuracy rate improved by more than 25% compared to traditional methods.

In actual production at a leading domestic battery manufacturer, the system achieved a 35% reduction in fault frequency and a 30% shortening of total downtime within only three months of operation, generating economic benefits of over RMB 10 million for a single production line. The system has successfully served several leading enterprises in the Li-ion battery industry, covering over 300 equipment types and safeguarding over 50,000 key components in real time.



Dry electrode equipment accelerates the mass production of solid-state batteries

Focusing on the entire manufacturing chain of solid-state batteries and targeting key breakthroughs in the core technology of dry electrode preparation. Lead Intelligent has launched dry mixing and coating equipment tailored for large-scale solid-state battery production lines, advancing solid-state batteries from laboratory research to industrial mass production.

The Company's self-developed mass-production integrated positive/negative electrode dry-mixing and coating system achieves high-precision control throughout the entire process, from mixing to inspection, through micrometre-level feed control and adaptive cutting technology, and is compatible with graphite, silicon-carbon, and various all-solid-state materials. The first-of-its-kind variable-roller-diameter, uniform-temperature electric heating system launched by the Company, and the powder fibrillation process employing three-stage temperature control system can reduce energy consumption by over 35% and material and manufacturing costs by over 15% through actual production verification. This equipment has now been delivered in batches to several top-tier materials enterprises, accelerating the industrialisation of solid-state batteries.



Large-scale energy storage intelligent manufacturing solution empowers customers to embrace the era of large-scale energy storage

In response to the manufacturing bottlenecks of the large-scale energy storage era, Lead Intelligent has introduced a full-stack intelligent manufacturing solution specifically designed for large-capacity and long-duration energy storage. This solution precisely overcomes the challenges of high-speed production for large 500Ah+ single cells. Through a central intelligent control system, it achieves high-speed handling and high-precision positioning of heavy materials, reaching excellent metrics of over 75% Overall Equipment Effectiveness (OEE), over 93% first-pass yield, and over 96% comprehensive yield. It also realizes full-process automation in the GWh-level system assembly stage and employs an innovative parallel design to ensure flexible production, solving the core challenges of consistency, precision, and scale in large-capacity manufacturing.

Lead Intelligent has assisted multiple global leading energy storage enterprises in completing GWh-level energy storage project deliveries. From production line design to system delivery, it has redefined the intelligent manufacturing standards for large-capacity energy storage products, providing a sustainable model of China's intelligent manufacturing for the global energy transition.

R&D Talent Development

Lead Intelligent continues to expand its team of innovative R&D talents, providing a solid foundation for technological innovation. The Company has a high-level, highly specialized, and highly standardized R&D team for non-standard equipment technology. At the end of the Reporting Period, there were a total of 4,072 R&D personnel, accounting for 26.84% of the total number of employees, with 13.56% of R&D personnel with master's or doctoral degrees.

Furthermore, the Company has established a diversified innovation incentive system to continuously strengthen the development of its R&D and innovation teams, fully stimulating the innovative vitality and scientific research potential of its talents.

Financial Incentives

- Special bonuses are established for innovation projects, with rewards tiered according to the difficulty of the technological breakthrough and its application value. Substantial rewards are given to teams that overcome core technical bottlenecks.
- A benefit-sharing mechanism for the commercialization of achievements has been established, clearly defining the R&D team's share of the income from the conversion of service inventions. This deeply links innovative value with personal returns, enhancing talent's sense of belonging and long-term creativity.

Growth Incentives

- Technology innovation achievement exhibitions and cross-team technical sharing sessions are held regularly to encourage researchers to share creative ideas, technical challenges, and R&D experiences, breaking down departmental barriers and technological silos.
- By promoting outstanding cases and individual achievements through the research institute and public announcements, the Company sets innovation benchmarks and fosters a research ecosystem that encourages bold experimentation and a willingness to share.

R&D Talent Incentive Measures

Promoting Industry Development

Industry-university-research Cooperation

Lead Intelligent has formulated a management method for industry-university-research cooperation and continues to deepen the collaborative innovation mechanism between these sectors. The Company constantly strengthens its cooperation with domestic and international universities and research institutes through its corporate technology centre. By signing mutual cooperation agreements, it integrates technological resources to build a collaborative system with complementary advantages in industry, technology, and talent. Relying on long-term partnerships with universities such as Shanghai Jiao Tong University, Huazhong University of Science and Technology, Southeast University, Jiangsu University, and Jiangnan University, the Company conducts systematic research on key technologies and cutting-edge directions in areas such as high-speed winding processes for battery cells, high-speed calendaring and wrinkle removal processes, high-speed and high-precision stacking processes, and high-speed industrial CT online inspection algorithms. As of the end of the Reporting Period, the Company had undertaken or participated in a cumulative total of 18 science, technology, and industrialization projects at or above the provincial and ministerial level, continuously promoting the transformation of scientific research results into real productivity and enhancing the Company's core technological competitiveness.

In 2025, relying on its postdoctoral research station, the Company assembled a team of senior engineer mentors and provided an integrated scientific research platform. It adopted a 'Project-driven + Multi-faceted Guidance' model to collaborate with postdoctoral researchers on several key projects, achieving significant breakthroughs in critical areas such as new energy visual imaging and algorithm iteration.

Industry Collaboration

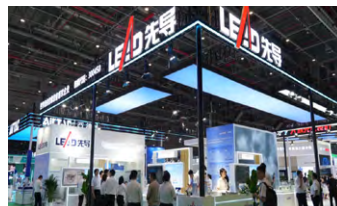
Lead Intelligent actively participates in industry exchanges and collaborative innovation, continuously contributing its professional wisdom and technical strength. The Company is a member of national and provincial industry associations, including the China Industrial Association of Power Sources (CIAPS), the China Machinery Industry Federation, the China Photovoltaic Industry Association, the Machine Vision Industry Union of ZGC, the China Hydrogen Energy and Fuel Cell Industry Innovation Strategic Alliance, and the National Technical Committee for Standardization of Fuel Cells and Flow Batteries. The Company also serves as the Vice-chair of the Jiangsu Power and Energy Storage Battery Industry Innovation Alliance and the Vice-chair of the Jiangsu Machinery Industry Association. Through deep integration into industry organizations and the construction of standard systems, the Company constantly strengthens communication and collaboration with upstream and downstream partners in the value chain, enhancing its industry influence and technological voice, and empowering the standardized, regulated, and innovative development of the new energy equipment sector.

At the same time, the Company fully leverages its technological leadership to deeply participate in the formulation of national and industry standards. Drawing on its technical expertise in fields such as Li-ion battery equipment and automation control, it leads or participates in the development and revision of multiple key technical standards.



Lead Intelligent debuts at the 18th SNEC exhibition, steering the future of energy with intelligent manufacturing

In June 2025, Lead Intelligent appeared at the 18th (2025) International Photovoltaic Power Generation and Smart Energy Conference & Exhibition (SNEC 2025) under the theme 'Photovoltaic-Storage Integration · Embarking on an Intelligent Manufacturing Journey'. The Company launched its integrated intelligent manufacturing solution for photovoltaic and energy storage, comprehensively showcasing its profound technical expertise and innovative strength in these fields.

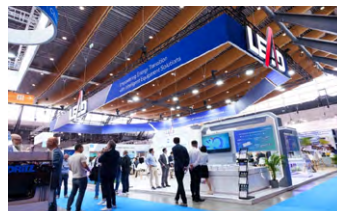


Lead Intelligent at the 18th SNEC Exhibition



Lead Intelligent makes its appearance at The Battery Show Europe, showcasing China's intelligent manufacturing power

In June 2025, Lead Intelligent made its appearance at The Battery Show Europe in Stuttgart, Germany, where it launched its new 'Full Value Chain + Full Life Cycle' intelligent manufacturing solution. The Company comprehensively demonstrated its world-leading innovative intelligent manufacturing capabilities and zero-carbon development philosophy, showcasing the strength of China's advanced intelligent manufacturing.



Lead Intelligent at The Battery Show Europe



Lead Intelligent shines at CIBF 2025, leading the industry's future with innovative intelligent manufacturing and digitalization upgrades

In May 2025, the 17th China International Battery Fair (CIBF 2025) was held in Shenzhen. Under the theme 'Intelligent Manufacturing for the Future, Empowering a Zero-carbon World', Lead Intelligent made a stunning appearance with its intelligent manufacturing solutions covering the entire Li-ion battery industry chain, comprehensively showcasing its latest achievements in Li-ion battery intelligent manufacturing and digitalization upgrades.



Lead Intelligent at CIBF 2025

Metrics and Targets

Management Targets

To maintain a high level of R&D and innovation investment, build a high-calibre R&D and innovation talent team, and establish a high-efficiency R&D and innovation platform.

Management Progress

During the Reporting Period

- Recorded R&D investment of RMB **1,605.07** million, accounting for **11.11%** of operating revenue.

As of the end of the Reporting Period

- Have participated in a cumulative total of **9** national-level and **9** provincial-level science, technology, and industrialization projects.
- Have participated in developing a cumulative total of **21** national standards, of which **9** have been in effect; and **3** group standards, all of which have been in effect.



Intellectual Property Protection

Governance

The Company's R&D Department is responsible for intellectual property (IP) strategic planning at the corporate level, ensuring that IP-related objectives are met. Concurrently, the Company has specifically established an Intellectual Property Management Department to comprehensively manage and implement the Company's IP strategy, including planning, portfolio management, operations, licensing, and litigation. In addition, the Company has established a standardized intellectual property management system and formulated a comprehensive set of policies, including the *IP Acquisition Control Procedure*, *IP Maintenance Control Procedure*, *IP Implementation, Licensing, and Transfer Control Procedure*, and *IP Risk Management Control Procedure*, which cover all aspects of IP creation, management, utilization, and protection.

Strategy

Lead Intelligent adheres to a technical path of 'Full-stack Self-research, Independent and Controllable'. Combined with a research philosophy of 'Patents First', the Company strengthens the creation, utilization, management, and protection of intellectual property to enhance its independent innovation capabilities, competitive advantages, and brand reputation, while also avoiding infringement of others' intellectual property. During the R&D process, a research model driven by proprietary IP is established, enabling proactive and systematic planning for forward-looking technologies, with the patent portfolio continuously refined in line with technological developments. At the same time, the Company is accelerating its overseas patent deployment to support its global development.

Impacts, Risks and Opportunities Management

In 2025, the Company has taken several key measures in intellectual property management and protection, continuously enhancing its globalised, end-to-end IP protection system.

In line with its global business operations, the Company proactively researches the relevant intellectual property laws and regulations in various countries and regions and conducts due diligence before expanding its business overseas to ensure IP compliance in all its international operations.

In terms of awareness-raising and capacity building, the Company regularly provides specialized training for R&D personnel and in-house patent engineers and publishes intellectual property courses on its internal learning platform for all employees to study and share. For its core management and technical teams, the Company engages external lawyers to conduct specialized intellectual property training, systematically enhancing the risk prevention and control capabilities of the core team and promoting the formation of a systematic intellectual property protection mechanism.

Regarding external collaboration, the Company explicitly includes a 'Non-compete Agreement' when signing supplier contracts with external agents to prevent intellectual property infringement risks at the source and establish a legal barrier for external cooperation. Additionally, the Company regularly organizes or participates in industry events such as intellectual property seminars and forums, strengthening communication and exchange with peers inside and outside the industry, staying abreast of industry trends, learning from the best practices of leading enterprises, continuously optimizing its own intellectual property protection system, and constantly enhancing its professional expertise and compliance management standards.

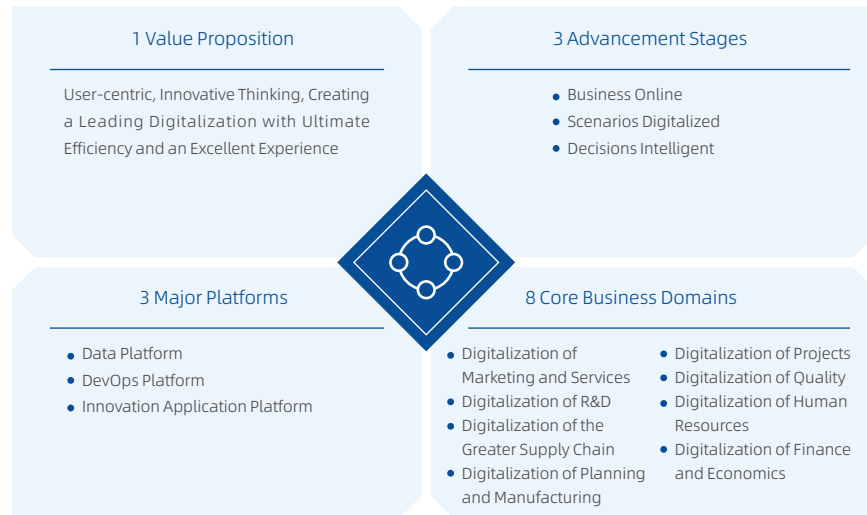
Metrics and Targets

Management Objective
To build and continuously upgrade the intellectual property protection system, and to consistently strengthen the patent application and layout of independently developed achievements, thereby enhancing independent innovation capabilities, competitive advantages, and brand reputation.
Management Progress
During the Reporting Period - Passed the annual audit of the ISO 56005 Innovation and Intellectual Property Management Capability Classification System, maintaining its Level 3 registration qualification¹. - Received the 'Best Practice Award' for outstanding cases in the 2024-2025 ISO 56005 Innovation and Intellectual Property Management Capability classification and evaluation. - Granted 778 new patents during the year, including 182 invention patents, 573 utility model patents, and 23 design patents. By the end of the Reporting Period, the Company held 3,592 authorised patents, comprising 614 invention patents, 2,875 utility model patents, and 103 design patents.

¹The scope of this system certification covers Wuxi Lead Intelligent Equipment Co., Ltd. (single entity).

Digital Intelligence-driven Digitalization Strategy

Lead Intelligent has set a strategic goal to be 'User-centric, Innovative Thinking, Creating a Leading Digitalization with Ultimate Efficiency and an Excellent Experience'. The Company has planned a digital transformation path and established a digitalization strategy that encompasses 1 value proposition, 3 advancement stages, the construction of 3 major platforms, and the development of 8 core business domains.



Lead Intelligent's Digitalization Strategy

Digitalization Practice

Lead Intelligent follows a digital transformation path of 'Business Online, Scenarios Digitalized, Decisions Intelligent'. Through key initiatives such as AI empowerment, independent platform construction, data-driven approaches, and deep system integration, the Company has permeated digital capabilities into various business segments, including R&D, supply chain, manufacturing, sales, project management, finance, and human resources. This has formed a cluster of replicable and scalable digital cases, injecting strong digital momentum into the Company's sustainable development.



Highlights of Digitalization Practices in 2025

Strengthening Quality Control

Governance

Lead Intelligent has established a matrix-style quality governance structure featuring 'Unified Management by the Company, Collaborative Implementation by Business Divisions, and In-depth Focus in Specialized Areas'. This structure clearly defines quality responsibilities at each level, ensuring the efficient operation and continuous improvement of the quality management system:



At the same time, the Company has formulated and implemented end-to-end quality management systems, such as the *Quality and Safety Assessment Management Regulations* and the *Quality Red and Yellow Line Management Regulations*, to enhance the standardization of quality management throughout the product life cycle.

One-veto Rejection Item	Contents
Veto on quality and safety project	Identify critical quality and safety performance indicators for products Any non-conforming batch of equipment is subject to one-vote rejection
Veto on personnel responsible for quality accidents	Personnel responsible for quality accidents caused by subjective factors are subject to one-vote rejection, with role change or employment termination
Veto on departments responsible for quality accidents	Departments primarily responsible for quality accidents are subject to one-vote rejection, with no excellence awards or commendations during the specified penalty period

Quality and Safety 'One-vote Veto' System

In 2025, the Company passed the annual audit for its ISO 9001 Quality Management System. The scope of the audit covered the entire process of product design, development, production, and service¹.

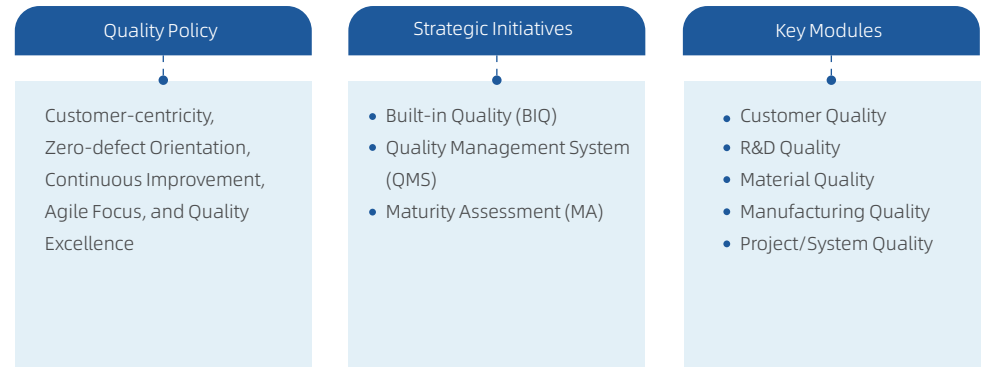


ISO 9001 Quality Management System Certification for Lead Intelligent and its Subsidiaries

¹The scope of this system certification covers Wuxi Lead Intelligent Equipment Co., Ltd. and its following controlled subsidiaries: Jiangsu Lead Technology Co., Ltd., Jiangsu Lead Hydrogen Intelligent Equipment Co., Ltd., Wuxi Lead Laser Intelligent Equipment Co., Ltd., Guangdong Lead Intelligent Logistics Technology Co., Ltd., Zhuhai Titans New Power Electronics Co., Ltd., and Lead Intelligent Equipment (Deutschland) GmbH. The geographical boundary encompasses its five main production bases located within China and one main production base overseas.

Strategy

Lead Intelligent upholds the quality philosophy of 'Starting with Craftsmanship, Focusing on Improvement, Pursuing Excellence, and Aiming for Perfect Delivery' and practises the quality policy of 'Customer-centricity, Zero-defect Orientation, Continuous Improvement, Agile Focus, and Quality Excellence', continuously optimizing its quality management system, strengthening the foundations of quality and safety across the board, and systematically enhancing its overall quality competitiveness and operational efficiency.



Lead Intelligent's Quality Strategy Plan



Impacts, Risks and Opportunities Management

Quality Risk Management

Lead Intelligent promotes a deep-seated quality risk management philosophy, shifting from 'Reactive Firefighting' to 'Proactive Fire Prevention' and from 'Experience-driven' to 'Risk-driven' approaches. The Company integrates quality risk management throughout the entire product lifecycle, from design to production, forming a closed-loop risk management process of risk identification, assessment, control, and monitoring. The Company comprehensively implements quality control plan management across all processes and quality domains, systematically identifying process risks from the perspectives of quality, cost, and delivery, and implementing timely corrective actions. Risk identification begins during the interpretation phase of customer technical agreements and proceeds through a series of review activities, such as complete machine development report reviews, component development report reviews, 3D model reviews, simulation tests, electrical reviews, and validation reviews, to systematically identify and assess quality risks.

Building on this foundation, the Company regards emergency quality management as a crucial extension of its quality risk management. Upholding the core principle of 'Preparing for Danger in Times of Peace', it has established an in-house 'Iron Triangle' team (comprising manufacturing, process, and quality personnel) and an on-site customer 'Iron Triangle' team (comprising on-site project, R&D, and after-sales commissioning staff) to ensure rapid response and efficient coordination for urgent quality issues both internally and externally. In accordance with the *Procedures for Rapid Response to Major Client-side Issues*, the Company has established a complete emergency resolution mechanism: a rapid response within 30 minutes of an issue arising, emergency containment within 4 hours, escalation management triggered if unresolved after 4 hours, and a dedicated task force to handle complex problems, followed by a post-incident review and improvement process.

Full-life Cycle Quality Management

The Company has independently developed a full-process distributed Quality Management System (QMS), creating a comprehensive quality management platform that covers R&D quality, design quality, supply chain quality, processing and assembly quality, and commissioning service quality. This system spans the entire product chain from design incubation to on-site delivery, enabling 100% quality traceability and precise control for every product through a visual, intelligent, and traceable all-round evaluation system.

Product Verification Management

The Company has established a strict product verification management process. Through systematic and standardized control mechanisms, it achieves comprehensive identification and closed-loop management of incoming materials quality risks, providing a solid guarantee for stable and efficient production and delivery.



Inspectors conduct item-by-item testing and assessment of incoming materials according to established inspection standards.



After repackaging, information on qualified products is synchronously entered into the warehouse management system and transferred to the warehouse for use; for non-conforming products, defect information is fully recorded via the *Non-conforming Product Disposal Form*, the return process is initiated simultaneously, and the work reporting process is handled in the warehouse management system.



Review personnel from the Component Quality Control Centre conduct a defect review of non-conforming items, and the review results are fed back to the supplier via the Supplier Quality Engineering Centre to promote the implementation of appropriate rework, temporary containment measures, and improvement activities.



For key items or disputed items related to key components, high-precision components, and new parts, the research and development, process, and Supplier Quality Engineering Centre teams conduct a joint review to clarify the assessment results, ensuring product quality, reliability, and consistency.

Product Verification Management Process

Product Safety Management

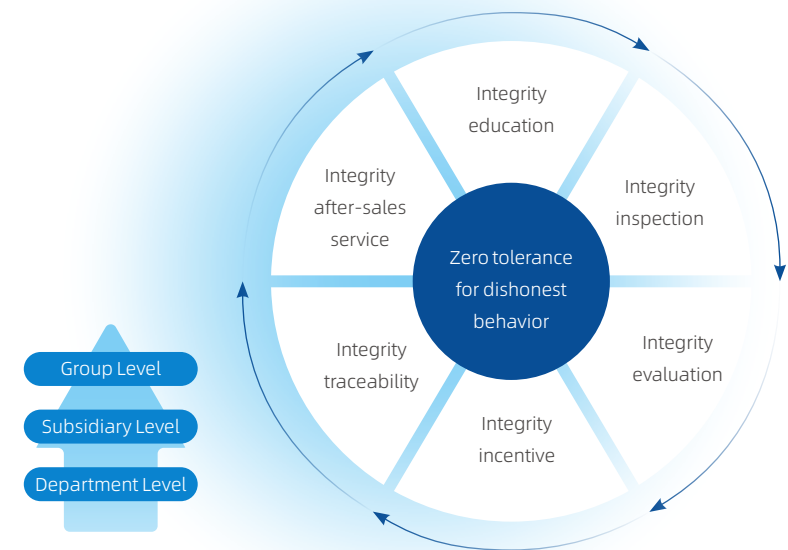
The Company has established safety standards and specifications covering the entire product lifecycle, implementing systematic control over all stages, including product design, product testing, and product use.



Product Safety Management Mechanism

Quality Integrity Management

The Company has formulated the *Quality Red and Yellow Line Management Regulations* and implements quality integrity management based on the '360° Quality Integrity Model'. This model is implemented vertically across three management levels—Group, subsidiary, and department—and provides full horizontal coverage through six dimensions: integrity traceability, integrity after-sales service, integrity education, integrity inspection, integrity evaluation, and integrity incentive. Guided by the principle of 'Zero Tolerance for Dishonest Behaviour', it systematically constrains and manages the conduct of all employees.



Lead Intelligent's '360° Quality Integrity Model'

Building a Quality Culture

Lead Intelligent continues to deepen its quality culture and enhance talent skills, taking multiple measures to solidify the foundations of quality management. The Company holds an annual 'Quality Month' series of events, including inspection skills competitions and quality knowledge contests, and invites supplier inspection personnel to its sites for benchmarking and learning, thereby promoting the exchange of experience and skill improvement. Through these measures, the Company effectively advances the implementation of its quality control plans, optimizes its quality gate review mechanism, reinforces the philosophy of 'Embedding Quality in Everyone's Mind', and fosters a quality culture of continuous improvement.



Lead Intelligent holds its 'Quality Month' event



In 2025, Lead Intelligent held its annual 'Quality Month' series of events, covering all major business divisions and production bases and attracting approximately 10,000 participants. This effectively transformed quality awareness from a concept into the daily operations of employees. During the event, various departments carried out 16 special improvement projects centred on the core goal of quality enhancement, focusing on key areas such as R&D, assembly, and process technology. Quality knowledge was popularised through diverse formats, including promotional articles on quality awareness, online and offline Q&A sessions, and competitions. The Company also conducted evaluations of outstanding improvement activities, recognised exceptional individuals, and provided empowerment training for suppliers, comprehensively promoting the permeation of its quality culture and the enhancement of capabilities.

Awards and Honours

As of the end of the Reporting Period, the Company has received

- Jiangsu Province AAA-Level Quality Credit Enterprise
- Jiangsu Provincial Governor's Quality Award
- Wuxi Mayor's Quality Award



Metrics and Targets

Management Targets

- Continuously improve the quality management system to ensure its effective operation; consistently enhance the internal quality audit mechanism to strengthen the foundation of quality management
- Systematically enhance quality management capabilities to drive continuous advancement in management standards

Management Progress

During the Reporting Period

- Completed the 2025 surveillance audit/recertification for its **ISO 9001** Quality Management System and **ISO 10012** Measurement Management System, and conducted a company-wide internal audit of the quality management system to ensure continued compliance with standard requirements
- Completed the quality support maturity evaluation for all departments, systematically identifying areas for improvement and promoting the advancement of quality management capabilities
- Recorded **0** product recalls due to quality issues, and **0** incidents of product quality and safety accidents or administrative penalties



Customer Relationship Management

Governance

Lead Intelligent continuously optimizes its customer service processes. It has formulated and implemented a series of policies and documents, including the *Guidelines for Optimization of Customer-oriented Processes*, *After-sales Service Management Procedures*, *Project Customer Satisfaction Survey Procedures*, and *Procedures for Rapid Response to Major Client-side Issues*, to build a customer relationship governance system with clear responsibilities and efficient response mechanisms.

The Service Business Centre has established a three-tiered governance structure comprising an agile front office for responses, a professional middle office for coordination, and a back office for strategic decision-making. The front office, consisting of business, pre-sales, and delivery teams, is uniformly responsible for collecting requirements and delivering services. The middle office leverages cross-functional collaboration, linking with departments such as business and R&D to ensure service quality throughout the entire operational process. The back office, composed of a review committee of various division heads, coordinates resources, formulates strategies, and incorporates customer satisfaction into performance evaluation to continuously enhance service competitiveness.

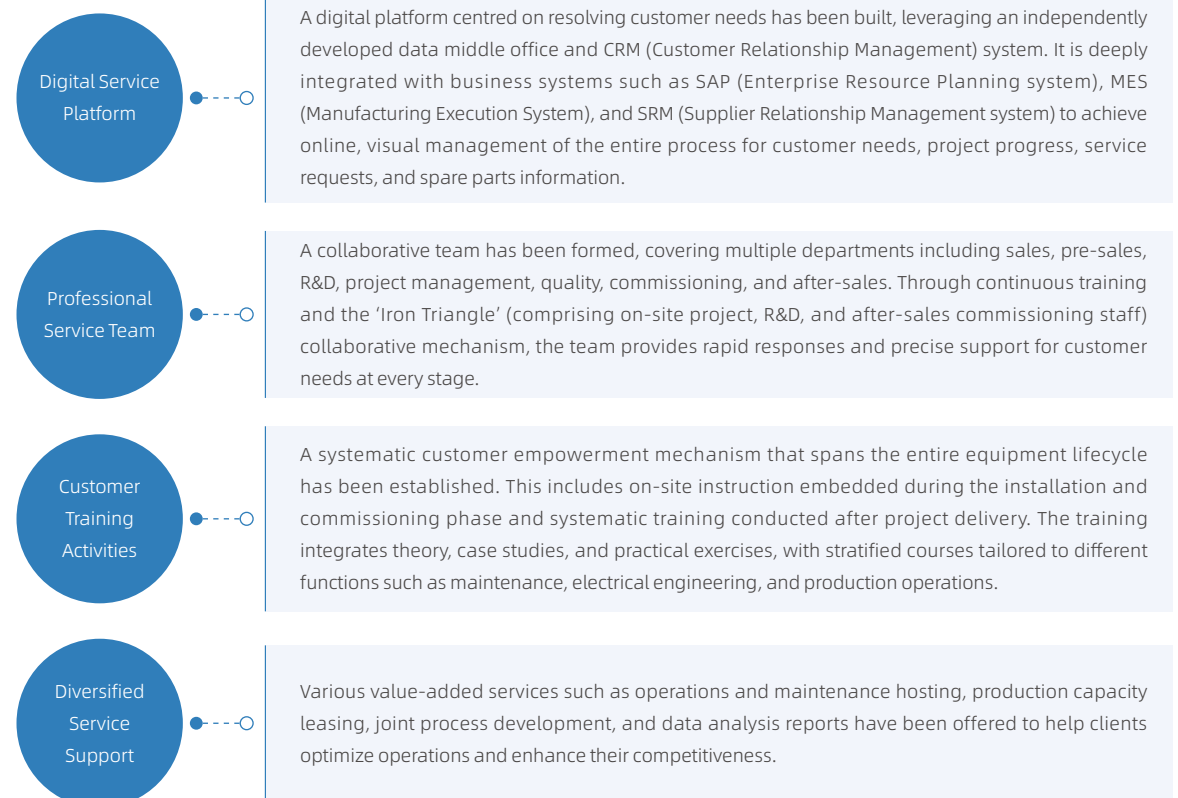
Strategy

Lead Intelligent's customer relationship management efforts are anchored to the strategic goal 'From Service Response to Value Co-creation', continuously optimizing its organisational structure and core processes. The Company adheres to a customer-centric approach, building an agile, professional, and collaborative service system to create integrated and forward-looking service capabilities. It proactively identifies customers' potential needs and establishes long-term, trusting strategic partnerships, integrating the mission of 'Creating Value for Customers' into every service delivery to become a trusted partner in their business development and innovation journey.

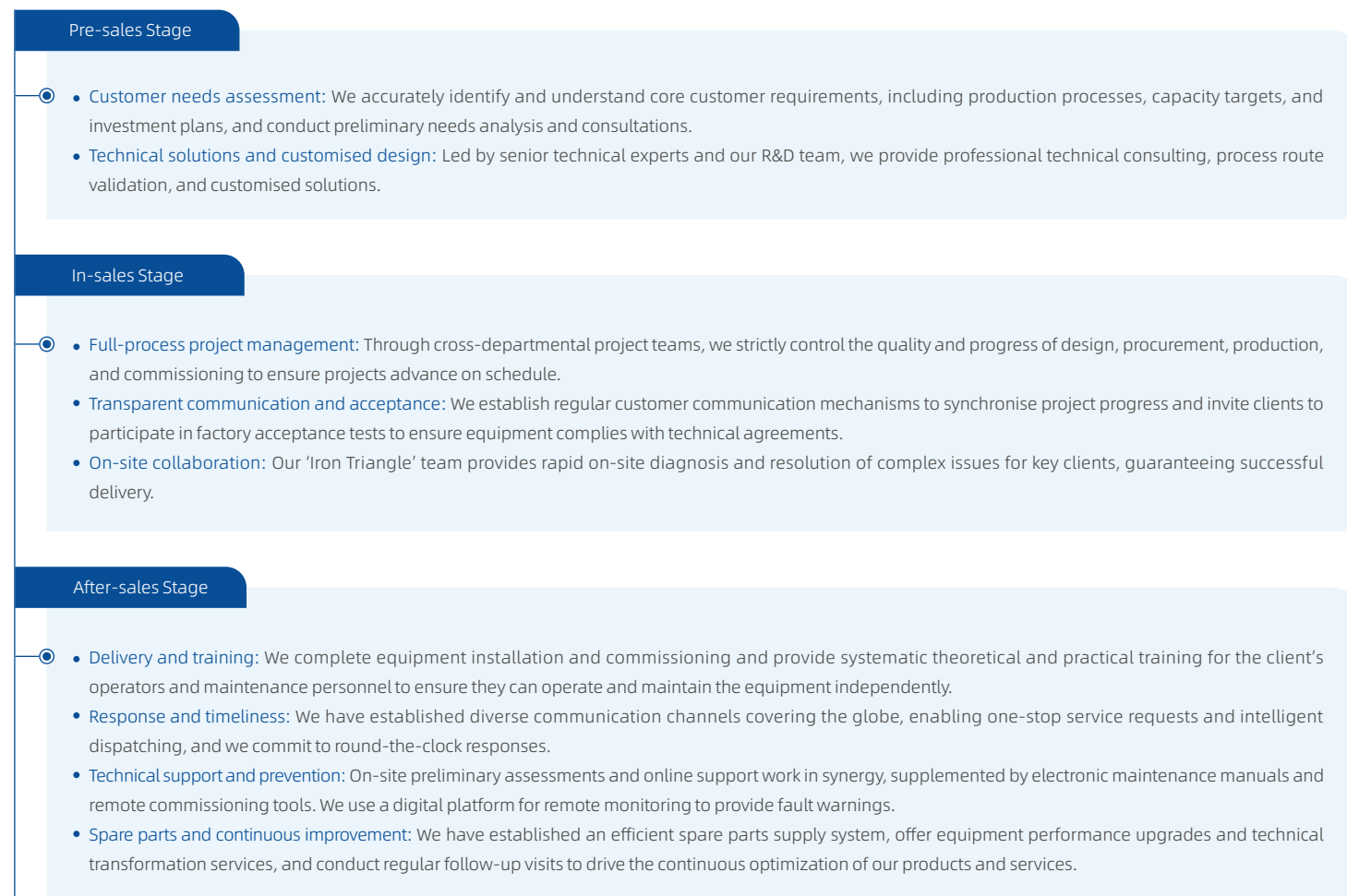
Impacts, Risks and Opportunities Management

Customer Service Management System

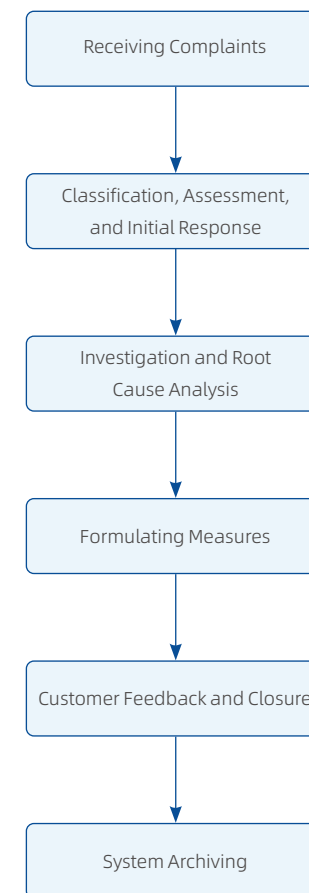
By continuously improving its customer service system, optimizing its digital service platforms, building professional service teams, and offering a variety of value-added services, Lead Intelligent creates an exceptional service experience for its global customers.



Lead Intelligent has built a comprehensive customer service system covering pre-sales, in-sales, and after-sales processes, achieving deep integration between customer management and business scenarios. This ensures service processes are transparent and traceable, effectively improving service consistency and customer satisfaction.



Customer Service Management Process



Customer Complaint Handling Process

The Company continues to deepen the development of its real-time online customer service management system. Leveraging three major channels—the global 400 service hotline, the Lead Intelligent Feedback Platform App, and the on-site customer complaint system—we have built a 24-hour global online service network that resolves online issues within two hours and on-site needs within eight hours. For customer complaints, the Company follows a process based on Corrective and Preventive Actions (CAPA) to ensure end-to-end closed-loop management and promote continuous improvement in service quality.

Customer Satisfaction Management

In 2025, the Company systematically optimizes its customer satisfaction survey plan, establishing a project-phased targeted survey mechanism. Questionnaires are customised for different stages to ensure survey content accurately aligns with customer concerns. A digital platform has been simultaneously developed to automate survey task distribution, questionnaire circulation, and data collection. This enhances standardization and efficiency while safeguarding customer information security, providing precise data support for improving customer service. During the Reporting Period, the Company received over 700 valid satisfaction questionnaires, achieving a customer satisfaction score of 80.84. We also launched 15 special improvement activities, which significantly increased customer satisfaction.

Metrics and Targets

Management Goal

- To deepen customer orientation and build an agile, efficient service feedback loop to comprehensively enhance the customer experience and satisfaction.
- To achieve a **100%** customer complaint response rate and a **100%** complaint resolution timeliness rate, ensuring timely response and closed-loop management of customer feedback.

Management Progress

During the Reporting Period

- Conducted face-to-face interviews with customers, collecting over **600** feedback items and suggestions for optimisation.
- Achieved a **100%** customer complaint response rate and a **100%** complaint resolution timeliness rate.

Customer-centric approach to ensure rapid and effective escalation and closed-loop handling of critical field issues

Step 1:

Scan QR code to download



Step 2:

Log in with registered mobile number



Customer service hotline

Progress tracking: Check the handling progress of reported issues

Issue feedback: Fill in feedback information

Equipment code:

Enter SCJH-prefixed number on nameplate to auto-generate equipment information

Equipment status: Select current operation status from dropdown

Failure frequency: Select current failure frequency from dropdown

Problem description: Provide detailed information including failure occurrence time, background, and specific requirements

Sustainable Supply Chain Management

Governance

The Company has established a comprehensive Supply Chain Management (SCM) mechanism with clear role definitions and strengthened process controls. The Procurement Management Department leads system development and supplier sourcing and admission, while the Supplier Quality Management Department spearheads performance evaluation and risk handling. Departments such as R&D, Production, Planning, Information Security, Finance, and Sustainable Development collaborate at key junctures. Major decisions are centralised within the Supply Chain Management Committee, forming a closed-loop management system covering the entire supplier lifecycle from admission and cooperation to evaluation and replacement.

The Company has formulated a series of management policies, including the *Procurement Management System*, *Supplier Management Procedures*, *Supplier Sustainability Code of Conduct*, and *Supplier Sustainability Commitment*. These integrate sustainability requirements into the SCM system and contractual clauses, clarifying suppliers' commitments regarding environmental protection, social responsibility, and compliant operations, thereby building a supply chain ecosystem of shared responsibility and co-created value.



Key Summary of the Supplier Sustainability Code of Conduct



Strategy

Lead Intelligent systematically identifies environmental, social, and governance (ESG) related risks and opportunities in its sustainable supply chain management. In line with its business characteristics, the Company integrates sustainability factors into strategic planning, goal setting, and resource allocation to ensure an orderly response across procurement, production, and operational activities. Furthermore, the Company regularly assesses the potential impact of supply chain sustainability risks and opportunities on its financial condition, operating results, and cash flow. It promptly reviews the adaptation of its existing strategy and business model to supply chain management risks, continuously optimizing its supply chain management measures to enhance resilience and long-term sustainable value creation.

Impacts, Risks, and Opportunities Management

Lead Intelligent is committed to building a responsible supply chain and has established a full lifecycle ESG risk management system covering supplier admission, cooperation, and exit. In the admission of new suppliers and the annual audit of qualified suppliers, the Company incorporates key issues such as environmental compliance management, labour rights, business ethics, and occupational health and safety into its ESG audits. Suppliers that violate zero-tolerance clauses are subject to a one-vote veto, prohibiting their admission or allowing cooperation only after rectification is completed and verified.



Supply Chain Traceability Management

Lead Intelligent is committed to the responsible procurement of minerals such as tin, tantalum, tungsten, gold, and cobalt used in its products and production. Responsible minerals requirements are an integral part of our sustainable supply chain management system and are fully integrated into our supplier admission and supervision audit processes.

The Company strictly adheres to the regulations and survey templates of the Responsible Minerals Initiative (RMI), the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals, and the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains. We have formulated the *Due Diligence Guidance for Responsible Supply Chains of Minerals* and the *Supplier Conflict Minerals Self-assessment Form*, explicitly requiring suppliers not to procure conflict minerals. This ensures their products do not directly or indirectly finance armed conflict or other inhumane acts. Suppliers involved in procuring relevant mineral raw materials must submit a Conflict Minerals Reporting Template (CMRT) to the Company as required, enabling mineral sources to be traceable and verifiable.

Supply Chain Security Management

Lead Intelligent places great importance on supply chain security and sustainability. By conducting in-depth analyses of macro-market and industrial policies, strengthening collaboration with core suppliers, and promoting a regionalised supply chain layout, the Company achieves proactive risk prevention, in-process monitoring, and subsequent optimization of supply chain risks, continuously enhancing the overall resilience of the supply chain.

Deepen Market Analysis to Fortify Supply Chain Risk Defences

Lead Intelligent optimizes its procurement strategies, reduces supply chain risks, and enhances overall resilience through in-depth analysis and market assessment of macroeconomic conditions, key raw materials, and the new energy equipment industry chain. In response to global industrial policy changes and potential trade friction, the Company proactively conducts risk assessments and formulates countermeasures, promoting the supply chain's transition towards full lifecycle traceability and low-carbon operations. Simultaneously, by optimizing procurement methods, flexible ordering, and coordinating with the sales team, we explore cost-locking mechanisms for key raw materials to effectively mitigate operational risks arising from price fluctuations.

Strengthen Strategic Cooperation to Solidify the Supply Chain Foundation

Lead Intelligent establishes long-term strategic partnerships with key material suppliers, ensuring a stable supply of raw materials, leading quality, and cost advantages through strategic supplier layout, long-term supply agreements, performance evaluation linkage, and multi-dimensional cost reduction measures. Additionally, the Company collaborates with suppliers on technology innovation to enhance product performance and reliability, building a mutually beneficial and win-win supplier ecosystem.

Supply Chain Integrity Management

To strengthen business ethics and a culture of integrity within the supply chain, the Company has formulated systems such as the *Code of Conduct for Integrity in Procurement Business* and requires all suppliers to sign the *Supplier Anti-commercial Bribery Declaration*. The Company achieves 100% coverage in integrity promotion among suppliers by regularly sending integrity training videos and letters of notice online; at the same time, it thoroughly communicates business principles to attending suppliers at the annual supplier conference, jointly fostering a supply chain culture of fair competition, mutual trust, and shared success.

Supplier Capacity Building

Lead Intelligent values synergistic growth with its suppliers, viewing communication and empowerment as key drivers for building a sustainable supply chain ecosystem. In 2025, the Company continued to strengthen strategic trust and sustainable practices through various methods such as supplier quality conferences, online promotions, offline training, on-site teaching, joint development, and global supplier conferences, enhancing the overall operational and responsibility fulfilment capabilities of the supply chain.



Annual Supplier Quality Conference

- Inviting core and strategic suppliers to attend, reporting on quality performance and typical issues, and commending outstanding suppliers.
- Interpreting annual control requirements and industry trends, and organizing special seminars to build consensus on improvements.
- Deploying key annual actions and promoting synergistic implementation by suppliers.



Online Supplier Training and Communication

- Publishing the latest quality requirements, performance evaluation results, drawings, specifications, and other notices online via the Supply Chain Management (SCM) system.
- Conducting specialized online ESG training and communication sessions on the instructions and requirements for completing the 'Supplier Sustainability Assessment Questionnaire'.



Offline Centralised Supplier Training

- Regularly organizing training for core suppliers, with courses and quality management tools designed to focus on quality challenges in the non-standard equipment industry.
- Inviting internal and external experts to explain topics such as the prevention and control of low-level issues through practical demonstrations and case studies.
- Including interactive Q&A sessions to promote the exchange of experience and tracking the application of training outcomes.



On-site Supplier Teaching

- Supplier quality engineers going into supplier workshops to provide one-on-one on-site instruction on pain points such as raw material inspection, quality control of key processes, and handling of non-conforming products, ensuring that operators fully master the procedures.
- Conducting 'Quality Clinics' for underperforming suppliers, helping them optimize their processes through on-site guidance.



Joint Development with Suppliers

- Organizing inter-departmental technical review meetings to assess the feasibility of alternative solutions proposed by suppliers, such as material substitution and process simplification, while also promoting the participation of strategic suppliers in early-stage joint development, for instance, by co-designing modular components to shorten the cycle time of non-standard projects.



Lead Intelligent holds its 2025 global supplier conference

On 12 April 2025, the Lead Intelligent Global Supplier Conference, themed 'Standing Together through Thick and Thin, Work in Solidarity and Cooperation', was held in Wuxi. Various business heads from the Company shared strategies and requirements concerning supply chain planning, quality construction, compliance construction, and corporate digital and intelligent transformation, and comprehensively conveyed the Company's ESG management philosophy and requirements to the supply chain. Representatives from relevant suppliers delivered speeches on future collaboration, expressing confidence in deepening their strategic partnership. This conference marks a new stage in the strategic cooperation between Lead Intelligent and its global supplier partners, building an important platform for deepening mutual trust and jointly planning development, and promoting consensus across the upstream and downstream of the new energy industry chain on a broader and deeper level.



Lead Intelligent Global Supplier Conference

Digital Collaborative Management

Lead Intelligent has built a Supply Chain Management (SCM) collaborative platform to achieve online management of the entire process from demand planning to order tracking, significantly enhancing information transparency and communication efficiency. At the same time, the Company continuously optimises its procurement strategies based on historical data accumulation, effectively reducing cost risks caused by market fluctuations and further improving the resilience and responsiveness of the supply chain.

Metrics and Targets

Management Objectives

- To continuously deepen the construction of a green, low-carbon, compliant, transparent, resilient, and efficient sustainable supply chain system, achieving synergistic improvement in environmental, social, and economic benefits.
- To continuously strengthen ESG standard guidance and professional empowerment for suppliers, and strive to achieve a **100%** signing rate for the *Supplier Sustainability Commitment* among core suppliers and an **80%** ESG training coverage rate by 2030.

Management Progress

During the Reporting Period

- Have been improving the supplier sustainability management and evaluation system, optimizing relevant management and evaluation indicators and upgrading the *Supplier Sustainability Assessment Questionnaire*.
- **0** Incidents of overdue payments of accounts payable to suppliers occurred.

03 Environment

Material Issues Covered in This Chapter

- Responses to Climate Change and Clean Technology Development
- Emissions and Waste Management
- Environmental Compliance Management
- Water Resources Management
- Energy Management
- Circular Economy
- Ecosystem and Biodiversity Protection

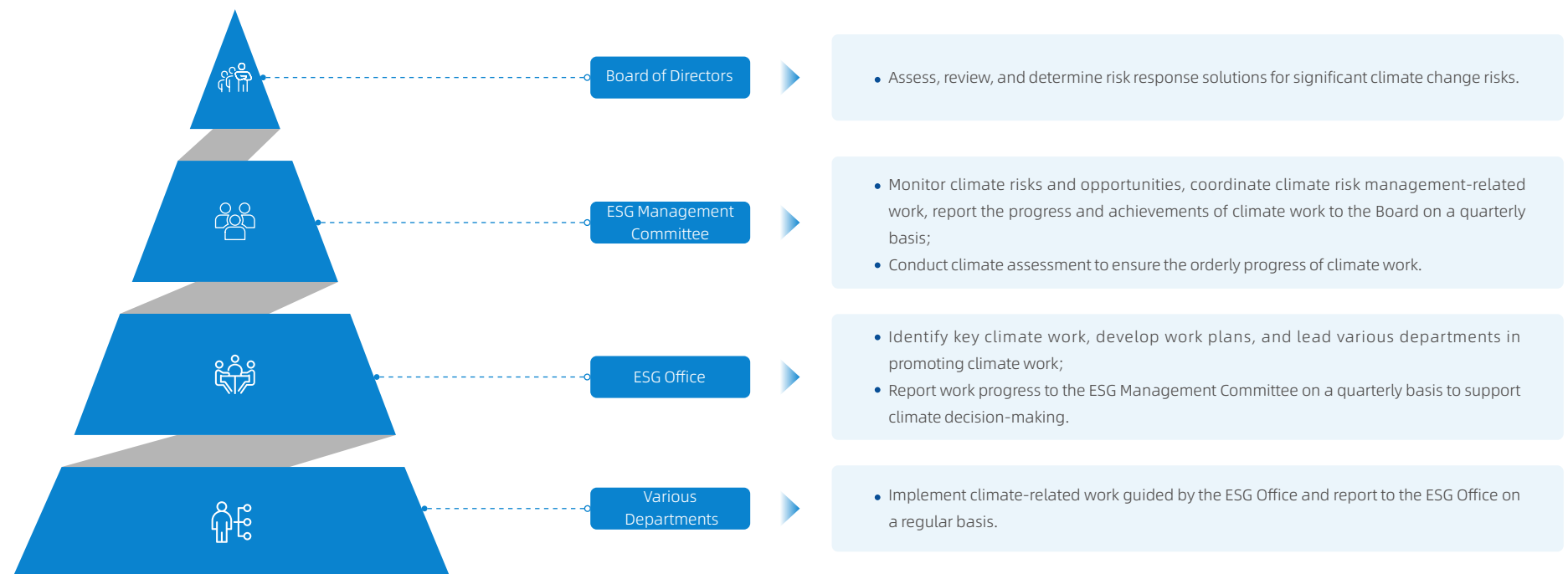
SDGs Addressed in This Chapter



Responses to Climate Change

Governance

Lead Intelligent continues to deepen its climate governance, actively responding to climate change and the national 'Carbon Peaking and Carbon Neutrality' strategy. The Company has established a governance framework led by the Board of Directors, with the ESG Management Committee at its core and the ESG Office and various departments as the executive bodies, to systematically advance climate management work. Within this structure, the Board of Directors is responsible for making decisions on major climate change matters, the ESG Management Committee monitors climate risks and opportunities and provides regular reports and assessments, the ESG Office takes the lead in formulating plans and promoting their implementation, and the various departments are responsible for specific execution and providing feedback on progress.



Climate Governance Framework

Strategy

Climate Strategy

Lead Intelligent systematically identifies, analyses, and manages the risks and opportunities arising from climate change, formulates work plans and objectives accordingly, and reports the relevant information and progress to the Board of Directors through regular and ad hoc meetings. The Company has conducted scenario analysis across three time horizons—short-term (0-5 years), medium-term (5-10 years), and long-term (10+ years)—referencing the SSP 1-2.6¹, SSP 2-4.5², and SSP 5-8.5³ scenarios from the Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathways (SSPs), identifying both physical and transition risks. The Company comprehensively assesses each identified climate risk and formulates specific response measures to fully enhance its risk resilience; it also actively seizes industry opportunities related to climate change by promoting technological optimization and green transition.

Carbon Neutrality Goals and Commitments

Lead Intelligent closely monitors the progress of global climate action and has set and disclosed its carbon neutrality goals to drive the low-carbon transition through its own practices. Based on its precise identification, efficient monitoring, and comprehensive statistical capabilities for greenhouse gas emissions, the Company has scientifically formulated its carbon reduction targets and implementation pathways to systematically advance the processes of carbon peaking and carbon neutrality. We pledge to achieve carbon peaking for Scope 1 and Scope 2 emissions at the core operational level of the Company by 2030, and to achieve carbon neutrality at the core operational level by 2035. Furthermore, we will continue to promote value chain emission reduction for Scope 3 and disclose progress periodically.



¹SSP1-2.6: Assumes global greenhouse gas emissions peak before 2025, followed by a rapid decline and achieving negative emissions in the second half of the century. In this scenario, the global average temperature is controlled to within 2°C of pre-industrial levels.

²SSP2-4.5: Assumes global greenhouse gas emissions peak around mid-century and then slowly decline. In this scenario, the global average temperature rises to between 2°C and 3°C above pre-industrial levels.

³SSP5-8.5: Assumes global greenhouse gas emissions continue to increase until the end of the century. In this scenario, the global average temperature rises by more than 4°C above pre-industrial levels.

Carbon Neutrality Action Pathway

Lead Intelligent continuously benchmarks against leading industry practices and sets scientific carbon reduction pathways from the dimensions of energy conservation and efficiency, clean energy application, and digital energy and carbon management, ensuring the effective implementation of carbon reduction measures by improving its organizational structure and establishing a systematic energy and carbon management system. We have built a low-carbon operational management framework based on an 'Energy and Carbon Management System + Digitalisation' and are focusing on three core pillars—'Energy Saving and Consumption Reduction', 'Renewable Energy Utilisation', and 'Carbon Offsetting'—to drive the energy structure's transition from high-carbon to low-carbon while achieving cost reduction, efficiency improvement, and efficient operations. At the same time, we are systematically promoting four action pathways—digitalisation, high efficiency, electrification, and clean energy use for our energy consumption—employing multiple measures to drive emissions reduction in our own operations.



Energy Digitalisation

Digital Energy Management Platform

Achieve real-time and accurate monitoring and management of energy consumption data.

Digital Carbon Emission Management Platform

Achieve standardized, visualized, and intelligent accounting and management of product carbon footprint data.

Smart Management of Energy-Consuming Equipment

Utilize automation and intelligent technologies to continuously optimize the energy consumption management of production equipment.

- Online Monitoring System for Substation Equipment
- Remote Monitoring System for Plant-Wide Air Compressor Stations
- Smart Forklift Management System



Energy Efficiency

Management Empowerment

Reduce energy losses during use through diverse management empowerment measures.

- Zoned Lighting
- Display Promotional Slogans
- Energy Conservation Management Training

High-Efficiency Equipment

Continuously monitor equipment operating conditions to identify energy-saving opportunities and reduce unnecessary energy consumption losses during operation.

- Replace with More Efficient Motors
- Replace Low-Efficiency Equipment
- Energy Management

Green Buildings

Strictly design, construct, and operate new office parks and factory areas in accordance with green building standards.



Energy Electrification

Electrification of Engineering and Official Vehicles

Increase the degree of electrification in production and operational activities and expand the proportion of electric vehicles.



Clean Energy Use

Distributed Photovoltaic Installation

Based on the available rooftop and carport areas for photovoltaics at each plant, 100% installation coverage of the usable area is expected to be achieved by 2027.

Carbon Offset

On the premise of 'reducing to the irreducible minimum', any remaining emissions will be offset through the external purchase of green certificates and carbon offset products.

Impacts¹, Risks, and Opportunities² Management

Identification Process for Climate Risks and Opportunities

Lead Intelligent systematically integrates climate risk into the Company's overall risk management system. The Company has established a climate change risk and opportunity register, improved its management processes, and adopted targeted measures to reduce the actual impact of climate risks on its operations. At the same time, it engages in forward-looking planning based on potential climate opportunities to clarify strategic development priorities. Currently, the Company has identified the primary physical and transition risks that affect its business and has formulated corresponding risk response measures and opportunity conversion plans to ensure that climate-related work is advanced in an orderly and effective manner.

Climate Change Risks and Opportunities

Identification

- Climate risks and opportunities that could potentially impact business operations are identified through methods such as benchmarking against international standards, tracking industry hotspots, and reviewing stakeholder concerns.
- A list of climate risks and opportunities is identified, clarifying the potential scope of impact, duration, and probability of occurrence for each risk and opportunity.

Assessment

- Every six months, the ESG Management Committee organises a climate change risk and opportunity assessment based on the climate change situation reported by the ESG Office.
- For identified climate risks and opportunities, the degree of impact on the Company's business, strategy, and financial planning is determined through climate scenario analysis.

Management

- Response measures are formulated for each climate risk, such as strengthening infrastructure and optimising the energy structure.
- Actions are actively taken to address each climate opportunity, such as developing green products and implementing low-carbon management.

Monitoring

- The changing trends of climate risks and opportunities are regularly monitored to enable timely action.
- The management of climate risks and opportunities is disclosed periodically, allowing for timely adjustments to management strategies and the optimisation of risk management measures.

Climate Change Risk and Opportunity Identification Process

¹The Company continuously monitors the impact of climate change on its financial fundamentals, actively seizes related financing opportunities, and identifies the scale of climate-related expenditure. During the Reporting Period, the Company has progressively initiated the collection of climate-related financial metrics. In this process, we have prudently assessed the impact of climate risks on the Company and, considering factors related to financial impact and capabilities, decided not to disclose quantitative information on current and anticipated climate-related financial impacts for this Reporting Period. The Company's disclosure decision is primarily based on the following considerations:

Firstly, in accordance with the relevant provisions of the *HKEX ESG Code*, we have adopted the 'financial effects relief' and 'capabilities relief' for this Reporting Period and have not disclosed quantitative information on the current and anticipated financial impacts of climate change. Regarding current and anticipated financial impacts, climate risk factors intersect with core business variables such as macroeconomic fluctuations, industrial policy adjustments, technological iterations, and market competition. The current analytical framework is not yet able to clearly and reliably isolate the independent financial impact of climate factors from these comprehensive variables, and the Company's statistical scope for key climate metrics requires further refinement. Secondly, concerning the assessment of anticipated financial impacts, although the Company formulates relevant expenditure plans annually (such as energy conservation and carbon reduction budgets), the methodology for long-term quantification over several decades remains uncertain. This is because the internal professional capabilities, data foundations, and external parameter support systems required for climate-related financial modelling are still being continuously improved. Consequently, we have not yet been able to produce reliable quantitative results that meet the Company's strict quality requirements. Concurrently, various hypothetical factors are also subject to constant change, which limits the external reference value of any resulting financial forecast data.

Although quantitative information on financial impacts is not yet provided, the Company has proactively used qualitative disclosures to help stakeholders understand the overall situation regarding relevant risks and opportunities. In this report, we have identified and described the main physical risks, transition risks, and opportunities, explained the Company's management strategies and response directions, and analyzed the transmission mechanism of climate risks in the financial dimension. In the future, the Company will continue to strengthen its capacity building, including refining data collection processes, deepening its understanding and application of financial impact analysis tools, and closely following developments in relevant standards and practices, to progressively incorporate more valuable financial impact assessment content into its disclosures.

²During the Reporting Period, the Company conducted a quantitative assessment of opportunities across its business segments. However, as information regarding the Company's scenario simulations for climate-related opportunities has not been publicly disclosed and involves strategic business planning, its specific details (such as prospective financial data, core business roadmaps, and target market strategies) constitute sensitive competitive information. Therefore, in accordance with the relevant provisions of the *HKEX ESG Code*, we have adopted the 'commercial sensitivity relief' and have not disclosed the specific details of the quantitative analysis of climate opportunities. For a qualitative description of climate opportunities, please refer to the 'Impacts, Risks and Opportunities Management' subsection of this chapter.

Physical Risk Identification Results and Response Measures

Risk Category	Risk Description	Financial Impact	Time Horizon	Response Measures
Typhoon	Typhoons can cause significant damage to infrastructure, potentially affecting power and water facilities, posing threats to human life and safety, disrupting traffic, and disrupting supply chains or other business activities in severe cases.	Increased management expenses	Medium term	- Stay vigilant about typhoon and meteorological information, categorize risk levels and damage warnings, and implement prompt emergency response mechanisms. - Inspect and reinforce factories, warehouses, and other buildings, as well as production equipment regularly. - Consider the potential impact of typhoons when constructing factory buildings. Use steel structures and wind-resistant metal panels for house construction, and use strong wind-resistant materials for the construction of warehouse roofs and walls, such as glass doors and windows with wind load resistance performance. - Transfer materials needed in workshops or use backup warehouses before extreme weather, to ensure the proper storage of materials.
Flood	Floods can cause the occurrence of farmland destruction, traffic disruption, factory damage, and personnel safety threats.	Increased management expenses	Medium term	- Equip warehouses with flood barriers, and check if electrical facilities (e.g. power distribution room) are located at a high level to prevent flood damage to equipment and materials. - Equipped with flood prevention materials, e.g. sandbags, flood barriers, waterproof canvas (to cover materials), water pumps, emergency lighting equipment. - Check the effectiveness of flood prevention materials regularly (e.g. whether water pumps can work properly, and whether sandbags are intact), as well as the water tightness of doors and windows (e.g. whether the drainage system leaks, and whether the window sealant ages). - Adopt a siphonic rainwater drainage system on the factory roofs, enhancing drainage capacity to rapidly remove rainwater from roofs and reduce the impact of flooding. - Plan the transportation route in advance. Avoid waterlogged road sections as much as possible and allocate high ground clearance vehicles.
Drought	Drought can impact corporate essential water needs. An increase in the severity of drought can lead to water and power interruptions, result in elevated water and energy prices, and disrupt company operations. In this case, the Company needs to invest additional capital expenditures to maintain normal operations.	Increased operating costs	Medium to long term	- Drought has a fairly low impact on the Company's operations as water for production purposes is not involved currently. - Proactively carry out rainwater reuse projects, such as recycling rainwater for irrigation. - Equip each factory area with emergency water tanks to provide backup water sources.
Extreme heat	Extreme heat can affect corporate power and water utilization, undermining operation efficiency. It can also increase the probability of equipment failures, leading to higher operating costs.	Increased operating costs	Medium to long term	- Check infrastructure air tightness to ensure that qualified building air tightness offers adequate air conditioning and heat insulation indoors. - Use high-performance and high-heat-resistant materials when constructing new buildings, and optimize the thermal performance of building envelopes, reducing the impact of climate on building lifespan. - Take scientific and effective measures to prevent heatstroke and relieve heat, such as by scheduling outdoor work to cooler daytime periods to avoid extreme heat, to ensure worker health and safety.
Average temperature rise	Temperature rises can pose challenges to the performance of manufacturing equipment, HVAC systems, and other equipment, as well as cooling energy and water consumption. Additionally, buildings will face increased climate loads, resulting in adverse impacts on the occupational health and safety of outdoor workers.	Increased management expenses	Medium term	- Stay updated on the temperature trends at the operational sites and respond promptly. - Adjust the working hours of employees reasonably to avoid working during extremely hot hours. - Provide employees with ample heatstroke prevention and cooling supplies.
Sea level rise	Rising sea levels can submerge land and affect the production and operations of businesses. At the same time, seawater intrusion will lead to freshwater scarcity in some regions, increasing the cost of water supply.	Increased operating costs	Medium to long term	- Evaluate historical climate data and prioritize areas at higher altitudes before plant construction. - Consider the risk of rising sea levels as one important factor in new factory site selection. - Keep up with regional sea level rise situations to make decisions in advance.

Transition Risk and Opportunity Identification Results and Response Measures

Risk Category	Risk Description	Financial Impact	Time Horizon	Response Measures
Policy - Global green low-carbon transition	As the global green transition is accelerating, companies are in urgent need to integrate low-carbon strategies into their core development frameworks, increase R&D investment, drive technological innovation, optimize product efficiency, and adopt green operation modes so as to lead a new paradigm of sustainable development.	Increased operating costs Increased R&D expenses	Short to medium term	- Establish carbon neutrality strategic goals, develop efficient carbon neutrality action plans, and increase investment in green technologies to promote corporate green and low-carbon transition. This includes the development of a digital energy and carbon management platform, the upgrading of efficient equipment, the construction of buildings that meet local Green Building Design Standards and Green Building Evaluation Standards, electrification and clean energy application, as well as supply chain low-carbon transition. - Keep up with the new energy policies and develop solar, hydrogen energy, and other clean energy equipment.
Policy - Carbon pricing mechanisms	Global policies such as carbon taxes, carbon trading, and European Union's Carbon Border Adjustment Mechanism (CBAM) lead to increased costs, decreased competitiveness, and rising risks of carbon tariffs, requiring companies to accelerate low-carbon transformation to address challenges.	Increased operating costs Increased management expenses	Short to medium term	- Purchase green electricity and green electricity certificates to fulfill the low-carbon commitment, plan to further expand the scale of green electricity procurement in the future, and explore diverse measures such as carbon offsetting to reduce carbon tax costs. - Conduct in-depth research on the CBAM, including its rules framework, accounting methods, and implementation impact, and develop carbon management strategies in advance to ensure compliance and enhance international competitiveness, facilitate the low-carbon transition, and reduce carbon tax costs for the Company. - Calculate the carbon footprint of three products according to ISO 14067, with two of them qualified for product carbon footprint verification, and perform precise tracing and transparent disclosure of lifecycle carbon emissions through automated monitoring and third-party verification to support low-carbon product certification and enhance international market competitiveness. - Upgrade process equipment and implement an automated energy management system to enhance energy efficiency and reduce costs. Establish a low-carbon product system to address carbon tariffs.
Policy - Disclosure of environmental and climate change information	Due to the increasingly stringent regulatory requirements for carbon emissions and energy consumption data disclosure, companies face compliance pressure and reputation risks, and need to timely monitor policy changes and improve data accounting and disclosure mechanisms.	Increased operating costs Increased management expenses	Short to medium term	- Enhance investment in carbon inventory, and establish internal data accounting, monitoring, and reporting capabilities. Conduct GHG emission inventory and verification according to international standards such as ISO 14064 and GHG Protocol. - Enhance investment in product carbon footprint calculation, and establish internal data accounting, monitoring, and reporting capabilities. Strengthen product carbon footprint management in accordance with international standards, such as ISO 14067 and PAS 2050, and expand the coverage of product carbon footprint to enhance the low-carbon competitiveness of products. - Enhance internal environmental disclosure management processes, publish ESG reports annually, and disclose environmental performance and carbon neutrality goals to strengthen investor and public confidence.

Risk Category	Risk Description	Financial Impact	Time Horizon	Response Measures
Technology - Rapid transition to low-carbon technology	Rising costs and declining competitiveness may result from failure to timely invest in and apply low-carbon technologies and replace traditional high-emission technologies, or failure to complete technological transformation in collaboration with value-chain partners.	Increased operating costs Increased R&D expenses	Medium to long term	• Improve processes and equipment to reduce energy consumption, cut production costs, and enhance competitiveness. • Incorporate an energy and carbon digital management platform to enhance the accuracy and transparency of collecting, monitoring, and reporting carbon emissions and energy consumption data, enabling digital low-carbon technology to empower operations and products. • Utilize automation and intelligent technology to optimize the energy consumption management of production equipment and provide data support for energy-saving projects. • Prioritize vendors with low carbon emissions to drive the supply chain towards green and low-carbon technological transformation.
Market - Customer behavior changes	As customers have more demand for green products and low-carbon performance, enterprises may face decreasing competitiveness, customer loss, and reduced market share if they fail to adjust their products and services promptly.	Reduced operating revenue Increased operating costs Affected market expansion	Medium term	• Procure low-carbon and recyclable green materials for finished product packaging, and optimize the packaging design of key products to reduce packaging material consumption while ensuring secure delivery, so as to reduce product carbon footprints and minimize carbon emissions from packaging disposal for customers. • Consider energy conservation and emission reduction in the product development and design phase to meet customer needs and reduce energy consumption and costs throughout the entire lifecycle. • Provide battery manufacturing and recycling solutions for Li-ion battery customers to help improve resource recycling efficiency. • Provide cradle-to-gate carbon footprint tracing services to help clients understand the carbon footprints of products and meet their needs for low-carbon performance.
Market - Raw material costs rise	In the context of global low-carbon transition, companies are facing risks of increased production costs and intensified operational pressures due to rising clean energy costs, low-carbon raw materials shortage, and supply chain disruptions caused by their dependence on electricity and high-carbon raw materials such as steel and aluminum.	Increased operating costs Diminished market competitiveness	Medium to long term	• Prioritize large vendors with lower ESG risks to ensure the quality of raw materials and supply stability, reducing the risk of supply chain disruptions. • Collaborate with suppliers to promote the use of low-carbon materials and green production, and incorporate environmental performance into the supplier assessment system to drive value-chain emission reduction. • Replace metal materials with non-metal materials to depend less on high-carbon raw materials and cut production costs.
Reputation - Challenge of industry and company reputation	Failure to effectively reduce environmental impact or lack of climate risk mitigation actions may result in decreased investor confidence, reduced valuation, and damaged reputation, which may further damage market competitiveness and long-term development.	Decreased market share Increased management expenses	Long term	• Develop and disclose the commitment and action plan for carbon neutrality to enhance transparency and credibility. • Disclose the climate metrics, performance, and climate management progress annually.

Opportunity Category	Opportunity Description	Financial Impact	Timeframe	Response Measures
Resource utilization - Improvement of resource utilization efficiency	Businesses can optimize resource utilization efficiency, reduce operating costs, and achieve green transition through digital management, and collaborate with value chain partners to enhance resource utilization efficiency and strengthen market competitiveness.	Reduced operating costs Additional financial subsidies	Short, medium, and long term	- Introduce automated and intelligent technologies, such as an online monitoring system for substation equipment, a remote monitoring system for the compressed air stations, and a smart forklift management system, to optimize the energy consumption management of production equipment and improve energy efficiency. - Optimize the logistics route, promote the reuse of pallets, and reduce the use of external warehouses to cut logistics costs and carbon emissions. - Carry out projects of energy-saving renovation, smart energy monitoring and management platforms, water and material conservation, and circular economy to obtain government financial rewards and subsidies base on government support policies for enterprise green transformation.
Energy source - Energy substitution and new technology application	Through digitalization, electrification, and cleanliness of energy use, enterprises can reduce carbon emissions and realize green development, as well as enable supply chain partners to jointly apply new technologies so as to promote green energy and low-carbon production and enhance competitiveness and sustainable development capabilities.	Reduced operating costs Additional financial subsidies	Short, medium, and long term	- Phase out diesel forklifts and gasoline official vehicles with electric vehicles (EVs) to reduce operational carbon emissions and practice the concept of green operation. - Utilize clean energy efficiently, and develop photovoltaics on plant roofs to enhance energy self-sufficiency.
Product & services - Development of low-carbon products and services	Enterprises can develop low-carbon products and services through green technology innovation and carbon footprint analysis to meet global green consumption trends and enhance competitiveness. Companies can also drive the low-carbon manufacturing in the Li-ion battery, photovoltaics, and hydrogen energy sectors to promote industrial green transformation.	Increased operating revenue Reduced operating costs Additional financial subsidies	Short, medium, and long term	- Enhance forward-looking technology R&D and platform building, maintain an average of over 10% R&D investment, and improve innovative capabilities to maximize revenue and profits and respond to climate-related challenges and opportunities. - Focus on low energy consumption in technological R&D and offer innovative energy-saving and intelligent solutions that meet customers' low-carbon demands across the entire value chain of new energy, enhancing product competitiveness by helping customers reduce energy costs and increase market revenue. - Complete the cradle-to-gate carbon footprint accounting of core products to help customers achieve lifecycle carbon traceability and gain the new energy market opportunities. - Develop new energy equipment products and services to obtain government financial rewards and subsidies in line with the government's support policies for technological innovation in the new energy industry.
Market - Expansion of new market	With new energy intelligent manufacturing solutions and a globalization strategy, enterprises can keep up with the global demand for green transition, broaden its market, explore the potential of energy saving and carbon reduction in its products, and promote the green development of the global new energy industry.	Increased operating revenue Enhanced market share Additional financial subsidies	Short, medium, and long term	- Explore the markets of Li-ion batteries, energy storage, photovoltaics, and hydrogen energy by leveraging technological advantages, so as to promote the low-carbon transition and green development of the global new energy industry. - Follow closely the global trends of new energy and electrification, engage actively in the Chinese, Asia-Pacific, European, and American markets, and adjust development strategies dynamically to explore new markets and reduce the risks of policy and economic fluctuations in a single market.

Green Solutions

As a world-leading enterprise in intelligent equipment, the Company is committed to green and low-carbon production, working with the industrial chain to build a global green society. The Company has established a complete business ecosystem of total intelligent manufacturing solutions in new energy sectors such as Li-ion battery, photovoltaic, hydrogen energy, and solid-state battery. It has also forged win-win strategic relationships with global customers, actively participating in their technological innovation and low-carbon transition, helping them build efficient, low-consumption smart factories, and contributing to the global new energy era.



New Energy Li-Ion Batteries

Lead Intelligent provides global battery and vehicle manufacturers with total intelligent equipment solutions for new energy Li-ion batteries, covering the full value chain and entire life cycle for applications in power, energy storage, and digital products. Through the deep integration of AI, the Internet of Things, and advanced manufacturing technologies, we promote the intelligent upgrading of production lines. This helps customers increase battery energy density and safety, reduce unit energy consumption and maintenance costs, and drive the large-scale production of high-efficiency, low-consumption power and energy storage Li-ion batteries, injecting strong momentum into the global electrification revolution.



Photovoltaics

Lead Intelligent provides customers with total intelligent manufacturing solutions for high-efficiency TOPCon, BC, HJT, and perovskite photovoltaic cells and modules. Combined with its independently developed MES system, intelligent warehousing and logistics system, laser technology, and machine vision technology, it can create 'Unmanned Workshops' for photovoltaic companies. During the Reporting Period, the Company:

- Launched the TOPCon 4.0 high-efficiency photovoltaic cell smart factory total solution, achieving a photoelectric conversion efficiency of over 26.5%, and can provide customers with turnkey projects for entire TOPCon photovoltaic cell production lines.
- Independently developed an XBC stringer, with shipments exceeding 30 GW;
- Assisted multiple customers in advancing the mass production of perovskite, with some achieving breakthroughs in square-metre-scale cell efficiency exceeding 20%.
- Successfully passed high-standard acceptance for a whole-line perovskite solar cell equipment, which was customized for a leading technology enterprise.



Hydrogen Energy

Lead Intelligent is actively expanding into the fields of green hydrogen production, hydrogen fuel cell manufacturing, and testing. During the Reporting Period, the Company:

- Made a major breakthrough in the core technology for high-precision, mass manufacturing of fuel cells in the hydrogen energy equipment sector, successfully delivering China's fastest 20 ppm high-speed, high-precision membrane electrode assembly equipment production line, significantly enhancing the industry's manufacturing efficiency and technological standards.
- Successfully pass a high-standard acceptance for a high-precision fuel cell CCM coating machine project, which was customized for a leading global comprehensive technology group, demonstrating the Company's R&D and engineering service capabilities in the field of precision equipment.



Solid-State Batteries

As a core direction for next-generation energy storage technology, solid-state batteries are leading a fundamental revolution in clean energy storage with their revolutionary characteristics, including inherent safety, ultra-high energy density, and solvent-free manufacturing. During the Reporting Period, the Company pioneered the launch of a whole-line solution for solid-state battery production, covering solid-state electrode preparation, solid-state electrolyte membrane preparation and composite equipment, bare cell assembly, densification, and high-voltage formation and capacity grading. The Company has achieved a dynamic balance of precision, yield, and production efficiency in core processes such as dry coating, wet coating, and stacking. This progress is not only a significant breakthrough in mass production technology for solid-state batteries, effectively filling a key gap in the industry's engineering implementation, but also directly responds to the urgent global demand for efficient, clean energy storage systems in the context of carbon neutrality.

Environmentally Friendly Products

Lead Intelligent is committed to providing environmentally friendly intelligent equipment to help downstream customers reduce energy consumption, pollution, and carbon emissions during the equipment use phase. In our product life-cycle management, we strictly implement domestic and international environmental regulations and standards, complying with the *Administrative Measure on Restricted Use of Hazardous Substances in Electrical and Electronic Products*, the *Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS)*, the *Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)*, and other relevant EU and international directives to control hazardous substances at the source of raw materials. In the design and manufacturing stages, we fully apply innovative technologies such as waste heat recovery, dry air recycling, fine control of machine microenvironment, motor energy-saving technology and selection, electrical intelligent control, refined management of compressed air, and intelligent energy saving for fans and lighting to significantly reduce equipment operating energy consumption. At the same time, we follow standards such as the *EU Machinery Directives* to optimize the maintainability and durability of our equipment, extending product life and reducing waste generation and resource consumption throughout the life cycle.



Making Full Use of Waste Heat

Fully control the utilization of waste heat in each process phase during the plant design stage



Dry Air Recovery and Recycling

Recover exhausted air from the machine, remove impurities in the dry air, then send the dry air to the workshop for reuse



Fine Control of Machine Microenvironment

Effectively control humidity and dust microenvironment to reduce energy consumption and operation cost



Motor Energy-saving Technology and Selection

Use the IE4 energy-saving motor compliant with national standard to effectively realize energy saving of machine



Online Energy Consumption Monitoring

Real-time monitoring and analysis of big data for regulation and improvement



Energy-saving Fan and Lighting

Integrate the energy-saving capabilities of fans, lighting and other points to jointly reduce the energy consumption of the whole line



Fine Management of Compressed Air

Intelligent monitoring of specific working conditions of machine and fine control of compressed air pressure and flow, to achieve effective energy saving



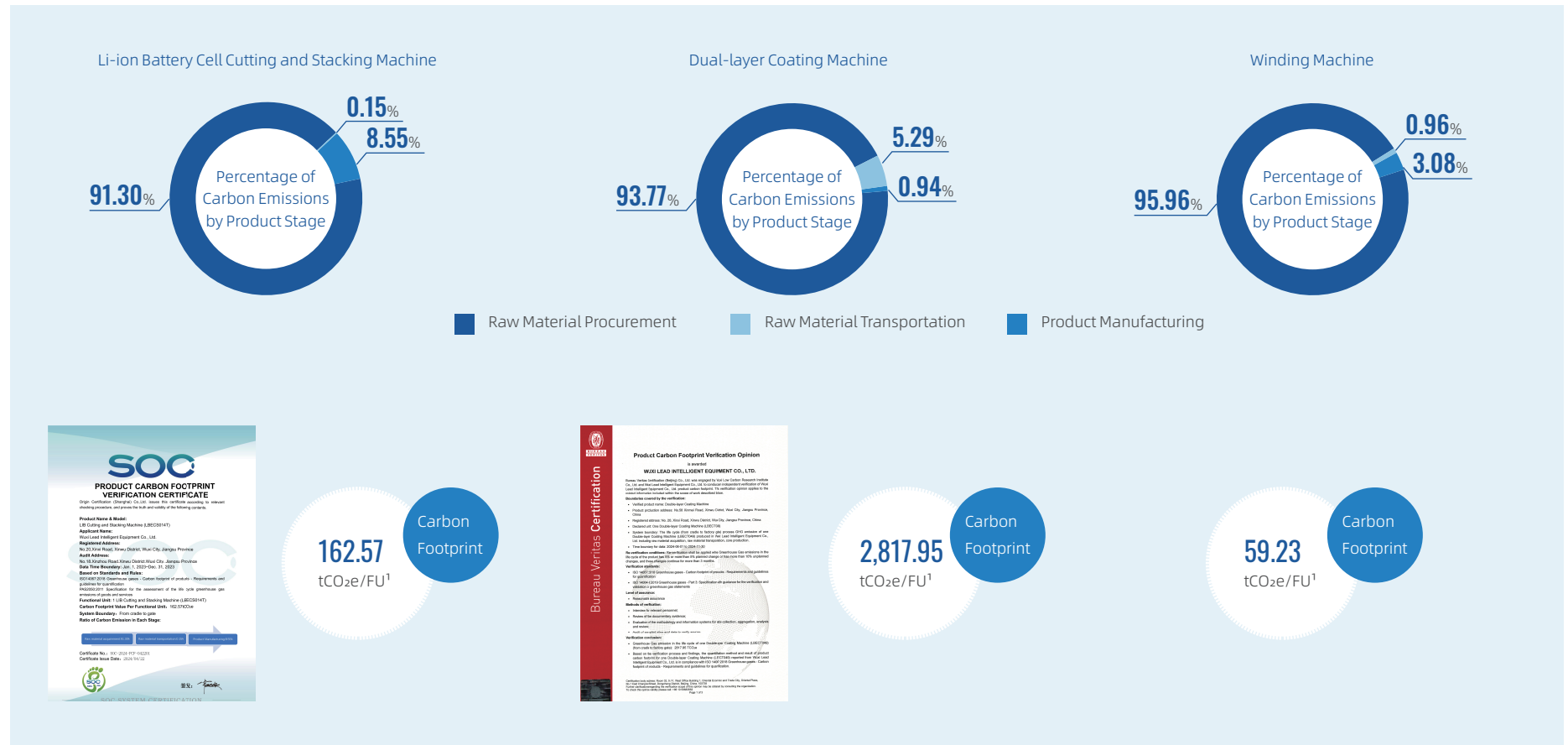
Electrical Intelligent Control

Intelligent control of electrical machine to reduce power consumption in each process phase

Energy-saving Functions and Modular Design of Intelligent Equipment

Product Carbon Footprint

In accordance with ISO 14067:2018 – Greenhouse Gases – Carbon Footprint of Products – Requirements and Guidelines for Quantification and PAS 2050:2011 – Specification for the Assessment of the Life Cycle Greenhouse Gas Emissions of Goods and Services, the Company has adopted a cradle-to-gate system boundary and have completed carbon footprint assessments for a total of three core products to date. Of these, two products have already received ISO 14067 Product Carbon Footprint Certification. In the future, the Company will continue to strengthen its product carbon footprint management, expand the coverage of these assessments, and enhance the low-carbon competitiveness of its products. Through product carbon footprint certification, customers and other stakeholders can better understand the environmental impact and sustainability of our products throughout their life cycle, providing professional data support for customers' green procurement.



¹FU: Functional Unit, where the functional unit is each piece of equipment.

Metrics and Targets

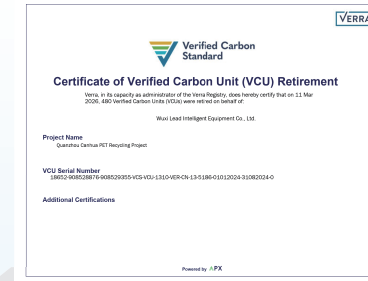
Lead Intelligent has purchased 480 tonnes of verified emission reductions from a Verified Carbon Standard (VCS) project and 9,100 Chinese Green Electricity Certificates (GEC) to offset a portion of its direct emissions and indirect emissions from purchased electricity for 2025. As of March 2026, Lead Intelligent's Wuxi No. 2 Factory has received ISO 14068 Carbon Neutrality Certification for two consecutive years, signifying that the Company's factory operations have achieved carbon neutrality for two consecutive reporting periods, actively fulfilling its carbon neutrality commitments. (For details on Lead Intelligent's carbon management goals, see 'Carbon Neutrality Goals and Commitments'.)

Scope 2 Emission Reduction Measures

- During the Reporting Period, the Company developed rooftop distributed photovoltaic systems at its domestic production bases with a total planned installed capacity of approximately 25 MW. These systems are expected to generate over 26 million kWh of electricity annually, reducing carbon dioxide emissions by more than 13,000 tonnes. As of the end of the Reporting Period, the grid-connected photovoltaic capacity reached 4.62 MW, and in 2025, photovoltaic power generation achieved a cumulative emission reduction of 1,170 tonnes of CO_{2e}.
- Furthermore, the Company implemented a specialized energy-saving optimization project for its air compression system. Through system retrofitting and operational optimization, the comprehensive energy consumption of the air compression system was reduced by approximately 1,019,500 kWh compared to 2024, equivalent to a reduction of about 540.95 tonnes of carbon dioxide emissions.

Scope 3 Emission Reduction Measures

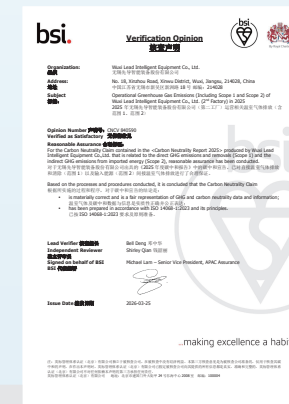
- The Company continues to promote carbon reduction in packaging, decreasing greenhouse gas emissions in the supply chain by optimizing packaging structures and material use. During the Reporting Period, the average amount of wood used per unit of equipment decreased by 25%, resulting in a cumulative saving of approximately 4,230 cubic metres of wood and a corresponding reduction in greenhouse gas emissions of about 286,900 tonnes of CO_{2e}¹.



VCS Verified Emission Reduction Certificate



GEC Certificate



ISO 14068 Carbon Neutrality Certification

¹ Calculation note: The emission reduction is calculated using the emission factor method, covering emissions from material production and transportation. Based on the actual amount of material saved and the corresponding transport distance, the emission reduction is estimated by matching the baseline emission factors for production and logistics transportation.

Environmental Compliance Management

Environmental Management System

Lead Intelligent consistently adheres to the principle of 'Clean Production, Green Development'. In accordance with the requirements of the ISO 14001 Environmental Management System, the Company has formulated and implemented its *Environmental Management Policy*. For the entire product production and operation process—covering key aspects such as raw material procurement, manufacturing, pollutant emission control, and resource/energy conservation and recycling—the Company has established and implemented environmental management procedures and targets that are uniformly adapted to local regulations and international environmental standards across its global production bases and operations. It is committed to comprehensively enhancing its environmental management performance, mitigating environmental impact, ensuring zero pollution incidents, and actively responding to the national goals for carbon peaking and carbon neutrality to promote sustainable green development.

Throughout project construction and operation, the Company strictly implements its environmental management system and local compliance requirements. It systematically completes full-process environmental management tasks, including environmental impact assessments, post-completion environmental acceptance inspections, and operational-phase environmental compliance monitoring. It also lawfully obtains necessary environmental permits (such as pollutant discharge licenses) from the project location to ensure full legal and regulatory compliance in all operations. Concurrently, the Company reports and discloses relevant environmental information, promptly informing regulatory authorities and stakeholders of its environmental management and emissions performance. The Company also actively collaborates with all stakeholders to jointly advance green practices and steadily improve its environmental performance. During the Reporting Period, the Company successfully passed the annual audit for its ISO 14001 Environmental Management System¹.

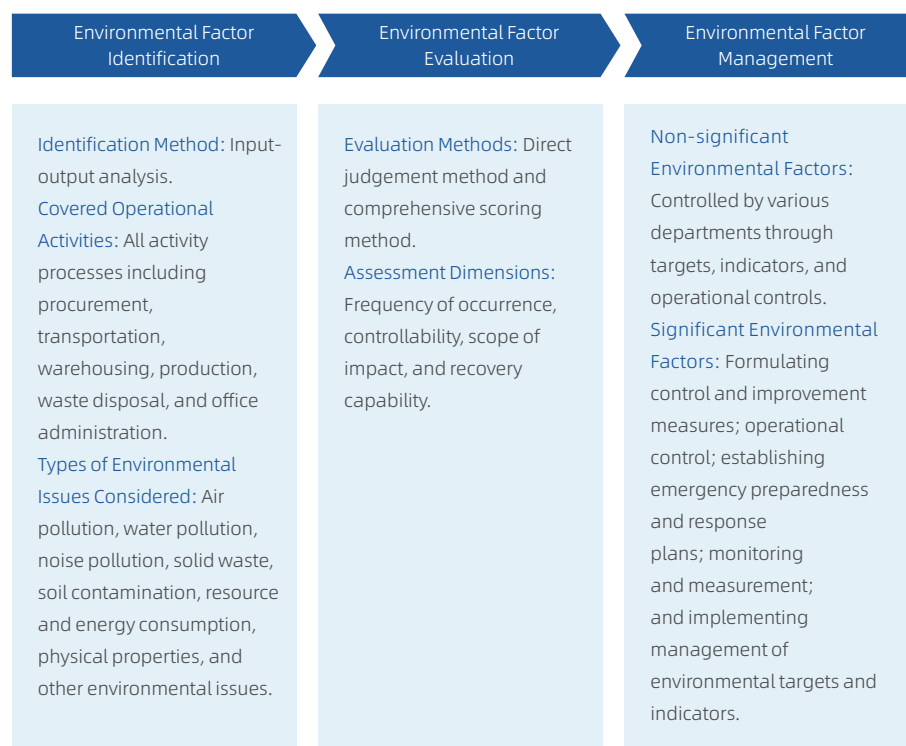


ISO 14001 Environmental Management System Certification for Lead Intelligent and its Subsidiaries

¹The scope of this system certification covers Wuxi Lead Intelligent Equipment Co., Ltd. and its following controlled subsidiaries: Jiangsu Lead Technology Co., Ltd., Jiangsu Lead Hydrogen Intelligent Equipment Co., Ltd., Wuxi Lead Laser Intelligent Equipment Co., Ltd., Guangdong Lead Intelligent Logistics Technology Co., Ltd., and Zhuhai Titans New Power Electronics Co., Ltd.; the geographical boundary encompasses its five main production bases located within China.

Environmental Risk Control

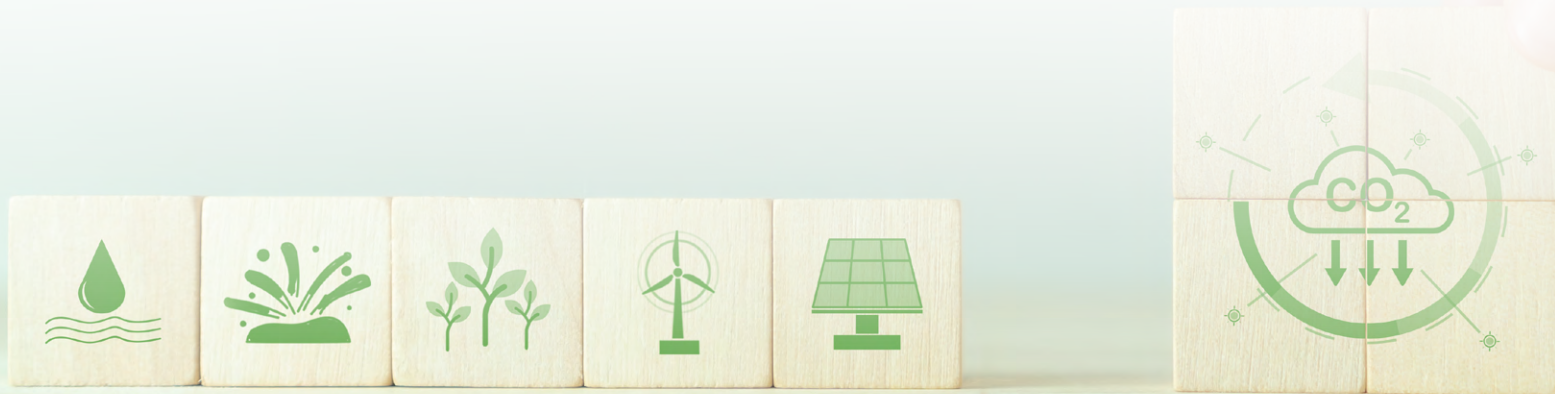
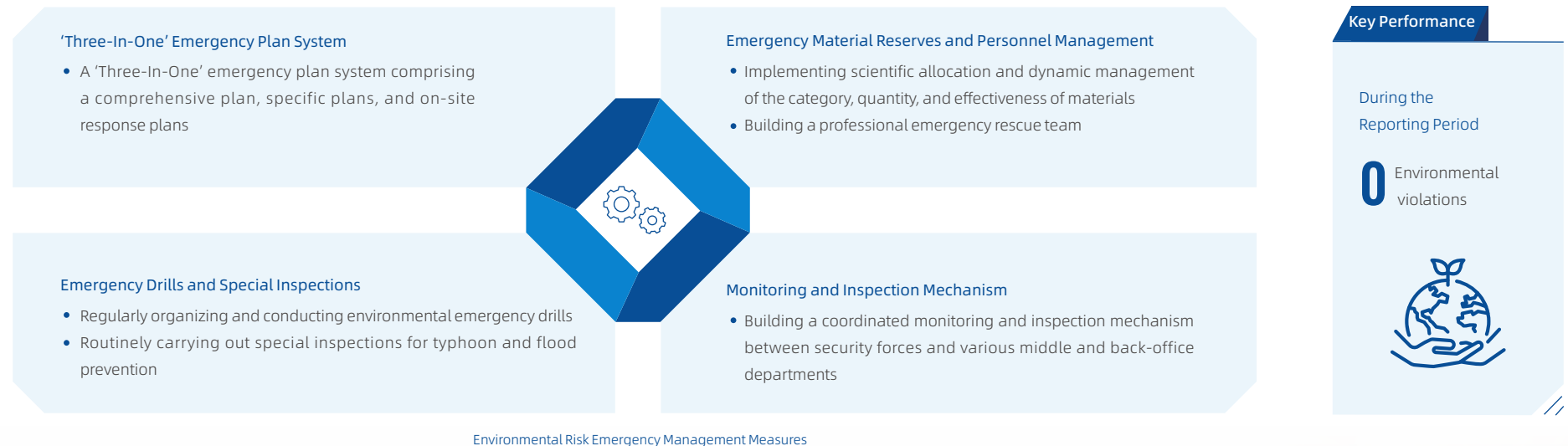
The Company has formulated the *Procedure for Environmental Factor Identification and Evaluation* to conduct regular assessments of environmental factors and implement control measures based on their significance.



Environmental Factor Identification and Management Process

The Company continuously improves its environmental emergency management system, optimizing its three-in-one emergency plan framework based on dynamic risk assessments. For local climate risks such as typhoons and heavy rainfall, the Company integrates them into specialized plans for unified management, ensuring that all levels of plans are forward-looking and actionable through annual evaluations and dynamic revisions. The Company strictly implements its annual emergency drill plan, regularly organizes environmental emergency drills to test emergency response procedures and handling capabilities, and constantly refines its mechanisms for preventing and responding to sudden environmental incidents. Additionally, the Company promotes a joint monitoring and inspection mechanism between its security teams and various central and back-office departments to enhance the identification, early warning, and rapid response to abnormal situations, ensuring that risk events are handled in a timely and effective manner.

In 2025, the Company organized emergency drills for workshop employees on waste gas treatment facility failures and hazardous waste leaks to enhance their emergency response speed and handling capabilities.



Building an Environmental Culture

The Company regularly conducts environmental protection training to continuously raise environmental awareness among all employees. In 2025, under the theme 'Green Action, Shared Responsibility', the Company systematically carried out environmental culture building and specialised training activities. The training content covered key environmental management areas such as environmental compliance, responses to climate change, and emergency response to environmental incidents. At the same time, the Company used occasions like World Environment Day to promote energy conservation and carbon reduction themes, actively encouraging the use of carbon-inclusive mechanisms and platforms to guide employees in practising a green and low-carbon lifestyle.



Lead Intelligent holds a series of environmental culture activities

In 2025, the Company held a series of activities, including a promotional campaign for its 'Environmental Protection in Action' theme and an interactive quiz game called 'Carbon Reduction Expert', to convey the concept of a low-carbon lifestyle to all employees and help them understand various low-carbon behaviours and their significance for environmental protection.



The 'Carbon Reduction Expert' Interactive Quiz Game for Environment Day



A Promotional Article for the 'Environmental Protection in Action' Campaign

Key Performance

During the Reporting Period

9,327

Environmental protection training participants



Green Production and Operations

Energy Management

Energy Management System

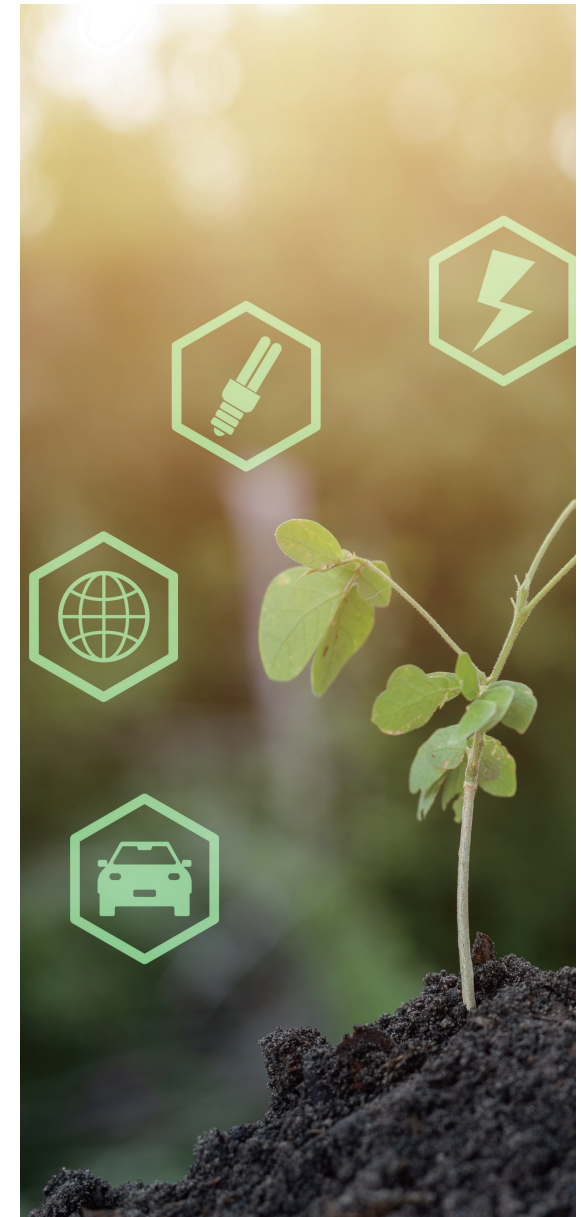
Using the ISO 50001 Energy Management System as its core framework, the Company has established a comprehensive set of energy management systems and procedures. It conducts regular system reviews to ensure the effectiveness of the energy management system. In terms of goal management, the Company scientifically formulates energy management indicators and targets based on its actual operating conditions. It dynamically tracks implementation effectiveness through monthly data analysis and annual comprehensive reviews. Relevant indicators are promptly revised and updated in response to changes in production processes, operating environments, or national and local laws and regulations, thereby promoting continuous optimization of energy efficiency and steady improvement of environmental performance. During the Reporting Period, the Company passed the triennial re-certification audit for its ISO 50001 System Certification¹.



Lead Intelligent's ISO 50001 Energy Management System Certification

Energy Management Goals

- By 2027, maintain electricity consumption per unit of operating revenue within $\pm 5\%$ of the 2024 level, and increase the proportion of green electricity consumption to 15% ².
- By 2027, reduce natural gas consumption per unit of operating revenue by 5% compared to 2024.



¹The scope of this system certification covers Wuxi Lead Intelligent Equipment Co., Ltd. and its following controlled subsidiaries: Jiangsu Lead Technology Co., Ltd., Jiangsu Lead Hydrogen Intelligent Equipment Co., Ltd., and Guangdong Lead Intelligent Logistics Technology Co., Ltd.; the geographical boundary encompasses its four main production bases located within China.

²During the Reporting Period, the Company's newly constructed plant area was put into operation, and employees from previously rented sites were consolidated into the Company's own facilities. The office and workshop environments were improved (e.g., with the addition of electrical equipment such as air conditioners), resulting in a corresponding increase in electricity consumption. The Company re-evaluated the reasonableness of its targets based on actual operating conditions, adjusting the 2027 target for electricity consumption per unit of operating revenue from a 10% reduction compared to the 2024 level to a target of maintaining it within $\pm 5\%$ of the 2024 level. The target of achieving 15% green electricity usage remains unchanged, ensuring that the goals are practical and achievable.

Energy Management Initiatives

The Company integrates the concept of green development into all aspects of its operations, including production, energy use, logistics, packaging, office work, commuting, business travel, and supply chain management. It continuously improves energy efficiency through a series of measures such as optimizing its energy structure, advancing equipment upgrades and energy-saving renovations, and strengthening the development of digital and intelligent platforms. Simultaneously, the Company actively promotes energy conservation awareness, guiding employees to adopt energy-saving practices and driving the effective achievement of its energy management goals. During the Reporting Period, the Company initiated the construction of rooftop distributed photovoltaic systems at its domestic production bases, with a total planned installed capacity of approximately 25 MW, expected to generate over 26 million kWh of electricity annually and reduce carbon dioxide emissions by over 13,000 tonnes. As of the end of the Reporting Period, the grid-connected capacity reached 4.62 MW.



Lead Intelligent's Rooftop Distributed Photovoltaic System



Energy Consumption Monitoring

- **Build a Digital Energy Consumption Monitoring System:** Integrated power energy management platform, online dynamic energy monitoring system, equipment online monitoring system, remote monitoring system for air compressor stations, smart forklift management system, etc.



Energy Structure Optimization

- Increasing the proportion of renewable energy used by planning and constructing rooftop distributed photovoltaic power generation projects, and by externally purchasing green electricity and green certificates.



Equipment Upgrades and Energy-saving Retrofits

- **Equipment Energy Saving:** Prioritizing the procurement of high-efficiency, energy-saving lighting fixtures and low-energy-consumption equipment.
- **Building Energy Saving:** Improving building insulation performance, optimizing air conditioning and ventilation systems, and automatically starting/stopping systems based on temperatures collected by thermostats to reduce electricity consumption.
- **Energy Conservation in Auxiliary Systems:** Adopting high-efficiency and energy-saving equipment such as air compression systems and heating and cooling systems, or optimizing/retrofitting equipment selection, supplemented by energy-saving automatic control systems.
- **Energy Conservation in Production Systems:** Analyzing existing process flows and production lines to identify areas for optimization, and reducing emissions by adjusting process parameters and improving production techniques.



Awareness Building

- Raising employees' daily awareness of electricity and energy conservation through promotional energy-saving slogans.



Energy-saving retrofits to the air compression system achieve significant reductions in energy consumption

To reduce energy consumption in its production processes, the Company implemented a special energy-saving optimization project for the air compression systems in its various factory areas in 2025. Through a series of measures, including optimizing equipment structure, managing air compressor pipe pressure, and upgrading air compressor software, the Company effectively improved the energy efficiency of its air compression systems. At the equipment level, the Company used platform data to rationally allocate air supply based on the actual needs of different factory areas, reducing resource waste. At the pipeline level, it implemented precise pressure control for air compressor pipes, setting an optimal supply baseline that meets production needs while lowering energy consumption. At the software level, it upgraded the control systems of the air compression equipment to reduce standby power consumption.

The Company simultaneously advanced equipment relocation and pipeline renovation projects. Following the retrofits, the overall energy consumption of the Company's air compression system decreased significantly compared to 2024, with a total energy reduction of approximately 1,019,500 kWh, equivalent to a reduction of about 540.95 tonnes of carbon dioxide emissions.



Building an integrated management platform for electricity and energy consumption to enhance digital energy efficiency control

To further strengthen energy consumption management, the Company launched an integrated management system for electricity and energy consumption in 2025. This system integrates functional modules for power system monitoring, energy data collection, energy consumption analysis, key energy-consuming equipment management, and fault alarms. It enables centralized monitoring and unified management of the entire electricity supply, distribution, and consumption process in the factory areas, providing reliable data support for energy-saving optimizations.

As of the end of the Reporting Period, the Company had completed system integration for several production parks in Wuxi, achieving unified platform-based management for its main production bases. By continuously tracking and analysing energy consumption data, the Company can more accurately identify high-energy-consumption areas, implement targeted improvement measures, enhance operational and maintenance efficiency, and gradually establish a data-driven energy performance evaluation mechanism.



Integrated Management System for Electricity and Energy Consumption

Key Performance

During the Reporting Period

530.00 MWh/RMB 100 million

Electricity consumption per unit of operating revenue

14.77 %

Green electricity consumption ratio

603.14 m³/RMB 100 million

Natural gas consumption per unit of operating revenue

32.51 %

Decrease compared to 2024

Water Resources Management

Water Resources Management System

The Company places a high value on the compliant and efficient management of water resources, and has formulated and implemented the *Energy and Resource Control Procedure* and the *Rain and Wastewater Management Procedure* to actively enhance its water resources management standards.

Water Resources Management Initiatives

The Company continues to refine its detailed water management mechanisms, strengthening control at the source and throughout its processes. A water metering and classified management system has been established to measure, monitor, and statistically analyse data from key water consumption points, allowing for the identification of abnormal fluctuations and timely optimization. Concurrently, by enhancing pipeline inspections and equipment maintenance, the Company promptly investigates and rectifies issues such as leaks, spills, drips, and seepage, thereby improving the operational efficiency of the water system and reducing unnecessary losses.

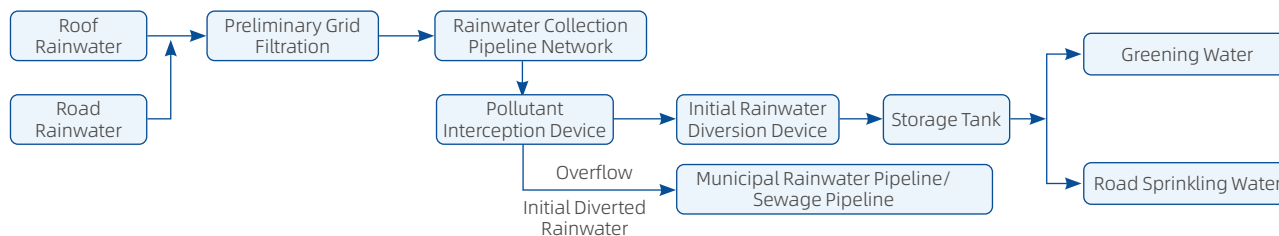
In terms of water risk management, the Company's water for production and operations is sourced entirely from the municipal supply, with no self-extraction activities involved. Therefore, the Company's water resource risks are mainly concentrated on the stability of the water supply, drainage pressure under extreme weather conditions, and environmental compliance. The Company enhances its responsiveness to emergencies like heavy rainfall by improving its rainwater and sewage diversion systems, increasing rainwater storage capacity, and strengthening the operation and maintenance of drainage facilities, which bolsters the resilience of the campus water system. Additionally, water environment risks are incorporated into the scope of environmental risk assessments, with regular facility inspections and compliance evaluations conducted to ensure the safe and stable operation of the water system. During the Reporting Period, the Company caused no significant direct or indirect impact on the surrounding water resource environment due to water abstraction, consumption, or changes in storage levels.

Furthermore, we strictly comply with national and local laws and regulations related to water pollution prevention and control, and implement rainwater and sewage diversion management requirements to ensure classified collection, standardized treatment, and compliant discharge.



Lead Intelligent promotes the development of rainwater collection systems to enhance rainwater resource utilisation

The Company actively promotes the construction of water recycling facilities and has deployed advanced rainwater collection and utilization systems. These systems employ a three-stage treatment process of 'Sedimentation-Filtration-Purification', storing the treated rainwater in collection pools for irrigating the green areas of the factory. During the Reporting Period, the Company constructed and commissioned five rainwater harvesting and utilization systems across different zones of the industrial park, continuously advancing the development of a water-conserving campus and achieving efficient water recycling.



Water Resources Management Targets

- By 2027, maintain per capita employee water consumption within $\pm 10\%$ of the 2024 level¹.

Key Performance

During the Reporting Period

2,477.39

tonnes/thousand employees

Water consumption intensity



¹During the Reporting Period, the Company's newly constructed plant area was put into operation, and employees from previously rented sites were consolidated into the Company's own facilities. As a result, water usage scenarios and categories increased accordingly, leading to a change in the water consumption structure. The company re-evaluated the reasonableness of its targets based on actual operating conditions, adjusting the 2027 target for water consumption per employee from $\pm 5\%$ to $\pm 10\%$, ensuring that the goal is more practical and achievable.

Emissions and Waste Management

Emissions and Waste Management System

Waste Gas Management

For waste gas emission control, the Company has established a comprehensive waste gas management system and formulated policies such as the *Regulations on Waste Gas Emission Management* and the *Management Procedures for Waste Gas Treatment Equipment and Facilities*, which set clear requirements for the operation, maintenance, and emission management of gas treatment facilities.

Wastewater Management

The Company's production processes do not generate industrial wastewater; wastewater primarily originates from domestic sewage. The Company strictly implements classified collection and standardized disposal of all types of sewage in accordance with environmental requirements. Domestic sewage is pre-treated in septic tanks, and canteen wastewater is treated in grease traps before both are discharged into the municipal network connecting to the Xincheng Wastewater Treatment Plant, ensuring that the discharged water quality meets the Grade 3 standard of the *Comprehensive Wastewater Discharge Standard* and the Grade A standard of the *Water Quality Standard for Wastewater Discharged into Urban Sewers*.

Solid Waste Management

In solid waste management, the Company adheres to the principles of 'Waste Reduction, Resource Utilization, and Harmless Treatment'. It has formulated and implemented documents such as the *Solid Waste Management Procedures* and the *Hazardous Waste Management Regulations*, which specify the requirements for the classified collection, storage, transfer, and disposal of various solid wastes. These measures promote the comprehensive utilisation of solid waste and the reduction of hazardous waste, ensuring that all types of solid waste are disposed of in compliance. During the Reporting Period, the Company achieved a 100% compliance rate for solid waste disposal.

Emissions and Waste Management Targets

- By 2027, maintain air pollutant emissions per unit of operating revenue within **±10%** of the 2024 level.
- By 2027, reduce the amount of hazardous waste disposed of per unit of operating revenue by **10%** compared to 2024.



Emissions and Waste Management Initiatives

The Company effectively reduces the generation and emission of various wastes through measures such as enhancing waste gas purification, introducing monitoring systems for operational electricity consumption, process improvements, classified collection and standardized disposal of sewage, and implementing hazardous waste reduction plans. Additionally, the Company actively promotes initiatives like the electrification of official vehicles to lessen the environmental impact of fossil fuel consumption and atmospheric emissions.



Waste Gas

Waste Gas Purification and Treatment: For oil mist waste gas generated during machining processes, gas collection devices are installed for centralised collection, and the gas is channelled through pipelines to specialised treatment facilities for purification, ensuring that the concentration of waste gas emissions complies with the *Comprehensive Emission Standard of Air Pollutants (DB32/4041-2021)*.

Waste Gas Monitoring: Introducing an operational electricity consumption monitoring system to conduct real-time monitoring of the operational status of waste gas treatment facilities, and carrying out regular environmental monitoring annually to ensure compliance with emission standards.



Wastewater

Segregated Collection and Standardized Disposal of Wastewater: Domestic sewage is pre-treated in septic tanks and canteen wastewater is treated in grease traps before being collectively discharged into the municipal sewage treatment plant.



Solid Waste

Hazardous Waste Reduction Management: Formulating a hazardous waste reduction plan and reducing the generation of hazardous waste by installing crawler-type oil-water separation equipment in machining workshops to extend the service life of cutting fluids.

Key Performance

During the Reporting Period

0.36 tonnes/RMB 100 million
Hazardous waste disposal per unit of operating revenue

37.67 %
Decrease compared to 2024

0.01 tonnes/RMB 100 million
Air pollutant emissions per unit of operating revenue

42.56 %
Decrease compared to 2024

100 % Environmental emission compliance rate
with all emission outlets monitored in line with current environmental standards

Circular Resource Utilisation

Management System

The Company has formulated management standards such as the *General Specification for Domestic Whole-machine Shipment Packaging*, the *Specification for Wooden Crate Packaging of Exported Whole Machines*, the *Procedure for Reusing Original Packaging*, and the *Packaging Specification for Incoming Materials of Auxiliary Equipment*. These incorporate lightweighting and reduction into the Company's mandatory standards, promoting the reuse of packaging from key components and incoming auxiliary materials for finished product shipments, thereby reducing the use of single-use packaging and actively practising the principles of a circular economy.

Actions and Initiatives

The Company has advanced the development of three major information system modules: RDM (Research and Development Management System), WMS (Warehouse Management System), and SCM (Supply Chain Management System). This achieves full-process digital control over the design, material input, and approval of finished product and accessory packaging, ensuring that packaging optimization plans are implemented and traceable. Furthermore, we optimize packaging solutions through multiple initiatives including simulation technology, structural optimization, simplification of auxiliary materials, and packaging reuse, promoting resource conservation and recycling.

Information System Module Construction

Optimising packaging management processes through information systems:

- Establish an accessory packaging material input module in the WMS system to achieve customised packaging.
- Establish a solution approval module in the SCM system, creating a closed-loop management process for packaging solutions that includes submission, review, archiving, and spot checks.
- Establish a packaging material management module in the RDM system to achieve fine-grained management of finished product packaging.

Application of Simulation Technology

We conduct simulation analysis of packaging methods for the main frames of Li-ion battery equipment, building a packaging simulation capability that covers whole equipment weighing from 0 to 20 tonnes. This simulation data supports customised packaging design, identifies transportation risks, and optimizes packaging solutions, ensuring transport safety while reducing costs and conserving resources.

Packaging Structure Optimization

We identify issues of over-packaging in domestic projects, optimize the structure of base supports, eliminate unnecessary base plates and end-wood designs for lightweight equipment, appropriately increase the spacing between adjacent skids, and optimize certain timber specifications.

Simplification and Substitution of Auxiliary Materials

We optimize the configuration of auxiliary materials, and convert some storage packaging into transport packaging, which shortens project delivery cycles and reduces storage protection costs. By analysing the water vapour transmission rate of vacuum bags, we have switched from double-layer bags to single-layer bags and eliminated aluminium-plastic woven bags that offer weaker long-term storage protection, thus achieving a reduction in auxiliary materials.

Packaging Recycling and Reuse

We promote the reuse of packaging from key components and incoming auxiliary materials for finished product shipments, increasing the frequency of packaging material use and reducing the input of single-use packaging.



Smart logistics centre empowers intelligent and green logistics upgrades

In 2025, Lead Intelligent smart logistics centre officially commenced operations. The centre deeply integrates more than ten industry-leading technologies, including 5G communication, RGV/AGV robots, an intelligent automated warehouse, and a WMS management system, achieving fully intelligent operation in core processes. This not only lays a solid foundation for upgrading the logistics system of the Company's new energy equipment business but also practises the concept of low-carbon development by applying multiple green logistics solutions.



Circular Utilisation Management Targets

- 2025 Target: Reduce wood usage by **20%** and vacuum bag usage by **20%**

Key Performance

During the Reporting Period

25%

Average reduction in wood consumption per unit of equipment

4,230 m³

Accumulated wood consumption savings

60%

Average reduction in vacuum bag usage per unit of equipment

221,820 m²

Accumulated vacuum bag usage savings

Ecological Protection

The Company continually monitors the potential impact of its construction and operational activities on ecosystems and biodiversity. It strictly adheres to relevant policies and regulations, such as the *Opinions on Further Strengthening Biodiversity Conservation*, to identify risk factors and investigate potential hazards. The Company places great importance on biodiversity protection in its construction and operations, striving to create an ecological demonstration park that provides a habitat for various small animals. During the Reporting Period, none of the Company's production bases or operational sites were located within, near, or in areas of rich biodiversity outside nature reserves. No significant impacts on biodiversity were found to be caused by any of the Company's production and operational activities, products, or services. In the future, the Company will continue to assess the potential environmental impacts of its construction, production, and operational activities, formulate ecological protection policies, and promote the integration of ecological protection concepts into daily management practices, contributing to the building of a harmonious global home.

04 Social

Material Issues Covered in This Chapter

- Employee Rights and Welfare
- Equality and Diversity
- Human Capital Development
- Occupational Health and Safety
- Social Contribution and Rural Revitalization

SDGs Addressed in This Chapter

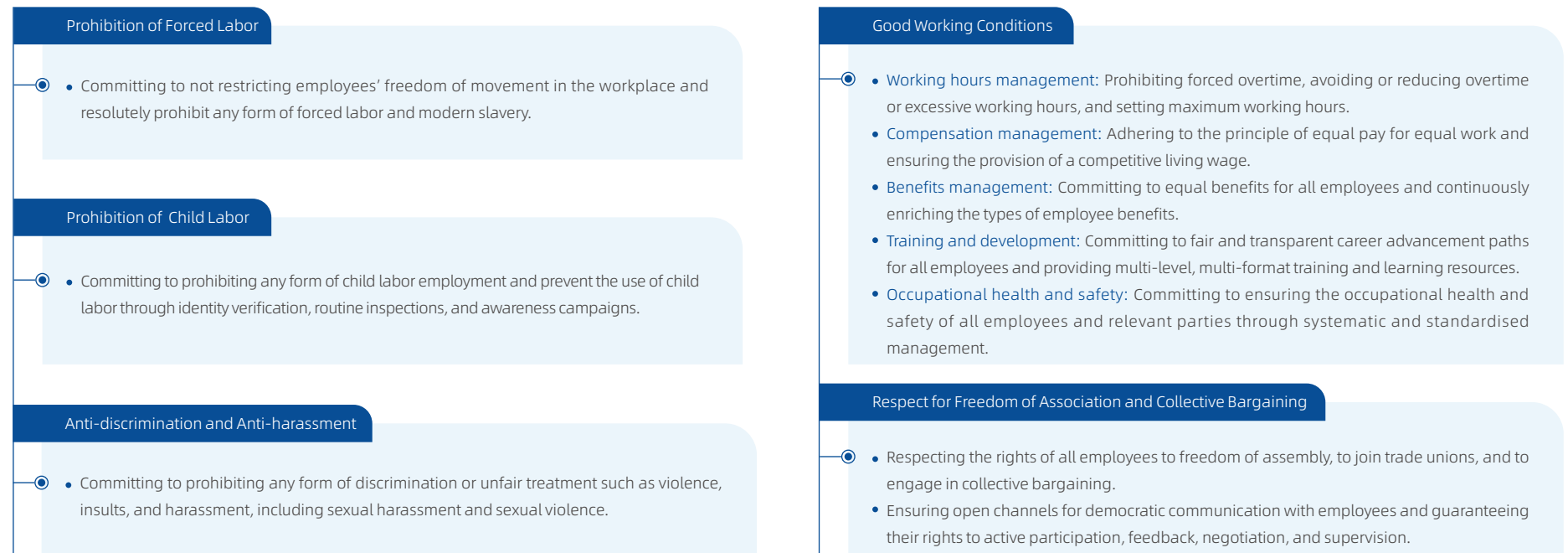


Protection of Employee Rights and Interests

Employment Management

Lead Intelligent strictly complies with laws and regulations such as the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and the *Provisions on the Prohibition of Using Child Labour*, and adheres to international initiatives and standards including the *UN Universal Declaration of Human Rights*, the *International Labour Organization Conventions*, and the *UN Guiding Principles on Business and Human Rights*, and is committed to fully protecting and respecting the legitimate rights and interests of all its employees.

The Company continuously improves its management system for employee rights and interests and has formulated a series of policies and regulations, including the *Employee Handbook*, the *Compensation Management System*, and the *Benefits Management System*. This system covers key aspects such as recruitment, labour contract management, compensation and benefits distribution, performance evaluation, career development, and employee grievance and rights protection, clarifying the boundaries of rights and responsibilities and management standards to ensure that all employment practices are compliant, transparent, and enforceable. In 2025, the Company revised the *Regulations on the Management of Child Labour and Underage Workers*, further clarifying the responsibilities of each department in recruitment screening and on-the-job management, and improving the mechanisms for preventing, identifying, and remedying child labour risks to effectively protect the legitimate rights and interests of underage workers.



Key Performance

During the Reporting Period

0 Incidents of non-compliant employment, such as child labor, forced labor, harassment, or discrimination

100% New employee rights training coverage rate

via training for new hires and key personnel (recruitment, frontline management), covering compliant employment, anti-forced labor, anti-discrimination, anti-harassment, and democratic communication



Equality and Inclusion

Lead Intelligent continuously promotes the creation of a diverse, equal, and inclusive workplace ecosystem. In 2025, the Company formulated the *Regulations on the Protection of Vulnerable Groups*, which cover key areas such as recruitment, job assignments, vocational training, compensation and benefits, and career advancement. These regulations define differentiated protection measures and management requirements for groups including disabled workers, underage workers, female employees, ethnic minorities, and foreign employees, ensuring that all systems are implemented with clear accountability and well-defined responsibilities.



Cultural Exchange Activities

Organising cross-cultural exchange activities to promote cultural integration between ethnic minority and foreign employees and their teams.

Diversity Training

Incorporating content on employee rights and anti-harassment into onboarding training to enhance awareness of workplace gender equality and anti-harassment. Conducting training on diversity and inclusion, with content covering cultural sensitivity, accessible communication, and anti-discrimination policies.

Family-Friendly Benefits

Establishing nursing rooms across all facilities, and implementing rights and protections such as parental leave (10 days per year until the child reaches 3 years of age) and lactation leave (1 hour per day during the breast-feeding break, with incremental increases for multiple births), while providing flexible work arrangements and exclusive benefits.

Key Performance

As of the end of the Reporting Period

2,069 Female employees	13.64% Percentage of the total workforce	509 Ethnic minority employees	3.35% Percentage of the total workforce
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Human Rights Due Diligence

Lead Intelligent consistently maintains a 'Zero Tolerance' stance on human rights violations. The Company adheres to authoritative domestic and international standards such as the *Responsible Business Alliance (RBA) Code of Conduct*, the SA8000 Social Accountability International Standard, the Sedex Members Ethical Trade Audit (SMETA), and the Solar Stewardship Initiative (SSI) standard, integrating their principles into its internal policies and management systems to ensure the continuous and effective protection of labour and human rights.

The Company has established a comprehensive human rights due diligence process that covers all employees, suppliers, and partners to ensure all parties comply with labour and human rights standards. During the employee onboarding process, a dual 'Manual + System Identification' mechanism is used to verify and record identity information. Compliance is further ensured through dynamic monitoring throughout the entire employment cycle, from onboarding to departure.

The Company's core human rights concerns include working conditions, occupational health and safety, compensation and benefits, working hours management, and anti-discrimination and anti-harassment. Through internal policies such as the *Employee Handbook*, the *Benefits Management System*, and the *Safety Risk Hierarchical Management and Control System*, we create a safe, fair, and healthy working environment for our employees. For groups such as new employees and foreign employees, the Company provides specialised training and support measures to help them integrate quickly and fully understand their rights.

When human rights risks or violations are identified, we will take the following mitigation and remedial measures:



Human Rights Violation Handling Mechanism



Talent Cultivation and Development

Governance

The Company's Human Resources Centre implements a Centre of Excellence (COE) + HR Business Partner (HRBP) management model and has established Lead Intelligent University as a platform for professional talent cultivation. The COE team is responsible for developing human resources policy systems and management tools, while HRBPs work closely with business frontlines to accurately understand needs and coordinate resources, ensuring that talent development strategies are highly aligned with business realities. Lead Intelligent University integrates internal and external training resources, focusing on the project-based implementation of business training needs. It systematically promotes specialized training, curriculum development, instructor team cultivation, and the operation of an online learning platform, providing systematic support for talent pipeline development.

Strategy

Guided by its mission and management philosophy of 'Seeking Well-being for Employees', the Company is committed to building a professional, diverse, and international talent team. By establishing a comprehensive and systematic talent training system and multi-channel career development paths, we aim to unlock employee potential, enhance team innovation and cohesion, and build a strong talent pool to support our competitiveness in the global market.

Impacts, Risks, and Opportunities Management

Talent Acquisition

Lead Intelligent adheres to a talent strategy that prioritises internal development supplemented by external recruitment of high-calibre individuals. In line with its annual workforce planning, the Company continuously expands its talent acquisition channels through internal selection and competition, campus recruitment, social recruitment, and headhunting services to meet the needs of its rapid growth. In 2025, to adapt to its international development strategy, the Company further optimized its organizational structure and talent layout. It actively recruited international talent, highly educated professionals, and senior management personnel to build a high-quality, diverse team capable of supporting global business expansion and enhancing core competitiveness.

The Company places great importance on school-enterprise cooperation, continuously deepening its collaborative relationships with professional institutions in the domestic intelligent equipment field. Through various school-enterprise cooperation projects, the Company enhances its employer brand influence to achieve targeted attraction and proactive pooling of outstanding talent. In 2025, the Company conducted a variety of school-enterprise cooperation activities, including company tours, summer internships, joint school-enterprise classes, information sessions, and campus job fairs. It also offered specialized onboarding training for recent graduates to help them quickly transition into their professional roles and integrate into the corporate culture. Additionally, the Company has established the 'Wang Yanqing Scholarship' at six key universities, including Harbin Institute of Technology, to provide financial support and growth incentives for outstanding students with high potential.

Talent Cultivation

In 2025, with the core objectives of 'Enhancing Organisational Effectiveness, Building a Learning Organisation, and Strengthening Internal Drive', Lead Intelligent comprehensively advanced internal cultivation, talent mobility, and digital learning initiatives, achieving 100% training coverage across the Company. By leveraging the expanded curriculum of Lead Intelligent University, the efficient operation of the 'Lead Intelligent e-Learning' platform, and a variety of themed activities, the Company has deepened its blended 'online + offline' learning model. This has established a systematic and digital talent cultivation system, providing a solid talent foundation for the Company's high-quality development.

Think Big, Start Small, Act Fast



Leadership
center

Leadership Improvement: According to the capability requirements of different levels in the capability model, the management post talent cultivation project is designed in layers and grades, giving consideration to 'present' and 'future'.



Professional
capability center

Professional Capability Improvement: Work with various professional sequences to build a professional capability training system and cultivate professional talents.

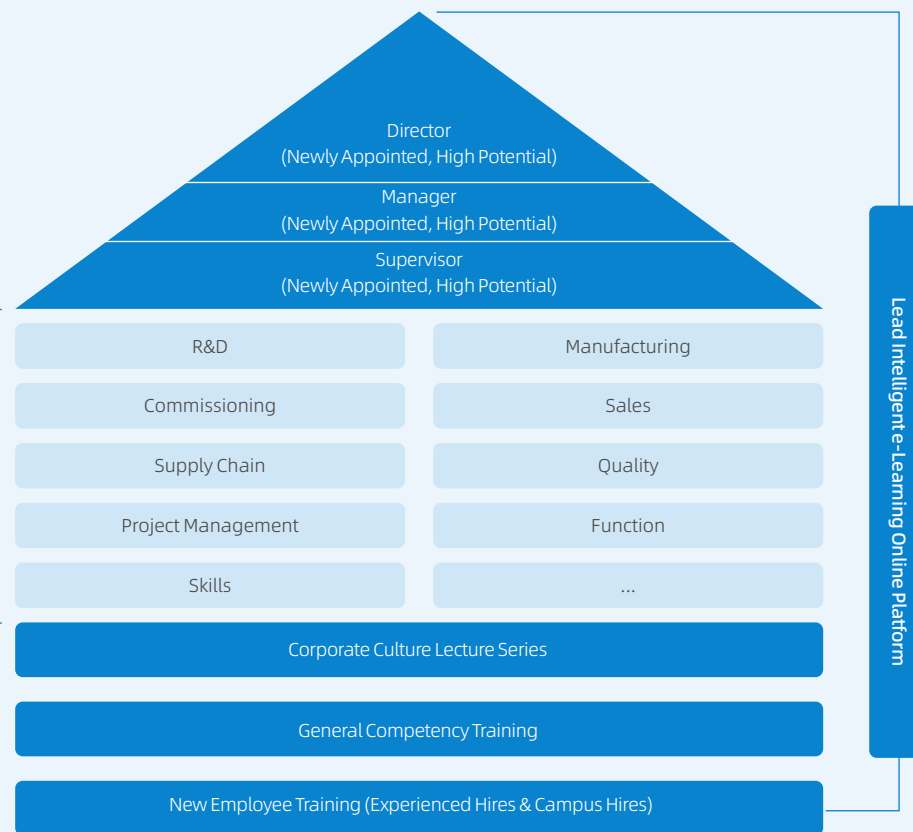


General capability
center

Publicity of corporate strategy, corporate culture and values

General Capability: Efficient meetings, communication, speeches and business etiquette

Integration of New Employees: School recruitment and social recruitment



Employee Training System

Annual Employee Development Plan

Onboarding training

- The Company achieves 100% coverage of onboarding training for new employees, with core content including corporate culture, occupational Health and Safety, employee rights and interests, integrity and compliance, and information security as compulsory courses.
- A quarterly fixed training and assessment mechanism is established to reinforce knowledge of information security, integrity and compliance, and traffic safety.

Specialised skills development training

- In line with annual business priorities and talent planning, the Company designs and implements multiple customised training programmes, including specialised training for key positions such as TPM and product managers, and specialised financial training, while also incorporating content such as diversity and respectful workplace communication into the regular training system of open courses and themed months.

Leadership training

- The Company conducts full value chain business and financial empowerment training for management personnel, carries out systematic leadership feedback assessment and iterative optimisation, and enhances the job and position system to provide employees with clear growth paths and standards.

Training Programme	Training Content
Leadership Training	Management training: Covered approximately 97 core management personnel throughout the year, effectively inspiring their enthusiasm for learning. Specialized skills enhancement: Launched 11 specialised training courses in areas such as finance and human resources, covering 466 participants at the manager level and above. Hierarchical leadership programmes: 131 individuals graduated from the supervisor-level programme; 88 individuals graduated from the manager-level programme.
Professional Skills Training	R&D capability building: Implemented specialised development for TPM and product managers, created 15 mechanical and electrical engineering courses, and conducted training on overseas project design capabilities and CE compliance. Functional skills enhancement: Launched learning maps for key areas and positions such as quality, finance, human resources, and sales, and organised specialised study camps.
General Skills Training	Themed learning month activities: Hosted 10 major themed learning months throughout the year on topics including AI, lean management, physical and mental health, finance, and quality. Activities such as themed courses, knowledge competitions, and offline roadshows reached a cumulative total of over 10,000 participants.
New Employee Onboarding Training	- Company level onboarding training achieved 100% coverage for new employees from social recruitment. - Conducted training camps for 2025 graduates to help them quickly integrate into the workplace.

Employee Training Programmes



'Leadership Camp Launch' Training Event



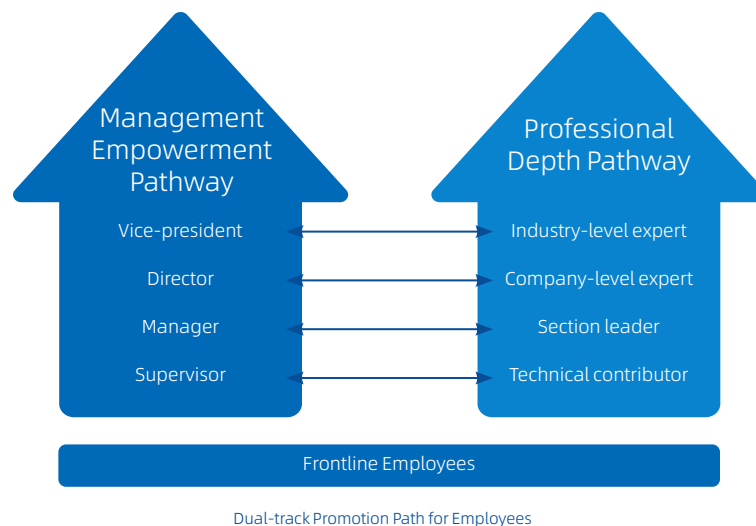
'Business Simulation' Employee Training Event

Talent Development

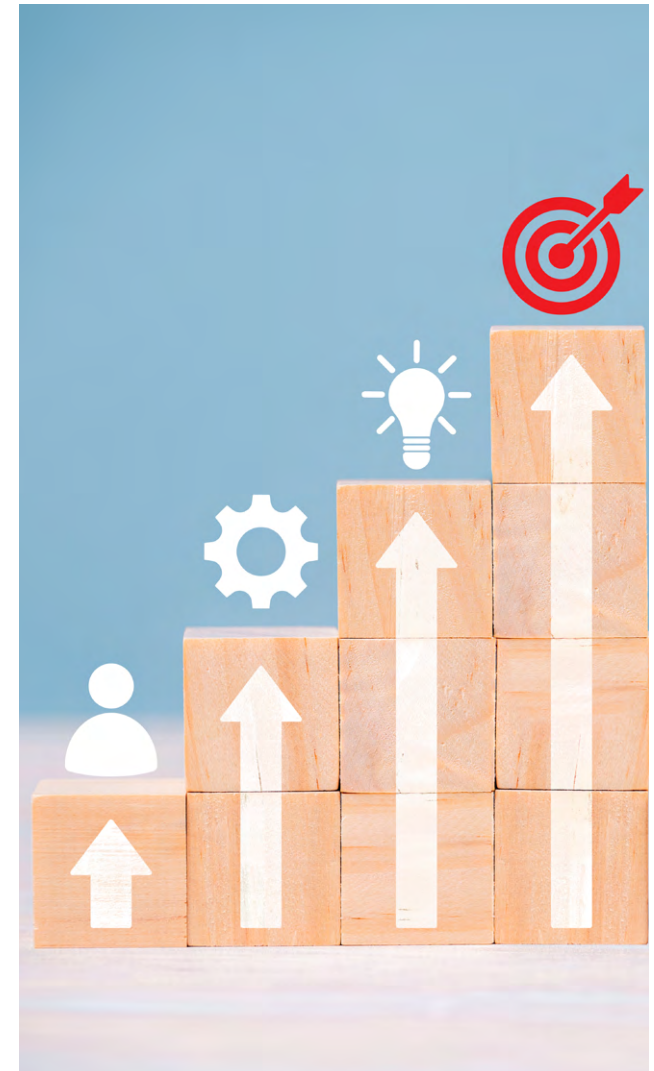
Promotion and Incentives

Lead Intelligent upholds an open talent development philosophy of 'Upward or Downward, Internal or External', has established a professional organisation and talent development team to systematically support employees' career development planning, and has formed a talent management mechanism featuring multi-dimensional development and training, goal-oriented management supervision, and specific assessment and evaluation. The Company has fully opened up career development paths for employees, with core components including talent reserves, talent reviews, echelon building, and internal talent selection and appointment.

To fully stimulate employee potential, the Company has built a dual-track career development path that combines technical and managerial promotions, creating a growth space where technical and management talent can transition between tracks and supporting employees in choosing suitable development directions based on their strengths. Concurrently, the Company has established an internal talent pool and a job rotation mechanism, continuously broadening internal recruitment channels and optimising internal mobility policies to effectively activate internal talent resources.



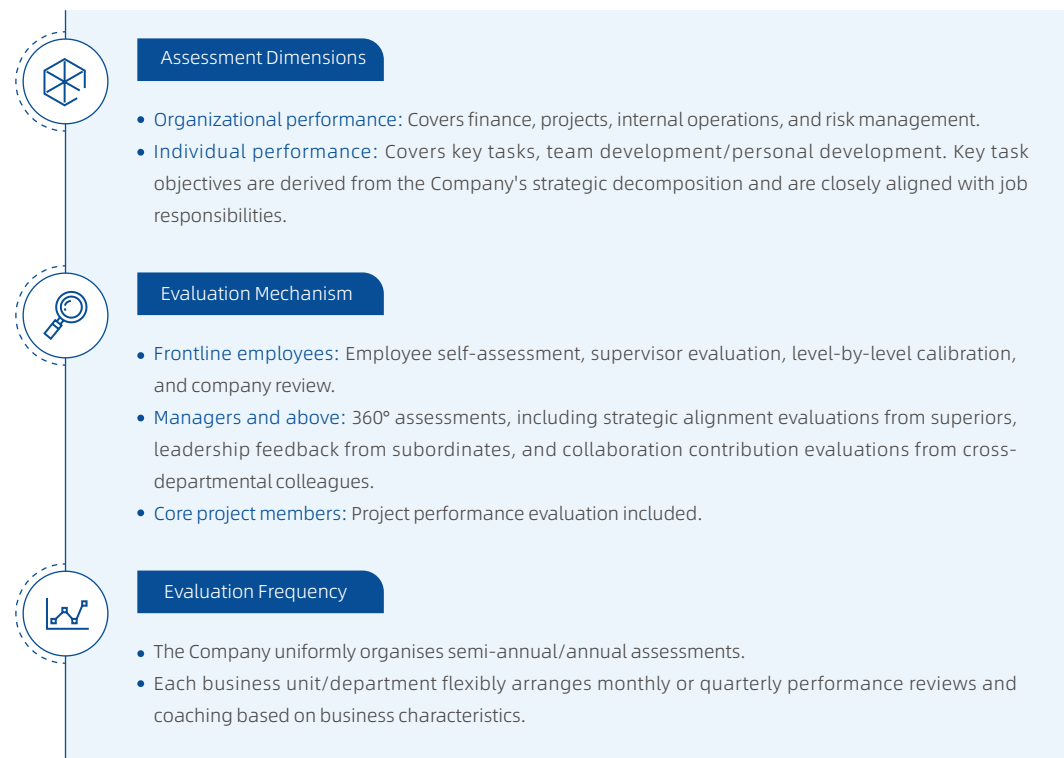
Additionally, the Company has established a combination of short-term, medium-term, and long-term incentive mechanisms, utilising methods such as salary adjustments, year-end bonuses, excellence awards, and equity incentives to effectively energise the core team and to attract and retain outstanding talent. In October 2025, the Company implemented an equity incentive plan for 1,134 individuals, including certain directors, senior management personnel, and core key employees, publicly granting restricted shares to ensure the steady improvement of the Company's performance and to advance the realisation of its development strategy and business objectives.



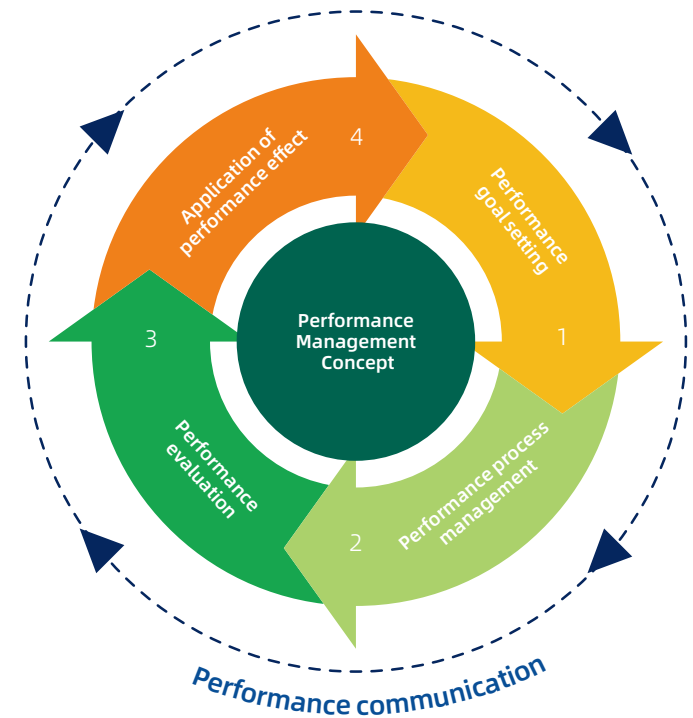
Remuneration and Performance

Lead Intelligent continuously optimizes its remuneration and performance management systems, and commits that its remuneration system will not differentiate based on non-capability factors such as gender, ethnicity, religion, or marital status, while strictly adhering to the principle of equal pay for equal work. In 2025, the Company continued to refine its remuneration system, focusing on salary diagnostics, standard-setting, and structural optimization. Through internal job evaluations and external market benchmarking, a remuneration standard system centred on job value, performance, and market competitiveness was established. Regional differentiation coefficients were also introduced to align salary levels more closely with market conditions in different locations, providing employees with fair, competitive, and incentive-oriented remuneration.

The Company has built a full-cycle performance management system guided by strategic objectives that covers both organisational and individual performance. It relies on a dual-driver model of the Balanced Scorecard (BSC) and Personal Business Commitment (PBC) to precisely cascade strategic goals down to departments and positions. Through a digital performance management system, the Company has moved the entire process online, including goal setting, progress tracking, assessment, and feedback coaching, ensuring that the management process is efficient, transparent, and traceable. At the same time, the Company continuously optimizes its performance processes and incentive mechanisms to empower managers, motivate high-performing talent, enhance talent attraction and retention, and build a high-performance team with strong cohesion and execution, thereby injecting sustained internal momentum into the long-term development of the enterprise.



Employee Performance Evaluation Mechanism



Employee Performance Evaluation Process

The Company links ESG performance with employee performance, promoting a synergistic alignment between sustainable development goals and employees' individual value creation.

Sustainable Development Indicators

- The Company incorporates ESG assessment indicators into the organisational performance of all first-level departments, including but not limited to compliance indicators (conflicts of interest, anti-fraud, zero information security incidents), environmental indicators (energy management targets), and safety indicators (zero workplace safety incidents).
- The performance evaluation indicators for ESG-related management departments specifically include:
Environment and carbon management: Completion rate of energy and carbon targets, energy conservation and emission reduction, environmental compliance management, etc.
Labour management: Production accident control and prevention, training hours, talent turnover rate, etc.
Business ethics: Anti-corruption training rate, case closure rate for reported incidents, etc.
Customer relationship management: Customer satisfaction, etc.
Supplier management: Supplier access compliance review status, etc.
Information security: Number of information security incidents, etc.

Linkage with Performance

- As a component of the organisational performance of first-level departments, the achievement of ESG assessment indicator targets directly affects departmental performance evaluation results, which are in turn linked to the payment of employee performance bonuses.
- **First-level and second-level managers:** Required to concurrently undertake the general ESG organisational performance targets of their respective departments and incorporate them into their personal performance responsibilities, ensuring the implementation of ESG goals at the departmental level.
- **All levels of employees in ESG-related management departments:** Specific ESG indicators within the departmental organisational performance are cascaded down and undertaken by employees of various levels within the department according to their job responsibilities, forming a complete responsibility chain from the department head to front-line execution roles.
- **Other levels/front-line employees in other departments:** General ESG organisational performance targets from first-level departments are channelled through departmental team performance, indirectly affecting the performance results of front-line employees

Mechanism Linking ESG Performance to Employee Performance

Metrics and Targets

Management Objectives

- **Enhance organizational effectiveness and stimulate talent vitality:** Strengthen the leading role of management cadres and systematically improve the leadership skills of key echelons; upgrade the job and position system and qualification standards to clear talent development channels and continuously boost the organization's internal momentum.
- **Optimize the training system and enhance knowledge retention:** Strengthen the development of a learning organization and the application of digital platforms; continuously enrich learning resources and expand the internal team of instructors to ensure full coverage of employee training.

Management Progress

During the Reporting Period

- Conducted a total of **3,076** employee training sessions¹, achieving **100%** training coverage for all employees.
- Achieved an average learning time of **37** hours per employee, with a total of **565,753** hours.
- Added **80** new certified courses and **88** certified instructors.

¹The training sessions include only centralized in-person training, excluding online self-paced courses.

Employee Care and Communication

Benefits System

Lead Intelligent continuously optimizes its employee benefits system, and is committed to creating a healthy, harmonious, and sustainable workplace ecosystem to enhance employees' sense of belonging and well-being, thereby constantly strengthening the Company's ability to attract and retain talent.

Statutory Benefits

Social security and housing provident fund
Paid annual leave
High-temperature allowance



Exclusive Benefits at Lead Intelligent

Employee care benefits: Birthday gifts, wedding gifts, newborn gifts, etc.

Team-building benefits: Team-building activities, company or department annual galas, etc.

New employee benefits: Onboarding gift packages, etc.

Holiday benefits: Festival gifts, etc.

Health and fitness benefits: Annual health check-ups for all employees, sports clubs, and fitness activities

Employee Benefits System

Employee Care

In 2025, the Company strengthened its employee care initiatives. Leveraging a diversified benefits system and a wide range of cultural activities, it continuously enhanced its care mechanisms to foster a work environment filled with a sense of belonging and vitality, thereby genuinely improving employee well-being and team cohesion.

Employee Care Activities

Festival Care

- The Company organizes a series of themed activities centred around traditional cultural festivals and important dates such as the Lantern Festival, Women's Day, Children's Day, and the Mid-autumn Festival, creating a warm atmosphere and conveying a sense of corporate humanistic care.

Care for Female Employees

- During Women's Day, complimentary wellness check-ups were provided to all female employees in the Zhuhai area, with a special focus on screening for cervical and breast cancer to promote female health.

Family Care

- A new 'Lead Intelligent Second Generation' parent-child interactive module was launched, featuring edutainment activities such as 'Little Eye Guardian' and 'Little Dental Pro', with nearly 200 children of employees participating.
- Various departments regularly organize parent-child activities, covering more than 5,000 employees and allowing them to feel family support amidst their busy work schedules.
- The 'Newborn Care Plan' continues to be implemented, providing new parents with customised newborn gift packages and practical parenting support.

Cultural and Sports Activities

- The Company regularly organizes various interest clubs for ball sports, reading, and music, as well as fitness activities. Throughout the year, it held four major leagues for table tennis, badminton, basketball, and football, along with themed concerts, with over 180 cultural and sports activities run on a daily basis.
- The 'Health Club' series of activities was launched, covering a variety of classes including aerobics, boxing, and Zumba.
- Through various interest associations, over 2,000 employees are able to develop their hobbies and enhance communication in their spare time.

Health Protection

- Commercial insurance is purchased for all expatriate employees to strengthen risk protection for overseas and expatriate positions.



'Little Pilot' Parent-child Activity



Employee Basketball Tournament



Employee Badminton Tournament



Employee Table Tennis Tournament

Employee Communication

Employee Communication Mechanism

Lead Intelligent places great importance on employee communication, and has built a multi-level communication system covering the Company, managers, and employees. This system includes general employee meetings, tiered morning and regular meetings, face-to-face sessions with senior executives, a general manager's mailbox for business units, a 'Voice of Employees' suggestion box, and an engagement survey. Furthermore, the Company collects constructive feedback through a Continuous Improvement (CI) suggestion platform to promptly understand employee needs, increase participation in management, and cultivate an open, transparent, and efficient communication environment.

The Company integrates online and offline communication channels, using WeCom announcements, official accounts, and feature columns, as well as advertising displays, roll-up banners, cultural walls, and notice boards, to ensure that policies, regulations, and care-related information reach every employee efficiently. Concurrently, a feedback mechanism with dedicated personnel for follow-up has been established to respond promptly to employee requests, thereby enhancing trust and improving operational efficiency.

To improve the management of employee relations during and after departure, the Company has added an HR contact information prompt to the resignation application process. This explicitly provides the contact telephone number for an employee relations specialist, establishing a clear official communication channel. This ensures that former employees can conveniently seek consultation and provide feedback even after their employment relationship has ended, effectively reducing the risk of misunderstandings and disputes arising from insufficient communication.

Employee Grievance Mechanism

Lead Intelligent is committed to creating a fair and efficient employee grievance and labour dispute resolution mechanism. In 2025, the *Company revised the Communication and Grievance Management System*, clarifying the scope of grievances accepted, optimising the entire process from submission and investigation to feedback and archiving, and strictly guaranteeing the confidentiality of information for employees who file grievances. The system requires all complaints to be handled promptly and fairly, ensuring that employees' opinions are heard and their concerns are addressed, while also providing necessary psychological and legal support to genuinely protect their legitimate rights and interests.

Complaint Policy		The Company adopts an open approach for communication, treats every employee with equality and sincerity. Employees are encouraged to provide opinions and suggestions and seek solutions through the official and formal communication platform and channels.
Complaint Channel	Online channel	Email, WeCom - Mediation Committee Feedback Assistant, Mediation Committee - Hotline
	Offline channel	Immediate superior, HRBP, employee seminar, Mediation Committee Office
Complaint Scope		Unreasonable behavior of employees and superiors that harms the interests of the Company and employees, or behavior that violates the Company's management system or national laws and regulations
Principles of Handling		Confidentiality, fairness, timeliness, and accuracy

Employee Grievance Mechanism

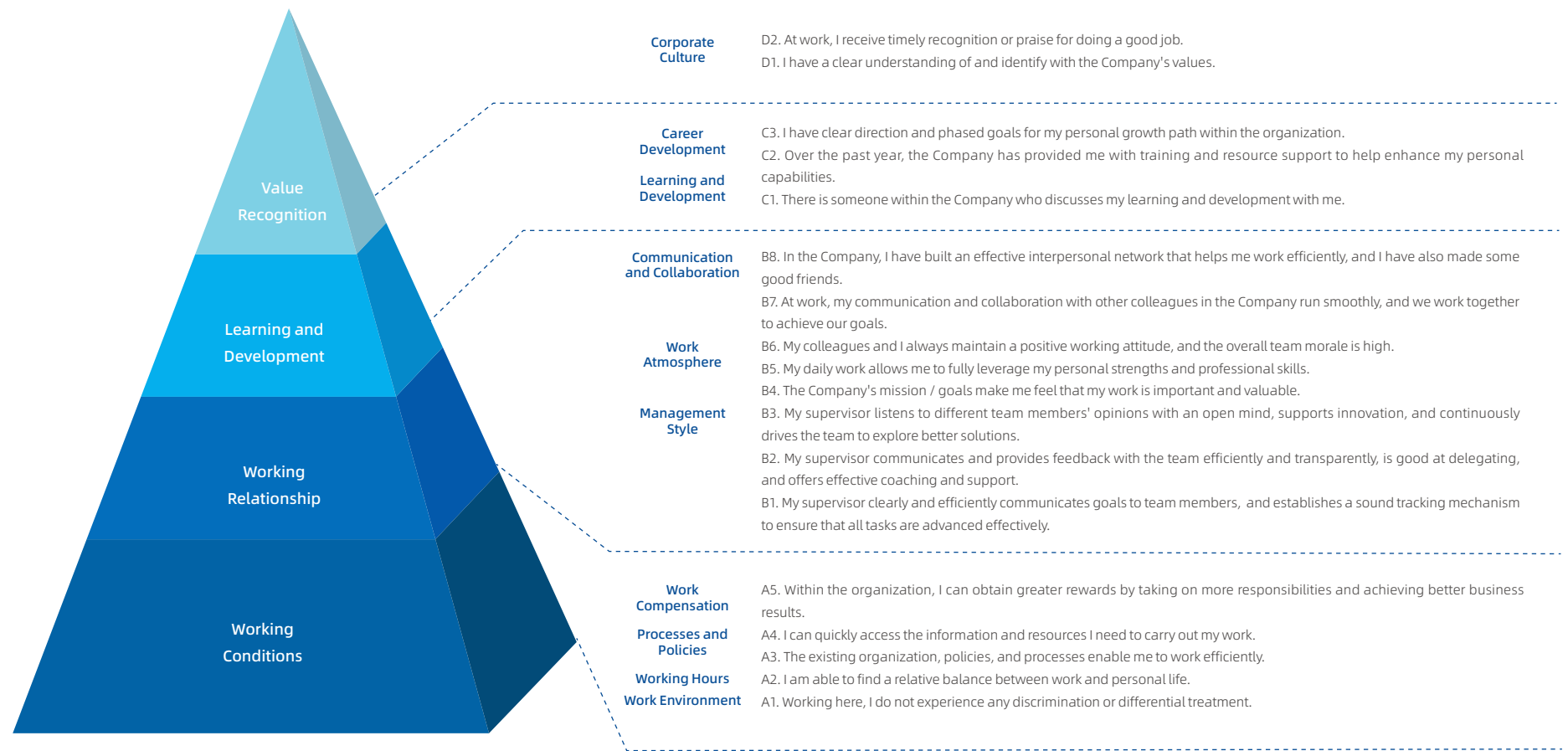


Labour Dispute Resolution Mechanism

Employee Engagement Survey

Lead Intelligent has established a closed-loop management system for employee satisfaction and engagement, covering 'Survey-Analysis-Improvement-Feedback', and regularly conducts flexible and comprehensive engagement surveys while continuously optimizing the survey model. The results are used to drive various departments to formulate phased improvement plans, with implementation ensured through monthly tracking and regular communication. Employee engagement performance is integrated into the ESG management system, helping optimize the employee experience and organizational health, thereby promoting the sustainable development of the enterprise.

In 2025, the effective participation rate in the Company's engagement survey was 83.74%, with 87% of employees responding as 'Engaged/Satisfied'¹.



¹The statistical scope of the data does not include production workers.

Employee Engagement Survey Model

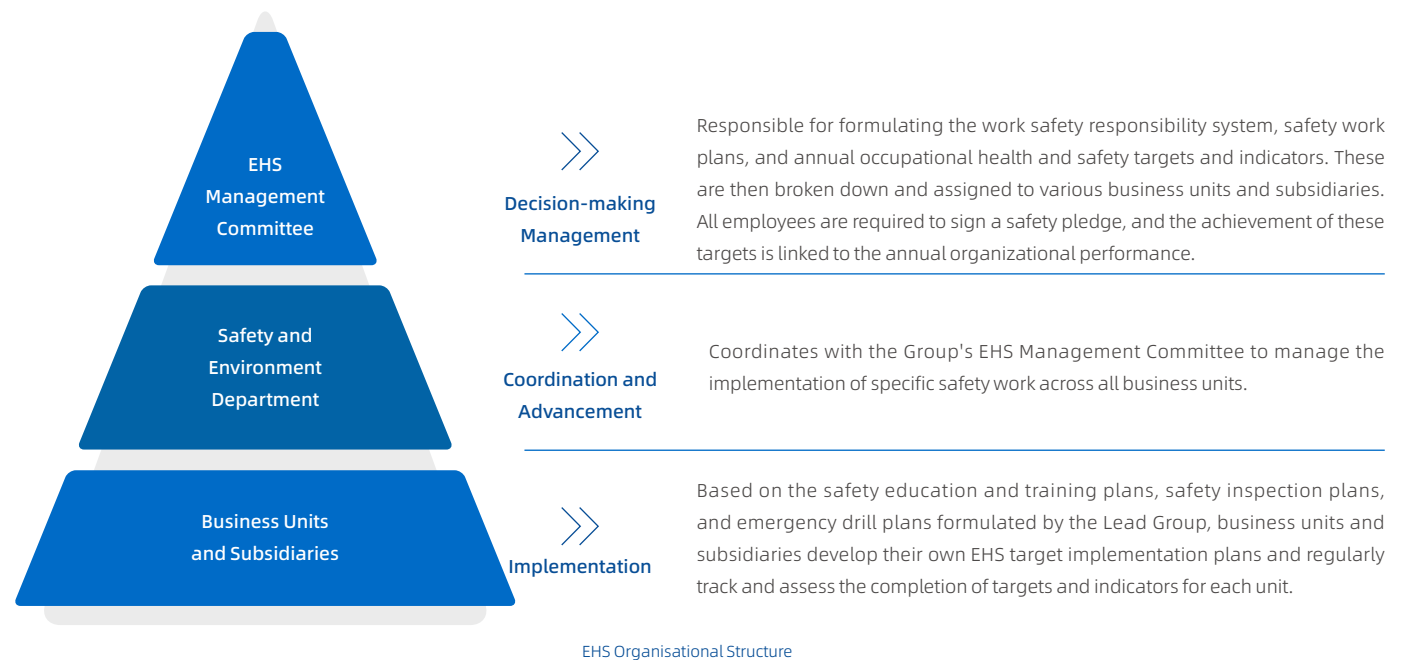
Occupational Health and Safety

Occupational Health and Safety Management System

Lead Intelligent strictly adheres to national laws and regulations such as the *Labour Law of the People's Republic of China*, the *Law of the People's Republic of China on Work Safety*, and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. The Company consistently implements the policy of 'Safety Priority, Prevention First and Comprehensive Management'. Guided by a safety and environmental management vision of 'Zero Injuries, Zero Accidents, Zero Occupational Diseases, and Zero Pollution', Lead Intelligent upholds the principle of 'Life above All' and continuously improves its occupational health and safety management system. As of the end of the Reporting Period, the Company had formulated and issued over 100 corporate safety rules and regulations, including the *Safety Production Responsibility System*, the *Hidden Danger Investigation and Management Regulations*, the *Labor Personal Protection Equipment Management Standards*, and the *Safety Accident Management Procedures*, forming a complete safety management system framework. It has also passed the audit for the ISO 45001 Occupational Health and Safety Management System¹.

Organizational Structure

Lead Intelligent has established an EHS Management Committee, chaired by the head of the enterprise with heads of various departments as members. This committee serves as the highest body for occupational health and safety management in the Company, taking full responsibility for related work and holding a special meeting each quarter. Simultaneously, the Company implements safety responsibilities at every level, and builds a comprehensive work safety responsibility system that extends both horizontally and vertically, ensuring that accountability covers every level from the head of the enterprise to front-line employees. In addition, the Company has established a Safety and Environment Department to coordinate with the EHS Management Committee in advancing specific safety initiatives.



¹The scope of this system certification covers Wuxi Lead Intelligent Equipment Co., Ltd. and its following controlled subsidiaries: Jiangsu Lead Technology Co., Ltd., Jiangsu Lead Hydrogen Intelligent Equipment Co., Ltd., Wuxi Lead Laser Intelligent Equipment Co., Ltd., Guangdong Lead Intelligent Logistics Technology Co., Ltd., and Zhuhai Titans New Power Electronics Co., Ltd.; the geographical boundary encompasses its five main production bases located within China.

The Company regularly implements a dual prevention mechanism of risk classification control and hidden danger investigation and treatment, organises various safety training and education sessions, and carries out unique practices such as Behavior-based Safety (BBS) and 'Safety Performance Evaluation'. Through the work safety responsibility system, it solidifies the chain of accountability for safety, forming a governance structure where the 'regulatory baseline' and 'management high line' work in synergy.

Work Safety Management

Safety Risk Management

The Company comprehensively promotes safety risk management. In accordance with the *Safety Risk Hierarchical Management and Control System*, it conducts all-encompassing risk identification from the three dimensions of process flows, equipment models, and work sections and procedures, and formulates classified control measures covering five aspects: technology, management, training, labour protection, and emergency preparedness. In 2025, the Company revised the *Control Procedures for Hazard Identification and Risk Assessment* and established a cross-disciplinary risk assessment team to conduct pre-emptive risk assessments for new processes, new technologies, new equipment, new materials, and major risk operations, effectively controlling the risks associated with these 'Four New' activities.

Each department is responsible for formulating its own 'Safety Risk Hierarchical Management and Control List' according to the safety risk identification list, and decomposing it to each post.

The general manager is responsible for organizing and implementing the management and control of major risks.

The EHS Management Committee is responsible for organizing special meetings to examine and analyze the implementation and control of the identified major and moderate risks every year and set the focuses of safety risk control for the next year.

The Safety and Environment Department is responsible for supervising the implementation of safety risk management and control of each department, and making real-time adjustment to prevent a 'lifetime rating'.

Safety Risk Management Process



Lead Intelligent develops an intelligent forklift management platform to enhance safety control capabilities

Lead Intelligent's intelligent forklift management platform integrates the Internet of Things, biometric recognition, and spatial positioning technologies, and strictly enforces a 'Person-vehicle Binding' mechanism through facial recognition and fingerprint verification to eliminate unlicensed operation. At the same time, based on BeiDou/GPS positioning technology, the platform sets electronic geofences for each forklift, which immediately trigger audible and visual alarms and automatically reduce speed if operating boundaries are crossed, effectively controlling the risk of losing control in work areas. Furthermore, the system can automatically collect and analyse data such as forklift operating hours and ignition records, providing precise data support for the Company to optimize operational scheduling and improve efficiency.

Key Performance

During the Reporting Period

100%

Coverage of operational sites in employee health and safety risk assessment



ISO 45001 Occupational Health and Safety Management System Certification for Lead Intelligent and its Subsidiaries

Safety Hazard Identification and Inspection

The Company strictly implements the *Hazard Investigation and Management Regulations*, and systematically conducts visible felt leadership inspections¹, daily patrols, and various specialised checks to achieve full coverage of all work sections, processes, and procedures. Based on the Company's safety hazard classification standards, a closed-loop responsibility management system for hazards is implemented through an information system. In 2025, the Company achieved a 100% hazard rectification rate.

Safety Emergency Response

The Company has formulated policies such as the *Emergency Preparedness and Response Control Procedures* and the *Safety Accident and Incident Management Procedures* to standardize processes for emergency preparedness, response, work-related injury handling, and emergency incident management, clarifying the powers and responsibilities of the emergency organisation and continuously conducting emergency rescue drills. The Company effectively reduces the risk of work-related injuries for employees through a dual prevention mechanism, safety inspections, and safety training. In the event of a work-related injury, the Company strictly follows procedures for reporting, investigation, and cause analysis, and tracks and rectifies identified issues to form a closed-loop management system.

Related Party Safety Management

The Company places high importance on the safety management of related parties, strictly adhering to policies such as the *Supplier Safety Management System* and the *Stakeholder Management Control Procedures*. In 2025, the Company released the *Supplier Work Safety Management Manual*, established a graded and classified review mechanism, and achieved a 100% signing rate for safety management agreements with new suppliers for the year. Concurrently, the Company developed and operates an online training and briefing platform for suppliers entering its facilities, integrating training examinations with access approval and establishing a linkage mechanism between entry assessment and security screening to enhance the convenience of the entry process while ensuring operational safety. In terms of client-side safety management, the Company strictly adheres to project specifications by assigning dedicated full-time and part-time safety administrators to sites, strengthening safety control throughout the entire process to ensure the smooth and orderly delivery of projects.

Key Performance

During the Reporting Period

100%

Signing rate for safety management agreements with new suppliers



Chemical Management

The Company complies with laws and regulations related to chemical safety in China and overseas, including the *Regulations of the People's Republic of China on the Control of Monitored Chemicals*, the *Regulations on the Safety Management of Hazardous Chemicals*, the *Interim Provisions on the Supervision and Administration of Major Hazard Sources of Hazardous Chemicals*, and the *Catalogue of Hazardous Chemicals*, and has systematically prepared and implemented the *Chemical Life-cycle Management Procedures*. This policy covers the entire life cycle of chemicals from purchase, storage, and use to disposal, defining management standards and risk control requirements for each stage to achieve compliant management and full-process safety control.

The Company has formulated and strictly implements a hazardous chemical management process, utilising information systems to manage the entire approval process for chemical procurement requests and the introduction of new chemicals on-site. In accordance with local regulations where it operates, the Company implements bans and substitution management for restricted substances and chemicals with high toxicity or severe occupational health hazards. In 2025, the Company organized specialized management training for all employees who handle chemicals, achieving 100% coverage. Additionally, the Company develops annual plans for specialised chemical training and Emergency drills, enhancing employees' understanding of chemical properties through systematic training and strengthening their emergency response capabilities through practical drills.

¹Visible felt leadership inspections are a management concept where company leaders, through their own demonstrations of safe behaviour, help employees perceive the importance of production safety.

Occupational Health Management

In occupational health management, the Company strictly adheres to the *Occupational Health Management Standards*, implements the 'Three Simultaneous' principles for occupational health in new construction projects and conducts regular evaluations to ensure protective facilities are commissioned concurrently. The Company conducts regular hazardous factor monitoring in all workplaces with occupational hazards, ensures that employees in relevant positions undergo pre-employment, in-service, and post-employment occupational health check-ups, and establishes individual occupational health records to systematically protect employees' occupational health rights and interests.

Occupational Health Hazard Identification and Control

To address major occupational hazards such as noise and dust in the production process, the Company has prepared the *Identification List of Post Occupational Hazard* and regularly conducts occupational hazard factor testing in the work environment to identify various hazards and harmful substances, achieving effective prevention and control of occupational hazards through measures such as installing vibration damping facilities and dust collection devices, distributing personal protective equipment, and conducting regular occupational health examinations and occupational disease hazard factor monitoring.

Occupational Health and Safety Inspections

The Company formulates a monthly occupational health and safety inspection plan, which includes occupational protection facilities, sanitation equipment, and canteen environments within its scope, promptly reporting any identified hazards or non-conformities and setting deadlines for rectification. Concurrently, the Company conducts regular specialized inspections of the working environment to ensure it meets relevant standard requirements, effectively safeguarding employee occupational health and operational safety.

First Aid and Emergency Treatment

The Company equips each of its sites with automated external defibrillator (AED) and provides first-aid kits in every workshop to ensure employees can receive timely treatment in case of an accident. The Company also regularly conducts training and drills on first-aid knowledge, including cardiopulmonary resuscitation (CPR), burn first aid, and the Heimlich maneuver, to help employees master basic first-aid skills. Furthermore, the Company has signed medical rescue agreements with nearby hospitals to ensure that injured employees receive professional medical treatment immediately in the event of an incident.

Occupational Health and Safety Audit

In 2025, the Company systematically conducted internal and external audits of its occupational health and safety management system to ensure its continued effective operation. The Company has established a systematic internal audit mechanism, conducting at least one comprehensive internal audit covering all departments annually and organising annual inspections and on-site patrols for specific areas such as occupational hygiene and safety to achieve regular self-supervision. At the same time, the Company undergoes annual surveillance audits by external third-party organisations, which conduct rigorous reviews of the entire operational process of the management system through on-site inspections, document reviews, and interviews.

Key Performance

During the
Reporting Period

100%

Coverage rate for employee occupational health examinations

100%

Pass rate for inspections of workplaces with occupational hazards

Food Safety Management

In 2025, Lead Intelligent actively promoted enhancements in employee catering safety and health management, continuing to provide safe, healthy, and high-quality catering services to its employees.



The Company completed a comprehensive upgrade of tableware cleaning and drying agents across all its factory sites, uniformly replacing the original national standard Class B products with safer Class A products that meet food-grade standards.



The Company has engaged a third-party professional testing agency to establish a regular sampling and testing mechanism for the continuous monitoring of the quality of tableware disinfection and cleaning, ensuring dining safety.



The Company has initiated preparatory work for a catering committee and is piloting the participation of employee representatives in on-site inspections and management to promote transparency in catering services and increase employee involvement.

Canteen Food Safety Management Measures in 2025

Building an Occupational Health and Safety Culture

The Company is committed to creating a multi-layered and multi-dimensional occupational health and safety training system. Leveraging the 'Lead Intelligent e-Learning' online platform, it regularly conducts specialized training for managers, team leaders, personnel returning to work after a transfer, and 'Four New' education, while strictly implementing a three-tier safety education system. The training content focuses on core areas such as job operating procedures, hazard identification, and road traffic safety, systematically enhancing the safety awareness and risk prevention capabilities of all employees.

Event Content	Progress in 2025
Safety Education and Training	- Developed an annual safety education and training plan covering multiple dimensions, including three-tier safety education for new employees, entry training for suppliers, daily education for team leaders, safety management training for middle and senior management, and daily safety education for all employees. - Conducted a total of 12 daily employee safety training sessions, with 179,402 participant attendances. - Conducted health and safety training for production staff, with an average of 24 training hours per person and 100% coverage. - Completed entry training for 10,962 supplier personnel, achieving 100% coverage. - Organized certification for 214 specialised operation personnel and 92 specialized equipment operators.
Safety Culture Development	- Organized and planned a series of activities, including a safety knowledge competition and an EHS fair (featuring a safety message wall, a simulated experience of drink-driving hazards, and hands-on first aid practice). - Organized a firefighting skills competition with events covering initial fire extinguishing, donning firefighting gear, and hose connection. 48 people were certified in the first-aider training during safety month. - A total of approximately 5,200 participant attendances in series of activities such as the safety knowledge competition and the EHS fair. - A total of over 8,000 participant attendances in firefighting knowledge popularisation and awareness training, all of whom completed the assessment.
Emergency Drills	- Formulated an annual plan for emergency drills, including 11 types of drills such as fire evacuation, mechanical injury, special equipment accidents, and typhoon and flood prevention, covering all production and business departments, middle and back-office support departments, and long-term on-site suppliers. - Conducted 48 emergency drills, achieving 100% coverage.

Pre-employment Training

- Through three-tier safety education, training and assessment, the Company ensures that new employees master essential occupational health and safety knowledge.

Regular Training

- An annual safety education and training plan is formulated and implemented accordingly to continuously strengthen employees' safety capabilities. The training subjects include fire safety, occupational hygiene and safety, first-aid training, ground operation of cranes, and safety training for supervisors of special operations.

Related Party Training

- The Company provides online safety training for external construction personnel and conducts occupational health and safety management training for suppliers' personnel entering our facilities.

Lead Intelligent Occupational Health and Safety Training Project



'Firefighting wharf' construction project



To serve surrounding industrial parks and fill the regional gap in professional water intake facilities, Lead Intelligent fully supported the government in constructing Wuxi's first intelligent firefighting water intake wharf within the Lead Intelligent industrial park area; the project, which integrates firefighting water intake with safety education, enhances the fire safety awareness of all personnel through regular knowledge dissemination and practical drills, strengthens emergency response capabilities and handling efficiency, and builds a solid foundation for the region's safe operation and sustainable development.



Firefighting Wharf

Contribution to Community Development

Public Welfare and Charity

Lead Intelligent implements the social responsibility philosophy of 'Integrity, Harmony, Green, and Development', creating the 'Intelligence for Good' series of public welfare action plans. These plans clarify the principles of public welfare support, key areas, project application and review processes, ensuring that project approvals are scientific, procedures are standardized, and the use of funds is open and transparent, thereby maximizing the rational allocation of public welfare resources and social value.

In 2025, Lead Intelligent donated funds to the Wuxi Xinwu District Charity Association to establish the 'Warm Light Public Welfare Fund'. This fund has a planned total scale of RMB 30 million, The Company made an initial donation of RMB 6 million in the first year and has committed to continuous annual contributions. Concurrently, the Company formulated the *Administrative Measures for the Warm Light Public Welfare Fund* to build a standardized and transparent management and operational mechanism, providing a solid guarantee for the fund's long-term and institutionalised operation. The fund focuses on supporting areas such as public welfare and charity, scientific research and innovation, educational development, rural revitalization, and green environmental protection, fully leveraging the Company's resources and professional advantages to continuously enhance its social influence and value creation capabilities.



Inclusive Education

Using the 'Warm Light Public Welfare Fund' as a platform, the Company systematically promotes inclusive education. Through continuous resource investment and targeted assistance, it is committed to narrowing the educational gap and providing more students with accessible opportunities for scientific enlightenment and growth.



Nurturing new talent in intelligent manufacturing, passing the torch – LEAD's talent development initiative



In 2017, Lead Intelligent established the RMB 10 million 'Wang Yanqing Scholarship' at Jiangsu Xishan Senior High School to inspire more students to pursue their dreams and give back to Wuxi's local education system. Since 2021, the Company has expanded its scholarship scope to higher education, successively establishing the 'Wang Yanqing Scholarship' at six key universities—Harbin Institute of Technology, Southeast University, Huazhong University of Science and Technology, Nanjing University of Science and Technology, China University of Mining and Technology, and Hefei University of Technology—contributing hundreds of thousands of yuan annually to support nearly 100 outstanding students and inject corporate strength into talent cultivation.



Harbin Institute of Technology



Southeast University



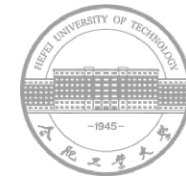
Huazhong University of Science and Technology



Nanjing University of Science and Technology



China University of Mining and Technology



Hefei University of Technology

Rural Revitalization

As a benevolent enterprise, Lead Intelligent has always been committed to rural revitalization through practical actions. The Company fully leverages its own advantages, precisely aligns its corporate resources with the development needs of rural areas through various means such as educational support and consumption-based agricultural aid, and continuously inject corporate strength into promoting rural revitalization.



Building dreams with technology, walking together in the warm light –Lead Intelligent's educational support initiative

In October 2025, the Company visited Yichuan County, Yan'an, to deepen the 'Jiangsu-Shaanxi Linkage · Technology for Dreams' educational initiative.

To address the local schools' lack of professional equipment, the Company funded the construction of a standardized maker classroom at Yichuan Chengguan Primary School, equipping it with laptops, programming robots, and other devices to give children hands-on experience with technology and stimulate their innovative potential. In addition to hardware support, the Company conducted in-depth visits to the families of students in difficult situations, delivering school supplies and daily necessities.

Based on the needs identified during these on-site visits, the Company donated 126 sets of custom winter school uniforms and 1,470 required reading books to township schools in Yichuan County. It also mobilised employees through the 'Donate a Children's Book · Share the Love' campaign to collect over 500 second-hand extracurricular children's books, further enriching the local schools' reading resources. At the same time, the Company continued to deepen its assistance programme for students in difficult situations, increasing the number of subsidised students from 12 in 2024 to 29 in 2025 and expanding the educational stages covered from primary and junior secondary school to senior secondary school, striving to provide more sustainable educational support for more students.

During the Reporting Period, the Company invested a total of approximately RMB 250,000 in dedicated funds for educational support initiatives in Yichuan County.

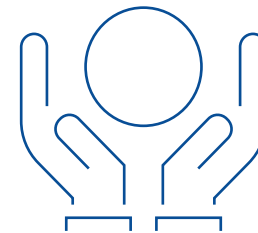


Students from Yunyan Town, Yichuan County, Wearing Winter School Uniforms Donated by Lead Intelligent



'Smart Micro-marts', helping farmers one drop at a time –Lead Intelligent's consumption-based support initiative

To deepen consumption-based support, the Company introduced 'Smart Micro-mart' automated vending machines in 2025. These machines stock agricultural and sideline products selected from Wuxi's partner assistance regions, including Huzhu in Qinghai, Yichuan in Yan'an, and Akqi and Huocheng in Xinjiang. Employees participate in the support initiative through their daily purchases, which not only provides convenience for them but also broadens sales channels for agricultural products from remote areas, integrating the goodwill of supporting rural revitalization into the Company's daily operations.



'Smart Micro-mart' Automated Vending Machine



Emergency and Disaster Relief

Lead Intelligent actively participates in social welfare through means such as emergency and disaster relief, and takes the initiative to assume responsibility and respond swiftly during major public emergencies. Through tangible actions, it protects the lives and homes of its compatriots, demonstrating the responsibility and patriotism of a national enterprise in the new era.



A heart for Hong Kong, watching over and helping each other – Lead Intelligent's aid for the Tai Po fire



On 26 November 2025, a sudden fire broke out at Wang Fuk Court in Tai Po, New Territories, Hong Kong, causing significant casualties and property damage. Lead Intelligent urgently launched the 'Hong Kong Emergency Assistance Plan', donating RMB 1 million through the Company's 'Warm Light Public Welfare Fund' to the 'Support Fund for Wang Fuk Court in Tai Po' for the medical treatment and resettlement of affected compatriots. It continues to monitor the situation, doing its utmost to provide support to the people of Hong Kong and help them rebuild their homes and return to normal life as soon as possible.

Employee Love Fund

The Company established the Love Fund in 2018, creating a long-term mechanism for assisting employees in need. The fund is financed by voluntary donations from employees and fixed annual injections from the Company, and is specifically used to support employees facing financial hardship due to disability, illness, or accidents affecting themselves or their immediate family members. In 2025, the Love Fund provided special grants to nearly 20 employees who experienced major illnesses or sudden difficulties, effectively alleviating their financial pressures and conveying the Company's care.

Awards and Honours

During the Reporting Period, the Company

- Received the 'Wuxi Listed Company ESG Philanthropic Innovation Case' award



Community Involvement

While actively engaging in charitable donations, Lead Intelligent also puts its principles into practice through volunteer services, transforming corporate goodwill into tangible warmth and giving back to the local community through practical actions.

Community Activities

Lead Intelligent actively promotes diversified volunteer services to give back to the community. An internal volunteer service association has been established to provide a platform for regular participation. The Company also uses questionnaire surveys to accurately match employee interests with volunteer projects, thereby enhancing engagement. Concurrently, a public welfare points system has been set up, converting volunteer service hours into points that can be used for selecting the 'Lead Intelligent Volunteer Star' and redeeming charity gifts, aiming to stimulate the enthusiasm of all employees for participation and continuously expand its public welfare impact.



Lead Intelligent Employee Public Welfare Star Awards



Intelligent manufacturing with love, safeguarding the elderly –Lead Intelligent's initiative to care for the elderly living alone

In 2025, Lead Intelligent actively carried out the 'Caring for the Elderly Living Alone' public welfare activity. Each quarter, volunteers were organized to visit the homes of elderly people living alone and bereaved ones in surrounding communities, providing caring services such as on-site gas safety checks, electrical facility hazard inspections and repairs, and health monitoring. They also delivered daily necessities like rice and oil, conveying the Company's care and greetings.



Caring for the Elderly Living Alone Activity



'I Have a Little Red Flower' –Lead Intelligent's charity market event

In 2025, Lead Intelligent actively participated in the Tencent 99 Giving Day by launching the 'I Have a Little Red Flower' charity market event. Four themed events were held in Wuxi's core business districts, attracting a total of 651 participants and raising RMB 9,072.59. All proceeds were donated to the 'One Foundation Ocean Heaven Project' to specifically support care initiatives for children in difficult situations.



Lead Intelligent's 'I Have a Little Red Flower' Charity Event



Empowering through sports, building dreams through vocational training –Lead Intelligent's initiative to care for children with special needs

In 2025, Lead Intelligent provided continuous support for the healthy development and social integration of children with special needs through two main avenues: physical exercise and vocational empowerment, linked to its internal football league and Mid-autumn Festival welfare distribution.

'Football for the Future, Walking Together in the Warm Light' Project

In this year's 'Lead Intelligent Cup' football league, the Company established a charity matching donation mechanism: for every goal scored, the Company matched it with a donation of materials of equivalent value to RMB 100. Ultimately, the Company donated sports equipment valued at RMB 9,700 to Wuxi Xinwu District Xinming Experimental School (a special education school) to support the healthy development of its students.

'Mid-Autumn Gift Box Micro-Charity' Plan

During the distribution of Mid-Autumn Festival employee benefits, the Company launched the 'Donate One Yuan for Every Gift Box' micro-charity campaign, investing a total of RMB 20,000 to build the 'Lead Intelligent Warm Light Vocational Training Room'. This training room simulates real restaurant and guest room settings, helping special education students conduct practical vocational skills training to enhance their employability.



Lead Intelligent Warm Light Vocational Training Room (Guest Room Setting)

Environmental Protection

Lead Intelligent has long been deeply involved in environmental public welfare, putting the concept of green development into practice through tangible actions. The Company continuously carries out volunteer service activities such as litter clean-ups and mountain and forest protection, aiming to enhance employees' environmental awareness and contribute to the improvement of the community environment.



Cleaning the Mountains, Guarding the Green – Lead Intelligent's mountain cleaning environmental initiative

In June 2025, Lead Intelligent, in collaboration with the Wuxi Taihu Carbon-Inclusive Green Development Centre, held the 'Cleaning the Mountains, Guarding the Green: A Lead Intelligent Initiative' themed public welfare event at Huishan Forest Park. Dozens of employee volunteers, accompanied by their children, collected rubbish such as plastic bottles and cigarette butts to restore the natural cleanliness of the mountains; interactive games and display boards were also used on-site to popularise knowledge about waste decomposition and promote low-carbon concepts.



Huishan Mountain Cleaning Initiative

Key Performance

During the Reporting Period

The Volunteer Service Association held volunteer service activities such as mountain cleaning, caring for the elderly, traffic safety supervision, charity bazaars, and sporting event support.

16 Volunteer service activities

138 Participants

769 Volunteer service hours



Appendices

ESG Key Performance Table

Environmental Performance

Data scope: The scope of environmental data statistics covers the Company's main production bases, warehouses, and offices in Wuxi, Zhuhai, and Shanghai, excluding outsourced canteens. The entities involved include Wuxi Lead Intelligent Equipment Co., Ltd., Jiangsu Lead Technology Co., Ltd., Jiangsu Lead Hydrogen Intelligent Equipment Co., Ltd., Wuxi Lead Laser Intelligent Equipment Co., Ltd., Guangdong Lead Intelligent Logistics Technology Co., Ltd., Zhuhai Titans New Power Electronics Co., Ltd., and Shanghai Lead Huineng Technology Co., Ltd. (The scope of 2023 environmental data statistics did not include Zhuhai Titans New Power Electronics Co., Ltd. and Shanghai Lead Huineng Technology Co., Ltd.; the scope of 2024 environmental data statistics did not include Shanghai Lead Huineng Technology Co., Ltd.). The aforementioned scope covers the main operational units of the Company that have a substantive environmental impact.

Indicator Category	Indicator Name		Unit	2025	2024	2023
Environmental Management	Total Environmental Protection Investment		RMB10,000	179.30	180.00	185.19
	Percentage of Production Bases Certified with the ISO 14001 Environmental Management System ¹		%	100	/	/
	Environmental Violations	Number of Environmental Penalties	No.	0	0	0
		Total Amount of Environmental Penalties	RMB10,000	0	0	0
Waste Gas Management	Total Waste Gas Emissions		Tonne	1.88	2.69	3.29
	Waste Gas Emissions per Unit of Operating Revenue		Tonne/RMB 100 million	0.01	0.02	/
	Air Pollutants ²	Sulphur Oxides (SO _x)	Tonne	0	0	0
		Nitrogen Oxides (NO _x)	Tonne	0	0	0
		Particulate Matter (PM)	Tonne	0.03	0.03	0.05
		Volatile Organic Compounds (VOC)	Tonne	1.85	2.66	3.23

¹The statistical scope of the data is the five main production bases located within China.

² During the Reporting Period, the Company further standardized the statistical scope of air pollutant emissions data and revised the calculation methods. Consequently, the 2023 particulate matter (PM) emission data, along with the 2023 and 2024 volatile organic compound (VOC) emission data, have been adjusted accordingly.

Indicator Category	Indicator Name		Unit	2025	2024	2023
Waste Management	Total Hazardous Waste ¹		Tonne	51.62	67.98	93.41
	Hazardous Waste Disposed per Unit of Operating Revenue		Tonne/RMB 100 million	0.36	0.57	/
	Hazardous Waste (by Recovery/Disposal Method)	Incineration (Without Energy Recovery) ²	Tonne	4.99	1.65	16.00
		Other Disposal Operations	Tonne	46.62	66.33	77.41
	Total Non-hazardous Waste ³		Tonne	4,257.11	/	/
	Non-hazardous Waste Disposed per Unit of Operating Revenue		Tonne/RMB 100 million	29.48	/	/
	Non-hazardous Waste (by Recovery/Disposal Method)	Other Recovery Operations	Tonne	4,257.11	/	/
Energy Use	Percentage of Production Bases Certified with the ISO 50001 Energy Management System ⁴		%	80	/	/
	Total Comprehensive Energy Consumption		Tonne of standard coal equivalent	9,834.90	7,862.52	6,381.96
			MWh	80,023.58	63,974.90	51,928.11
	Comprehensive Energy Consumption Intensity ⁵		MWh/RMB 100 million	554.06	539.64	/
	Direct Energy Consumption	Total Direct Energy Consumption	Tonne of standard coal equivalent	427.02	460.58	459.46
			MWh	3,474.56	3,747.58	3,738.49
		Petrol	Litre	193,913.78	179,638.64	124,150.07
		Diesel	Litre	78,154.39	100,180.79	104,598.90
		Natural Gas	Cubic metre	87,112.00	105,948.00	180,905.00
		Liquefied Petroleum Gas	Kilogram	16,731.00	17,374.50	/
	Direct Energy Consumption Intensity		MWh/RMB 100 million	24.06	31.61	/

¹Hazardous waste primarily includes waste emulsion, waste oil, oil-containing waste, waste solvent, waste package and container, waste filters, and activated carbon. As the statistical scope of the total hazardous waste data has been broadened, the 2023 data has been recalculated and revised accordingly.

²During the Reporting Period, the volume of hazardous waste disposed of by incineration fluctuated significantly compared to previous years. This was primarily due to the Company's practice of centralized periodic disposal of hazardous waste, resulting in a timing mismatch between the disposal period and the generation period of the waste (e.g., the current period's disposal volume includes portion generated in prior period), which affected the comparability of data between years. The Company has implemented the Hazardous Waste Transfer Manifest System in accordance with legal requirements, and both storage and disposal processes are in full compliance with environmental management regulations.

³Non-hazardous waste primarily includes scrap steel, scrap offcuts, scrap wires, scrap plastics, scrap non-ferrous metals, scrap paper, and waste wood. Due to the expanded statistical scope, the 2025 non-hazardous waste data is not comparable with data from prior years. To prevent any potential misinterpretation by report readers, the corresponding data for prior years has been denoted with a slash "/".

⁴The statistical scope of the data is the five main production bases located within China.

⁵Comprehensive energy consumption intensity = Total comprehensive energy consumption ÷ Operating revenue.

Indicator Category	Indicator Name		Unit	2025	2024	2023
Energy Use	Indirect Energy Consumption	Total Indirect Energy Consumption	Tonne of standard coal equivalent	9,407.87	7,401.94	5,922.50
			MWh	76,549.02	60,227.32	48,189.62
		Purchased Grid Electricity	MWh	74,343.46	60,227.32	48,189.62
		Purchased Photovoltaic Electricity Consumption	MWh	2,205.57	0	0
	Indirect Energy Consumption Intensity		MWh/RMB 100 million	530.00	508.03	/
	Renewable Energy Consumption	Total Renewable Energy Consumption	Tonne of standard coal equivalent	1,389.45	1,174.06	860.30
			MWh	11,305.57	9,553.00	7,000.00
		Renewable Energy Usage Ratio	%	14.13	14.93	13.48
	Non-renewable Energy Consumption	Total Non-renewable Energy Consumption	Tonne of standard coal equivalent	8,445.44	6,688.45	5,521.66
			MWh	68,718.02	54,421.90	44,928.11
		Non-renewable Energy Usage Ratio	%	85.87	85.07	86.52
	Total Water Withdrawal ²		Tonne	375,893.70	331,610.22	242,965.45
Water Resources Utilisation ¹	Water Consumption	Total Water Consumption	Tonne	37,589.37	33,161.02	24,296.55
		Water Consumption per Thousand Employees	Tonne/ thousand employees	2,477.39	2,207.06	/
		Water Consumption per Unit of Operating Revenue	Tonne /RMB 100 million	260.26	279.72	/
	Total Water Discharge		Tonne	338,304.33	298,449.20	218,668.91
Packaging Material Management	Total Packaging Material Consumption		Tonne	7,407.09	/	/
	Packaging Material Consumption per Unit of Operating Revenue		Tonne /RMB 100 million	51.28	/	/

¹According to Article 4.1.14 of the national standard *Standard for design of outdoor wastewater engineering* (GB 50014-2021) issued by the Ministry of Housing and Urban-Rural Development: the comprehensive domestic sewage quota should be determined based on the local water consumption quota and the level of internal water supply and drainage facilities in the building, and may be calculated as 90% of the relevant local water consumption quota. Accordingly, the Company calculates the total water discharge as 90% of the total water withdrawal (municipal water supply), with the remaining 10% recorded as the total water consumption.

²The statistical scope of total water withdrawal only covers the volume of municipal water supply. Rainwater utilization has not yet been precisely measured and is therefore not included in the statistics. During the Reporting Period, the Company further standardized the statistical scope of water resources utilization data, and the 2024 water withdrawal data has been adjusted accordingly.

Indicator Category	Indicator Name		Unit	2025	2024	2023
Packaging Material Management	Non-renewable Packaging Materials	Total Consumption	Tonne	420.23	/	/
		Plastics	Tonne	226.40	/	/
		Others	Tonne	193.83	/	/
	Renewable Packaging Materials	Total Consumption	Tonne	6,986.86	/	/
		Wood	Tonne	6,979.50	/	/
		Others	Tonne	7.36	/	/
Greenhouse Gas (GHG) Management	Scope 1 Total GHG Emissions		Tonne of CO ₂ e	1,552.15	1,902.61	1,152.99
	Scope 2 Total GHG Emissions (Location-based)		Tonne of CO ₂ e	39,446.64	32,316.98	27,320.65
	Scope 2 Total GHG Emissions (Market-based)		Tonne of CO ₂ e	39,773.72	/	/
	Scope 3 Total GHG Emissions		Tonne of CO ₂ e	9,390,706.92	4,008,964.95	12,879,554.32
	Total GHG Emissions (Scope 1 and 2) ¹		Tonne of CO ₂ e	40,998.79	34,220.59	28,473.64
	Total GHG Emissions (Scope 1, 2, and 3) ²		Tonne of CO ₂ e	9,431,705.71	4,043,185.54	12,908,027.95
	GHG Emissions per Unit of Operating Revenue (Scope 1 and 2)		Tonne of CO ₂ e / RMB 100 million	283.86	288.66	/
	GHG Emissions per Unit of Operating Revenue (Scope 1, 2, and 3)		Tonne of CO ₂ e / RMB 100 million	65,302.59	34,105.04	/
	Scope 3 Upstream Total GHG Emissions		Tonne of CO ₂ e	540,876.66	333,116.98	453,056.86
	Scope 3 Downstream Total GHG Emissions		Tonne of CO ₂ e	8,849,830.26	3,675,847.97	12,426,497.46

¹For total GHG emissions (Scope 1 and 2), the Scope 2 GHG emissions data is calculated using the location-based method.

²For total GHG emissions (Scope 1, 2, and 3), the Scope 2 GHG emissions data is calculated using the location-based method.

Social Performance

Data scope: The scope of social statistics is consistent with the scope of the consolidated financial statement, unless otherwise specified.

Indicator Category	Indicator Name		Unit	2025	2024	2023
Employee Structure	Total Number of Employees ¹		Person	15,173	15,025	19,125
	By Gender	Male	Person	13,104	12,825	16,389
		Female	Person	2,069	2,200	2,736
	By Age	30 and Under	Person	6,724	6,861	10,129
		31-50	Person	8,340	8,054	8,869
		51 and Above	Person	109	110	127
	By Job Level ²	Senior Management Employees	Person	93	113	114
		Middle Management Employees	Person	295	363	404
		Junior Management Employees	Person	287	393	422
		Frontline Employees	Person	14,498	14,156	18,185
	By Education Level	Master Degree and above	Person	901	993	1,033
		Undergraduate Degree	Person	5,377	6,225	7,024
		College Degree	Person	4,008	3,182	4,490
		Below College Degree	Person	4,887	4,625	6,578
	By Region	Chinese Nationality Employees (including Hong Kong, Macao and Taiwan)	Person	15,090	14,929	19,009
		Percentage of Chinese Nationality Employees	%	99.45	99.36	99.39
		Overseas Nationality Employees	Person	83	96	116
		Percentage of Overseas Nationality Employees	%	0.55	0.64	0.61

¹The total number of employees represents the number of active employees as at the end of the Reporting Period.

²Senior Management Employees: Director level and above; Middle Management Employees: Manager level and above (below Director level); Junior Management Employees: Supervisor, Deputy Workshop Director level and above (below Manager level); Frontline Employees: Below Supervisor and Deputy Workshop Director level

Indicator Category	Indicator Name		Unit	2025	2024	2023
Employee Structure	By Employment Type	Full-Time	Person	15,085	14,994	18,999
		Part-Time ¹	Person	88	31	126
Recruitment Management	Employees Filling Vacant Positions Through Internal Competition	Total	Person	243	/	/
		By Gender	Male	Person	208	/
			Female	Person	35	/
		By Age	Under 30	Person	64	/
			30-50	Person	178	/
			51 and above	Person	1	/
		By Job Level	Senior Management Employees	Person	4	/
			Middle Management Employees	Person	10	/
			Junior Management Employees	Person	1	/
			Frontline Employees	Person	228	/
		By Region	Chinese Nationality Employees	Person	243	/
			Overseas Nationality Employees	Person	0	/
	New Employees	Total	Person	6,456	/	/
		By Gender	Male	Person	5,695	/
			Female	Person	761	/
		By Age	Under 30	Person	4,317	/
			30-50	Person	2,134	/
			51 and above	Person	5	/

¹All part-time employees of the Company are interns.

Indicator Category	Indicator Name			Unit	2025	2024	2023
Recruitment Management	New Employees	By Job Level	Senior Management Employees	Person	11	/	/
			Middle Management Employees	Person	24	/	/
			Junior Management Employees	Person	15	/	/
			Frontline Employees	Person	6,406	/	/
		By Region	Chinese Nationality Employees	Person	6,443	/	/
			Overseas Nationality Employees	Person	13	/	/
Employee Turnover	Employee Turnover Rate ¹			%	29.79	/	/
	By Gender	Male	%	29.65	/	/	
		Female	%	30.66	/	/	
	By Region	Chinese Nationality	%	29.80	/	/	
		Overseas Nationality	%	27.19	/	/	
	By Age	Under 30	%	35.43	/	/	
		30-50	%	24.62	/	/	
51 and above		%	18.05	/	/		
Employee Training and Development	Employee Training Coverage Rate			%	100	100	100
	Training Investment per Capita ²			RMB	241.45	517	356
	By Gender ³	Training Investment per Capita for Male Employees		RMB	246.09	/	/
		Training Investment per Capita for Female Employees		RMB	212.01	/	/

¹Employee Turnover Rate = Number of Departed Employees ÷ (Number of Departed Employees + Total Number of Employees at the End of the Reporting Period) × 100%

²During the Reporting Period, the Company comprehensively deepened the application of the 'Lead Intelligent e-Learning' platform. By reusing purchased online courses and integrating offline sandbox simulations and course resources, the Company reduced the proportion of external training. This approach enabled the Company to achieve optimised control over training costs while ensuring training quality and coverage.

³Due to limitations in data availability, the per capita training investment by gender is calculated based on the Company's total training investment, apportioned according to the ratio of average training hours between male and female employees.

Indicator Category	Indicator Name		Unit	2025	2024	2023
Employee Training and Development	Average Training Hours per Employee		Hour	37	43	42
	By Gender	Average Training Hours per Male Employee	Hour	38	/	/
		Percentage of Male Employees Trained	%	100	/	/
		Average Training Hours per Female Employee	Hour	33	/	/
		Percentage of Female Employees Trained	%	100	/	/
	By Job Level	Average Training Hours per Senior Management Employee	Hour	32	/	/
		Percentage of Senior Management Employees Trained	%	100	/	/
		Average Training Hours per Middle Management Employee	Hour	43	/	/
		Percentage of Middle Management Employees Trained	%	100	/	/
		Average Training Hours per Junior Management Employee	Hour	47	/	/
		Percentage of Junior Management Employees Trained	%	100	/	/
		Average Training Hours per Frontline Employee	Hour	37	/	/
		Percentage of Frontline Employee Trained	%	100	/	/
	Total Number of Employees Trained		Attendance	151,571	/	/
	By Gender	Total Number of Male Employees Participated in Training	Attendance	129,232	/	/
		Total Number of Female Employees Participated in Training	Attendance	22,339	/	/
	By Job Level	Total Number of Participants in Training for Senior Management Employees	Attendance	975	/	/
		Total Number of Participants in Training for Middle Management Employees	Attendance	3,793	/	/
		Total Number of Participants in Training for Entry-level Management Employees	Attendance	3,442	/	/
		Total Number of Participants in Training for Frontline Employees	Attendance	143,361	/	/
	Percentage of Employees Trained in Policies or Procedures Concerning Employee Rights and Interests		%	100	100	100
	Percentage of Employees Receiving Regular Performance and Career Development Reviews		%	100	100	100

Indicator Category	Indicator Name		Unit	2025	2024	2023
Diversity and Equal Opportunity	Number of Ethnic Minority Employees		Person	509	448	580
	Percentage of Female Employees in Management by Job Level	Percentage of Female Employees in Senior Management	%	13.98	17.7	17.54
		Percentage of Female Employees in Middle Management	%	7.12	9.09	7.92
		Percentage of Female Employees in Junior Management	%	7.29	9.16	10.19
	Percentage of Female Employees by Function	Percentage of Female Employees in Revenue-generating Positions ¹	%	39.72	29.10	24.52
		Percentage of Female Employees in Management Positions in Revenue-generating Functions	%	22.73	13.64	10.71
		Percentage of Female Employees in STEM-related Positions ²	%	8.93	9.94	7.53
		Percentage of Female Employees in Management Positions in STEM-related Functions	%	3.18	3.14	3.23
Protection of Employee Rights and Interests	Labour Contract Signing Rate ³		%	100	100	100
	Social Insurance Coverage Rate ⁴		%	100	100	100
	Collective Agreement Signing Coverage Rate ⁴		%	100	100	100
	Number of Employees Entitled to Paid Parental Leave	Male	Person	1,475	/	/
		Female	Person	254	/	/
	Number of Employees Taking Parental Leave	Male	Person	1,362	1,266	711
		Female	Person	222	211	162
Occupational Health and Safety	Number of Employees Taking Paid Family or Care Leave, Excluding Parental Leave		Person	461	428	/
	Percentage of Production Bases Certified with the ISO 45001 Occupational Health and Safety Management System ⁵		%	100	/	/
	Investment Amount in Work-related Injury Insurance		RMB	13,975,047.07	/	/
	Work-related Injury Insurance Coverage Rate		%	100	/	/

¹Revenue-generating departments encompass marketing-line personnel, including positions such as sales, sales assistants, and business development positions.

²STEM positions are those that require knowledge and skills in the fields of Science, Technology, Engineering, and Mathematics. These primarily include R&D- personnel, such as roles in product planning, electrical R&D, and mechanical R&D.

³The statistical scope for data covers full-time employees.

⁴The statistical scope for data covers full-time employees located within China.

⁵The statistical scope for data covers the five major production bases located within China.

Indicator Category		Indicator Name	Unit	2025	2024	2023
Occupational Health and Safety	Number of Lost Workdays Due to Work-related Injuries		Day	1,224	/	/
	Number of Work-related Fatalities		Person	0	0	0
	Lost Time Injury Frequency Rate (LTIFR) ¹		-	0.63	0.84	0.78
	Coverage of Occupational Health Examination for Employees		%	100	100	100
	Average Hours of Health and Safety Training per Production Worker		Hour	24	24	24
	Coverage of Health and Safety Training for Production Workers		%	100	100	100
	Number of Attendances for On-site Contractor Safety Training		Attendance	10,962	10,922	7,681
	Coverage of Safety Training Sessions for On-site Contractors		%	100	100	100
	Number of Emergency Drills		No.	48	69	32
	Employee Coverage Rate for Emergency Drills		%	100	100	100
Supplier Management	Number of Suppliers	Total	No.	2,028	1,920	1,844
		China	No.	1,827	1,738	1,679
		Overseas	No.	201	182	165
	Number of Core Suppliers	Total	No.	192	198	242
		China	No.	126	112	182
		Overseas	No.	66	86	60
	Supplier Assessment	Percentage of Screened New Suppliers Using Environmental/Social Criteria	%	100	100	100
		Total Number of Suppliers Passing Written/On-Site Assessments	No.	549	/	/
		Number of Suppliers Terminated Due to Significant Actual/Potential Negative Impacts	No.	62	/	/

¹Lost Time Injury Frequency Rate (LTIFR) = (Number of lost-time injuries ÷ Total working hours) x 1,000,000.

Indicator Category	Indicator Name		Unit	2025	2024	2023
Supplier Management	Supplier Capacity Building	Number of Suppliers Implementing Corrective Action Plans	No.	285	/	/
		Number of Suppliers Participating in Capacity Building Projects	No.	181	/	/
	Sustainable Procurement	Number of Suppliers Subject to ESG Due Diligence Audits Initiated by the Company	No.	54	/	/
		Number of Participants in Sustainable Procurement Training for Buyers	Attendance	103	/	/
Product Quality Management	Number of Non-compliance Incidents Related to Product Quality and Safety		No.	0	0	0
	Number of Products Recalled Due to Quality, Safety, and Health Issues		No.	0	0	0
Responsible Marketing	Number of Non-compliance Incidents Related to Product and Service Information and Labelling		No.	0	0	0
	Number of Non-compliance Incidents Related to Marketing Communications		No.	0	0	0
Customer Relationship Management	Number of Complaints Received Regarding Products and Services		No.	11	/	/
	Customer Complaint Resolution Rate		%	100	100	100
Community Relations	Total Charitable Donations		RMB 10,000	608	/	/
	Number of Volunteers		Person	129	/	/

Corporate Governance and Economic Performance

Data scope: The scope of corporate governance and economic performance statistics is consistent with the scope of the consolidated financial statement.

Indicator Category	Indicator Name		Unit	2025	2024	2023
Economic Performance	Total Assets		RMB	39,072,737,729.92	36,182,558,952.99	35,293,330,312.84
	Operating Revenue		RMB	14,443,080,424.36	11,855,098,145.55	16,628,361,009.42
	Net Profit Attributable to Shareholders of the Listed Company		RMB	1,563,777,858.17	286,100,791.80	1,774,565,501.49
	Net Cash Flow from Operating Activities		RMB	4,957,368,505.01	-1,567,132,795.63	-862,790,560.80
	Basic Earnings per Share		RMB/share	1.01	0.18	1.13
R&D and Innovation	R&D Investment		RMB	1,605,067,131.63	1,675,838,159.46	1,773,565,152.59
	R&D Investment as a Percentage of Operating Revenue		%	11.11	14.14	10.67
	Number of R&D Personnel		Person	4,072	4,512	4,917
	Percentage of R&D Personnel		%	26.84	30.03	25.71
Intellectual Property (IP)	Authorized Patents	Total	No.	3,592	2,830	2,347
		Invention Patents	No.	614	446	243
		Utility Model Patents	No.	2,875	2,304	2,026
		Design Patents	No.	103	80	78
	Annual New Authorized Patents	Total	No.	778	527	421
		Invention Patents	No.	182	205	70
		Utility Model Patents	No.	573	314	336
		Design Patents	No.	23	8	15

Indicator Category	Indicator Name	Unit	2025	2024	2023
Information Security	Number of Specialised Information Security Training Sessions	No.	46	47	39
	Percentage of Employees Receiving Information Security Training	%	100	100	100
	Number of Internal Information Security Audits ¹	No.	42	49	/
	Number of External Information Security Audits ²	No.	2	1	/
	Number of Major or Significant Cybersecurity Incidents	No.	0	0	0
	Number of Confirmed Incidents Involving the Leakage, Theft, or Loss of Customer Data	No.	0	0	0
Business Ethics	Number of Specialised Business Ethics Training Sessions	No.	33	40	27
	Percentage of Employees Receiving Anti-corruption Training	%	100	100	100
	Total Number of Directors and Senior Management Employees Receiving Anti-Corruption Training	Person	11	11	11
	Percentage of Directors and Senior Management Employees Receiving Anti-corruption Training	%	100	100	100
	Number of Concluded Legal Cases regarding Corruption Practices	No.	0	0	0
	Number of Concluded Legal Cases regarding Unfair Competition Practices	No.	0	0	0

¹Internal information security audits include specialised system audits and specialised IT audits.

²External information security audits include ISO 27001 (annual) and TISAX (triennial) certification audits.

Reference Index Table

Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) Index

Dimension	Disclosure Requirements	Clause	Corresponding Section in This Report
Environment	Response to Climate Change	Articles 21 To 28	Responses to Climate Change
	Pollutant Discharge	Article 30	Green Production and Operations
	Waste Disposal	Article 31	Green Production and Operations
	Ecosystem and Biodiversity Protection	Article 32	Green Production and Operations
	Environmental Compliance Management	Article 33	Environmental Compliance Management
	Energy Utilization	Article 35	Green Production and Operations
	Water Resources Utilization	Article 36	Green Production and Operations
	Circular Economy	Article 37	Green Production and Operations
Social	Rural Revitalization	Article 39	Contribution to Community Development
	Social Contributions	Article 40	Contribution to Community Development
	Innovation	Article 42	Product R&D and Innovation
	Ethics of Science and Technology	Article 43	Not Applicable

Dimension	Disclosure Requirements	Clause	Corresponding Section in This Report
Social	Supply Chain Security	Article 45	Sustainable Supply Chain Management
	Equal Treatment of SMEs	Article 46	Sustainable Supply Chain Management
	Product and Service Safety and Quality	Article 47	Strengthening Quality Control
	Data Security and Customer Privacy	Article 48	Information Security and Privacy Protection
	Employees	Article 50	Protection of Employee Rights and Interests, Talent Cultivation and Development, Employee Care and Communication, Occupational Health and Safety
Governance Related to Sustainable Development	Due Diligence	Article 52	Sustainability Governance
	Stakeholder Engagement	Article 53	Stakeholder Engagement
	Anti-Commercial Bribery and Anti-Corruption	Article 55	Business Ethics
	Fair Competition	Article 56	Business Ethics

Environmental, Social and Governance Reporting Code of the Stock Exchange of Hong Kong Limited Index

Mandatory Disclosure Requirements		Section Index
Governance Structure	A Statement from the board containing the following: (i) A disclosure of the boards' oversight of ESG issues; (ii) The boards' ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Sustainability Governance
Reporting Principles	A description of, or an explanation, the application of Reporting Principles in the preparation of the ESG report	Report Preparation Notes
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Report Preparation Notes

Aspect	Indicator Number	Aspect, General Disclosures and Key Performance Indicators	Section Index
Environment			
A1 Emissions	General Disclosure	Relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste:(a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Green Production and Operations
	A1.1	The types of emissions and respective emissions data.	ESG Key Performance Table
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	ESG Key Performance Table
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	ESG Key Performance Table
	A1.5	Description of emission target(s) set and the steps taken to achieve them.	Green Production and Operations
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and the steps taken to achieve them.	Green Production and Operations

Aspect	Indicator Number	Aspect, General Disclosures and Key Performance Indicators	Section Index
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Production and Operations
	A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production, per facility).	ESG Key Performance Table
	A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	ESG Key Performance Table
	A2.3	Description of energy use efficiency target(s) set and the steps taken to achieve them.	Green Production and Operations
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Production and Operations
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	ESG Key Performance Table
A3 Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Production and Operations
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Production and Operations

Aspect	Indicator Number	Aspect, General Disclosures and Key Performance Indicators	Section Index
B. Social			
Employment and Labour Practices			
B1 Employment	General Disclosure	Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Protection of Employee Rights and Interests
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	ESG Key Performance Table
	B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Key Performance Table
B2 Health and Safety	General Disclosure	Relating to providing a safe working environment and protecting employees from occupational hazards: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	ESG Key Performance Table
	B2.2	Lost days due to work injury.	ESG Key Performance Table
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety

Aspect	Indicator Number	Aspect, General Disclosures and Key Performance Indicators	Section Index
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Cultivation and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG Key Performance Table
	B3.2	The average training hours completed per employee by gender and employee category.	ESG Key Performance Table
B4 Labour Standards	General Disclosure	Relating to preventing child and forced labour: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Protection of Employee Rights and Interests
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Protection of Employee Rights and Interests
	B4.2	Description of steps taken to eliminate such practices when discovered.	Protection of Employee Rights and Interests
Operating Practices			
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Supply Chain Management
	B5.1	Number of suppliers by geographical region.	ESG Key Performance Table

Aspect	Indicator Number	Aspect, General Disclosures and Key Performance Indicators	Section Index
B5 Supply Chain Management	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Sustainable Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Supply Chain Management
B6 Product Responsibility	General Disclosure	Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Strengthening Quality Control
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	ESG Key Performance Table
	B6.2	Number of products and service related complaints received and how they are dealt with.	ESG Key Performance Table
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
	B6.4	Description of quality assurance process and recall procedures.	Strengthening Quality Control

Aspect	Indicator Number	Aspect, General Disclosures and Key Performance Indicators	Section Index
B6 Product Responsibility	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security and Privacy Protection
B7 Anti-Corruption	General Disclosure	Relating to bribery, extortion, fraud and money laundering: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Business Ethics
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Business Ethics
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics
	B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics
Community			
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Contribution to Community Development
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Contribution to Community Development
	B8.2	Resources contributed (e.g. money or time) to the focus areas.	ESG Key Performance Table

Key Areas	Aspects, General Disclosures, and Key Performance Indicators	Section Index
D: Climate Change		
Governance		Responses to Climate Change - Governance
Strategy	Climate-Related Risks and Opportunities	Responses to Climate Change - Strategy
	Business Model and Value Chain	
	Strategy and Decision-Making	
	Financial Position, Financial Performance, and Cash Flow	
	Climate Resilience	
Risk Management		Responses to Climate Change - Impacts, Risks, and Opportunities Management
Metrics and Targets	Greenhouse Gas (GHG) Emissions	Responses to Climate Change - Metrics and Targets
	Climate-Related Transition Risks	Responses to Climate Change - Impacts, Risks, and Opportunities Management
	Climate-Related Physical Risks	
	Climate-Related Physical Risks	
	Capital Deployment	
	Internal Carbon Prices	The Company has not yet incorporated internal carbon pricing into its decision-making process.
	Remuneration	Sustainability Governance, Talent Cultivation and Development
	Industry-Based Metrics	Not Applicable
	Climate-Related Targets	Responses to Climate Change - Strategy

GRI Sustainability Reporting Standards (2021) Index

Statement of Use	Lead Intelligent has prepared the 2025 ESG Report with reference to the GRI Standards. The Reporting Period is from 1 January 2025 to 31 December 2025.
GRI Standard Used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational Details	About Lead Intelligent
	2-2 Entities Included in the Organisation's Sustainability Reporting	Report Preparation Notes
	2-3 Reporting Period, Frequency, and Contact Point	Report Preparation Notes
	2-4 Restatements of Information	Report Preparation Notes
	2-5 External Assurance	Third-Party Assurance Report
	2-6 Activities, Value Chain and Other Business Relationships	About Lead Intelligent, Product R&D and Innovation, Contribution to Community Development
	2-7 Employees	Protection of Employee Rights and Interests
	2-8 Workers Who Are Not Employees	ESG Key Performance Table
	2-9 Governance Structure and Composition	Sustainability Governance, Corporate Governance

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-10 Nomination and Selection of the Highest Governance Body	Sustainability Governance, Corporate Governance
	2-11 Chair of the Highest Governance Body	Sustainability Governance, Corporate Governance
	2-12 Role of the Highest Governance Body in Overseeing Management of Impacts	Sustainability Governance, Corporate Governance
	2-13 Delegation of Responsibility for Managing Impacts	Sustainability Governance, Corporate Governance
	2-14 Role of the Highest Governance Body in Sustainability Reporting	Sustainability Governance, Corporate Governance
	2-15 Conflicts of Interest	Corporate Governance, Business Ethics
	2-16 Communication of Critical Concerns	Stakeholder Engagement, Double Materiality Assessment
	2-17 Collective Knowledge of the Highest Governance Body	Sustainability Governance
	2-18 Evaluation of the Performance of the Highest Governance Body	Sustainability Governance, Corporate Governance
	2-19 Remuneration Policies	Corporate Governance, Talent Cultivation and Development

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-20 Process to Determine Remuneration	Corporate Governance, Talent Cultivation and Development
	2-21 Annual Total Compensation Ratio	/
	2-22 Statement on Sustainable Development Strategy	Sustainable Development Strategy and Goals
	2-23 Policy Commitments	Please Refer to the Relevant Chapters of the Report
	2-24 Embedding Policy Commitments	Please Refer to the Relevant Chapters of the Report
	2-25 Processes to Remediate Negative Impacts	Please Refer to the Relevant Chapters of the Report
	2-26 Mechanisms for Seeking Advice and Raising Concerns	Stakeholder Engagement, Business Ethics, Employee Care and Communication
	2-27 Compliance with Laws and Regulations	Please Refer to the Relevant Chapters of the Report
	2-28 Membership Associations	Product R&D and Innovation
	2-29 Approach to Stakeholder Engagement	Stakeholder Engagement
	2-30 Collective Bargaining Agreements	Protection of Employee Rights and Interests
GRI 3: Material Topics 2021	3-1 Process to Determine Material Topics	Double Materiality Assessment
	3-2 List of Material Topics	Double Materiality Assessment
	3-3 Management of Material Topics	Double Materiality Assessment

GRI Standard	Disclosure	Location
GRI 101: Biodiversity 2024	3-3 Management of Material Topics	Double Materiality Assessment
	101-1 Policies to halt and reverse biodiversity loss	/
	101-2 Management of biodiversity impacts	Green Production and Operations
	101-3 Access and Benefit-Sharing	Not Applicable
	101-4 identification of biodiversity impacts	Green Production and Operations
	101-5 Locations with biodiversity impacts	Not Applicable
	101-6 Direct drivers of biodiversity loss	Not Applicable
	101-7 Changes to the state of biodiversity	Not Applicable
	101-8 Ecosystem services	Not Applicable
GRI 201: Economic Performance 2016	3-3 Management of material topics	Double Materiality Assessment
	201-1 Directed economic value generated and distributed	ESG Key Performance Table
	201-2 Financial implications and other risks and opportunities due to climate change	Responses to Climate Change
	201-3 Defined benefit plan obligations and other retirement plans	/
	201-4 Financial assistance from government	/
GRI 202: Market Presence 2016	3-3 Management of material topics	Double Materiality Assessment
	202-1 Ratios of standard entry-level wage by gender to compared to local minimum wage	/
	202-2 Proportion of senior management hired from the local community	/

GRI Standard	Disclosure	Location
GRI 203: Indirect Economic Impacts 2016	3-3 Management of material topics	Double Materiality Assessment
	203-1 Infrastructure investments and services supported	Contribution to Community Development
	203-2 Significant indirect economic impacts	Product R&D and Innovation, Contribution to Community Development
GRI 204: Procurement Practices 2016	3-3 Management of material topics	Double Materiality Assessment
	204-1 Proportion of spending on local supply	/
GRI 205: Anti-Corruption 2016	3-3 Management of material topics	Double Materiality Assessment
	205-1 Operations assessed for risks related to corruption	Business Ethics
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics, ESG Key Performance Table
GRI 206: Anti-Competitive Behaviour 2016	3-3 Management of material topics	Double Materiality Assessment
	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Business Ethics, ESG Key Performance Table
GRI 207: Tax 2019	3-3 Management of material topics	Double Materiality Assessment
	207-1 Approach to tax	Risk and Compliance Management

GRI Standard	Disclosure	Location
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management	Risk and Compliance Management
	207-3 Stakeholder engagement and management of concerns related to tax	Risk and Compliance Management
	207-4 Country-By-Country reporting	/
GRI 301: Materials 2016	3-3 Management of material topics	Double Materiality Assessment
	301-2 Recycled input materials used	Green Production and Operations
GRI 302: Energy 2016	301-3 Reclaimed products and their packaging materials	Green Production and Operations, ESG Key Performance
	3-3 Management of material topics	Double Materiality Assessment
	302-1 Energy consumption within the organisation	ESG Key Performance Table
	302-3 Energy intensity	ESG Key Performance Table
	302-4 Reduction of energy consumption	Green Production and Operations
	302-5 Reduction in energy requirements of products and services	Responses to Climate Change
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Double Materiality Assessment
	303-1 Interaction with water as a shared resource	Green Production and Operations
	303-2 Management of water discharge-related impacts	Green Production and Operations

GRI Standard	Disclosure	Location
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	ESG Key Performance Table
	303-4 Water discharge	ESG Key Performance Table
	303-5 Water consumption	ESG Key Performance Table
GRI 305: Emissions 2016	3-3 Management of material topics	Double Materiality Assessment
	305-1 Direct (scope 1) GHG emissions	ESG Key Performance Table
	305-2 Energy indirect (scope 2) GHG emissions	ESG Key Performance Table
	305-3 Other indirect (scope 3) GHG emissions	ESG Key Performance Table
	305-4 GHG emission intensity	ESG Key Performance Table
	305-5 Reduction of GHG emissions	Responses to Climate Change
	305-6 Emissions of Ozone-Depleting Substances (ODS)	/
GRI 306: Waste 2020	305-7 Nitrogen Oxides (NO _x), Sulphur Oxides (SO _x), and other significant air emissions	ESG Key Performance Table
	3-3 Management of material topics	Double Materiality Assessment
	306-1 Waste generation and significant waste-related impacts	Green Production and Operations
	306-2 Management of significant waste-related impacts	Green Production and Operations

GRI Standard	Disclosure	Location
GRI 306: Waste 2020	306-3 Waste generated	ESG Key Performance Table
	306-4 Waste diverted from disposal	ESG Key Performance Table
	306-5 Waste directed to disposal	ESG Key Performance Table
GRI 306: Effluents and Waste 2016	3-3 Management of material topics	Double Materiality Assessment
	306-3 Significant spills	Green Production and Operations
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	Double Materiality Assessment
	308-1 New suppliers that were screened using environmental criteria	ESG Key Performance Table
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain Management
GRI 401: Employment 2016	3-3 Management of material topics	Double Materiality Assessment
	401-1 New employee hires and employee turnover	ESG Key Performance Table
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Care and Communication
	401-3 Parental leave	Employee Care and Communication
GRI 402: Labor/ Management Relations 2016	3-3 Management of material topics	Double Materiality Assessment
	402-1 Minimum notice periods regarding operational changes	Not Applicable

GRI Standard	Disclosure	Location
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	Double Materiality Assessment
	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3 Occupational health services	Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Occupational Health and Safety
	403-6 Promotion of worker health	Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9 Work-related injuries	Occupational Health and Safety
	403-10 Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education 2016	3-3 Management of material topics	Double Materiality Assessment
	404-1 Average hours of training per year per employee	ESG Key Performance Table

GRI Standard	Disclosure	Location
GRI 404: Training and Education 2016	404-2 Programmes for upgrading employee skills and transition assistance programmes	Talent Cultivation and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Key Performance Table
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Double Materiality Assessment
	405-1 Diversity of governance bodies and employees	Corporate Governance, Protection of Employee Rights and Interests
	405-2 Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination 2016	3-3 Management of material topics	Double Materiality Assessment
	406-1 Incidents of discrimination and corrective actions taken	Protection of Employee Rights and Interests
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3 Management of material topics	Double Materiality Assessment
	407-1 Operations and suppliers which the freedom of association and collective bargaining may be at risk	Protection of Employee Rights and Interests, Sustainable Supply Chain Management
GRI 408: Child Labor 2016	3-3 Management of material topics	Double Materiality Assessment
	408-1 Operations and suppliers at significant risk for incidents of child labor	Protection of Employee Rights and Interests, Sustainable Supply Chain Management
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topics	Double Materiality Assessment
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Protection of Employee Rights and Interests, Sustainable Supply Chain Management

GRI Standard	Disclosure	Location
GRI 410: Security Practices 2016	3-3 Management of material topics	/
	410-1 Security personnel trained in human rights policies or procedures	/
GRI 411: Rights of Indigenous Peoples 2016	3-3 Management of material topics	Not Applicable
	411-1 Incidents of violations involving rights of indigenous peoples	Not Applicable
GRI 413: Local Communities 2016	3-3 Management of material topics	Double Materiality Assessment
	413-1 Operations with local community engagement, impact assessments, and development programmes	Contribution to Community Development
	413-2 Operations with significant actual and potential negative impacts on local communities	Green Production and Operations, Contribution to Community Development
GRI 414: Supplier Social Assessment	3-3 Management of material topics	Double Materiality Assessment
	414-1 New suppliers that were screened using social criteria	ESG Key Performance Table
	414-2 Negative social impacts in the supply chain and actions taken	ESG Key Performance Table

GRI Standard	Disclosure	Location
GRI 415: Public Policy 2016	3-3 Management of material topics	Not Applicable
	415-1 Political contributions	Not Applicable
GRI 416: Customer Health and Safety	3-3 Management of material topics	Double Materiality Assessment
	416-1 Assessment of the health and safety impacts of product and service categories	Strengthening Quality Control
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Strengthening Quality Control, ESG Key Performance Table
GRI 417: Marketing and Labelling 2016	3-3 Management of material topics	Double Materiality Assessment
	417-1 Requirements for product and service information and labelling	/
	417-2 Incidents of non-compliance concerning product and service information and labelling	ESG Key Performance Table
	417-3 Incidents of non-compliance concerning marketing communications	ESG Key Performance Table
GRI 418: Customer Privacy	3-3 Management of material topics	Double Materiality Assessment
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Key Performance Table

IFRS S2 Climate-Related Disclosures Index

Recommended Disclosures		Reporting Section
Governance	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Responses to Climate Change - Governance
	Disclose management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	
Strategy	Disclose the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Responses to Climate Change - Impacts, Risks and Opportunities Management
	Disclose the current and anticipated effects of climate-related risks and opportunities on the entity's business model and Value chain.	
	Disclose the effects of climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan.	
	Disclose the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on its financial position, financial performance and cash flows over the short, medium and long term, considering how the entity reflects these climate-related risks and opportunities in its financial planning when disclosing anticipated effects.	
	The climate resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, considering the climate-related risks and opportunities the entity has identified.	

Recommended Disclosures		Reporting Section
Risk Management	Disclose the entity's processes and related policies for identifying, assessing, prioritising and monitoring climate-related risks.	Responses to Climate Change - Impacts, Risks and Opportunities Management
	Disclose the entity's processes for identifying, assessing, prioritising and monitoring climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to help identify climate-related opportunities.	
	Disclose to what extent and how the entity's processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	
Metrics and Targets	Disclose information relevant to the cross-industry metric categories.	Responses to Climate Change - Strategy, Metrics and Targets
	Disclose industry-specific metrics associated with the entity's business model, activities or other common features that characterise participation in an industry.	
	Disclose the targets the entity has set to mitigate or adapt to climate-related risks or to take advantage of climate-related opportunities, and any targets it is required to meet by law or regulation, including the metrics used by the governance body or management to measure progress towards achieving these targets.	

The Ten Principles of the UNGC Index

Category	Principle	Reporting Section
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Protection of Employee Rights and Interests
	Principle 2: Businesses should not be complicit in human rights abuses	Protection of Employee Rights and Interests
Labour Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Protection of Employee Rights and Interests
	Principle 4: Businesses should support the elimination of all forms of forced and compulsory labour	Protection of Employee Rights and Interests
	Principle 5: Businesses should support the effective abolition of child labour	Protection of Employee Rights and Interests
	Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation	Protection of Employee Rights and Interests
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	Responses to Climate Change
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	Environmental Compliance Management, Green Production and Operations
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	Responses to Climate Change, Green Production and Operations
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Business Ethics

Third-Party Assurance Report



Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by Wuxi Lead Intelligent Equipment Co., Ltd. (hereinafter "Lead Intelligent" or "the Company") to conduct an independent third-party assurance of its 2025 Environmental, Social and Governance (ESG) Report (hereinafter "Report"). The Report disclosed Lead Intelligent's sustainability information for the fiscal year 2025 (from 1 January 2025 to 31 December 2025).

Responsibilities

Lead Intelligent is not only responsible for the preparation of sustainability report and the collection and reporting of sustainability information in accordance with applicable reporting standards but also has the obligation to implement and maintain effective internal control of information and data to support the report compilation process.

TÜV Rheinland implements sustainability information assurance activities under a quality management system that complies with the requirements of the ISO/IEC 17029:2019 Standard and adheres to the TÜV Rheinland Global Code of Ethics and Compliance Program. Our assurance service follows the principles of independence and impartiality and does not participate in the preparation of the Report of Lead Intelligent. The assurance project was implemented by a team with expertise and assurance experience in the corresponding sustainability issues. The role of TÜV Rheinland is to carry out independent assurance work in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial professional judgments on sustainability reporting.

Assurance Standard

TÜV Rheinland undertook assurance work for specified performance indicators (see Appendix in this statement) and non-financial qualitative information (including materiality assessment, stakeholder engagement, topics management related to material impacts, risks and opportunities (IRO), etc.) selected by Lead Intelligent in accordance with the AccountAbility AA1000 Assurance Standard 3rd edition (AA1000AS v3) on a Type-2 and Moderate level.

Assurance Objectives

The purpose of the assurance was to provide management of Lead Intelligent and stakeholders concerned with the Company's sustainability information and performance with an independent view of the assurance, including that we review and assess the content of the report adherence to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact), and review and evaluate the reliability and quality of specified performance information.

Assurance Criteria

The following assessment criteria (including reporting frameworks or standards) were used in undertaking the work:

- Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)
- Self-Regulatory Guidance No. 3 for Companies Listed on the ChiNext Market of Shenzhen Stock Exchange—Preparation of Sustainability Report (2026 Revised Version)
- Appendix C2 Environmental, Social and Governance Reporting Code of the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited ("the HKEX ESG Code")
- Corporate Sustainability Disclosure Standards – Basic Standard (for Trial Implementation) and Corporate Sustainability Disclosure Standard No. 1 – Climate (for Trial Implementation) issued by the Ministry of Finance of the P.R.C.
- Global Sustainability Standards Board (GSSB) the GRI Sustainability Reporting Standards (GRI Standards)
- The United Nations Sustainable Development Goals (SDGs)



- The United Nations Global Compact (UNGC) "Ten Principles"
- International Sustainability Standards Board (ISSB) IFRS 1 – General Requirements for Disclosure of Sustainability-related Financial Information IFRS 2 – Climate-related Disclosures
- Greenhouse Gas Accounting System Enterprise Accounting and Reporting Standards (GHG Protocol)
- Adherence to the AA1000AP AccountAbility Principles, i.e., *Inclusivity, Materiality, Responsiveness, and Impact*

Methodology

Our assurance activities and procedures include:

- Interviewing with management to understand and assess key processes, systems and internal controls for operations and sustainability management.
- Interviewing with key personnel responsible for sustainability execution to understand the non-financial information reporting system, including the collection, integration and reporting of specified performance data and non-financial qualitative information, and to evaluate the data integration process at the group level.
- Applying analytical procedures to review the reasonableness of the data.
- Testing the source of information based on the sampling principle to check the accuracy of the data.
- Reviewing the consistency and reliability of specified performance indicators and quantitative and qualitative information within assurance scope.
- Collecting and inspecting supporting evidence to assess the extent to which relevant disclosures within the scope of the assurance engagement and sustainability reporting support and adherence to AA1000AP assurance principles.
- Reporting assurance observations or recommendations to give the Company's management an opportunity to correct errors before the assurance process is completed.

Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon and obtained evidence information and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3. The nature and extent (scope) of the procedures involved in moderate level assurance engagement are lower than those required to obtain high level assurance.

Forward-looking information relates to events and actions that have not yet occurred and may never occur. Actual results are likely to be different because expected events often do not occur as expected. We did not guarantee the availability of forward-looking information.

The information and performance relating to the assurance is limited to the disclosure of the contents of this Report. Our assurance did neither cover annual financial reports and financial data and nor cover other topics or matters that are not related to sustainability topics beyond the scope of this assurance.

Conclusions

Based on the above assurance procedures implemented and the evidence obtained, we believe that:

- 2025 Environmental, Social and Governance (ESG) Report of Lead Intelligent adhered to the AA1000AP AccountAbility Principles.
- Sustainability information was prepared in accordance with Guidelines of the Shenzhen Stock Exchange, the HKEX ESG Code and GRI Standards.
- Specified performance indicators (see Appendix) and non-financial qualitative information (including the assessment of material issues) within the scope of the assurance were evaluated and there were no material misstatements.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on Lead Intelligent based on this Assurance Statement.

Adherence to the AA1000AP AccountAbility Principles

Inclusivity

Lead Intelligent has identified eight stakeholder groups, including shareholders/investors, customers, suppliers and other business partners, employees, governments, media, communities and the public, and industry/academic/rating



agencies. The Company provided a reference for the assessment of the importance of issues through daily communication and information feedback between key functional departments and different stakeholders. We recommend that Lead Intelligent build strategic planning for stakeholder engagement and measure the effectiveness of engagement.

Materiality

Evidence showed that Lead Intelligent has implemented a double materiality assessment process and evaluated and prioritised issues from two dimensions: "impact materiality" and "financial materiality". The report disclosed the methodology for the evaluation of the issues. The issue matrix showed the core issues of double materiality for the year (e.g., compliance operations, product quality and safety, technology innovation, responses to climate change and clean technology development, etc.).

Responsiveness

Lead Intelligent communicated with its key stakeholders in a variety of ways, including grievances and reports. The Company has set key performance indicators (e.g., resource efficiency, employee development, anti-corruption, etc.) and incorporated them into executive performance appraisal management. This report adopted a four-element framework for disclosure of double materiality issues, and also disclosed the progress of the response issues and the goals of the United Nations Sustainable Development Goals (SDGs), as well as quantitative data on ESG key performance indicators (such as pollutant emissions and waste, greenhouse gas emissions, energy consumption, water resource use, employee management, occupational safety, etc.), to respond to the major concerns of stakeholders in a timely manner.

Impact

Evidence indicated that Lead Intelligent attached great importance to risk management and conducts annual special compliance risk investigations and supply chain traceability (such as responsible mineral conflicts). The Company has conducted impact, risk and opportunity (IROs) analysis on material issues, and reported on the carbon neutrality action path. We recommend that Lead Intelligent continue to deepen its quantitative analysis of the impact on material issues in the future, and measure and manage the relevant impact.

Disclosure of Specified Performance Information

TÜV Rheinland reached conclusions on the verification of reliability and quality of specified performance information (see Appendix) based on Type-2 and Moderate level assurance engagement:

- TÜV Rheinland observed that Lead Intelligent has implemented relevant internal control systems and processes, and collected and aggregated source data related to selected specific performance indicators for verification.
- During the verification process, all minor errors identified have been corrected. We believe that the data finally presented within the scope of the assurance is accurate. We recommend that Lead Intelligent continue to improve the level of data governance (including internal data verification) at the group and operational levels.

A full management report was submitted to management of Lead Intelligent for consideration, detailing the findings and recommendations for continuous improvement of the sustainability report.

Daniel Pan
Technical Manager of Corporate Sustainability Services
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, 13 April 2026



AA1000
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000-555/V3-113PU



Appendix:

Selected specific performance indicators in the table as follows:

Indicator (s)	Unit
Environment	
Total Waste Gas Emissions	Tonne
Including: Particulate Matter (PM)	Tonne
Including: Volatile Organic Compounds (VOCs)	Tonne
Total Hazardous Waste	Tonne
Including: Incineration (Without Energy Recovery)	Tonne
Including: Other Disposal Operations	Tonne
Total Non-hazardous Waste	Tonne
Including: Other Recovery Operations	Tonne
Total Comprehensive Energy Consumption	MWh
Including: Total Direct Energy Consumption	MWh
Including: Total Indirect Energy Consumption	MWh
Including: Total Renewable Energy Consumption	MWh
Including: Total Non-renewable Energy Consumption	MWh
Total Water Withdrawal	Tonne
Total Water Consumption	Tonne
Total Water Discharge	Tonne
Total GHG Emissions (Scope 1 and 2)	Tonne of CO ₂ e
Total GHG Emissions (Scope 1, 2, and 3)	Tonne of CO ₂ e
Including: Scope 1 Total GHG Emissions	Tonne of CO ₂ e
Including: Scope 2 Total GHG Emissions (Location-based)	Tonne of CO ₂ e
Including: Scope 3 Total GHG Emissions	Tonne of CO ₂ e
Social	
Percentage of Female Employees in Revenue-generating Positions	%
Percentage of Female Employees in Management Positions in Revenue-generating Functions	%
Percentage of Female Employees in STEM-related Positions	%
Percentage of Female Employees in Management Positions in STEM-related Functions	%
Number of Work-related Fatalities	Person
Lost Time Injury Frequency Rate (LTIFR)	/
Governance	
Number of Internal Information Security Audits	No.
Number of External Information Security Audits	No.
Percentage of Employees Receiving Anti-corruption Training	%
Number of Concluded Legal Cases regarding Corruption Practices	No.
Number of Concluded Legal Cases regarding Unfair Competition Practices	No.



Verification Opinion



Verified as Satisfactory	
Based on the process and procedures conducted, the GHG statement contained in the GHG Report "Y2025 GHG Report of Wuxi Lead Intelligent Equipment Co., Ltd." produced by Wuxi Lead Intelligent Equipment Co., Ltd.	- is materially correct and is a fair representation of GHG data and information. - has been prepared in accordance with ISO 14064-1:2018 and its principles.
With the following caveats	- The greenhouse gas (GHG) inventory is limited to direct greenhouse gas emissions, indirect greenhouse gas emissions from purchased electricity, indirect greenhouse gas emissions from transportation (upstream transportation, downstream transportation, employee commuting, and business travel), indirect greenhouse gas emissions from products used by the organization, and indirect greenhouse gas emissions related to the use of the organization's products. - For the reporting of Scope 2 greenhouse gases, both location-based and market-based methods are adopted. - For the quantification of indirect emissions from purchased goods and services in Category 4, the USEEIO database released by the U.S. EPA is used. The inflation factor is eliminated through CPI, and quantification is conducted after matching the corresponding industries.
Lead Verifier	Bell Deng
Independent Reviewer	Aaron Wang
Signed on behalf of BSI	Matt Page, Senior Vice President, Assurance Services EMEA
Issue Date	22 March 2026
BSI Assurance UK Ltd., Kitemark Court, Davy Avenue, Milton Keynes, MK5 8PP, UK	
NOTE: BSI Assurance UK Ltd. is independent to and has no financial interest in Wuxi Lead Intelligent Equipment Co., Ltd. This 3 rd party Verification Opinion has been prepared for Wuxi Lead Intelligent Equipment Co., Ltd. only for the purposes of verifying its statement relating to its GHG emissions more particularly described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Assurance UK Ltd. has assumed that all information provided to it by Wuxi Lead Intelligent Equipment Co., Ltd. is true, accurate and complete. BSI Assurance UK Ltd. accepts no liability to any third party who places reliance on this statement.	

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A Member of the BSI Group of Companies.

Verification Opinion

Verification Engagement

Organization	Wuxi Lead Intelligent Equipment Co., Ltd.
Responsible party	Wuxi Lead Intelligent Equipment Co., Ltd.
Verification Objectives	To express an opinion on whether the organizational GHG Statement which is historical in nature: - Is accurate, materially correct and is a fair representation of GHG data and information - Has been prepared in accordance with ISO 14064-1:2018, the criteria used by BSI to verify the GHG Organizational Statement
Materiality Level	5%
Level of Assurance	Reasonable
Verification evidence gathering procedures	- Evaluation of the monitoring and controls systems through interviewing employees, observation & inquiry - Verification of the data through sampling recalculation, retracing, cross checking and reconciliation
The verification activities applied in a limited level of assurance verification are less extensive in nature, timing and extent than in a reasonable level of assurance verification.	
Verification Standards	The verification was carried out in accordance with ISO 14064-3:2019, ISO 14065:2020 and ISO 17029:2019
Note: Wuxi Lead Intelligent Equipment Co., Ltd. is responsible for the preparation and fair presentation of the GHG statement and report in accordance with the agreed criteria. BSI is responsible for expressing an opinion on the GHG statement based on the verification.	

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Verification Opinion

Organizational GHG Statement

Organization		Wuxi Lead Intelligent Equipment Co., Ltd.
Organizations GHG Report containing GHG Statement		"Y2025 GHG Report of Wuxi Lead Intelligent Equipment Co., Ltd."
Organizational Boundary		Operational Control
Locations included in the Organizational Boundary		No. 20, Xinxu Road, Xinwu District, Wuxi City, Jiangsu Province, China (Business premises: No. 18, Xinzhou Road, Xinwu District, Wuxi City, Jiangsu Province, China), Other venues are shown in the attachment.
Scope of activities:		Design, development, production and service of special equipment for the electronics industry (lithium battery manufacturing equipment, photovoltaic manufacturing equipment, capacitor manufacturing equipment, automotive parts manufacturing equipment).
Reporting Boundary:	Direct GHG Emissions (Category 1)	Stationary emission sources -Natural gas, liquefied petroleum gas Mobile emission sources -Official vehicles (gasoline), trucks (diesel) Fugitive emission sources -Carbon dioxide fire extinguishers, heptafluoropropane, refrigerants, CH ₄ emissions from septic tanks, Carbon dioxide in anti-rust oil -Industrial processes Urea
	Indirect GHG Emissions from imported energy (Category 2)	Purchased power
	Indirect GHG emissions from transportation (Category 3)	-Upstream transport and distribution -Downstream transportation and distribution -Employee commuting -Business travel
	Indirect GHG emissions from products used by organization (Category 4)	-Procurement of goods and services -Capital goods -Waste generated by operations
	Indirect GHG emissions associated with the use of products from the organization (Category 5)	-Use of sold products -Downstream asset leasing
	Indirect GHG emissions from other sources (Category 6)	Not quantified
Criteria for developing the organizational GHG Inventory:		ISO 14064-1:2018
Reporting Period		Year 2025 (1-Jan-25 to 31-Dec-25)

2025	tCO ₂ (e)
Direct Emissions (Scope 1) non biomass	1,552.15
Direct Emissions (Scope 1) biomass	0
Removals	0
Indirect Emissions from Imported Energy (Scope 2) - Location Based	39,446.64
Indirect Emissions from Imported Energy (Scope 2) - Market Based	39,773.72
Indirect GHG Emissions from transportation (Scope 3)	66,243.20
Indirect GHG Emissions from products used by organization (Scope 3)	474,633.46
Indirect GHG emissions associated with the use of products from the organization (Scope 3)	8,849,830.26
Indirect GHG emissions from other sources (Scope 3)	0
Total (Location Based)	9,431,705.71
Total (Market Based)	9,432,032.78

Organizational Greenhouse Gas Statement (classified according to the GHG Protocol standards)

Reporting Boundary		CO ₂ (e)
		2025Annual
Direct GHG Emissions (Scope 1)	Stationary emission sources -Natural gas, liquefied petroleum gas Mobile emission sources -Official vehicles (gasoline), trucks (diesel) Fugitive emission sources -Carbon dioxide fire extinguishers, heptafluoropropane, refrigerants, CH ₄ emissions from septic tanks, Carbon dioxide in anti-rust oil -Industrial processes Urea	1,552.15
Direct GHG Removals (Scope 1)	NIL	0
Indirect GHG Emissions from imported energy (Scope 2) Location Based	Purchased power	39,446.64
Indirect GHG Emissions from imported energy (Scope 2) Market Based	Purchased power	39,773.72
Indirect GHG Emissions from (Scope 3)	Procurement of goods and services	466,867.02
	Capital goods	283.26
	Activities related to fuel and energy (not included in the calculation of Scope 1 or Scope 2 emissions)	6,142.82
	Upstream transport and distribution	35,340.12
	Waste generated during operation	1,340.36
	Business trip	21,218.30
	Employee commuting	9,684.78
	Upstream leased assets	0.00
	Downstream transportation and distribution	0.00
	Processing of sold products	0.00
	Use of sold products	8,848,309.23
	Disposal of scrapped sold products	0.00
	Downstream leased assets	1,521.03
	Franchise store	0.00
	Investment	0.00
Total Carbon Footprint - Location Based		9,431,705.71
Total Carbon Footprint - Market Based		9,432,032.78

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