



Create Value Through Service, Enrich Life for All.



2025

Environmental, Social and Governance
(ESG) Report



HENAN ZHONGGONG DESIGN & RESEARCH GROUP CO., LTD.



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HNDI/300732

Create Value Through Service, Enrich Life for All.

Report Overview

This is the third Environmental, Social and Governance (ESG) Report released by Henan ZhongGong Design & Research Group Co., Ltd. (hereinafter referred to as "the Company"). In accordance with the principles of objectivity, standardization, transparency and comprehensiveness, the Report details the Company's concepts and practical performance in environmental protection, social responsibility and corporate governance for the year 2025.

Report Time Scope

January 1 to December 31, 2025 (hereinafter referred to as the "Report Period"). The Report is released annually, consistent with the Company's fiscal year.

Report Organizational Scope and Nomenclature Notes

The organizational scope of this Report covers Henan ZhongGong Design & Research Group Co., Ltd. and its subsidiaries, which is consistent with the scope of the annual report. Unless the context otherwise requires, the following terms in this Report shall have the following meanings:

Definition Explanation	
Company Name	Abbreviation
Henan ZhongGong Design & Research Group Co., Ltd.	HNDI, the Group, we, the Company
Henan Transport Planning, Design & Research Institute Co., Ltd. (former name)	

Preparation Basis

- Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange-Sustainable Development Report (Trial)
- Self-Regulatory Guidelines No.3 for Companies Listed on Shenzhen Stock Exchange-Preparation of Sustainability Reports (2026 Revision)
- China Enterprise Sustainability Reporting Guidelines (CASS-ESG 6.0)
- Sustainability Reporting Standards (GRI Standards 2021) issued by the Global Reporting Initiative (GRI)
- Sustainable Development Goals (SDGs)

Data Description

The data used in this Report is sourced from the original data of the Company's actual operations, public data from government departments, annual financial data, internal relevant statistical statements, third-party questionnaires, etc. The financial data in this Report is denominated in Renminbi. In case of any inconsistency with the financial report, the financial report shall prevail.

Report Access

The electronic version of this Report is available on the website of Shenzhen Stock Exchange (www.szse.cn) and the website of CNINFO (www.cninfo.com.cn)

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01 Chairman's Message



董文

Dear shareholders, partners, employees, and all friends from all walks of life, welcome to read HNDI's 2025 Environmental, Social, and Governance (ESG) Report. On behalf of the Board of Directors, I would like to extend my sincere gratitude to all those who have cared for and supported the company's development over the years!

2025 is the closing year of the 14th Five-Year Plan and a crucial year for HNDI's transformation and development. Faced with the complex situation of slowing infrastructure investment and deepening industry changes, we have relied on the advantages of our "Three Comprehensive and One Class A" qualifications, coordinated the collaborative development of businesses across six major industries including transportation, urban construction, water conservancy, architecture, mining, and energy and electric power, as well as two major fields of environment and safety (the "6+2" framework). With concerted efforts and pragmatic efforts, we have maintained a sound momentum of steady progress.

This year, we consolidated the foundation of governance and built a solid bottom line for stable operations.

The company attaches great importance to sustainable development management, renamed the Strategic Committee under the Board of Directors as the Strategy and Sustainable Development Committee, established a sustainable development governance structure, and promoted the deep integration of sustainable development concepts into the company's strategy and the entire process of daily operations. We accurately identified and strictly controlled 20 material issues, improved the information disclosure and reporting mechanism, ensured the smooth flow of information at all levels and scientific and efficient decision-making, effectively safeguarded the legitimate rights and interests of all stakeholders, and built a solid institutional guarantee for the stable operation of the enterprise.

This year, we fostered a green background and steadfastly fulfilled our commitment to low-carbon development.

Addressing climate change is not only the social responsibility that enterprises should fulfill, but also an important opportunity for high-quality development. We actively responded to the national "dual-carbon" strategy and integrated the concept of green development into the entire business chain. At the internal operation level, we implemented a green office model, continuously optimized the energy structure; at the business empowerment level, we successfully developed and promoted a series of green materials such as solid waste-based soil stabilizers and rubber powder composite modified asphalt, built benchmark zero-carbon expressway projects, took the lead in applying for national-level zero-carbon parks, and formed core service capabilities in fields such as forestry carbon sink development and carbon asset management. Through technological innovation and efficient solutions, we help customers achieve energy conservation and emission reduction goals, and work with upstream and downstream enterprises in the industrial chain to build a low-carbon development ecosystem.

This year, we held high the banner of innovation to forge core competitive strength.

We improved the scientific and technological achievement transformation system, compiled and released a promotion manual covering 3 categories and 50 products, and explored the new business model of "material supply + special construction". The company has achieved fruitful results in industry honors, winning frequent awards in various industry evaluations. The number and quality of awards have reached a new high in recent years, and the group has won more than 170 various honors throughout the year. We implemented the "Comprehensive Innovation Plan Implementation Plan" to encourage all employees to boldly explore and bravely make breakthroughs in technology, management, business and other links. The group added 50 newly authorized patents throughout the year, including 18 new invention patents; the 7th "Innovation Forum" collected 56 innovation plans and displayed 19 outstanding achievements. Proactive innovation and willingness to innovate have become the inherent cultural genes and development motivation of the enterprise.

This year, we adhered to the people-oriented approach and gathered the momentum to forge ahead.

We further implemented the talent-strengthening enterprise strategy, focused on precise talent introduction and training in fields such as water transportation and water conservancy, intelligent transportation, energy power, and low-carbon environmental protection, and optimized the talent echelon construction. We provided precise empowerment for employees through a sound education and training system, improved the salary incentive, performance distribution, professional title evaluation and practicing qualification management mechanisms, and promoted the digital upgrading of human resources. We formulated and promoted the "Employee Service Guarantee System Implementation Plan", built an online and offline diversified communication platform, coordinated to solve problems such as employees' children's enrollment and optimized commuter bus routes; awarded college entrance examination rewards to employees' children, condoled with sick and needy employees, and demonstrated the group's care. We organized the establishment of the "HNDI Reading Club" and carried out 12 large-scale cultural and sports activities such as basketball and table tennis throughout the year to enrich employees' spiritual and cultural life and enhance team cohesion and sense of belonging.

This year, we bravely assumed social responsibility and fulfilled our mission of mutual benefit and win-win results.

We actively participated in rural revitalization, technical assistance and public welfare undertakings, empowering local high-quality development with technologies such as low-altitude economy, intelligent transportation, and ecological restoration; we deepened collaborative cooperation with industrial chain partners, adhered to the equal treatment of small and medium-sized enterprises, and built an open and win-win industrial ecosystem; we actively responded to the "Belt and Road" initiative, steadily expanded overseas market layout, and undertook major infrastructure projects in Africa, South Asia, ASEAN and other regions, enhancing the global presence of the HNDI brand.

Looking forward to the future, the company will continue to deepen sustainable development practices. In the ecological dimension, we will fully implement the dual-carbon strategy and lead the low-carbon transformation of the industry with green technologies; in the social dimension, we will strictly adhere to the bottom line of quality and safety, protect employees' rights and interests, deepen supply chain collaboration, and delve into public welfare to empower people's livelihood; in the governance dimension, we will continue to improve the ESG management and control system, strengthen compliance and risk control capabilities, and fully protect the rights and interests of shareholders and stakeholders. We firmly believe that only by adhering to responsibilities, embracing changes, and collaborating for symbiosis can we achieve long-term and stable development. The company will contribute to the national dual-carbon goals, empower the construction of a transportation power, and create better people's livelihood and well-being with high-quality development.

Thank you again for the trust and support of friends from all walks of life! May we work together with one heart and forge ahead courageously to embark on a new journey and create a better future!

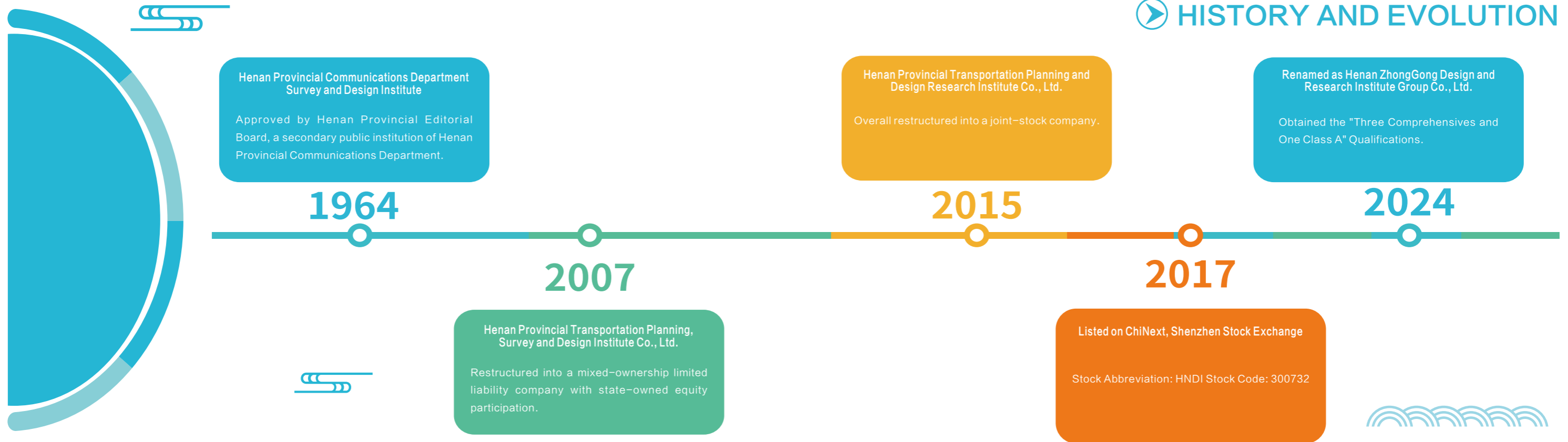
02 About us

Company Profile

Henan ZhongGong Design & Research Group Co., Ltd. (Stock Code: 300732, English abbreviation: HNDI) formerly known as Henan Provincial Transportation Planning and Survey Design Institute, was established in 1964. In August 2007, with the approval of the People's Government of Henan Province, the institute was restructured into a mixed-ownership limited liability company with state-owned equity participation. In October 2015, it was overall restructured into a joint-stock limited company. In December 2017, it went public on the ChiNext board of the Shenzhen Stock Exchange. It is a national high-tech company and an innovative leading company in Henan Province.

In April 2023, it was honored with the "Governor's Quality Award" and became the first engineering consulting company listed in the Central China region. HNDI holds comprehensive Class A qualifications in engineering consultation, engineering design, engineering investigation, and in urban and rural planning. It is one of the few design and consulting companies in the country that possesses the "Three Comprehensive and One Class A" qualifications.

HISTORY AND EVOLUTION



BUSINESS CHAIN



Centering on six major industries including transportation, urban construction, water conservancy, construction, mining, and energy and electric power, as well as two major fields of environment and safety, the Group provides integrated and comprehensive technical services covering the whole process of "financing, investment, construction, management, maintenance and operation" for infrastructure construction.



Qualifications



Class A Comprehensive Qualification for Engineering Design



Class A Comprehensive Credit Rating for Engineering Consulting Enterprises



Class A Comprehensive Qualification for Engineering Investigation



Class A Qualification for Urban and Rural Planning



Engineering Survey Labor Qualification: Engineering Drilling and Well Drilling



Class A Credit Qualification for Engineering Consulting Institutions (Specialized Credit)



AAA Credit Rating for Engineering Consulting Institutions



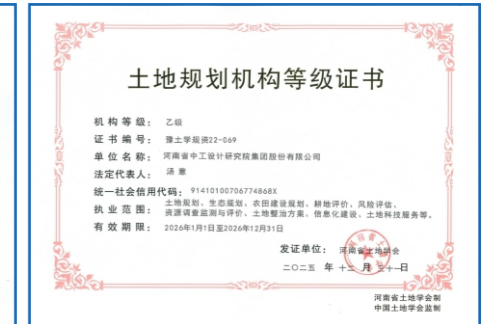
Class A Surveying and Mapping Qualification, Class B Surveying and Mapping Qualification



Class A Qualification for Geological Hazard Assessment and Control Engineering Survey and Design



Class B Qualification for Geological Hazard Control Engineering Supervision



Grade B Certificate for Land Planning Institution



China Metrology Accreditation (CMA) Certificate for Inspection and Testing Institutions; Special Equipment Production License (Pressure Piping Design); Group Credit Rating Certificate (AAA Grade)



Main Businesses and Products

Whole-Process Consulting Services

Planning and Consulting	Engineering Survey
<ul style="list-style-type: none"> • Think Tank Services • Comprehensive Planning • Transportation and Logistics • Investment and Financing Planning • Safety and Emergency Response • Carbon Consulting and Carbon Asset Development • Engineering Cost and Comprehensive Consulting 	<ul style="list-style-type: none"> • Highway Survey • Municipal Survey • Architectural Survey • Testing and Inspection • Engineering Monitoring • Water Conservancy and Waterway Survey • Energy and Power Survey • Geothermal Energy Development and Utilization • Geological Disaster Prevention and Ecological Restoration
Engineering Surveying and Mapping	Engineering Design
<ul style="list-style-type: none"> • Geodetic Survey • Aerial Photogrammetry for Surveying and Mapping • Photogrammetry and Remote Sensing • Engineering Measurement • Marine Surveying and Mapping • Boundary and Real Estate Surveying and Mapping • Geographic Information System (GIS) Engineering • Map Compilation Internet Map Services 	<ul style="list-style-type: none"> • Transportation • Urban Construction • Architecture • Mining • Water Conservancy • Environment • Energy and Power
Engineering Management	Testing and Certification
<ul style="list-style-type: none"> • Engineering Supervision • Design-Build General Contracting • Engineering Agency Construction and Operation Management • Digital Consulting • Whole-Process Cost Consulting 	<ul style="list-style-type: none"> • Engineering Material Testing • Road Engineering Testing • Structural Engineering Testing • Tunnel and Protection Engineering Testing • Foundation and Substructure Testing • Traffic Safety Facilities and Electromechanical Engineering Testing • Construction Engineering Quality Testing • Steel Structure Testing • Waterway Engineering Quality Testing • Water Conservancy Engineering Testing • Site Laboratory Acceptance • Instrument and Equipment Calibration

Technological RandD and Application of Achievements and Promotion

Digital and Intelligent Products and Services	
<ul style="list-style-type: none"> • Henan Expressway Infrastructure Data Center • Highway Engineering Intelligent Construction, Management and Maintenance Platform (BCM3.0) • Digital Expressway Smart Operation and Maintenance Platform (DHP) • Transportation Public Service Platform • Hangyuan Comprehensive Supervision Platform • Tunnel Safety Operation and Management Platform • Construction Site Comprehensive Management Platform • Danjiangkou Reservoir Water and Land Traffic Intelligent Supervision Platform • Integrated Smart Mine Control and Management Platform • Henan Provincial Rapid Village Access Guarantee Supervision System 	
Intelligent Manufacturing Products and Services	
<ul style="list-style-type: none"> • Highway, Railway, Municipal Bridge Steel Structure and Steel-Concrete Composite Structure Products • Water Conservancy and Hydropower Engineering, Waterway Engineering Hydraulic Metal Structure Products • Civil Engineering Steel Structure and Metal Enclosure Products • New Energy Field Metal Structure Products • High-end Engineering Equipment Products • Integrated Assembly, Transportation and Installation 	
Green and Low-Carbon Products and Services	
<ul style="list-style-type: none"> • Low-Emission Multi-Source Waste Rubber Powder Composite Modified Asphalt Technology • Industrial Solid Waste Ecological Cementitious Material Road Application Technology • Polymer Emulsion and High Viscosity Modified Emulsified Asphalt • Solid Waste-Based Self-Compacting Flowable Solidified Soil • High-Strength Cement Concrete Rapid Repair Material • Continuous Flow Aerated Granular Sludge Technology • Steel Slag Aggregate Cold-Mix Anti-Scratch Wear Layer Preventive Maintenance • Environmental Pollution Control Technology and Equipment 	

Company Structure

The Group has 7 business divisions, 3 R&D departments, 14 production institutes, 18 wholly owned subsidiaries and 2 holding companies, among which 7 have been recognized as "High-Tech Enterprises" and "Henan Provincial Specialized, Special and Innovative Enterprises".



Market Footprint

Domestic Market Layout

Six major regions within Henan Province: Zhengzhou, Eastern Henan, Southern Henan, Western Henan, Northern Henan, and Southwestern Henan

Four regional headquarters outside Henan: Guangdong-Hong Kong-Macao Greater Bay Area Regional Headquarters, Chengdu-Chongqing Regional Headquarters, Yunnan-Guizhou Regional Headquarters, Yangtze River Delta Regional Headquarters

Seven joint regions outside Henan: Northwest Region, Southwest Region, Central China Region, North China Region, South China Region, East China Region, Northeast Region

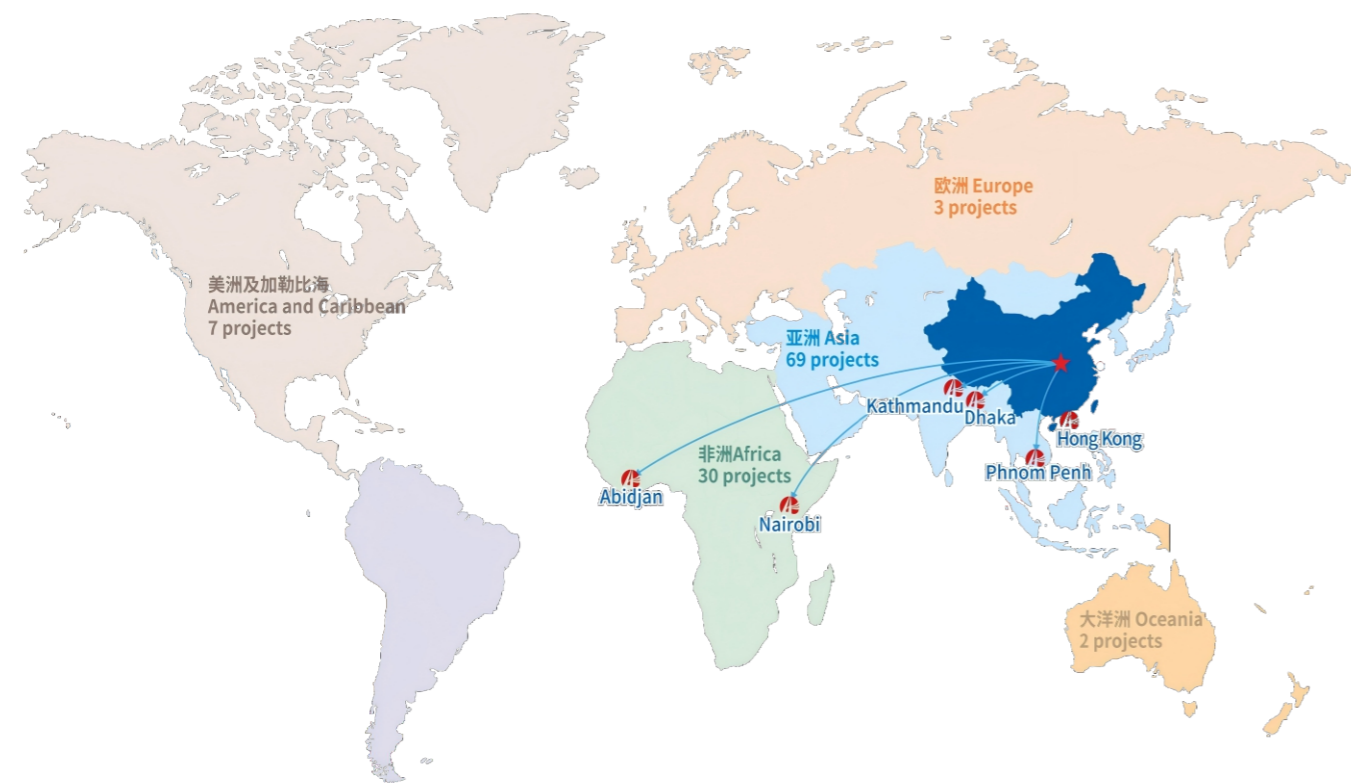
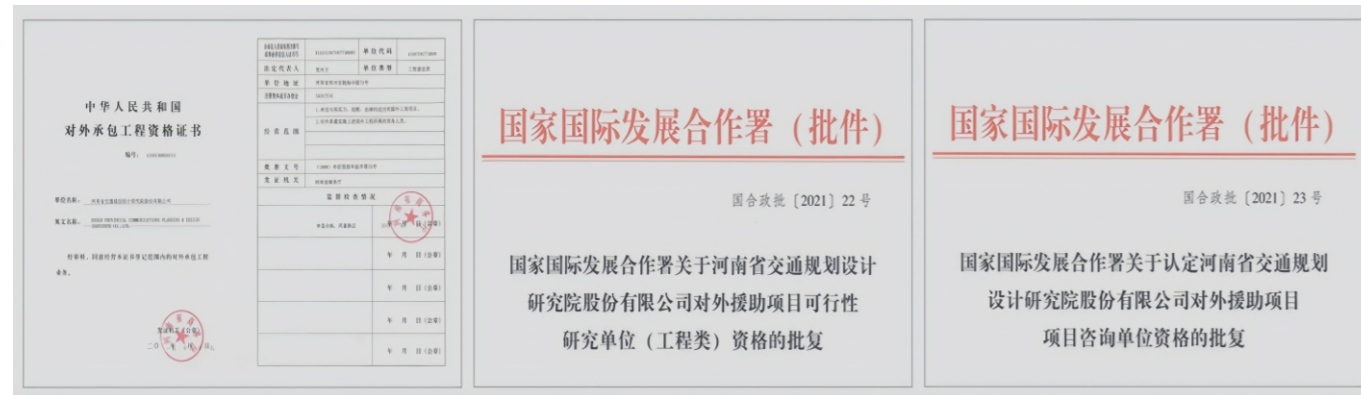
Domestic institutions located in: Chengdu, Fujian, Hainan, Luoyang, Zhangzhou, Zhejiang, Guilin, Guangxi, Yunnan, Xizang, Gansu, Chongqing, Xiong'an (Hebei), Heyuan, Foshan, Guangzhou, Shandong, Qingyuan, Yichun, Tianjin, Puyang, Shenzhen, Beijing, Shantou, Xinyang, Xuchang, Liaoning, Dongguan, Shanxi, Hunan, Xiayi, Zhoukou, Zhongshan, Yibin



Accelerate the Promotion of International Development Layout

The Group is one of the earliest domestic institutions engaged in international economic and technical cooperation, holding the full set of foreign aid qualifications issued by the Ministry of Commerce of the People's Republic of China and the China International Development Cooperation Agency.

It has participated in and undertaken the survey, design, construction supervision and technical consulting services for more than 130 major overseas highway engineering projects, with operations covering over 50 countries and regions in Southeast Asia, South Asia, Central Asia, the Middle East, Africa, Latin America, Eastern Europe and other regions.



Company Culture

- Mission: Create Value through Service, Enrich Life for All
- Vision: China's Leading Comprehensive Engineering Technology Service Enterprise
- Core Values: Pursue Excellence, Dedicate with Perseverance, Integrity and Responsibility, Win-Win Cooperation
- Development Philosophy: Service-Centric, Quality-Fundamental, Technology-Guaranteed, Market-Driven
- Quality Policy: Standardization, Innovation, High Quality, Harmony
- Innovation Philosophy: Innovation as Culture, Pioneering as Spirit

Certificates

- Henan Provincial Innovation Leading Enterprise
- First Batch of Data Enterprises in Henan Province
- National "AAA" Credit Rating for Engineering Cost Consulting Enterprises
- Top 100 Enterprises in China's Geographic Information Industry
- 5A-Class Traffic Construction Quality Testing Institution of the Ministry of Transport
- Henan Provincial AAA-Class Design Integrity Unit
- Henan Provincial AAA-Class Survey Integrity Unit

<p>1 Item International Awards</p> <p>IRF International Road Award Nominee</p>	<p>1083 Item Scientific Research Achievements and Intellectual Property Rights</p> <p>175 National and Provincial Scientific Research Achievement Awards 548 Valid Patents 360 Software Copyrights</p>
<p>140 Item National-Level Awards</p> <p>National Excellent Engineering Survey and Design Award Luban Award Zhan Tianyou Award</p>	<p>683 Item Provincial and Ministerial-Level Awards</p>
<p>85 Item Standard Formulation</p> <p>3 National Standards (Participated in Compilation) 9 Industry Standards (Led and Participated in Compilation) 66 Local Standards (Led and Participated in Compilation) 7 Association Standards</p>	

Major Events in 2025

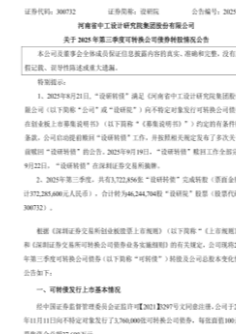


01 Implementation of the Group Development Plan (2025-2027)

The Group anchors its strategic goal of high-quality development, clarifies the development direction and implementation path for each business segment, coordinates the optimal allocation of resources across the board, and leads the Group's steady and long-term development with top-level design.

02 Ensuring Henan's Expressway Mileage Exceeds 10,000 km

The Group has made breakthroughs in opening 8 new expressways in Henan, becoming the core supporting force for the province's expressway mileage to exceed 10,000 km. It has helped Henan achieve "ring-connected network" and "dual expressways in every county", laying a solid transportation foundation for the province's high-quality development. Among them, the Taihang Mountain Expressway has become the new "Most Beautiful Highway in Henan", and the Danjiang Xiaosanxia Bridge, with a main span of 536 meters, has set a new record in the province, fully demonstrating the Group's comprehensive technical strength.



03 Successful Completion of "NHD Convertible Bond" Conversion

Proactively promoted the successful conversion of 37300 ten thousand CNY in bonds, effectively alleviating the redemption pressure in the next three years, continuously optimizing the Group's capital structure, reducing the asset-liability ratio, and laying a solid foundation for the Group's healthy development.

04 Breakthrough and Consolidation of Qualification System

In 2025, the Group achieved breakthroughs and consolidation of 7 key qualifications including "Pressure Pipeline", consolidating the Group's full-industry-chain qualification foundation, enhancing market competitiveness in fields such as "Key Projects, New Infrastructure, and Low-Altitude Economy", and supporting the Group's sustainability.



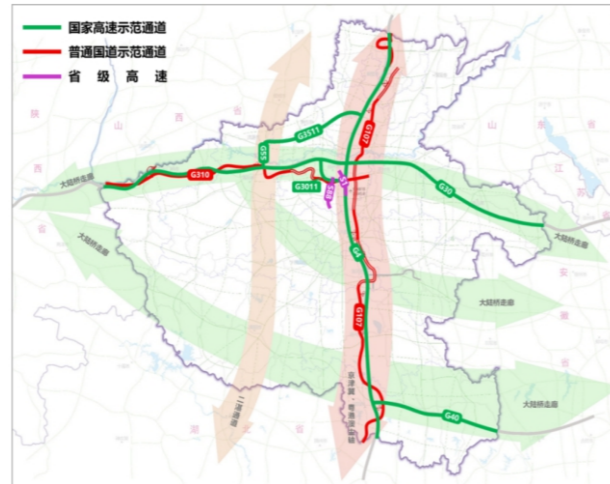
05 Quantitative and Qualitative Improvement of Group Awards

The Group won more than 170 honors of various types throughout the year, achieving a zero breakthrough in international awards, and winning 46 national awards, including the only annual special prize of the China Transportation Association Science and Technology Invention Award, 2 first prizes of National Highway Transportation Excellent Survey and Design, 1 National Excellent Engineering Survey and Design Award, 2 first prizes of National Coal Industry Engineering Consulting Achievements, and other major honors; it also won 3 Henan Provincial Science and Technology Progress Awards and 1 Mao Yisheng Transportation Science and Technology Progress Award. The intensive landing of high-value awards fully demonstrates the Group's core strength and industry-leading position in engineering design, scientific research innovation, technical breakthroughs and other fields.



06 Promoting Digital Transformation of Henan's "One Axis, One Corridor" Transportation Infrastructure

Completed the design of the demonstration corridor and network for the digital transformation of Henan's "One Axis, One Corridor" transportation infrastructure, fully demonstrating the Group's professional strength in information consulting and design, deepening multi-level user cooperation, and driving the in-depth coordinated development of the Group's digital business segment.



07 Participating in Henan's Major Science and Technology Project for Low-Altitude 3D Transportation, Tackling Intelligent Planning of Low-Altitude Infrastructure



The Group has deeply participated in Henan's major science and technology project for low-altitude 3D transportation, undertaking the core task of "Research on Layout of Take-off and Landing Facility Network and Air Route Optimization Technology Based on Multi-source Data Fusion". Its technical strength has been officially recognized, successfully seizing the technical high ground of the low-altitude economy, promoting the integration of "industry-university-research-application", and consolidating the core technical support for the Group's low-altitude economy business.

08 Formulating China's First Port-Neighboring Industry Development Plan

The Group has formulated China's first "Henan Provincial Port-Neighboring Industry Development Plan (2025-2035)", seizing the track of port-neighboring industry and port planning, and creating new advantages for the Group's interconnected business development.

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河南省人民政府办公厅文件

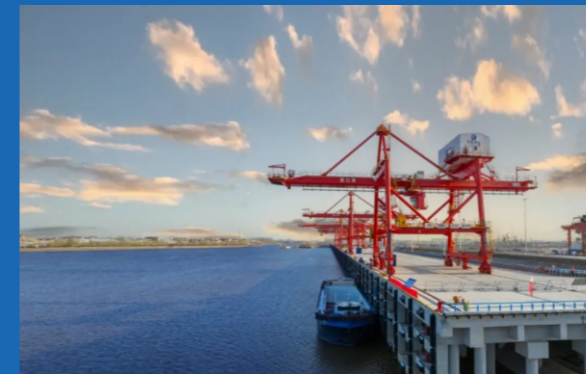
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河南省人民政府办公厅 关于印发河南省临港产业发展规划 (2025—2035年)的通知

各设区市人民政府，济源示范区、航空港区管委会，各市人民政府各部门：
《河南省临港产业发展规划（2025—2035年）》已经省政府同意，现印发给你们，请认真贯彻落实。



09 Ensuring the Official Opening of Zhoukou Port Central Operation Area



The Group designed and built the province's first inland river container terminal with an annual throughput capacity exceeding 1 million TEUs, ensuring the smooth opening of the central operation area of Zhoukou Port Central Port Area, providing key transportation support for the implementation of the province's "Strengthening towards the Sea" strategy.

10 Won the "Top 100 Enterprises in China's Geographic Information Industry" for Three Consecutive Years

The Group has been rated as one of the "Top 100 Enterprises in China's Geographic Information Industry" for three consecutive years, demonstrating its sustained and stable core competitiveness and brand influence in the industry, and consolidating the Group's industry-leading position.

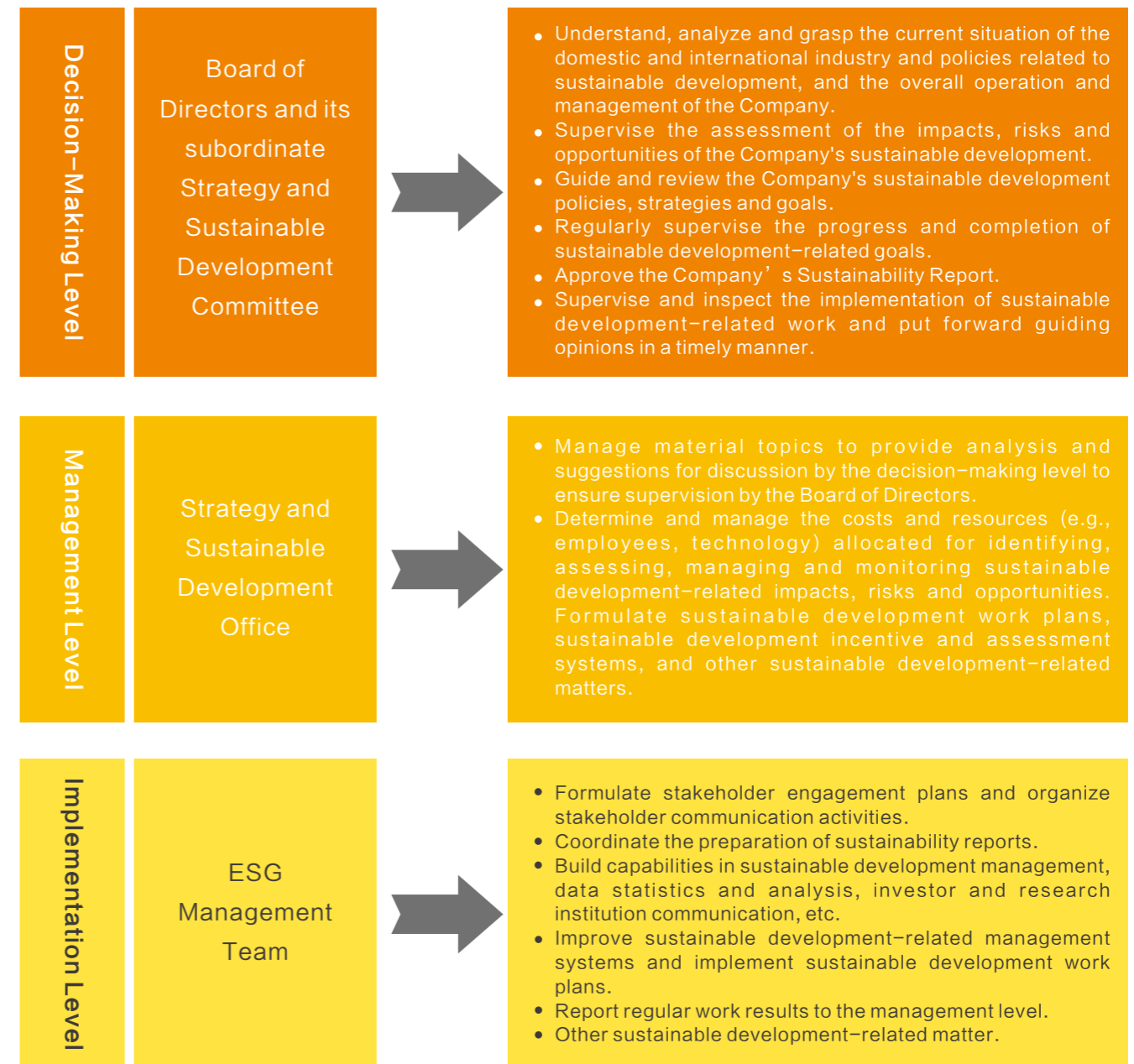


03 Sustainable Development Governance



Sustainable Development Governance Structure

The Group attaches great importance to ESG management, and has always deeply integrated the concept of sustainable development into the overall enterprise strategic layout and the entire operation process. To further improve the governance system and strengthen top-level coordination, the Group renamed the "Strategy Committee" under the Board of Directors as the "Strategy and Sustainable Development Committee", added ESG management-related functions on the basis of its original responsibilities, and revised and improved the corresponding working systems simultaneously. At the same time, the Group has built a three-level governance structure of "Board of Directors and its subordinate Strategy and Sustainable Development Committee-Strategy and Sustainable Development Office-ESG Management Team", clarifying the rights and responsibilities of each level, forming a coordinated, efficient and standardized organizational system, and providing a solid guarantee for the high-quality and sustainable development of the Group.



Sustainable Development Information Reporting Mechanism

The internal sustainable development information reporting mechanism is formulated in accordance with the *Company Law of the People's Republic of China* (hereinafter referred to as the *Company Law*), the *Securities Law of the People's Republic of China* (hereinafter referred to as the *Securities Law*), the *Measures for the Administration of Information Disclosure of Listed Companies*, the *Shenzhen Stock Exchange ChiNext Stock Listing Rules*, the *Shenzhen Stock Exchange Guidelines for the Standardized Operation of ChiNext Listed Companies* and other relevant laws, regulations and normative documents, combined with the *Articles of Association of Henan ZhongGong Design & Research Group Co., Ltd.* and the *Company Information Disclosure Management Measures* and other internal rules and regulations. The Group adopts special analysis reports, reporting meetings and other reporting methods, and simultaneously prepares weekly, monthly, semi-annual and annual reports. An immediate reporting mechanism is activated in the event of major ESG events to ensure that all levels of the governance structure obtain key information in a timely manner.

Sustainable Development Goals

The Group anchors the core requirements of the three dimensions of Environment (E), Social (S) and Governance (G), fully integrates the concept of sustainable development into the entire process of design consulting, scientific research and innovation, project management and corporate operations, injecting sustained impetus into industry upgrading, social progress and ecological protection.

Dimension	Strategic Goals	SDGs Alignment
Governance (G)	<ul style="list-style-type: none"> Adhere to the bottom line of compliant operations, establish and improve a modern corporate governance system. Improve internal control and risk management mechanisms, achieving 0% underreporting of major risks and zero safety accidents. Build a digital risk control and operation management platform. Adhere to integrity-based and transparent management, protect the legitimate rights and interests of stakeholders such as shareholders and customers, and continuously improve customer satisfaction and corporate credibility. 	
Social (S)	<ul style="list-style-type: none"> Promote employee value enhancement, build an inclusive and fair development platform, and ensure decent work and employee well-being. Deepen sustainable and responsible supply chain management, build an industry-university-research-application ecological alliance, and drive collaborative development of partners. Actively fulfill community responsibilities and social public welfare, and contribute to the popularization of quality education. 	
Environment (E)	<ul style="list-style-type: none"> Comprehensively reduce the environmental impact of the entire life cycle of design and operation. Vigorously promote the application of BIM technology, green building standards and clean energy to drive the green transformation of the construction and transportation sectors. Jointly build a low-carbon development ecosystem with all parties in the industrial chain, actively address climate change, protect the ecological environment, and contribute to the long-term goals of carbon peaking and carbon neutrality. 	

Stakeholder Engagement

The Company attaches importance to communication with stakeholders. It identifies key stakeholders such as employees, shareholders and investors, customers and suppliers, industry associations and NGOs, government and regulatory authorities, and peer enterprises based on its operations. It understands their expectations and demands through multiple channels and actively responds to and addresses their concerns. Various business departments are responsible for targeted communication to ensure that stakeholders' concerns are efficiently transmitted and implemented within the Company. The Company always adheres to the principle of respecting and safeguarding the legitimate rights and interests of all parties, advocates active cooperation and win-win progress, and jointly promotes the Company to achieve sustainable and high-quality development goals.

Stakeholders	Concerned Topics	Communication and Response
Employees	Employee rights and protection, employee development and training, occupational health and safe production	Abide by labor standards, improve salary and welfare systems, conduct regular training, smooth career promotion channels, employee congresses
Shareholders and Investors	Transparent information disclosure, compliant operations, sustainable governance mechanisms, risk management and internal control	General meetings of shareholders, performance briefings, Interactive Easy platform, optimized group governance system, timely and accurate information disclosure, improved internal control, risk assessment, diversified investor communication channels
Customers and Suppliers	Data protection and information security, product and service quality, technological innovation and progress, responsible procurement, supply chain security	Protect customer information and privacy, service and complaint hotlines, customer satisfaction surveys, application of complaint systems, improve service quality, strengthen product quality control, open and transparent procurement
Industry Associations and NGOs	Addressing climate change, rural revitalization, social public welfare	Volunteer services, public welfare and charitable activities
Government and Regulatory Authorities	Compliance with laws and regulations, tax payment in accordance with the law, serving regional economy, environmental compliance management, circular economy	Accept daily supervision and inspection, fulfill social responsibilities, improve environmental governance system, improve sustainable development system
Peer Enterprises	Anti-unfair competition	Anti-unfair competition management system, anti-unfair competition measures, strategic cooperation

Material Topic Management

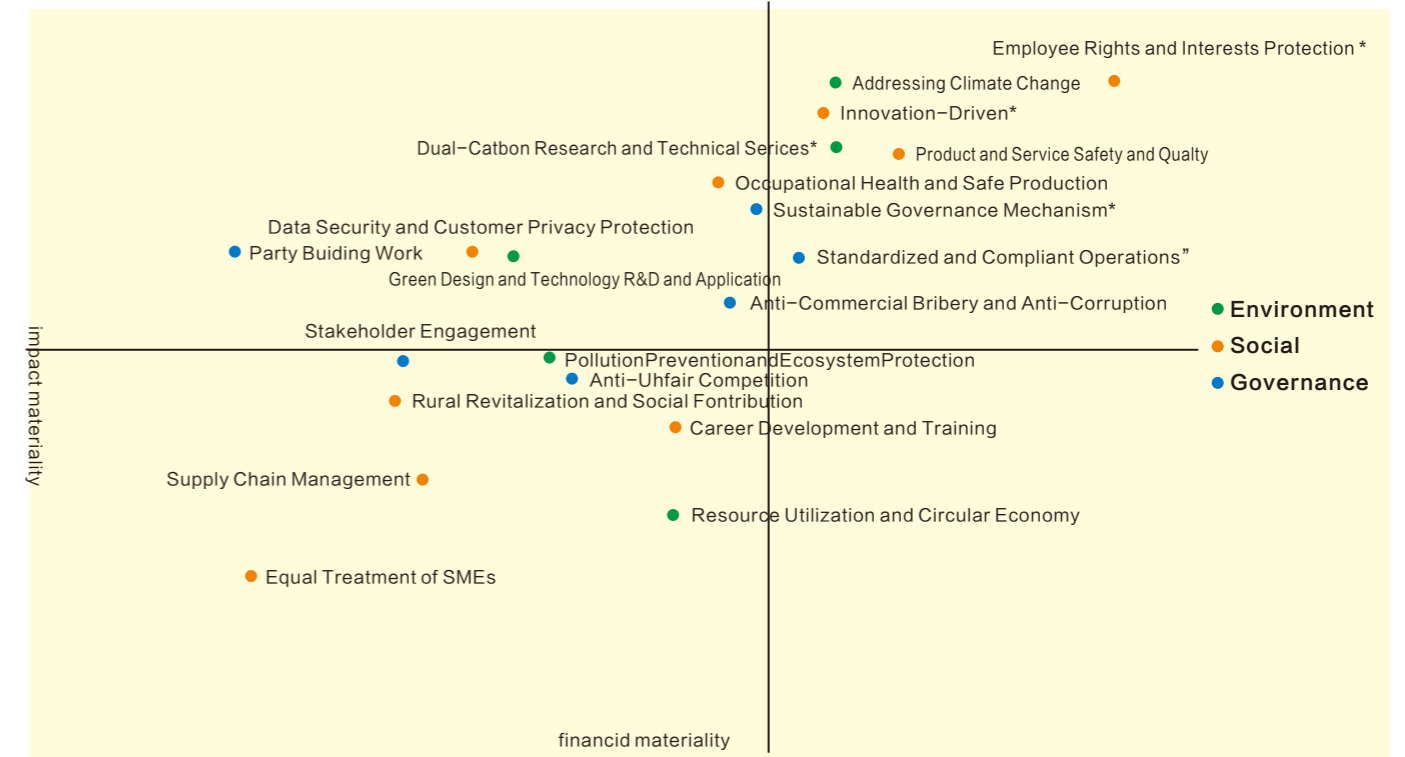
Materiality Assessment

In accordance with the assessment methods of domestic and international disclosure standards such as the *Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange-Sustainable Development Report (Trial)*, the *Self-Regulatory Guidelines No.3 for Companies Listed on Shenzhen Stock Exchange-Preparation of Sustainability Reports (2026 Revision)*, the *Sustainability Reporting Standards (GRI Standards 2021)* issued by the *Global Reporting Initiative (GRI)*, and the *China Enterprise Sustainability Reporting Guidelines (CASS-ESG 6.0)*, the Group identifies and assesses material topics from two aspects: impact materiality and financial materiality. The specific analysis process is as follows:

Topic Assessment Process	Analysis Method
Understand Company Background	<ul style="list-style-type: none"> Analyze internal activities and business relationships of the Company, including sorting out the Company's strategy, business and value chain, and identifying sustainable development-related impacts Understand the external objective environment, including 2025 macro policies, industrial policies, regulatory requirements and industry hotspots, and identify potential impacts on the Company; Understand key stakeholders mainly affected, including internal and external stakeholders, and sort and classify them.
Establish Topic List	<ul style="list-style-type: none"> Based on domestic and international sustainable development rating assessment methods, industry characteristics, market trends and the Company's business model, take the CASS-ESG 6.0 and GRI Standards as the list foundation, and form a topic list combined with industry characteristics, industry development stage, own business model, value chain and other conditions. In 2025, in accordance with the Guidelines, the topic of "Equal Treatment of SMEs" was added on the basis of last year's topics, and "Intelligent Construction" was integrated into "Innovation-Driven", resulting in a total of 20 topics.
Topic Materiality Assessment	<ul style="list-style-type: none"> Rely on questionnaire surveys and multi-channel stakeholder communication mechanisms to systematically collect quantitative scores of internal and external stakeholders on the impact materiality and financial materiality of each sustainable development topic; Build a differentiated weight system based on the degree of stakeholder impact and concern priority, and form quantitative assessment results of all topics after weighted summary.
Topic Review and Confirmation	<ul style="list-style-type: none"> Synthesize the assessment results of topic impact and financial materiality, set materiality thresholds combined with the Company's operation and management capabilities, determine the material topic list and define boundaries; Build a double materiality analysis matrix to present assessment results. After the Sustainable Development Management Committee reviews and confirms the topic ranking, it will be reported to the Board of Directors, and the material topics identified for 2025 will be key disclosed in the report.

Results of Material Topic Assessment

The results of the 2025 material topic identification are shown in the matrix below. Six topics are identified as financially material (topics marked with * are financially material topics).



Topic Scope	Topic Name	Corresponding Report Chapter
Environment	Addressing Climate Change *	Addressing Climate Change
	Pollution Prevention and Ecosystem Protection	Advancing Emissions Management Ecosystems Protecting
	Resource Utilization and Circular Economy	Resource Recycling
	Green Design and Technology R&D and Application	Green and Low-Carbon Design
Social	Dual-Carbon Research and Technical Services *	Dual-carbon Strategy Services
	Innovation-Driven *	Innovation-Driven Development
	Supply Chain Management	Supply Chain Sustainability
	Equal Treatment of SMEs	Equal Treatment of Small and Medium-Sized Enterprises
	Product and Service Safety and Quality *	Product and Service Quality and Safety Control
	Data Security and Customer Privacy Protection	Data Privacy Protection
	Employee Rights and Interests Protection *	Protection of Employees' Rights and Interests
	Occupational Health and Safe Production	Health and Safety Protection
	Career Development and Training	Talent Development Program
	Rural Revitalization and Social Contribution	Empowering Rural Development Technology-Enabled Practices Public Welfare Commitment for Long-Term Development Jointly Building Dreams and Moving Forward Together Win-Win Cooperation Between China and the World
Governance	Standardized and Compliant Operations *	Standardized and Compliant Operations
	Sustainable Governance Mechanism	Sustainable Development Governance Structure Sustainable Development Information Reporting Mechanism Sustainable Development Goals
	Stakeholder Engagement	Stakeholder Engagement
	Anti-Commercial Bribery and Anti-Corruption	Anti-Corruption Initiatives
	Anti-Unfair Competition	Safeguarding Fair Competition
Party Building Work	Party Building Leading by Example	

04 Practicing Low-Carbon Development and Promoting Green Environmental Protection



04 Practicing Low-Carbon Development and Promoting Green Environmental Protection

Addressing Climate Change

Governance for Climate Change Response

HNDI has established the Strategy and Sustainable Development Committee composed of 6 directors. An office is set up under the Committee, affiliated with the Board Office, responsible for routine liaison, meeting organization and preliminary review of relevant matters. The Committee identifies and oversees ESG-related risks and opportunities materially impacting HNDI's business, guides management in adopting appropriate responses, and studies and provides decision-making advice on major ESG matters such as targets and strategic plans.

Strategy for Addressing Climate Change

Climate change presents both risks and opportunities for HNDI. Growing societal demand for green and low-carbon development creates new business growth drivers, while requiring adjustments to business models and strategic planning. Centered on full-lifecycle engineering services, HNDI is committed to becoming a leading comprehensive engineering technology service enterprise in China.

HNDI has identified climate-related risks and opportunities across business segments and formulated targeted response strategies.

Risk Category	Risk Driver	Risk Description	Value Chain Stage	Likelihood	Impact Horizon	Financial Impact	Response Strategy
Physical Risk	Extreme weather	Facility damage, operational disruption, impaired building material performance, delayed construction, and aggravated ecological damage	Direct operation / Project construction	Medium	Short, medium and long term	Increased costs for labor, equipment leasing, emergency reserves and restoration	Improve climate monitoring and early warning systems, upgrade disaster-resistant design standards, and formulate emergency plans
Policy Risk	Updated regulations and standards	Adjustments to climate policies, stricter project approval and compliance requirements, and revised industry standards	Full project process	Medium	Medium and long term	Higher compliance costs, delayed project approval leading to increased time and capital costs	Closely track policy updates, adjust business plans promptly, strengthen compliance teams, and participate in standard-setting
Technical Risk	Lagging technological iteration	Insufficient or outdated technical reserves, barriers to new technology deployment	RandD / Project application	Medium	Short, medium and long term	High technical renovation costs, reduced service competitiveness and revenue loss	Increase investment in low-carbon RandD, cooperate with universities and research institutes
Market Risk	Volatile market demand	Intensified industry competition driven by climate transition	Downstream market / Client engagement	Medium	Medium and long term	Declining market share, reduced revenue and profit	Deepen market research, optimize service structure, expand client base, and enhance differentiated competitiveness
Reputational Risk	Underperforming transition	Damaged brand credibility, weakened client cooperation and industry evaluation	Brand communication / Project implementation	Low	Medium and long term	Impairment to brand trust and partnership	Embed green principles throughout the project lifecycle, disclose transition progress, and strengthen multi-stakeholder communication

Opportunity Category	Opportunity	Opportunity Description	Value Chain Stage	Likelihood	Impact Horizon	Financial Impact	Realization Strategy
Market Opportunity	Exploring new business areas	Surge in demand for green and low-carbon markets	Downstream value chain / Project expansion	High	Medium and long term	Diversified revenue, higher market share and revenue growth	Step up RandD in new sectors, build benchmark projects, and expand business coverage
Policy Opportunity	Accessing policy incentives	Support policies, subsidies and key-listed green projects	Project application / Policy coordination	High	Short, medium and long term	Policy subsidies, tax incentives and lower upfront project costs	Align closely with policy directions, actively apply for special support, and participate in policy implementation
Technical Opportunity	Technology-enabled cost reduction and efficiency improvement	Mature application of low-carbon, smart and energy-saving technologies; digital tools enhancing design and operational efficiency	RandD / Project implementation	High	Short, medium and long term	Lower operational, energy and long-term maintenance costs, improved project returns	Scale up advanced technologies, integrate technology with business, and reduce costs while boosting efficiency
Financial Opportunity	Access to green finance	Improved green financial instruments and diversified financing channels	Project financing	High	Short, medium and long term	Higher capital turnover, lower financing costs and optimized capital structure	Study green financial products, apply for targeted financing, and innovate green finance cooperation

Scenario Analysis

As a comprehensive engineering design and consulting group, HNDI conducts in-depth scenario analysis to assess the potential impacts of climate change on its business, evaluate the resilience of its strategic plans, and adjust strategies and financial plans accordingly.

Time Horizon	Scenario Analysis
Short term (1 - 2 years)	<p>Policy and market environment National and Henan's 15th Five-Year Plan emphasizes green, smart and safe infrastructure upgrades, creating new demand in transportation, urban construction, water conservancy and other traditional sectors. The "dual-carbon" goal shifts from compliance to carbon value creation, spurring emerging services such as carbon accounting, carbon asset management, zero-carbon parks and zero-carbon expressways.</p> <p>Business development Focus on improving the industrial chain layout in the "6+2" service sectors (six major industries including transportation, urban construction, water conservancy, construction, mining, and energy and electric power, plus two major fields: environment and safety), and enhance the comprehensive integrated service capacity. Seize the window of the "13445 Project" completion and new 15th Five-Year Plan expressway projects; integrate green, low-carbon and smart design into new projects. Explore the "design + operation" full-lifecycle service model for expressway operation and maintenance. Follow urban renewal and resilient city trends to expand old community renovation, underground pipeline upgrading and urban flood control. Accelerate deployment in low-altitude infrastructure, wind-solar-storage integration and biomass energy.</p> <p>Financial impact Increased investment in digitalization, green technology and talent may pressure short-term profits; cash flow is expected to improve via payment collection campaigns and optimized business structure.</p>
Medium term (3 - 5 years)	<p>Industry trends and competition Industry consolidation intensifies; technological barriers become core competitiveness. HNDI will consolidate market share based on its "Three Comprehensive and One Class A" and "6+2" industrial layout. Digitalization and AI redefine competition.</p> <p>Business diversification and synergy Deepen "6+2" business synergy and shift from project operation to client-centric ecosystem development. Integrate carbon asset development and dual-carbon consulting with traditional design services via Henan Carbon Emission Rights Service Center. Set up cross-departmental task forces for integrated projects and build "design + operation + investment" one-stop service capacity.</p> <p>Financial impact Synergies of the "6+2" layout will emerge; revenue from digital products, green materials and carbon asset services will rise significantly as key profit drivers.</p>
Long term (5+ years)	<p>Global expansion and international strategy Deepen presence in South Asia, Africa and expand to the Middle East and ASEAN under the Belt and Road Initiative. Export green technologies in green transportation, zero-carbon parks and solid waste recycling, participate in international standard-setting, and build long-term service ecosystems overseas.</p> <p>Strategic transformation and sustainable development Complete transformation into a full-solution provider offering one-stop full-lifecycle services. Integrate ESG into corporate strategy to achieve synergies of economic, social and environmental benefits.</p> <p>Financial impact Internationalization and business model transformation will unlock sustained cash flow and brand premium, while facing geopolitical and overseas investment risks. HNDI will optimize financial management, build a full-cycle risk management system, and strengthen overseas risk identification and response.</p>

Management of Climate-Related Impacts, Risks and Opportunities

HNDI has established a closed-loop management system covering identification - assessment - response - communication - improvement for climate-related risks and opportunities.

Identification and assessment: Conduct a full assessment of major climate risks and opportunities semi-annually, covering policies, regulations, strategy, technology, products, operations, markets and the full value chain.

Response system: Adopt a dual-track model of risk prevention and opportunity capture; classify and grade risks for avoidance, mitigation or acceptance.

Communication and reporting: Hold regular climate risk assessment meetings, disclose risk status and responses, and clarify responsibilities across the organization.

Indicators and Targets for Climate Change Response

Short-Term Targets (1 - 2 years)

Improve climate governance and clarify departmental responsibilities to form a closed-loop management system.

Build an initial dual-carbon professional team with a certification rate of over 60% for core members.

Launch 3 - 5 benchmark climate response projects and achieve targeted growth in project volume and contract value.

Complete low-carbon renovation of office areas; reduce per capita energy consumption and carbon intensity; raise paperless office rate to 85%.

Medium-Term Targets (3 - 5 years)

Reduce Scope 1 + Scope 2 carbon intensity in office areas by a cumulative 25%.

Build a leading regional climate service platform; help clients reduce carbon emissions by at least 250,000 tons.

Raise climate-related RandD investment to 10% of total RandD; add at least 10 technological achievements and apply new technologies to over 60% of projects.

Lead or participate in 3 - 5 local climate-related standards.

Long-Term Targets (5+ years)

Achieve carbon neutrality for major events; reach industry-leading carbon intensity and lead industry green transition.

Build a full-chain climate service system covering governments, parks and enterprises; help clients reduce carbon emissions by at least 1 million tons.

Become an industry benchmark in climate action and support national dual-carbon goals.

Greenhouse Gas Emissions and Accounting Notes

GHG emissions are quantified in accordance with ISO 14064-1:2018 Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, ISO 14064-3:2019, GHG Protocol and IPCC 2006 Guidelines (2019 revision), based on HNDI’s 2025 operational data.

Key Indicator	Unit	2025
Natural gas	m ³	81471
Gasoline	ton	255.70
Diesel	ton	59.88
Purchased electricity	MWh	10198.77
Purchased heat	GJ	8977.00
Refrigerant (HFC-134a)	ton	0.20
Refrigerant (R32)	ton	0.20
Direct energy consumption	tce	553.11
Indirect energy consumption	tce	1559.73
Total energy consumption	tce	2112.84
Scope 1 GHG Emissions	tCO ₂ e	1109.74
Scope 2 GHG Emissions	tCO ₂ e	7001.69
Total GHG Emissions (Scope 1+2)	tCO ₂ e	8111.43

Note: Data covers the headquarters park and three subsidiaries. Emission factors are sourced from China Energy Statistical Yearbook 2021, Provincial GHG Inventory Guidelines, 2023 Henan power grid emission factor (0.5897 kgCO₂/kWh) and IPCC default values.

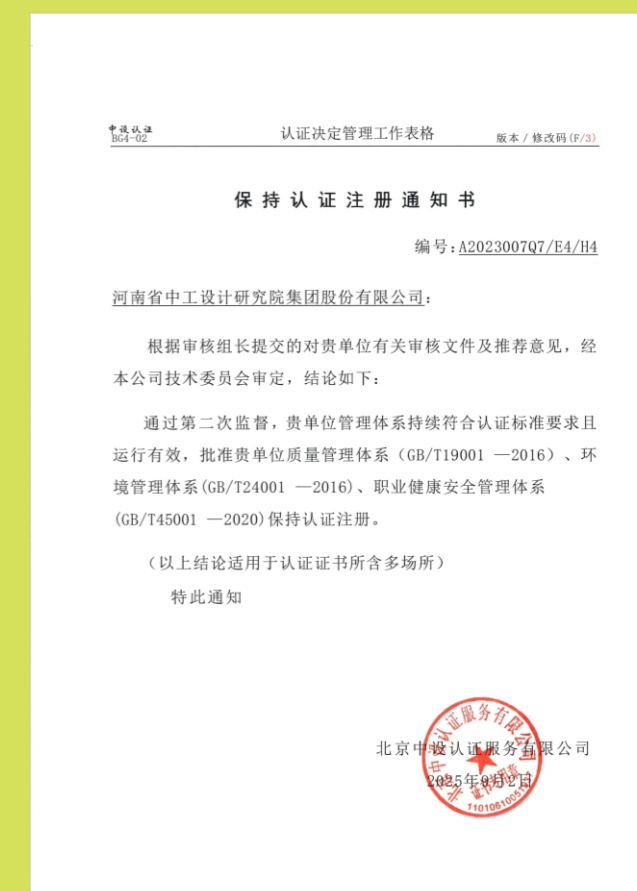
Participation in Emission Reduction Mechanisms

Henan Carbon Emission Rights Service Center Co, Ltd. (a subsidiary of HNDI) deeply participates in CCER project development, studies methodologies and boundary conditions, and matches emission reduction scenarios.

Advancing Emissions Management

Environmental Compliance Management

HNDI strictly abides by the *Environmental Protection Law of the People's Republic of China* and maintains valid GB/T 24001-2016 / ISO 14001:2015 environmental management system certification.



Pollutant Discharge

As an engineering consulting enterprise, HNDI is not a key polluting entity. All wastewater and waste gas are treated and discharged up to standard with full-process monitoring.

Waste Management

HNDI has formulated the Solid Waste Management Regulation and implements classified disposal of domestic, electronic and hazardous waste.

- (1) Scientific Classification and Disposal of Waste
 - Domestic waste: Adopt classified disposal and centralized collection to ensure resource utilization and harmless treatment.
 - Electronic waste: Prioritize recycling and reuse, or entrust professional institutions for compliant disposal to prevent pollution from hazardous substances.
 - Hazardous waste: Set up an independent temporary storage area and strictly comply with the Standard for Pollution Control on Hazardous Waste Storage (GB 18597).
- (2) Waste Classification and Standardized Disposal
 - Install classified collection containers and post category and hazard labels to ensure clear waste classification.
 - Household waste: Disposed of by qualified environmental protection companies entrusted by property management.
 - Production waste: Disposed of by professionals entrusted by the production department, achieving 100% proper discharge of waste.
 - Kitchen waste: Restaurant waste is entrusted to professional companies for recycling and disposal to eliminate illegal discharge and trading of waste oil.
- (3) Collaborative Management with Supply Chain and Cooperative Partners
 - Incorporate waste management requirements into cooperation agreements, such as requiring self-removal of construction waste.

Promote green procurement, optimize waste management processes, and improve overall management capabilities.

Key Performance Indicators of Environmental Management Process			
Key performance	2023	2024	2025
The number of complaints from the public and relevant parties regarding environmental protection	0	0	0
Environmental pollution accident (Incident)	0	0	0
The compliance rate of construction wastewater and waste gas	100%	100%	100%
The standardized disposal rate of solid waste	100%	100%	100%

Ecosystem Protection

Ecological Conservation

HNDI complies with environmental laws, biodiversity conventions and conducts ecological impact assessments for projects.

Ecological Conservation Cases

Cases: Demonstration and Analysis of Ecological Protection Red Line for Tanghe No.1 Bridge

Comprehensively assess the short-term and long-term impacts of the demolition and reconstruction of Tanghe No.1 Bridge on the wetland ecosystem, wildlife habitats, hydrological environment, etc. in the red line area, setting up a protective barrier for the construction of necessary infrastructure in ecologically sensitive areas.

Case: Total Nitrogen Comprehensive Control Project in Xingcheng River Basin and Multi-treasure Fish Breeding Environment Renovation



Case: Soil and Water Conservation in the Capacity Expansion and Quality Improvement Project of the Central Operation Area of Huaibin Port Area



Environmental Monitoring

Throughout the whole process of project construction and operation, the group conducts environmental monitoring in a standardized manner, implements monitoring in strict accordance with monitoring specifications and technical standards, promptly issues true and accurate monitoring data and reports, takes the initiative to accept social and environmental supervision, and earnestly fulfills the responsibility of ecological environmental protection.

Environmental Monitoring Cases

Case: Environmental Monitoring During the Construction Period of the Jigongshan to Shangcheng Section of the Expressway Along the Dabie Mountains

A systematic and periodic ecological environment monitoring work carried out for the entire four-year construction period of the 125-kilometer-long Jigongshan to Shangcheng Section of the Expressway Along the Dabie Mountains, providing a scientific basis for evaluating the long-term ecological effects of the project and optimizing the green construction technical specifications for similar mountainous expressways in the future.

Case: Environmental Monitoring During the Construction Period of the Qinyang to Yichuan Expressway

The whole-process environmental monitoring carried out during the entire construction stage of the 95-kilometer-long Qinyang to Yichuan Expressway, which is a guarantee mechanism for transforming the ecologically friendly design of "replacing roads with bridges" into practical protection effects, enabling the completion of this transportation artery without sacrificing the biodiversity and ecological balance of the Yellow River Wetland, and setting a benchmark for environmental management of major infrastructure projects implemented in national nature reserves.

Environmental Acceptance

During the completion and commissioning stage of the project, the group strictly implements the environmental acceptance work, organizes the acceptance in accordance with the acceptance procedures and legal requirements, forms standardized and complete acceptance documents and conclusions, ensures the implementation of environmental protection facilities and measures, and earnestly fulfills the corporate environmental protection social responsibility.

Environmental Acceptance Cases

Case: Completion Environmental Protection Acceptance of the Shenqiu to Henan-Anhui Provincial Boundary Section of the Puyang to Hubei Yangxin Expressway



Environmental Impact Assessment

In the process of carrying out various public-involved planning and construction projects, the group carefully conducts planning environmental impact assessment and construction project environmental impact assessment, carries out the assessment in strict accordance with legal procedures and technical standards, compiles professional and objective evaluation documents, prevents environmental risks from the source, and actively fulfills the responsibility to society and the environment.

Environmental Impact Assessment Cases

Case: Environmental Impact Assessment of the Overall Plan of Luohe Port

Completed the environmental impact assessment of the overall plan of Luohe Port, actively avoided legally prohibited or strictly restricted development areas such as the Shahe National Wetland Park, ecological protection red lines, and the Shali River Scenic Area, and adjusted and optimized the location of the port area close to sensitive targets such as the Lihe Germplasm Resource Reserve, building a solid defense line for ecological protection from the strategic source.

Case: Environmental Impact Assessment of a Solid Waste Resource Utilization Project with an Annual Treatment Capacity of 20,000 Tons

Completed the environmental impact assessment of a solid waste resource utilization facility project with an annual treatment capacity of 20,000 tons, integrating the environmental risk control of hazardous waste with resource recycling through scientific assessment and standardized design.



Case: Environmental Impact Assessment of the Ruzhou to Song County Section (Luoyang Area) of the Yongcheng to Lingbao Expressway



Resource Recycling

Energy Utilization

HNDI complies with the "Energy Conservation Law of the People's Republic of China", the "Renewable Energy Law of the People's Republic of China", etc., continuously improves the company's energy management system in combination with its own business characteristics, promotes energy conservation management, clarifies the energy-saving operation procedures for air conditioning, lighting, water use and other scenarios, and continuously consolidates the cornerstone of energy management.

In 2025, the group consumed 10198.77 MWh of electricity for business and office use, 8977 GJ of heat, 255.70 tons of gasoline consumed by its own commercial vehicles and generators, and 81471 cubic meters of natural gas consumed by canteens and regional factories; the water consumption was 90456.00 tons, mainly used for restaurants, catering services and office buildings.

Green Operations

HNDI adheres to the core principle of "resource conservation and elimination of waste", deeply follows the SA8000 social responsibility standards, builds an all-dimensional energy management system with a systematic thinking, and promotes the integration of green and low-carbon concepts into the entire operation process through three paths of system improvement, technology empowerment and cultural infiltration, striving to build a resource-saving and environment-friendly enterprise, and laying a solid foundation for the high-quality expansion of the group's dual-carbon business.

Efficient Recycling of Office Resources

Comprehensively implement paperless office, realize electronic circulation of documents through the online approval system, encourage double-sided printing of paper and recycling of waste paper to reduce the consumption of paper resources; fully cover energy-saving LED lamps in office areas and underground garages, scientifically classify office waste, standardize transportation and disposal, and promote resource recycling.



Green and Low-Carbon Travel

Optimize the management of official vehicles and realize the sharing of official vehicles through fleet services; promote low-carbon travel methods such as public transportation, carpooling, and trains instead of planes, reduce carbon emissions from the entire travel process, and form a circular optimization model of "travel-energy consumption-emissions".

Green and Low-Carbon Design

Green Materials

HNDI has long been deeply engaged in the RandD and promotion of green building materials in the transportation field, and has successfully developed and applied a series of green materials such as solid waste-based soil stabilizers, post-modifiers for emulsified asphalt, and rubber powder composite modified asphalt

Green Material Cases

Case: Solid Waste-Based Soil Stabilizer



Case: Post-Modifier for Emulsified Asphalt



Case: Rubber Powder Composite Modified Asphalt

Relying on the technical achievements of rubber asphalt, HNDI has designed waste tire rubber powder composite modified asphalt, which is suitable for scenarios such as asphalt mixtures and stress absorption layers.

New Energy Power Design

Guided by the national green, low-carbon and sustainable development strategy, oriented by market demand and value creation, and driven by technological and model innovation, we will create first-class products and provide first-class services in the fields of traditional energy power business and new energy formats such as photovoltaic power generation, wind power generation, electrochemical energy storage, and new energy storage, and strive to become a one-stop solution provider for energy power.

New Energy Power Cases

Case: Xinjiang Akto Photovoltaic Energy Storage Integrated Project

Construct a centralized photovoltaic power station with a capacity of 600MWp, supporting the construction of a 50MW/100MWh electrochemical energy storage station and a 220kV booster station.



Case: Liangshan Prefecture Phase I 820MW Wind Power Project



Construct a centralized wind power generation project with a scale of 820MW in Liangshan Prefecture, Sichuan, and be responsible for the preparation of the project proposal and the erection of wind measurement towers for wind measurement.

Case: Huojia County Shizhuang Town Mengshan 200MW/400MWh Shared Energy Storage Project

Construct 200MW/400MWh energy storage and supporting facilities, and build a new 220kV substation and a 220kV grid-connected line.



Case: CRCC Charging Station Project

Set up 48 charging parking spaces in Xinwan Plaza, Zhengzhou City. It combines liquid-cooled ultra-fast charging and DC fast charging. Among them, the maximum single-gun output power of DC fast charging is 180kW, and the maximum single-gun output power of liquid-cooled ultra-fast charging is 600kW.



Dual-carbon Strategy Services

Governance

Governance Bodies and Personnel

Management Level	Governance Body and Composition	Job Responsibilities and Work Progress
Decision-Making Level	Dual-carbon Work Leading Group, with the group's general manager as the group leader and the general manager of Henan Carbon Emission Rights Service Center as the deputy group leader.	<ul style="list-style-type: none"> Determine the major development directions and key business projects of the group's dual-carbon strategy services, and ensure that dual-carbon services are incorporated into the group's long-term development plan; Regularly review the group's dual-carbon business performance, evaluate the potential risks and opportunities of dual-carbon services to the group's business, and adjust dual-carbon strategies and decisions in combination with policy orientations.
Execution Level	Henan Carbon Emission Rights Service Center as the leading department, coordinating relevant business and functional teams such as the Engineering Technology Research Institute, Technical Quality Department, Ecological and Environmental Engineering Design Institute, and Energy and Power Engineering Technology Research Institute.	<ul style="list-style-type: none"> Lead various production departments and RandD teams to specifically carry out dual-carbon-related businesses, and be responsible for promoting the implementation of services such as carbon consulting, carbon assets, and low-carbon planning and the transformation of technical achievements; Establish a communication and collaboration mechanism for dual-carbon business among various departments, supervise the timely development of dual-carbon projects, control the progress of each node, organize project acceptance, file business process data and technical achievements, and do a good job in carbon data management and intellectual property protection; Summarize the problems arising in the group's dual-carbon strategy services, put forward corresponding solutions and organize personnel to carry out special training and problem-solving.
Collaboration Level	Personnel from various production and operation units and relevant departments such as the Finance Department, Marketing Department, and Human Resources Department.	<ul style="list-style-type: none"> Cooperate in carrying out dual-carbon-related work according to business needs, formulate special work plans, and promote the work as scheduled

Professional Skills and Capabilities

The group employs technical and management talents with relevant professional knowledge and practical experience in dual-carbon management, low-carbon technology RandD, carbon accounting and verification, ESG consulting, etc., who are responsible for formulating dual-carbon technology development plans, evaluating dual-carbon service systems, deciding major dual-carbon technical matters, and ensuring the compliant implementation of dual-carbon business. Establish and improve a sound training mechanism for professional dual-carbon talents, and promote the dual improvement of technical and management capabilities of high-level dual-carbon talents through structured training methods such as systematic training, industry exchanges and seminars, and practical training on key projects, continuously optimize the structure of the dual-carbon talent echelon, and provide sustainable human resource support for dual-carbon strategy services.

Reporting, Supervision and Assessment

The group has established a dual-carbon business progress tracking and dynamic feedback system, requiring Henan Carbon Emission Rights Service Center and various collaborative departments to regularly report the progress of dual-carbon projects, real-time feedback problems arising in business promotion, rectification measures and phased achievements, and realize transparent management of the dual-carbon business process through regular meetings and special reports. Build a dual-carbon business assessment and expert management system, implement differentiated assessment and quantitative evaluation, focus on core indicators such as dual-carbon project performance rate, carbon service quality, and achievement transformation efficiency, promote the dual wheel drive of dual-carbon technology RandD and service implementation, accelerate the transformation of dual-carbon achievements, and ensure the scientificity of dual-carbon decisions.

Strategy

Risks and Response Measures

Combined with the characteristics of dual-carbon strategy services, the group focuses on physical risks and transition risks, establishes and improves a risk prevention and control system, clarifies the specific manifestations, impacts and response measures of various risks, and ensures the steady progress of dual-carbon strategy services.

Risk Category	Specific Risks	Impact Time	Potential Financial Impact	Response Measures
Physical Risks	Acute Physical Risks: Extreme weather (heavy rain, high temperature, typhoon, etc.) leads to the suspension of dual-carbon projects and damage to carbon monitoring equipment, affecting carbon data collection and project performance.	Short-term	Increased project costs, liquidated damages for performance	Establish an extreme weather early warning mechanism, and make preparations for project protection and equipment backup in advance; Optimize project schedule planning and reserve emergency buffer periods; Purchase relevant insurance for key equipment and projects to reduce losses.
	Chronic Physical Risks: Long-term climate warming, water shortage, etc. lead to lower-than-expected returns of low-carbon projects (such as new energy supporting facilities and carbon sink projects), affecting the sustainability of dual-carbon services.	Medium to Long-term	Decreased operating income, reduced investment returns	Strengthen the research on long-term climate trends, optimize the layout of dual-carbon projects, and give priority to projects with strong climate risk resistance; Diversify the layout of dual-carbon businesses to reduce dependence on a single project; Continue to promote low-carbon technological innovation to improve the risk resistance of projects.
Transition Risks	Policy Risks: The update and iteration of dual-carbon-related policies (carbon accounting standards, carbon trading rules, disclosure requirements) lead to increased business compliance costs.	Medium to Long-term	Increased compliance costs, increased business adjustment costs	Establish a dual-carbon policy tracking and research mechanism, with Henan Carbon Emission Rights Service Center taking the lead in dynamically adapting to policy changes; Strengthen compliance training to improve the team's policy interpretation and implementation capabilities; Layout dual-carbon businesses in line with policy orientations in advance to reduce the impact of policy adjustments.
	Legal Risks: The improvement of dual-carbon-related laws and regulations leads to legal disputes in carbon performance, carbon trading and other links, or penalties for non-compliance.	Medium to Long-term	Fines, increased legal litigation costs	Hire professional lawyers in the dual-carbon field and establish a legal compliance review mechanism; Standardize the contract management of dual-carbon businesses and clarify the rights and obligations of both parties; Strengthen legal compliance training for all employees to prevent compliance risks.
	Technological Risks: The rapid upgrading and updating of low-carbon technologies and the upgrading of carbon accounting technologies lead to backward existing technologies and equipment or difficulties in technology transformation, affecting service quality.	Medium to Long-term	Decreased service competitiveness, reduced operating income	Increase investment in dual-carbon technology RandD, track cutting-edge industry technologies, and update technologies and equipment in a timely manner; Establish an industry-university-research cooperation mechanism, strengthen the construction of technology transformation platforms, and improve the efficiency of technology transformation; Conduct regular technical training to improve the technical level of the team.
	Market Risks: The increase in dual-carbon service institutions leads to intensified homogeneous competition or changes in customer demand, resulting in a decline in market share and project returns.	Medium-term	Decreased operating income, decreased market share	Strengthen the integrated advantage of "engineering consulting + dual-carbon services" and create differentiated service products; Improve service quality and efficiency, reduce costs and increase efficiency, and enhance core competitiveness; Strengthen market research, accurately meet customer needs, and expand emerging dual-carbon service fields.
	Reputational Risks: Damage to the group's brand reputation and impact on customer cooperation due to distorted carbon data, inadequate project performance, substandard service quality, etc.	Medium to Long-term	Customer loss, reduced cooperation opportunities	Establish a dual-carbon service quality control system, and strictly control the links of carbon data accounting and project performance; Timely handle customer complaints and demands, take the initiative to disclose relevant information about dual-carbon businesses, and improve transparency; Strengthen brand building, create benchmark dual-carbon service projects, and enhance brand credibility.

Opportunity Impact Assessment Results and Response Strategies

Combined with the national dual-carbon strategic orientation, industry development trends and the group's own advantages, accurately identify various opportunities faced by dual-carbon strategy services, evaluate their impact on the group, and formulate targeted response strategies to promote the high-quality development of dual-carbon businesses.

Opportunity Category	Specific Opportunities	Impact Time	Potential Financial Impact	Response Measures
Policy Support Opportunities	The state and local governments have increased policy support for the dual-carbon field, with the expansion of the carbon market, the restart of CCER, the implementation of low-carbon subsidies and mandatory disclosure policies.	Medium to Long-term	Increased operating income, policy subsidy income	Strengthen policy docking and actively strive for policy preferences and special fund support; Relying on Henan Carbon Emission Rights Service Center, layout policy-oriented businesses such as carbon trading and CCER development; Standardize dual-carbon information disclosure in strict accordance with disclosure requirements to improve compliance and credibility.
Technological Innovation Opportunities	The deep integration of digital and intelligent technologies with the dual-carbon field and the rapid development of green and low-carbon technologies provide support for the upgrading of dual-carbon services.	Medium to Long-term	Increased operating income, improved technical barriers	Increase investment in dual-carbon technology RandD, focusing on digital carbon accounting, intelligent carbon management and other fields; Establish an industry-university-research cooperation mechanism to promote the transformation and application of low-carbon technological achievements; Upgrade the dual-carbon service technology system to improve service efficiency and quality.
Market Demand Opportunities	The demand for services such as carbon peaking and carbon neutrality plans, carbon accounting, and carbon asset management from governments, parks, and enterprises is growing rapidly, and the demand in emerging fields is prominent.	Medium to Long-term	Significant increase in operating income, increased market share	Optimize the dual-carbon service product system to cover the full-scenario needs of government, enterprise, and engineering ends; Expand emerging markets, focusing on zero-carbon parks, green buildings, zero-carbon transportation and other fields; Strengthen customer development and maintenance to improve customer stickiness.
Industry Collaboration Opportunities	The trend of cross-industry and cross-field collaborative development in the dual-carbon field is obvious, and the integration of industry, university, research and application is deepened, providing broad space for business expansion.	Medium to Long-term	Increased operating income, improved cooperation income	Strengthen cooperation with universities, research institutions, and leading industry enterprises to build a dual-carbon technology RandD and transformation platform; Promote the deep integration of the group's main engineering consulting business with dual-carbon services to achieve collaborative development; Participate in the formulation of industry standards to enhance industry discourse power.
Disclosure Upgrade Opportunities	The implementation of the guidelines for the preparation of sustainable development reports by the Shanghai, Shenzhen and Beijing Stock Exchanges has promoted the	Medium to Long-term	Improved brand value, increased cooperation opportunities	Benchmark the requirements of the guidelines, improve the dual-carbon information disclosure system, and improve disclosure quality; Strengthen disclosure capacity building and cultivate professional disclosure talents; Take standardized disclosure as an opportunity to strengthen the brand image and expand high-end services such as ESG consulting.

Management of Related Impacts, Risks and Opportunities

The group has established a comprehensive and multi-level management system to coordinate the response to various risks and opportunities. Through the closed-loop management of "identification-evaluation-response-monitoring", led by the Dual-carbon Work Leading Group and specifically responsible by Henan Carbon Emission Rights Service Center, it regularly identifies risks, formulates differentiated response measures, establishes emergency disposal mechanisms and dynamically optimizes control strategies to ensure the steady progress of dual-carbon businesses.

Dual-carbon Consulting Projects

HNDI focuses on dual-carbon strategic needs, deeply cultivates the field of professional consulting services, provides customized and full-process green and low-carbon solutions for different subjects and scenarios, and implements a number of benchmark consulting projects.

Consulting Service Cases

Case: Application for National-Level Zero-Carbon Park in Yudongnan High-Tech Zone

Take the lead in compiling the application report and construction plan for the national-level zero-carbon park in Yudongnan High-Tech Zone, helping Yudongnan High-Tech Zone successfully shortlist the recommended list of national-level zero-carbon parks in Henan Province (the number of recommendations in the province is strictly controlled within 2), providing solid support for the green and low-carbon transformation of the park and the comprehensive green transformation of economic and social development.

Case: Compilation of the Integrated List of Air Pollutants and Greenhouse Gases in Luohe City in 2024



Case: Environmental Protection Ultra-Low Emission Transformation of Daqing Thermal Power Group Gaoxin Thermal Power Co., Ltd.

Through the denitrification, desulfurization, dust removal and other environmental protection ultra-low emission transformations of 5 × 72MW hot water boilers

Case: Lankao to Shenqiu Zero-Carbon Expressway

Build a benchmark zero-carbon expressway project, set up a professional technical team to accurately calculate the full-life cycle carbon emissions of expressway construction, achieve carbon neutrality through the implementation of carbon emission reduction measures and the cancellation of carbon credit quotas.

Case: Management of the Atmospheric Pollution Prevention and Control Fund Project Library

Provide technical support for the management of the atmospheric pollution prevention and control fund project library for the Department of Ecology and Environment.



Consulting Service Cases

Case: Standard Release

Complete the compilation and release of group standards including "Guidelines for Enterprise Carbon Asset Management", "Guidelines for the Establishment of Zero-Carbon Factories in the Papermaking Industry" and "Guidelines for ESG (Environmental, Social and Governance) Evaluation of Listed Companies".

Case: Compilation of the Implementation Plan for the Construction of a "Waste-Free City" in Xinxiang City

Conduct preliminary field investigations in Xinxiang City, investigate the generation, utilization and disposal of industrial solid waste, agricultural solid waste, hazardous waste, etc. in Xinxiang City, put forward the main problems and challenges faced by the construction of a "waste-free city" in Xinxiang City, and determine the construction goals in combination with the actual situation of Xinxiang.



Carbon Asset Development

Consolidate the carbon asset development business, expand value-added services such as full-process carbon asset management, carbon trading strategies, and carbon performance risk control, deepen the coverage of key industry customers, continuously tap the value of carbon assets, and help enterprises achieve compliant performance, efficiency improvement and low-carbon high-quality development.

Asset Development Cases

Case: Forestry Carbon Sink Development Projects

Continue to deepen the carbon asset development business of afforestation carbon sink projects, and complete the bidding and plan compilation of afforestation carbon sink projects in various places such as Mulan Paddock in Hebei, Dongsheng District of Ordos, Fengrun District of Tangshan, Huguan County, and Song County of Luoyang.

Case: Research on Other Carbon Sink Development Projects

Relying on the new methodologies of the Ministry of Ecology and Environment to expand project types, conduct negotiations and cooperation with units such as Luoyang Yi'an Coal Mine, Xinyang Guangshan County Vein Industrial Park, Hubei Aonong Group, and Junhe Environmental Protection, covering carbon asset development in multiple fields such as agricultural and forestry biomass grid-connected power generation combined heat and power, large-scale pig farm manure biogas recovery, centralized treatment of agricultural waste, and medium-deep geothermal downhole heat exchange heating.

Indicators and Targets

- (1) Short-term Targets (1-2 years):** Improve the dual-carbon governance system and business processes, improve the risk prevention and control and opportunity management mechanism; achieve full coverage of carbon inventory and carbon accounting services for key customers; complete the initial construction of a professional dual-carbon talent team and improve service capabilities; strictly complete the special disclosure of dual-carbon information in accordance with the guidelines to improve compliance.
- (2) Medium-term Targets (3-5 years):** Build a first-class dual-carbon comprehensive service platform in the central region, significantly enhance the industry influence of Henan Carbon Emission Rights Service Center; form a number of benchmark projects and technical achievements with industry influence, take the lead in or participate in the formulation of a number of local and industry dual-carbon standards; build a sound dual-carbon technology RandD and transformation system, with core technologies reaching the advanced level in the industry.
- (3) Long-term Targets (More than 5 years):** Become a leading domestic dual-carbon comprehensive service provider, realize the diversified and international layout of dual-carbon businesses; help Henan Province and the central region achieve the carbon peaking and carbon neutrality goals as scheduled, and provide important support for the implementation of the national dual-carbon strategy; build a dual-carbon brand with core competitiveness, and realize the coordinated development of economic, social and environmental benefits.

05 Focus on Innovation, Enhance Quality Service



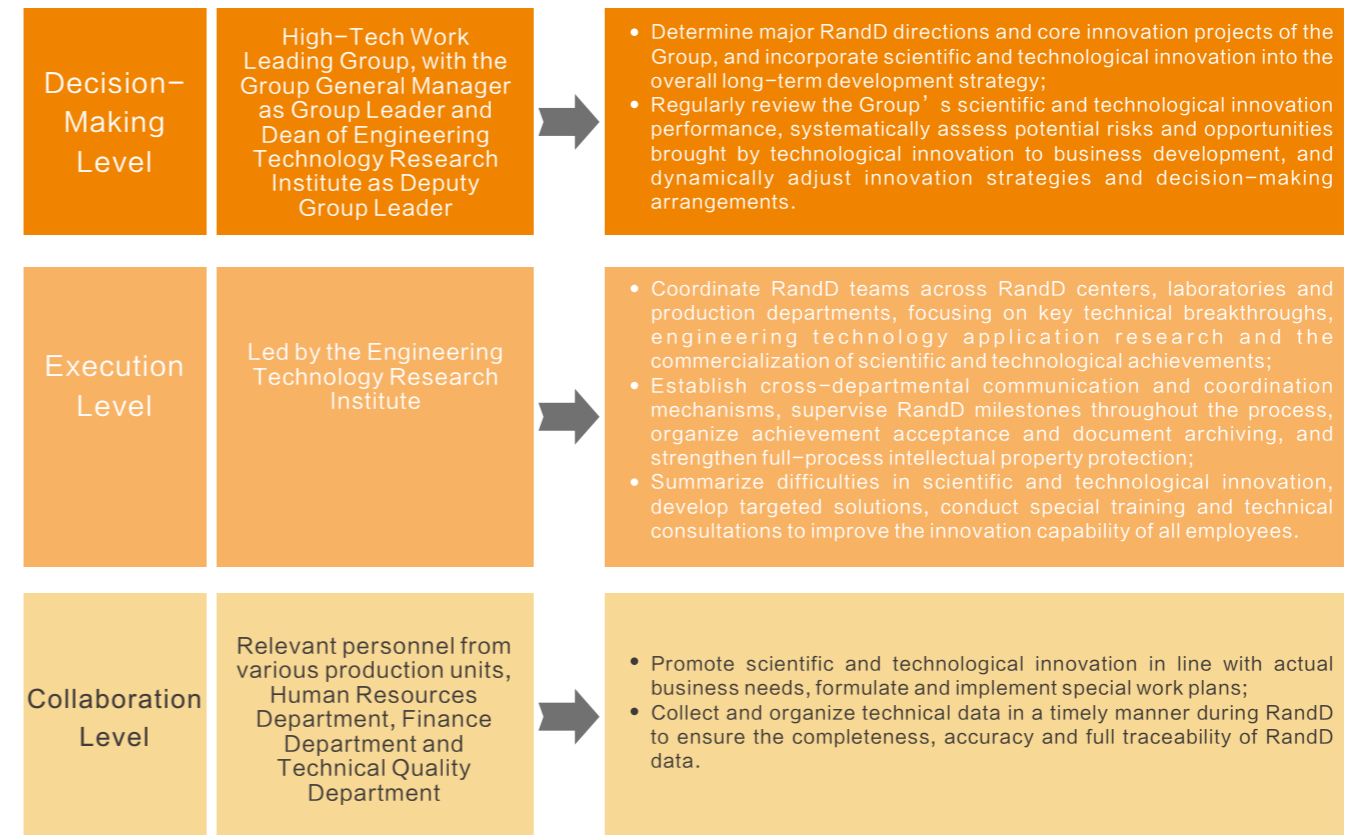
05 Focus on Innovation, Enhance Quality Service

Innovation-Driven Development

Governance

Governance Institutions and Personnel

The Group deeply integrates scientific and technological innovation into its strategic planning and daily operations, and has established a three-level linked innovation governance system: High-Tech Work Leading Group - Engineering Technology Research Center - Production Departments, with clear authority and responsibility boundaries at each level to ensure efficient allocation of innovation resources and orderly progress of RandD work.



Professional Skills and Competence

The Group has set up an Expert Technical Committee composed of senior experts in scientific research and development, responsible for formulating technology development plans, evaluating the effectiveness of the innovation system, ruling on major technical matters, and guiding the implementation of innovation practices. Its performance procedures are standardized under the Measures for the Administration of the Expert Technical Committee.

In mid-August, a notice was issued on the adjustment of members of the 2025 Expert Committee and Professional Technical Committee. After the adjustment, the Expert Committee has 32 members, with new investment and financing experts added. The number of Professional Technical Committees has been adjusted to 18, highlighting business scenarios. New majors including industrial and investment and financing have been added; subgrade and pavement engineering, geological survey have been merged into Geology and Geotechnical Engineering; coal processing and utilization, mining engineering, mining equipment have been merged into Coal and Mining Engineering. The total number of members is 180, including 15 cross-major personnel.

Reporting, Supervision and Assessment

A full-process tracking system for RandD progress has been established, requiring all RandD-related units to regularly report work progress, technical data and existing problems. Regular meetings and special reports ensure transparent management of the RandD process.

A "dual-track" RandD assessment and expert management system has been constructed, implementing differentiated and quantitative assessment focused on core indicators such as RandD progress, achievement transformation and technological innovation value. It promotes the dual-wheel drive of technology RandD and achievement commercialization, ensuring scientific and forward-looking technology decision-making.

A dual supervision mechanism for the RandD process has been established. Combining internal technical review and dynamic evaluation by the Expert Technical Committee, it conducts full-process control over major technical plans and the operation of the quality system, ensuring authentic and traceable technical data and improving the quality of RandD achievements.

Strategy

Risks and Countermeasures

Risk Category	Specific Risks	Time Horizon	Potential Financial	Countermeasures
Policy Risk	Business development is closely related to national infrastructure investment. Policy adjustments may lead to fluctuations in market demand.	Medium to Long Term	Decrease in operating income	Strengthen forward-looking research on policies and markets, promote business transformation and upgrading, and enhance risk resilience and development sustainability. Increase investment in core technology RandD, accelerate the transformation of innovative achievements, develop emerging business sectors, and foster new profit growth points.
Technology Risk	Rapid technological iteration in the industry; insufficient core technology reserves or difficulties in commercializing RandD achievements.	Medium to Long Term	Decline in core competitiveness and decrease in operating income	Deepen market research and maintain close communication with industry experts and clients to ensure RandD directions accurately match market demands. Continuously track cutting-edge technological trends, increase RandD funding and resource input, and consolidate technological leadership. Establish in-depth industry-university-research cooperation platforms, improve technology transformation mechanisms, and enhance the industrialization efficiency of scientific and technological achievements.
Market Risk	Intensified industry competition; competitors launch more competitive technologies or service solutions.	Medium Term	Decline in market share and decrease in operating income	Continuously optimize service quality and operational efficiency to reduce costs, improve efficiency and enhance market competitiveness. Strengthen independent innovation capabilities, focus on differentiated RandD, and build core technological barriers. Accelerate overseas market layout, expand international business, and reduce reliance on a single market.
Talent Risk	Loss of core RandD personnel leads to unstable RandD teams and hindered innovation progress.	Medium Term	Reduced RandD efficiency and disrupted technological inheritance	Formulate attractive talent recruitment and incentive plans, improve the salary and welfare system and career development paths. Strengthen corporate culture development, foster an open and inclusive innovation atmosphere, provide a high-quality working environment and growth space, and enhance the sense of belonging of core talents.

Opportunity Impact Assessment and Response Strategies

Opportunities	Time Horizon	Potential Financial	Countermeasures	
Policy support	The state and local governments have intensified policy support for transportation, green and low-carbon development, digital transformation and other fields.	Medium to Long Term	Growth in operating income and realization of policy dividends	Closely follow policy guidance, actively seek preferential policies and special funds, and promote the application of innovative achievements. Focus on key policy-supported areas, conduct RandD and business expansion, and seize market opportunities.
Technological Innovation	Digital transformation and new infrastructure are accelerated; green and low-carbon development has become a mainstream trend, and technological integration has created new opportunities.	Medium to Long Term	Accelerated business upgrading and improved profitability	Increase RandD investment, focus on smart transportation, green low-carbon materials, develop digital platforms and core technologies. Deepen industry-university-research cooperation, accelerate innovation and transformation, and promote large-scale application of green technologies.
Market Demand	Demand for technological innovation in infrastructure continues to grow; emerging sectors such as smart transportation, green buildings and low-altitude economy are rising rapidly.	Medium to Long Term	Expanded market space and optimized revenue structure	Accurately grasp emerging market demands, optimize service models, and develop market-adapted technologies and products. Expand emerging businesses, strengthen market penetration, and foster new growth drivers.
International Development	The Belt and Road Initiative is further advanced, and overseas infrastructure demand is strong, providing a broad international stage for technological innovation.	Medium to Long Term	Increased international market share and enhanced brand influence	Accelerate international layout, strengthen management and technical support of overseas regional centers. Promote global application of core technologies, participate in global projects, and enhance international competitiveness.

Impact, Risk and Opportunity Management

The Company is committed to building a full-life-cycle integrated service industrial chain in the engineering field, adhering to the dual-wheel-driven development strategy of design consulting services, technology RandD and achievement promotion. It thoroughly implements the Implementation Plan for Comprehensive Innovation Program, focusing on key directions such as green and low-carbon transformation, intelligent construction, digital intelligence and engineering operation.

Relying on technologies of strategic emerging industries including cloud computing, big data and artificial intelligence, the Company systematically carries out all-round and multi-level technological breakthroughs and business scenario expansion. It actively encourages all employees to explore boldly and innovate vigorously in technology, management, business and other aspects.

Outstanding Achievements in Innovation Activities

The Group successfully held the 7th "Innovation Month and Innovation Forum". A total of 20 innovative achievements were released, and 19 innovation projects from various business divisions, research institutes and functional departments were presented successively, covering key fields such as digital transformation, intelligent AI, green and low-carbon development, overseas business, and emerging market expansion.



Steady Enhancement of Innovation Strength

The Group regards scientific and technological innovation and achievement transformation as the second growth curve for its transformation and development. It is equipped with 35 R&D platforms of various types, including Key Laboratories of Henan Province. Specifically, there are 13 provincial-level scientific research platforms, 9 provincial-level industrial R&D platforms, 8 municipal-level scientific research platforms, and 4 achievement transformation service platforms, which provide solid platform support for technological breakthroughs and industrial transformation.

Key Performance Indicators of Scientific and Technological Innovation in 2025

Newly authorized patents: 50
 New invention patents: 18
 Valid invention patents in force: 184
 RandD investment: 7273.0 ten thousand CNY
 RandD investment as a percentage of operating revenue: 4.31%
 Number of RandD personnel: 412
 Proportion of RandD personnel: 13.23%

Fruitful Achievements in Project Excellence

The Group won more than 170 honors throughout the year, achieving a zero breakthrough in international awards, including 46 national-level awards.

Summary of Partial Awards of the Company in 2025

Awarded Project Name	Award Content	Level	Grade	Issuing Authority
Design and Green Construction of Large Height Difference Three-Layer Spiral Tunnel Group in Deep Mountainous Areas	IRF International Road Award, Bridge and Tunnel Category	International	Other	International Road Federation
Innovative BIM Application of Integrated Design and Construction of Xuchang Ring Expressway	The 14th "Longtu Cup" National BIM Competition, Comprehensive Group	National	Third Prize	China Graphics Society
Innovative Application of BIM Technology in Intelligent Container Terminal of Zhoukou Port Central Port Area	The 6th BIM Competition for Engineering Construction Industry (BIM Forward Design Category)	National	First Prize	China Construction Enterprise Management Association
Full-Scenario Application and Innovation of BIM Technology in Zhengzhou-Luoyang Expressway	The 6th BIM Competition for Engineering Construction Industry (Transportation - Highway and Railway)	National	Second Prize	China Construction Enterprise Management Association
Innovative Practice of BIM Digital Empowerment in the Whole Process of Zheng-Luo Expressway Construction	The 6th BIM Competition for Engineering Construction Industry, Transportation Category	National	Second Prize	China Construction Enterprise Management Association
BIM-Based Innovative Application of Integrated Design and Construction of Zheng-Luo Expressway	The 6th BIM Competition for Engineering Construction Industry, Transportation Category	National	Third Prize	China Construction Enterprise Management Association
Luanchuan-Lushi Expressway	2025 Engineering Construction Project Design Level Evaluation	National	Second Prize	China Construction Enterprise Management Association
Xuchang-Xinyang Expressway	2025 Engineering Construction Project Design Level Evaluation	National	Third Prize	China Construction Enterprise Management Association
Mianchi-Luoning Section of Mianchi-Xichuan Expressway	2025 Engineering Construction Project Design Level Evaluation	National	Third Prize	China Construction Enterprise Management Association
Luanchuan-Shuanglong Section of Zhengzhou-Xixia Expressway	2025 Engineering Construction Project Design Level Evaluation	National	Third Prize	China Construction Enterprise Management Association
Lianyungang-Huoerguosi and Hubei Expressway Link	2025 Engineering Construction Project Design Level Evaluation	National	Third Prize	China Construction Enterprise Management Association
Fengqiu-Yuanyang Section of Lankao-Yuanyang Expressway	2025 Engineering Construction Project Design Level Evaluation	National	Third Prize	China Association of Highway Survey and Design
Survey of Xixia-Xichuan Section of Mianchi-Xichuan Expressway	2025 Excellent Highway Survey	National	First Prize	China Association of Highway Survey and Design
Survey of Mianchi-Luoning Section of Mianchi-Xichuan Expressway	2025 Excellent Highway Survey	National	Second Prize	China Association of Highway Survey and Design
Survey of Shangcai-Luoshan Section of Anyang-Luoshan Expressway	2025 Excellent Highway Survey	National	Second Prize	China Association of Highway Survey and Design
Shangcai-Luoshan Section of Anyang-Luoshan Expressway	2025 Excellent Highway Design	National	First Prize	China Association of Highway Survey and Design
Mianchi-Luoning Section of Mianchi-Xichuan Expressway	2025 Excellent Highway Design	National	Second Prize	China Association of Highway Survey and Design
Xixia-Xichuan Section of Mianchi-Xichuan Expressway	2025 Excellent Highway Design	National	Second Prize	China Association of Highway Survey and Design
Phase I of Puyang Section of Puyang-Yangxin Expressway	2025 Excellent Highway Design	National	Third Prize	China Association of Highway Survey and Design
Innovative BIM Construction Application Ushering in Digital Future of Highways	"Shijin Cup" BIM Technology Competition for Transportation Industry (Excellent BIM Application in Highway Engineering)	National	Third Prize	China Association of Highway Survey and Design
Research and Application of Key Technologies for Green Recycled Asphalt Materials	2024 Mao Yisheng Science and Technology Award - Transportation Science and Technology Award	National	Grand Prize	Mao Yisheng Science and Technology Education Foundation
Yellow River Super Bridge of Puyang-Yangxin Expressway (Phase II, Puyang Section)	Excellent Highway Survey and Design	National	First Prize	China Communications and Transportation Association
Project of Zhoukou Port Central Port Area (Phase I)	Excellent Highway Survey and Design	National	First Prize	China Communications and Transportation Association
Space-Sky-Ground Collaborative Road Intelligent Perception and Active Prevention System Based on UAV Inspection	The 1st Innovation Application Competition of Comprehensive Transportation Large Model Agents	National	Second Prize	Vocational Qualification Center of the Ministry of Transport
Event Detection System Based on Vision Large Model	The 1st Innovation Application Competition of Comprehensive Transportation Large Model Agents	National	Excellence Award	Vocational Qualification Center of the Ministry of Transport
AI Assistant for Expressway Safety Production Based on Large Model	The 1st Innovation Application Competition of Comprehensive Transportation Large Model Agents	National	Excellence Award	Vocational Qualification Center of the Ministry of Transport

Partial Award Certificates



Technology Transfer and Knowledge Sharing

Relying on its technological advantages in transportation, urban construction, energy, architecture, water conservancy, environmental protection and other fields, the Group, while pursuing its own steady and rapid development, actively undertakes responsibilities for industrial development through industry forums, seminars, participation in standard formulation and other forms, promotes exchanges between upstream and downstream enterprises in the industry, and increases cooperation opportunities.

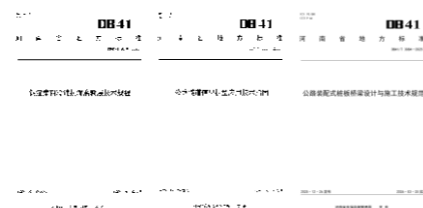
Cases of Technology Transfer and Knowledge Sharing

Case: The Group issued 13 local standards

In 2025, the Company issued 13 local standards, among which three standards were released with the Company as the first completing entity:

- Technical Specification for Construction of Cold-Laid Anti-Skid Abrasion Layer with Steel Slag Aggregate
- Technical Code for Design and Construction of Highway Prefabricated Pile-Slab Bridges
- Technical Guide for Application of Highway Tunnel Information Model

In 2025, the Company applied for 4 local standards, among which Technical Specification for Full-Hole Prefabricated Steel-Concrete Composite Girder Bridges was approved for project establishment.



Case: Participated in formulating 4 industrial standards

In 2025, the Company participated in formulating 4 industrial standards:

- Solid Waste-Based Cementitious Materials for Roads and Technical Specification for Rubber Asphalt Pavements are pending approval and issuance;
- Alkali-Slag Cementitious Materials has completed public comment solicitation;
- Detailed Rules for Design of Reconstruction and Expansion of Expressways has completed public comment solicitation.

Intellectual Property Protection

The Company has established a RandD and intellectual property management system, built a technology research and development platform, and set up a scientific and technological achievement transformation base to support business technology breakthroughs, application and promotion of achievements, and expand the Company's leading business advantages.

The digital archive has conducted field matching and batch maintenance for award-winning project modules, and entered information of more than 1,200 award-winning project items with complete information.

The knowledge uploading, approval and matching mechanism of all production departments has been improved to simplify processes and improve the efficiency of knowledge retrieval and reuse. To ensure the timeliness of the knowledge base, production departments are organized to sort out and count knowledge entries to be updated and added. Standards, specifications and project summaries are updated and uploaded in batches throughout the year.

Indicators and Objectives

A basic integrated technical service system has been formed, with comprehensive improvement in service quality and significant increase in service added value. Cultivate a number of provincial and ministerial-level technical talents with industry influence, successfully apply for a number of award-winning projects above the provincial and ministerial level relying on key projects, and apply for a number of innovative technology platforms focusing on new trends in industry development.

In terms of engineering and technological innovation, focus on technological research to improve the safety and resilience, reduce costs and increase efficiency of projects in the fields of highways, municipal engineering, architecture, water transportation, water conservancy and energy; focus on 3D design and digital delivery for the update of survey and design technologies, emphasize the transmission and iteration of models and data throughout the whole life cycle of projects, and enhance the value of design; improve the application capacity of big data to empower comprehensive planning and logistics consulting businesses; upgrade and expand the digital product system, strengthen the RandD of intelligent products, enhance the construction of data governance and data operation capabilities, and accelerate the digital transformation and development of businesses.

Supply Chain Sustainability

Supply Chain Management System

Planning and Coordination

Integrate the whole supply chain process through the project integrated management platform, realizing dynamic coordination of supplier admission, procurement plans, procurement budgets and production plans to improve overall efficiency.

Supplier Hierarchical Management

Establish a classification mechanism for AA, A, B and C-level suppliers, with dynamic evaluation based on quality, delivery, cost and other indicators. Long-term cooperation is prioritized with strategic suppliers (AA-level).

Performance Monitoring

Conduct dynamic KPI assessment on suppliers, including on-time delivery rate (≥98%) and qualified quality rate (100%). Those failing to meet standards are required to submit rectification plans.

Supply Chain Risk Management

Risk Identification and Early Warning

Identify potential risks (e.g., credit rating, financial status) through big data analysis, and set risk thresholds to trigger an early warning mechanism.

Diversified Supply Strategy

Adopt a "1+N" supply model for key service procurement (1 main supplier + N alternatives) to avoid over-reliance on a single source.

Measures to Ensure Safe and Stable Supply Chain

Technology Empowerment

Introduce an information platform for dynamic management to ensure data transparency and tamper-proofing.

Compliance and Audit

Conduct regular ESG compliance reviews on suppliers, including environmental qualifications and labor rights. A total of 15 non-compliant suppliers have been eliminated in the past two years.

Long-Term Agreement Lock-In

Sign framework agreements with high-quality suppliers to stipulate price fluctuation ranges and reduce the impact of market volatility.

Promoting Sustainable Development of the Supply Chain

Admission Standards

Add a "green certification" threshold, requiring suppliers to provide ISO 14001 environmental management system certification or third-party environmental assessment reports.

Assessment Mechanism

Add "sustainable development weighting" in the annual evaluation.

Design-Stage Collaboration

Jointly develop low-carbon processes with suppliers, such as secondary utilization of solid waste materials.

Production-Link Monitoring

Require suppliers to reduce energy consumption and achieve green, low-carbon and environmentally friendly operations.

Resource Sharing

Hold irregular green and low-carbon technology exchange meetings covering the Group's production units and suppliers, including green technologies and circular economy cases. Open the Group's ESG sustainable development training courses to small and medium-sized suppliers.

Key Supply Chain Performance in 2025

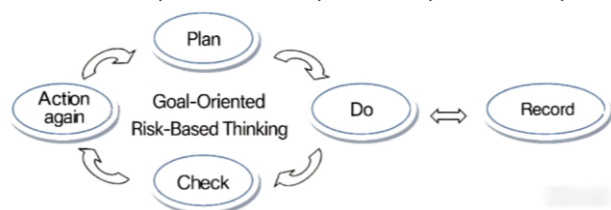
- Total number of suppliers: 1508
- Number of annual contracted suppliers: 275
- Suppliers with quality management system certification: 516
- Suppliers with environmental management system certification: 516
- Suppliers with occupational health and safety management system certification: 516
- Local procurement ratio: 52.30%
- Percentage of suppliers implementing supplier management regulations: 98%
- Supplier review coverage: 100%

Equal Treatment of Small and Medium-Sized Enterprises

The Group strictly abides by the Regulations on Ensuring Payment for Small and Medium-Sized Enterprises and other relevant laws and regulations. It always upholds the core values of “integrity, responsibility, and win-win cooperation” and is committed to building a fair, transparent, and trust-based supply chain cooperation ecosystem. We attach great importance to the legitimate rights and interests of SME suppliers, and ensure a sound and stable cooperative relationship through institutionalized and standardized management. During the reporting period, the Group performed all cooperation with SME suppliers in strict accordance with contractual agreements, making timely and full payments. No complaints regarding arrears to SMEs or any record of being listed on the dishonesty list of the National Enterprise Credit Information Publicity System occurred.

Product and Service Quality and Safety Control

To provide products and services that meet customer requirements and applicable laws and regulations, continuously enhance customer satisfaction, and achieve quality objectives, the Company adopts the PDCAR cycle (Planning, Do, Check, Act, Result-oriented) and risk-based thinking in the design of its quality management process. It has established an advanced quality management system, a comprehensive quality and safety responsibility system, and complete quality management system documents. The Group has developed and promoted quality documents to raise quality awareness among all employees.



Governance

The Group has established a top-down quality and safety responsibility transmission mechanism, implementing a 4-level governance structure of Group - Technical Quality Department - Production Units - Project Teams, with clear division of responsibilities and authorities at each level.

Governance Mechanisms and Personnel

Decision -Making Level	Legal Representative, Chief Quality Officer	<ul style="list-style-type: none"> The company's legal representative bears leadership responsibility for technical quality and safety. Appoints the Chief Quality Officer to be fully responsible for quality and safety management.
Management Level	Technical Quality Department	<ul style="list-style-type: none"> Acts as the centralized management department. Formulates specifications, conducts technical reviews and quality sampling inspections. Regularly convenes special quality and safety meetings to conduct in-depth research and decision-making on major quality and safety issues, integrating quality and safety requirements into the company's overall development strategy.
Execution Level	All Production Units, Project Teams	<ul style="list-style-type: none"> Production units establish management teams to implement company systems, organize training, control production risks, operate in accordance with procedures and conduct self-inspections to ensure product quality. Project team members are directly responsible for the technical quality and safety of the project in accordance with the Post Responsibility System for Project Personnel at All Levels. Establishes a feedback mechanism to timely report to production units and company headquarters.

Professional Skills and Competence

In terms of technical quality control, the Group has selected management personnel with professional knowledge and experience to guarantee the high-quality progress of projects. It has implemented a lifelong quality commitment system for project leaders, regularly held technical quality sharing meetings and training sessions to interpret policies and share quality improvement measures, strengthening the quality awareness of technical personnel while ensuring the board of directors and management are informed of the latest developments in relevant fields. An Expert Technical Committee has been established to be responsible for risk prevention and control, talent development, industry exchanges and other work.

Strategy

Risk Impact Assessment and Countermeasures

Risk Category	Specific Risks	Time Horizon	Potential Financial Impact	Countermeasures
Design Phase Risk	Design fails to meet customer needs and actual construction conditions	Long-term	Decrease in operating income	Strengthen design reviews, optimize design schemes from a full life cycle perspective, and apply digital technologies such as BIM to achieve design-construction collaboration.
Inspection and Acceptance Phase Risk	Unclear inspection standards	Short-term	Increase in operating expenses Decrease in operating income	Clarify inspection standards and conduct acceptance strictly in accordance with design and specification requirements.
	Non-standard acceptance process	Medium-term	Increase in operating expenses	Establish standardized acceptance procedures to ensure a rigorous and comprehensive acceptance process.
Supply Chain Risk	Materials or services provided by suppliers fail to meet requirements	Medium-term	Increase in operating expenses	Establish a supplier evaluation system to regularly assess suppliers' reputation and capabilities.
	Supply chain disruption	Short-term	Increase in operating expenses	Sign long-term cooperation agreements with suppliers to ensure the stability and timeliness of material supply.
Legal and Compliance Risk	Changes in laws and regulations	Long-term	Increase in operating expenses	Monitor changes in laws and regulations and adjust project management measures in a timely manner.
	Unclear contract terms	Medium-term	Increase in operating expenses	Clarify key terms such as quality and construction period in contracts.

Opportunity Impact Assessment and Response Strategies

	Opportunities	Time Horizon	Countermeasures	Potential Financial Impact
Design Phase Opportunity	Reduce project costs through quota design and optimized design schemes, strengthen design-construction collaboration, and improve overall quality and efficiency.	Medium-term, Long-term	Optimize the design process, introduce a customer feedback mechanism, establish a quota design system, and apply digital technologies to achieve design-construction collaboration.	Increase in operating income
Inspection and Acceptance Phase Opportunity	Clarify inspection standards and standardize acceptance procedures.	Short-term, Medium-term	Clarify inspection standards to ensure a rigorous and comprehensive acceptance process.	Decrease in operating expenses; Increase in return on investment
Supply Chain Opportunity	Optimize supply chain management, establish a high-quality supplier pool, and improve supply chain stability.	Short-term, Medium-term	Establish a supplier evaluation system to assess suppliers' reputation and capabilities, and sign long-term cooperation agreements with suppliers.	Increase in operating income; Decrease in operating expenses
Legal and Compliance Opportunity	Reduce legal risks and improve corporate compliance by adjusting project management measures in a timely manner.	Long-term	Monitor changes in laws and regulations and adjust project management measures in a timely manner.	Increase in return on investment
	Reduce disputes and enhance corporate reputation by clarifying contract terms.	Medium-term	Clarify key terms such as quality and construction period in contracts to avoid disputes.	Decrease in operating expenses; Increase in return on investment

Impact, Risk and Opportunity Management

The Group has continuously optimized its quality management system, revised 32 system documents including the Project Grading and Classification Management Measures, Production Management Control Procedure, Project Technical Quality Control Procedure, Project Technical Quality Evaluation Management Measures, Design Change Management Measures, and Branch Comprehensive Management Control Procedure, organized the update of the list of compilation basis for technical achievement documents, and continuously adjusted and improved management systems according to the company's current situation to ensure deep adaptation and effective implementation, providing standardized and normalized support for the company's management work.

Successfully maintained the certification registration of Quality Management System (GB/T 19001-2016), Environmental Management System (GB/T 24001-2016), and Occupational Health and Safety Management System (GB/T 45001-2020). The AAA Certification of Quality Management System for Engineering Survey and Design Industry remains valid.

List of Company Management System Certifications

No.	Certificate Name	Certificate No.	Status	Issuing Authority
1	GB/T 19001 Quality Management System Certification	02723Q10160R7L	Valid	Beijing Zhongsheng Certification Service Co., Ltd.
2	GB/T 24001 Environmental Management System Certification	02723E10110R4L	Valid	Beijing Zhongsheng Certification Service Co., Ltd.
3	GB/T 45001 Occupational Health and Safety Management System Certification	02723S10110R4L	Valid	Beijing Zhongsheng Certification Service Co., Ltd.
4	GB/T 19001 AAA Certification of Quality Management System for Engineering Survey and Design Industry	A0124RB0008R1L3A1	Valid	Beijing Zhongsheng Certification Service Co., Ltd.

Product and Service Safety and Quality Risk Prevention and Management

The Group actively assumes the main responsibility for quality and safety, establishes various quality and safety management systems, and promotes the continuous improvement of quality and safety management efficiency through institutionalized and standardized means, providing a solid guarantee for the Group's high-quality development.

Main Quality and Safety Management Systems and Their Functions

Quality and Safety Management System Name	Function
Project Risk Management Regulations	Analyze potential risks of engineering projects, formulate preventive measures, and eliminate various safety hazards.
Technical Quality Management Measures	Classification of engineering project quality incidents, definition of responsibilities, and accountability.
Overall Emergency Response Plan for Emergencies	Guide the company's work order and public safety emergency response, prevent and reduce emergencies and their damage and adverse effects.
Safety Accident Reporting, Investigation and Handling Regulations	Work safety accident reporting, investigation and handling procedures.
Special Emergency Plan for Engineering Technical Quality Emergencies	Engineering project quality accident reporting, investigation and handling procedures.
Regulations on Safety education and training	Employee safety production education and training

The Group has established company-level and production unit (subsidiary)-level quality management system documents, covering all products and support processes such as marketing, transportation industry think tank, engineering technical services, digital intelligent transportation, and scientific research and development, and continuously improves them.

List of Management System Documents

No.	Level	Document Name	Status	Responsible Department
1	Company	Quality, Environment, Occupational Health and Safety Management Policy	Valid	Board Office
2		Quality, Environment, Occupational Health and Safety Management Objectives	Valid	General Management Department
3		Quality, Environment, Occupational Health and Safety Management Manual	Valid	Technical Quality Department
4		Procedure Documents, Work Documents (Strategy, Safety, Operation, Finance, HR, Technology, Quality, Procurement, etc.) and Records	Valid	All Functional Departments and Business Centers
5		Administrative Documents, Rules and Regulations	Valid	All Functional Departments and Business Centers
6	Production Units (Subsidiaries)	Relevant Management Systems, Documents and Records	Valid	Production Units (Subsidiaries)

Deepening the Full-Process Service Standard System

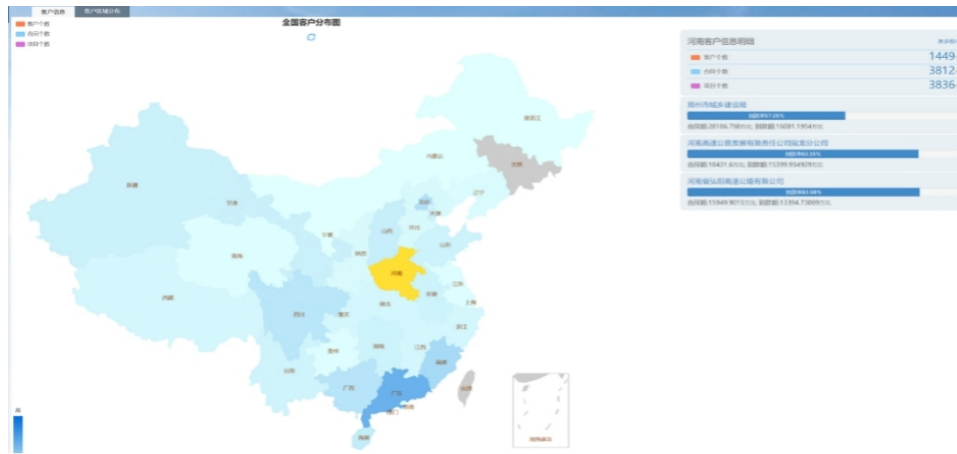
Centering on the entire customer service process, the Group has built a three-dimensional institutional system: strictly controlling quality through pre-guidance and process control, improving management efficiency through dynamic evaluation and information-based assessment, and promoting continuous quality improvement through improvement activities such as multi-level analysis meetings and post-project evaluations. Meanwhile, with the Customer Service Center as the hub, it realizes satisfaction measurement and rapid response to complaints; cooperates with regular site visits and high-level return visits to ensure accurate and in-place post-service, ultimately forming a full-process, high-efficiency service closed loop.

In the three stages of pre-sales, in-sales and after-sales, service items and contents are subdivided according to the service stage and customer needs, promoting the establishment of customer relationships in each stage, better serving customers and achieving win-win cooperation. As shown in the table below:

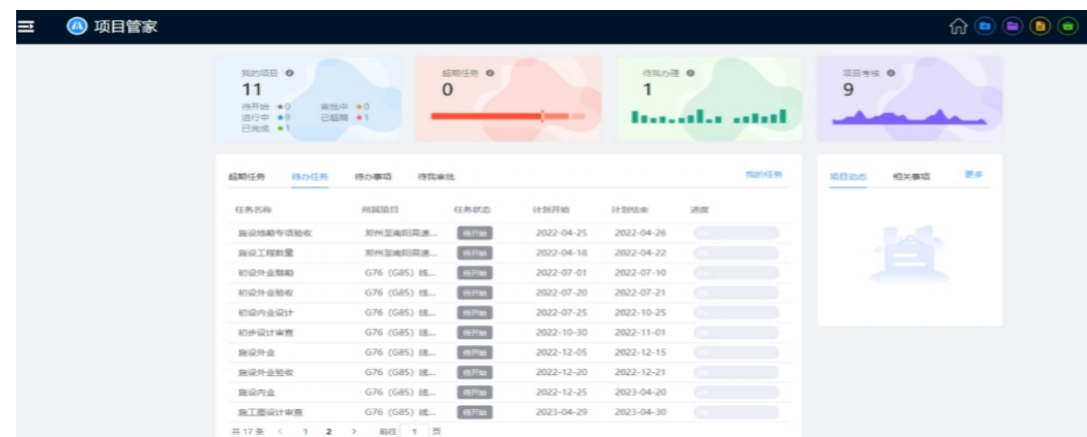
Full-Process Service Relationship Table

Service Stage	Service Item	Service Content	Suitable Customers
Pre-Sales	Strategic Cooperation	Provide strategic and industrial research results to support and serve development.	Strategic Customers
	RandD Innovation	Strong scientific research and innovation strength, RandD achievements in application that meet expectations.	
	Technical Consulting	Expert team to answer questions and provide highly professional consulting services.	
	Scheme Research	Project planning, investment estimation, financing mode, implementation plan.	
In-Sales	Production Progress	Timely response, fast survey and design progress, strong collaboration and tacit understanding between internal professions.	All Customers
	Technical Quality	Good product quality, application of new technologies, new materials, new equipment, new processes, green and low-carbon.	
	Personnel Quality	Good service attitude, high technical level, strong collaboration ability with external participants.	
	Excellence Creation	High design level and quality, strong innovation ability, providing sufficient and necessary conditions for excellence creation.	
After-Sales	Design Disclosure	Complete personnel, sufficient time, rich reporting forms, clear content, strong ability of reporting personnel.	All Customers
	On-Site Service	Professional team service, good attitude of design representatives, strong sense of responsibility, business and communication skills.	
	Design Change	High design quality, short service time, good service attitude, good professional collaboration.	
	Return Visit	High frequency, high personnel level, strong on-site decision-making ability.	

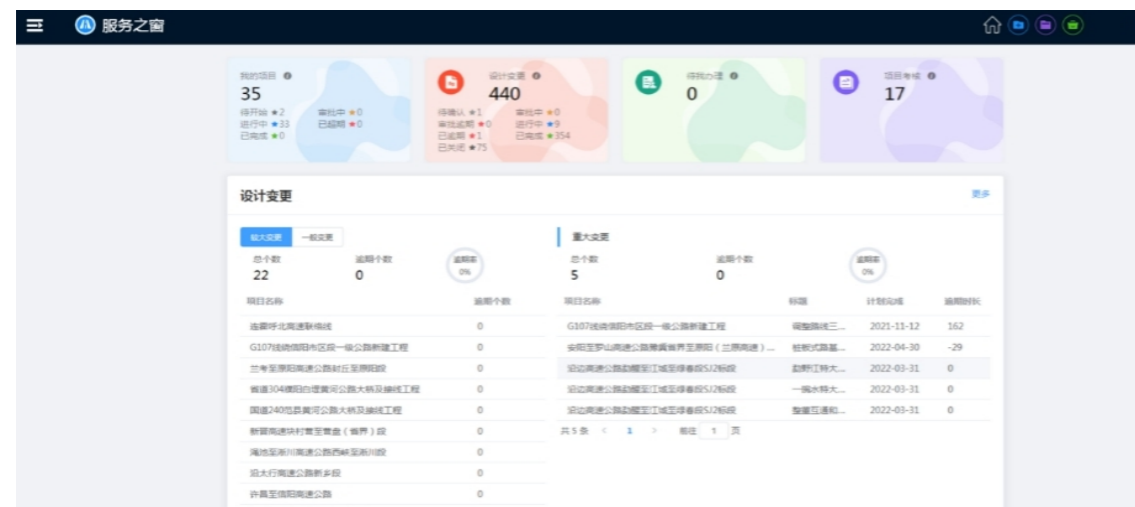
Established a Customer Information Management Platform to focus on monitoring the contract execution of strategic customers.



Established a Production Process Service Information Management Platform to focus on serving strategic customers' projects.



Established a Post-Service Information Management Platform to focus on serving large and medium-sized projects of strategic customers requiring post-service.



Customer Satisfaction Evaluation

Satisfaction Measurement: Divided into two methods: contract execution process measurement and contract performance result measurement. The contract execution process satisfaction measurement focuses on process and phased result evaluation. The contract performance result satisfaction measurement focuses on full-stage result evaluation. The customer satisfaction evaluation results of contract execution process and contract performance result are independent, counted separately and complementary to each other.

a. Contract Execution Process Satisfaction Measurement

Applicable to key progress nodes of large and medium-sized projects of strategic customers. Surveys are conducted immediately after the completion of key project nodes.

Measurement Stage	Measurement Aspect	Main Measurement Method	Weight	Survey Evaluation Dimensions	Remarks
Contract Execution Process	External	Customer Evaluation Form	50%	1. Production Process; 2. Technical Quality; 3. Personnel Quality	If only the Customer Evaluation Form or Post-Service Quality Satisfaction Questionnaire is available, the corresponding weight is adjusted to 100%.
		Post-Service Quality Satisfaction Questionnaire	50%	1. Overall Satisfaction; 2. Satisfied Professions; 3. Professions Needing Improvement; 4. Contents Needing Improvement in Each Profession; 5. Satisfaction with Design Representative Work; 6. Aspects Needing Improvement of Design Representatives	

b. Contract Performance Result Satisfaction Measurement

Applicable to all types of customers of the company's completed contract performance projects (100% production progress, 100% payment progress), covering all production units, surveyed every six months with a sampling rate of not less than 95%.

Measurement Stage	Measurement Aspect	Main Measurement Method	Weight	Survey Evaluation Dimensions
Contract Performance Result	External	Customer Satisfaction Comprehensive Questionnaire	100%	Production Service (Weight 3/10); Technical Quality (Weight 3/10); Project Team (Weight 1/10); Project Leader (Weight 1/10); Design Representative (Weight 1/10); Overall Project Experience (Weight 1/10)

c. Loyalty Measurement

Applicable to all types of customers of the company's completed contract performance projects (100% production progress, 100% payment progress), covering all production units, surveyed every six months with a sampling rate of not less than 95%.

Measurement Stage	Main Measurement Method	Weight	Survey Evaluation Dimensions
End of Contract Performance	Customer Satisfaction Comprehensive Questionnaire	100%	Brand Awareness Perception (1/10); Company Competitiveness Perception (1/10); Willingness to Continue Contract (5/10); Willingness to Recommend to Other Customers (3/10)

Summary of overall customer satisfaction and loyalty in the first half of 2025: The company's overall customer satisfaction and loyalty remain stable.

Key Performance Indicators of Customer Satisfaction (%)	
Average Satisfaction	98.06
Average Loyalty	97.96

Indicators and Objectives

Indicator Type	Specific Objectives	2026
Quality Management System	ISO 9001 Audit Certification	Pass
	AAA Rating of Quality Management Grading Certification	Maintain
Product Quality	Product Quality Pass Rate	100%
	Project Comprehensive Evaluation Design Excellence Rate above 95%	Above 95%
	Quality, Safety, Environmental Accidents	0
	Customer Satisfaction	Improve

Data Privacy Protection

While driving robust business development through digital technologies, the Group attaches great importance to the security of information and data.

Information Security Management Organization

To ensure the effective implementation of information security management and achieve its objectives, the Company has established a hierarchical information security organization consisting of decision-making level, management level and execution level, with an Information Security Management Team and an Information Security Execution Team.

Each team has clearly defined information security responsibilities and full-time information security personnel to support the promotion and implementation of the Company's information security management.

Information Security Management System and Operation

To strengthen information security management, the Group has logically isolated the internal and external networks for production and office use. In accordance with national cybersecurity classified protection requirements, it has initially built network boundary intrusion prevention, virus protection and internal terminal behavior detection by deploying cybersecurity products, and improved the information security management system through security risk assessment. The Group strictly implements the requirements of the ISO/IEC 27001 Information Security Management System, has formulated internal rules and regulations including the *Information Security Management Measures*, and obtained certification for ISO/IEC 27001:2022. It has compiled an information security management manual and procedure documents, and participates in the annual ISO/IEC 27001 management system review. No major cybersecurity incidents occurred during the reporting period.



Training and Promotion

The Group has continuously strengthened information security training and publicity to improve all employees' awareness and capability of information security prevention. Cybersecurity awareness training has been conducted on common risks in work and daily life, including password security, QR code security and email security. Real cases are explained and analyzed to enhance the safety awareness of all staff.

Customer Privacy Protection

The Digital Information Center takes the lead in working with all departments to comprehensively identify security risks posed by external parties to information assets and information processing facilities. Before approving access rights for external parties, compliant control measures must be implemented for identified risks.

For all scenarios involving physical and logical access to information assets, the Digital Information Center shall sign a Relevant Party Confidentiality Agreement with cooperating parties. The agreement clearly specifies internal management requirements and information security standards for the cooperation, and stipulates that relevant parties shall provide necessary information security awareness promotion and skill training for their employees to ensure personnel qualifications meet operational standards.

Before risk control and information security requirements are fully implemented, access to information shall not be granted to external parties. The Digital Information Center shall ensure that external parties understand their rights and obligations, and proactively undertake compliance and security responsibilities throughout the full process of access, processing, interaction and management of organizational information and information processing facilities.

Key Performance Indicators for Data Privacy Protection

- Number of information security training sessions: 4
- Number of participants in information security training: 800
- Coverage rate of information security training: 27.3%
- Total investment in information security: CNY 991,900
- Information security and privacy protection violations: 0

06

People-Oriented, Building a Talent-Strong Enterprise



06 People-Oriented, Building a Talent-Strong Enterprise

People-Oriented, Building a Talent-Strong Enterprise

The Group has established and improved a democratic management system, fully implemented the labor contract system, set up a labor dispute mediation committee, strengthened labor protection and production safety management, and improved the staff training and development mechanism to ensure the basic rights and interests of employees.

Staff Composition

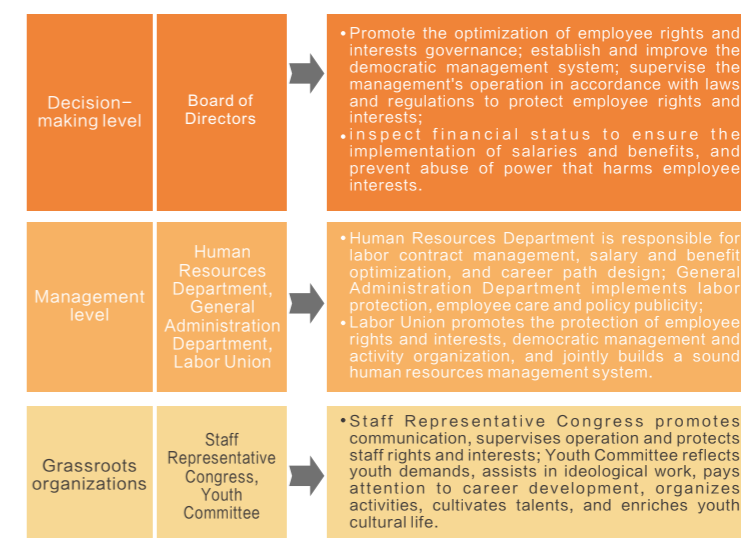
The Group's personnel structure is characterized by the in-depth integration of professional division of labor and high-level talents, reflecting a human resources layout of "strategic leadership and echelon optimization", forming a multi-dimensional linkage of production, research and management.

Number of active employees of the parent company at the end of the reporting period	1,654
Number of active employees of major subsidiaries at the end of the reporting period	1,461
Total number of active employees at the end of the reporting period	3,115
Total number of employees receiving remuneration in the current period	3,115
Employee Gender	
Male employees	2,405
Female employees	710
Ethnic minority employees	75
Labor dispatch employees	98
New employees	57
Professional Composition	
Professional Composition Category	Number of Personnel in Professional Composition (person)
Production staff	2,622
Sales staff	55
Technical staff	245
Financial staff	28
Administrative staff	165
Education Level	
Education Category	Number (person)
Doctoral degree	10
Master's degree	1,043
Bachelor's degree	1,509
Below bachelor's degree	553
Age Distribution	
Employees under 30 years old	563
Employees aged 30-50	2,370
Employees over 50 years old	182

Protection of Employees' Rights and Interests

Governance

Governance Bodies and Personnel



Professional Skills and Competence

The Group recruits professionals with backgrounds in labor law and human resource management to formulate employee rights protection policies; invites relevant experts to train the Group's staff on labor laws and regulations, employee care, occupational health and safety, ensuring that management, HR and administrative staff master the latest policies and improve professional skills to better protect employee rights.

Reporting, Supervision and Assessment

The Human Resources Department regularly reports on recruitment, onboarding, training, talent management and performance appraisal, optimizing the talent training system and salary system, and formulating solutions for high-end talent introduction and staff turnover. The General Administration Department regularly reports on employee rights and care, including office environment, logistics, canteen management, activities and benefits, providing timely feedback and solutions. Management and the labor union supervise the fair recruitment process, review screening criteria, monitor salary payment, and oversee logistics management. The Human Resources Department conducts performance appraisals for salary adjustment, bonuses, promotion and training, using diversified methods to motivate employees and drive corporate development.

Strategy

Risk Impact Assessment and Countermeasures

Risk Category	Specific Risk	Risk Description	Potential Financial Impact	Impact Duration	Countermeasures
Legal Risk	Non-compliance Risk	Corporate governance procedures violate laws and regulations, challenging the legality of resolutions and labor relations termination	May face heavy fines, legal litigation compensation, increased legal consulting fees, and long-term damage to corporate reputation and credibility.	Short-term to Long-term	Establish legal department or hire legal counsel, conduct regular legal training to ensure compliance
	Labor Contract Management Risk	Failure to sign or renew labor contracts in a timely manner, requiring double wages, increasing labor costs.	Directly increases labor costs, may face employee claims, and affects financial status.	Short-term to Medium-term	Standardize the labor contract management process to ensure compliance in contract signing, performance, modification, termination and other links.
	Information Disclosure and Right to Know Risk	Failure to fully disclose material information to employees, triggering employee dissatisfaction and labor disputes.	May trigger labor arbitration or litigation, increase legal fees and compensation costs, and damage corporate reputation.	Short-term to Long-term	Establish an information transparency mechanism and regularly disclose major business decisions, salary adjustments and other information to employees.
Management Risk	Decision-making Efficiency Risk	Employee participation complicates decision-making and delays progress	Delays project progress, increases operating costs, may miss market opportunities, and indirectly affects financial returns.	Short-term to Medium-term	Optimize decision-making mechanism, clarify processes and responsibilities
	Internal Coordination Risk	The employee rights protection mechanism changes the power structure, increasing the difficulty of coordination between management and employees, as well as among departments.	Increases internal communication costs, may lead to project delays, and indirectly affects financial performance.	Short-term to Medium-term	Strengthen internal communication and coordination, establish effective communication channels, and reduce contradictions caused by information asymmetry.
	Imbalanced Incentive Mechanism Risk	Excessive emphasis on employee rights protection leads to an imbalanced incentive mechanism and weakens employee work enthusiasm.	Reduces employee work efficiency, affects overall corporate benefits, and may lead to revenue decline.	Medium-term to Long-term	Balance incentive and restraint mechanisms, establish a scientific performance appraisal and incentive system to ensure employee enthusiasm.
Financial Risk	Increased Labor Cost Risk	Increased labor cost expenditure to protect employee rights, exerting pressure on financial status.	Directly increases labor costs, compresses profit margins, and may affect corporate profitability.	Short-term to Medium-term	Plan human resource costs reasonably to avoid financial pressure caused by excessive increase in benefits or salaries

Opportunity Impact Assessment and Strategies

Opportunity Impact	Assessment Result	Potential Financial Impact	Impact Period	Strategies
Improved corporate governance	Strengthen staff democratic participation, optimize governance structure and management	Optimize processes, improve efficiency, reduce costs, enhance benefits	Medium to long term	Refine governance structure, clarify rights and obligations of shareholders, directors, supervisors and management
Improved labor relations	Strengthen staff participation, build a balanced negotiation mechanism	Reduce disputes, lower legal and compensation costs	Medium to long term	Establish staff congress, worker directors and supervisors
Risk prevention	Prevent conflicts from the source, promote social stability	Avoid negative public opinion and legal risks, reduce losses	Medium to long term	Strengthen compliance, conduct regular compliance training
Enhanced social responsibility	Fulfill corporate social responsibility, improve rights protection	Boost corporate image, customer trust, long-term competitiveness	Medium to long term	Publish social responsibility reports, participate in public welfare
Promoted innovation	Optimize governance, stimulate innovation, attract capital	Increase RandD costs in short term, enhance long-term competitiveness	Short to long term	Protect shareholder rights, clarify responsibilities of controlling shareholders and executives
More international cooperation	Align with global markets, expand cooperation	Improve international reputation, increase overseas revenue	Medium to long term	Strengthen compliance, integrate into global economy
Reduced operational risk	Enhance capital stability, standardize disclosure, ensure compliance	Reduce fines and compensation from violations	Medium to long term	Strengthen fund management, ensure safe and compliant use

Impact, Risk and Opportunity Management

Remarkable Upgrade of Human Resources Information System

In 2025, the Human Resources Department upgraded the information system, building a data platform for full-cycle talent management and structural analysis, a group-wide dynamic talent database, a multi-dimensional talent map, a refined talent tagging system, and a hierarchical visual leadership dashboard.

Special Personnel File Verification

From May to August 2025, the Human Resources Department conducted a group-wide personnel file verification, supplementing over 5,000 key documents, improving file integrity and accuracy, and establishing a regular review and update mechanism.

Improved Benefits and Welfare

The Group strictly abides by the Labor Contract Law and Social Insurance Law, implementing statutory holidays, annual leave, maternity leave, etc., and enhancing employee satisfaction through supplementary benefits.

Optimized Salary Management System

The Group established a dynamic salary total control system, realizing accurate monthly salary calculation and management, standardizing salary systems, and ensuring timely and full salary payment.

Key Benefit KPIs

Labor contract signing rate	100%
Social insurance coverage rate	100%
Number of staff congresses held	1
Average paid annual leave days	6.72
Employees on maternity leave	31
Maternity leave return rate	100%

Key Salary KPIs

Employee salaries and benefits in the reporting period 18673 ten thousand CNY

Rich Employee Activities

In 2025, the labor union organized Spring Festival Gala, Lantern Festival activities, reading clubs, 4th "Design Institute Cup" basketball and table tennis tournaments, walking events, and wedding/childbirth gifts, enhancing teamwork and sense of belonging.

Employee Activity Cases

Case: "Fortune Snake Celebrates Spring, Joyful Lantern Festival" Lantern Riddles Event



Case: Inauguration of the Reading Club and First Themed Event Successfully Held



Employee Activity Cases

Case: The 4th "Design Institute Cup" Basketball Tournament



Case: The 4th "Design Institute Cup" Table Tennis Tournament



Case: The Group Cares for Employees - Warm Congratulatory Gifts for Marriage and Childbirth



Case: 2025 Spring Festival Gala



Case: The 8th "Design Cup" Five-a-side Football Tournament of Henan Survey and Design Industry



Case: The 5th "Design Cup" Badminton Friendly Match of Henan Survey and Design Association



Case: "Charming Women, Blooming Grace" Women's Day Event



Case: "Walk Toward the Light, Health for You and Me" Walking Event



Case: Go Competition at the Henan Provincial Directly Affiliated Agencies Sports Games



Indicators and Goals

- (1) The Group Three-Year Talent Development Plan (2025 - 2027) was approved by the General Manager's Office Meeting in June, providing systematic guidance for talent work.
- (2) In March 2025, the Group Assessment System (2025 Edition) and related salary assessment measures were revised and released, with special promotion in April.
- (3) Regular quarterly assessments are conducted and results are applied.
- (4) The 2025 Group Talent Structure Analysis Report was compiled, sorting out staffing and gaps in 21 departments, forming a dynamic talent list for 2026 recruitment and training.
- (5) In accordance with the Employee Welfare Management Measures, annual health check-ups are provided for all employees and family members of long-serving staff, achieving 100% participation.

Health and Safety Protection

The Group highly values occupational health and work safety, and always adheres to the policy of Safety First, Prevention First, Comprehensive Management. It strictly fulfills the main responsibility for work safety, improves the occupational health management system, and regularly carries out safety training, hazard investigation, emergency drills and occupational disease prevention. These efforts effectively protect the personal safety and physical and mental health of employees, and build a strong safety line for the stable operation and high-quality development of the enterprise.

Identification and Assessment of Occupational Safety Risks

The Group established a regular risk identification and assessment mechanism, systematically identifying physical, management and environmental hazards in offices, production sites and project fronts, conducting graded assessments and formulating targeted prevention measures for early detection and disposal.

Establishment and Implementation of Occupational Health and Safety Management System

Since 2000, the Group has obtained ISO9001 Quality Management System, ISO14001 Environmental Management System and ISO45001 Occupational Health and Safety Management System certifications.

It has formulated safety management regulations and emergency plans for elevators, fire, power outages, etc., to respond to emergencies effectively.



Certificate of Occupational Health and Safety Management System Certification

Key Safety KPIs	
Casualty accidents and above	0
Fire accidents	0
Food safety accidents	0
Theft incidents	0
Major equipment accidents	0

Occupational Health and Safety Training

The Group regularly organizes safety training, emergency drills, knowledge lectures and hazard rectification, fostering a strong safety culture.

Key Training KPIs	
Safety training investment	CNY 30,000
Number of safety training sessions	20
Total participants	4,690
Total training hours	68
Training coverage rate	100%
Number of emergency drills	5

Work Safety Training Activity

Case: Fire Safety Management Meeting and Knowledge Training



Case: Fire Safety Training and Summer Work Safety Inspection

Case: Employee Health Training Activity

To improve the physical and mental health of employees, and strengthen their awareness of health management and ability to cope with work-related stress, we invited a number of experts to deliver in-depth and easy-to-understand health knowledge lectures for employees.



Annual Occupational Health Initiatives

The Group strictly implements the Law on the Prevention and Control of Occupational Diseases, carrying out health monitoring, annual check-ups, health counseling, labor protection supplies distribution, environment optimization and health education based on industry characteristics.

Occupational Health Management Initiatives

Case: Three-Volts Paste Health Care Activity



Talent Cultivation Program

By the end of 2025, the Group had 3,115 employees, including 29 high-end talents (survey and design masters, experts receiving special allowances from the State and provincial governments), 9 national/provincial model workers and May 1st Labor Medal winners, 210 senior professional title holders, 754 associate senior title holders, 1,252 national certified engineers, and 1,053 postdoctoral, doctoral and master's degree holders, forming a multi-echelon talent team.

High-end talents	29 persons
Model workers and medalists	9 persons
Senior professional title	210 persons
Associate senior professional title	754 persons
National certified engineers	1252 persons
Postdoctoral, doctoral and master's	1053 persons

Diversified Talent Introduction System

The Group complies with labor and social security laws and regulations, building a comprehensive introduction and incentive system through diversified channels, key talent introduction and incentive mechanisms.

Diversified Recruitment

Strengthen youth talent reserve: Recruited at Tongji, Hohai, Southwest Jiaotong, Chang'an universities and online platforms for emerging majors.

Introduce mature talents: Recruited 45 mature technical talents, including 5 certified engineers, 4 senior and 16 intermediate title holders.

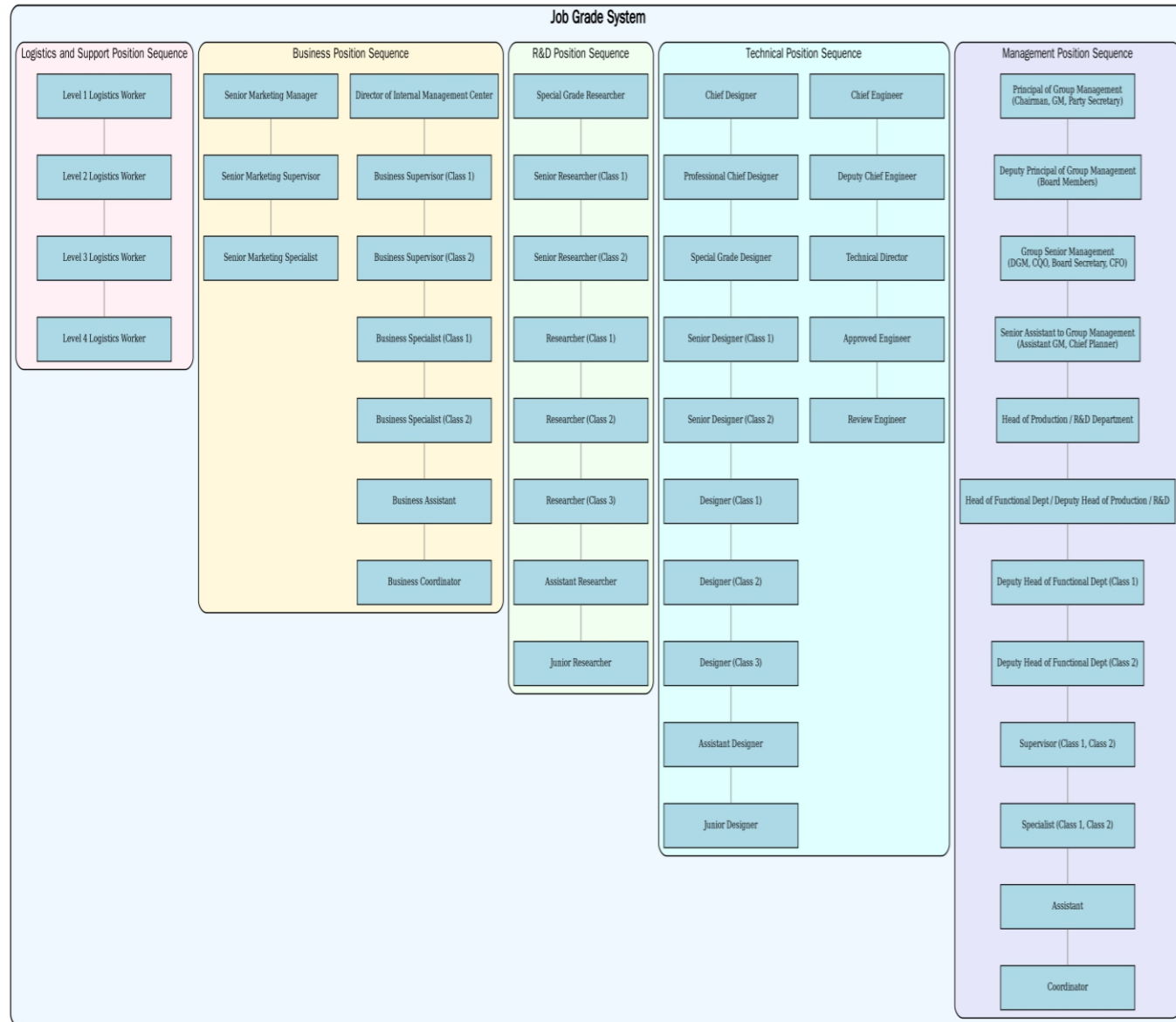
Optimize recruitment process: Issued the Notice on Standardizing Group Recruitment and Interview Processes in July.

Key Talent Introduction

The Group issued the Key Talent Introduction Management Measures, establishing regular cooperation with doctoral talent platforms to introduce scarce professionals.

Employee Promotion, Selection and Career Development

The Group compiled Job Descriptions for Functional Departments and established a multi-sequence rank system (management, technical, RandD, operation, logistics), providing clear promotion paths.



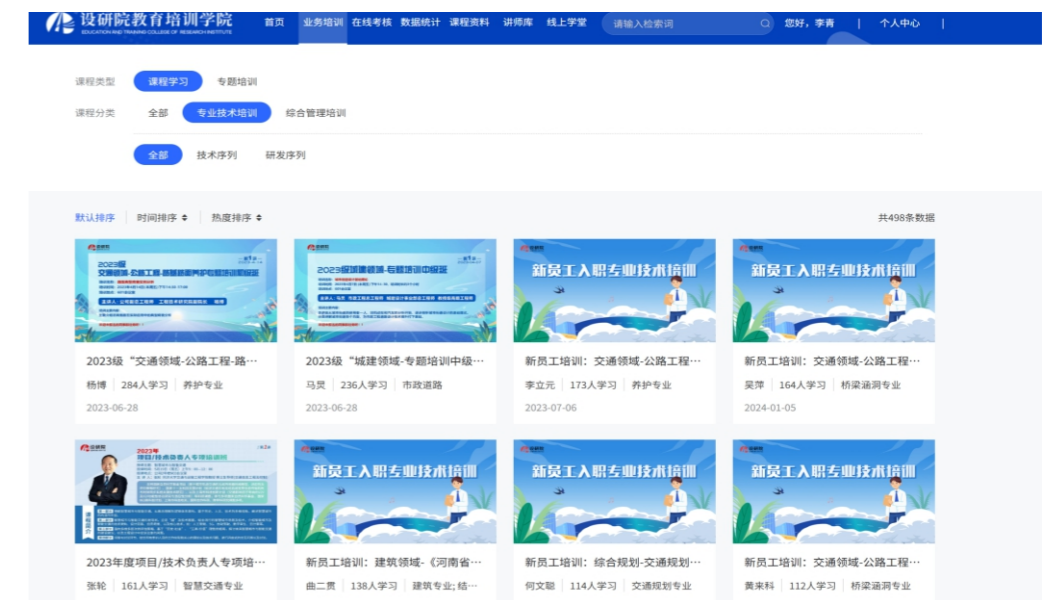
Employee Training

Training System

A three-level training system (Education and Training Institute, group, department) was established. The institute held 18 special training programs (84 sessions, 620+ trainees); new employee technical training covered 107 majors (50+ new courses); the group organized 4 large lectures, 114 shared classes and 123 live online courses.

Special Training

Small-batch key training was combined with technical promotion; 7 special classes (e.g., municipal road, highway maintenance) completed assessments, with results applied to job re-evaluation.



Key Training KPIs	
Number of training sessions	251
Training coverage rate	94%
Number of trained employees	1,450
Total participants	5,750
Total training hours	14,300
Per capita training hours	9.9
Total training investment	CNY 919,000

Mature Assessment System

Assessment System

The 2025 Edition Assessment System was implemented, with regular quarterly assessments, result notification, benchmark incentives and targeted reporting to supervisors. Annual assessment and democratic evaluation of middle managers were completed, with special research on talent structure optimization.

Regular Assessment Mechanism

Strictly implement the requirements of the 2025 assessment system, complete quarterly assessments, conduct in-depth analysis of management issues through notifications, and establish a performance-oriented approach. In July 2025, the Group organized and completed the Q2 and semi-annual assessments. Based on the results, commendation decisions were formulated and announced at the semi-annual summary conference, forming a closed loop that emphasizes both problem analysis and benchmark incentives.

In October 2025, for the Q3 assessment, a targeted reporting mechanism of assessment results to responsible leaders was established, strengthening process supervision and accountability implementation among the management team.

Application of Assessment Results

By December 20, 2025, the Group Human Resources Department had completed democratic evaluations and recommendations for middle-level cadres in accordance with assessment requirements. Meanwhile, taking the annual assessment as an opportunity, the HR Department conducted special research in various business departments, focusing on talent structure optimization and echelon construction.

Comprehensive Salary and Incentive System

Salary Standard System

Five salary standards were established for 26 production/RandD departments, with revised assessment measures filed and publicized.

Incentive System

The Group implements equity incentives, certified engineer allowances, and probation subsidies (housing, living, catering, transportation). A Chairman's Fund rewards outstanding contributions in economic benefits, reputation, management/technology/RandD innovation.

Professional Title Evaluation and Certified Engineer Management

Professional title evaluation

Professional titles: 432 applicants in 2025 (up 7% year-on-year), including 44 senior, 232 associate senior and 189 intermediate applicants.

Certified engineers: 289 exam applicants, 26 initial/transfer registrations, with training and policy promotion.

Certified Engineer Management

The Human Resources Department of the Group has strengthened the construction of the certified engineer team from multiple dimensions including planning, incentives and performance assessment. At the beginning of 2025, the annual examination plan was issued and pre-examination training was organized. Meanwhile, the publicity and implementation of the subsidy policy for certified engineers were strengthened. During the year, the number of applicants reached 289 person-times, and 26 people completed initial registration and transfer registration.

Information Management

Launch of the Mobile Platform of the Education and Training Institute

The mobile platform of the Education and Training Institute marks a major milestone in the Institute's digital development. It integrates learning, management and interaction, supporting keyword search and training course filtering by job sequence. Employees can watch course videos online, preview attached materials and participate in course discussions, making full use of fragmented time for independent learning.

Upgrade of the Human Resources Information System

The Group has built a real-time updated talent information database, which fully manages employees' personalized information online, including professional titles, certified engineer qualifications, designer levels, education backgrounds, annual assessment results, internal honors, external awards and training records.

A talent map categorized by professional field, professional title, certified engineer qualification, job sequence and designer type has been completed, covering more than 500 employees across 12 categories.

In line with the Group's talent characteristics, over 100 talent tags in 20 major categories have been designed, supporting combined queries and providing an efficient tool for talent screening.

Positive Corporate Culture and Team Spirit

The Group emphasizes setting role models and encourages employees to learn from advanced examples. Every year, the Group regularly selects and commends honorary titles including Annual Most Improved New Employee, Outstanding Party Member, Excellent Design Representative, and Top Ten Employees.

Corporate Culture Cases

Case: Results of the Top Ten Outstanding Employees Selection



Case: Selection of Outstanding Design Representatives



Case: New Employee Training and Outstanding Progress Award Commendation Conference



Case: Selection of Outstanding Party Members of the Group



07 Create Harmony Together and Enhance Social Well-being



07 Create Harmony Together and Enhance Social Well-being

Empowering Rural Development

Leveraging its professional strengths, the Group focuses on technology empowerment, industrial support and ecological value enhancement, and deeply integrates its carbon peaking and carbon neutrality business with consolidating and expanding poverty alleviation achievements and advancing rural revitalization. It conducts operations in county-level ecological governance, rural carbon sink development, county environmental protection fund application and other fields. Relying on its technological advantages and extensive experience in infrastructure construction, the Group provides all-round engineering technical services and solutions for rural areas.

Empowering Rural Areas

Case: Henan Provincial Rural Highway Construction Project Quality Inspection Project



Case: Comprehensive Land Consolidation Project for Duqu Town, Linying County



Case: Rural Highway Pavement Technical Condition Testing Project in Hui County and Gongyi City



Technology-Enabled Practices

Adhering to the core values of Integrity, Responsibility, Win-Win Cooperation, the Group follows the trends of digitalization and sustainable development. It is committed to technological innovation and social responsibility, and leverages innovative empowerment approaches such as green and low-carbon technologies and intelligent construction.

By deeply integrating technological RandD with public welfare practices, the Group strives to enhance social well-being, establish a positive brand image, strengthen industry influence, and achieve the coordinated development of corporate economic value and social value.

Technology-Enabled Practice Cases

Case: Obtained CMMI Level 5 Certification, Software RandD Capabilities Recognized by International Authority



Case: Exploring the Innovative Application of AI Technology in the Field of Architectural Design



Case: Participated in the 8th Global Unmanned Systems Conference and 2025 International Low-altitude Economy and Trade Expo



07 Create Harmony Together and Enhance Social Well-being

Case: Group Signed Strategic Cooperation Agreement with Xinjiang Production and Construction Corps Survey and Design Institute Group Co., Ltd.



Case: Jointly Build a New Digital Ecosystem for Infrastructure to Empower the Digital Upgrade of Smart Luoyang



Case: Wuhan Bridge Forum · Building the Future with Intelligence



Public Welfare Commitment for Long-Term Development

The Group has always integrated public welfare into its development DNA and fulfilled social responsibilities through technological innovation. From warm-hearted acts of kindness to professional in-depth development, it transforms scientific research achievements into practical benefits for the people, fulfills its corporate mission in multiple dimensions, and demonstrates the responsibility of a technology enterprise that benefits the country, the people and the industry.

Pursuing Excellence in Public Welfare and Responsibility

Case: The company was awarded the title of "Outstanding Social Service Organization"



Case: Assisted Henan Communications Investment Port and Shipping Zhoukou Port Co., Ltd. in carrying out safety production risk hidden danger investigation and rectification



07 Create Harmony Together and Enhance Social Well-being

Case: Group Provided Technical Assistance for Transportation Work Safety in Hami City

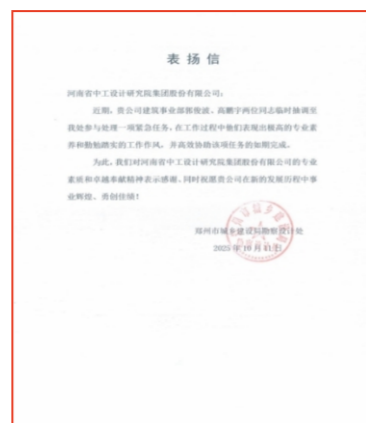
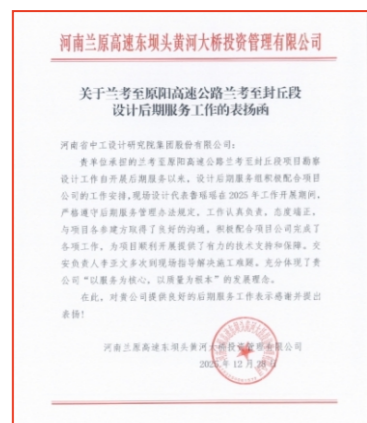
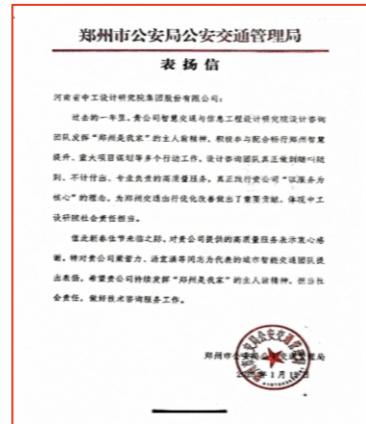
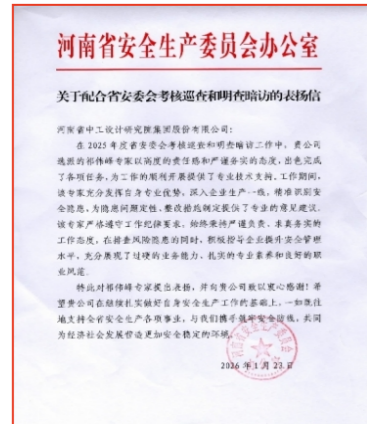
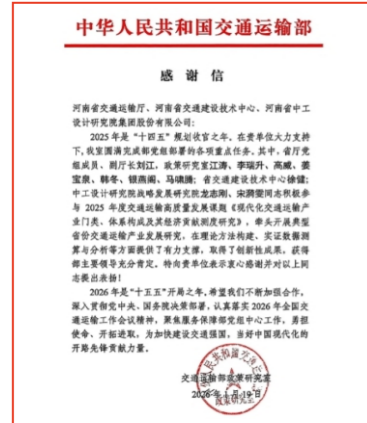


Case: Undertake High-End Financial Forum to Empower Enterprises in Exploring New Cycle Growth Paths



Jointly Building Dreams and Moving Forward Together

Over the past year, the Group has stood together and strived side by side with authorities at all levels and partners. It has successively received thank-you letters and commendations from the Ministry of Transport, the Department of Urban Construction under the Ministry of Housing and Urban-Rural Development, the Department of Transport of Henan Province, and other institutions. Going forward, the Group will continue to uphold its corporate mission: Creating Value through Service, Making Life Better. It will strive to build a positive team image, bring honor to the Group, and make new contributions to accelerating the construction of a strong transportation province.



Win-Win Cooperation Between China and the World

Adhering to the philosophy of openness, inclusiveness and win-win cooperation, the Group actively conducts two-way exchanges and practical cooperation both domestically and internationally, achieving mutual benefit and common prosperity through integrated development.

Integration and Win-Win Cooperation Between China and Foreign Partners

Case: Bangladesh Road Network Planning Assistance Project



Case: The Group's Niger Third Bridge Assistance Project Won Excellent Engineering Certification



Case: Technical Service Project for Advanced Geological Prediction of Tunnels on the Kathmandu-Teral/Madhesh Expressway in Nepal



Case: AI-Maimouna Water Supply Project in Maysan Governorate, Iraq



Case: Group Technical Personnel Visited Uzbekistan to Jointly Open a New Chapter of "Belt and Road" Cooperation



08 Strengthening Governance and Achieving Steady Development

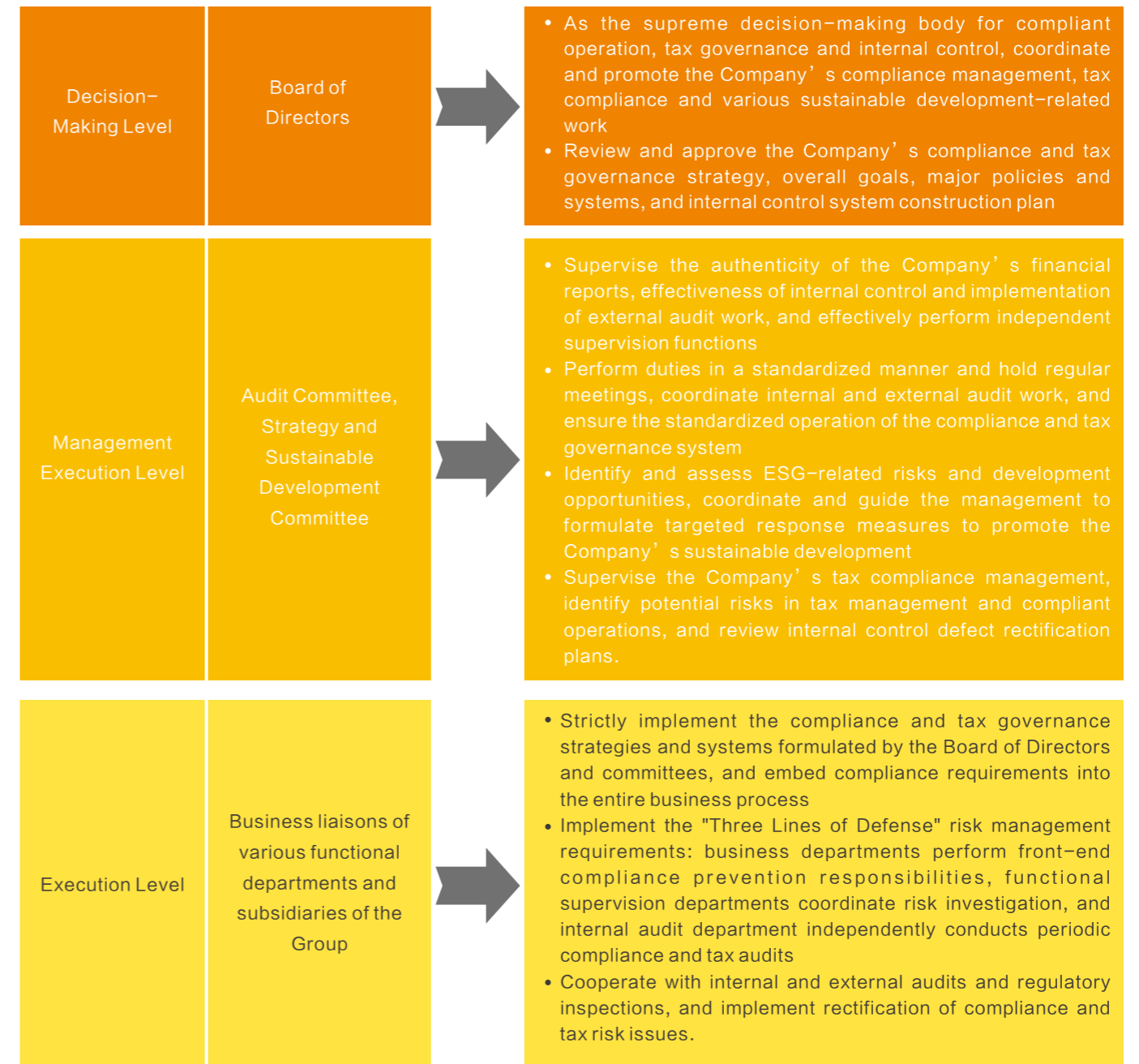


Standardized and Compliant Operations

The Group has always adhered to compliant operations and integrity in practice, continuously improved the law-abiding and compliant management system, stuck to the bottom line of business ethics, and promoted the in-depth integration and collaborative efforts of compliance management with audit supervision, internal control and risk management.

Governance

Governance Bodies and Personnel



Strategy

Risk Impact Assessment Results and Response Strategies

Risk Category	Specific Risk	Risk Description	Potential Financial Impact	Impact Period	Countermeasures
Legal and Compliance Risk	Non-compliant Governance Procedures	Failure to strictly comply with the <i>Company Law</i> , <i>Securities Law</i> , listing rules and other laws and regulations, and non-standard operation of the governance structure, leading to questioned validity of resolutions and regulatory penalties	May face regulatory fines, administrative penalties, affect the Company's listing status and capital market reputation, and increase compliance rectification costs	Short to Long Term	Improve the Articles of Association and the rules of procedure of the "General Meeting of Shareholders, Board of Directors and Board of Supervisors (Three Meetings)", conduct regular governance compliance training, and ensure the standardized operation of the Board of Directors, Board of Supervisors and General Meeting of Shareholders in accordance with the requirements of the CSRC and exchanges
	Information Disclosure Violation	Inaccurate, incomplete or untimely information disclosure, or false or misleading statements in violation of the <i>Measures for the Administration of Information Disclosure by Listed Companies</i>	Face regulatory inquiries, administrative penalties, trigger investor compensation lawsuits, damage the Company's stock price and market trust	Short to Long Term	Strictly implement the <i>Information Disclosure Management System</i> , establish an information disclosure review mechanism, ensure timely, true and complete disclosure through channels such as Interactive Easy and performance briefings, and improve transparency
	Connected Transaction Violation	Unfair pricing, missing approval procedures or insufficient disclosure of connected transactions in violation of the <i>ChiNext Stock Listing Rules</i> and connected transaction management systems	Regarded as interest transfer by regulators, face penalties and investor claims, affect the Company's compliance rating and financing capacity	Short to Medium Term	Strictly implement the <i>Connected Transaction Management System</i> , standardize connected party identification, transaction approval and information disclosure, ensure fair, just and open connected transactions, and accept supervision by the Audit Committee
Management Risk	Internal Control System Failure	Inadequate implementation of the "Three Lines of Defense" of "Business Department - Functional Supervision - Internal Audit" and failure to rectify internal control defects in a timely manner, leading to out-of-control operational risks	Cause asset loss, fraud or major operational losses, increase audit rectification costs, and affect the Company's overall efficiency	Short to Long Term	Continuously optimize the internal control system, regularly revise the <i>Internal Control System</i> , strengthen penetrating management of subsidiaries, ensure 100% rectification completion rate of internal control defects, and achieve full-process risk prevention and control
	Delayed Risk Event Reporting	Ineffective implementation of the risk and compliance liaison mechanism, untimely identification and reporting of risk events, leading to problem escalation	Miss the best disposal time, trigger chain risks and greater economic losses, damage the Company's reputation	Short to Medium Term	Improve the risk event reporting mechanism, clarify the responsibilities of risk and compliance liaisons of each unit, establish a risk event database and case warning system, and promote lessons learned
	Inadequate Audit Supervision	Insufficient independence of internal audit and inadequate performance of the Audit Committee, leading to failure to detect violations in a timely manner	Persistence of violations, triggering regulatory penalties and financial losses, weakening internal control effectiveness	Short to Medium Term	Ensure the independence of the internal audit department, strengthen the supervision function of the Audit Committee, hold regular audit meetings and external audit communication meetings, and ensure closed-loop rectification of audit findings
Tax Risk	Non-compliant Tax Accounting and Declaration	Non-standard tax-related business accounting, inaccurate declaration, failure to strictly comply with tax laws and regulations, leading to underreporting or misreporting	Face tax inspections, tax repayment, late fees and fines, increase tax costs, and affect the Company's tax credit rating	Short to Medium Term	Strictly implement the <i>Tax Administration Measures</i> , standardize tax-related accounting and declaration processes, strengthen professional training of tax personnel, and ensure tax payment in accordance with the law
	Improper Tax Planning	Tax planning not in compliance with laws and regulations or excessive planning triggering tax inspection risks	Identified as tax evasion or tax avoidance, face tax repayment, heavy fines and legal liabilities, damage the Company's reputation	Short to Long Term	Establish a tax risk identification and assessment mechanism, rationally use tax preferential policies, ensure legal and compliant tax planning, and shift the focus of tax management to pre-planning and control

Opportunity Impact Assessment Results and Response Strategies

Opportunity Impact	Potential Financial Impact	Impact Period	Response Strategy
Improve Corporate Governance Level	Reduce compliance risks and regulatory penalty costs in the long run, enhance capital market confidence, and improve the Company's financing capacity and valuation level	Medium to Long Term	Optimize the governance structure, clarify the boundaries of powers and responsibilities of the Board of Directors, Board of Supervisors and management, give full play to the functions of the Audit Committee and Strategy and Sustainable Development Committee, and continuously improve the standardization of governance.
Enhance Compliance Credibility	Enhance investor trust and market recognition, stabilize the Company's stock price, reduce financing costs, and lay a foundation for long-term development	Medium to Long Term	Continuously improve the information disclosure system, enrich investor communication channels such as performance briefings, Interactive Easy and official website columns, ensure 100% interaction response rate, and maintain fair market order
Prevent and Resolve Major Operational Risks	Avoid economic losses and reputation damage caused by internal control failure and violations, and ensure the Company's sustained profitability and stable development	Medium to Long Term	Strengthen full-process internal control management, conduct regular internal control self-assessment and audit supervision, implement penetrating management of subsidiaries, and ensure zero major compliance risk events
Improve Tax Management Efficiency	Optimize tax costs in the long run, improve the overall efficiency of tax management, avoid losses from tax inspections, and enhance the Company's profitability	Short to Long Term	Improve the tax management organization system, strengthen tax risk identification and assessment, rationally use tax preferential policies, and realize standardized full-process management of tax-related businesses
Promote Sustainable Development	Enhance corporate social image and brand value, strengthen customer and investor trust, and expand long-term market opportunities	Medium to Long Term	Rely on the Strategy and ESG Committee to coordinate the identification of ESG and compliance-related opportunities, formulate sustainable development strategies, and actively fulfill social responsibilities
Strengthen Capital Market Competitiveness	Gain easier recognition from the capital market, reduce financing difficulty and costs, and support business expansion and innovative development	Medium to Long Term	Continuously benchmark against listed company governance standards, regularly disclose internal control self-assessment reports, and maintain high-quality information disclosure
Reduce Operational Uncertainty	Stabilize the Company's operational expectations, ensure stable financial performance, and improve risk resistance	Medium to Long Term	Establish a normalized compliance training and risk investigation mechanism, achieve full coverage of legal risk training for key personnel, and ensure the orderly and compliant development of various businesses

Impact, Risk and Opportunity Management

Establishment of Internal Control System and Three Lines of Defense

The Company has built a "Three Lines of Defense" risk management system of "Business Department - Functional Supervision - Internal Audit" to achieve full coverage, full process and full chain risk prevention and control. In November 2025, the Company systematically revised the Internal Control System. The revised content fully covers eight core elements including internal environment, risk assessment, control activities, information communication and inspection and supervision. At the same time, the revised content focuses on strengthening penetrating management of holding subsidiaries, strictly standardizing the control of key links such as connected transaction review and external guarantee approval, effectively preventing various operational risks, and ensuring that the overall risks of the Group are under control.



Compliance Management and Risk Event Reporting Mechanism

The Company has established and improved a violation and risk event reporting mechanism. The Company has set up risk and compliance liaisons in each branch, business division and subsidiary to ensure the timely identification, reporting and disposal of risk events. In-depth analysis of the causes of various risk events is conducted, a risk event database is established, and internal problem sharing and case warnings are used to urge all units to learn from past mistakes and continuously improve risk prevention capabilities.

Tax Administration Mechanism

The Group strictly abides by domestic and foreign tax laws and regulations. The Tax Administration Measures are formulated in accordance with relevant national regulations and combined with the Group's actual situation. The Group improves the tax management organization system, prevents and controls tax risks, standardizes the full-process management of tax-related businesses, ensures that all companies pay taxes in accordance with laws and regulations, and improves the overall efficiency of tax management.

Audit Supervision and Rectification Implementation

The internal audit department independently conducts periodic audits, implements problem rectification, and timely discovers and solves problems. The Company conducts internal control self-assessment every year and discloses the results simultaneously with the annual report to ensure the effectiveness of internal control.

2025 Compliance Work Performance	
Indicator	Data of 2025
Legal Risk Training for Key Personnel	Over 120 person-times
Number of Audit Committee Meetings	5
Number of Communication Meetings Between Audit Committee and External Audit Institutions	2
Number of Major Compliance Risk Events	0
Rectification Completion Rate of Internal Control Defects	100%

Tax Compliance Cases

Case: Leaders of the Tax Branch Visit the Company for Research.



Indicators and Goals

- (1) Improve the "Three Lines of Defense" risk management system for internal control, realize penetrating management of holding subsidiaries, ensure the rectification completion rate of internal control defects reaches 100%, and keep the number of major compliance risk events at 0.
- (2) Improve the level of information disclosure and investor relations management, ensure timely, accurate and complete information disclosure, and maintain a 100% interaction response rate on the Interactive Easy platform.
- (3) Standardize the entire process of tax management, establish and improve a tax risk identification and assessment mechanism, ensure tax payment in accordance with the law and reasonable planning, achieve zero penalties in tax inspections, and improve the overall efficiency of tax management.
- (4) Strengthen compliance training and risk warnings, achieve full coverage of legal and tax risk training for key personnel, establish a risk event database and case warning mechanism, and improve the compliance risk prevention capabilities of all employees.
- (5) Continuously conduct internal control self-assessment, disclose internal control evaluation results simultaneously with the annual report, ensure the standardized and effective operation of the internal control system, and provide a solid guarantee for the Company's high-quality development.

Anti-Corruption Initiatives

The Company attaches great importance to anti-corruption construction, abides by business ethics and industry norms, continuously improves the integrity practice system and supervision system, and adopts a zero-tolerance attitude towards violations such as corruption and bribery. Through normalized integrity education and full-process risk prevention and control, the Company builds a corporate culture of integrity and self-discipline, maintains a fair competition market environment, and lays a solid foundation of integrity for sustainable development.

Anti-Corruption and Anti-Bribery System

The Group has established and improved an anti-commercial bribery and anti-corruption system, explicitly prohibiting any form of improper interest transfer. Through normalized internal integrity education and training, the Group strengthens the awareness of integrity and self-discipline of all employees, ensuring that employees deeply understand and strictly abide by relevant regulations. The Group continuously improves the supervision and inspection system, regularly conducts comprehensive reviews of core business processes such as procurement and sales, financial revenue and expenditure, and employee practice through internal audits, timely identifies potential risks and compliance hazards, and ensures that the Company's operations fully comply with laws, regulations and internal control systems.

2025 Anti-Corruption and Anti-Bribery Training Performance	
Total Number of Directors Receiving Anti-Commercial Bribery and Anti-Corruption Training	12 persons
Percentage of Directors Receiving Anti-Commercial Bribery and Anti-Corruption Training	100%
Total Number of Management Personnel Receiving Anti-Commercial Bribery and Anti-Corruption Training	54 persons
Percentage of Management Personnel Receiving Anti-Commercial Bribery and Anti-Corruption Training	100%
Total Number of Employees Receiving Anti-Commercial Bribery and Anti-Corruption Training	799 persons
Percentage of Employees Receiving Anti-Commercial Bribery and Anti-Corruption Training	27.5%

Anti-Corruption and Anti-Bribery Reporting Channels

The Group has established a sound reporting and communication mechanism to encourage employees to participate in internal governance. If any violation of business ethics, fraud, bribery or other improper acts is found, relevant personnel may report through channels such as telephone, email, letter and in-person visit.

Whistleblower Protection

Upon receiving a report, the Audit Department conducts investigation and review, approves and investigates reports that meet the requirements, and publicizes the results within the specified time limit; reports that do not meet the requirements will not be approved. The Company continuously improves the whistleblower protection mechanism, requiring whistleblowers to be truthful and not to frame others. At the same time, the Company strictly keeps confidential the identity information and private data of whistleblowers to ensure no information leakage

Collaborative Supervision and Cooperation with Discipline Inspection and Supervision

The Group thoroughly implements the work deployment of higher-level discipline inspection and supervision departments, and solidly promotes the construction of a clean and honest Party conduct. It strictly implements the integrity discipline regulations during holidays, and effectively conducts integrity reminders at important nodes such as Qingming Festival, Labor Day and Dragon Boat Festival. It completes the statistics and submission of on-the-job supervision objects on time and with quality. It studies, deploys and solidly promotes centralized rectification work. It strictly approves integrity contracts for various projects, and conducts normalized supervision and inspection on key links such as internal procurement, bidding and social recruitment.

Safeguarding Fair Competition

The Company has always adhered to the business principles of voluntariness, equality, fairness and good faith, strictly abided by the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations, and attached great importance to anti-monopoly and anti-unfair competition work. By regularly organizing management to study laws and regulations and providing compliance guidelines for employees, the Company has established a sound anti-unfair competition management mechanism, standardized domestic and foreign business behaviors, resolutely safeguarded a fair competition market order, and ensured the legal and compliant development of business activities. The Company actively promotes the concept of fair competition through its official website, display screens in the office building lobby and other channels, and is committed to building a corporate culture of integrity, law-abiding and self-discipline, and fair competition.



Key Performance of Anti-Unfair Competition

In 2025, the Company had no legal litigation related to unfair competition or anti-monopoly, and no illegal cases caused by fraud or corruption.

Party Building Leading by Example

Organizational Construction

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, HNDI fully fulfills its political responsibility of governing the Party. In 2025, the Company took Party building as the guide for high-quality development, implemented the Party building work responsibility system, continuously promoted the standardization of Party branches, deepened the integration of Party building with production and operation, scientific and technological innovation and social responsibility, and strengthened the construction of a clean and honest Party conduct and ideological work. To ensure the quality and efficiency of Party building work, the Company formulated documents such as the annual Party building priorities and theoretical learning plan, improved the Party building work system, transformed Party building advantages into development advantages, and provided political and organizational guarantees for high-quality development. The Party Committee of the Company carries out various work under the leadership of the Party Group of the Henan Provincial Department of Transportation. In 2025, 21 new Party members were developed. As of the end of the reporting period, the Company had 1 grassroots Party committee, 47 Party branches, 799 Party members in total, accounting for 27.5% of the total number of employees.

2025 Party Building Work Performance of HNDI	
Total Number of Party Branches of the Company	47
Total Number of Party Members of the Company	799
Percentage of Party Members in Total Employees	27.5%
Average Age of Party Members	40
Number of Party Congresses, Party Committee Meetings, Regular Party Building Meetings, etc.	17
Number of Theoretical Learning Sessions of the Party Committee	12
Number of Special Seminars on Party History Learning and Education	2

Party Building Honors

Through talent development leadership and evaluation and incentive mechanisms, the Group encourages Party members and cadres to take the initiative to act and actively participate in the Group's high-quality development practice. In 2025, the Group selected 10 outstanding Party members. Upon grassroots recommendation, organizational review and comprehensive evaluation, 3 Party branches, 4 Party members and 1 Party affairs worker won the titles of Advanced Party Organization, Outstanding Communist Party Member and Outstanding Party Affairs Worker of the Henan Provincial Department of Transportation for the year. The Group gives full play to the exemplary and leading role of advanced models, drives all employees to fulfill their mission with the power of role models, and gathers a strong driving force for the sustainable development of the Company.

Party Building Activities

The Company thoroughly implements the requirements of Party discipline learning and education, innovates Party building activity carriers, and promotes the in-depth integration of theoretical learning and business practice. Through the online "HNDI Cloud - Window of Party, Labor and Youth League" platform, a theoretical learning column was set up, publishing more than 60 special learning contents, and experts were invited to carry out special counseling on the 15th Five-Year Plan, promoting the accurate delivery of the Party's innovative theories to grassroots frontlines. At the same time, the Company regularly carries out diverse thematic learning and practical activities, guiding Party members and cadres to strengthen theoretical arming, temper discipline and work style, and effectively realize the transformation from learning and understanding discipline to abiding by and applying discipline, leading the sustainable and high-quality development of the Company with high-quality Party building.

Party Building Activity Cases

Case: Conference on Party Building and the Development of a Healthy Party Conduct and a Clean Government in the Transport Sector



Case: (Enlarged) Meeting of the Party Committee and Deployment Meeting for Study and Education



Case: Special Study Session



Case: Special Meeting on Studying and Implementing the Spirit of the Fourth Plenary Session of the 20th CPC Central Committee and the Education on Party Spirit and Party Discipline



List of Party Building Activities



Themed Party Day Activity of "Studying the Secrecy Law and Enhancing Secrecy Awareness"



Themed Party Day Activity of Studying the Spirit of the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China



Activity of Watching the News Broadcast of the Communique



Special Learning Meeting on the Spirit of the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China

09

Future Outlook

2026 marks the start of the 15th Five-Year Plan and a critical year for HNDI to deepen ESG governance and pursue high-quality sustainable development. We will integrate environmental, social and governance principles into corporate strategy, daily operations and project lifecycles to support the national transportation power strategy, dual-carbon goals and regional high-quality development.

In green and low-carbon development, we will expand zero-carbon parks, expressways and ports, promote solid waste recycling, green materials, new energy microgrids and carbon asset trading. We will also develop ecological restoration, industrial wastewater treatment and urban-rural water supply projects.

In innovation-driven growth, we will focus on transportation, urban construction, low-altitude economy, new energy and smart infrastructure, increase R&D investment, and commercialize technological achievements. We will deepen the application of BIM, AI and big data, strengthen industry-university-research collaboration, and consolidate our “Three Comprehensive and One Class A” advantages.

In people development and social responsibility, we will implement the talent-strengthening strategy, improve talent development and promotion systems, and enhance occupational health and safety. We will support rural revitalization, urban renewal and port economy, treat SMEs as equal partners, provide technical assistance, and expand overseas markets under the Belt and Road Initiative.

In compliance and governance, we will improve risk control, information disclosure and supervision mechanisms, strengthen compliance operation, tax compliance, anti-corruption and data security. We will enhance internal control and stakeholder communication to ensure steady and long-term development.

Guided by the mission “Creating Value through Services, Building a Better Life”, HNDI will take green as the foundation, innovation as the driving force, talents as the support and compliance as the guarantee. We will continuously improve ESG performance and contribute more to national modernization and people’s well-being.

Appendix

Indicator Index

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Key Performance Indicators

Governance Performance

Indicator Name	Unit	2025
Legal Risk Training for Key Personnel	times	120
Number of Audit Committee Meetings	times	5
Number of Communication Meetings Between Audit Committee and External Audit Institutions	times	2
Number of Major Compliance Risk Events	times	0
Rectification Completion Rate of Internal Control Defects	%	100
Total Number of Directors Receiving Anti-Commercial Bribery and Anti-Corruption Training	persons	12
Percentage of Directors Receiving Anti-Commercial Bribery and Anti-Corruption Training	%	100
Total Number of Management Personnel Receiving Anti-Commercial Bribery and Anti-Corruption Training	persons	54
Percentage of Management Personnel Receiving Anti-Commercial Bribery and Anti-Corruption Training	%	100
Total Number of Employees Receiving Anti-Commercial Bribery and Anti-Corruption Training	persons	799
Percentage of Employees Receiving Anti-Commercial Bribery and Anti-Corruption Training	%	27.5
Total Number of Party Branches of the Company	units	47
Total Number of Party Members of the Company	persons	799
Percentage of Party Members in Total Employees	%	27.5
Average Age of Party Members	years	40
Number of Party Congresses, Party Committee Meetings, Regular Party Building Meetings, etc.	times	17
Number of Theoretical Learning Sessions of the Party Committee	times	12

Environmental Performance

Key Indicator	Unit	2025
Natural gas	m ³	81471
Gasoline	ton	255.70
Diesel	ton	59.88
Purchased electricity	MWh	10198.77
Purchased heat	GJ	8977.00
Refrigerant (HFC-134a)	ton	0.20
Refrigerant (R32)	ton	0.20
Direct energy consumption	tce	553.11
Indirect energy consumption	tce	1559.73
Total energy consumption	tce	2112.84
Scope 1 GHG Emissions	tCO ₂ e	1109.74
Scope 2 GHG Emissions	tCO ₂ e	7001.69
Total GHG Emissions (Scope 1+2)	tCO ₂ e	8111.43

Social Performance

Name of Indicator	Unit	2025
Total Number of Employees	person	3115
Number of Male Employees	person	2405
Number of Female Employees	person	710
Number of Ethnic Minority Employees	person	75
Number of Dispatched Employees	person	98
Number of New Hires	person	57
Number of Employees Under 30	person	563
Number of Employees Aged 30 - 50	person	2370
Number of Employees Over 50	person	182
Number of Employees Below Bachelor's Degree	person	553
Number of Employees with Bachelor's Degree	person	1509
Number of Employees with Master's Degree	person	1043
Number of Employees with Doctoral Degree	person	10
Number of Employee Training Sessions	session	251
Employee Training Coverage Rate	%	94
Total Number of Trained Employees	person	1450
Total Training Attendance	person-times	5750
Total Training Duration	hour	14300
Average Training Hours Per Capita	hour	9.9
Total Training Investment	10,000 CNY	91.9
Employee Salary and Welfare during Reporting Period	10,000 CNY	18673
Labor Contract Signing Rate	%	100
Social Insurance Coverage Rate	%	100
Average Paid Annual Leave Days Per Capita	day	6.72
Number of Employees on Maternity Leave	person	31
Maternity Leave Return-to-Work Rate	%	100
Safety Education and Training Investment	10,000 CNY	3
Number of Work Safety Training Sessions	time	20
Total Attendance of Work Safety Training	person-times	4690
Total Duration of Work Safety Training	hour	68
Work Safety Training Coverage Rate	%	100
Number of Emergency Drills	time	5
Number of Work Safety Accidents	case	0
Number of Occupational Injuries/Deaths	person	0
Service Qualification Rate	%	100
On-Time Delivery Rate	%	100
Contract Performance Rate	%	100
Number of Major Quality Accidents in the Year	case	0
Number of Internal Service Quality Inspections	time	4
Rectification Completion Rate of Quality Hazards/Issues	%	100
RandD Investment	10,000 CNY	7273
RandD Investment as Percentage of Operating Revenue	%	4.13
Number of RandD Personnel	person	412
Proportion of RandD Personnel	%	13.23
Newly Granted Patents	piece	50
Newly Granted Invention Patents	piece	18
Number of Valid Invention Patents	piece	184
Total Number of Suppliers	piece	1508
Number of Annual Contracted Suppliers	piece	275
Suppliers with Quality Management System Certification	piece	516
Suppliers with Environmental Management System Certification	piece	516
Suppliers with Occupational Health and Safety Management System Certification	piece	516
Local Procurement Ratio	%	52.3
Percentage of Suppliers Implementing Supplier Management Regulations	%	98
Supplier Inspection Coverage Rate	%	100
Number of Information Security Training Sessions	time	4
Number of Participants in Information Security Training	person	800
Information Security Training Coverage Rate	%	27.3
Total Information Security Investment	10,000 CNY	99.19
Number of Information Security Incidents	incident	0

Feedback

Dear Readers, thank you for reading the 2025 Environmental, Social and Governance (ESG) Report of HNDI. To provide you and other stakeholders with more professional and valuable corporate sustainable development information, please assist us in completing the relevant questions in the feedback form to help us further improve social responsibility and sustainable development management in the future.

Please rate the following questions on a scale of 1 to 5 (1 being the lowest score and 5 being the highest score):

- Your identity with regard to HNDI:
 - Government/Regulatory Authority Shareholder/Investor
 - Partner/Supplier Customer Employee Media NGO
 - Community/Public Other
- Your overall evaluation of the 2025 Environmental, Social and Governance (ESG) Report of HNDI?
 - 1 2 3 4 5
- Do you think this report can reflect HNDI's significant impact on the economy?
 - 1 2 3 4 5
- Do you think this report can reflect HNDI's significant impact on the environment?
 - 1 2 3 4 5
- Do you think this report can reflect HNDI's significant impact on society?
 - 1 2 3 4 5
- Do you think this report can reflect HNDI's significant impact on corporate governance?
 - 1 2 3 4 5
- Your overall evaluation of the degree of information disclosure in this report?
 - 1 2 3 4 5
- Your overall evaluation of the quality of text description in this report?
 - 1 2 3 4 5
- Your overall evaluation of the layout design of this report?
 - 1 2 3 4 5
- What comments or suggestions do you have on our Environmental, Social and Governance (ESG) Report, social responsibility work or sustainable development management?

