



# 2025

## Sustainability Report

Shenzhen Honor Electronic Co., Ltd.

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## About the Report

Shenzhen Honor Electronic Co., Ltd. (hereinafter referred to as "Honor Electronic", "the Company", or "We") proactively discloses its sustainability management practices and performance to stakeholders on an annual basis, thereby fostering mutual understanding, communication and cooperation and enhancing corporate transparency. This report is the second sustainability report consecutively issued by the Company.

### Basis of Preparation

This report has been prepared in accordance with the requirements of the *Shenzhen Stock Exchange Self-Regulatory Guidelines No. 17 for Listed Companies - Sustainability Report (Trial)* (the "Guidelines") and the *Shenzhen Stock Exchange ChiNext Board Self-Regulatory Guide No. 3 - Preparation of Sustainability Reports*, issued by the Shenzhen Stock Exchange (the "SZSE"), and with reference to the United Nations Sustainable Development Goals (SDGs) and requirements of the market and customers.

### Scope of the Report

This report covers Shenzhen Honor Electronic Co., Ltd. (Stock Code: 300870) and its subsidiaries, with the reporting scope consistent with that of the Annual Report. As the Company's annual ESG report, it covers sustainability matters within the Company's scope from 1 January 2025 to 31 December 2025 (the "Current Year", "Reporting Year", or "Reporting Period"), as well as the year in which this report is published. Certain content also looks back to previous years and extends to April 2026. Unless otherwise stated, all monetary values in this report are denominated in RMB.

### Source of Information

The content and data disclosed in this report are derived from the Company's statistical records, official archives, financial reports, and publicly available documents, and have been reviewed internally by the Company. In the event of any discrepancy between the data disclosed in this report and the Company's 2025 Annual Report, please refer to the Annual Report.

### Reporting Principles

This report follows the principles of materiality, quantification, balance, and consistency. It responds to stakeholders' concerns, adopts widely recognized ESG disclosure standards, and uses quantitative data to present key indicators, with the aim of objectively reflecting the Company's sustainability performance.

### Report Confirmation and Approval

This report was reviewed and confirmed by the Strategic Committee on April 20, 2026, and subsequently approved and released by the Board of Directors.

### Online Access

The electronic version of this report is available on the Company's official website (<https://en.honoto.com/>) or the Shenzhen Stock Exchange website (<https://www.szse.cn/English/index.html>).

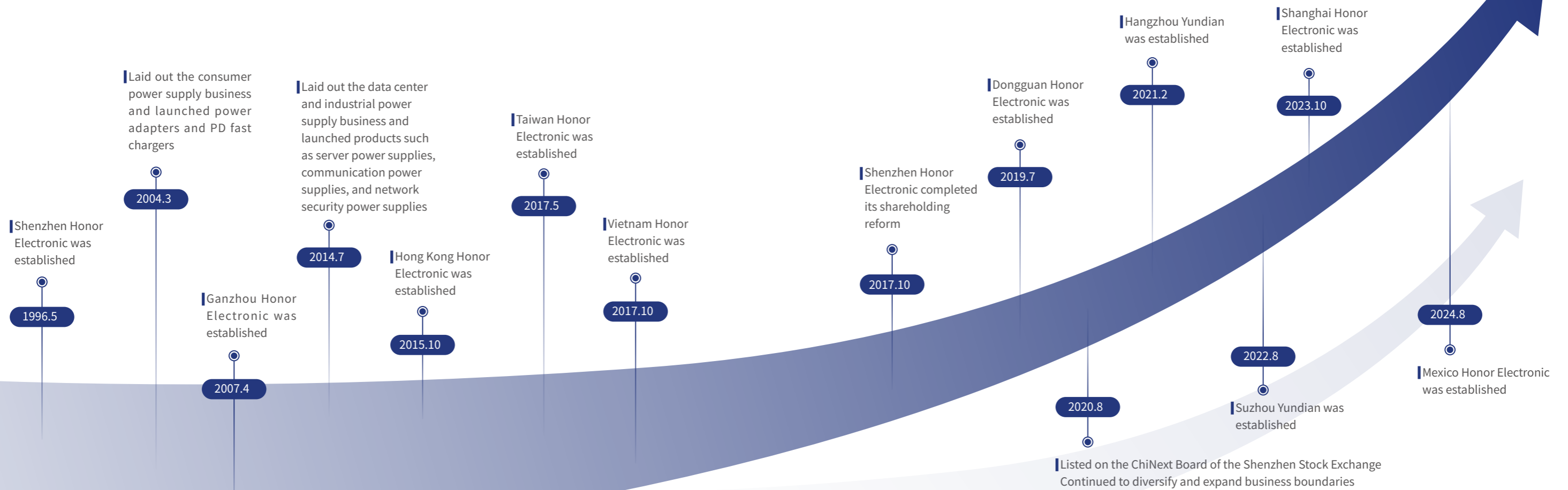
# About Honor Electronic

Shenzhen Honor Electronic Co., Ltd. has been deeply engaged in the power supply sector for three decades, focusing on the research, development, production, and sales of switching power supply products and striving to provide customers with reliable, intelligent, high-efficiency, and high-power-density switching power solutions. The Company has mastered industry-leading core technologies in areas such as R&D and manufacturing processes, and continues to achieve breakthroughs in cutting-edge technologies and high-end products, maintaining its technological leadership and driving industry innovation. Its major products include power adapters, data center power systems, and other power supply products, which are widely used in office electronics, network communications, security monitoring, smart homes, emerging consumer electronics, data centers, power battery equipment, pure electric transportation vehicles, and formation and capacity grading equipment.

As a National High-Tech Enterprise, the Company operates the Shenzhen Enterprise Technology Center and the Guangdong High-Efficiency Intelligent Power Supply and Power Management Engineering Technology Research Center. Leveraging its comprehensive strengths, such as superior product quality and rapid-response service capabilities, the Company has established a strong brand reputation and competitiveness in related fields, earning widespread recognition from many globally renowned enterprises. We remain committed to reaching the world through independent innovation, striving to become a globally competitive supplier of power products and solutions, and achieving the development vision of "Pioneering the Industry, Building a Global Brand."



# Development History



## Global Operations and Market Presence

As a rapidly developing switching power supply enterprise, the Company has optimized its global manufacturing footprint to better serve the global market, respond flexibly to changing local demand, and effectively control costs while improving delivery speed. The Company currently operates overseas production bases in Vietnam and Mexico, while its domestic bases are located in Shenzhen, Dongguan, Ganzhou, and Suzhou. To further accelerate responses to overseas customers and meet personalized customization needs, the Company has also established localized business development teams in Europe and North America while maintaining its domestic business advantages, ensuring timely on-site support and services for customers.



## Core Business & Applications

### Power Adapters

The Company strategically entered the power adapter business in 2004 and has since built up over 20 years of technical expertise and industry experience. The Company owns a comprehensive power adapter product portfolio, covering the power needs of the vast majority of end products, from 3W to 400W. These adapters are widely used across numerous sectors, including office electronics, network communications, security surveillance, smart home systems, and new consumer electronic devices. The Company enjoys a strong reputation within the power adapter industry and has established itself as one of the sector's leading enterprises. It maintains business relationships with numerous renowned partners, including LG, HP, Honeywell, Roku, Sagemcom, Google, Walmart, Foxconn, Hikvision, and Dahua.

### Product Categories

Power adapters and PD fast chargers

### Applications

Office electronics, network communications, security monitoring, smart homes, emerging consumer electronics, etc.



### Data Center Power Supplies

In 2025, revenue from the Company's data center power business amounted to RMB 2.015 billion, which represented a 38.15% increase year on year. With its contribution to total operating revenue continuing to increase, revenue from the data center power business has become a key driver of the Company's overall revenue growth. Among this, revenue from the high-power data center power supply business generated revenue of RMB 1.299 billion, representing a year-on-year increase of 66.52%. Its share of total revenue from the data center power business rose to 64.47%, maintaining a robust growth momentum. Leveraging the Company's forward-looking strategic positioning and strong R&D capabilities, its high-power server power supply products have achieved a leading position in China and are comparable to international high-end standards. The Company is one of the few power supply vendors in the market capable of achieving large-scale sales of high-power server power products. The Company has secured supply agreements with renowned domestic server system manufacturers, including Inspur Information, Foxconn, Huaqin, Lenovo, ZTE, Sugon, and H3C. At the same time, it has maintained close cooperation with leading domestic internet enterprises and other end customers, and has garnered strong client recognition for its comprehensive capabilities.

### Product Categories

General server power supplies and high-power server power supplies

### Applications

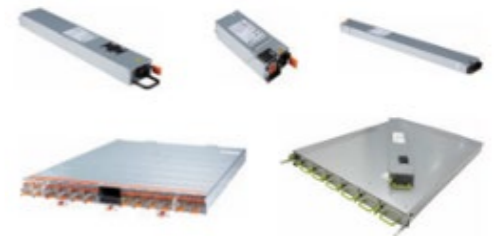
Data centers, general servers, AI servers, liquid-cooled servers, RAM (Random Access Memory)

### Product Categories

Network security, communication and other power supplies for data centers

### Applications

5G base stations, switches, firewalls, gateways, security gateways, and network monitoring equipment



### Other Power Supplies

In addition to its power adapter and data center power supply businesses, the Company maintains its strategic focus on the power supply industry and continues to expand into new application areas around power technologies, including chargers for lithium battery-powered tools and home appliances, electric vehicle chargers, high-wattage power battery equipment chargers, as well as formation and capacity grading equipment. In the field of lithium battery-powered tools and household appliances, the Company's power battery charger products have become suppliers to industry-leading customers, including TTI and LG.

### Product Categories

- Power battery chargers
- High-power chargers
- Chargers for pure electric vehicles
- Charging power supply for battery swapping cabinets
- Formation and capacity grading equipment power supplies

### Applications

- Lithium battery-powered tools and household appliances, etc.
- Large UAVs, etc.
- Electric bicycles, electric motorcycles, etc.
- Battery swapping cabinets, etc.
- Formation and capacity grading equipment, etc.



## Major Events in 2025

The new 2025 national standard GB 20943 comprehensively upgrades power efficiency requirements, incorporating laptop and server power supplies into mandatory management while increasing power limits. This standard aims to promote green industrial upgrading and enhance international competitiveness. As one of the core drafting units, Honor Electronic played an active role in its development, guiding the industry toward standardization through technological innovation and contributing to the achievement of the China's carbon peaking and carbon neutrality goals ("Dual Carbon" goals).

**March**

The national standard on power supply energy efficiency, drafted with the participation of Honor Electronic, has been formally approved and published

**June**

Honor Electronic has been selected for the CSI 1000 Index

Honor Electronic was included in the CSI 1000 Index for the first time, which is expected to bring considerable passive capital inflows and further improve the Company's market liquidity and market visibility. This reflects strong recognition of the Company's market position and brand value.

**July**

Honor Electronic received an "A" rating in the 2025 Wind ESG assessment, ranking among the top 10% in its industry. This highlights the Company's continuous progress and solid performance in environmental, social and governance practices, demonstrating its comprehensive capabilities and industry leadership position in sustainability development.

Honor Electronic's Wind ESG rating has been upgraded to "A"

**September**

Honor Electronic participated in the 2025 ODCC Open Data Center Summit

Honor Electronic participated in the 2025 Open Data Center Summit and was honored with the "ODCC Outstanding Partner" award. The Company showcased a range of high-performance server power supply products, highlighting its forward-looking presence in areas such as energy efficiency, high power density, and liquid cooling technologies for data centers amid the AI-driven transformation, and demonstrating its commitment to driving industry development through technological innovation.

**September**

Honor Electronic has been included in the "Shenzhen Top 100 Industry Leaders" list for four consecutive years and was again recognized as a "Leader Enterprise in the Switched-Mode Power Supply Industry". As an industry leader, the Company will continue to drive development by leveraging its market advantages and technological barriers.

Honor Electronic was once again named to the "Shenzhen Top 100 Industry Leaders"

**November**

Honor Electronic was listed among the 2025 Guangdong Province's Top 500 Manufacturing Enterprises

Honor Electronic was once again listed among the "2025 Guangdong Province's Top 500 Manufacturing Enterprises" list, ranking 128th—an improvement of 36 places from the previous year. This achievement demonstrates the Company's steady growth and comprehensive strength in advanced manufacturing.

**December**

Honor Electronic won the Grand Award of the 10th Bao'an District Mayor's Quality Award

Established in 2002, the Bao'an District Mayor's Quality Award is the highest quality honor granted by the People's Government of Bao'an District, Shenzhen. With its outstanding business performance, leading innovation capability, and high-level quality management framework, the Company stood out among numerous distinguished enterprises and was awarded the Grand Prize of this year's Bao'an District Mayor's Quality Award.

## Awards & Recognitions

**The 23rd Shenzhen Enterprise Innovation Records — Benchmark Enterprises for Independent Innovation**

Shenzhen Federation of Industrial Economics

**Three "23rd Shenzhen Enterprise Innovation Records"**

Shenzhen Enterprise Innovation Record Review Committee, Shenzhen Enterprise Innovation Record Organizing Committee

**Greater Bay Area Enterprise Innovation Power Rankings — Innovation Achievement List**

Expert Review Committee for the Greater Bay Area Enterprise Innovation Power Ranking

**2024 Outstanding Innovation Organization**

Shenzhen Excellent Performance Management Promotion Association

**6th Panorama Investor Relations Gold Award List - Outstanding IR Company / Outstanding IR Team / Outstanding Small and Medium-Sized Investor Concerns Award / Outstanding Institutional Attention Award**

Shenzhen Panorama Network Co., Ltd.

**Shenzhen Manufacturing Single Champion Enterprise**

Shenzhen Municipal Bureau of Industry and Information Technology

**2025 Guangdong Top 500 Enterprises**

Guangdong Federation of Enterprises and Guangdong Association of Entrepreneurs

**2025 Shenzhen Top 500 Enterprises**

Guangdong Federation of Enterprises and Guangdong Association of Entrepreneurs

**Ranked 23rd in the "Shenzhen Top 100 Industry Leaders"**

Shenzhen Industry Leader Enterprise Development Promotion Association, Shenzhen Business Daily

**2025 Guangdong Province Top 500 Manufacturing Enterprises**

Guangdong Manufacturing Association, Guangdong Development and Reform Research Institute, and the Institute of Industrial Economics, and Jinan University

**The 10th Bao'an District Mayor's Quality Award - Grand Prize**

Shenzhen Bao'an District People's Government

**2025 Best Practice Cases for Board Secretaries' Offices of Listed Companies**

Association of Listed Companies in China

**Typical Practice Cases of Boards of Directors of Listed Companies in 2025**

Association of Listed Companies in China

**Best Investor Relations Team Award**

Cailian Press

**2025 Best Investor Relations Management Award**

Bohan Finance

**9th China Excellence in IR Awards - Excellence in ESG Awards**

China Excellence in IR Awards Organizing Committee

**The 12th Shenzhen Growth Enterprise - Best Employer - Enterprise Development Award**

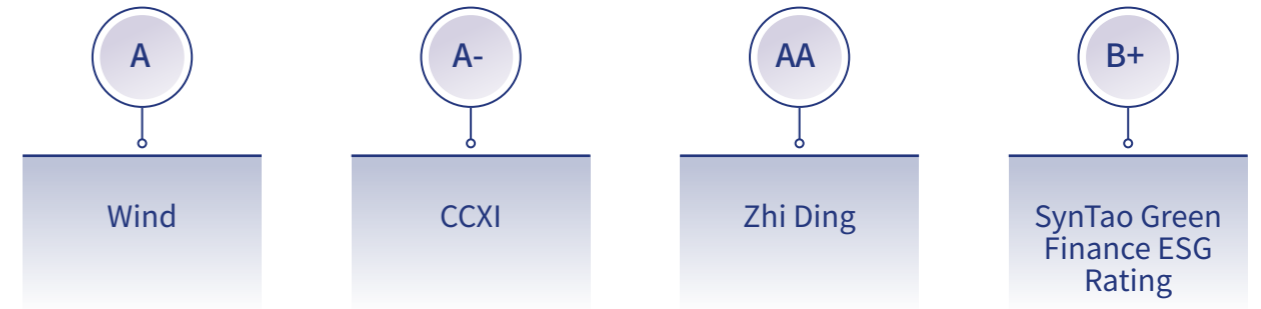
Shenzhen Best Employer Selection Committee, Shenzhen General Chamber of Commerce and Shenzhen E-look Network Co., Ltd.

**2025 Outstanding Enterprise in Social Responsibility Fulfillment**

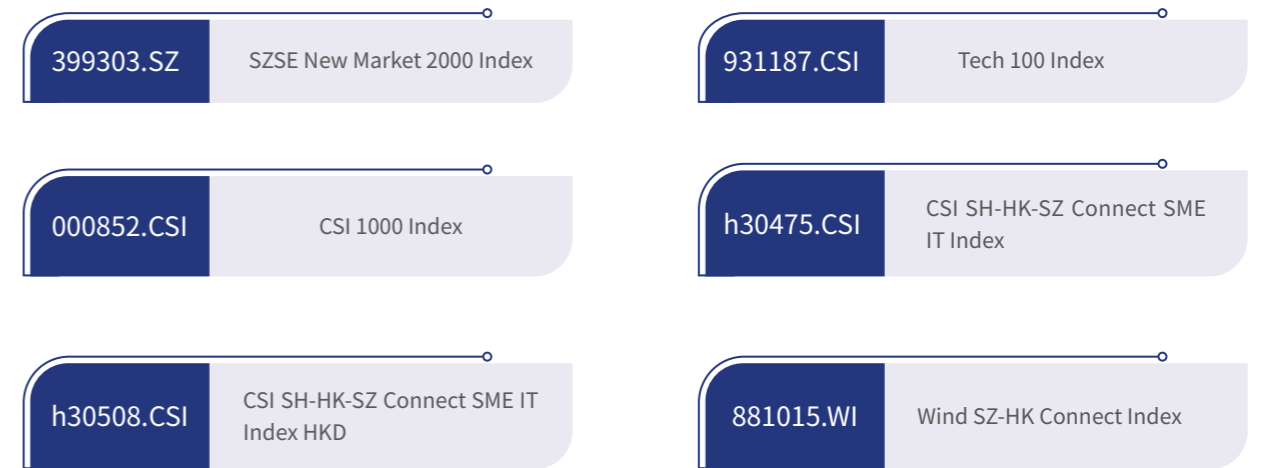
Shenzhen Federation of Industry



## ESG Rating Performance



## Indices



## 2025 ESG Key Performance

### Environment

- In 2025, the Company invested RMB **13.7** million in environmental protection, and its primary production bases obtained **ISO 14001** certifications.
- In 2025, the total volume of waste recycled and processed by the Company amounted to **949.57** tonnes.
- In 2025, the Company's Scope 1 greenhouse gas emissions amounted to **189.07** tonnes of carbon dioxide equivalent, and its Scope 2 greenhouse gas emissions were **35,153.29** tonnes of carbon dioxide equivalent.



### Social

- As of the end of 2025, the Company had **959** R&D specialists, accounting for **17.23%** of the total number of employees.
- As of the end of 2025, the Company had obtained a cumulative total of **30** invention patents, **177** utility model patents, **38** design patents, and **103** software copyrights.
- In 2025, the customer complaint resolution rate reached **100%**, and customer satisfaction rate reached **98.4%**.



### Governance

- In 2025, the Company convened **3** General Meetings of Shareholders, **9** Board of Directors Meetings.
- In 2025, the proportion of female directors was **33.33%**, while the proportion of independent directors was **33.33%**.
- Independent directors accounted for **66.67%** of the Audit Committee, the Remuneration and Appraisal Committee, the Strategy Committee, and the Nomination Committee.



## Chairman's Statement

Dear Shareholders, Partners, and Friends,

As global digital transformation accelerates and the transition to green energy unfolds, Honor Electronic, a long-standing pioneer in power supply technology, remains committed to R&D-driven growth and steadily advances high-quality development through sustainable, socially responsible operations. On behalf of the Board of Directors and the management team, I'm pleased to share the Company's innovation achievements in 2025 and future outlook to all who care about and support the Company's development.

Over the past year, the Company has kept abreast of evolving industry trends and steadfastly placed R&D-driven growth at the core of its strategy. In the power adapter and other power supply business segments, product performance and cost structures have been continuously optimized to strengthen established market positions and actively expand the customer base. In the server power supply segment, the Company has made early-stage strategic investments in frontier technologies for server power supply, including high-power, high-power-density, high-efficiency server power supplies, the application of third-generation semiconductors, designs compatible with efficient liquid cooling, and high-voltage direct current (HVDC) input technologies. Leveraging its leading technical capabilities and extensive product portfolio, the Company has delivered more competitive, high-performance server power supply solutions to industry customers. The synergies across diverse business lines have further solidified the Company's comprehensive product capabilities and supported its long-term sustainable development.

In 2025, the Company actively participated in the drafting of national energy efficiency standards for power supply systems, as well as multiple group standards for high-performance computing servers, promoting industry standardization through its technological capabilities. Recognized for its overall management excellence, the Company received the Grand Prize at the 10th Bao'an District Mayor's Quality Awards, representing one of Bao'an District's highest recognitions for quality excellence with strong endorsement from both the government and the society. The Company has also been consistently included among the Shenzhen Top 100 Industry Leader Enterprises and the 2025 Guangdong Province Top 500 Manufacturing Enterprises, with its rankings continuing to rise, further demonstrating its innovative strength and market position in the advanced manufacturing sector.

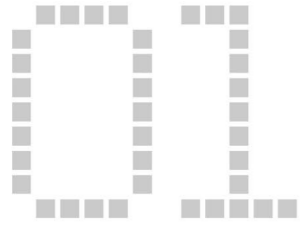
In terms of corporate governance and shareholder returns, the Company strictly adheres to the provisions of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and relevant dividend regulations of the China Securities Regulatory Commission (CSRC). In accordance with its Articles of Association, the Company has established a clear, standardized, and sustainable profit distribution mechanism, under which it actively distributes interim and annual dividends to safeguard the rights and interests of all shareholders. During the Reporting Period, the Company strictly followed approval and disclosure procedures for related-party transactions to ensure fairness, impartiality, and transparency. Through well-established governance mechanisms, the Company continuously strengthened protections for minority shareholders and actively mitigated potential conflicts of interest.

In terms of sustainability, Honor Electronic continues to refine its a multi-level ESG governance framework led by the Board of Directors, integrating the principle of sustainable development into all strategies and operations. Stakeholders' concerns are addressed through a range of established communication channels. In operations, the Company focused on energy conservation across production and auxiliary energy systems, steadily advanced distributed photovoltaic development, and increased the proportion of clean energy usage. In 2025, the Company achieved a series of milestones in sustainable development, including an upgrade of its Wind ESG rating to Grade A and participation as a core contributor to the drafting of national green power energy efficiency standards, empowering the industry's low-carbon transition through technological innovation.

Looking ahead, Honor Electronic will uphold its vision of "Pioneering the Industry, Building a Global Brand", continue to strengthen R&D investment, explore cutting-edge technological fields, and bring innovations into application at a faster pace. Committed to low-carbon development, the Company will continue to pursue technological breakthroughs, deliver sustainable returns to shareholders, and contribute to a more sustainable future. Honor Electronic appreciates your continued trust and support and looks forward to working together toward that future!

Thank you!

Sincerely,  
Chairman and President Wang Heqiu



## Governance as the Foundation for Sustainability

Honor Electronic consistently regards excellence in governance as the cornerstone of sustainable development. The Company continuously strengthens its governance structure and operating mechanisms, integrating ESG principles into decision-making and operational processes to significantly enhance governance effectiveness. In response to industry challenges such as rapid technological evolution and supply chain volatility, Honor Electronic has established a comprehensive and agile risk management system and rigorously upholds global compliance standards. By reinforcing governance foundations and improving transparency, Honor Electronic leverages robust governance capabilities to support strategy execution, ensure long-term stability and resilience, and foster shared value creation with all stakeholders.

### Key Performance Indicators

- In 2025, the Company convened a total of 3 General Meetings of Shareholders and 9 Board of Directors Meetings.
- In 2025, the proportion of female directors was 33.3%, while the proportion of independent directors was 33.3%.
- In 2025, independent directors accounted for 66.67% of the Audit Committee, the Remuneration and Appraisal Committee, the Strategy Committee, as well as the Nomination Committee.
- In 2025, the Company met with over 100 institutional investors, among which 14 sell-side analysts continued coverage and published 26 reports, all maintaining a "Buy/Outperform" rating.

### The ESG material issues addressed in this section

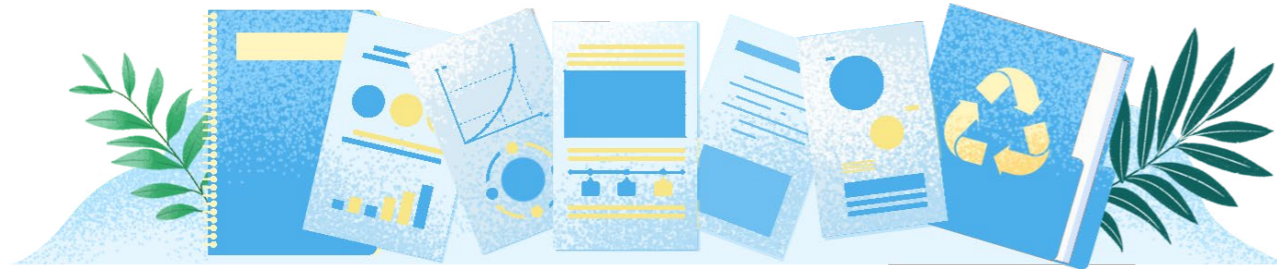
Corporate Governance, Communication with Stakeholders, Due Diligence, Risk Management, Anti-Unfair Competition, Anti-Commercial Bribery and Anti-Corruption, Data Security and Privacy Protection

### The SDGs-related issues addressed in this section



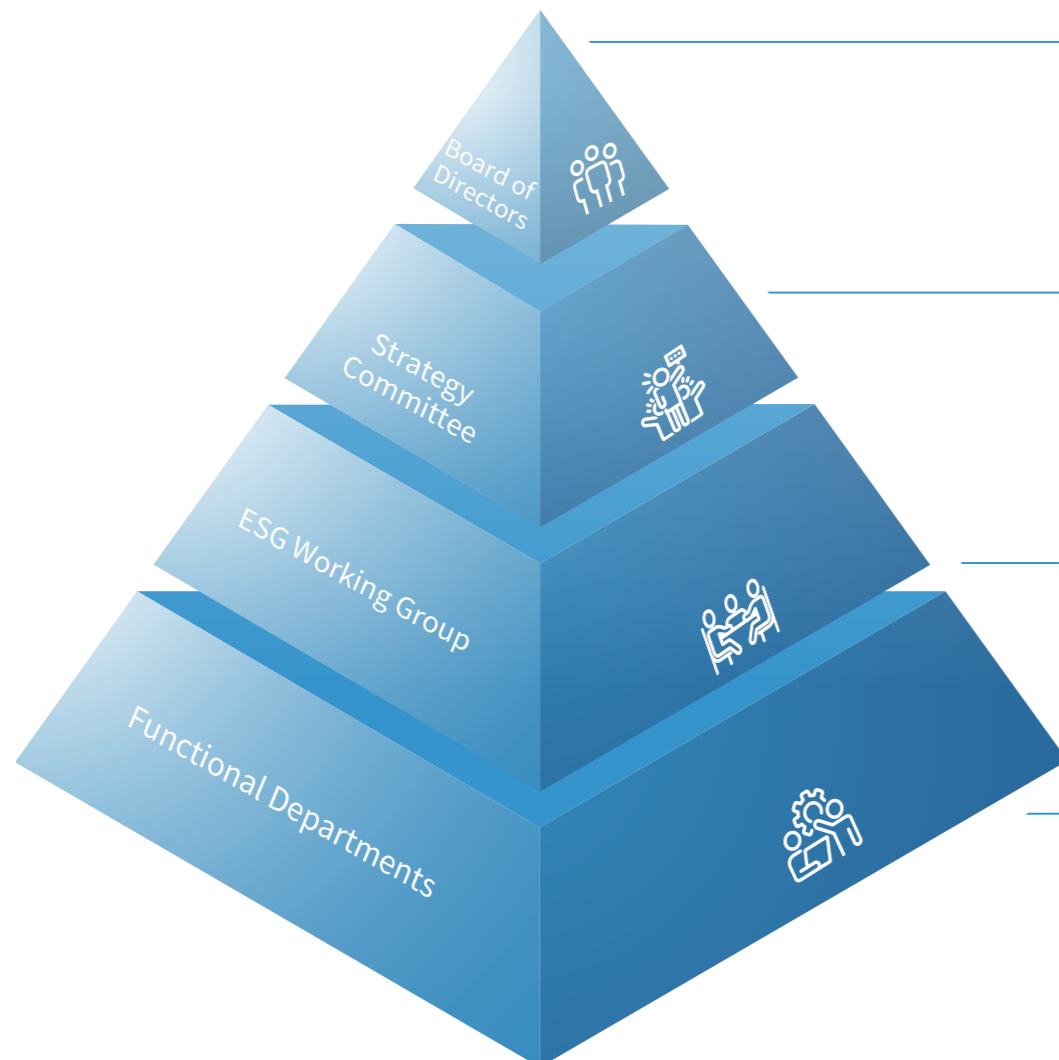
# Sustainability Management

In the context of the ongoing global momentum toward sustainable development, Honor Electronic has consistently integrated Environmental, Social, and Governance (ESG) principles into every stage of its management and operations. The Company actively aligns with the United Nations' *2030 Agenda for Sustainable Development*, ensuring the comprehensive implementation and implementation of sustainability principles.



## Sustainability Management System

In 2025, the Company strengthened its multi-tiered ESG governance structure under the leadership of the Board of Directors, achieving full integration of the sustainability strategy from top-level planning to operational execution. This ensures consistent and effective ESG management across all levels. The respective responsibilities at each governance tier are as follows:



## Case ESG Training and Performance Review Sessions

In July 2025, Honor Electronic organized ESG training and review sessions, bringing together multiple departments to systematically review annual performance. The sessions provided an in-depth gap analysis against targets and distilled best practices in areas such as carbon management and green procurement. By transforming insights from retrospective review into actionable improvements, the Company established a closed-loop management approach, further strengthening the foundation of its sustainable development governance.



Honor Electronic ESG Training

<p><b>Board of Directors</b></p>	<ul style="list-style-type: none"> <li>Assumes ultimate responsibility for the Company's ESG strategy and ESG disclosures</li> <li>Approves the ESG strategy and ESG targets submitted by the Strategy Committee</li> <li>Approves the annual Sustainability Report</li> <li>Conducts regular reviews of progress on ESG goals, major risk management, and related affairs</li> </ul>
<p><b>Strategy Committee</b></p>	<ul style="list-style-type: none"> <li>Formulates the ESG strategy and targets, and exercises ESG-related responsibilities on behalf of the Board</li> <li>Tracks and evaluates the implementation of ESG initiatives, and oversees the progress of the ESG Working Group</li> <li>Reviews the Sustainability Report and provides recommendations on disclosed content</li> <li>Organizes training and knowledge sharing on sustainability and ESG policies, and facilitates external stakeholder communication</li> </ul>
<p><b>ESG Working Group</b></p>	<ul style="list-style-type: none"> <li>Responsible for implementing ESG initiatives</li> <li>Prepares the internal draft of the Sustainability Report</li> <li>Monitors the progress of ESG tasks across functional departments</li> <li>Reports ESG progress to the Strategy Committee</li> </ul>
<p><b>Functional Departments</b></p>	<ul style="list-style-type: none"> <li>Implement specific ESG tasks within their respective areas</li> <li>Report progress on ESG activities to the ESG Working Group</li> <li>Maintain regular communication with stakeholders related to their functions</li> </ul>

## Stakeholder Engagement

Honor Electronic follows the AA1000 SES stakeholder engagement principles and has identified shareholders/investors, customers, suppliers, employees, government and regulators, local communities, and the media as its key stakeholders. The Company has established multi-channel, routine communication mechanisms to ensure timely responses to stakeholder concerns.

Stakeholder Category	Communication Channels	Key Concerns	Honor Electronic's Response
<p>Shareholders / Investors</p>	<ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Investor relations website</li> <li>Earnings presentations</li> <li>Analyst meetings</li> <li>Roadshows &amp; Industry conferences</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Information disclosure</li> <li>Product and service quality</li> <li>Innovation-driven development</li> <li>Climate change response</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of corporate governance</li> <li>Standardized information disclosure</li> <li>Enhancement of quality control</li> <li>Continual investment in R&amp;D</li> <li>Carbon neutrality actions</li> </ul>
<p>Customers</p>	<ul style="list-style-type: none"> <li>Emails</li> <li>Conference calls</li> <li>On-site visits</li> <li>Customer satisfaction surveys</li> <li>Annual Reports</li> </ul>	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Data security and privacy protection</li> <li>Climate change response</li> <li>Intellectual property protection</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of quality control</li> <li>Enhancement of data security</li> <li>Promotion of circular economy practices</li> <li>Carbon neutrality actions</li> <li>Strengthening innovation and intellectual property protection</li> </ul>
<p>Suppliers</p>	<ul style="list-style-type: none"> <li>Emails</li> <li>Conference calls</li> <li>On-site visits</li> <li>Supplier conferences</li> <li>Instant messaging</li> </ul>	<ul style="list-style-type: none"> <li>Energy consumption</li> <li>Product and service quality</li> <li>Supply chain safety</li> <li>Innovation-driven development</li> <li>Use of green materials</li> </ul>	<ul style="list-style-type: none"> <li>Optimization of energy mix and efficiency</li> <li>Enhancement of quality control</li> <li>Strengthened supply chain resilience and due diligence</li> <li>Increased R&amp;D investment in sustainable solutions</li> <li>Preference for environmentally responsible materials</li> </ul>
<p>Employees</p>	<ul style="list-style-type: none"> <li>Internal emails</li> <li>Employee conferences</li> <li>Performance evaluation</li> <li>Instant messengers</li> <li>Annual Reports</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Occupational health &amp; safety</li> <li>Career development</li> <li>Contribution to society</li> <li>Integrity and anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Protecting employees' interests and rights</li> <li>Organizing training in health and safety</li> <li>Policy transparency and employee training</li> <li>Community welfare activities</li> <li>Strict compliance with anti-bribery policies</li> </ul>
<p>Government / Regulators</p>	<ul style="list-style-type: none"> <li>Official meetings</li> <li>Policy consulting</li> <li>Submitting regulatory reports</li> <li>Compliance inspection</li> </ul>	<ul style="list-style-type: none"> <li>Environmental compliance management</li> <li>Data security and privacy protection</li> <li>Climate change response</li> </ul>	<ul style="list-style-type: none"> <li>Strict environmental compliance management</li> <li>Enhanced data protection and encryption</li> <li>Carbon neutrality actions</li> <li>Full compliance with environmental regulations</li> </ul>
<p>Communities &amp; Media</p>	<ul style="list-style-type: none"> <li>Community activities</li> <li>Environmental reports</li> <li>Social media interactions</li> <li>Emails</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Pollutant and waste management</li> <li>Climate change response</li> <li>Water resource utilization</li> <li>Waste disposal</li> <li>Biodiversity conservation</li> </ul>	<ul style="list-style-type: none"> <li>Emissions reduction programs</li> <li>Carbon neutrality actions</li> <li>Smart water management</li> <li>Participating in circular economy</li> <li>Supporting biodiversity conservation</li> </ul>

## Materiality Assessment

### Materiality Assessment Process

To ensure the accuracy and effectiveness of its ESG work during the year, the Company conducted a materiality analysis based on a pragmatic approach, with a focus on the clearly identified ESG concerns and expectations of key customers.

**Company Value Chain Analysis**

We conducted a systematic review of the Company's operating environment, including regulatory requirements, industry trends, and value chain characteristics, which served as the primary basis for identifying material issues.

**Development of the Issue List**

During the year, we referred to relevant regulatory frameworks such as the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, and prioritized addressing the ESG concerns of key customers. This ensured that all identified issues are closely aligned with the Company's operations and the interests of its core stakeholders. After evaluation, we finalized a list comprising 9 environmental issues, 9 social issues, and 6 governance issues, providing clear guidance for annual strategic planning and disclosure.

**Assessment and Confirmation of Issue Materiality**

We systematically collected and analyzed ESG concerns raised by key customers across various communication channels. By quantifying and comparing the level of attention each issue received in customer feedback, we categorized materiality into three levels: "High", "Medium", and "Low". Issues receiving the greatest attention from customers were classified as high materiality and prioritized for ESG management and disclosure in the Current Year.

**Reporting on Material Issues**

The finalized list of material issues served as the direct basis for planning the year's key ESG initiatives, allocating resources, and preparing this report. We have provided targeted disclosures in the report regarding the management approaches, related targets, and specific performance metrics for each material issue.

Based on the assessment results, Honor Electronic prioritizes the disclosure of highly material issues, concentrates resources on core ESG issues, and provides targeted guidance for the Company's sustainable development.

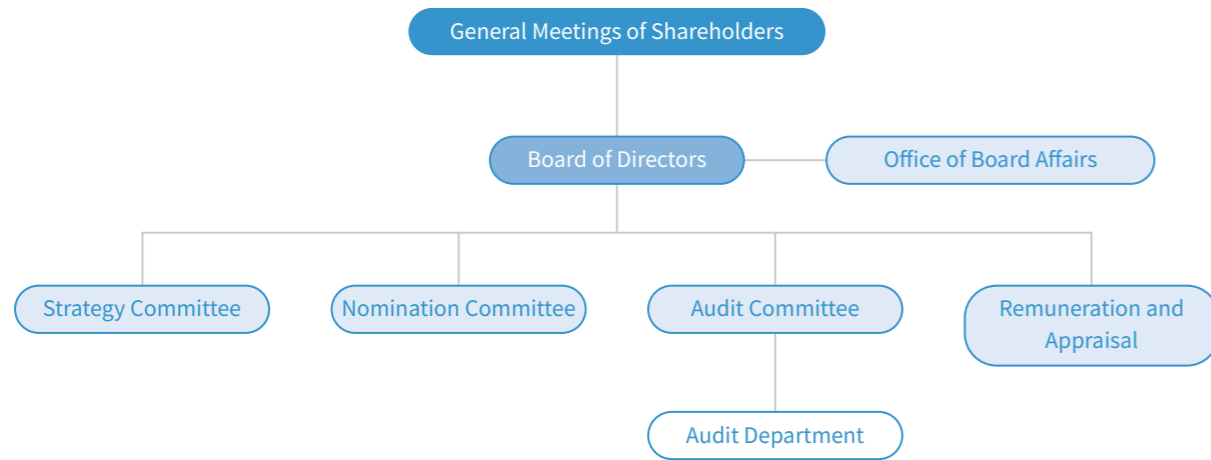
Importance to Honor Electronic's Customers: High		Importance to Honor Electronic's Customers: Medium		Importance to Honor Electronic's Customers: Low	
Dimension	Material Issues	Dimension	Material Issues	Dimension	Material Issues
Environmental	Climate Change Response	Environmental	Water Resource Utilization	Environmental	Ecosystem and Biodiversity Conservation
Environmental	Pollutant and Waste Management	Environmental	Circular Economy	Environmental	Green Products and Design
Environmental	Waste Disposal	Social	Safety and Quality of Product and Service	Social	Rural Revitalization
Environmental	Environmental Compliance Management	Social	Data Security and Privacy Protection	Social	Social Contribution
Environmental	Energy Utilization	Governance	Anti-Commercial Bribery and Anti-Corruption	Social	Technology Ethics
Social	Supply Chain Security	Governance	Risk Management	Social	Equal Treatment of SMEs
Social	Employees	Governance	Corporate Governance	Governance	Due Diligence
Social	Innovation-Driven Development			Governance	Communication with Stakeholders
				Governance	Anti-Unfair Competition

# Corporate Governance

Honor Electronic's Board of Directors has consistently regarded safeguarding the Company and all shareholders' interests as its core responsibility, while diligently and comprehensively fulfilling duties and optimizing the governance system. We are committed to enhancing board independence and diversity, establishing efficient and transparent investor communication mechanisms, deepening practices in investor relations management, and standardizing disclosure procedures, thereby strengthening operational transparency and credibility, and creating long-term value for shareholders.

## Governance Structure

Honor Electronic strictly complies with relevant laws and regulations, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, and the *Stock Listing Rules of the Shenzhen Stock Exchange*, and upholds compliance as a fundamental principle. The Board has established four specialized committees: the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategy Committee, all of which operate in strict accordance with established rules and regulations, effectively safeguarding shareholder rights and promoting the Company's standardized development.



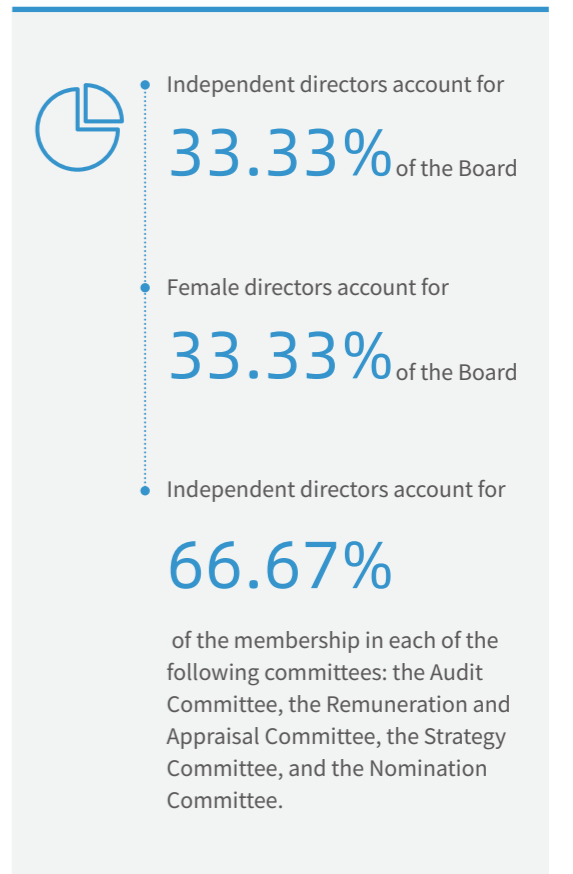
In 2025, Honor Electronic improved its internal control system in accordance with relevant laws and regulations, including the *Company Law of the People's Republic of China* and the *Code of Corporate Governance for Listed Companies*. During the Reporting Period, all directors fulfilled their duties with diligence and integrity, thereby effectively ensuring the sound and well-regulated corporate decision-making.

<p><b>In 2025</b></p> <p>the Company convened <b>3</b> General Meetings of Shareholders</p> <p><b>9</b> Board of Directors Meetings</p>	<p><b>Over the past five years</b></p> <p>Honor Electronic has not been subject to any penalties related to corporate governance.</p>
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## Diversity and Independence

Honor Electronic continues to strengthen board diversity and professional development. As of the end of 2025, the Board comprises 9 directors, including 3 independent directors and 3 female directors. Each director brings extensive expertise and practical experience in areas such as industry insight, strategic planning, and financial management. The diverse backgrounds and perspectives of the Board members provide a solid foundation for sound decision-making and significantly contribute to the Company's long-term sustainability. Detailed information on the background of each Board member is available in the *2025 Annual Report*.

The Company's independent directors are all senior professionals in their respective fields, with solid industry and practical experience in accounting, law, and industrial technology. All independent directors fully comply with the independence requirements stipulated in the *Administrative Measures for Independent Directors of Listed Companies* and the *Shenzhen Stock Exchange Self-Regulatory Guidelines No.1— Standardized Operations of Main Board Listed Companies*. This includes not holding any positions within the Company other than that of independent director, having no related-party relationships with the Company, its controlling shareholders, or actual controllers that could affect their independent and objective judgment, and receiving no additional or undisclosed benefits from the Company or its related parties other than the remuneration for independent directors. To further strengthen the independence and effectiveness of the Board, independent directors account for more than half of the members of each of the Board's four specialized committees: the Strategy Committee, the Remuneration and Appraisal Committee, the Audit Committee, and the Nomination Committee.



## Compensation Management Framework

The Remuneration and Appraisal Committee reviews and formulates compensation policies and schemes for directors and senior management based on the Board's long-term strategy and business development. The Committee considers industry trends, market compensation levels, as well as the specific responsibilities undertaken, and individual performance backgrounds of directors and senior management. It also provides recommendations on performance evaluation approaches. At the same time, the Committee monitors and assesses the implementation of the compensation system to ensure its effective execution. It is explicitly stipulated that no director or their related parties may participate in decisions regarding their own compensation, thereby safeguarding the independence and fairness of compensation decision-making process.

## Investor Relations Management

The Company strictly complies with relevant regulations, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *China Securities Regulatory Commission's (CSRC) Notice on Further Implementing Relevant Provisions on Cash Dividend Distribution for Listed Companies*, and the *No.3 Guideline for the Supervision of Listed Companies - Cash Dividend Distribution of Listed Companies*. Profit distribution is made pursuant to the dividend policy and approval procedures stipulated in the *Articles of Association*. The Company has established clear dividend criteria, reasonable payout ratios, standardized decision-making procedures, and a sound operational framework to ensure compliant, well-governed, and sustainable distribution.

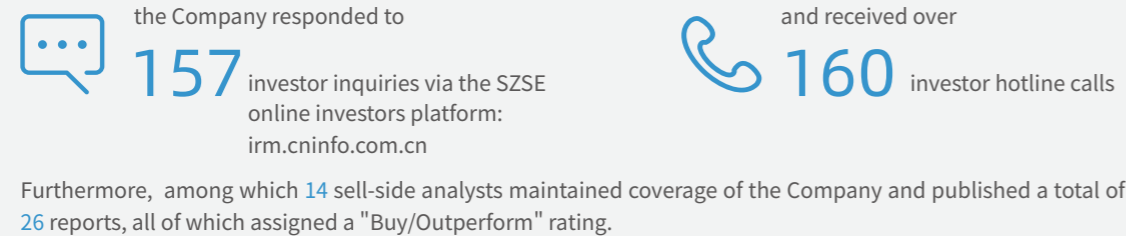
The Company places strong emphasis on protecting the rights and interests of minority shareholders, and has developed systematic policies and mechanisms to prevent and resolve potential conflicts of interest. During the Reporting Period, the Company strictly enforced the approval and disclosure procedures for related-party transactions, ensuring all such transactions were conducted fairly, transparently, and openly, thereby safeguarding the legitimate interests of all investors.

## Information Disclosure and Stakeholder Communication

Honor Electronic strictly adheres to laws and regulations for information disclosure, fulfills its disclosure obligations, and maintains the *Investor Relations Management System* to protect the benefits and interests of stakeholders, particularly minority shareholders. During the Reporting Period, while fully complying with mandatory disclosures, the Company proactively expanded voluntary disclosures, enhancing both the breadth and depth of information on key topics such as corporate strategy, governance structure, green operations, employee development, and supply chain responsibility, thereby continuously improving transparency and disclosure effectiveness.

In 2025, the Company prepared and duly published the 2024 Annual Report, the 2025 First Quarter Report, the 2025 Half-Yearly Report, and the 2025 Third Quarter Report, and a total of 160 announcements, all without error. The Company held one online earnings conference for the 2024 annual results and disclosed 15 Investor Relations Activity Reports. In addition to regular surveys and discussions, the Company also held earnings calls on the release of the 2024 Annual Report, the 2025 First Quarter Report, the 2025 Half-Yearly Report, and the 2025 Third Quarter Report, to help investors better understand the Company's operations and financial condition.

### During the Reporting Period



The Company's practices in information disclosure, investor communication, and minority investor protection have been well recognized by the capital market, earning multiple prestigious awards, including "2025 Typical Practice Case of Board of Directors" and "2025 Best Practice Case for Board Secretaries' Offices of Listed Companies" awarded by the China Association for Public Companies; "Outstanding IR Company," "Outstanding IR Team," "Outstanding Award for Minority Investor Relations" and "Outstanding Award for Institutional Investor Relations" at the 6th Panorama Investor Relations Golden Awards; the "Best Investor Relations Team" granted by Cailian Press; and the "2025 Best Investor Relations Management" granted by Bohan Finance. Honor Electronic will leverage these recognitions to continuously optimize investor communication mechanisms, broaden and deepen information disclosure, further strengthen engagement channels with all investor types, and respond to market concerns with more concrete actions to create greater long-term value for shareholders.



## Compliance Operations

Honor Electronic consistently upholds a compliance-driven business philosophy and strictly adheres to relevant laws and regulations, including the *Oversight Law of the People's Republic of China*, the *Audit Law of the People's Republic of China*, and the *Provisions on Internal Audit Work* issued by the National Audit Office. The Company actively responds to customers' requirements on compliance management and has established a comprehensive compliance management system covering key areas such as corporate governance, sales cycles, business partners, employee relations, and information security. By systematically standardizing internal audit and risk management practices, the Company effectively safeguards the legitimate rights and interests of investors.

## Risk Management

Honor Electronic has established a cross-departmental risk governance structure led by the Board based on its operational realities and business development needs. The Board and various business units closely monitor industry trends and, when necessary, engage professional institutions to systematically identify, carefully assess, and dynamically evaluate operational and business-related risks. The Company continuously refines its risk response mechanisms to ensure stable and sustainable business operations.

Risk Category	Description	Measures
 Market Risk Market Demand Fluctuations	With the accelerating evolution of market demand and business model iteration, application scenarios are increasingly fragmented and personalized. This calls for the Company's products and solutions to stay highly competitive; otherwise, the Company runs the risk of declining market share and stagnant growth.	<ul style="list-style-type: none"> <li>Systematically track global and domestic industry technology trends, combined with regular market insights and customer needs research, to drive continuous innovation in products and services, ensuring alignment with customer needs and market demands and value expectations.</li> <li>Establish and improve internal and external market information communication and feedback mechanisms to enhance the responsiveness to market dynamics and potential issues, and develop targeted action plans to strengthen market adaptability.</li> </ul>
 Supply Chain Risk Supply Chain Disruption	Business operations may be temporarily halted due to unexpected events such as natural disasters, human-induced accidents, critical information system failures, or supply chain disruptions, directly impacting order delivery, customer service, and financial performance.	<ul style="list-style-type: none"> <li>Enhance procurement transparency and supply chain collaboration efficiency through the transparent procurement platform and supply chain digitalization, strengthening overall supply chain stability and compliance governance.</li> <li>Diversify manufacturing base layouts and coordinate operations across multiple logistics centers, establishing flexible capacity and distribution network allocation capabilities to systematically improve supply chain resilience and ensure business continuity.</li> </ul>
 Supply Chain ESG Risk	ESG-related incidents such as environmental violations, ethical breaches, inadequate labor rights protection, or insufficient health and safety management within the supply chain may compromise production stability, product compliance and safety, and have cascading negative impacts on operations and brand reputation.	<ul style="list-style-type: none"> <li>Clearly require suppliers to comply with the Company's ESG policies and management requirements.</li> </ul>

Risk Category		Description	Measures
<p>Legal and Compliance Risk</p>	Compliance Risk	The Company and its employees may face legal liability, regulatory penalties, financial losses, or reputational damage due to non-compliance with applicable laws, regulations, or standards in management or professional conduct.	<ul style="list-style-type: none"> <li>Establish and continuously improve the organizational structure, system norms, process mechanisms, and operational guidelines for compliance risk incident management, strengthening end-to-end capabilities in prevention, response, and post-incident handling to ensure timely identification, proper resolution, and effective control of risks.</li> </ul>
	Quality Risk	Risks of product quality uncertainty may arise due to ongoing technology development, suboptimal product design, or lapses in production process control.	<ul style="list-style-type: none"> <li>Develop and implement systematic quality risk management processes and standardized documentation covering the entire product lifecycle—from design and production to delivery—to strengthen quality control and reduce the potential impact of quality fluctuations.</li> </ul>
<p>Operational Risk</p>	Production Safety Risk	Potential risks of fire, explosion, or other production safety incidents due to improper management or operation of raw materials during storage and use in production operations.	<ul style="list-style-type: none"> <li>Conduct systematic hazard identification and special rectification, strengthening source prevention and process control.</li> <li>Equip and maintain fire protection and emergency rescue facilities, and establish an internal safety training website to continuously deliver safety awareness and operational skills training, comprehensively enhancing risk prevention and emergency response capabilities.</li> </ul>
	Environmental Pollution Risk	The Company's raw materials, production noise, and discharges of wastewater and exhaust gases may have adverse impacts on the surrounding environment and the quality of life of nearby residents.	<ul style="list-style-type: none"> <li>Strictly standardize storage and management of raw materials, and implement systematic control and compliant disposal of production noise, domestic wastewater, and exhaust gases to minimize potential disturbances and impacts on the surrounding environment.</li> </ul>

## Internal Control

Honor Electronic has built a systematic institutional support framework and formulates a series of core policies, including the *Internal Control Management Regulations*, to provide a solid foundation for internal control. In 2025, the Company continued to improve its institutional system by updating the *Internal Audit System*, which further strengthened end-to-end institutional support for internal control processes, risk management, audit oversight, corrective actions and reporting, thereby forming a closed-loop management model.

Honor Electronic's internal control framework provides comprehensive risk coverage across core business modules, including treasury and cash management, accounting and bookkeeping, procurement and payment, sales and collection, fixed asset management, and use of proceeds, ensuring clear guidance for all critical operational processes. To ensure effective policy implementation, the Company clearly defines internal control responsibilities by position, reinforces control at key process points, and conducts regular employee training, continuously improving execution effectiveness and supporting compliant operations.

During the Reporting Period, the Company conducted regular or ad hoc audits targeting procurement, fixed assets, R&D, and use of proceeds. Audit-driven optimizations were made to supplier onboarding and qualification review, bidding evaluation and oversight, goods receipt and acceptance, equipment inventory checks, R&D cost allocation, and fund disbursement requests, and business units were directed to complete remedial actions, effectively reducing fraud exposure. Additionally, to further improve the standardization and applicability of its documentation, the Company continuously updated its contract template library, enabling efficient business operations while protecting the Company's core interests to the maximum.

In 2025

there were no major risk incidents due to internal control failures

audit findings were fully resolved

100% closure rate

## Business Ethics

Honor Electronic consistently adheres to ethical business practices and strictly complies with China's anti-corruption laws and regulations, as well as international standards such as the *United Nations Convention against Corruption*. The Company integrates principles of integrity and self-discipline throughout its governance and operational processes. The Company is committed to establishing and improving an ethics and compliance risk control system that covers all employees, all business processes, and the entire value chain.

To strengthen this system, the Company has established a corruption prevention governance structure led by the Board, coordinated by the Internal Audit Department, and implemented across all business units. The Board provides strategic direction and oversight, while management drives training and system development to ensure anti-corruption principles are applied across domestic and overseas operations and investments. The Company expressly prohibits corruption, bribery, fraud and money laundering by the Company or any employees (under all forms of employment), and extends this requirement to all suppliers, contractors, and service providers, collectively reinforcing a strong ethical foundation.

At the regulatory level, the Company has formulated the *Anti-Fraud Policy*, which clearly defines fraudulent behaviors, investigation procedures, and disciplinary standards, thereby setting explicit behavioral boundaries for all employees. Within the internal management framework, employees in key positions such as procurement are required to sign the *Procurement Confidentiality and Integrity Commitment* upon onboarding, embedding integrity responsibilities into their roles. In dealings with external parties, all suppliers are required to sign the *Integrity Commitment*, extending compliance requirements to business partners from the outset. Through a multi-layered approach comprising institutional controls, formal agreements, and accountability mechanisms, the Company has systematically strengthened its anti-corruption and business ethics framework, providing a solid foundation for its healthy and sustainable development.

## Anti-Monopoly and Fair Competition

The Company strictly complies with the *Anti-Monopoly Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, and has formulated and implemented the *Anti-Monopoly Management Procedure* and the *Fair Trade, Advertising and Competition Management Procedure*. By strengthening internal control mechanisms, the Company integrates compliance requirements into its daily operations and continuously enhances employees' legal awareness and standards of conduct, thereby contributing to a fair, orderly and competitive market environment.

The Company attaches great importance to anti-monopoly and fair competition, regarding them as core principles of its business operations. The Company regularly organizes training for senior management and relevant personnel on applicable laws and regulations, and promotes ongoing internal communication and guidance to ensure that all employees understand and comply with business conduct standards and uphold fair competition in their daily work.

In 2025

the Company had no legal cases related to anti-monopoly or unfair competition, nor any violations related to fraud or corruption.

## Whistleblowing and Case Handling

We have established dedicated channels for reporting fraud and misconduct, including a whistleblower hotline and an email address, for all parties to report, disclose, or raise concerns about professional ethics violations or suspected fraud. These channels are open to all employees and external parties with direct or indirect economic ties to the Company.

Reports are initially assessed by the Internal Audit Department within 7 working days and presented to the Audit Committee to determine whether to open an investigation. Following the Audit Committee's approval, the Internal Audit Department will develop an investigation plan, and relevant departments are required to cooperate. Routine cases shall be concluded within 60 days from the date of formal acceptance; cases referred to other departments must be completed within 15 days, with follow-ups on the outcome. The Company commits to notifying real-name whistleblowers of the report's acceptance status within 10 days of their registration.

Honor Electronic implements comprehensive protection for whistleblowers. The Company enforces strict confidentiality for whistleblowers and prohibits retaliation in all forms, extending protection to the whistleblower's relatives and to individuals erroneously identified as whistleblowers. The Company will seek legal remedies against any retaliatory acts. Additionally, a mandatory recusal process requires employees handling the report to withdraw if they have a reporting relationship or any other conflict of interest with the reported party that may affect impartiality.

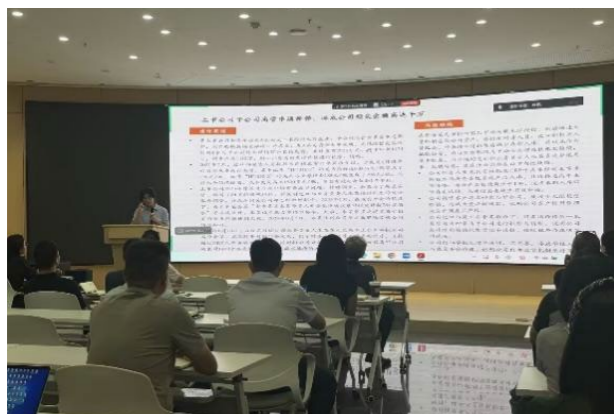
- Whistleblower Hotline: +86 755 3385 7166 ext. 8308
- Whistleblower Email: audit@honor-cn.com

## Business Ethics and Anti-Corruption Training

Honor Electronic regards anti-corruption training as a critical element of corporate governance and compliance framework. Systematic training effectively builds employees' policy comprehension, reinforces ethical awareness, clarifies permissible and prohibited conduct, and supports proactive avoidance of corruption risks across employees' careers, thereby collectively safeguarding the Company's integrity and sustainable growth.

### Case Honor Electronic's Disclosure Compliance Training

In October 2025, the Company organized a training session on standardized operations and compliance management delivered in blended online and offline formats. The session featured a detailed case study involving a senior executive at another company who exploited internal control weaknesses to commit fraud and obtain illicit gains amounting to RMB 10 million. This real-world example was used to underscore the necessity of robust internal control systems and strict adherence to compliance standards. The training significantly reinforced employees' awareness of ethical conduct, actively promoted the culture of integrity, and contributed to a stronger internal governance and greater transparency.



Honor Electronic's Disclosure Compliance Training

### Case Conducting Legal Training on Trade Secret Protection to Strengthen Employee Awareness

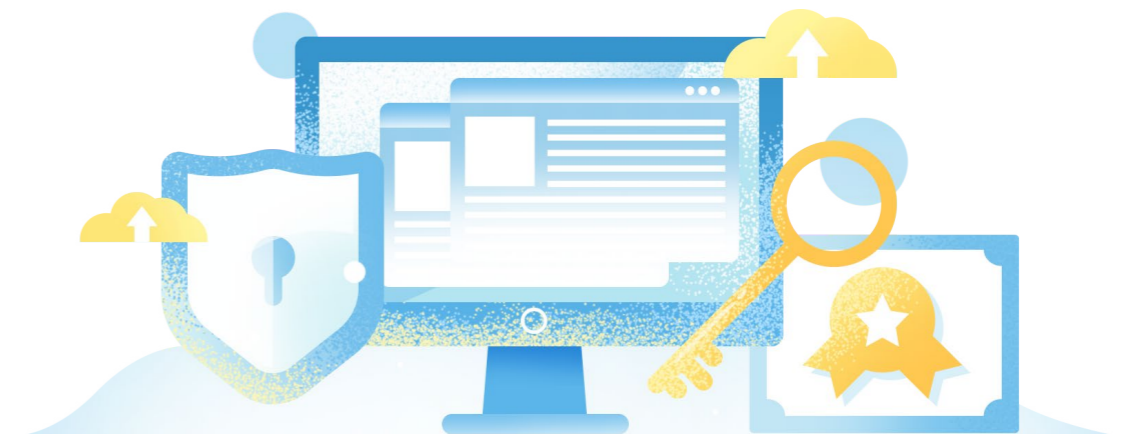
In November 2025, the Company's Compliance and Legal Center organized legal training on trade secret protection for relevant departments. The training aimed to enhance employees' understanding of applicable laws and regulations, and, with reference to internal control requirements and external case studies, clarified the scope of trade secrets, specific confidentiality obligations, and key considerations in daily work.

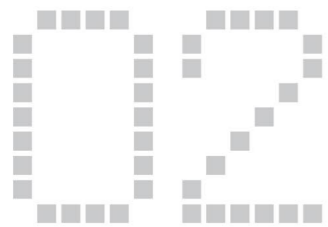
Through this training, employees further recognized the importance of trade secret protection to the Company's operations and market competitiveness, which contributed to the continuous improvement of the Company's confidentiality management system and the effective implementation of relevant measures.

## Data Security and Privacy Protection

Honor Electronic regards data security and privacy protection as a core foundation for sustainability. The Company has established a holistic information security management system covering institutional frameworks, organizational structure, technical safeguards, and emergency response. The Company strictly complies with national laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, the *Electronic Signature Law of the People's Republic of China*, and the *Regulations of the People's Republic of China for Safety Protection of Computer Information Systems*. Internally, the Company has developed a robust information security management system centered on key policy documents such as the *Information Network Management Regulations*, the *Information and Computer Management Regulations*, the *Information System Operation Management Measures*, the *Information Security Organization Development Guidelines*, the *Classification and Control Procedures for Confidentiality Levels*, the *Information Security Disciplinary Management Procedures*, and the *Privacy and Confidentiality Management Procedures*. These measures strengthen graded access controls over sensitive information and establish clear accountability for violations. In addition, to enhance security in critical business processes, Honor Electronic revised and updated the *Seal Management System* in 2025. Based on actual operational needs, the revised policy provides clear guidelines for all stages of seal management, including engraving, custody, registration, transfer and disposal. The Company has introduced plastic-encapsulated registration forms to improve traceability and compliance, and has optimized ledger templates to enable fully digitalized, standardized, standardized and traceable management process of the seal lifecycle.

Honor Electronic continuously strengthens its cybersecurity governance framework with project managers playing a central role, and clearly defines the roles and responsibilities of personnel at all levels in information security management. Through regular reviews of accountability fulfillment and audits of policy implementation, the Company ensures effective execution of management requirements and the timely identification and remediation of potential risks. The Company also conducts information security training through multiple channels on a regular basis, enhancing awareness of personal data and trade secret protection. At the same time, we continue to advance data leakage prevention measures to safeguard critical data and prevent unauthorized disclosure, striving to provide customers with more secure and reliable services. To prevent and respond to information security incidents, the Company has established a security incident response mechanism and implemented key procedures, including the *Information Security Risk Assessment Management Procedure*, the *Information Security Risk Assessment Control Guidelines*, and the *Incident and Weakness Management Procedure*, to proactively identify and address potential security threats.





## Innovation-Driven Development, Quality First

Honor Electronic regards technological innovation and product responsibility as the twin engines driving sustainable corporate development. Through cutting-edge research and development, it continuously advances its products towards higher power density, greater conversion efficiency, greener development, and intelligence, thereby consistently strengthening its market competitiveness. During the current year, the Company continued to invest in research and development, strengthened its scientific research team, and focused on tackling key frontier technologies. A closed-loop quality management system was established, covering the entire chain from raw material selection and manufacturing to finished product testing. Furthermore, by refining the after-sales service network, the Company ensured a rapid response to customer needs, thereby faithfully fulfilling its commitments to customers, the industry, and society.

### Key Performance Indicators

- In 2025, the Company had 959 R&D specialists, accounting for 17.23% of the total number of employees.
- In 2025, the Company had accumulated 30 invention patents, 177 utility model patents, 38 design patents, and 103 software copyrights.
- In 2025, the Company's research and development (R&D) expenditure accounted for 6.70% of revenue, up 1.10 percentage points from the previous year.
- In 2025, the customer complaint resolution rate reached 100%, and customer satisfaction reached 98.4%.

### The ESG material issues addressed in this section

Innovation-Driven Development, Safety and Quality of Products and Services, Green Products and Design, Customer Relationship Management

### The SDGs-related issues addressed in this section

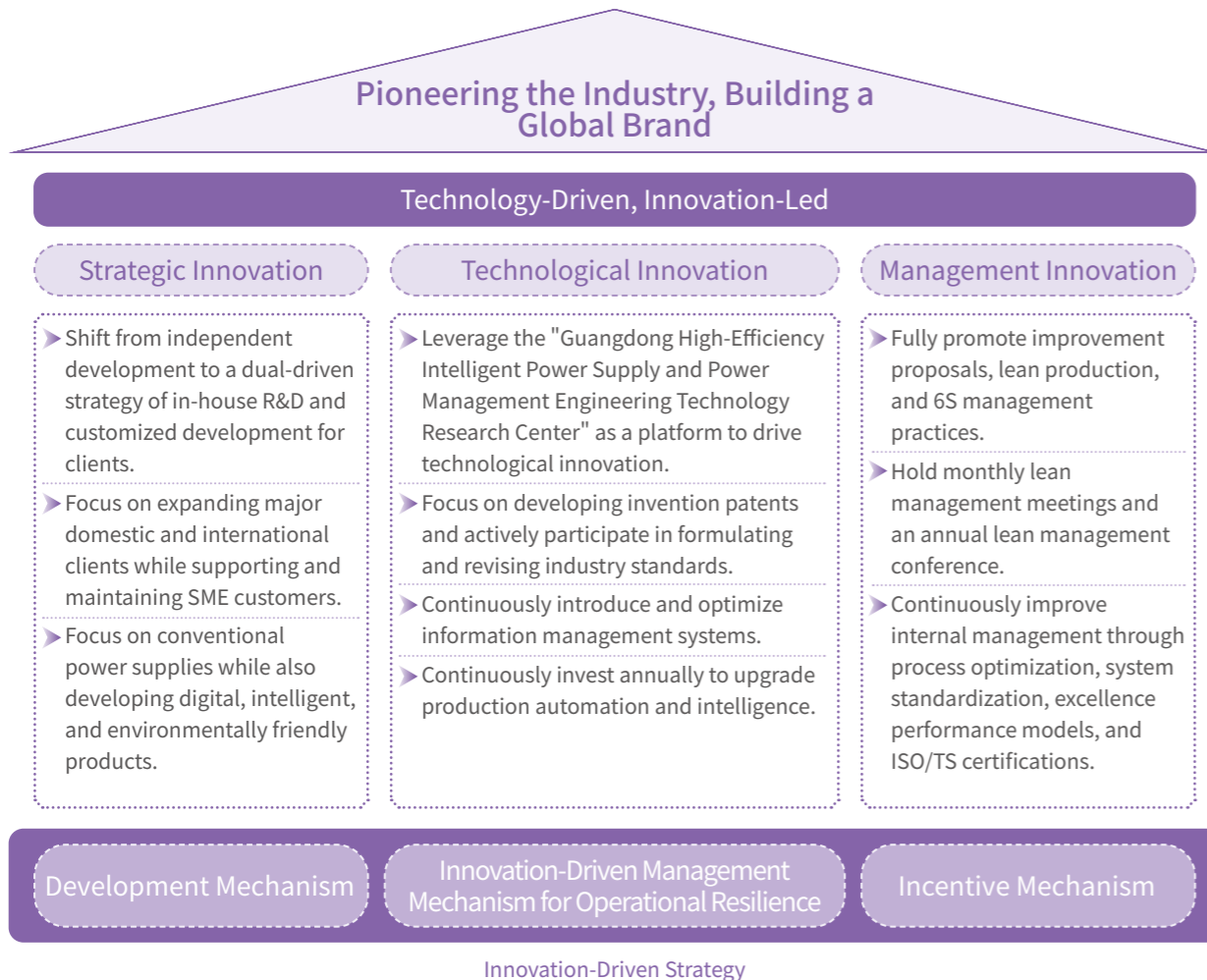


# Technological Innovation

Honor Electronic regards technological innovation as the core driving force for enterprise development. By continuously increasing investment in research and development, optimizing its R&D management system, and positioning itself in frontier technology fields, it consistently strengthens product competitiveness and market responsiveness. In 2025, the Company's R&D expenditure accounted for 6.70% of revenue, up 1.10 percentage points from the previous year.

## Innovation Management System

The Company has established a comprehensive innovation management system, deeply integrating the innovation-driven strategy into its governance and operations. At the cultural level, an innovative atmosphere characterized by "tolerance for failure and encouragement of exploration" is actively cultivated to continuously stimulate organizational innovation; at the strategic level, global power market trends are closely monitored, and R&D directions are dynamically optimized based on core technological advantages to ensure effective alignment between innovation and market demand; at the execution level, coordinated efforts are made across the dimensions of strategy, technology, and management to advance the systematic implementation of the innovation system, thereby efficiently converting innovation investments into a core driving force for sustainable development.



To foster an innovative environment, the Company has established a series of innovation incentive systems and measures, including the *Technology Roadmap*, the *Patent Application Management Measures*, and the *Patent Reward System*. Innovation achievements are awarded additional points in project assessments, and rewards are promptly implemented based on monthly and annual evaluations to effectively encourage R&D personnel to pursue innovation boldly.

The Company has also actively promoted technical standardization. As of the end of the Reporting Period, it had led or participated in the formulation of a total of 10 standards, including national, group, and local standards, thereby empowering industry development through standardized outcomes and demonstrating the practical effectiveness of its innovation management system.

# Green Design

Honor Electronic integrates sustainable principles into the design of its product lifecycle, systematically considering energy efficiency levels, the application of green materials, and resource utilization efficiency during the research and development phase. In 2025, the Company further strengthened its green product innovation mechanism. Through energy efficiency optimization design, substitution of eco-friendly materials, and structural lightweighting strategies, it advanced products toward low-carbon, high-efficiency, and recyclable development. This initiative continuously enhanced the environmental performance of products, thereby assisting customers in achieving their green transformation objectives.

The Company continues to enhance the energy conversion efficiency of its power products, significantly reducing the total lifecycle energy consumption and carbon footprint of the products while optimizing costs. By adopting advanced topology design and digital control technologies, we have successfully elevated the light-load efficiency of multiple products to above 96%, actively benchmarking against international high-level energy efficiency standards.

**Product Design Phase**

Through the application of high-frequency techniques, magnetic integration, and magnetic component stacking, we have effectively reduced raw material consumption while ensuring performance standards. Material selection strictly adheres to regulations such as RoHS and REACH. Environmentally friendly and recyclable materials are prioritized, while the control of hazardous substances is rigorously enforced. For instance, the foam, cardboard boxes, and pallets employed are all recyclable materials. Furthermore, the new design implements "short fan cable design" and "direct plug-in socket" configurations to replace traditional processes, thereby reducing wire usage and waste generation.

**R&D and Production Verification**

We have vigorously promoted the application of energy-saving technologies. In the ageing testing of server power supplies, an "energy feedback system" was adopted to replace traditional resistive loads. This enables over 80% of the electrical energy consumed during testing to be fed back into the grid, significantly reducing energy consumption and thermal emissions. Consequently, the demand for air-conditioning cooling is diminished, thereby achieving green testing.

Furthermore, we have established a circular economy management system covering the product end-of-life stage. We implement a weekly scheduled centralized disposal process for R&D prototypes and scrapped products in collaboration with compliant recycling agencies to ensure that materials such as metals are recovered safely and environmentally, thereby promoting resource circulation throughout the entire lifecycle.

## Case: Honor Electronic's 5.5kW AI Server Power Supply Achieved 80 PLUS Ruby Certification, Delivering High Efficiency to Data Centers

In 2025, the Company secured 80 PLUS certification for a total of nine products. Among these, the AP-UL5500F54Y1 5.5kW server power supply product, launched under the APLUSPOWER brand owned by Honor Electronic, achieved 80PLUS Ruby certification. This represents a high-level energy efficiency standard within the 80 PLUS framework specifically designed for data centers. By employing advanced topology and control technologies, this product achieves ultra-high efficiency of approximately 97.2% at 50% load and approximately 96.2% at full load, with a power factor approaching 0.999 in the medium-to-high load range. This breakthrough not only directly reduces the operational energy consumption and electricity costs of data centers but also effectively alleviates cooling pressures within server rooms by minimizing heat emissions, thereby enhancing system reliability. It provides clients with a lower-carbon, more stable, and cost-effective power infrastructure solution.

**80 PLUS Verification and Testing Report**

EFFICIENCY (Data Load): 97.2%  
 AVERAGE EFFICIENCY: 89.8%  
 80 PLUS COMPLIANT: Platinum

Type	PF	η (%)	Load	Frequency of Load	Input Voltage (Vrms)	Output Power (W)	DC Input Voltage (V) / DC Load (Current (A))		Output Voltage (V)	Efficiency (%)
							Min	Max		
0.000	0.999	96.20	50%	Typical	230.00	2750	230.00	0.00	96.20	96.20%
0.000	0.999	97.20	50%	Typical	230.00	2750	230.00	0.00	97.20	97.20%
0.000	0.999	96.20	100%	Typical	230.00	5500	230.00	0.00	96.20	96.20%
0.000	0.999	96.20	100%	Typical	230.00	5500	230.00	0.00	96.20	96.20%

**5.5kW AI Server Power Supply Achieved 80 PLUS Ruby Certification**

## Laboratory Testing Capability

Honor Electronic has established a comprehensive testing system compliant with international standards to provide authoritative assurance for product quality. The Company's laboratory is equipped with state-of-the-art testing systems. It currently possesses nearly 200 sets of internationally advanced testing equipment, including a semi-anechoic chamber (SAC-3) and a Highly Accelerated Life Test (HALT) system. Comprehensive testing solutions for electrical performance, electromagnetic compatibility, and reliability verification are provided throughout the entire product lifecycle. The professional team comprises over 80 professional testing engineers and 10 quality management experts. Additionally, by proactively introducing automated detection systems, the Company's laboratory has achieved automated coverage of 80% of key projects. Digital transformation has delivered significant efficiency gains, reducing the turnaround time for each batch of testing by 40% and improving data accuracy to 99.98%.

Currently, the Company's laboratory has obtained CNAS accreditation and international mutual recognition, fully demonstrating that the laboratory's management has reached an internationally recognized standard. Additionally, leveraging this comprehensive testing platform, Honor Electronic is able to ensure that its products demonstrate high reliability and superior performance across diverse environments and application scenarios, thereby providing customers with secure, stable, and high-quality technical support.

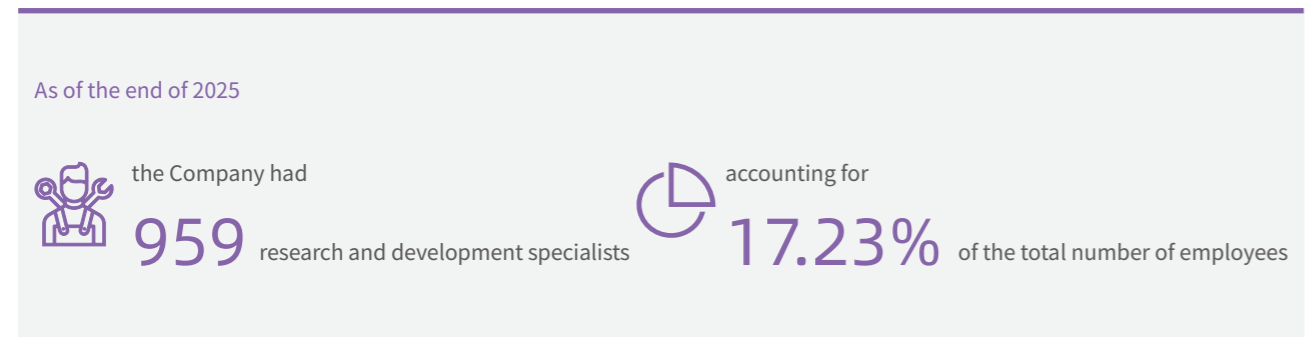


CNAS-Accredited Laboratory



Laboratory Accreditation Certificate

Furthermore, to enhance the collaborative efficiency and management accuracy of the R&D process, the Company officially launched the "R&D Test Scheduling Management System" in 2025, achieving end-to-end digital management of test tasks from application and scheduling through execution to result feedback. The system enables R&D personnel and project managers to submit testing applications online, track task progress in real time, and query project status and progress instantly via mobile devices. Test engineers are able to complete operation records and data entry within the system, thereby enhancing the standardization of execution. Additionally, the system incorporates a component stress testing database, capable of automatically matching and updating historical data while supporting real-time supplementation of new component information. This effectively reduces repetitive testing and accelerates R&D iteration efficiency.



## Protection of Intellectual Property Rights

Honor Electronic regards intellectual property protection as one of its core strategies and has established a systematic and professional management system. We have formulated and implemented the *Intellectual Property Management Manual* and the *Intellectual Property Document Control Procedure*. A dedicated Intellectual Property Department has been established to assume full responsibility for the overall management and end-to-end operation of intellectual property rights, including trademarks and patents, and to lead relevant dispute resolution and litigation mediation activities. Currently, the Shenzhen headquarters of Honor Electronic has obtained certification for the Intellectual Property Management System in accordance with GB/T 29490-2013, signifying that the Company's standardization and institutionalization of intellectual property management have achieved national standards.

The Company has established an internal audit mechanism covering the entire lifecycle of R&D outcomes. With patent novelty search as a prerequisite step, technical risks and layout opportunities are systematically identified. Assessments are conducted strictly in accordance with the requirements concerning the three essential characteristics of patents and the statutory standards for patentable subject matter. Through the scientific segmentation of patent application pathways and core value tiers, we achieve precise positioning, efficient deployment, and optimal protection of innovation outcomes, thereby continuously enhancing the strategic value and operational efficacy of intellectual property.

Honor Electronic continues to expand an intellectual property portfolio domestically and internationally, strengthen compliance management, and effectively safeguard the security and compliance of its international operations. The Company has completed trademark registrations and patent applications in multiple countries and regions, including China, the United States, the European Union, the United Kingdom, Japan, and South Korea, and has obtained numerous authorizations. Additionally, we regularly organize intellectual property (IP) thematic training sessions for management and core technical personnel. Through a hybrid approach combining online and offline formats, we enhance employees' awareness of IP protection, capabilities in patent mining, and proficiency in mitigating infringement risks across R&D and production processes, thereby providing robust support for the Company's sustainable innovation.



# Craftsmanship and Quality

Honor Electronic strictly complies with the *Product Quality Law of the People's Republic of China*, the *Standardization Law of the People's Republic of China*, and other domestic and international laws, regulations, and standards concerning product quality and safety, and consistently treats product quality and safety as the lifeline of enterprise development.

## Quality Management System

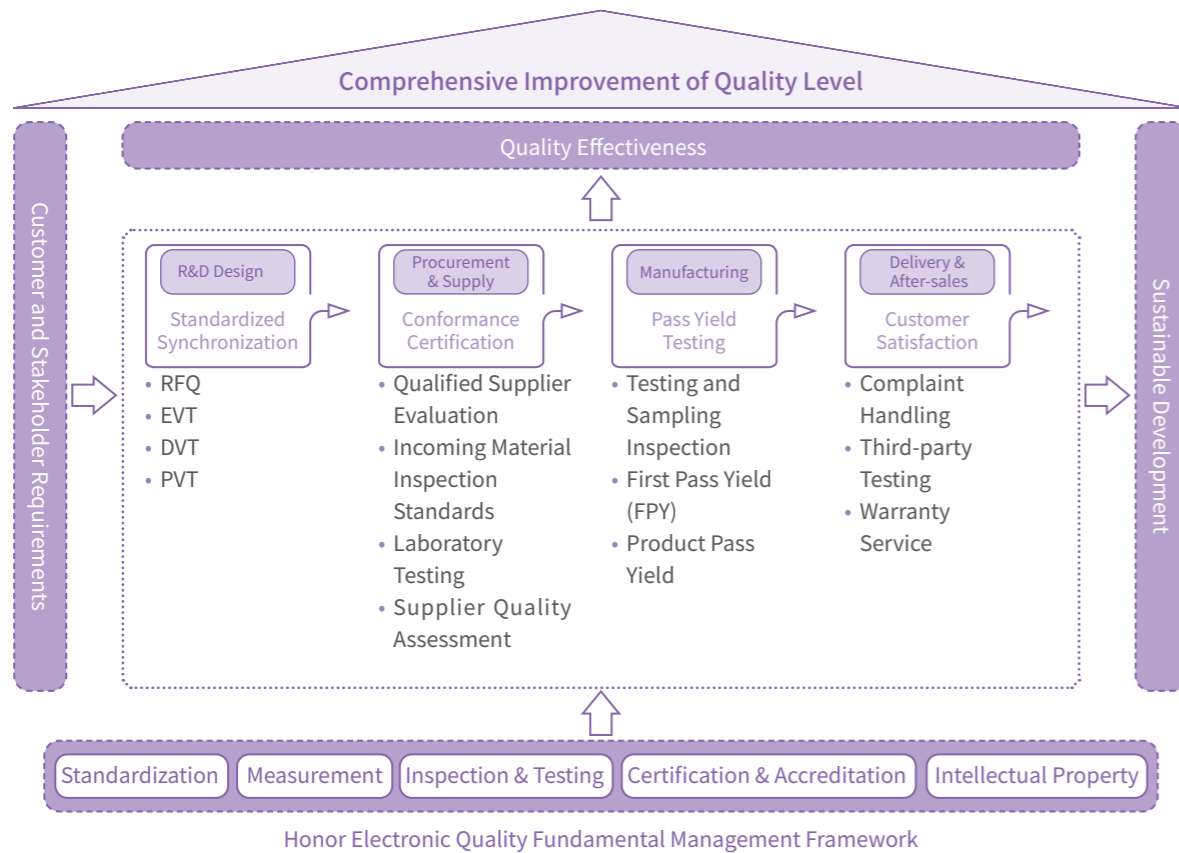
Honor Electronic is committed to establishing and continuously improving a systematic quality management system that covers the entire process. We implement a zero-defect quality management philosophy and adopt "Quality First, Customer Service, Full Participation, Continuous Improvement" as our quality policy.

### At the level of institutional framework

The Company has formulated and strictly implemented a series of internal regulations and standards, including the *Quality Management Manual*, the *Regulations on Handling Quality Anomalies*, the *Product Recall Management Regulations*, the *Product Reliability Verification Control Procedure*, and the *Final Inspection and Testing Control Procedure*. These measures ensure that clear quality standards and executable operational procedures are established across all business processes, from R&D design and material procurement to manufacturing and after-sales service, achieving full-process control and traceability.

### At the level of organizational assurance

The Company has designated the Quality center as the lead department for product quality management, responsible for coordinating quality control across the entire value chain. A six-tier product quality and safety management structure has been established, ensuring that quality responsibilities are cascaded from the Director of the Quality center down to frontline testers. This has formed a management network characterized by clear accountability and collaborative synergy, thereby providing robust organizational assurance for the stability and continuous improvement of product quality. Through the dual support of systems and organization, the Company ensures the consistent delivery of high-quality and reliable products to its customers.



Quality Management Design	The Company has segmented the product development process into five stages: RFQ, EVT, DVT, PVT and MP. Entry into the subsequent stage is permitted only upon successful review of DFX at each stage, thereby achieving strict end-to-end control. R&D collaborative design is facilitated through system platforms such as PLM and BPM, while software tools including thermal simulation and magnetic simulation are introduced to fully validate product performance during the design phase, thereby enhancing R&D quality and reliability from the source.
Material Quality Management	The Company has established a comprehensive material quality management system covering the entire chain from supplier qualification to process control and continuous improvement. By establishing inspection criteria and executing advanced environmental assessments, including incoming material reliability and dust-salt spray tests, the performance of materials and compliance with environmental regulations are ensured. A tiered management approach is implemented for supplier management, covering the entire process from development and delivery to inspection and evaluation optimization. Additionally, the professional skills and interception capabilities of the supply chain team are continuously enhanced through on-site expert training and cross-learning among inspection personnel.
Process Quality Management	The Company has established a digital process quality control system, leveraging the MES system to conduct real-time monitoring and precise traceability across the entire production lifecycle. By integrating multi-source data acquisition channels, including RFID and barcodes, real-time collection and analysis of key process parameters are achieved, ensuring that the production process is transparent and controllable. Based on information flow-driven closed-loop control, anomalies can be promptly alerted and processes optimized, thereby effectively ensuring product consistency and process stability.
Service Quality Management	The Company extends quality management to the after-sales stage and establishes a closed-loop customer feedback handling mechanism. The "3-3-7" rapid response principle is strictly implemented, whereby responses are provided within three hours, 8D reports are submitted within three days, and cases are closed within seven days. Coupled with customer satisfaction tracking, issues and recommendations shall be converted into internal improvement inputs to drive continuous iteration of products and services. Additionally, a quality objective system spanning all organizational levels has been established. Customer satisfaction is designated as a primary objective and decomposed into functional departments. Through monthly planning and the PDCA cycle, dynamic reviews are conducted to ensure the effective implementation of the quality strategy.

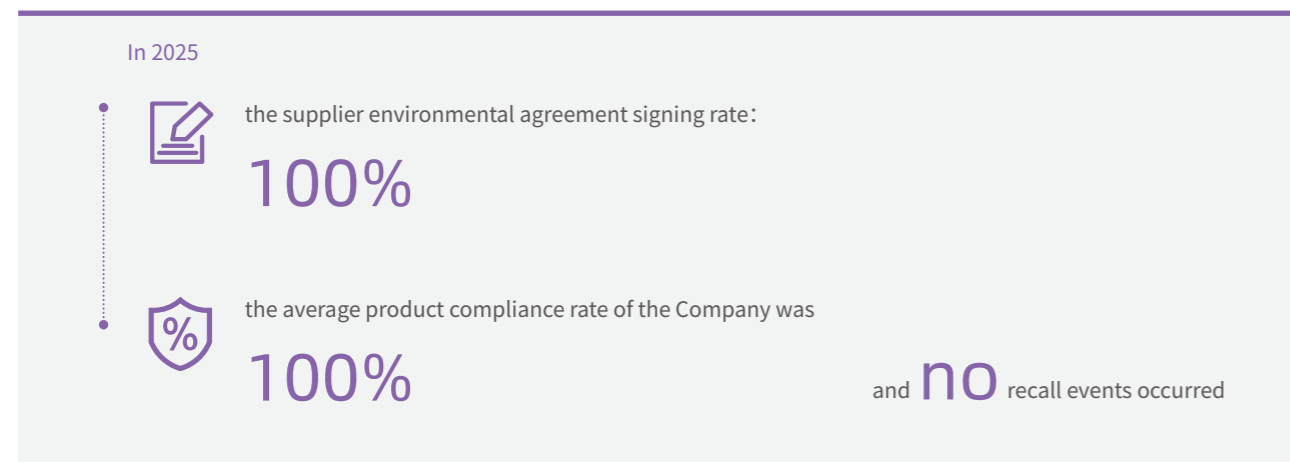
As of the end of the Reporting Period, all primary production bases of the Company have obtained ISO 9001: 2015 quality management system certifications. Among them, the production bases in Shenzhen, Dongguan and Vietnam have further obtained IATF 16949:2016 certifications, which signifies that the Company's quality management capabilities in specific areas have reached an international leading standard.



## Product Recall

To effectively safeguard product quality and consumer rights, as well as to uphold the Company's reputation, a comprehensive recall management mechanism has been established by the Company. In accordance with regulatory documents such as the *Product Recall Management Regulations* and the *Non-Conforming Product Control Procedure*, the Company has defined the triggers for recalls, the execution processes, and the responsible parties, thereby ensuring that recall activities are conducted efficiently and in compliance. Recall methods are categorized into voluntary recalls and mandatory recalls. Furthermore, based on the level of product risk, three tiers of recall are established: Tier 1, Tier 2, and Tier 3. A system of classified management according to tier is implemented.

Regarding the organizational structure, the Marketing Center is responsible for monitoring, initiating and organizing the implementation of recall operations. The General Manager is responsible for approving the recall plan. Relevant departments, including the Engineering Center and Quality Center, shall cooperate in accordance with their respective responsibilities to implement specific disposal measures, thereby establishing a working mechanism characterized by clear allocation of authority and responsibility and efficient inter-departmental coordination.



In 2025, the Quality Center focused on core capability development and organized nearly one hundred thematic training sessions. The content covered key areas including ESD protection, safety standards, visual inspection certification, incoming material control, and data traceability. Through systematic empowerment, quality awareness has been deeply embedded into every operational detail, laying a solid foundation for enhancing product yield and the stability of supply chain quality.

## Quality Culture Construction

Honor Electronic is committed to establishing an integrated "holistic quality" governance framework, embedding a quality mindset throughout the entirety of its business operations. The Company advocates a quality culture characterized by "participation by all, responsibility assumed by management, and emphasis placed by leadership". A dedicated post has been established to coordinate and advance the quality culture comprehensively. A mechanism for transmitting quality responsibilities from senior management to grassroots levels has been instituted to ensure the effective implementation of the quality strategy. Through the routine implementation of quality incentives and dissemination, the Company has fostered an atmosphere characterized by striving for excellence and pursuing superior performance. This initiative drives all employees to actively engage in quality improvement, transforming quality culture from a system-based constraint into conscious employee behavior. Consequently, a solid foundation has been established for product liability and brand trust.

To continuously enhance the quality literacy and professional skills of employees, the Company has planned and implemented a quality training matrix covering the entire career span. This includes induction training on quality knowledge for new recruits, role-specific quality training, and specialized quality improvement training, thereby ensuring that employees at all levels possess the requisite quality competencies to discharge their duties. Additionally, the Company regularly organizes a series of "Quality Month" activities. Through knowledge competitions, case sharing, and skills contests, it strengthens the sense of participation in quality among all employees. This approach deeply integrates quality culture construction with daily operation and management, continuously driving the enterprise to achieve sustainable development centered on quality.

## "Quality Month" Event Planning

Activity Item	Activity Content	Target Audience	Activity Objective
Quality Training	QC Seven Tools, SPC, Six Sigma, FMEA, DOE, and process documentation.	All Employees	Enhance employees' quality awareness and quality management capabilities.
Quality Knowledge Competition	Conducted in the form of interactive games with participation from workshop teams.	All Employees	Combine learning with entertainment and increase participation of frontline employees.
Identify "Quality Stars" Around Us	Through departmental nominations and OA voting, select "Best Quality Proposal", "Outstanding Quality Proposal", and "Best Quality Employee."	Targeted at Production System	Encourage participation in quality control through recognition, enhancing employees' initiative and engagement.
Inspection Skills Competition	Organize frontline operators and inspectors to participate in competitions covering defect identification, dimensional measurement, etc., and select winners based on results.	Targeted at Production System	Evaluate practical inspection capabilities through job-related competitions, publicly recognize outstanding performers, and enhance quality control capability.
Quality Works Collection	Submissions are not limited in form or genre, including but not limited to quality slogans, mottos, couplets, cartoons, calligraphy, articles, and poems.	All Employees	Integrate quality culture with employees' talents to enhance engagement, interest, and participation.
Excellent Quality Cases	Departments submit outstanding quality cases, which are evaluated by the Quality Center and shared with all employees via the office system for learning.	All Employees	Promote and disseminate best practices to enhance quality awareness and a sense of pride among employees.



## Premium Customer Service

Honor Electronic adheres to a customer-centric business philosophy, regarding superior customer service as an integral component of corporate governance and social responsibility. We have established a comprehensive customer value assurance framework by implementing standardized complaint handling procedures and routine satisfaction tracking mechanisms to ensure that customer feedback receives timely response and closed-loop management. Additionally, we strictly adhere to the principles of responsible marketing to ensure that product promotional content is truthful and accurate, eliminate exaggerated claims, effectively safeguard customer rights and market order, and continuously enhance brand image and customer trust.

## Customer Service Management

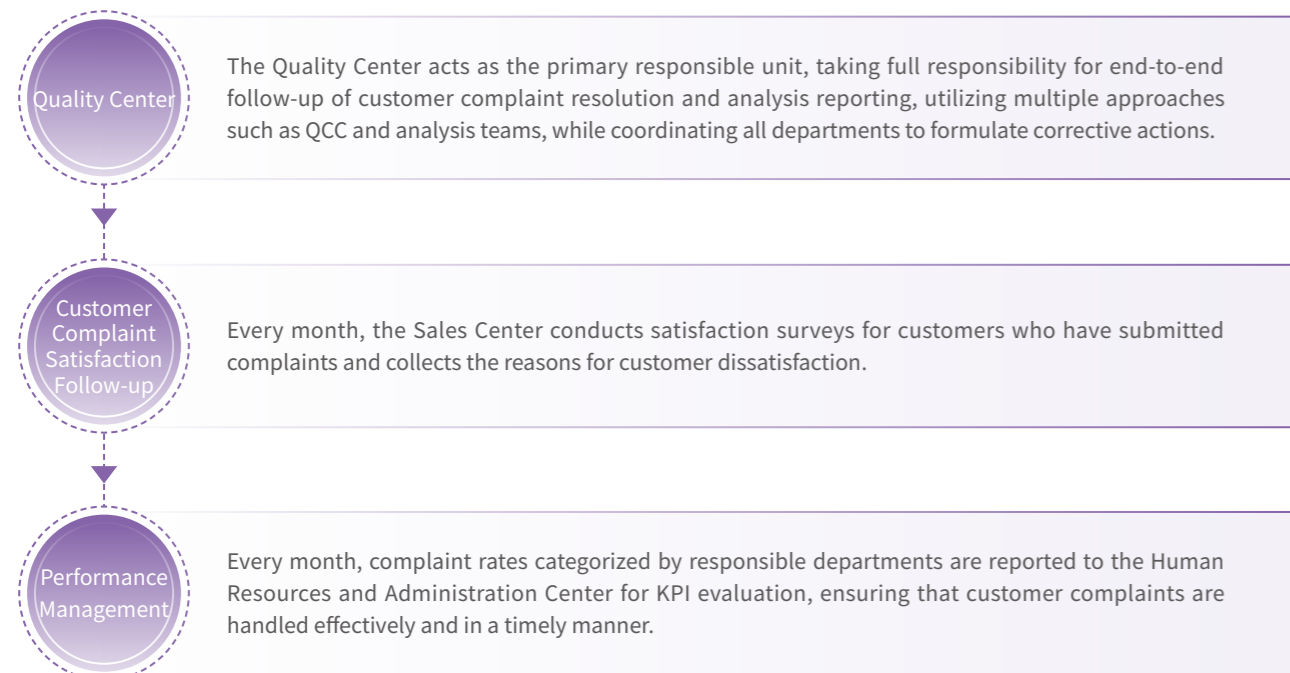
### Customer Complaints Management

The Company has established a comprehensive customer complaint management system and handling procedures, and strictly implements the "3-3-7" rapid response mechanism:

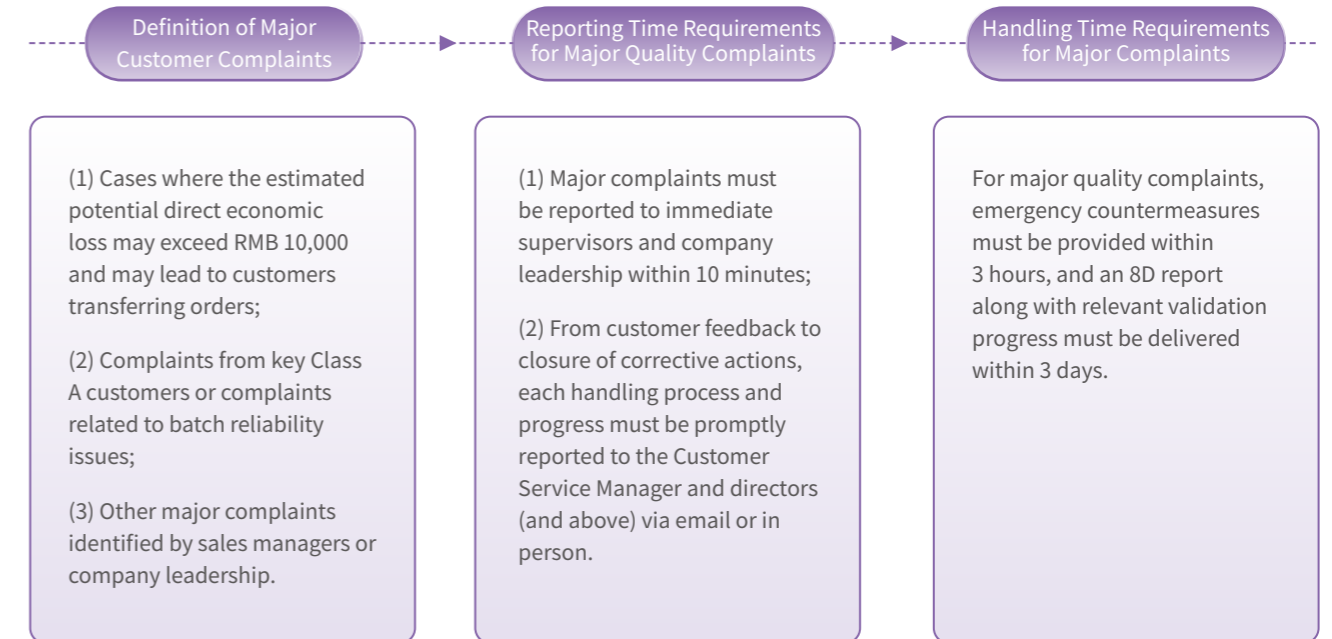
- **Rapid response within 3 hours:** Ensure customer feedback receives immediate attention.
- **8D reports are submitted within 3 days:** Systematically analyse the root cause of the issue.
- **Issues are resolved within 7 days:** Achieve efficient closed-loop management.



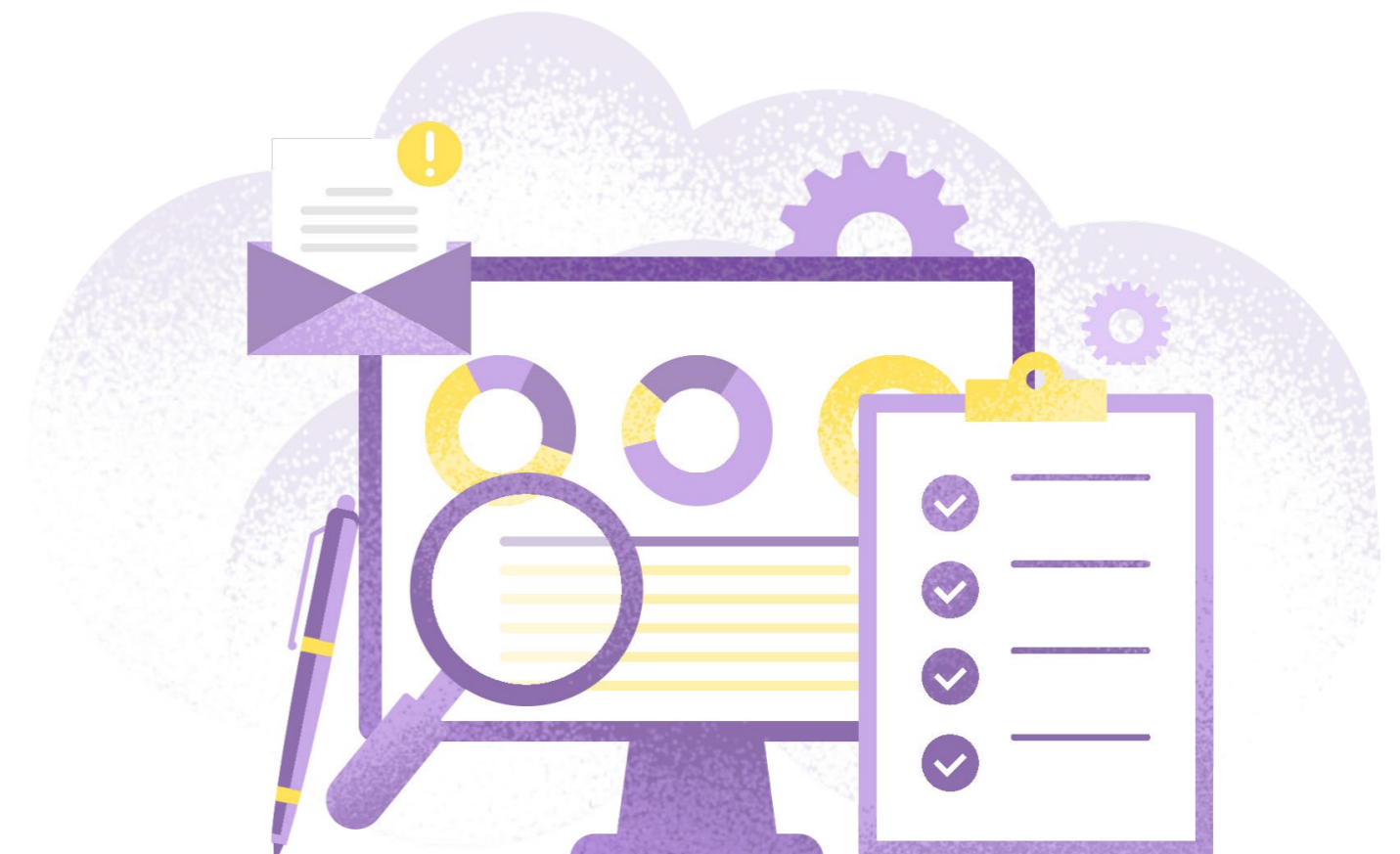
Through in-depth mining of complaint data and root cause analysis, specific issues were not only resolved but also the lessons learned were fed back into internal process optimization and product quality improvement, thereby continuously enhancing service efficiency and professional standards.



Customer Complaint Handling Mechanism



Major Customer Complaint Handling Mechanism

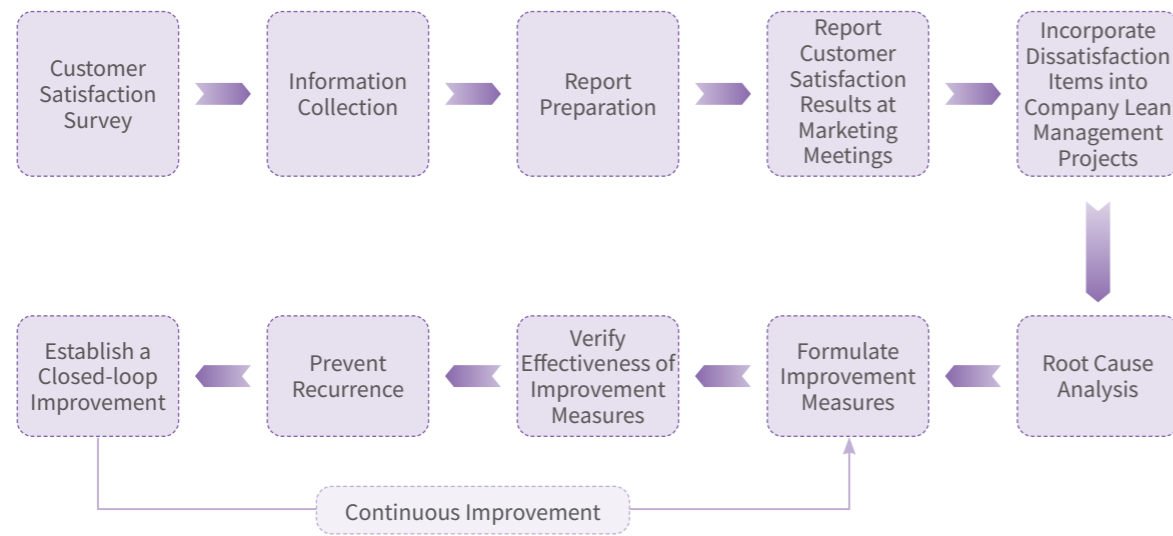


## Customer Satisfaction Management

To precisely grasp customer requirements, the Company has established a routine satisfaction tracking and evaluation system. Through various means including annual satisfaction surveys, in-depth client interviews and regular visits, we systematically collect feedback from clients regarding product performance, service quality and the overall experience. Based on the results of scientific evaluation and analysis, specific improvement measures have been formulated and implemented. Collaboration with key departments, including R&D and Quality Assurance, has been established to drive the continuous iteration of products and services.

Additionally, the Company promptly communicates improvement outcomes derived from customer feedback to the relevant departments, thereby establishing a complete closed-loop mechanism comprising "collection - analysis - improvement - feedback". This customer value-oriented management model not only enhances the customer experience but also provides a solid market foundation for the Company's long-term sustainable development.

### Customer Satisfaction Survey and Handling Process



## Responsible Marketing

Honor Electronic adheres to the principles of scientific and rigorous responsible marketing. It strictly complies with laws and regulations including the *Advertising Law of the People's Republic of China*, the *Product Quality Law of the People's Republic of China*, and the *Provisions on the Administration of Product Marking and Labelling*. Upholding the criteria of authenticity, accuracy, and transparency in communication, Honor Electronic ensures that information is complete, compliant, and verifiable across all stages, including product promotion, sales communication, and label management. The Company continues to strengthen responsible marketing practices, driving the systematic upgrade of brand building and management systems to comprehensively enhance brand credibility and social influence. In 2025, the Company had zero marketing compliance violations for the full year.

In 2025

customer complaint resolution rate reached **100%**

customer satisfaction reached **98.4%**

an increase of **2.4** percentage points compared to the previous year

### Case

## Showcasing Cutting-Edge Power Supply Technologies to Facilitate the Green Transformation of Data Centers

From 9 to 11 September 2025, Honor Electronic showcased a range of high-performance, and high-efficiency server power supply solutions at the 2025 Open Data Center Conference (ODCC 2025). During the exhibition, the Company presented its latest technological achievements, aiming to support the industry's green and sustainable development through efficient and reliable power solutions. In recognition of its long-standing commitment to product quality and customer value, Honor Electronic was honored with the "ODCC Outstanding Partner" award, further demonstrating its technological innovation capabilities and industry responsibility.



Honor Electronic participates in the 2025 Open Data Center Conference (ODCC 2025)

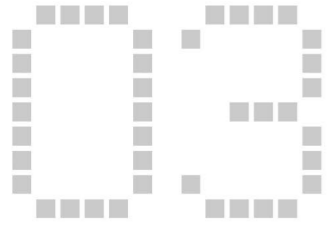
### Case

## Deepening Industry Technical Exchanges to Explore the Transformation of Power Supply Architectures

On 7 August 2025, Honor Electronic showcased a range of high-efficiency power supply solutions tailored to AI and data center scenarios at the 2025 Open Compute Technology Summit (OCTS 2025), and was invited to deliver a keynote speech at the Green Computing Development Forum sub-forum. Focusing on the theme of "AIDC-Driven Transformation of Data Center Power Supply Architectures", the Company shared in-depth views on the evolving trends in power supply architectures amid the rapid development of AIDC, as well as its strategic planning and practical experience in core server power technologies, including high power, high power density, high efficiency, third-generation semiconductor applications, and high-efficiency liquid-cooling design.



Honor Electronic participates in the 2025 Open Compute Technology Summit (OCTS 2025)



## Climate Governance and Green Operations

Honor Electronic has established a multi-level green governance system covering operations, products, and culture, fully integrating green practices into the production, operation, and innovation chain: at the production end, energy-saving technologies are introduced and process flows are optimized to continuously reduce unit energy consumption and emissions; at the product end, green design principles are implemented, promoting miniaturisation, lightweighting and greener development of products to reduce resource consumption and carbon footprint from the source; at the cultural end, all-employees green office practices are advocated, establishing a systematic environmental management mechanism to steadily drive the Company's transition toward low-carbon and sustainable development.

### Key Performance Indicators

- In 2025, the Company invested RMB 13.7 million in environmental protection, and its primary production bases have obtained ISO 14001 certifications.
- In 2025, the total volume of waste recovered and processed by the Company amounted to 949.57 tonnes.
- In 2025, the Company's Scope 1 greenhouse gas emissions amounted to 189.07 tonnes of carbon dioxide equivalent, Scope 2 greenhouse gas emissions were 35,153.29 tonnes of carbon dioxide equivalent.

### The ESG material issues addressed in this section

Climate Change Response, Pollutant and Waste Management, Waste Disposal, Environmental Compliance Management, Energy Utilization, Water Resource Utilization, Circular Economy, Ecosystem and Biodiversity Conservation

### The SDGs-related issues addressed in this section



# Environmental Management

Honor Electronic adheres to an environmental policy of "compliance with laws and regulations, pollution prevention, design and manufacture of energy-saving and environmentally friendly products, continuous improvement, and harmonious coexistence with the environment", and has built an environmental management system covering the entire chain from strategic decision-making to operational execution and supervisory assessment.

## Environmental Management System

Honor Electronic has established a comprehensive environmental management system. The General Manager is responsible for the overall coordination of environmental strategic planning and decision-making on major matters. Each department serves as the accountable entity for environmental management within its respective field, tasked with integrating management requirements into daily operations to establish an organizational guarantee mechanism characterized by clear allocation of responsibilities and effective execution. The Company has established a series of policy documents, including the *Environmental Management Control Procedures*, the *Water, Air and Noise Control Procedures*, the *Energy Management Manual*, and the *Waste Recycling and Disposal Control Procedures*. These documents clearly define the environmental management responsibilities and authorities for posts at all levels, operational specifications, assessment criteria, and emergency response procedures, thereby constructing a complete management closed loop encompassing regulatory standards, process control, supervisory evaluation, and continuous improvement. The Company has not received any penalties related to environmental protection in the past three years.

Regarding target management, the Company has established quantifiable environmental indicators and implementation pathways in accordance with the *Environmental Objectives, Indicators and Plan Control Procedure*, thereby providing clear management guidance to all departments. Through a routine statistical data collection and tracking mechanism, the *Environmental Targets and Indicators Achievement Statement* is compiled on a regular basis. Furthermore, in strict accordance with the *Environmental Targets, Indicators and Plan Management Table*, departments are directed to implement environmental plans. By combining process control with outcome evaluation, continuous improvement of environmental performance is driven.

In 2025, the Company's core production base continued to maintain a high level of environmental management system certification. Among these, the bases in Shenzhen, Dongguan, Vietnam and Suzhou have all obtained ISO 14001:2015 environmental management system certifications, providing systematic assurance for environmental and material management.

### The primary production base have obtained ISO 14001 certifications for its environmental management system



Furthermore, to strengthen environmental awareness across the workforce, the Company has established a routine mechanism for environmental training and emergency drills. Employees are regularly instructed on industry standards regarding environmental safety and hazard identification, alongside relevant case studies. Additionally, unannounced emergency drills concerning environmental pollution are conducted to enhance the collective environmental consciousness and emergency response capabilities of all employees.



# Ecological Environmental Protection

Honor Electronic strictly complies with laws and regulations including the *Soil Pollution Prevention and Control Law of the People's Republic of China*, the *Regulation on Groundwater Management*, and the *Opinions on Further Strengthening Biodiversity Protection*, fully integrating ecological protection requirements into all stages of project planning, production operations, and base construction. During the project investment decision-making stage, the Company strictly implements the environmental impact assessment system. An environmental impact assessment is conducted for the site selection area, with a focus on identifying and evaluating potential biodiversity risks. Specialized arguments are carried out for potential projects involving ecologically sensitive areas to ensure from the outset that site selection avoids nature reserves and areas of high biodiversity concentration.

In production and operations, the Company strictly adheres to pollutant emission standards, rigorously controls environmental pollution arising from production activities affecting soil, water bodies, and the atmosphere, and effectively safeguards the surrounding ecosystem.

During the Reporting Period, none of the Company's operational activities had an adverse impact on the surrounding ecological environment or biodiversity. None of the production bases are located within nature reserves or ecologically sensitive areas, and no violations or complaints related to ecological protection occurred. In the future, the Company shall continue to deepen ecological protection measures and actively explore synergistic pathways between production operations and ecological conservation, thereby contributing corporate efforts to biodiversity protection.

### Case Ecological Protection Practices at the Suzhou Base

The Company's Suzhou base is situated away from sensitive ecological areas, including the ecological protection red line, Taihu important wetlands, and Tongli National Wetland Park, and lies within the Level 3 protected zone of the Taihu Basin. The base strictly complies with the "Three Lines and One List" requirements as well as relevant regulations on water pollution prevention and control in the Taihu Lake basin; no development or construction activities prohibited under these regulations are undertaken. Throughout production and operations, the base implements comprehensive pollution control measures: no industrial wastewater is generated; domestic sewage is discharged into the municipal network for standardized treatment at the Yundong Sewage Treatment Plant; production exhaust gases are collected via hoods and treated through filter cotton and a two-stage activated carbon adsorption system before being discharged in compliance with standards; hazardous waste is managed under an electronic consignment note system and entrusted to qualified entities for compliant disposal. Furthermore, the raw and auxiliary materials selected for the base, including white glue and cleaning agents, all comply with the national limits on VOCs content, thereby controlling pollutant generation at the source. Additionally, the base has strictly implemented management requirements such as the separation of rainwater and sewage and the standardized storage of hazardous waste. Regular environmental emergency drills are conducted, establishing a full-chain environmental management system that covers source prevention, process control, and end-of-pipe treatment, thereby achieving synergistic development between production operations and ecological protection.

### Case Shenzhen R&D Center- Hechuang Building

During the construction phase of the Company's Shenzhen R&D Center project at Hechuang Building, the Company adhered to green building principles, prioritizing the organic integration of the structure with its natural environment from the planning stage. In terms of landscaping design, the project has comprehensively selected native plant species adapted to Shenzhen's local climate and soil conditions. The depth of topsoil in planting areas and drainage performance have been strictly controlled to ensure the long-term healthy growth of vegetation. Through the scientific optimization of plant configuration, the project has effectively enhanced the stability and self-sustaining capacity of the green ecological system, thereby creating a suitable habitat for native flora and fauna. Upon completion of the project, public green spaces shall be made available free of charge to surrounding residents during office hours. This initiative not only enhances the accessibility and utilization efficiency of urban green spaces but also provides robust support for regional ecological optimization and biodiversity conservation by expanding the area of ecological coverage, thereby achieving an organic integration of environmental and social benefits.



Aerial Perspective Rendering of Hechuang Building

# Green Operations

Honor Electronic has consistently upheld green principles, with low-carbon efficiency and circular recycling as core tenets, comprehensively integrated into every aspect of its production and operations. Through the enhancement of systems, technological innovation, and management optimization, the Company has continuously improved resource utilization efficiency, reduced its environmental footprint, and promoted the transformation of operations toward low-carbon, intelligent, and circular models, thereby establishing a practical benchmark for green development within the industry.

## Energy Conservation and Emission Reduction

Honor Electronic strictly complies with the *Energy Conservation Law of the People's Republic of China* and the ISO 50001 Energy Management System standard. It continuously refines its management system, which is centered on the *Energy Management Manual*, to clearly define energy-saving responsibilities, operational procedures, and assessment criteria for each department. By incorporating energy-saving indicators into the operational performance assessments of each base and conducting regular energy consumption monitoring and reviews, it is ensured that all energy-saving measures are effectively implemented and yield tangible results, thereby establishing a long-term management mechanism. Currently, the Dongguan base of Honor Electronic has obtained ISO 50001:2018 energy management system certification, and the Suzhou base completed the certification audit in April 2026 and is currently awaiting certificate issuance. Subsequently, we will accelerate the certification process and continuously improve the effectiveness of energy management.



Dongguan Base ISO 50001 Energy Management System Certification

In terms of technical transformation and energy-saving practices, the Company has formulated and implemented the *Control Specification for Energy Conservation and Consumption Reduction*, focusing on core energy-consuming production processes such as ageing chambers and air compressors, as well as key auxiliary energy-consuming systems including lighting and air conditioning. On the one hand, energy efficiency upgrades and replacements of production equipment are being advanced; specifically, waste heat recovery retrofits are implemented for air compressors, and energy feedback technology is introduced into ageing chambers to achieve closed-loop energy recovery at the source. On the other hand, energy consumption of auxiliary systems, such as lighting and air conditioning, is reduced by introducing intelligent sensing control and variable frequency drive technology. Furthermore, the Company has actively promoted the construction of distributed photovoltaic power generation projects, increased the proportion of clean energy utilization, and further optimized its energy consumption structure. Through the aforementioned measures, while ensuring a steady increase in production capacity, the Company has effectively reduced energy consumption per unit of output value, achieving synergistic improvements in both economic efficiency and energy performance.



### Case Energy-Efficient Aging Room Introduced at Suzhou Base

In 2025, the Company's Suzhou base deeply integrated energy conservation and emission reduction concepts into equipment procurement and production operations. By introducing aging rooms equipped with air-source heat pump technology and intelligent temperature control systems, the traditional high-energy-consumption electric heating solutions will be comprehensively replaced, thereby significantly reducing electricity consumption and carbon emissions at the source. In conjunction with the workshop's seasonal planning, the insulation and heat dissipation strategies shall be flexibly adjusted to further reduce energy waste. This transformation has not only enhanced production stability but also significantly reduced carbon emissions throughout the operational process, achieving a win-win outcome of cost reduction and efficiency improvement alongside low-carbon operations. This fully demonstrates the Company's firm commitment to driving energy conservation and emission reduction through green procurement and actively advancing China's dual-carbon goals.



Energy-Saving Aging Room

### Case Suzhou Base Continues Advancing Its Photovoltaic Power Generation Projects

In 2025, the Suzhou base continued the construction of photovoltaic power generation projects. By fully utilizing approximately 6,500 square meters of concrete roof space, a photovoltaic power station with an installed capacity of 1,000 kilowatts was commissioned. The system innovatively adopts a dual-grid connection scheme, connecting to 3 transformers within the industrial park. This approach effectively enhances the flexibility and stability of power supply, converting idle rooftop resources into green assets. As of the end of 2025, the project had cumulatively generated 1.776 million kilowatt-hours of electricity in the year, equivalent to saving 710.3 tonnes of standard coal and reducing carbon dioxide emissions by 843.6 tonnes, thereby effectively lowering operating costs while achieving self-sufficiency in green power. It is estimated that the project will generate total energy-saving benefits of RMB 4.88 million over its full lifecycle (20 years), with an average annual cost saving of approximately RMB 250,000. This fully demonstrates the Company's positive achievements in optimizing its energy structure and promoting low-carbon transformation.



Suzhou Base Photovoltaic Project

### Case Smart Energy-Saving System Deployed at Shenzhen Headquarters

An intelligent energy consumption management system, integrating intelligent monitoring, automatic control, and data management, has been deployed at the Shenzhen headquarters office building to comprehensively advance energy conservation and emission reduction through digital means. The system effectively avoids unnecessary energy consumption in unoccupied areas by implementing precise zoning and automatic start-stop functions for air conditioning and lighting. By integrating various control strategies, including sensor-based and timed controls, it accurately adapts to the usage requirements of different spaces. Furthermore, it allows for the presetting of parameters to intelligently optimize air conditioning modes, temperatures, and airflow rates, thereby minimizing operational energy consumption. Management personnel may remotely control equipment via mobile devices to monitor operational status and space utilization in real time, adjust strategies accordingly, and reduce unnecessary energy waste. Additionally, the backend conducts visual analysis of equipment operational data and trend variations to provide data support for continuously identifying energy-saving potential and optimizing energy consumption behavior. The implementation of this system has facilitated the transformation and upgrading of building energy consumption management from passive control to active intervention, and from extensive operation to lean governance, thereby significantly enhancing the effectiveness of energy conservation and emission reduction.

## Water Resource Management

Honor Electronic strictly complies with water resource management regulations and standards applicable to its operating locations. It has established policies such as the *Energy and Resource Control Procedures*, integrating water conservation and efficient utilization into its comprehensive environmental management system. The Company has clearly designated the Administrative center as the coordinating department for water resource management, responsible for indicator measurement and statistical analysis, and tasked with formulating annual water usage regulations based on historical water consumption data. The Company continues to conduct water efficiency assessments and has advanced water-saving technological upgrades at its primary production bases. Key process stages, including cooling and cleaning, have been optimized to reduce water consumption at the source. Additionally, a water consumption monitoring system covering all manufacturing sites has been established to dynamically track water intensity, ensuring that management measures are quantifiable and verifiable.

In the course of daily operations, the Company undertakes water conservation and management initiatives from multiple aspects:

**Water Conservation Awareness and Training**

Water-saving signage shall be displayed in water usage areas, such as restrooms, to remind employees of the need for voluntary conservation. A rapid response mechanism for leak incidents shall be established to ensure timely detection, reporting, and repair.

**Maintenance of Water Supply Facilities**

The Administrative Center is responsible for the daily supervision and regular inspection and maintenance of facilities including the water supply system, fire water pipelines, mains water pipelines, and taps. Operational procedures must be strictly standardized, and thorough inspections shall be conducted to identify operational hazards.

**Critical Monitoring of Water Levels and Valves**

Fire-fighting and air-conditioning water towers shall be designated as key monitoring objects. Maintenance and inspection shall be conducted monthly to prevent overflow caused by excessive water levels or failure of control valves. Additionally, the delay valves of washbasins shall be subject to regular inspection. Valves exhibiting excessive delay or failing to reset promptly must be repaired or replaced without delay to ensure that water facilities remain in good working order and to achieve efficient utilization of water resources.

### Case Optimizing Intelligent Systems to Advance Water Resource Management

In 2025, we further optimized the intelligent energy-saving system by comprehensively upgrading traditional water meters at Shenzhen headquarters to intelligent monitoring devices. This initiative enables the automatic collection, real-time upload, and centralised management of water usage data. It eliminates errors potentially arising from manual meter reading and makes water consumption fully visible, measurable, and optimisable throughout the entire process. Consequently, this provides a robust data foundation for precise water conservation and reduced water consumption, thereby advancing water resource management toward refinement and intelligence.

In 2025  
the Company's total water consumption amounted to

# 297,365

cubic meters



## Emissions Management

Honor Electronic treats compliance control of emissions as a core component of green operations and the fulfillment of environmental responsibilities. It strictly adheres to laws and regulations such as the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, as well as national and industry standards including the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB 12348-2008) and the *Standard for Pollution Control on the Non-Hazardous Industrial Solid Waste Storage and Landfill* (GB 18599-2020), in carrying out environmental management work.

The Company has established policies including the *Water, Air and Noise Pollution Control Procedures*, the *Chemical Pollution Control Procedures* and the *Pollutant Discharge Control Procedures*. These provide a clear basis for the prevention, control and treatment of wastewater, waste gas and solid waste, ensuring the stable operation of environmental protection facilities and achieving compliant discharge and standardized disposal of various pollutants. In 2025, the compliance rates for wastewater and exhaust gas discharge outlets at the Company's primary production bases, as well as for boundary noise monitoring, were all 100%. All pollutant emission indicators remained stable and in full compliance with national and local regulatory standards. No environmental violations related to emissions occurred.

### Wastewater Discharge

The tap water used by Honor Electronic is supplied entirely by the municipal authority and is primarily used to meet the domestic requirements of its operational bases. Domestic wastewater is collected via the sewerage system and undergoes preliminary treatment in the on-site septic tank before being discharged into the municipal sewage network for further treatment and discharge by the centralised municipal sewage treatment plant.

To ensure the cleanliness of drainage in the production process, the Company has installed oil-water separation units to effectively treat oily wastewater and has implemented filtration for water used by air compressors, thereby ensuring that relevant discharge complies with environmental protection requirements. Additionally, the Company has fully implemented the separation of rainwater and sewage systems, achieving independent collection and separate discharge of rainwater and domestic wastewater. This effectively mitigates the impact on the surrounding community environment and enhances the standardization and environmental compliance of the site drainage system.

In 2025  
the total volume of wastewater discharged by the Company amounted to

# 267,628.40

cubic meters

### Waste Gas Management

Honor Electronic has established a comprehensive waste gas management system covering the entire process of monitoring, control, and governance. By establishing clear control standards and operational guidelines, it ensures that the waste gas treatment process is under control and that end-of-pipe emissions consistently meet compliance requirements.

The Company continues to improve its waste gas collection and treatment facilities. Waste gases generated during the production process are collected via pipelines and conveyed to the roof, where they undergo purification treatment through a two-stage activated carbon adsorption system, thereby achieving effective control. Additionally, the Company regularly commissions qualified third-party testing agencies to monitor emissions from all exhaust outlets at its primary production bases, ensuring that all indicators consistently comply with national and local emission standards.

In terms of operational management, the Company has established a routine recording and tracking mechanism and improved equipment operation ledgers. In accordance with the Standard Operating Procedures (SOP) for equipment operation and legal and regulatory requirements, abnormal situations are promptly analysed and corrective actions are implemented to ensure the continuous and effective operation of the waste gas management system.

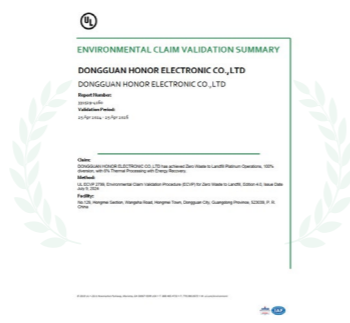
### Case Upgrade of Waste Gas Treatment Facilities at Dongguan Base

In 2025, in response to the requirements of the new national standard and to further enhance purification efficiency, the Company undertook a forward-looking upgrade of its waste gas treatment facilities at the Dongguan base. According to the opinion of a professional environmental protection company and the requirements of the using department, the number of secondary activated carbon adsorption units in the core treatment unit was expanded from 4 sets to 7 sets (with 2 additional sets under construction), significantly enhancing the waste gas treatment capacity. Additionally, honeycomb activated carbon with superior adsorption performance was comprehensively adopted to replace traditional granular carbon, significantly enhancing the capacity for adsorbing and capturing characteristic pollutants such as volatile organic compounds (VOCs), thereby fully fulfilling the enterprise's environmental compliance responsibilities.

## Waste Management

The Company relies on its system of policies, including the *Chemical Pollution Control Procedure*, the *Pollutant Discharge Control Procedure*, the *Waste Recycling and Treatment Control Procedure*, and the *Hazardous Chemicals Control Procedure*, to define classification criteria, collection processes, storage requirements, and disposal specifications for recyclable waste, non-recyclable waste, and hazardous waste. This ensures that all stages of waste management are conducted in accordance with established regulations.

Additionally, the Company has also established the *Environmental Objectives, Indicators and Scheme Control Procedure*, which clarifies targets for waste reduction and control pathways, thereby continuously promoting waste minimization and resource recovery. In 2025, the Dongguan base obtained the Platinum-level certification for the UL 2799 Zero Waste to Landfill system, achieving zero waste to landfill. The relevant certification work at the Suzhou base is also being advanced steadily, reflecting the Company's positive achievements in the standardized disposal and recycling of waste.



Dongguan Base UL2799 Certificate

### Waste Classification

Recyclable general waste (referring to waste that is non-hazardous and suitable for recycling and reuse)

- The waste disposal operator sorts recyclable general waste and collects it at designated locations.
- Upon reaching a specified period, the administrative center shall liaise with the procurement center to arrange for disposal by the designated contractor.
- Waste is processed on a regular basis and recorded in the *Waste Disposal Registration Form*.
- To maximize energy conservation and consumption reduction, it is necessary to manage recyclable waste. The Company's general recyclable waste primarily comprises: used office paper, waste plastic, scrap metal, copper wire, cardboard, discarded electronic components, and tin dross.

Non-recyclable general waste (waste that is not hazardous but has no value for recycling)

- Non-recyclable general waste generated by the Company is disposed of as domestic refuse and transported daily by waste disposal personnel to the dedicated waste station established by the management office.

Hazardous waste (waste that is hazardous but has no value for recycling or reuse)

- The Administrative center periodically disposes of hazardous waste and engages qualified third-party units to carry out such disposal. The entrusted units are required to undergo a "Capability Assessment for Hazardous Waste Operation Enterprises" and comply with multiple company policy requirements.

In 2025



the total volume of non-hazardous waste generated by the Company amounted to

**1,640.31** tonnes



the total volume of waste recovered and processed by the Company amounted to

**949.57** tonnes

## Circular Economy

In 2025, Honor Electronic further deepened its refinement of waste management and practices in the circular economy. Building upon the existing classification system, the Company has implemented a more granular categorization of recyclable materials, including packaging materials, cardboard, plastics, wire and cable, and off-cuts, thereby continuously enhancing resource recovery and utilization rates.



### Suzhou Base Practice on the Reuse of Packaging Boxes

The Suzhou base has collaborated with nearby suppliers and customers to establish a system for the circular reuse of packaging boxes. Boxes are delivered to users by suppliers; upon completion of use, they are collected and subsequently recycled for further reuse. This achieves a closed-loop flow of "delivery-use-collection-reuse", effectively promoting efficient resource circulation within the industrial chain and enabling sustainable operations.



Reuse of Packaging Boxes



### Shenzhen Headquarters Pilot of Circular Economy Model: Driving Value Reconstruction of Waste through Full-Process Traceability and Internal Resource Circulation

In 2025, the Company adopted Shenzhen headquarters as a pilot site. By establishing mechanisms for weighing and clocking in solid waste and retaining data trails, full-process traceability of waste was achieved. Regarding recyclable samples, the "breaking shells for sale" approach was implemented to ensure compliant disposal while enabling the recovery of resources at a value. Furthermore, a "Resource Recycling Corner" has been established to facilitate the internal circulation of idle items and cultivate a culture of thrift that maximizes the utility of resources. At the operational site, the Company achieved standardized management by delineating functional zones and implementing classified fixed-position storage. This not only enhanced efficiency and safety but also further unlocked the latent value of waste resources.



Sample implemented "Shell-Breaking and Disposal"



## Green Office

The Company has promoted the concept of green office practices by implementing measures such as switching off lights when leaving and placing office equipment into low-energy sleep modes. These initiatives aim to guide all employees in participating in energy conservation and consumption reduction, as well as saving materials.

### Energy Conservation

- The quantity and power rating of lighting fixtures in office areas, production sites, and living quarters shall be reasonably configured. Independent switches must be installed to prevent lights from being left on unnecessarily, ensuring that lights are switched off when personnel leave.
- Priority shall be given to the acquisition of energy-saving equipment or products certified by the State, and priority shall be accorded to the adoption of environmentally friendly and energy-efficient electrical appliances and equipment;
- All departments shall configure office equipment such as computers, printers, and photocopiers to automatically enter a low-power sleep mode when not in use. Equipment that remains unused for extended periods must be switched off promptly to reduce standby consumption, and power switches must be turned off before the end of the working day.
- We encourage staff to run air conditioning one hour less per day, and not used during public holidays or when only a minority of employees are working overtime. Furthermore, negative performance appraisals shall be instituted for violations of these regulations.

### Conservation of Materials

- Promote paperless office operations to reduce the consumption of office stationery;
- Printers and photocopiers shall be used reasonably; waste paper and second-hand paper must be promptly placed in recycling bins.
- Materials used for maintenance shall be budgeted and planned by the relevant departments according to their categories, with consumption controlled and reduced.
- A replacement-for-old scheme is implemented for components used in maintenance activities; recoverable components shall be recovered and disposed of to the fullest extent possible.
- Official vehicles are used strictly in accordance with the vehicle management system to enhance utilization efficiency. Vehicles are subject to unified designated maintenance and repair arrangements, scientific determination of per-vehicle fuel consumption quotas is implemented, efforts are made to reduce fuel consumption, and expenditure on vehicle maintenance costs is minimized.

## Climate Change Response

Honor Electronic has adopted the 1.5 ° C temperature control target of the *Paris Agreement* as its guiding direction and referred to policies such as China's *Action Plan for Peaking Carbon Emissions Before 2030*. The Company is systematically advancing climate-related financial disclosure work. In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and under the guidance of the Board's Strategy Committee, it has initiated TCFD framework preparation work, including the establishment of a climate risk management system and the exploration of scenario analysis. The Company is committed to establishing a standardized, transparent, and sustainable climate governance and disclosure mechanism. It aims to fully integrate climate-related risks and opportunities into its existing ESG management system to enhance climate resilience and improve strategic foresight.

### Climate Risk Governance Framework

Under the overall leadership of the Board of Directors, the Company has established a clear three-tier governance structure: the Board Strategy Committee exercises decision-making functions, the ESG Working Group is responsible for organization and coordination, and each business unit carries out specific execution, thereby ensuring that climate-related issues are implemented layer by layer and effectively advanced within the governance framework.

### Management of Climate Change Risks and Opportunities

Honor Electronic has identified and distinguished climate-related risks and opportunities, analyzing their potential impact on the Company's business model, operational activities, strategic development, financial performance, cash flows, and cost of financing. On this basis, the Company comprehensively assessed the likelihood, impact magnitude, and transmission pathways of various risks and opportunities, and prioritized them. At the same time, the Company further assessed its strategic and business model adaptability to climate change and, based on that assessment, developed transition plans and specific mitigation measures.

Types of Climate-Related Risks			Risk Description	Financial Impact	Response Measures	Time Period
Transition Risks	Policy and Legal Risks	ESG Reporting Obligations	The increasingly comprehensive framework of corporate sustainability disclosure standards imposes more stringent ESG disclosure requirements on enterprises; failure to disclose relevant information in a timely manner may expose enterprises to compliance risks.	Compliance management costs have risen; however, if compliance standards are met, brand premium may be generated, partially offsetting the cost pressure.	In accordance with the Shenzhen Stock Exchange guidelines and the TCFD framework, a sustainability report is published on a regular basis to enhance the climate information disclosure system.	Medium-term
	Technology Risks	Low-carbon Technology Transition	The dual-carbon policy requires enterprises to undertake a low-carbon transition, necessitating investment in the research and deployment of energy-saving and environmental protection technologies.	Increased investment in short-term research and development and equipment retrofitting will, over the long term, optimize operating costs through energy conservation and carbon reduction.	Leveraging the R&D system and innovation platforms, the focus is placed on low-carbon technology development to drive energy-saving retrofitting and green transformation in the production process.	Long-term
		Investment Risk Associated with New Technologies	The dual-carbon policy has driven rapid development within the industry in which the Company operates; consequently, the Company is required to actively invest in new technology research and development to maintain its market position.	R&D expenditure has increased on a phased basis; however, should the technology be successfully commercialized into products, it would enhance product competitiveness and drive revenue growth.	Optimize the R&D model, prioritizing the deployment of cutting-edge low-carbon technologies and product architecture upgrades, while strengthening technical reserves and conversion capabilities.	Long-term
	Market Risks	Difficulties in the Supply of Raw Materials or an Increase in Costs	The Company's principal suppliers of raw materials may face more stringent requirements for energy conservation and emission reduction under sustainability-related mandates.	The risk of volatility in raw material procurement costs may be mitigated by a green supply chain, which enhances stability and controls long-term costs.	Establish a sustainable supply chain system by incorporating ESG criteria into supplier onboarding and assessment processes, while maintaining multi-supplier backups for core materials.	Medium-term
Physical Risks	Short-Term Risks	Typhoons and Floods	The corporate headquarters is susceptible to typhoons and flooding. Climate change has increased the probability of the Company suffering from such disasters and the associated losses.	Costs associated with emergency prevention and control and loss remediation have increased; however, effective implementation of preventive measures can significantly mitigate sudden losses.	Establish and implement emergency management systems for typhoon and flood prevention, improve emergency facilities at production bases, and conduct regular emergency drills.	Medium-term
	Long-Term Risks	An Increase in Average Temperature	High temperatures may cause overheating of production equipment or impairment to employee health, thereby affecting production efficiency and incurring additional costs.	Costs associated with equipment cooling and employee welfare have increased; however, production continuity is ensured through facility upgrades.	Upgrading the factory building's refrigeration system and energy-saving equipment, and implementing measures for employee heat protection and health assurance.	Long-term
		Rising Sea Levels	The Company is located at a low altitude and in close proximity to the sea; rising sea levels may exacerbate flood risks.	Rising expenditure on flood control facilities and increasing costs of disaster losses	Formulate a special emergency plan for flood control and strengthen flood protection measures at the production base.	Long-term

Types of Climate-Related Opportunities		Opportunity Description	Financial Impact	Response Measures	Time Period
Resource Efficiency	Enhance The Efficiency of Resource Utilization	By optimizing management practices, implementing low-carbon technologies, and replacing energy-saving equipment, the Company is able to effectively reduce costs.	Resource consumption in production and office operations has decreased, resulting in direct cost savings from energy conservation and consumption reduction throughout the year.	Advance energy-saving retrofitting of core systems such as lighting, motors, and air compression; deploy an intelligent energy consumption management system; and implement green office practices.	Short-term
Products and Services	Green Products and Services	The dual-carbon strategy has driven the low-carbon transformation of the industry in which the Company operates and facilitated the introduction of products more aligned with dual-carbon policies through technological innovation.	The increased proportion of revenue from green products has driven overall revenue growth.	Continuously develop high-energy-efficiency and low-carbon products, integrate environmental design into the entire product lifecycle, and promote green certification of products.	Medium-term
Market	International Markets	The Company's active implementation of sustainable development strategies can further enhance its international reputation and meet the sustainability concerns of international clients.	Growth in international market orders and revenue, with accelerated expansion of overseas operations.	Optimize the global capacity layout and local team building to ensure that products and management systems comply with international environmental standards.	Short-term
Resilience	Corporate Resilience	The Company's adaptive capacity in relation to climate change, to better manage associated risks and seize opportunities.	Operational stability has been enhanced and the risk of cost fluctuations reduced, thereby driving synergistic growth in revenue and profit over the long term.	Establish a climate governance framework coordinated by the Board of Directors, refine mechanisms for identifying risks and opportunities, and dynamically optimize response measures.	Short-term



## Emergency Response to Extreme Weather

Honor Electronic attaches paramount importance to the potential impact of extreme weather on business continuity and operational stability and has established a systematic emergency management framework for extreme weather events. In accordance with the RBA Code of Conduct and relevant management requirements, the Company has established special contingency plans and policy documents, including the *Typhoon Season Storm Emergency Plan*, the *Typhoon and Storm Prevention Management Procedure*, the *Stormwater Management Control Procedure*, and the *High-Temperature Heatstroke Prevention Emergency Plan*. These measures comprehensively cover warning response, handling processes, and division of responsibilities under extreme weather conditions, ensuring that the emergency mechanism is scientific, responses are timely, and controls are effectively implemented.

### Case Suzhou Base Conducts Extreme Weather Drill to Fortify Flood Control and Heatstroke Prevention Safety Defences

In 2025, to enhance operational response capabilities under extreme weather conditions, the Suzhou base closely adhered to the *Typhoon and Rainstorm Emergency Plan*, organized special emergency drills, and issued the *Minutes of Task Allocation* in parallel. This further delineated the emergency response responsibilities for each key position during extreme weather events such as typhoons and rainstorms down to specific individuals, ensuring rapid reaction upon warning issuance and the implementation of appropriate measures.

In response to health and safety risks arising from high summer temperatures, the base also conducted a desktop exercise for the disposal of sudden heatstroke incidents in accordance with the *High-Temperature Heatstroke Emergency Plan*. By simulating real-world operational scenarios, employees are organized to participate in the entire process of initial response, emergency calling, and on-site first aid, thereby effectively enhancing their awareness of self-rescue and mutual rescue as well as emergency response capabilities under extreme high-temperature conditions. Upon conclusion of the drill, a summary evaluation report titled *Summary and Evaluation of the Drill on the Emergency Response Plan for Acute Heatstroke Incidents* was promptly issued. Issues identified in relation to response timeliness, disposal procedures, and collaborative coordination shall be reviewed and analyzed, and the emergency response plan shall be dynamically revised and improved accordingly. By establishing a closed-loop management mechanism of "drill-assessment-improvement", the Company continuously enhances its emergency response capabilities under extreme weather conditions, ensuring that the emergency system remains in an active and optimized state.



Desktop Exercise for the Disposal of Emergency Incidents Related to Heatstroke



Emergency Drill for Typhoon and Heavy Rainfall

## Greenhouse Gas Emissions Management

The Company has established policy documents, including the *Energy Consumption and Greenhouse Gas Emission Control Procedure* and the *Greenhouse Gas Accounting Control Procedure*, to systematically standardize the accounting and management of greenhouse gas emissions.

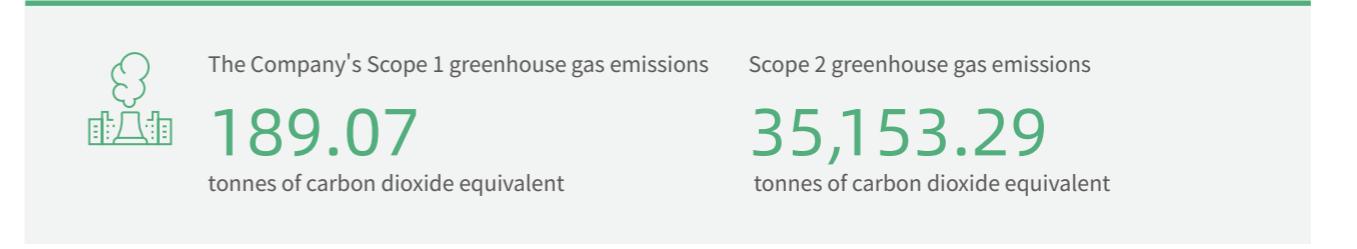
At the direct emission level, the Company's emissions primarily originate from the combustion of vehicles required for business operations. Consequently, the scale of fuel consumption, such as petrol and diesel, is directly linked to the Company's Scope 1 carbon emissions, and the Company maintains continuous monitoring and reporting regarding the utilization of such fuels.

At the level of indirect carbon emissions, the Company primarily relies on purchased electricity to support its daily operations, office activities, and the operation of certain new energy vehicles. Accordingly, the Company monitors and quantifies purchased electricity and heat to assess its Scope 2 greenhouse gas emissions. On this basis, it will continue to improve its carbon accounting practices and systematically advance its decarbonization planning and actions.

Our calculation has been conducted in accordance with the ISO 14064-1:2018 standard, covering direct emissions, indirect energy-related emissions, and selected value chain emissions. The Company engaged a third-party body to conduct carbon verification and completed the carbon emission inventory for the Dongguan base in 2024, thereby obtaining a greenhouse gas verification statement. At present, the greenhouse gas verification for the Suzhou base in 2025 is ongoing. The Company will continuously improve carbon emission data management to provide a basis for emission reduction efforts.



Declaration on Verification of Greenhouse Gas Emissions from Dongguan Base



## Talent Development and Shared Workplace Prosperity

The Company upholds a talent philosophy characterized by openness, inclusiveness and fair competition. It continuously optimizes the working environment and benefits system while addressing the diverse needs of its employees. Clear career development pathways and systematic training are provided to our employees to facilitate their professional growth, thereby achieving mutual benefit for both individuals and the organization. At the same time, the Company places significant emphasis on workplace safety and the physical and mental well-being of its employees. It actively cultivates a healthy and positive safety culture to advance toward a sustainable future in collaboration with its workforce.

### Key Performance Indicators

- In 2025, the Company was free from any form of employment discrimination and forced labor, with a **100%** rate of signed employee contracts.
- In 2025, the Company held over **700** training sessions, covering **95%** of employees (including permanent and contract employees). The actual number of participants reached **8,560**, with total training expenditure amounting to RMB **939,000**. The average number of training hours per employee was **12** hours.
- In 2025, the Company promoted **195** employees, representing a promotion rate of **3.50%**. Among them, frontline employees accounted for **50.77%**, management for **12.31%**, technical staff for **13.85%**, and other for **23.08%**.
- In 2025, the number of work-related fatalities was **0**, and the injury rate was **0.32%**.

### The ESG material issues addressed in this section

Employees

### The SDGs-related issues addressed in this section



# Safeguarding the Rights and Interests of Employees

Honor Electronic places employee development at a strategic priority and has established a management system reviewed by the Board of Directors and coordinated for implementation by the executive management. The Human Resources Center, as a core functional department, is fully responsible for the establishment and implementation of systems pertaining to recruitment, training, remuneration and benefits, as well as promotion and incentive schemes. Dedicated human resources teams are appointed for each subsidiary and business unit to ensure the effective implementation of policies and the continuous protection of employee rights. The Company systematically identifies and assesses the current status of employees regarding training and development, welfare protection, work-life balance, and overall satisfaction through methods such as questionnaires, employee interviews, and performance data analysis. This process facilitates continuous optimization of management practices and ensures the effective safeguarding of employees' rights.

## Compliant Employment Management

Honor Electronic continues to optimize its employment practices to ensure fairness, transparency and compliance in key areas such as talent acquisition, development and promotion, thereby providing employees with a healthy, safe and growth-oriented working environment.

## Compliant Employment

Honor Electronic has consistently adhered to the recruitment principles of "openness, fairness, competition, and selection of the best". A series of management systems, including the *Human Resources Control Procedure*, the *Employee Handbook*, the *Recruitment Management Regulations*, and the *Recruitment Management Process*, have been established to ensure that the recruitment process is compliant and reasonable. In the recruitment and talent management process, we adhere to the following core employment principles:

- 

### Fairness and Transparency

To ensure equal employment opportunities and career development prospects for all, the Company adheres to principles of fairness, equity, and openness in its recruitment and staffing practices. In talent assessment, educational background, professional skills and work experience are comprehensively evaluated to ensure the transparency and fairness of the selection process.
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### Prohibition of Child Labour

The Company strictly complies with all applicable national and international laws and regulations prohibiting the employment of minors under the age of sixteen. During the recruitment process, applicants are required to provide their identity card information and relevant supporting documents. Systematic verification is conducted to ensure compliance with statutory working age requirements.
- 

### Prohibition of Forced Labour

The Company is committed to eliminating all forms of forced labor and ensuring that employees work in a free and voluntary environment. We respect and safeguard the lawful labor rights of our employees. All employment contracts comply with legal requirements, and we strictly prohibit forcing employees to engage in work against their will.
- 

### Prohibition of Human Trafficking

The Company firmly opposes all forms of human trafficking and slavery. It strictly scrutinizes recruitment channels and the qualifications of intermediaries to ensure that all employee on-boarding is based on lawful and voluntary principles, thereby safeguarding the fundamental human rights of employees.

To further implement the aforementioned employment principles, the Company has established special policies including the *Procedures for Management of Remediation on Prohibition of Child Labor and Misuse of Child Labor*, the *Procedures for Management of Prohibition of Forced Labor*, the *Procedures for Management of Prohibition of Slavery and Trafficking in Persons*, and the *Procedures for Protection of Young Workers*. On the basis of ensuring fair recruitment, these measures strengthen special protection for young employees and vulnerable groups, thereby forming a systematic compliance management mechanism.

In recruitment practices, alignment with the Group's corporate culture and values is prioritized as the primary prerequisite. In accordance with the competency standards for each position, a comprehensive approach integrating diverse talent selection and assessment methodologies is employed. Seven selection stages have been established, encompassing interviews, assessments, aptitude tests, background checks, probation management, qualification evaluations, and the selection of key talent, to ensure the scientific rigour and strictness of the recruitment and selection process. Additionally, each center and business unit shall formulate and implement the manpower requirement plan for the forthcoming year in accordance with the Company's medium-to-long-term human resources planning and the results of the annual talent review, thereby ensuring that talent acquisition and business development proceed in a coordinated and synchronous manner to continuously support organizational growth.

Furthermore, Honor Electronic has established a comprehensive employee performance feedback and communication mechanism, encompassing regular interviews, an online feedback system, and real-time feedback channels. A formal appeal mechanism is also in place to ensure the fairness and transparency of performance management. These mechanisms ensure that employees can access and provide feedback through various channels, thereby facilitating two-way communication. Furthermore, they offer a formal avenue for the resolution of objections, safeguarding both the fairness of performance appraisals and the rights of employees.



During the Reporting Period  
the Company was  
**not involved**  
in any form of **employment discrimination** or  
**forced labor**



Responsible Business Alliance (RBA) Certification of the Dongguan Base

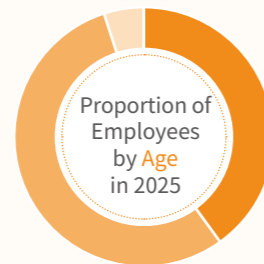


## Equality and Diversity

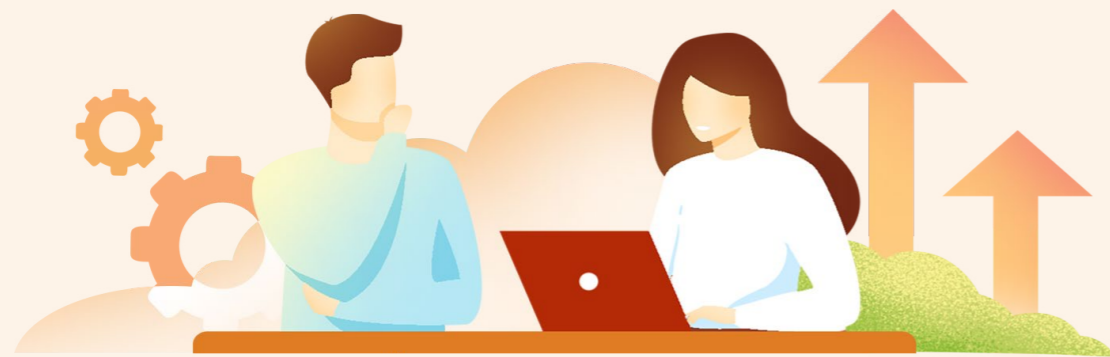
Honor Electronic adheres to the principles of diversity, equality and inclusion, and is committed to providing fair and non-discriminatory employment and development opportunities for all applicants and employees. We have strictly formulated and implemented management procedures including the *Female Worker (Pregnant) Protection Management Procedure*, the *Freedom of Association and Collective Bargaining Management Procedure*, the *Religious Belief Management Procedure*, and *Prohibition of Discrimination*, the *Anti-Harassment and Humanitarian Treatment Management Procedure*. Throughout the recruitment, selection and daily management processes, we have consistently adhered to the principles of fairness, impartiality and equal treatment. In advancing diversity and inclusion practices, we prioritize providing pragmatic support to employees from diverse backgrounds. This includes supplying bilingual HR process documentation for overseas employees and respecting the customs and cultural requirements of expatriate and ethnic minority employees within management arrangements, such as coordinating working hours for employees with prayer obligations.



### Statistics on the Number and Proportion of Employees by Gender, Age, and Educational Qualification



- Number of Male Employees: 3,001
- Number of Female Employees: 2,564
- Employees aged 18–29 (%): 42.96
- Employees aged 30–49 (%): 53.51
- Employees aged 50 or above (%): 3.52
- Diploma or below (%): 84.51
- Bachelor's degree (%): 13.80
- Master's degree or above (%): 1.69



## Employee Remuneration and Welfare

### Remuneration Management

The Company actively upholds its core values of "pragmatism and integrity" and "continuous innovation". In alignment with its cultural characteristics and the actual needs of employees, it continuously refines its remuneration and benefits system to enhance employee job satisfaction and organizational belonging.

We have established the *Compensation Management Regulations*, the *Performance Management Regulations*, the *Wages, Allowances and Benefits Management Procedures*, and the *Employee Welfare Benefits Management Regulations*. A systematic and multi-tiered compensation incentive system has been constructed, forming an incentive matrix covering short-, medium-, and long-term horizons. This achieves an integrated combination of short-term incentives and long-term development.

### Welfare and Care

We adhere to the principle of "people-oriented". On the basis of achieving universal welfare coverage for all employees, we have constructed a diversified welfare system that balances comprehensiveness and differentiation by comprehensively considering factors such as employee tenure, job characteristics, and value contribution. This ensures that every effort made by employees is recognized and rewarded by the Company.

Beyond robust welfare provisions, we are committed to cultivating a workplace environment characterized by warmth and care. Through meticulously planned festive-themed care initiatives, diverse employee activities, and departmental team-building exercises, the spiritual and cultural life of employees is continuously nurtured, ensuring that warmth is conveyed through interaction. The Company has further established a routine communication and feedback mechanism. Through a combination of online and offline channels, including annual commendation ceremonies, regular departmental meetings, cross-departmental meetings, and employee suggestion boxes, the Company sincerely listens to the views of every employee, accurately identifies and responds to their concerns, and continuously enhances employee satisfaction. Additionally, the Company has established a trade union organization to support employee representatives in attending board meetings, thereby effectively safeguarding employees' rights to information and participation, and steadily advancing the process of democratic management within the enterprise.

### Honor Electronic Diversified Welfare System

- Statutory Benefits**

Basic welfare benefits provided to employees in accordance with the laws and regulations of the State and local governments include pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and the housing provident fund.
- Universal Benefits**

The Company provides security benefits and services to all employees, including paid leave, health insurance, departmental team-building activities, and Spring Festival travel subsidies.
- Special Benefits**

The Company provides benefits tailored to specific festivals and employee groups, including pension schemes for parents of key talent, festival cash allowances, health check-ups and training benefits for key and important talent, group accident insurance, and others.

### International Women's Day Event



### Dragon Boat Festival Event



### Mid-Autumn Festival Event



## Promotion of Employee Development

Honor Electronic attaches paramount importance to the professional growth and capability enhancement of its employees. A systematic and multi-tiered employee development framework has been established, which supports continuous progress in professional skills, management capabilities, and overall quality through customized training programs, clear career progression pathways, and diversified growth platforms. Leveraging the construction of a "learning organization", the Company promotes knowledge sharing and the inheritance of experience. This initiative stimulates employees' intrinsic motivation, facilitates the realization of individual value alongside enhanced corporate innovation vitality, and achieves the synergistic development of both employees and the organization.

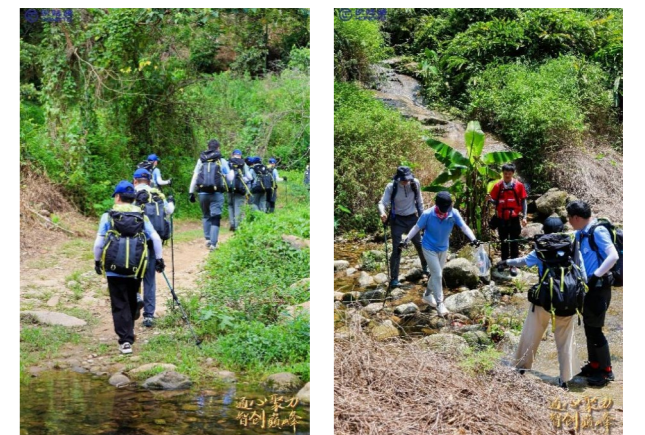
### Employee Training

In accordance with the *Training Management Regulations*, the *Training Management Procedures*, and the *Internal Instructor Management Regulations*, a training system has been established to support the joint development of the enterprise and its employees. With the objective of serving corporate interests and supporting employees, the Company respects employees' individuality and aspirations for growth while ensuring its own stable development. Employee competence and skills are continuously enhanced through diversified training programs. The training content encompasses three core modules: knowledge, skills, and competencies. A blended approach combining internal training, external assignments, and self-directed learning is adopted to systematically cover various aspects, including induction training for new employees, job-specific skills training, general capability enhancement training, and professional domain knowledge training. By formulating and effectively implementing an annual training plan, the objective is to continuously supply the Company with qualified managers and professionals.

	<p><b>Training Objective</b></p> <p>Comprehensive training for all employees and lifelong learning.</p>		<p><b>Training Policy</b></p> <p>A combination of self-training and peer training, integrating job skills training with professional knowledge training.</p>
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### Case Leadership Development Program

To address the management challenges arising from rapid business growth, the Company has initiated an executive leadership enhancement program, focusing on building a leadership pipeline equipped with strong leadership capabilities. The project integrates the outdoor situational experience *Ice Melting*, the indoor systematic course *Logical Methods for Building High-Performance Teams*, and action learning oriented toward practical application. Approximately 50 senior executives and high-potential talents participated throughout the entire process. They deepened collaboration through wilderness challenges, upgraded their management cognition via theoretical learning, and conducted three-stage action learning centered on genuine business challenges. The project has yielded significant outcomes. 90% of participants achieved self-awareness and cognitive breakthroughs; 85% were able to systematically diagnose team development stages and formulate improvement strategies; and 80% have already applied tools such as the 5F questioning technique and four-level reconstruction in their work to drive the implementation of improvements. A total of 38 projects were delivered, of which 86% achieved the expected objectives. Certain teams have already completed internal retraining and knowledge dissemination, effectively facilitating the implementation of "learning while doing" and "doing while learning", as well as the organizational learning mechanism, thereby consolidating replicable methodologies and management practices.



Outdoor Activity Ice Melting



Indoor Course Logical Methods for Building High-Performing Teams

**Case** Gold Medal Interviewer Program

In response to recruitment challenges such as low retention rates during probationary periods and substandard talent quality, the Company has introduced a three-line integrated interviewer empowerment system comprising the "Problem Line", the "Empowerment Line", and the "Value-Add Line". The project, with the Shenzhen headquarters as its hub, systematically implements a dual-track training program for interviewers and certifiers, establishing a complete closed loop encompassing capability enhancement to system replication. Through deep senior management engagement, dual-role empowerment, a dual-assessment mechanism, and AI knowledge base support, the implementation of evaluation criteria is ensured alongside continuous improvement. The initiative has achieved significant results. Between 2024 and 2025, the turnover rate for new employees decreased from 51% to 22%. A total of 99 certified interviewers and 8 certified evaluators were trained, and 8 standardized courses were developed. A replicable global rollout model has been established, effectively enhancing the precision of organizational talent selection and laying a solid foundation for sustainable talent development.



Gold Medal Interviewer Program Training

**Case** Launch of the "Xiao Ou Academy" Platform to Promote Digitalisation of Training and Normalization of Learning

In March 2025, the Company officially launched the digital learning platform "Xiao Ou Academy", achieving online and scaled coverage of training resources. As of the end of 2025, the platform had cumulatively listed 157 video courses, attracting 1,595 employees to participate in online learning. The cumulative learning duration exceeded 11,600 hours, with an average per-employee online learning duration of 7.3 hours, effectively supporting employee self-directed learning and organizational knowledge building.



Xiao Ou Academy

In 2025

the Company held over **700** training sessions

training covered **95%** of employees

total training hours reached **105,091** with an average training duration of **12** hours per employee

the actual number of participants reached<sup>1</sup> **8,560**

<sup>1</sup>The statistical scope for the actual number of training participants includes both permanent and contract employees.

## Career Development

The Company has established the *Promotion Process* and the *Qualification Management System* to construct a clear career development pathway and a continuous growth support system for employees. Through a systematic mechanism for talent acquisition, development, motivation, and promotion, we fully unleash employees' potential and creativity, thereby driving the coordinated development of employee careers and organizational growth.

### Recruitment and Retention of Talent

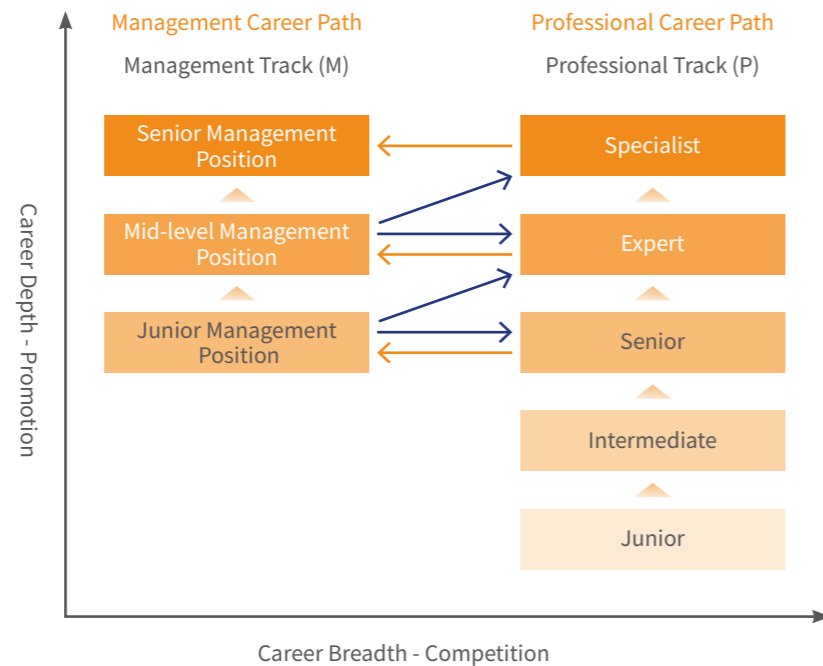
Honor Electronic continues to refine its talent "selection, development, utilization, and retention" mechanism, strengthens quality control over recruitment, systematically enhances the precision and sustainability of talent acquisition, and effectively provides a solid talent foundation for the Company's long-term stable development.

<p><b>Equity Incentive Scheme</b></p>	<p>In 2024, Honor Electronic implemented a restricted share incentive plan, with the initial grant awarded to 196 participants in total. In January 2026, the Company completed the first tranche of share vesting, with actual vesting for 185 individuals, achieving a vesting rate of 94%. This effectively reinforced the role of equity incentives in retaining key talent and delivering long-term motivation.</p>	
<p><b>A Harmonious Corporate Culture</b></p>	<p>The Company has established a corporate culture founded on mutual respect and unity, continuously enhancing employees' sense of belonging to foster cohesion through culture and retain talent.</p>	
<p><b>Competitive Remuneration and Benefits</b></p>	<p>The Company offers competitive remuneration packages and maintains a comprehensive benefits system. Employees are entitled to all relevant statutory benefits and welfare programs upon commencement of employment.</p>	
<p><b>A Fair Competitive Selection Mechanism</b></p>	<p>Where a position becomes vacant, the Company shall prioritize internal recruitment and select talent through open competitive selection to ensure that every employee enjoys an equal opportunity for fair competition.</p>	
<p><b>A Robust Platform for Career Development</b></p>	<p>The Company actively guides and supports employees in developing their career plans by providing a dual-track development pathway comprising both management and professional sequences, thereby facilitating employees' diversified growth.</p>	
<p><b>A Personnel Mechanism That Effectively Identifies and Utilizes talent</b></p>	<p>Based on interview performance and comprehensive assessment results, the Company has scientifically matched employees to suitable positions to ensure that personnel are appropriately aligned with their roles. Additionally, by means of various mechanisms such as internal recruitment and open competitive selection, the organization actively promotes reasonable employee mobility, continuously optimizes talent allocation, and steadily enhances job-role alignment and organizational effectiveness.</p>	
<p><b>A Robust Training System</b></p>	<p>The Company provides comprehensive induction training and mentoring for new employees to facilitate their rapid familiarization with the corporate environment and work processes, ensuring a smooth integration into the team. Additionally, the Company regularly conducts various in-service training programs, encompassing internal training, dispatched training, and instruction by external experts. Furthermore, corresponding subsidies are provided to employees who participate in qualification examinations or pursue further academic studies, thereby continuously supporting employee growth and development.</p>	

## Assessment and Promotion

To further strengthen its talent pipeline, the Company has established a dual-track promotion system comprising parallel "Management Track" and "Professional Track" pathways. This system defines qualification standards and selection mechanisms for key and critical talent. It is designed to match employees with suitable positions, guide them in continuously enhancing their competencies, and encourage them to deepen their expertise in their respective fields, thereby supporting capability building and career development. By standardizing the selection and development process, the Company systematically stimulates employees' motivation for growth and supports clear and sustainable career progression along either the professional or managerial track.

### Dual-track Promotion System



In 2025



the Company promoted **195** employees

representing a promotion ratio of **3.50%**



Among the promoted personnel, frontline employees accounted for **50.77%**

management for **12.31%** technical staff for **13.85%** other personnel for **23.08%**

## Safeguarding Safety and Health

Honor Electronic has consistently prioritized the health and safety of its employees, upholding the principle of "prevention first, combining prevention with treatment", and systematically established a comprehensive protection system covering production safety, occupational health, and physical and mental well-being. The Company has continuously enhanced its workplace safety and health management standards by refining systems, strengthening implementation, and promoting full participation. Through comprehensive measures spanning risk prevention at the source, holistic health management throughout the entire process, emergency response, and psychological support, the Company ensures the physical and mental well-being of all employees, thereby providing a robust foundation for sustainable development.



## Occupational Health and Safety Management

### Safety Production Management System

Honor Electronic has established a comprehensive occupational health and safety management system. By formulating normative documents such as the *Safety Production Operation Management Procedures*, the *Safety Management Regulations*, the *System for Responsibility Management of Safety Production and Occupational Health*, the *Occupational Health and Safety Management Procedures*, and the *Occupational Health and Safety Management Manual*, it has clearly defined the organizational structure and job responsibilities ranging from senior management to the execution level. The Chairman of the Board is responsible for formulating the safety strategy and coordinating senior management. Each business department, acting as the executing entity, shall strictly implement daily management tasks including the formulation of safety regulations, organization of safety training, identification and remediation of hidden dangers, and risk classification and control. Furthermore, these departments shall regularly review the effectiveness of management to ensure continuous improvement.

The Company's primary production bases have obtained ISO 45001 Occupational Health and Safety Management System certifications, with their management capabilities recognized by international standards. Honor Electronic envisions zero fatalities and zero major occupational diseases in its production operations. By implementing responsibilities across all personnel and strengthening process controls, it establishes a solid foundation for high-quality development.

The Company's primary production bases have obtained ISO 45001 occupational health and safety management system certifications



In 2025



the number of work-related fatalities was **0**



the number of major work-related injury accidents was **0**

## Risk Assessment

The Company has established institutional documents, including the *Procedure for Hazard Identification and Risk Assessment* and the *Procedure for Identification and Assessment of Risks and Opportunities*, and has constructed a risk assessment and control framework wherein the Chairman assumes overall responsibility, the EHS Committee executes operations, and all departments collaborate. This framework provides a robust institutional and organizational guarantee for the systematic identification and control of potential risks in production and operations, as well as for the assessment of occupational health risks.

The Company conducts regular annual identification of hazard sources and risk assessments, establishes a list of major hazard sources, and formulates specialized management plans. Additionally, relying on professional institutions, it carries out periodic on-site surveys and testing for occupational disease hazard factors. By integrating multi-dimensional information, including employee health records and expert evaluations, the Company ensures that risk identification and grading are scientifically accurate. Based on the risk assessment results, the Company continues to refine its hierarchical control mechanism and regularly monitors tracking data to provide reliable support for subsequent prevention and control measures, thereby effectively safeguarding employee health and safety.

## Occupational Disease Prevention

Honor Electronic has established and implemented occupational disease prevention and management systems, including the *Occupational Disease Prevention and Management System* and the *Personal Protective Equipment (PPE) Management Procedure*, thereby constructing a comprehensive prevention system covering hazard notification, training and education, protective measures, workplace environment management, health surveillance, as well as diagnosis and treatment. Through standardized and regulated management mechanisms, occupational disease risks are minimized to the greatest extent possible, thereby safeguarding employee health. In 2025, the Company continued to deepen occupational health initiatives, comprehensively advancing the dual implementation of general health examinations and occupational health examinations. All employees underwent general health examinations, and strict compliance was ensured regarding occupational health examination requirements for employees in special positions. The incidence rate of occupational diseases for the full year was zero, thereby effectively safeguarding the physical and mental well-being and occupational safety of employees.

### Case Training on Chemicals and Protective Equipment to Strengthen Employee Safety Protection Capability

In May 2025, the Dongguan base organized training on chemical usage and personal protective equipment (PPE) protection. The training centered on the characteristics of the Company's chemicals, with a focus on the correct selection, wearing protocols, and daily maintenance of personal protective equipment, supplemented by practical demonstrations and on-site assessments. Through this training, employees' awareness of safety protection and practical operational capabilities have been effectively strengthened, laying a solid foundation for the effective application of labor protection equipment at work sites and for consolidating responsibilities regarding occupational health and safety protection.



Training Session on Labour Protection Equipment

## Emergency Management

The Company has established an emergency rescue system covering production safety, environmental incidents, and urgent medical care. It has formulated and implemented institutional documents such as the *Production Safety Accident Emergency Plan*, the *Emergency Preparedness and Response Management Procedure*, and the *Urgent Medical Assistance Management Procedure* to ensure the standardization of emergency response processes. On this basis, we further enhance employees' risk prevention awareness and on-site response capabilities by regularly organizing multi-type emergency drills, including practical exercises for firefighting, chemical spills, electric shock first aid, and elevator entrapment. All drills and response processes were fully documented and incorporated into management reviews. Through a closed-loop mechanism of "drill-assessment-improvement", the effectiveness of contingency plans was continuously optimized, thereby ensuring operational resilience and safeguarding the safety and rights of stakeholders.

### Case

### Conducting Nighttime Fire Emergency Drills to Enhance Emergency Response Capabilities During Critical Periods

In June 2025, the Dongguan base organized a semi-annual fire emergency drill covering all employees across the site. The drill simulated a low-light environment at night and adopted a "training first, followed by practical operation" approach. Employees were guided to personally experience extinguishing fire sources with fire extinguishers, which effectively enhanced their emergency response capabilities during special periods and laid a solid foundation for ensuring the Company's all-weather safe production.



Fire Emergency Drill

### Case

### Conducting Drills on Chemical Spills and Hazardous Waste Disposal to Strengthen Coordinated Response Capabilities for Environmental Emergencies

In November 2025, the Dongguan base conducted an emergency drill for chemical leakage and hazardous waste disposal. The drill covered key roles including production auxiliary employees, warehouse managers, and production department employees. It focused on core aspects such as leakage control, hazardous waste collection, and on-site decontamination, thereby effectively verifying employees' capability for on-site response and collaborative action in the event of environmental emergencies. On-site inventory checks were conducted to verify the integrity and dedicated use of emergency supplies, including personal protective equipment, fire extinguishers, and first-aid kits. It was reiterated that these items must be incorporated into the daily inspection checklist to ensure that emergency resources remain in a state of immediate readiness, thereby providing robust material support for rapid response.



Emergency Drill for Chemical Spill and Hazardous Waste Disposal



### Conducting an Emergency Drill for Electric Shock Incidents to Enhance Frontline Employees' On-Site First Aid Awareness and Safe Electricity Practices

In November 2025, in active response to the national Fire Safety Month theme of "Fire Safety for All, Life First – Safe Use of Fire and Electricity", the Dongguan Base organized an emergency drill for electric shock incidents. The drill adopted a "lecture plus practical exercise" mode. Safety knowledge regarding electricity usage and the correct application of insulating equipment were explained on-site. Furthermore, critical response procedures, including disengagement from electric shock, alarm activation, and first aid, were simulated to effectively enhance frontline employees' capabilities in emergency rescue and coordinated incident management during sudden electrical accidents. This drill thoroughly embodied the theme of Fire Safety Month, effectively validated the feasibility of the Company's electric shock emergency response plan, and further strengthened employees' awareness of safe electricity usage and the safety production defence line at the base.

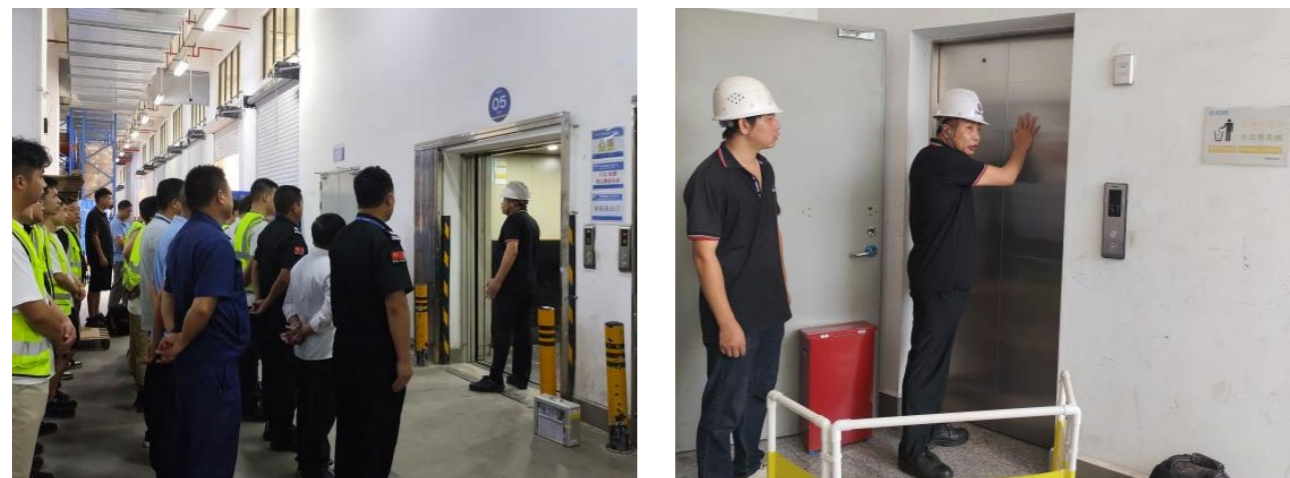


Electric Shock Emergency Drill



### Conducting an Emergency Drill for Elevator Entrapment to Verify Collaborative Response Capabilities for Special Equipment Incidents

In October 2025, to enhance the response capability for emergency incidents involving special equipment, the Dongguan base organized an emergency drill for trapped elevator passengers. The electrician team, security team, and the elevator company participated in collaboration. The drill simulated a realistic failure scenario. Each team responded rapidly and cooperated closely, successfully completing the rescue of trapped personnel. Through this exercise, the feasibility of the emergency plan was effectively verified, multi-party collaborative response capabilities were enhanced, and a guarantee was provided for the operational safety of special equipment at the base.



Emergency Drill for Elevator Entrapment

## Construction of Safety Culture

The Company has established and adheres to the *Safety Education and Training System*, thereby instituting a routine training mechanism covering areas such as work safety, occupational health, and fire safety. On this basis, the Company formulates an annual safety training plan covering new employee induction safety training, laws and regulations on work safety, and post-specific safety operating procedures. Through stratified and classified training implemented across all employees, employees are assisted in comprehensively enhancing their safety awareness and risk management capabilities. Additionally, the Company regularly conducts safety publicity and education activities, organizes key personnel to participate in external skills training, and holds safety training sessions and knowledge and skills competitions during the annual "Safety Production Month" to verify and consolidate learning outcomes. Through institutionalized training, diverse activities, and on-site visual warnings and guidance, the Company has integrated safety regulations into employees' daily operational behaviors, gradually establishing a long-term mechanism for safety culture founded on voluntary compliance and driven by continuous improvement.



### Safety Production Month Activities to Enhance Safety Awareness Among All Employees

In June 2025, Honor Electronic responded actively to the national call for "Safety Production Month", organizing its four major bases in Shenzhen, Dongguan, Suzhou and Ganzhou to jointly conduct the themed campaign titled "Everyone speaks of safety, everyone is capable of emergency response — identifying safety hazards around us". The activity covered all employees, with an employee participation rate of 100%. Through initiatives such as the "Safety Hazard Snapshots" campaign and knowledge competitions, employee safety awareness and hazard identification capabilities were enhanced. This facilitated the closed-loop rectification of hazards and fostered a safety culture involving all employees.



Shenzhen Safety Production Month Activity



Suzhou Safety Production Month Activity

Dongguan Safety Production Month Activity

Ganzhou Safety Production Month Activity

## Physical and Mental Well-Being Care

Honor Electronic not only strives to create a safe and comfortable working environment but also assists employees in achieving a sound work-life balance through systematic measures for physical and mental well-being. We regularly organize diverse health promotion activities and continuously monitor the physical and mental well-being of our employees. We are committed to fostering a positive and warm workplace culture, providing comprehensive physical and mental health support to our employees, and jointly building a healthy and sustainable work ecosystem.



### "Vitality Circle" Health Initiative - Establishing a New Employee Health Management Model Integrating "Exercise and Weight Reduction"

Honor Electronic actively responded to the national weight management campaign by launching the "Vitality Circle" health promotion initiative in 2025. Centered on "exercise intervention + health management," the program promotes the goal of 150 minutes of moderate-intensity exercise per week. The initiative was implemented across four major bases in Shenzhen, Suzhou, Ganzhou, and Dongguan, engaging a total of 165 employees. Through a closed-loop approach of "policy guidance, data tracking, and outcome feedback," participants achieved an average weight loss of over 3 kg, with a maximum of 6 kg. Beyond improving employee health, the program also enhanced cross-department collaboration and fostered a culture of health management within the organization.



"Vitality Circle" Badminton Competition



### Shenzhen Headquarters Free Fitness Cards Support Employee Health Management

To encourage employees to develop a habit of exercise and enhance their physical fitness, the Shenzhen headquarters provides free gym membership cards to all employees. Employees may utilize the partner gym located beneath the headquarters building during break times to exercise, thereby alleviating stress and revitalizing their physical and mental well-being. This initiative integrates health management into daily work and life, synergizing with the Company's "Vitality Circle" health campaign to jointly foster a workplace atmosphere of "Happy Work, Healthy Life". It reflects the Company's pragmatic investment in and long-term care for the physical and mental well-being of its employees.



### Government-Enterprise Collaboration for Free Health Clinics to Fortify the Employee Health Defence Line

In December 2025, the Dongguan Base, in collaboration with the Hongmei Town Health Bureau, the Community Health Service Center, and Hongmei Hospital, jointly organized a free medical consultation event on the factory premises. A range of complimentary medical services, including Traditional Chinese Medicine physiotherapy, blood glucose testing, HIV screening, liver function tests, lung function tests, and B-mode ultrasound examinations, were provided on-site, with enthusiastic participation from employees. This initiative responded actively to Hongmei Town's call to bring its distinctive "Health Vice-Factory Director" campaign into enterprises. It introduced professional medical resources into the factory premises, thereby strengthening the collaboration among government, enterprise and community, while enabling employees to access convenient and caring health services right at the factory gate. This effectively conveyed the Company's commitment to the physical and mental well-being of its employees.



Health Free Clinic Event



### Employee Team-Building Activities in 2025

In 2025, in order to deeply implement the corporate culture of "humanistic care" and assist employees in achieving a balance between physical and mental well-being, the Group organized annual outdoor team-building activities for all subsidiaries and functional departments under the theme "Unite with Purpose, Embark on a New Journey". Employees stepped out of the office to take part in outdoor activities such as hiking and team challenges, reconnect with nature and relax. Through collaboration and shared experiences, they strengthened their bonds and consolidated their collective strength for future endeavors.



Suzhou Base Team-Building Activity



Team-Building Activities of Various Functional Departments

## Linked Responsibility Chains and Shared Value Creation

In sustainability practices, Honor Electronic treats supply chain responsibility and community engagement as key pillars for fulfilling its corporate social responsibilities. We are committed to constructing a responsible supply chain system by implementing stringent material control and traceability mechanisms to systematically mitigate environmental and social risks within the industrial chain. Additionally, we actively engage in public welfare initiatives including community volunteer services, educational support, and care for vulnerable groups, thereby fostering the coordinated development of the enterprise and the community.

### Key Performance Indicators

- In 2025, the Company audited a total of over 200 suppliers, achieving a 100% coverage rate for core suppliers with an average score exceeding 85.
- In 2025, following the Company's audit of its suppliers, it was confirmed that there were no non-compliant items regarding ESG violations and no corruption incidents involving suppliers.
- In 2025, the total number of the Company's suppliers exceeded 1,200, the localization ratio of suppliers stood at 68.83%, and the proportion of local procurement was 54.4%.

### The ESG material issues addressed in this section

Rural Revitalization, Social Contribution, Supply Chain Security

### The SDGs-related issues addressed in this section



# Sustainable Supply Chain

## Supplier Management

Honor Electronic has systematically integrated ESG principles into its supply chain management by establishing a management system oriented toward green procurement and covering the entire lifecycle of suppliers. While ensuring procurement efficiency and delivery stability, the Company has comprehensively integrated environmental protection, social responsibility, and business ethics requirements throughout the supplier on-boarding, procurement execution, evaluation, and empowerment processes, thereby continuously enhancing the compliance, resilience, and sustainability levels of its supply chain.

### Supply Chain Governance Framework

The Company has established a comprehensive procurement and supplier management system. It has formulated and implemented procedural documents, including the *Supplier Development Control Procedure* and the *Procurement Control Procedure*, which clearly stipulate requirements regarding the compliance, transparency, and integrity of procurement activities. These policies are regularly reviewed and updated to guarantee alignment with business development and regulatory requirements. Additionally, the Company has established a transparent procurement mechanism by formulating the *Transparent Procurement Platform Implementation Plan*, adhering to the principles of "honesty and creditworthiness, quality priority, and reasonable pricing". Internally, all procurement employees are required to sign the *Procurement Confidentiality and Integrity Self-Discipline Commitment Letter*, achieving a 100% signing rate, thereby reinforcing professional ethics at the foundational level. Externally, all suppliers are required to sign the *Supplier Social Responsibility Commitment* and the *Integrity Guarantee*, working together to uphold a procurement environment built on the principles of "openness, fairness, and impartiality", thereby extending commercial ethics and compliance responsibilities upstream throughout the supply chain.

At the organizational level, the Procurement Center, as the designated department for supplier management, collaborates with other functional departments to conduct joint assessments of suppliers across multiple dimensions, including commercial, technical, quality, environmental, and social responsibility criteria. Clear division of responsibilities among departments is established for procurement, acceptance, warehousing, and accounting processes to ensure that procurement activities are conducted in a standardized and orderly manner.

The Company implements comprehensive supervision over procurement activities and conducts regular internal audits. Key nodes, including the execution of procurement processes and supplier management, are subject to focused verification. Any identified issues are rectified immediately. A multi-supplier mechanism has been established for core materials. Through competitive bidding and written price comparisons, comprehensive assessments are conducted based on cost, quality, delivery capability, service level, and technical support, enabling the continuous optimization of procurement channels and enhancing supply chain efficiency and risk resilience.

In 2025, during the onboarding of new suppliers and the re-evaluation of existing ones, no material ESG violations were identified. This has effectively ensured the compliance and stability of the supply chain, as well as its resilience against global risks, providing a solid foundation for the Company's continued business expansion.

### Identification and Assessment of Supply Chain Risks

To ensure the security and stability of the supply chain, the Company has formulated and implemented the *Risk Material Management Specification*. Based on hazardous substance regulations and industry-specific risk characteristics, high-risk material categories such as hardware, plastics, chemicals, and wire products are dynamically identified and placed under prioritized control. This establishes a multi-layered supply chain risk prevention and control system covering the entire process.

Regarding cost risk management: The Company has established a comprehensive budgeting and operational analysis framework. Through quarterly and monthly target decomposition, supported by comparative, ratio, and variance analyses, it achieves dynamic monitoring of cost trends. This is linked to Key Performance Indicator (KPI) assessments, enabling rapid response to anomalies and prompt corrective actions. Simultaneously, a cost fluctuation early warning mechanism has been constructed to track key variables in real time, including raw material prices, exchange rate fluctuations, and labor costs, thereby enhancing risk prediction capabilities.

Regarding supply chain assurance: The Company has implemented a supplier diversification strategy to ensure that at least two to three qualified suppliers are available for critical materials, thereby establishing a stable contingency mechanism. In the event of a sudden supply disruption, supplier switching can be completed within 48 hours, effectively safeguarding production continuity and comprehensively enhancing resilience and risk resistance capabilities of the supply chain.

## Full Lifecycle Management of Suppliers

The Company implements dynamic grading and differentiated management centered on supplier access, assessment, and exit mechanisms. Through an integrated Supplier Relationship Management (SRM) platform, it achieves standardization, visualization and closed-loop control across the entire process.

### Supplier Selection and Admission

- The Company shall, based on actual needs and technical standards, prioritize selecting suitable candidates from the existing list of qualified suppliers. If requirements cannot be met this way, it shall seek alternative resources from the wider market. Suppliers shall only proceed to the in-depth assessment stage upon successful completion of the preliminary document review.
- An on-site audit is mandatory for all new supplier onboarding processes. The assessment scope encompasses multiple dimensions, including quality, delivery, environmental protection, and corporate social responsibility. The Company has established mandatory ESG entry criteria, integrating environmental protection, pollution prevention and control, and occupational safety into its assessment framework to ensure that suppliers comply with sustainable development requirements from the source.
- During the on-boarding phase, new suppliers are required to sign documents including the *Supplier Social Responsibility Commitment Letter*, the *Restricted Hazardous Substances and Environmental Assurance Undertaking*, the *Insurance Association Agreement*, the *Master Procurement Agreement*, the *Quality Agreement*, and the *Integrity Guarantee*. These documents specify compliance responsibilities and obligations, ensuring that their commercial conduct aligns with the Company's standards and applicable laws and regulations.

### Supplier Evaluation and Annual Audit

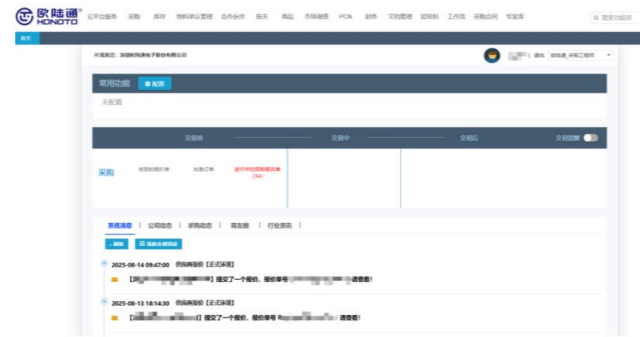
- The Company strictly adheres to the *Supplier Development Control Procedure* and implements a full-cycle, dynamic evaluation mechanism for key suppliers, integrating monthly tracking, quarterly assessments, and annual reviews.
- During routine monitoring, statistical analysis is conducted monthly focusing on quality and delivery performance. Quarterly comprehensive assessments are performed based on multi-dimensional performance metrics including quality, cost, delivery, and service. Based on performance outcomes, the Company categorizes suppliers into four tiers, designated A to D, and implements differentiated dynamic management, granting high-performing suppliers incentives such as preferential order allocation, while underperforming ones are placed under a warning and support mechanism or given a deadline for improvement.
- Furthermore, the Company convenes an annual cross-functional review panel to conduct on-site reassessments of critical and important suppliers using the *Supplier Site Assessment Checklist*. The review encompasses core areas including quality control, engineering technology, order delivery schedules, environmental management, and corporate social responsibility. A comprehensive reassessment is conducted to ensure that the supplier's overall capabilities remain aligned with the Company's development requirements.

### Supplier Exit

- For suppliers that fail to meet commercial, quality, or technical requirements even after undergoing corrective measures, the Company strictly enforces an exit mechanism and proceeds to disqualify and remove them from the approved list.

**Case** The Integrated Supplier Relationship Management (SRM) System Platform

In 2025, Honor Electronic comprehensively upgraded and launched its Supplier Relationship Management (SRM) system. The system covers all key stages of the supplier lifecycle, from supplier on-boarding, order coordination, change management, and inventory monitoring to supplier exit, and integrates eight core functions, including environmental documentation management, drawing issuance, PCN approval, approval document upload, shortage tracking, and EOL information updates. Through this systematic platform, the Company has further promoted standardization, visualization, and controllability of supplier management, significantly enhancing overall supply chain coordination and operational control.



Supplier Relationship Management (SRM) System



**Green Procurement Practices**

To promote sustainable development, Honor Electronic has integrated green principles into its procurement processes, continuously advancing green procurement practices and facilitating resource recycling across the upstream and downstream supply chain. We collaborate closely with suppliers to identify material recovery potential at the source. Through process optimization and technological synergy, we systematically promote the recycling of packaging materials and logistics containers, achieving coordinated improvements in resource conservation, cost reduction, and environmental benefits.

**Case** Green Procurement - Shell Transport Frame Recycling Project

To implement the objectives of green supply chain construction and achieve simultaneous improvements in cost reduction, efficiency enhancement, and environmental protection, the Company has initiated a project with its suppliers to recycle transport frames used for product housings. To address the issues arising from the single-use nature of existing transport frames, which can easily become idle and be discarded after a single use, thereby increasing warehousing pressure and environmental costs, both parties have jointly established recycling standards. These standards define the criteria for determining recyclable items and set out the relevant procedures. Furthermore, designated collection warehouses were set up alongside a regular door-to-door transfer mechanism, thereby establishing a closed-loop recycling system.

At the same time, the Company carried out cross-departmental training with suppliers to ensure that operational and acceptance procedures are implemented in a standardized manner. Upon implementation of the project, recovered transport frames were inspected and partially reused, thereby effectively reducing new procurement requirements and waste disposal expenditures, resulting in a significant reduction in overall costs. The project has deepened the Company's collaboration with suppliers regarding material circular management, providing replicable experience for subsequent rollout to other material categories and contributing to the establishment of a sustainable supply chain ecosystem.

**Supplier Enablement**

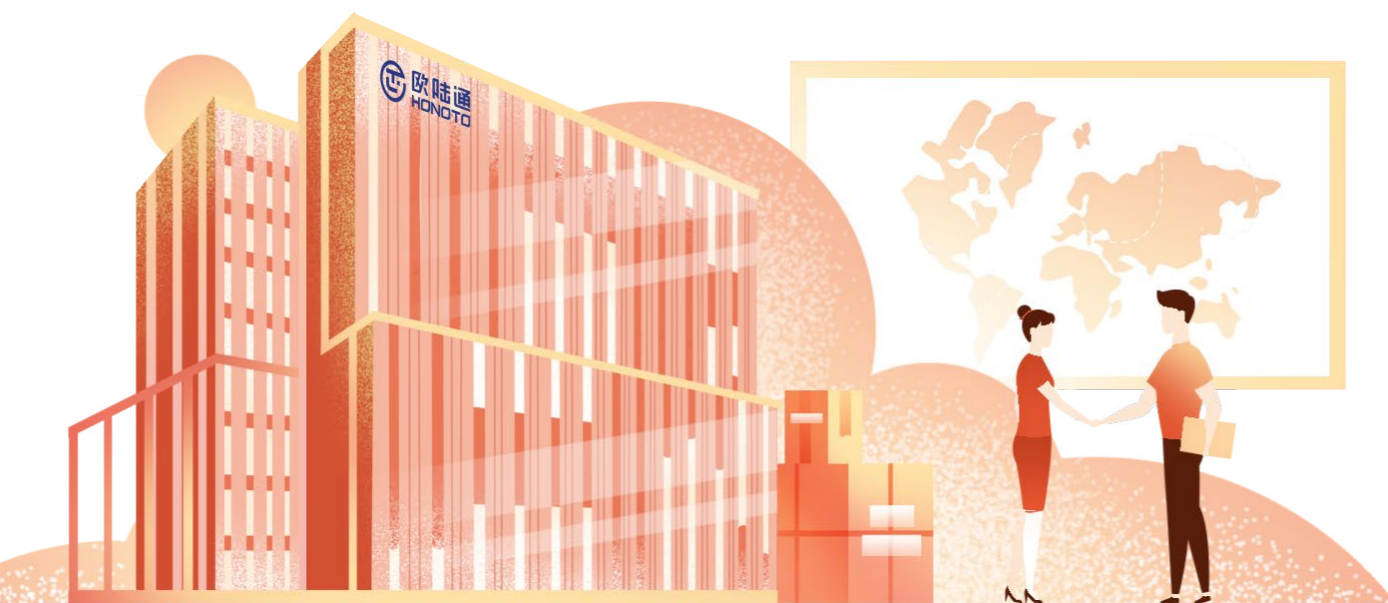
To continuously enhance supply chain quality and compliance levels, the Company routinely conducts supplier training. This involves systematic interpretation and practical guidance on quality management standards, laws and regulations, and the latest industry dynamics. The initiative aims to help suppliers accurately understand compliance requirements and industry trends, thereby enhancing their self-management capabilities and risk identification skills while jointly building a more resilient and sustainable supply system.

**Case** Honor Electronic's Supplier Environmental Management Conference

In the third quarter of 2025, the Company held the Honor Electronic Supplier Environmental Management Conference. The meeting focused on four key categories—inductors and transformers, casing sockets, cables, and PCBs—and, through targeted training, addressed the Company's latest policies and regulations on hazardous substance management while sharing industry best practices. This initiative aimed to strengthen product quality and environmental compliance at the source, reinforce collaborative control across the upstream and downstream supply chain, and comprehensively enhance suppliers' environmental awareness and management capabilities. The training achieved 100% coverage of key suppliers and empowered nearly 200 partners in total, laying a solid foundation for building a sustainable green supply chain.



Supplier Environmental Management Conference



## Management of Hazardous Substances

Honor Electronic has established a hazardous substance process management system spanning the entire product lifecycle, with the aim of ensuring environmental safety of products and fulfilling corporate environmental responsibilities. The Company strictly complies with international environmental regulations such as the EU RoHS and REACH directives, as well as standards set by domestic and overseas clients. It has established the *Hazardous Substance Process Management Manual* and adopted a management policy of "compliance with regulations, pollution reduction, continuous improvement, environmental protection, and no acceptance, manufacture, or release of hazardous products". Furthermore, we have established clear annual targets, including "zero environmental management failures" and "zero incidents of excessive hazardous substances in incoming materials", and formulated the *HSF Material Control Standard*. To support this, a comprehensive set of procedural documents has been established covering the entire process from supplier assessment and raw material inspection to non-conforming product control, thereby forming a systematic and closed-loop operational framework. The hazardous substance management systems at the Company's major production bases have obtained the international IECQ QC080000 certifications.

The Company's Major Production Bases have Obtained QC 080000 Certifications for the Hazardous Substance Process Management System



### Responsibility Management

The Company has established a clear two-tier management system comprising the Group and the factories. The Group Quality Center is responsible for the unified leadership and oversight of the hazardous substances management system, issuing Group-wide control documents that all factories are required to strictly implement. Responsibilities for hazardous substance management are distributed across relevant business departments: the R&D center is required to prioritize environmentally friendly materials and conduct HSF assessments during material selection; the Procurement Department is responsible for supplier HSF reviews; and the Quality Center, together with its subordinate IQC Laboratory, assumes the core execution functions covering incoming inspection and process monitoring to final release.

### Digital Control

On the front of the supply chain, supplier environmental agreements and third-party test reports are managed via the SRM system. Materials are classified by risk level, with pre-configured sampling inspection rules established in the ERP system; test results are automatically evaluated and uploaded, while environmental traceability codes are written back to ERP documents, thereby achieving full-process data traceability from suppliers to internal inspection. For non-compliant HSF products, the *HSF Non-Conformance Control Procedure* is strictly implemented to ensure segregation, traceability, and the implementation of corrective actions by suppliers.

## Management of Conflict Minerals

Honor Electronic has consistently upheld the principles of responsible procurement and deeply implemented supply chain due diligence management. The Company strictly adheres to the requirements set forth in the OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* and Section 1502 of the *US Dodd-Frank Act*, and has established the comprehensive *Conflict Minerals Management Measures*. We have conducted full lifecycle tracing for key materials including tin, tungsten, tantalum, gold, and cobalt. Through continuous supply chain due diligence and risk assessment, the Company ensures that the origin of resources is legal and transparent, and strictly prohibits any direct or indirect support for armed conflict and human rights violations. In terms of supply chain collaboration, the Company has achieved 100% coverage in obtaining signed *Conflict Minerals Survey and Undertaking* from key suppliers, ensuring that minerals sourced from conflict-affected areas or in violation of the Company's policies are not used within the supply chain.

Currently, Honor Electronic's production processes do not involve the use of 3TG mineral resources. In the future, Honor Electronic will continue to optimize its dynamic supplier onboarding and exit mechanisms to promote sustainable and compliant development of the global electronics supply chain.



# Community Engagement and Social Contribution

Honor Electronic has consistently upheld its original aspiration of proactively giving back to society and conveying care, deeply integrating social responsibility into the enterprise's development strategy and practice. We remain committed to deeply integrating into community development through a systematic and diversified approach, conveying corporate warmth through inclusive co-construction, and jointly creating and sharing value.

In supporting national major strategies, the Company has actively responded to the call for rural revitalization by adopting a "purchase-based philanthropy" approach. It has procured agricultural products from underdeveloped regions in a targeted manner and leveraged its own channel resources to facilitate promotion. This has effectively contributed to increasing farmers' income and fostering the self-sustaining capacity of rural industries, thereby making a significant contribution to consolidating poverty alleviation achievements and promoting coordinated urban-rural development.

In deepening community co-construction, the Company has remained rooted in its local community and established long-term partnerships with municipal sub-districts and public welfare organizations. We regularly organize teams of employee volunteers to visit communities to provide routine care and support. During traditional festivals, we organize themed events and invite community residents to participate, extending corporate goodwill directly into the fabric of society and strengthening community bonds.

Furthermore, the Company encourages and supports employees to participate in various social public welfare projects in the form of voluntary service, thereby internalizing philanthropy and charity as an integral component of corporate culture. We believe that an enterprise's value is demonstrated not only by commercial achievements but also by its tangible contribution to social welfare. In the future, the Company will continue to explore pathways for fulfilling its social responsibilities, cultivating expertise in multiple areas including philanthropy and charity, community service, and environmental protection. Collaborating with all sectors of society, it aims to co-create a brighter future.

## Case Procurement of Agricultural Products to Assist Farmers

The Company actively responded to the call for rural revitalization by integrating social responsibility into its supply chain practices. Prior to the Mid-Autumn Festival in 2025, the Company invested a cumulative total of over RMB 400,000 to procure high-quality and distinctive agricultural products, including "Dinosaur Plum Melon" under the Xinjiang Qianjiangke brand and Sichuan Daliangshan Tunisian Soft-Seed Pomegranate, as benefits for employees. This initiative has precisely supported the development of regions such as Xinjiang and Daliangshan's characteristic agricultural industries while promoting product branding and supply chain optimization, thereby assisting in the construction of a sustainable rural industrial ecosystem. The Company has put into practice the public welfare philosophy of "purchase to support and sell to promote production" through concrete actions, demonstrating its corporate responsibility to drive local development with commercial power and achieve symbiotic prosperity with the society.



Products Supporting Agriculture



## Case Conveying Seasonal Warmth and Empowering Community Well-being

In 2025, the Company, utilizing traditional festivals as a medium, actively engaged in the development of community cultural life and the provision of care for people's livelihood. During the Dragon Boat Festival and Mid-Autumn Festival, the Company not only donated special funds to the community to support the organization of festive cultural activities such as preparing zongzi and mooncakes, dragon boat racing, and neighborhood gatherings, but also organized employee volunteers to visit the community to deliver festival greetings and invited residents to participate in the interactive festival activities, fostering a warm and harmonious community atmosphere. We have carried forward fine traditional Chinese culture through concrete actions and conveyed corporate warmth via sustainable engagement methods. This has fostered neighborhood interaction and community integration, while continuously contributing positive efforts toward building a more cohesive and humanistic community ecosystem.



Dragon Boat Festival and Mid-Autumn Festival Activities

## Case Community Co-Building During the Safety Production Month

During the Safety Production Month in 2025, the Company collaborated with the Nanhua Mingzhu Garden community, where its headquarters is located, to jointly conduct fire drills and emergency response exercises. Through these practical drills, the fire safety awareness and emergency response capabilities of both residents and employees were enhanced. Not only did this exercise strengthen the collaborative link between the enterprise and the community in the field of security prevention, but it also extended the enterprise's safety management experience to the surrounding communities, thereby contributing to neighborhood safety with professional capabilities. This reflects the Company's active fulfillment of its corporate social responsibilities and its contribution to building a safe and harmonious community environment.



Community Emergency Drill

# Appendix

## ESG Metrics Index

Dimension	Material Topics	Corresponding Chapter
Environment	1. Climate Change Response	Climate Change Response
	2. Emissions of Pollutants	Green Operations
	3. Waste Disposal	Green Operations
	4. Protection of Ecosystems and Biodiversity	Environmental Management
	5. Environmental Compliance Management	Environmental Management
	6. Energy Utilization	Green Operations
	7. Utilization of Water Resources	Green Operations
	8. Circular Economy	Green Operations
Society	9. Rural Revitalization	Community Engagement and Social Contribution
	10. Social Contribution	Community Engagement and Social Contribution
	11. Innovation-Driven	Technological Innovation
	12. Ethics in Technology	Technological Innovation
	13. Supply Chain Security	Sustainable Supply Chain
	14. Equal Treatment of Small and Medium-Sized Enterprises	Sustainable Supply Chain
	15. Safety and Quality of Products and Services	Craftsmanship and Quality
	16. Data Security and Privacy Protection	Data Security and Privacy Protection
	17. Employees	Safeguarding the Rights and Interests of Employees; Promotion of Employee Development; Safeguarding Safety and Health
Sustainability Governance	18. Due Diligence	Sustainable Supply Chain
	19. Stakeholder Engagement	Sustainability Management
	20. Anti-Bribery and Anti-Corruption	Compliance Operations
	21. Unfair Competition	Compliance Operations

## ESG Data Indicator Performance Table

Environmental Performance		
Key Performance Indicators	Unit	2025
Total environmental protection investment	Ten thousand RMB	1,370.86
Total water consumption	Cubic meters	297,365
Total quantity of non-hazardous waste generated	Tonne	1,640.31
Total quantity of hazardous waste generated	Tonne	69.80
Total volume of hazardous waste recycled and processed	Tonne	54.07
Total volume of non-hazardous waste recovered and processed	Tonne	895.50
Total volume of wastewater discharge	Cubic meters	267,628.40
Petrol	Liter	55,476.60
Diesel	Liter	21,808.77
Scope 1 greenhouse gas emissions	Tonnes of carbon dioxide equivalent (tCO2e)	189.07
Scope 2 greenhouse gas emissions	Tonnes of carbon dioxide equivalent (tCO2e)	35,153.29

Social Performance		
Key Performance Indicators	Unit	2025
Total number of employees	Person	5,565
Number of male employees	Person	3,001
Number of female employees	Person	2,564
Number of employees with disabilities	Person	12
Proportion of employees aged 18-29	%	42.96
Proportion of employees aged 30-49	%	53.51
Proportion of employees aged 50 and over	%	3.52
Proportion of employees with a master's degree or above	%	1.69
Rate of execution of labor contracts	%	100
Coverage rate of the five social insurances and one housing fund	%	100
Annual training expenditure	Ten thousand RMB	93.90
Employee training coverage rate	%	95
Total duration of employees' training	Hour	105,091
Average number of hours of training received by employees	Hour	12
The number of employees subject to regular performance appraisals	Person	934
Incidence rate of occupational diseases	%	0

Social Performance		
Key Performance Indicators	Unit	2025
Work-related injury rate	%	0.32
Working days lost due to work-related injuries per million revenue	Day per million revenue	0.14
Number of employee fatalities arising from work-related incidents	Person	0
Number of R&D specialists	Person	959
Proportion of R&D specialists	%	17.23
Cumulative number of authorized patent projects	Item	245
Cumulative number of invention patents obtained	Item	30
Number of newly granted invention patents	Item	10
Cumulative number of utility model patents obtained	Item	177
Number of newly granted utility model patents	Item	26
Cumulative number of design patents obtained	Item	38
Number of newly granted design patents	Item	13
Number of software copyrights	Item	103
R&D-to-Revenue ratio	%	6.70
Customer satisfaction	%	98.4
Number of resigned employees	Person	3,029
Employee turnover rate	%	36.03
Localization ratio of suppliers	%	68.83
Proportion of local procurement	%	54.4

Governance Performance		
Key Performance Indicators	Unit	2025
Proportion of independent directors	%	33.33
Proportion of female directors	%	33.33
Proportion of independent non-executive directors on the Audit Committee	%	66.67
Proportion of independent directors on the Remuneration and Appraisal Committee	%	66.67
Proportion of independent directors on the Strategic Committee	%	66.67
Proportion of independent non-executive directors on the Nomination Committee	%	66.67
Number of public announcements issued	Copies	160



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