



# 2025

## Environmental, Social and Governance Report

SUZHOU DONGSHAN PRECISION MANUFACTURING CO., LTD.



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# Report Preparation Instructions

The 2025 Environmental, Social and Governance Report of Suzhou Dongshan Precision Manufacturing Co., Ltd. (the "Report") aims to disclose the Company's philosophy, management practices, and key performance in sustainable development to stakeholders, responding to stakeholders' expectations and concerns adequately.

## Scope and Boundaries of the Report

The Report mainly discloses information and key performance of Suzhou Dongshan Precision Manufacturing Co., Ltd. and its branches and subsidiaries in fulfilling environmental, social, and governance responsibilities in 2025. Unless otherwise specified for certain information, the policies, statements, and data in this report cover the actual business scope of Suzhou Dongshan Precision Manufacturing Co., Ltd. and its branches and subsidiaries, which are consistent with those in the annual report.

## Reference in the Report

For ease of presentation and reading, DSBJ and its branches and subsidiaries are referred to by the abbreviations listed in the table below throughout this Report.

Company name	Abbreviation
Suzhou Dongshan Precision Manufacturing Co., Ltd.	DSBJ, the Company, the Group or we/us
Multi-Fineline Electronix, Inc.	MFLEX
Multek Group (Hong Kong) Limited	Multek
Source Photonics Holdings (Cayman) Limited	Source Photonics
MFLEX Suzhou Co.,Ltd.	MFLEX Suzhou
MFLEX Yancheng Co.,Ltd.	MFLEX Yancheng
Multek Industries Ltd.	Multek Industries
Multek Electronics Ltd.	Multek Electronics
Multek Technology (Zhuhai) Co., Ltd.	Multek Technology
Suzhou Dongyue New Energy Technology Co., Ltd.	Suzhou Dongyue
Multek China Ltd.	Multek China
Yancheng Dongshan Precision Manufacturing Co., Ltd.	Yancheng Dongshan
Yancheng Mutto Optronics Technology Co., Ltd.	Mutto Optronics
Suzhou Rf Top Electronic Communication Co., Ltd.	Rf Top Electronic
DSBJ Pte. Ltd. (DSBJ Singapore)	DSG
Suzhou JDI Electronics Inc	JDI Electronics
Suzhou Chengjia Precision Manufacturing Co., Ltd.	Suzhou Chengjia
Dongguan Dongshan Precision Manufacturing Co., Ltd.	Dongguan Dongshan

Company name	Abbreviation
Yancheng Dongchuang Precision Manufacturing Co., Ltd.	Yancheng Dongchuang
Suzhou Yongchuang Communication Technology Co., Ltd.	Yongchuang Technology
Groupe Mécanique Découpage	GMD Group

## Reporting Period

The period is from January 1, 2025, to December 31, 2025, and extends appropriately to previous and subsequent years.

## Basis for Preparation

*GRI Sustainability Reporting Standards* (GRI Standards) issued by the Global Sustainability Standards Board (GSSB); *Guidelines No. 17 on Self-Regulation of Listed Companies — Sustainability Report (Trial)* issued by the Shenzhen Stock Exchange (SZSE); *Guidelines No. 3 on Self-Regulation of Listed Companies — Preparation of Sustainability Report (Revised 2026)* issued by the Shenzhen Stock Exchange (SZSE); *ISO 26000: Guidance on Social Responsibility (2010)* issued by the International Organization for Standardization (ISO); and the United Nations Sustainable Development Goals (SDGs).

## Principles for Preparation

This Report is subject to the following four principles, namely, "Materiality", "Impartiality", "Quantification", and "Consistency".

- Materiality.** The Company conducts a materiality assessment to identify and evaluate ESG topics that are material to our business, internal and external stakeholders to focus the Report on relevant disclosure. For a more detailed materiality assessment process and results, please refer to the "Sustainable Development Management" section of the Report.
- Impartiality.** The content of the Report reflects objective facts, providing unbiased disclosure of both positive and negative information related to the Company, and impartially stating the Company's efforts across various aspects of ESG. During the reporting period, we have identified no significant negative events with a material impact that should have been disclosed.
- Quantification.** In this Report, the Company discloses ESG quantitative performance indicators and establishes quantitative performance targets where applicable. The measurement standards, methods, assumptions, and/or calculation tools for key performance indicators in this Report, as well as the sources of conversion factors used, have been explained in the respective sections, where applicable.
- Consistency.** This Report maintains consistency in the statistical and disclosure methods of the same indicators across different reporting periods. Any changes in statistical and disclosure methods will be fully explained in the report notes, facilitating meaningful analysis and evaluation by related parties.

## Source of Information

All information and data used in this Report is derived from the Company's official documents, statistical reports, financial reports, and materials summarized and reviewed by the Company's responsible management department. In case of any discrepancies between the relevant financial data and the Company's annual report, the annual report shall prevail. Unless otherwise specified, the currency amounts mentioned in this Report are denominated in Renminbi (RMB).

## Reliability Assurance

The Company undertakes that the content of this Report contains no false records, misleading statements, or major omissions, and the Company is responsible for the truthfulness and accuracy of the content.

## Access to the Report

Welcome to visit the Company's official website at [www.dsbj.com](http://www.dsbj.com) to access the electronic version of the Report.

# Message from the CEO

ESG, far more than a conceptual framework, is a fundamental commitment woven into our strategic decisions and daily practice. We firmly believe that sustainable development is not a solitary journey, but a shared endeavor undertaken alongside our stakeholders to build a more promising future. Looking back at 2025, a year defined by both challenges and growth, thanks to numerous touching moments of resolve, DSBJ has remained steadfast in its mission, moving forward hand-in-hand with our partners to forge a sustainable path.

In 2025, amid global economic fluctuations and manufacturing uncertainties, ESG has evolved from an "optional elective" to a "mandatory imperative." This shift reinforces our conviction that corporate responsibility is the bedrock of long-term growth. Guided by our spirit of "Breakthrough, Diversity, Simplicity and Journey", we have continued to scale our industrial footprint and kept our original intention toward our employees, partners, and society. From core consumer electronics components and key NEV (New Energy Vehicle) parts to emerging frontiers like AI PCBs and high-speed optical chips, we are successfully cultivating new growth curves. Our growth, in every step, is contributed to by the hard work of our employees, the trust of our partners, and the support of all sectors of society. Today, our products and services have achieved global presence. To our customers, we deliver not just premium products, but a promise of sustainable value.

In 2025, with the integration of green principles into every facet of our operations, we have realized low-carbon development, which is not only a corporate responsibility but also a mindful protection of society and the environment. We accelerated the transition toward digital-intelligent manufacturing, leveraging smart production scheduling, lean process optimization and process innovation to minimize energy consumption and emissions while maximizing resource efficiency. Furthermore, we extended our environmental mandate across the entire value chain. By embedding sustainability requirements into the entire process, including supplier onboarding, production synergy, and product delivery, etc., we have established a green supply chain cooperation mechanism with upstream and downstream partners, forming a responsible industrial ecosystem that champions low-carbon development from end to end.

In 2025, we never lost sight of the truth that the growth of an enterprise is inseparable from the strength of its people. We cherish every member of the DSBJ family, continuously refining our compensation systems and building platforms for professional growth, listening to every voice, and ensuring that those who strive feel a genuine sense of belonging and achievement, and that every contribution is seen and valued. We hold the trust of every customer in the highest regard, upholding

integrity in all our operations and delivering premium service to honor every expectation, accompanying our customers on their journey of growth through reliable products and services. We remain deeply connected to the communities around us, channeling our care into meaningful philanthropic initiatives that carry warmth and goodwill.

In 2025, with the belief that innovation should serve a dual purpose, we fulfilled our era's mission of sustainability while driving efficiency. We have deeply positioned ourselves within the AI hardware ecosystem. Through the strategic acquisition of Source Photonics and the technical expertise of Multek in high-end PCBs, we have completed strategic positioning in key industries, successfully building a full-chain synergy of "PCB + Optical Chips + Optical Modules." With continuously increased investment in the next-generation capacity, we have fortified the core hardware carriers for AI servers, providing solid support for the era of computing power. Furthermore, we are harmonizing deep AI integration with corporate development, contributing to carbon reduction through high-efficiency hardware solutions. On the basis of a globalized IT compliance and governance system, we have coordinated domestic and overseas technical resources and data security, to form unified, efficient, and secure global IT operational capabilities, thereby ensuring reliable

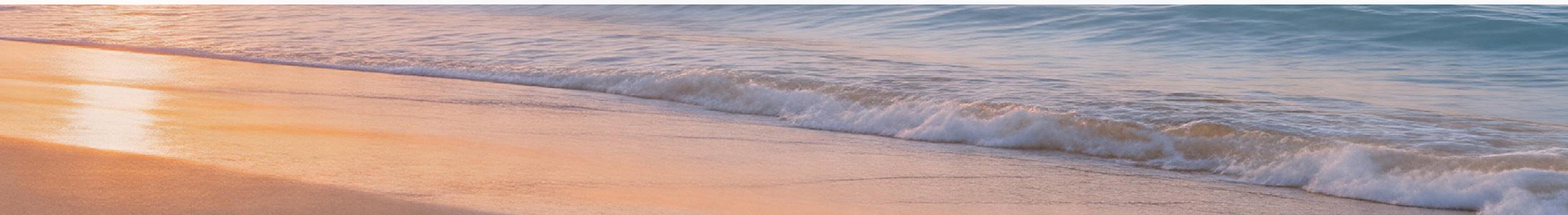
core technologies and steady business operations to empower the broader industry's green transformation.

As we move into 2026, ESG at DSBJ will enter into a new chapter, more focused on depth and impact. Leveraging our position as a company listed in both the A-share and H-share markets, we will continue to benchmark our governance against international best governance practices. We are committed to strictly complying with domestic and overseas regulatory requirements, continuously refining our international governance structure, optimizing global decision-making systems, and enhancing the Board's professional oversight and transparency in information disclosure to safeguard our global expansion and high-quality development through standardized and transparent governance practices. There are no shortcuts on the path to sustainability. Only a steadfast heart and a firm focus on technology-driven progress can empower us to develop the industry, give back to society, and join hands with all stakeholders to pursue a greener, more inclusive, and sustainable future.

**SHAN Jianbin**

Director and CEO

Suzhou Dongshan Precision Manufacturing Co., Ltd.

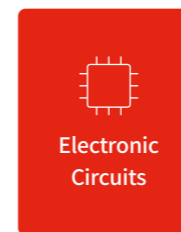


# About DSBJ

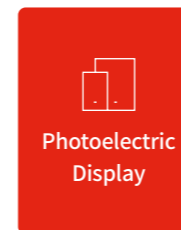
Headquartered in Suzhou, Jiangsu Province, Suzhou Dongshan Precision Manufacturing Co., Ltd (stock code: 002384.SZ), with the mission of "building a better connected world for tomorrow", is committed to growing into a leading provider of intelligent interconnection products and solutions. Anchored by robust technical capabilities, the Company remains committed to cultivating its main business while driving strategic expansion and upgrades. We have established a globally integrated and highly synergistic product portfolio spanning optical modules (including optical chips), electronic circuits, precision components, touch panels, and LCMs. By integrating our comprehensive strengths in R&D, manufacturing, and supply chain excellence, we can deliver global clients with comprehensive, one-stop strategic solutions. As of the end of 2025, the Company is the world's largest PCB supplier for edge AI devices, the world's second largest FPC supplier, and one of the world's top three PCB suppliers.

The Company actively promotes the globalization strategy and continues to deepen the global business layout. In 2025, through the strategic consolidation of Source Photonics, the Company formally established its presence in the optical communication sector. By building a vertically integrated full-industry chain from optical chips to modules, we have significantly enhanced our AI computing infrastructure portfolio, driving the high-quality advancement of the intelligent interconnection industry. Concurrently, the Company completed the 100% equity acquisition of the GMD Group in France, optimizing our industrial footprint in Europe and fortifying our competitive edge in intelligent automotive components. With approximately 15 production bases strategically established across Asia, North America, Europe, and Africa, we have significantly enhanced localized operational efficiency and customer responsiveness, building a more resilient and synergistic global operating system. In 2025, the Company was ranked 358th among China's top 500 private enterprises and 254th among China's top 500 private manufacturing enterprises. Looking ahead, by embracing a more open innovation mindset, we will accelerate the transition to next-generation intelligent manufacturing, building a more resilient global product-and-service ecosystem that sharpens our market responsiveness and spearheads transformative growth across the industry.

## Growing into a leading provider of intelligent interconnection solutions



The Company is dedicated to providing comprehensive electronic circuit products and services for industry-leading customers. We offer our customers one-stop solutions involving design, R&D, and manufacturing of electronic circuit products according to customized requirements for different downstream end products. Our products are widely used in smartphones, computers, AR/VR, wearable devices, data centers, communication equipment, new energy vehicles, energy storage, industrial control equipment, AI hardware, etc.



The Company is a well-known manufacturer of touch displays and LCMs in the industry. Among our products, the touch panel products are mainly used in the medium and large-size display field, including products such as laptops, tablet PCs, and smart homes; and the LCD module downstream applications are mainly used in consumer electronics (such as smart phones and tablet PCs, etc.), automotive, and other fields.



The Company mainly provides precision metal structural parts and components for customers in the new energy vehicles, energy storage, and communication equipment fields. The main products include functional structural parts for new energy vehicles, such as heat sinks, battery pack shells, body-in-white, battery structural components, die-castings, and interior components, and structural parts and components for mobile communication base stations, such as antennas, filters.



The Company is dedicated to the design, research, development, production, and sales of optical communication modules and components, with a vertically integrated full-industry chain from optical chips to modules. Our products are widely used in AI computing power, data centers, telecommunications networks, and 5G communications. With R&D and production bases in California (USA), Taiwan (China), Chengdu (Sichuan), and Changzhou (Jiangsu), we have the ability of globalization delivery.

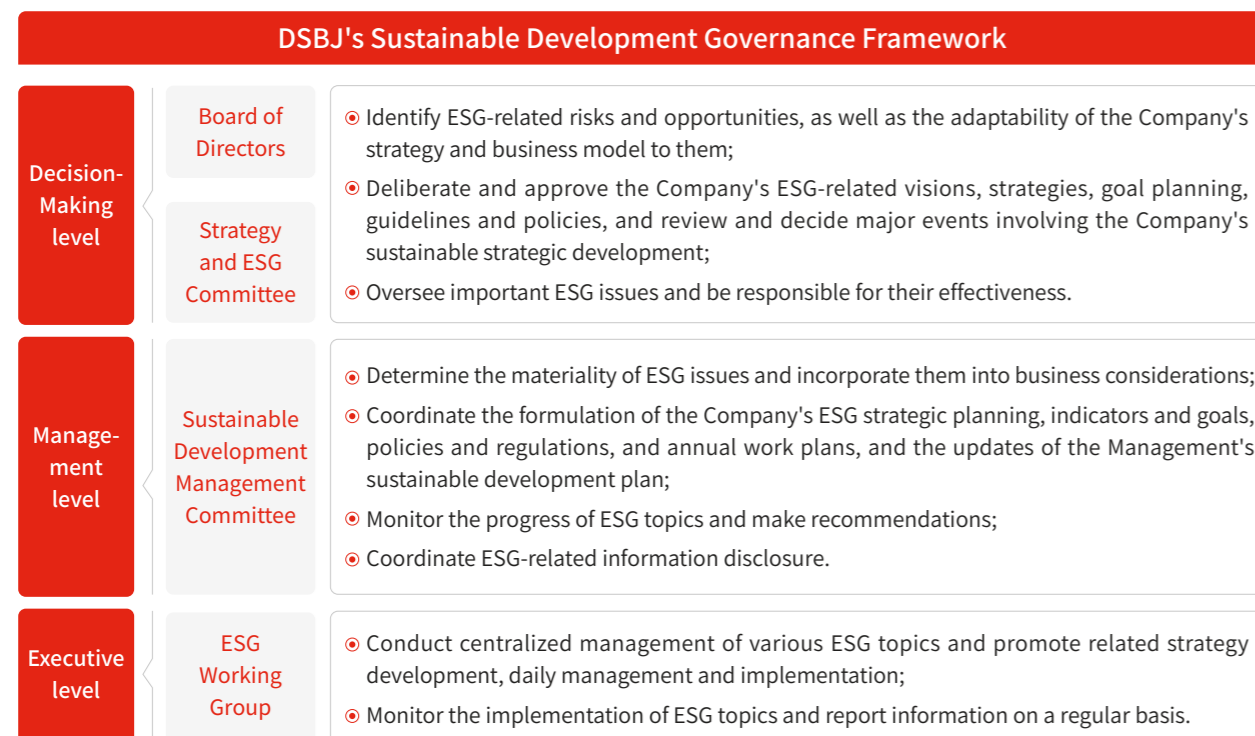
# Sustainable Development Management

## Sustainable Development Governance Framework

In order to better integrate sustainable development demands with the Company's development strategies and operations and management activities, DSBJ continuously improves its environmental, social, and corporate governance systems. The Company has clarified management concepts and principles, authority scope, work tasks, decision-making processes, and rules of procedure, incorporating sustainable development management into the Company's governance framework, thereby establishing a sustainable development management system covering the Board of Directors, management, functional departments, and business segments. The Company has continuously enhanced its risk control and value creation capabilities in the sustainable development area.

The Company's Board of Directors is the highest decision-making body on economic, environmental and social issues, responsible for reviewing and deciding major events related to the Company's sustainable development, and their effectiveness. The Strategy and ESG Committee under the Board of Directors, as a research and guidance institution for sustainable development work, provides professional support for the Board of Directors' decision-making. The professional capabilities of the Board of Directors in supervising ESG-related impacts, risks, and opportunities are detailed in the "Corporate Governance/Diversified Structure of the Board of Directors" chapter of this Report. The Company has established a Sustainable Development Management Committee within its management framework. As the primary executive body for ESG management, the Committee is responsible for identifying and managing ESG risks and opportunities, while strategizing and orchestrating the implementation of ESG initiatives and issues. Supporting this, a cross-functional ESG Working Group—comprising corresponding personnel from various departments, branches and subsidiaries—oversees day-to-day operations. Furthermore, ESG performance indicators are integrated into departmental KPIs, with an incentive and accountability mechanism in place to align annual assessment results with performance outcomes.

During the reporting period, the Company deliberated major ESG issues such as materiality assessment and achievement of goals on ESG issues while organizing multiple ESG-specific training sessions to enhance employees' understanding of the Company's ESG management strategies and related work, thereby better promoting the implementation of ESG efforts.



## Sustainable Development Strategy

Guided by our mission to "build a better-connected world for tomorrow", DSBJ seamlessly integrates sustainable development into our core corporate strategy. By aligning with the United Nations Sustainable Development Goals (SDGs) and global green transformation trends, we have established a systematic roadmap for our sustainability journey. We remain committed to refining our ESG impact, risk, and opportunity management mechanisms. Through proactive identification and substantive response to key sustainability issues, DSBJ is embarking on a new journey towards high-quality development.



## Communication with Stakeholders

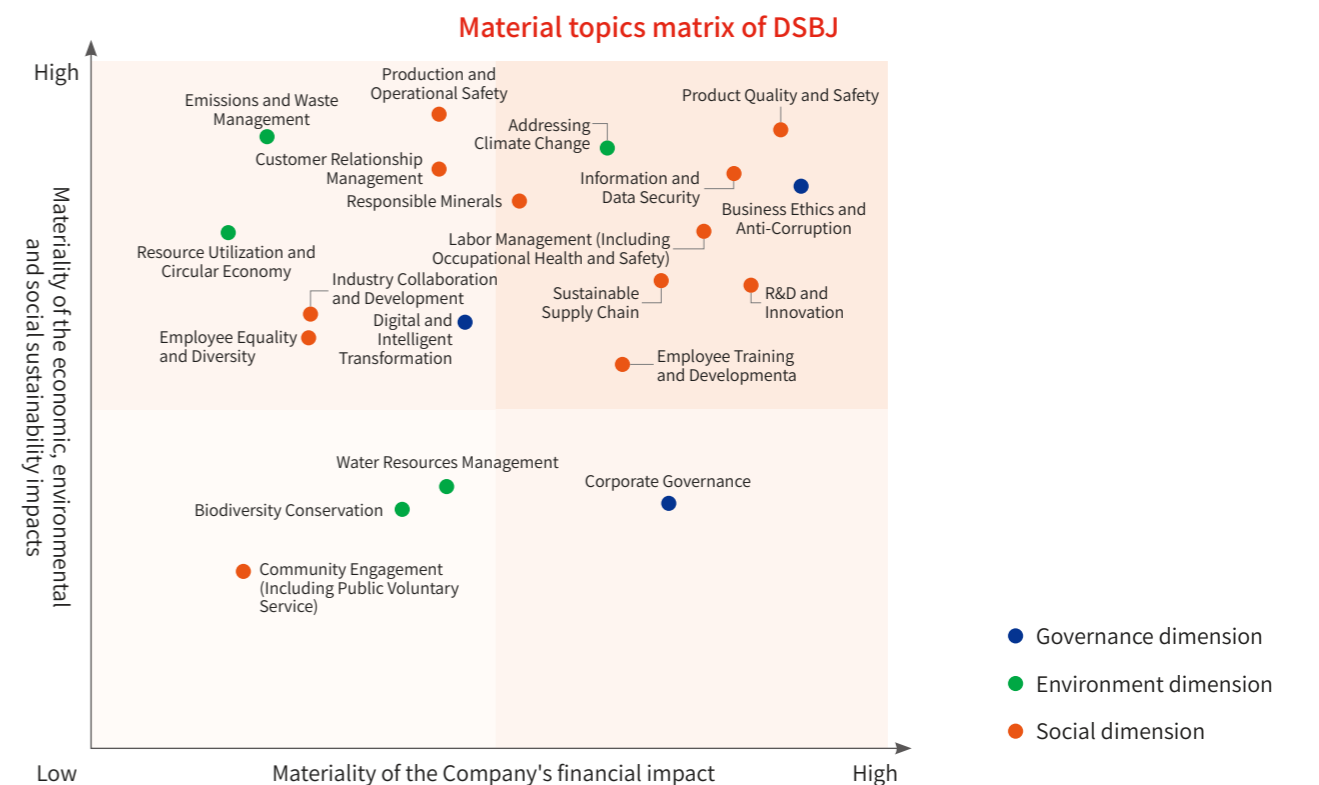
DSBJ prioritizes the expectations and requirements of all stakeholders. Adhering to *the AA1000 Stakeholder Engagement Standard* and international best practices, we have systematically identified key stakeholder groups and established a robust, multi-channel communication mechanism. By embedding stakeholder concerns into our sustainability targets and management enhancements, we are committed to fostering long-term partnerships built on mutual trust and shared value creation.

Key stakeholders	Expectations and demands	Communication method
 <b>Government and regulatory agencies</b>	<ul style="list-style-type: none"> <li>Compliance and risk management</li> <li>Business ethics and anti-corruption</li> <li>Serving national major strategies</li> <li>Support local development</li> </ul>	<ul style="list-style-type: none"> <li>Special meetings or reports</li> <li>Policy consultation feedback</li> <li>Official visit</li> <li>Compliance regulatory inspections</li> </ul>
 <b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>Sustainable and stable returns</li> <li>Information transparency</li> <li>Investor relations management</li> </ul>	<ul style="list-style-type: none"> <li>Information disclosure</li> <li>General Meeting of Shareholders</li> <li>Financial reports and interim announcements</li> <li>Investor surveys, hotlines, online Q&amp;A, etc.</li> <li>Performance presentation meeting and other communication activities</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Employee rights protection (including occupational health and safety)</li> <li>Employee training and development</li> </ul>	<ul style="list-style-type: none"> <li>Trade unions and workers' congress</li> <li>Employee training, activities, and communication</li> <li>Internal information exchange platform</li> <li>Employee complaint channel</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>Product quality and safety</li> <li>Product and service innovation</li> <li>Business continuity</li> <li>Information and data security</li> </ul>	<ul style="list-style-type: none"> <li>Customer relationship management</li> <li>Customer review</li> <li>Customer satisfaction survey</li> </ul>
 <b>Suppliers and partners</b>	<ul style="list-style-type: none"> <li>Sustainable supply chain</li> <li>Responsible minerals</li> <li>Industry collaboration and development</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain audit</li> <li>Open cooperation</li> <li>Communication</li> <li>Industry exchange conference</li> </ul>
 <b>Community and public</b>	<ul style="list-style-type: none"> <li>Product quality and safety</li> <li>Environmental impact management</li> <li>Public welfare and charity</li> <li>Community communication and development</li> </ul>	<ul style="list-style-type: none"> <li>Media interaction</li> <li>Information disclosure</li> <li>Charitable projects</li> <li>Volunteer activities</li> </ul>

## Materiality Analysis

Materiality analysis helps enterprises identify and assess potential risks, providing support for decision-making and management. In 2025, DSBJ updated its analysis methods according to the disclosure standards, including but not limited to *the GRI Sustainable Development Reporting Standards (GRI Standards)*, *the International Financial Reporting Standard on Sustainability Disclosure 1 - General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)*, and *the Guidelines No.17 on Self-Regulation of Listed Companies - Sustainability Report (Trial)* from the Shenzhen Stock Exchange. This update involved assessment from two dimensions: "Impact Materiality" (the materiality of impacts on economic, environmental, and social sustainability) and "Financial Materiality" (the materiality of impacts on the Company's finances). Through such assessment, we comprehensively reviewed various concerns and their financial impacts on the Company, selected ESG topics with high impacts that would be highlighted in the report, and continuously improved ESG management to better meet stakeholders' expectations and demands.

<b>ESG Issue Identification</b>	We compile a list of ESG topics by systematically identifying general and industry-specific issues, which is informed by authoritative domestic and international sustainability reporting guidelines and standards, mainstream domestic and international ESG rating systems, sustainable development topics focused by industry peers and issues of common concern for internal and external stakeholders.
<b>Materiality assess</b>	We assess the "Impact Materiality" and "Financial Materiality" under a dual materiality assessment framework and form the 2025 materiality topic matrix that has determined this year's materiality topics and their priorities.
<b>Confirmation and Disclosure</b>	The Strategy and ESG Committee under the Board of Directors determines the ESG topics of high importance by reviewing the screening and analysis results. Identified financial materiality topics will be highlighted in this Report based on the four pillars of "Governance - Strategy - Impact, Risk and Opportunity Management - Indicators and Targets".



### Analysis of Impacts, Risks and Opportunities of Material Topics

Material Topics	Scope of Impact			Impact Cycle			Risks and Opportunities	Impact Level	UN SDGs
	Upst- ream	Opera- tions	Downst- ream	Short- term	Mid- term	Long- term			
Product quality and safety	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>There are risks related to design and research and development, production and process, as well as regulatory and compliance risks. If the Company fails to respond effectively, it may face regulatory penalties, entry restrictions, and a decline in market trust.</li> <li>We will increase customer trust, enhance market share, and gain competitive advantages by implementing high standards of safety and quality practices.</li> </ul>	Negative impact (L) Positive impact (L)	  
Business ethics and anti-corruption	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Mismanagement of anti-fraud, anti-corruption, fair competition, and anti-monopoly may lead to high economic costs, operational risks, and reputational impacts.</li> <li>Business ethics and anti-corruption management help enterprises establish sound internal management systems and processes, optimize internal management, and improve management efficiency and transparency.</li> </ul>	Negative impact (L) Positive impact (M)	
R&D and innovation		✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Investment in research and development may require substantial and unpredictable financial investment due to technological risks, policy and regulatory risks, market competition risks, and internationalization challenges;</li> <li>Fostering new quality productive forces through technological innovation and forward planning is conducive to maintaining long-term market competitiveness.</li> </ul>	Negative impact (M) Positive impact (L)	 
Information security and privacy protection	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>There are multidimensional risks such as technological risks, human risks, and management and operational risks. Improper management of key data and customer privacy will lead to data breaches, resulting in compliance risks or reputational damage, which in turn lowers customer trust;</li> <li>By safeguarding data security, we can enhance the confidence of our international customers in cooperation and develop more high-end markets.</li> </ul>	Negative impact (L) Positive impact (M)	 
Labor management (including occupational health and safety)	✓	✓		✓	✓		<ul style="list-style-type: none"> <li>Improper management of labor and human rights issues such as forced labor, discriminatory practices, and occupational health and safety in supply chain management and company operations may lead to compliance risks, reputational damage, and employee turnover.</li> </ul>	Negative impact (L) Positive impact (M)	 

Material Topics	Scope of Impact			Impact Cycle			Risks and Opportunities	Impact Level	UN SDGs
	Upst- ream	Opera- tions	Downst- ream	Short- term	Mid- term	Long- term			
Human capital development		✓		✓	✓	✓	<ul style="list-style-type: none"> <li>Insufficient employee training and development, improper performance management, and organizational culture risks may lead to talent loss risks, strategic and organizational change risks, etc.</li> <li>A comprehensive employee learning and development and talent cultivation system will strongly support the achievement of the Company's strategic goals, enhance the company's brand and market competitiveness, and contribute to the Company's long-term and stable development.</li> </ul>	Negative impact (M) Positive impact (L)	 
Addressing Climate Change	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Physical risks and transition risks arising from climate change may result in asset losses, increased costs and expenses, and changes in market preferences;</li> <li>We may discover new business directions and form new product solutions in the green transition and market demand changes caused by climate change; we may yield a stable power supply and energy-saving benefits through enhanced energy management.</li> </ul>	Negative impact (M) Positive impact (M)	
Sustainable supply chain	✓	✓		✓	✓	✓	<ul style="list-style-type: none"> <li>Supply chain quality risks, supply, compliance, and ESG issues may lead to shortages of raw materials, cost increases, and delivery delays, thereby affecting business continuity and market competitiveness;</li> <li>Strengthening sustainable supply chain construction can enhance supply chain resilience, ensure business continuity, reduce operational costs, strengthen market competitiveness, and attract long-term investors. Additionally, enhancing supply chain collaboration can promote the application of new technologies and the Company's transformation and upgrade.</li> </ul>	Negative impact (L) Positive impact (L)	   
Responsible minerals	✓	✓		✓	✓		<ul style="list-style-type: none"> <li>If mineral sources do not meet responsible sourcing standards, particularly minerals such as tantalum, tin, tungsten, and gold (3TG), it may result in compliance risks, reputational damage, customer losses, and even supply chain disruptions.</li> </ul>	Negative impact (L) Positive impact (M)	

# Strengthening the Foundation of Governance to Advance the Path to High-Quality Development



**MFELEX**  
a **usoj** company



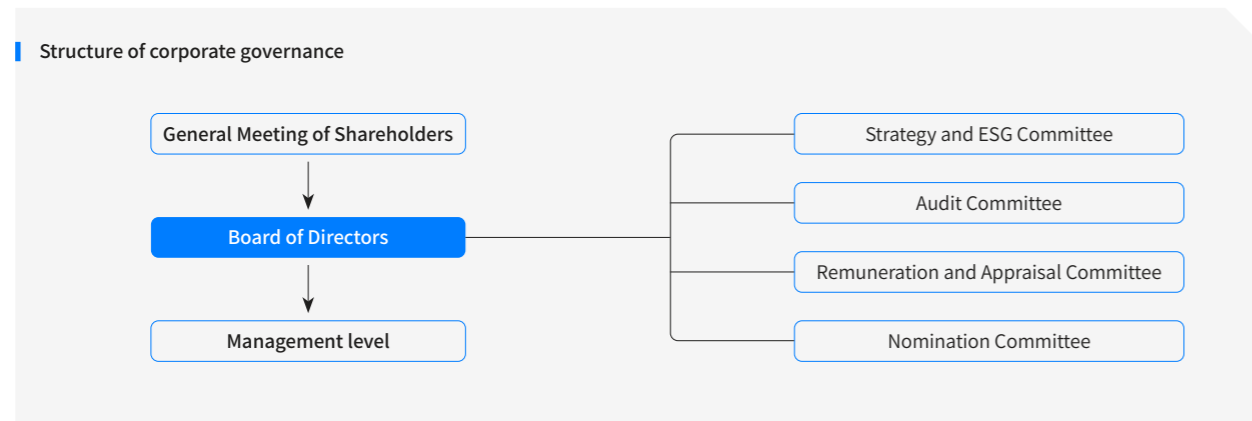
# Corporate Governance

## Standardized Governance

In strict accordance with the requirements of laws, regulations, and normative documents, such as *the Company Law of the People's Republic of China*, *the Securities Law of the People's Republic of China*, *the Code of Corporate Governance for Listed Companies*, *the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, *the Guidelines No. 1 on Self-regulatory Supervision for Companies Listed on the Shenzhen Stock Exchange - Standardized Operation of Companies Listed on the Main Board*, DSBJ has established a complete legal governance structure and modern organizational management system. We have formed a governance system and mechanism with a clear division of powers and responsibilities among the power, decision-making, supervision, and execution bodies that can ensure coordinated operation and effective checks and balances, and continuous optimization of management documents and internal processes at all levels. Through these initiatives, DSBJ is constantly improving the governance standardization and effectiveness to strengthen the foundation for stable development.

### Governance structure

The Company has established a corporate governance structure consisting of the General Meeting of Shareholders, the Board of Directors, and the Management. The General Meeting of Shareholders exercises the voting rights on major issues such as the Company's business policies, investment plans, and the election of directors in accordance with laws. The Board of Directors is responsible to the General Meeting of Shareholders and exercises the Company's management rights in accordance with the laws. The Board of Directors has four specialized committees, namely, the Strategy and ESG Committee, the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee, which perform their duties in accordance with the authorization from the Board of Directors to provide professional opinions and decision-making support for decisions of the Board of Directors. Among them, the Audit Committee, as a supervisory body, strictly fulfills its supervisory duties in accordance with *the Company's Articles of Association* and *the Working Rule of the Audit Committee* under the Board of Directors, and continuously supervises the Company's financial status, management of raised funds, and performance of duties by directors and senior management to ensure the Company's standardized operation. During the reporting period, the Company systematically reviewed and refined the corporate governance framework in response to evolving regulatory landscapes and the demands of governance best practices. These efforts have continuously elevated our governance standards and strengthened our compliance management capabilities. For detailed information on the corporate governance structure, governance mechanism, equity structure, controlling shareholders, and de facto controllers, please refer to *the 2025 Annual Report of Suzhou Dongshan Precision Manufacturing Co., Ltd.*



In strict accordance with regulatory requirements, such as *the Rules for the General Meeting of Shareholders of Listed Companies*, *Management Measures for Independent Directors of Listed Companies*, and *internal policies*, such as *Rules of Procedure for General Meetings of Shareholders*, *Rules of Procedure for the Board of Directors*, *Rules of Procedure for Specialized Meetings of Independent Directors*, the Company ensures the standardized convening of shareholders' and board meetings. By rigorously fulfilling procedures for proposal deliberation, voting, and information disclosure, we guarantee that all shareholders exercise their equal rights to information and decision-making on major issues, thereby safeguarding the legitimate interests of all shareholders, particularly minority shareholders.

5

general meetings of shareholders were held throughout the year

31

proposals were reviewed and approved

14

Board of Directors meetings were held throughout the year

70

proposals were reviewed and approved

9

meetings were held by the Strategy and ESG Committee throughout the year

6

meetings were held by the Audit Committee

2

meetings were held by the Remuneration and Appraisal Committee

1

meeting was held by the Nomination Committee

### Board Diversity

At DSBJ, we always recognize and firmly believe that a diverse Board of Directors is an important cornerstone for maintaining the Company's core competitive advantages and achieving sustainable development. In strict alignment with our Board Diversity Policy, we embed diversity principles throughout the director selection process, comprehensively evaluating candidates on their professional expertise, industry experience, capacity to perform duties, educational background, and independence. Through this rigorous and standardized mechanism, we continuously optimize the Board's composition to ensure a balanced mix of talents, expertise, experience, gender, age, and educational background among its members, thereby providing solid support for sound and efficient decision-making by the Board.

The Company strictly selects members of the Board in accordance with prescribed procedures. As of the end of the reporting period, the Board comprised 11 members in total, with significant diversity across multiple dimensions: one female director, demonstrating gender diversity; four independent directors, accounting for a sufficient proportion of the Board and ensuring strong decision-making independence; and one employee representative director, safeguarding the legitimate rights and interests of employees and further enhancing the diversity of the Board's composition. In terms of expertise and academic qualifications, Board members possess interdisciplinary expertise and extensive industry experience, spanning business management, risk management, financial accounting, legal compliance, and international operations. Notably, over 60% of directors hold master's or doctoral degrees, providing robust professional support for the Board in discharging its duties. In addition, the Audit Committee comprises two independent directors with a background in financial accounting, and several directors bring extensive risk management experience, enabling the Board to effectively identify, prevent, and mitigate various operational risks. During the reporting period, all Board members performed their respective duties in an efficient and collaborative manner, ensuring that corporate governance operates in a standardized and orderly manner.

To continuously consolidate the achievements of Board diversity and ensure the standardized and efficient discharge of duties by the Board and its specialized committees, the Company has continuously refined its support and training systems for directors. During the reporting period, the Company actively organized and facilitated the participation of directors and senior management in professional training programs hosted by regulatory bodies and industry associations, covering critical areas including laws and regulations, corporate governance, information disclosure, internal control, financial compliance, and industry regulatory policies. Through these training programs, the Company enabled its directors to stay abreast of the latest regulatory requirements and industry development trends, continuously enhancing their professional competence in discharging duties and the quality of their decision-making. These initiatives further empower the Board to leverage the strengths of its diverse composition, driving the Company's high-quality and sustainable development.

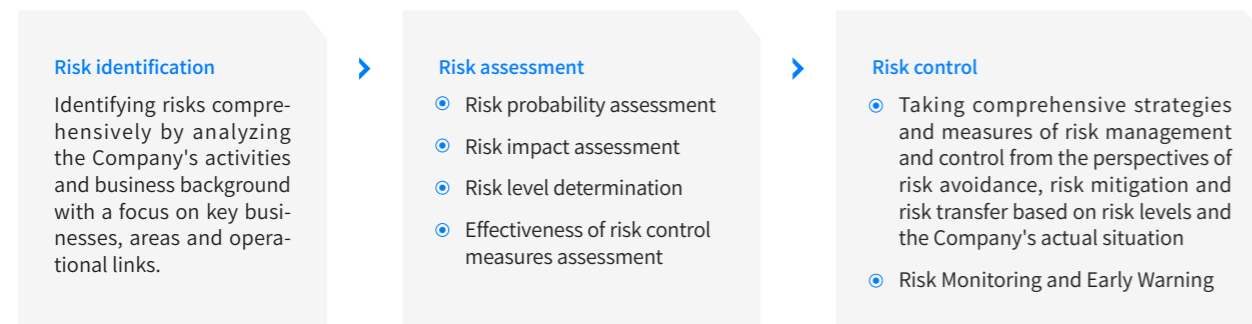


## Risk Management and Internal Control

In strict accordance with the requirements of *the Company Law of the People's Republic of China, the Basic Norms of Enterprise Internal Control* and its supporting guidelines, as well as the regulatory requirements on internal control from the China Securities Regulatory Commission and stock exchanges, DSBJ continuously improves the risk management and internal control system and establishes a risk management architecture and work system adapted to the business scale and management needs. By promoting various special audits and key project audits in an orderly manner, we have ensured the effective operation of the internal control system, safeguarding the Company's sustainable and stable development.

The Board holds ultimate responsibility for the Company's overall risk management and internal control systems, delegating specific oversight authority to the Audit Committee. In 2025, the Company revised *the Working Rule of the Audit Committee under the Board of Directors* to further define the Audit Committee's core responsibilities in risk identification, internal control deficiency rectification, and supervisory inspection to strengthen its supervisory effectiveness. The Company's audit department, as an internal supervision function department independent of the business lines, comprehensively assesses the effectiveness of the internal control system through standardized audit procedures. It formulates timely remedial actions for identified issues and tracks their implementation throughout the process, ensuring rigorous closed-loop management of internal control deficiencies. Furthermore, through normalized risk-prevention training, we continuously enhance all employees' risk awareness and improve their risk management capabilities, consolidating the foundation for standardized operations and promoting the continuous optimization of our risk management and internal control systems.

During the reporting period, the Company continuously optimized its risk management and control processes, timely identifying and assessing various risk factors in its operations, and maintained dynamic monitoring of risks closely related to its operations, including strategic, business, operational, compliance, and sustainability-related risks. This has enabled the Company to form a closed-loop management cycle covering system-building, execution, oversight, and improvement, ensuring that its overall risk level remains within controllable limits. The Company promptly incorporates material ESG risks and opportunities into its risk review and business decision-making processes, giving full consideration to them in its operational and financial planning, so as to better manage and mitigate risks while seeking opportunities for growth and transformation. In line with its overseas strategic presence, the Company closely monitors global trade policy developments, regularly assesses and provides early warnings on overseas business risks, and has established and continuously improved its internal control system for overseas businesses, laying a solid foundation for the implementation of its internationalization strategy.



## Protection of Investors' Rights and Interests

### Conducting information disclosure in a rigorous and standardized manner

In strict accordance with regulatory documents such as *the Securities Law of the People's Republic of China, Measures for the Administration of Information Disclosure by Listed Companies, as well as the Articles of Association and Information Disclosure Management System*, the Company, under the core principle of "truth, accuracy, completeness, and timeliness" in information disclosure, continuously improves the quality and standardization of information disclosure. Directed by the needs of investors, the Company discloses relevant information such as business management and development strategies in an all-round and multi-faceted manner, ensuring investors' right to know and participate. In 2025, the Company cumulatively disclosed 4 periodic reports and 86 temporary announcements, ensuring that various major matters are conveyed in a timely and accurate manner, effectively enhancing the transparency of information disclosure. During the reporting period, the Company's information disclosure remained standardized and orderly, with no instances of false records, misleading statements, material omissions, or other disclosure irregularities. Concurrently, we maintained a vigilant watch over the public sentiment and market trading dynamics, promptly addressing market concerns and investor inquiries. These efforts serve to safeguard the legitimate rights and interests of investors and reinforce our reputation as a transparent and well-governed listed company.

### Enhancing interaction and mutual trust with investors

The Company places great importance on investor relations management, continuously improving its internal policies, such as *the Investor Relations Management Policy*, and expanding diversified communication channels with investors. Through results briefings, investor conference calls, and other means, the Company maintains timely and effective communication with investors on matters including corporate governance, business operations, and sustainable development, fostering greater interaction and mutual trust between the Company and its investors. In 2025, the Company deepened investors' understanding of the Company by holding results briefings, participating in strategy conferences, conducting reverse roadshows, and receiving research visits. The Company listens attentively to the views and suggestions of shareholders and potential investors, providing timely responses to their inquiries, and building an ecosystem of positive engagement with investors.

### Safeguarding the rights and interests of minority shareholders

The Company treats all shareholders equally and continuously standardizes the procedures for convening, holding, transacting business at, and voting on the shareholders' general meeting, ensuring that investors, especially minority shareholders, are entitled to the right to be informed of and participate in major matters of the Company. With due consideration for the time, venue, and format of the shareholders' general meeting, the Company has adopted a combination of on-site voting and online voting to facilitate the participation of shareholders, in particular minority shareholders. For major matters that may affect the interests of minority investors, the Company counts and discloses the votes of minority investors separately, ensuring that their views are fully reflected. Through channels such as the "EasyIR" platform, the Company communicates with investors, listens attentively to the opinions and concerns of minority shareholders, and responds promptly to issues of concern to them. In 2025, the Company achieved a 100% response rate to inquiries from minority investors through the "EasyIR" platform, and arranged dedicated staff to answer the investor hotline, patiently addressing inquiries from minority investors and safeguarding their legitimate rights and interests.

### Sharing the Company's development achievements

DSBJ is committed to delivering long-term, stable, and sustainable shareholder value. Since our listing, we have strictly adhered to *the Articles of Association* to maintain a consistent and predictable cash dividend policy, continuously sharing the fruits of our high-quality development with our investors. During the reporting period, we have formulated a prudent profit distribution plan that balances operational needs with financial status and long-term growth, while ensuring daily operations and sustainable development. The decision-making process of this plan, as supported by independent directors' opinions and approved by the General Meeting of Shareholders after being reviewed and approved by the Board of Directors, underscores our commitment to standardized and transparent governance, effectively safeguarding the legitimate rights and interests of all shareholders. In 2025, the Company successfully implemented the 2024 annual profit distribution plan, distributing a total of RMB 119 million in cash dividends, sharing operating income with investors. Furthermore, we completed the repurchase of 4,202,200 shares cumulatively, all of which are earmarked for employee stock ownership or equity incentive plans. This repurchase effectively balanced the Company's long-term development and reasonable returns to shareholders, aligning the interests of shareholders, employees, and the Company closely and fostering a collaborative ecosystem for shared long-term success.

## Tax Management

DSBJ has always upheld tax compliance and regulatory-adherent operations as the foundational cornerstone of corporate development, incorporating tax management into strategic planning and daily operations. The headquarters coordinates the formulation of global tax policies and the construction of a compliance management system, while domestic and overseas subsidiaries are responsible for localized implementation and tax-related information reporting.

The Company has rigorously complied with domestic regulations, such as the *Enterprise Income Tax Law of the People's Republic of China and the Provisional Regulations on Value-Added Tax of the People's Republic of China*, and the tax laws and regulations of the countries and regions where it operates. We have formulated certain internal policies, such as *the DSBJ Tax Compliance Management Regulations*, which standardize tax filing, risk management, tax incentives, and tax strategy alignment for global operations. With a dedicated tax team, we continued to optimize the tax management information system in 2025 to promote compliant and transparent tax governance, according to which each business segment selected key subsidiaries to conduct tax compliance self-inspection and rectification. Concurrently, we also reject tax structures lacking commercial substance and adopt the principle of independent transactions for transfer pricing, paying taxes in good faith, so as to help build a trusting and stable business environment. During the reporting period, DSBJ achieved a 100% tax filing timeliness rate, received an A-level tax credit evaluation, and accurately completed overseas business tax filings, with no significant tax risk events or tax non-compliance reported.

Driven by external tax regulatory requirements and operational needs, DSBJ has established a systematic, full-process tax risk control mechanism centered on risk management and powered by digital technology. By continuously refining our tax risk indicator library, we conduct routine identification, assessment, and dynamic monitoring of tax exposures. We have successfully shifted our tax strategy from reactive mitigation to proactive prediction and our control by front-loading compliance management into the early stages of business development, thereby achieving data-driven tax governance. Furthermore, our tax team organizes regular internal training sessions and facilitates cross-departmental workshops to ensure that tax requirements are embedded into our business workflows, thereby enhancing all employees' understanding and prioritization of tax compliance.

# Business Ethics and Anti-Corruption


## Governance

DSBJ strictly complies with laws and regulations and industry codes, such as *the Company Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, and the Guidelines for the Standardized Operation of Listed Companies*. The Company has established a comprehensive structure covering business ethics and compliance management of the Company and its supply chain, solidifying the defense against breaches of business ethics. The Board of Directors serves as the highest decision-making body for business ethics and anti-corruption management, while the Audit Committee subordinated to the Board of Directors, is responsible for overseeing the implementation of business ethics management systems and requirements and fulfilling its duties concerning significant compliance and business ethics matters. In terms of operations, the audit department, as an independent oversight body within the Company, is responsible for assessing risks from business ethics and anti-corruption matters, formulating related policies and systems, conducting routine audit supervision, and collaborating with the human resources department to promote business ethics among all employees, thereby ensuring the Company consistently complies with high-standard compliance and ethical requirements. All functional departments of the Company strictly comply with and implement the relevant provisions on business ethics.

The Company implements a business ethics management system focused on *the Policy for Management of Business Ethics and Integrity Efforts*, achieving 100% coverage across all business segments and functional departments. This system requires the Company's directors, all employees, and all supply chains and partners to comply with anti-fraud, anti-money laundering, anti-corruption, fair competition and anti-monopoly, and conflict-of-interest prevention requirements. For suppliers, the Company has developed a dedicated policy, namely *the Supply Chain Personnel Conduct Management Procedures and Standards*, explicitly mandating business ethics and anti-corruption requirements for suppliers, so as to ensure that suppliers continuously improve their business ethics management systems. Moreover, in addition to requirements for anti-commercial bribery, gift guidelines, and anti-unfair competition, some business segments have charity donation or sponsorship guidelines in their codes of business conduct, which have clarified donation approval requirements to further prevent integrity risks.

## Strategy and Management Mechanism

DSBJ recognizes business ethics as the cornerstone of corporate development. We have continuously improved and institutionalized a robust business ethics and anti-corruption governance framework, integrating enhanced training programs of business ethics and anti-corruption into the Company's development strategies and daily operations. We also require our supply chain partners to comply with business ethics and anti-corruption requirements in order to safeguard our high-quality and sustainable growth. During the reporting period, the Company has been involved in no major litigation cases related to corruption, bribery, or unfair competition.

Dongshan Precision joined the **Anti-Fraud Alliance Association** 



## Business Ethics Culture Construction

The Company actively fosters a culture of business ethics, ensuring that its requirements in business ethics are communicated to employees, suppliers, and other internal and external stakeholders. It also calls for the practical fulfillment of business ethics commitments across all levels of the organization. The Company internally conducts effective business ethics promotion through employee handbooks, rules and regulations, newsletters, etc., and regularly provides anti-fraud training and integrity and ethics education to the management and all employees (including part-time employees), so as to ensure that all employees maintain integrity, honesty, and diligence in work and actively prevent corrupt behavior. The Company has also established regulations such as *the Gift Acceptance and Entertainment Management Norms, the Conflict of Interest Management Norms, and the Anti-Corruption Management Regulations* to regulate employees' behaviors, requiring all employees to sign the Anti-Fraud and Anti-Bribery Commitment Letter, so as to ensure that every employee complies with anti-corruption and integrity requirements.



Business Ethics and Anti-Corruption Special Training

## Anti-Unfair Competition

The Company strictly complies with *the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China*, and the relevant anti-monopoly and anti-unfair competition laws and regulations of the countries and regions where it operates. We encourage each business segment to establish anti-unfair competition policies, clearly prohibiting unfair competition behaviors such as price manipulation, bid rigging, false advertising, and infringement of trade secrets. We are committed to fostering a fairer and more transparent market competition environment. In 2025, the Company violated no anti-unfair competition laws and regulations.

### **MULTEK Code of Business Conduct**

We strive to outperform our competitors fairly and equitably, rather than through unethical or illegal business practices. We strictly forbid theft of proprietary information, acquisition of trade secrets without owners' authorization, and inducing current or former employees of other organizations to disclose such confidential data. The Company's relevant personnel shall endeavor to respect the rights of the clients, suppliers, competitors and employees of the Company and treat them fairly and equitably. All relevant personnel of the Company shall refrain from deriving improper benefits through manipulation, concealment and abuse of privileged information, misrepresentation of critical data or any deliberate unfair trading practices.

### **Source Photonics BU's Code of Business Conduct and Corporate Governance**

We prohibit monopolistic practices such as price fixing, market segmentation, and bid rigging, and the exchange of sensitive commercial information with competitors. We strictly comply with anti-monopoly regulations in all operating locations, such as the United States, the European Union, and China, preventing the obtaining of commercial opportunities through improper means to ensure fair competition.



### Supply Chain Business Ethics Management

The Company has established *the Management Procedures and Regulations for Supply Chain Personnel Conduct* and requires all key suppliers to sign *the Integrity Cooperation Agreement, the Anti-Fraud and Anti-Commercial Bribery Commitment Letter or the Anti-Commercial Bribery Agreement* before cooperation, continuously improving supply chain business ethics and anti-corruption management. We also set up external reporting channels to specifically identify and prevent business ethics risks in the commercial process. The Company conducts audits on the suppliers' performance of the code of conduct and management of business ethics, as well as due diligence investigations, project audits, and compliance checks with partners based on cooperation projects when necessary, to ensure continuous supervision of supply chain compliance risks. Suppliers with serious violations will be blacklisted and punished according to the Company's relevant regulations. In 2025, a total of 4,122 suppliers signed integrity agreements and integrity commitments.



### Reporting Management

The Company has zero tolerance for behavior that violates business ethics, and has formulated *the Misconduct Reporting Mechanism and Handling Measures* to continuously improve its reporting and handling mechanism. The Company ensures that all employees are aware of the reporting channels and procedures through training sessions, emails, and publicity notices. Employees of the Company at all levels, as well as all external parties having direct or indirect economic dealings with the Company, may report any actual or suspected business ethics violations on the part of the Company or its personnel through various channels, including reporting hotlines, emails, and written correspondence. The Company's internal audit department is responsible for receiving and handling complaints and reports relating to disciplinary violations, with dedicated personnel responsible for receiving, processing, and providing feedback on complaints and reports, as well as investigating disciplinary cases. Where acts of corruption or bribery are confirmed, the Company will take action against the individuals involved based on the severity of the circumstances, including position transfer, demotion, salary reduction, termination of employment contract, and referral for judicial proceedings.

The Company strictly adheres to the principles of independence, objectivity, fairness, and confidentiality. In accordance with relevant provisions on protecting whistleblowers, the Company strictly maintains the confidentiality of the whistleblowers' personal information and the reporting materials they provide throughout the process of acceptance, registration, and investigation. At the same time, the Company rigorously safeguards the personal safety of whistleblowers and harshly punishes any retaliatory actions. Individuals found to violate confidentiality rules or engage in retaliatory actions against whistleblowers will be held accountable in accordance with the relevant provisions of the Company, with severe penalties imposed on those involved in retaliatory actions. Individuals committing criminal acts will be referred to judicial authorities for prosecution. Whistleblowers who provide credible reports and can recover significant losses for the Company will be rewarded based on the amount saved.

#### Reporting Channels

- DSBJ: jubao@dsbj.com
- MFLEX BU: jubao@mflex.com
- Multek BU: fxgl@Multek.com
- P-Manufacturing BU: jm.lianjie@dsbj.com
- TCTD BU: lian.jie@se.dsbj.com
- Source Photonics BU: SP-Ethics@sourcephotonics.com

## Impact, Risk, and Opportunity Management

DSBJ integrates business ethics and anti-corruption risks into the Company's comprehensive risk management system. To properly address business ethics-related risks, the Company regularly conducts identification and assessment of business ethics risks (refer to the "Risk Management and Internal Control" section of this report for detailed processes). In the event of significant changes in the external environment or some major events or business changes in the Company, we will also assess these risks timely. The Company has defined risk control strategies around business ethics risk points in the areas of trading opportunities, power positions, funding costs, compliance and regulation to ensure that all business practices meet ethical and compliance requirements.

At the Group level, DSBJ coordinates, supervises, and guides each BU in establishing overall control procedures and mechanisms, with audit results reported directly to the Audit Committee of the Board of Directors. The Company has established an audit and inspection department operating independently of the business operations system, which exercises investigation authority independently. The Company develops an annual audit plan and carries out regular audits on the implementation of business ethics-related policies and business ethics risks across various business scenarios through compliance audits, operational audits, and special audits. Internal audits relating to business ethics can cover all of the Company's operating locations and all business lines within every three-year cycle. Based on audit findings, the Company develops continuous improvement plans to drive the continuous improvement and refinement of its business ethics and anti-corruption system.

## Indicators and Targets

Indicators and targets	Achievement in 2025
The Company was involved in 0 major litigation cases regarding corruption and bribery, fraud, or unfair competition	<b>Targets achieved</b>
100% coverage of business ethics and anti-corruption training for directors and employees	<b>Targets achieved</b> 100% coverage of business ethics and anti-corruption training for directors and employees, with an average training duration of 3 hours per person
100% effective handling rate of reporting	<b>Targets achieved</b>
Full coverage and confirmation of conflict of interest declarations for employees at D6 level and above in the Company	<b>Targets achieved</b> 100% confirmation rate of conflict of interest declarations for employees at D6 level and above in the Company

# Digital and Intelligent Transformation

DSBJ has proactively embraced technological changes with a clear digital and intelligent strategic layout for 2024-2026. We accelerate the deep synergy of digital transformation and AI to drive intelligent business decision-making, optimize resource allocation and push technological innovation, which has not only achieved coordinated progress in engineering innovation and intelligent manufacturing, but also injected fresh momentum into the Company's high-quality development. In 2025, the Company passed the Data Management Capability Maturity Assessment Model (DCMM) Level 4 certification, reaching the industry-leading level; and won the title of Jiangsu Province Advanced-level Smart Factory and the title of 2025 Excellent-level Smart Factory.

## Digital and intelligent integration to empower innovation and development

- Deepen the full life-cycle management of data governance spanning from organizational culture, institutional frameworks, process collaboration, and assessment incentives to strengthen the capabilities of the big data platform and provide reliable, efficient, and intelligent data services.
- Apply artificial intelligence in business scenarios such as smart manufacturing, smart office, smart park, and digital and intelligent supply chain, starting from "AI+Quality", "AI+Cost", "AI+Delivery" and "AI+Service&Safety".
- Holistically plan and systematize AI capabilities across computational resources, algorithmic models, governance, and application services, while developing secure and reliable intelligent systems and engineering platforms with robust model generalization capabilities.
- Improve the digital and intelligent talent development system to cultivate well-rounded digital talent aligned with business needs.

## Data governance and big data platform construction

Data governance and big data platform construction serve as the foundational cornerstone of intelligent manufacturing. The Company has established the data governance strategy by formulating policies such as *the Big Data Platform Management Specification and the Data Quality Control Regulation*, and continues to improve the big data platform architecture to achieve seamless integration of workforce mobility, logistics, capital flow, process optimization, information integration, and technology deployment, thereby significantly enhancing operational efficiency and fostering industrial upgrading. In 2025, the new-generation platform "Dongshan Cloud" independently built by the Company was fully put into operation, further promoting data integration and intelligent applications. This platform not only achieved a key business data accuracy rate of no less than 98%, but also supported more than 15 intelligent data application scenarios in key areas such as R&D, production, supply chain, marketing, and finance, significantly empowering new industrialization.

## AI-driven Empowerment

The Company integrates AI technology into its core business, embedding digital intelligence throughout the entire product lifecycle. From the source design optimization at the intelligent engineering stage to precise supply-demand matching and on-site visual loss reduction in intelligent production, and the efficiency improvement under digital intelligence operation, we empower high-quality development through end-to-end digital capabilities.

- Intelligent Engineering and R&D Innovation:** The deep integration of artificial intelligence and engineering methodologies has covered key links of product design and engineering decision-making. Automated algorithm and plan optimization have enhanced efficiency and quality consistency, building a robust foundation for sustainable manufacturing.
- Intelligent Manufacturing & Visual Analytics:** We deploy edge-AI vision at the production frontline to monitor equipment status and product quality in real time. This reduces rework and resource waste, fostering green production while stabilizing operations against potential equipment hazards.
- Digital and Intelligent Production and Low-Carbon Consumption:** We significantly sharpen demand forecasting by using AI algorithms through the iteration MRP 2.0 (Intelligent Material Requirements Planning), and effectively reduce carbon emissions per unit of output value by minimizing inventory backlogs and energy waste through refined production scheduling.
- Digital and Intelligent Operations:** We automate manufacturing and administrative workflows by leveraging Intelligent Document Processing (IDP) and AI Agents. This elevates operational agility while facilitating a low-carbon office ecosystem.

## Digital and Intelligent Talent Cultivation

Digital and Intelligent talents act as a key driving force behind the implementation of the digital and intelligent strategy of DSBJ. Through the integration of AI engineering, BI self-service analytics, and a robust data governance framework, we have established a closed-loop system for digital-intelligent talent development. Adhering to the principle of "Governance-led, Analysis-enabled, and AI-driven", this framework facilitates a strategic pivot from traditional "technical training" toward "capability assetization." In 2025, we achieved 100% coverage for data literacy training for all employees.

<p><b>AI Capability (Engine)</b></p> <p>By means of engineering training, project practice, and AI competitions, we directly transform technology into productivity, accelerating the large-scale application of the Group's AI agents.</p>	<p><b>BI Capability (Hub)</b></p> <p>By implementing self-service analysis and AI-powered data querying, we have effectively returned decision-making autonomy to its business units. This strategic shift drives our cultural pivot toward a truly data-driven organization.</p>	<p><b>Data governance (Foundation)</b></p> <p>Through the construction of enterprise-level knowledge bases, as well as the DCMM system and internal audit mechanisms, we can ensure that the enterprise data foundation is "trustworthy, reliable, and usable".</p>
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**Case**

**AI Competition: Promoting Organizational-Level Capability Leap**

Through the thematic empowerment of the Group's AI competition, the Company has achieved a key leap from "learning" to "application", promoting AI capabilities from individual skill improvement to organizational capability upgrade:

- 36 innovative topics with high potential for implementation were refined and formed;
- 800 students participated, creating a broad learning atmosphere;
- After multiple rounds of selection, 14 outstanding students from various BUs entered the finals;
- Several innovative topics with high potential for implementation were incubated.

# Information Security and Privacy Protection

## Governance

DSBJ strictly complies with China's laws and regulations, such as *the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China*, as well as those of other countries where the Company operates businesses, such as the *U.S. Cybersecurity Information Sharing Act, the Amendment of Personal Data Protection Act (PDPA)* in Singapore. Accordingly, the Company has established a comprehensive governance structure for information security and privacy protection. The Company, in cooperation with well-known global third-party institutions, has researched and translated global data protection laws, regulations, and policy standards. The Group's information security team has established an information security and privacy protection working group to advance the development, implementation, and supervision of information security and privacy management planning. Through these initiatives, we ensure that the information security operation and maintenance system is running effectively. In addition, each BU is equipped with dedicated personnel responsible for implementing specific tasks related to information security and privacy protection, so as to strengthen information data security management and improve data governance.

The Company has established a series of institutional frameworks including *the Information Security Laws and Regulations Management Procedures, the Information Security Risk Management Procedures, the Important Information Backup Management Procedures, the Information Security Incident Management Procedures, and the Information Security and Privacy Handbook*, in order to create a comprehensive information security protection system that covers all business areas of the Company, thereby ensuring the security of information infrastructure, application systems, products, and customer information.

## Strategy and Management Mechanism

With reference to the latest requirements of ISO 27001 information security management system and ISO 27701 personal privacy information management system, DSBJ has adopted various measures to continuously improve the overall information security level, including establishing an information security management platform, unifying information security management policies, implementing centralized deployment of information security, and clarifying the requirements and standards for employee behaviors in information security management, information security technology, and emergency response and conducting enhanced training and regular audits on information security and privacy protection.

All BUs of DSBJ have been certified with the **ISO 27001 Information Security Management System Certification**



DSG has been certified with the **ISO 27701 Personal Privacy Information Management System**

MFLEX and Multek have been awarded the title of **TISAX Certification** (Trusted Information Security Assessment Exchange)



## Comprehensive Information and Data Security Management

### Information Data Management

- The Company has developed *the Information Classification Management Procedures* to manage and control its information data by different categories and confidential levels. We implement targeted security measures such as isolation, access control, download restrictions, status monitoring, and approval control, and de-sensitize, encrypt, and de-identify sensitive data according to business needs, ensuring that key access and operations are fully tracked, traceable, and auditable.
- We also develop *the Important Information Backup Management Procedures* to deploy a data backup system (including incremental backups, periodic batch backups, and data recovery testing) and an audit system. With these measures, we can implement strict control over high-risk operations, and build a comprehensive data mis-operation protection mechanism that combines pre-emptive defense and post-event response, so as to comprehensively ensure data availability, integrity, and business continuity.
- With strengthened assessment on cross-border data risk, we achieved 100% of cross-border data transmission compliance rate in 2025.

### Information Security Technical Protection

- We continuously promote the construction of the information security management platform to comprehensively strengthen the original security in-depth defense technology system, and deploy security enhancement technologies simultaneously with business information flow (or data flow), including internet exposure surface management, AI-based security assistants for applications, vulnerability scanning, situation awareness, etc., to establish a data security protection capability that meets DCMM Level 4.
- We collect relevant log data and analyze their relationships to detect potential security events, enhancing system security and reducing potential threats to ensure the security and reliability of information and data.

### Information Security Audit Certification

- The Company regularly audits its information security and privacy management system in conjunction with business characteristics, including internal information security audits (at least once a year), annual external audits by ISO 27001 certification bodies, and annual information security audits by global leading clients, to ensure the effective operation and continual improvement of the information security management system to better safeguard business continuity and data asset security.
- Our information security team is composed of seasoned experts credentialed with authoritative domestic and international information security qualifications, including CISSP (Certified Information Systems Security Professional), CISP (Certified Information Security Professional), ISO27001 LA (Lead Auditor), and CDPSE (Certified Data Privacy Solutions Engineer), forming a multi-dimensional security capability matrix.

### Information security emergency management

- The Company has developed *the Information Security Incident Management Procedures*, continuously refining the protocols for threat reporting by employees and corresponding remediation. Employees are empowered to report anomalies, security incidents, and suspicious activities promptly, triggering a tiered response mechanism led by the information security department for coordination and treatment and reporting to the management. This structured approach ensures a full audit trail—recordable, analyzable, and traceable—from discovery to resolution, and further promotes the closed-loop implementation of corrective actions.
- We have established a complete information security incident response and emergency handling mechanism. Annually, we formulate plans to conduct a series of emergency drills and offensive and defensive drills targeting critical applications, networks, and data on a regular basis. By conducting real-world validations across diverse mission-critical scenarios, we drive continuous iterative improvements, significantly enhancing our rapid response capabilities and overall business resilience.

### Information security training and promotion

- The Company regularly (e.g., monthly, quarterly or semi-annually) conducts training for all employees to enhance their awareness and improve their skills in information security and privacy management. Employees in various business segments can also take information security courses on online learning platforms to ensure regularized training. In 2025, the Company conducted 12 information security and privacy protection training sessions, with assessments for some important training sessions.
- All new employees will receive concentrated training on information security awareness after joining the Company (in conjunction with the new employee onboarding training), in order to bring information security awareness to new employees at their first stage of onboarding.
- We conducted simulated phishing exercises every month and held information security weeks regularly to strengthen information security publicity.

Information security and privacy protection training coverage

100%

Employee Confidentiality Agreement Execution Rate

100%

## Supply Chain Information Security Management

The Company has incorporated information security and privacy requirements into supply chain management, and continuously improves normative documents such as *the Supply Relationship Management Procedures and the Supplier Policies*. Before cooperation, we will assess the information security and privacy risks that may be brought about by supplier services to ensure that the products or services they provide comply with the laws and regulations and industry standards of the operating location. We have also formulated relevant policies, such as *the Supplier Information Security Verification Plan, the Supplier Information Security Verification Form, the Cloud Control Questionnaire, the Cloud Service Security Audit Questionnaire* and conduct security management audits on suppliers and business partners according to the requirements of supply chain information security management and annual security audits on suppliers and business partners related to core business systems to ensure that their information security and privacy management meet the requirements. Suppliers are required to execute *the Supplier Service Confidentiality Agreement* to guarantee they strictly meet the local information security requirements.

In addition, we continuously strengthen the publicity of information security requirements to suppliers and contractor employees during their entry and service with clarified boundaries of security services. We urge suppliers and contractors to conduct security awareness training for their personnel and incorporate the implementation into supply chain security management.

DSG incorporates information security and privacy protection requirements into partner contract terms. All partners must comply with information security and privacy management requirements and accept compliance inspections and supervision as stipulated in the contract, with a focus on access control, ensuring access authorization, permission changes, and account lifecycle management are under control. DSG also limits data usage scope and purpose, strictly implementing confidentiality obligations and anti-leakage responsibilities. In addition, it establishes an immediate notification and collaborative handling mechanism for security incidents, ensuring that third-party data contact and processing are fully compliant and controllable.

## Protection of Personal Information and Privacy

The Company has developed documents such as *the DSBJ Privacy Policy, the Personal Identifiable Information Control and Management Procedures, and the Information Security and Privacy Manual*, integrating privacy protection requirements into product services and operational management. We conduct privacy assessments and strictly implement privacy compliance requirements throughout the entire lifecycle of data collection, storage, use, processing, transmission, provision, deletion, and destruction, thereby safeguarding the right to know, to choose, and to control personal information. We also establish an emergency response plan to ensure that customer information is not leaked.

The Company emphasizes customer information protection. Each business segment has formulated internal policies such as *the Customer Information Security Management Regulations, the Data Leakage Prevention Security Management Operating Instructions, and the Information Security Baseline*, to ensure that customer information processing activities comply with laws and regulations of the places of operation, such as the Personal Information Protection Law, the Data Security Law, and the EU GDPR. Adhering to the principle of "Data Minimization", the Company ensures that all customer information collection is conducted with informed and explicit consent, with clear disclosure regarding the purpose, methodology, and scope of processing. To institutionalize these protections, we execute confidentiality and information security agreements that clearly delineate responsibility boundaries, ensuring full alignment with regulatory standards and client mandates. Any information leakage events are required to notify clients within mandated timelines. We also reinforce technical protection by implementing strict data access control measures, establishing a hierarchical permission management and access monitoring mechanism, and deploying Data Loss Prevention (DLP) systems to mitigate risks of leakage, tampering, and unauthorized misuse. In addition, we enhance employees' security awareness and compliance capabilities through online training, offline promotion, journal publications, and information security month activities.

## Impact, Risk, and Opportunity Management

DSBJ has developed *the Information Security Risk Management Procedures*, which comprehensively cover information security risk identification, risk assessment and analysis, risk treatment, residual risk disposition, and risk control. By quantifying risk level, the Company can more accurately identify and assess potential information security risks and develop targeted response measures to ensure that information security and privacy protection risks are visible, preventable, and controllable. The Company conducts an information security risk assessment covering the entire business scope at least once a year, and updates the assessment in response to iterations of intelligent manufacturing systems or big data platforms, changes in the Company's business, and information security incidents, to ensure the timeliness and effectiveness of risk management.

In the information security risk assessment process, the Company systematically identified various potential risks, including technical risks, human risks, management risks, and compliance risks (closely following the regulatory policies of the operating locations and the audit requirements of major customers). These risks are incorporated into the risk management system and embedded in system construction and business processes to form a closed-loop management spanning identification, assessment, governance, verification, and improvement. By improving the information security management system, upgrading information security prevention and control technology capabilities, and enhancing information security emergency response capabilities, we have achieved intelligent risk prevention and control for information and data security, ensuring the security of the Company's data assets and the protection of personal information.

## Indicators and Targets

Indicators and targets	Achievement in 2025
Information Security Management Index > 4.0	<b>Targets achieved</b> Information Security Management Index 4.1
Network resilience > 90%	<b>Targets achieved</b> Network Resilience 97%
Information security and PII training coverage is no less than 90% throughout the year	<b>Targets achieved</b> Information security and PII training coverage reaching 94%
Significant information security incidents < 1 incident	<b>Targets achieved</b> No major information security incidents
No information leakage incidents	<b>Targets achieved</b> No data security incidents (information leakage, loss, damage)

# Fostering Partnerships to Build a Resilient and Sustainable Supply Chain



# Governance

The quality, resilience, and sustainability of the supply chain are critical to the robust development of DSBJ. The Company has established a sustainable supply chain working group. The Supply Chain Management Center at the Company's headquarters is responsible for identifying and assessing supply chain risks, formulating or updating policies and systems related to sustainable supply chain construction, and promoting sustainable supply chain management, balancing security and development. The Supply Chain Management Department or Supply Chain Management Center of each BU is responsible for centralized management of suppliers belonging to its own business segment, including continuous optimization of the supplier pool, and supplier audits, evaluations, and controls in collaboration with relevant departments such as R&D, quality, and EHS, to jointly ensure the security, stability, and high quality of the supply chain.

The Company strictly complies with relevant national laws and regulations such as *the Law of the People's Republic of China on Bid Invitation and Bidding* and *the Regulation on the Implementation of the Law of the People's Republic of China on Bid Invitation and Bidding*. We have formulated institutional frameworks and guidelines related to bid invitation, procurement and supplier management, such as the Supplier Management Specification, the Supplier Management Control Procedure, and the Supplier Performance Evaluation Procedure to build a stable and reliable supply chain guarantee system and enhance the competitive advantages of the industrial chain.

# Strategy and Management Mechanism

Guided by the Company's business strategy, DSBJ strives to create a fair and equitable procurement environment that can deepen the full lifecycle management of suppliers. Relying on the supply chain digital platform and the data-and-intelligence-driven power, we continuously improve the quality and risk resistance capabilities of the supply chain, striving to build a strategic, collaborative, risk controllable, and competitive sustainable supply chain system.

# Supplier Lifecycle Management

The Company has established a full-lifecycle management system and mechanism for suppliers. Guided by *the Supplier Audit Procedure* and *the Supplier Performance Evaluation Procedure*, each business segment enforces rigorous standards for admission, assessment, and dynamic oversight over suppliers. By prioritizing partnerships with high-caliber suppliers while intensifying social responsibility audits, we have established a long-term stable and mutually beneficial cooperative relationship with suppliers, fostering a supply chain ecosystem with sustainable competitiveness. In 2025, the Company's headquarters and various business segments accelerated the digitalization of supply chain management. By standardizing management processes and fostering collaboration, we systematically enhanced operational efficiency and responsiveness across the supply chain.

Note: In 2025, the Company refined its supply chain statistical methodology to focus on active suppliers, providing a more objective reflection of our operational reality. Please note that the "Responsible Mineral Sourcing" section excludes data from the Source business segment.



Total number of suppliers:

4,375



China region suppliers (including Hong Kong, Macao, and Taiwan):

3,765



Overseas suppliers:

610



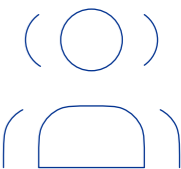
## Supplier Screening and Onboarding

The Company has established a strict supplier screening and onboarding mechanism. An inspection team composed of multiple departments (including procurement, quality, and R&D engineering departments) conducts comprehensive evaluations across dimensions, including supply delivery capability, financial risk capability, quality and service assurance, technical engineering capability, and compliance and sustainability requirements. Only those who meet these stringent criteria are admitted to our qualified supplier list, effectively mitigating supply chain risks at the source. Furthermore, we uphold an "integrity-based procurement" policy, adhering to the principles of fairness, impartiality, and transparency. We treat small and medium-sized enterprise suppliers with equity, establishing a healthy and effective supplier competition and protection mechanism.



## Supplier Evaluation and Management

The Company employs a dual-track model, namely, integrating real-time dynamic monitoring with structured annual audits, to supervise and manage qualified suppliers. Guided by our *Supplier Performance Evaluation Procedures* and other normative requirements, we develop an annual supplier audit schedule that encompasses qualification reviews, document verifications, on-site audits, annual assessments and other comprehensive methods to conduct regular supervision and all-around evaluation on suppliers' contractual fulfillment, quality management, technical capabilities, financial health, EHS management, labor management, chemical substance control, business ethics and anti-corruption. Based on these evaluation outcomes, the Company provides targeted support for suppliers' capacity building.



We divide suppliers into three levels: A, B, and C based on the comprehensive evaluation results, and implement hierarchical and classified management with differentiated control measures. We also dynamically adjust these levels, subject to the evaluation every year. For non-conformities detected in the evaluation and audit, the Company urges suppliers to carry out rectification and acceptance through report improvement and other methods. We provide timely feedback to suppliers based on audit results, clarify improvement requirements and completion deadlines, and verify the effectiveness of improvement measures. In the process of supplier improvement, the Company's business segments continuously strengthen their ability to support supplier improvement. Through training or technical support, our business segments help suppliers improve their capabilities and assist suppliers in taking measures to solve problems within a reasonable time to ensure the compliant and efficient operation of the supply chain. We make progress together with suppliers to enhance the overall competitiveness of the industrial chain.

The Company has established clear exit trigger conditions. When a supplier's performance level is rated as C, the Company will strictly control transactions with the supplier, promptly initiate the exit procedure, terminate the cooperative relationship with it, and pursue relevant responsibilities and losses according to the actual situation. The Company synchronously adjusts procurement strategies and alternative solutions to ensure business continuity and product quality safety.

Evaluate Level	Control Measures
A	Priority procurement. We encourage suppliers at this level to continuously improve their weaknesses, and take positive incentive measures for these suppliers while urging them to make improvements.
B	It refers to the level of normal procurement. We require suppliers at this level to rectify and submit improvement reports within a specified time, and provide them with support as appropriate.
C	It refers to the level of restricted procurement. We will initiate supplier exit procedures for suppliers at this level.

### Supporting Suppliers' Growth

The Company actively fosters cooperation and exchange with its suppliers. Through technical forums, specialized training, and robust daily communication channels, we synchronize production demands, management specifications, and technical policy shifts, establishing a solid framework for collaborative innovation and value-chain quality enhancement. Furthermore, we collaborate with suppliers to conduct performance debriefs, strategize remediation measures, and provide special training, and share with suppliers our experience and lessons learned to preemptively address potential risks. By empowering suppliers to refine their process technologies and optimize operational workflows, we have achieved common growth by upholding the philosophy of openness and mutual prosperity. During the reporting period, our business segments institutionalized supplier-based thematic exchanges and continuous improvement initiatives, further consolidating the foundation for collaborative growth and sustainable supply of the industrial chain.

Total number of suppliers in the year undergoing desk review/on-site assessment:

1,032

Number of suppliers supported in implementing corrective actions and improvement plans:

793

Number of suppliers covered by capacity building programs (including training):

677

Number of suppliers terminated due to significant actual/potential negative impacts:

1



## Sustainable Procurement

DSBJ has incorporated the sustainable development requirements into its supply chain management system and promotes each business segment to formulate the requirements for suppliers' ESG-related code of conduct in accordance with *the Electronic Industry Code of Conduct (EICC)*, *the Code of Conduct for Responsible Business Alliance*, and a series of standards issued by the International Labor Organization (ILO). When selecting suppliers, the Company's business segments deeply understand the performance of suppliers in sustainable development, with great attention paid to ESG factors, ensuring that suppliers' performance in governance, social, and environmental aspects meets the requirements. At the supplier admission stage, the Company requires suppliers to sign *the Supplier Social Responsibility Commitment Letter* and *the Supplier Social Code of Conduct Assurance Agreement*, *the Integrity Agreement to make commitments* for labor rights and interests, occupational health and safety, environmental protection, business ethics, etc. In addition, the Company identifies, assesses, and controls potential ESG risks in the supply chain according to the ESG verification documents of the suppliers, to ensure the sustainability and stability of the supply chain. Please refer to the "Strengthening the Foundation of Governance to Advance the Path to High-Quality Development/Business Ethics and Anti-Corruption" chapter for detailed information on supply chain business ethics and anti-corruption management.

In addition, with emphasis on protecting suppliers' rights and interests, the Company treats suppliers faithfully while ensuring equitable treatment of SME partners to uphold their legitimate rights and interests.

### Quality Risk Control

The Company has established internal management policies such as *the Supply Chain Management Policy* and *the Supplier Quality Management Specification*, to set up requirements for the quality qualifications of suppliers. According to the requirements, suppliers should have professional qualifications for the services or products they provide and establish a sound quality management system complying with current laws and regulations, including the ISO 9001 quality system certification and the IATF 16949 quality system certification (for suppliers that produce automotive parts). Suppliers must continuously meet these requirements. At the same time, the Company requires key suppliers to execute the Supplier Quality Assurance Agreement.

The Company has established a shared quality intelligence mechanism with its suppliers, continuously refining quality management standards across all business segments. Guided by the supplier audit management procedures, we conduct quality audits and assessments (including specialized assessment methodologies for parts of critical raw materials) with the audit scope encompassing quality management systems, product design and development, material management, manufacturing process management, change management, non-conforming product control, improvement and after-sales service, and hazardous substance management. Each business segment formulates and strictly implements an annual supplier audit schedule, supplemented by event-driven dynamic audits to address any quality issues or other abnormalities. The procurement department and the quality department perform routine reviews and analytics on supplier quality audits and assessments. For quality problems discovered during the process, we promptly urge suppliers to make improvements within a specified period based on product requirements, and, if necessary, provide training or targeted coaching to improve quality management capabilities or assist in optimizing technical processes to catalyze product upgrades. For indirect materials, we extend our quality mandates for secondary suppliers to the supplier quality management process, constructing a penetrative quality oversight mechanism that ensures uncompromising product safety and integrity.





Suppliers certified to the quality management system:

3,210

Suppliers that have executed the quality assurance agreement:

3,170

Suppliers certified to the IECQ QC 080000 Hazardous Substances Process Management System:

652



### Labor and Human Rights Risk Management

In accordance with the requirements of the International Labor Organization (ILO), the Responsible Business Alliance (RBA) Code of Conduct, and the relevant laws and regulations of its operating locations, DSBJ drives its various business segments to sign *the Supplier Social Code of Conduct (COC) Assurance Agreement* and related documents with suppliers, covering the prohibition of child labor and forced labor, working hours and rest periods, anti-discrimination, equal pay for equal work, collective bargaining, and occupational health and safety. These efforts are aimed at guiding suppliers to strengthen sustainability management and ensuring that suppliers produce goods and provide services in a manner that complies with human rights requirements and ethical standards.

Human rights and anti-discrimination	Prohibition of forced labor	Employment conditions	Occupational Health and Safety
<ul style="list-style-type: none"> <li>All employees enjoy the rights and interests of free and equal consultation and collective bargaining;</li> <li>Any form of coercion is prohibited;</li> <li>Any form of prejudice and discrimination is prohibited.</li> </ul>	<ul style="list-style-type: none"> <li>It is prohibited to employ forced labor;</li> <li>It is prohibited to require employees to pay deposits or provide identity documents as collateral.</li> </ul>	<ul style="list-style-type: none"> <li>Child labor is prohibited;</li> <li>Wages must comply with national laws or industry standards and employees should be paid equally for equal work;</li> <li>Forced labor is prohibited.</li> </ul>	<ul style="list-style-type: none"> <li>It is required to provide a healthy and safe working environment and protective measures;</li> <li>It is required to provide appropriate health and safety information and training.</li> </ul>

Suppliers certified to the occupational health and safety management system:

1,108

Suppliers successfully passed third-party ESG audits, such as the Responsible Business Alliance (RBA) and Sedex:

106



### Green Supply Chain Construction

Driven by the Company, each business segment actively implements green procurement and signs *the Supplier Green Environmental Protection Agreement and the Commitment Letter for Environmental and Occupational Health and Safety Management* with suppliers. They require suppliers to use limited resources prudently and responsibly, guarantee that all production processes of the products comply with the requirements of environmental laws and regulations, and minimize the impact of the business activities on the environment. In addition, all business segments mandate suppliers to execute *the Restricted Substances Compliance Agreements and the REACH Substances of Very High Concern Disclosure Statements* and provide third-party testing certificates. They also regularly implement supplier hazardous substance management, such as timely synchronizing document update requirements for hazardous substance restriction on suppliers' materials and organizing on-site audits of suppliers' hazardous substance compliance, to ensure that the materials provided by suppliers comply with RoHS directives, REACH, halogen-free (HF) and other relevant laws and regulations of the places of operation on electronic product pollution control, jointly promoting the green development of the supply chain.

Suppliers certified to an environmental management system:

2,081

## Resilient Supply Chain

Establishing a resilient supply chain and ensuring business continuity are important guarantees for the Company's stable operations. The Company has maintained the improvement on the supply chain business continuity plan and the optimization of the supply chain structure to ensure that suppliers have diversified backgrounds and come from multiple channels. The Company has also conducted enhanced preventive control measures against factors such as supply chain disruptions, price increases, and unexpected events, effectively preventing potential risks in the supply chain and strengthening supply chain resilience.



Establishing diversified supply channels

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Setting up safety stock

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Encouraging localized procurement

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Cultivating good cooperative relationships

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Enhancing emergency management

To prevent delivery delays or insufficient supply caused by factors such as climate, distance, and policies, the Company encourages the diversification of supply resources, deeply exploring resource markets and analyzing development trends to continuously develop and optimize supplier resources while maintaining existing suppliers. Through procurement from diversified ways and channels, the Company has reduced exclusive and intermediary purchases, thereby mitigating the risk of single sourcing while lowering procurement costs and maintaining raw material supply stability.

The Company continuously improves its intelligent warehousing system, strengthens real-time monitoring and forecasting of inventory levels for key materials and high-risk categories, and establishes appropriate safety stock thresholds to ensure the stable execution of production plans. Each business segment, based on its operational needs, regularly provides suppliers with demand forecast information and communicates shortage risk prevention and recovery strategies, working collaboratively with suppliers to establish business continuity plans that ensure adequate supply in the event of emergencies.

The Company encourages localization sourcing. It identifies material supply risks overall based on historical delivery and inventory reserve situations, actively exploring and selecting products that meet production requirements for domestic substitution and local procurement from technical, commercial, production capacity, and accessibility perspectives, and cooperating with reliable trading partners. Through these endeavors, the Company has shortened transportation cycles and supply times, enhanced control and transparency, thereby enhancing the competitiveness of local enterprises while improving the supply chain's risk resistance, autonomous controllability and flexibility.

The Company maintains timely communication and efficient coordination with suppliers through multiple ways such as email, phone, remote meetings, face-to-face discussions, etc. To avoid price increases and ensure post-sales service quality, the Company signs strategic cooperation agreements with core suppliers to ensure optimal reserves and a stable supply of materials. It establishes a benign supplier competition and protection mechanism to create a good atmosphere for win-win cooperation and persists in joint growth with qualified suppliers to build a sustainable supply chain ecosystem.

The Company has developed differentiated plans, procedures, and key actions based on the severity of material impacts and the supply risk level, and has implemented focused tracking of high-risk and medium-risk materials to eliminate the risk of material shortages. The Supply Chain Management Center coordinates and plans the necessary resources for various business segments, subsidiaries, and branches through *the Supply Chain Resource Coordination Contact Letter* to enhance emergency response. The Company constantly monitors potential supply chain disruption risks and strengthens supply chain risk assessment and control to ensure that daily supplies are not affected.

## Responsible Mineral Sourcing

In accordance with the OECD *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* and other applicable standards, the Company has formulated its *Conflict Minerals Procurement Policy* and established a sound responsible minerals due diligence system. The Company has developed clear and transparent management procedures for the use of mineral resources in its production and operations to identify and manage potential risks. The Company commits to ensuring that its products contain no "conflict minerals" sourced from areas controlled by non-state armed groups in the Democratic Republic of the Congo (DRC) or its adjoining countries and regions, tracing the origins of gold (Au), tantalum (Ta), tin (Sn), and tungsten (W) contained in all products to ensure the legality of raw material sources, and upholding ethical procurement practices.

### Communication and Implementation of Conflict Minerals Procurement Policy

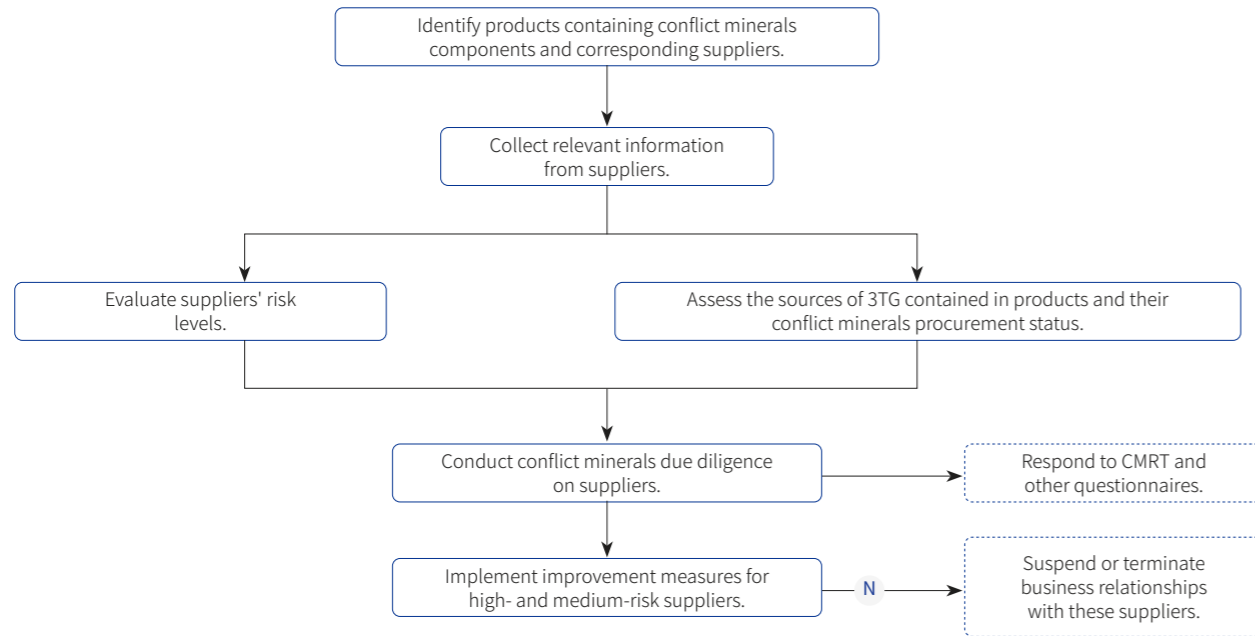
The Company drives its various business segments to communicate the conflict minerals policy to direct suppliers through multiple channels, requiring them to sign *the Commitment Letter for Not Using Conflict Minerals* and incorporating mineral resource management requirements into contracts and agreements with suppliers. The Company has also formulated conflict minerals management procedures, conducts responsible minerals due diligence across the supply chain, and requires all relevant suppliers to strictly comply. In addition, the Company's various business segments encourage suppliers to establish their own conflict minerals policies and drive them to cascade responsibility requirements upstream through the supply chain tier by tier.



### Responsible Supply Chain Due Diligence Management

The Company's various business segments have formulated the conflict minerals investigation management procedures to conduct responsible mineral due diligence on suppliers. Suppliers are required to truthfully fill in and respond to the Conflict Minerals Reporting Template (CMRT) regarding the usage and sources of relevant minerals in the delivered products, and provide supporting documents to ensure the compliance and traceability of the procurement sources. The Company has established a rigorous risk assessment and management framework for conflict minerals, and maps our supply chain by identifying risks in Conflict-Affected and High-Risk Areas (CAHRAs) and leveraging information from the supplier conflict minerals questionnaires ("Know Your Supplier" (KYS)). Each year, we formulate strategic due diligence plans and carry out supply chain due diligence. For problems detected or risks identified from the due diligence, we enforce corrective actions, such as requiring suppliers to disengage from non-compliant smelters and refiners, to ensure full alignment with corresponding laws, regulations and international conventions. Should a supplier pose significant conflict mineral risks or fail to remediate identified issues, the Company will terminate or replace the supplier involved in conflict minerals. This approach ensures that the Company eliminates the use, including inadvertent use, of conflict mineral materials.

**Responsible Mineral Due Diligence Management Process**



1,902

suppliers passed the responsible mineral due diligence

During the reporting period, due diligence was conducted on all suppliers that should be included in the responsible mineral due diligence scope, **with 100% of supply chain enterprises not using illegal conflict minerals.**

In 2025, Multek BU continued to conduct supplier due diligence, using *the Conflict Minerals Report Template and the Extended Minerals Reporting Template (CMRT/EMRT)* questionnaires, which require suppliers to trace back to the smelter level. Multek BU ensures that all products have undergone information traceability. Only when the CMRT/EMRT returned by the supplier shows that it has identified and declared all smelter information, and all smelters and refiners comply with RMAP, will its CMRT/EMRT report be compliant. In 2025, Multek BU collected a total of 92 CMRT/EMRT questionnaires. The tantalum, tin, tungsten, gold, cobalt, and mica smelter information involved in the questionnaires is all included in the RMAP qualified smelter list issued by RMI, none of which use any illegal conflict minerals.

# Impact, Risk, and Opportunity Management

DSBJ faces a variety of supply chain risks, including quality risks, hazardous substance risks, supply risks (such as supply interruptions and raw material shortages), financial risks (such as price increases and market changes), compliance risks (such as violations of laws and regulations and company policies), and ESG risks (such as labor rights and interests, occupational health and safety, business ethics and conflict minerals), among others. The Company's internal management norms, such as *the Supply Chain Management System and the Supplier Management Processes and Standards*, have fully considered supply chain risks and conducted detailed risk control over each link in the supply chain.

Each business segment of the Company has formulated and implemented *the Supplier Risk Assessment Procedures and the Supplier Risk Management Control Procedures*, etc. By virtue of tools such as the Supplier Social Responsibility Risk Assessment Form, the Company identifies and carefully assesses relevant risks, including ESG risks, that may arise in the supply chain every year, so as to perform an in-depth analysis of specific mitigation measures against different types of suppliers. We also develop an annual audit plan to evaluate and assess suppliers for stimulating their continuous improvement, ensuring effective control of supply chain risks. For suppliers with high risks, the Company will limit the supply quantities and stop purchasing new products, and develop alternate suppliers. The Company continuously monitors and tracks the implementation of supplier risk management measures and evaluates their effectiveness periodically.

## Indicators and Targets

Indicators and targets		Achievement in 2025
	No disruption to operations	<b>Targets achieved</b> The Company experienced no failure to complete production tasks due to supply chain disruptions.
	No incidents of child labor and forced labor among suppliers.	<b>Targets achieved</b>
The ESG risks in the supply chain are effectively managed.	The Company's <i>Conflict Minerals Procurement Policy and Commitment Letter for Not Using Conflict Minerals</i> have been communicated to 100% of our suppliers.	<b>Targets achieved</b>
	0 conflict minerals incidents occurred.	<b>Targets achieved</b>

# Upholding Excellence to Enhance Product Quality and Competitiveness



# Driven by Innovation

## Governance

New quality productive forces, with innovation at their core, are the key driving force for enhancing the Company's core competitiveness. Adhering to long-termism, DSBJ continuously improves its technological innovation system and accelerates the cultivation and development of new quality productive forces. The R&D departments of the Company's various BUs plan research and development based on business needs, implement various R&D and innovation tasks at the execution level to drive technological breakthroughs, product development, and market deployment, and collaborate closely with production, engineering, sales, and other departments to achieve seamless end-to-end cooperation from R&D through production to market, ensuring the advancement and commercial applicability of product development and technology research, and enhancing the Company's core competitiveness.

## Strategy and Management Mechanism

Guided by its vision of "Becoming a Leading Global Intelligent Interconnection Solution Provider", DSBJ remains at the forefront of market trends and industrial evolution and keeps up with the Company's strategy. By consistently scaling R&D investments, fortifying R&D management frameworks, and pioneering cutting-edge technology platforms, the Company has strategically pivoted its resources toward the emerging AI landscape. Across consumer electronics, new energy vehicles (NEVs), and AI computing infrastructure, we foster deep technological cross-pollination and ecological synergy with global leaders, cultivating robust catalysts for sustainable growth. At the same time, the Company is intensifying efforts in talent introduction and cultivation centered on product R&D. By fostering an organizational culture that champions innovation, we aggregate collective intelligence to ignite the powerful momentum necessary for the Company's transformative development.

## R&D Innovation Management

The Company is dedicated to architecting a globalized R&D and manufacturing network. By precisely capturing customer needs and the latest industry and technology trends, the R&D departments of all business segments have established an open R&D ecosystem and a high-efficiency innovation mechanism, and built a technology innovation system covering material science, structural design, electronic integration, and scenario-based applications. We keep up with technology frontiers to enhance independent innovation capabilities, seamlessly bridging the gap between basic research and industrial-scale deployment to solidify our foundation for high-quality growth.



We formulate and implement R&D management procedures, establishing a comprehensive full-lifecycle management framework. By optimizing the R&D cycle management procedures with continuous standardization and optimization of important nodes such as design, sampling, trial and mass production, we have enhanced our technological breakthroughs and productization efficiency. Furthermore, we maintain a continuous improvement mechanism driven by customer needs, engaging deeply in early-stage customer product design to ensure the market, R&D, and production processes are fully aligned, thereby achieving the closed-loop management from demand to mass production.

The Company provides robust investment for technological innovation, specifically targeting new materials, cutting-edge technologies, and advanced processes. We continuously explore the key technologies and cutting-edge manufacturing processes of core intelligent interconnection devices, laying a solid foundation for serving future innovative businesses. We allocate ring-fenced funding for scientific research across varying development cycles, coupled with rigorous tracking of fund utilization and project milestones to ensure the efficient and reasonable use of scientific research funds and the smooth progress of scientific research projects.

Insisting on people-oriented innovation, the Company has combined innovative management with incentive mechanisms. We have provided R&D personnel with daily assessment incentives and technology-specific incentives and implemented equity incentive plans covering core management personnel and technical talents, so as to encourage employees to participate in technological innovation and to stimulate the vitality of the talent and the organization.

## R&D Innovation System

Standing at the forefront of technological evolution, the Company continuously refines the R&D platforms and comprehensive innovation systems of each business segment and collaborates with upstream and downstream partners and well-known domestic and foreign scientific research institutions to jointly carry out technological innovation research. By driving industry-academia-research synergy and integrating global technology resources, we empower new quality productive forces to catalyze industrial advancement. Leveraging our profound R&D heritage, we have achieved breakthroughs in a number of core technologies and secured a portfolio of advanced results and patents with independent intellectual property rights. By supporting rapid product iteration and industry-wide upgrades with forward-looking and strategic innovative technologies, we respond to market changes quickly and flexibly, and contribute to the development of the industry.

During the reporting period, the Company and its subsidiaries, Suzhou Dongdai Electronic Technology Co., Ltd., Suzhou Yongchuang Communication Technology Co., Ltd., Suzhou Jibusen Intelligent Technology Co., Ltd., Source Photonics (Chengdu) Co., Ltd., Jiangsu Source Communications Technology Co., Ltd., Suzhou Dongyue New Energy Technology Co., Ltd., Yancheng Dongchuang Precision Manufacturing Co., Ltd., Yancheng Mutto Optronics Technology Co., Ltd., Yancheng Dongshan Precision Manufacturing Co., Ltd., MFLEX Yancheng Co., Ltd., Suzhou JDI Electronics Inc., and Suzhou Rf Top Electronic Communication Co., Ltd., have been recognized as "high-tech enterprises". Yancheng Mutto Optronics Technology Co., Ltd. has additionally been recognized as a "Little Giant" enterprise and a specialized and sophisticated SME.

Leveraging its expertise in flexible printed circuits (FPC), the MFLEX BU has pioneered thin-film pressure sensors (flexible sensors). By breaking the physical constraints of traditional rigid sensors, these bendable and foldable components find diverse applications in healthcare, robot control, smart wearable devices (wearable health monitoring), and aerospace. In this process, MFLEX BU has established a systematic R&D capability for flexible sensors, achieving full-stack autonomous controllability from initial design, manufacturing to embedded hardware and software integration.

Source Photonics R&D Center, a world-leading base for optical communication technology innovation, specializes in R&D and design, technical breakthroughs, performance verification, and product iteration of high-speed optical interconnection solutions. We provide high-bandwidth, low-power, and ultra-reliable optical interconnection solutions tailored for global AI computing power clusters, data center optical interconnections, and next-generation network communication customers. Our "Technology + Platform" dual-drive system, supported by internationally advanced simulation software and full-dimensional hardware testing environment, has built several special laboratories and gathered a high-level R&D team with multi-disciplinary intersection of optoelectronics, semiconductors, and communication systems, ensuring precise control across the entire lifecycle from silicon design to mass production. In a testament to our excellence, Source's two core products were honored with the "2025 Lightwave + BTR Innovation Reviews" award by Lightwave, an international authoritative optical communication media.



## Build an Innovative Talent Team

Building an innovative talent team is the cornerstone of technological innovation. Leveraging the leadership of top-tier talent, the Company has established a global R&D team of technical experts known for their exceptional skills, extensive industry experience, and strong innovation capacity. By fostering an open, inclusive, and results-driven research environment, the Company continues to strengthen its core technological R&D and independent innovation capabilities, fueling its long-term growth with continuous innovation.

The Company continues to intensify its efforts to recruit high-end technology talents, selecting R&D personnel who align with the Company's values and possess outstanding qualities, solid professional expertise, and high potential, while offering rewards and career advancement opportunities to exceptionally outstanding individuals. The Company provides comprehensive support for R&D talents, including targeted training and teaching for scientific research talents, regular technical training, and technical exchanges and teaching through internal training, seminars, etc., to help employees master innovative technologies and industry cutting-edge trends. In 2025, the training covered 100% of all R&D personnel. By hiring external industry experts as the Company's R&D consultants, adopting joint development methods to gain excellent experience, or encouraging participation in academic conferences, we understand the latest trends and methods in the industry to improve the technical level and R&D capabilities, thereby realizing independent research and development of innovative core technologies.



Innovative Thinking Training Camp of the TCTD BU

The Company vigorously encourages innovation. By stimulating the innovation enthusiasm and wisdom of all employees through "Engineer Forum", "AI Competition" and other activities, we foster an innovative culture that encourages experimentation and tolerates failure throughout the Company to encourage employees to be brave in innovation based on their positions and help them maintain innovation vitality and the best state. In 2025, all of the Company's BUs carried out different forms of engineering skills competitions to help engineers improve their technical skills and stimulate their innovation abilities.

The integration of industry, academia, and research is an important driving force for the Company's technological innovation. The Company actively engages in in-depth collaborations with universities and scientific research institutions to accelerate the research and application of cutting-edge technologies, thereby driving resource integration across the industrial chain and enhancing its competitiveness. In 2025, the Company and its business segments strategically focused on the intersection of cutting-edge technology and industrial-scale applications. By establishing robust collaborative frameworks with prestigious institutions, including Shanghai Jiao Tong University, Soochow University, Nanyang Technological University, and the National University of Singapore, we have accelerated the transformation of scientific and technological achievements into new quality productive forces.

## Technology Ethics

The Company pays attention to the ethical impact of scientific and technological activities. We strictly abide by relevant scientific and technological ethics standards and actively advocate social responsibility values. Relying on independent innovation and guaranteeing excellent quality, we are committed to refraining from developing or utilizing scientific technologies that pose harm to the natural environment, human health, public safety, or ethical standards. Through the development of innovative and practical new products, technologies, and processes, we spare our efforts to contribute positively to social progress.

With the widespread adoption of artificial intelligence applications, the Company has developed the *Guidelines for Safe Artificial Intelligence Software Development Cycle and the AI Management Procedures*, emphasizing ethical compliance requirements in the use of AI applications and the management of generated data to ensure that AI outputs meet moral standards and respect privacy rights. For the use of generative AI products, we formulate and publish detailed usage policies, clearly requiring employees to adhere to social norms and company policies and strictly prohibiting the generation, replication, publication, or dissemination of any content that may violate laws and regulations, or that may be inappropriate, offensive, or discriminatory.



"AI Empowering Safety First" Event of MFLEX BU

## Protection of Intellectual Property Rights

The Company attaches great importance to intellectual property protection and strictly complies with relevant laws and regulations, including *the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, and the Implementing Regulations of the Patent Law of the People's Republic of China*. The Company has formulated management systems such as the *Intellectual Property Management Procedure* and the *Confidentiality Agreement* to comprehensively strengthen the creation, utilization, protection, and management of intellectual property rights, and conducts patent filing and protection covering the structural designs, preparation methods, and process flows related to its core technologies. While safeguarding its own intellectual property rights, the Company fully respects the intellectual property rights of others, commits to avoiding infringement of third-party intellectual property rights, and conscientiously fulfills its confidentiality obligations, particularly in technical and business cooperation with partners. Without written authorization, the Company does not disclose or provide experimental samples, proprietary data, or technical specifications to any third party, thereby upholding a fair competitive order and promoting the healthy development of the market.

### ➤ Prevention and control of intellectual property infringement risks

To address the risk of intellectual property infringement, the Company has established a mechanism for identifying and providing early warnings of intellectual property infringement risks, and conducts comprehensive assessments of potential infringement risks associated with the Company's existing innovative technologies. Where potential risks are identified as significant, the Company mitigates potential patent infringement risks in R&D projects by adjusting alternative process technologies or characterization methods. Before submitting patent applications to the National Intellectual Property Administration, the Company conducts patent searches, and where significant similarity with existing patents is identified, the Company initiates upgrades to the relevant core technologies.

### ➤ Enhanced intellectual property training

The Company places significant emphasis on enhancing employees' awareness of intellectual property protection. We conduct regular intellectual property training sessions to strengthen employees' awareness of intellectual property protection by explaining typical cases of intellectual property infringement, thereby increasing employees' awareness of confidentiality regarding the Company's key core technologies and core products.

## Impact, Risk, and Opportunity Management

To effectively address various risks, including rapid technological change, market competition, intellectual property infringement, and shifts in policies and regulations, DSBJ closely monitors market trends, technological developments, and policy dynamics throughout the full life cycle of its R&D projects, and strengthens forward-looking assessment of technological trends. For certain products, the Company participates in collaborative development at the early stage of customer design to ensure that R&D directions are closely aligned with customer needs, enabling rapid market response and reducing the risks of technical deviation and resource misallocation. Each business segment collaborates through cross-functional teams spanning R&D, marketing, production, and procurement to achieve rapid information sharing and coordinated responses, systematically identifying and managing key risks such as technical feasibility, market adaptability, supply chain stability, and regulatory compliance, and dynamically optimizing its R&D risk management strategies in response to evolving internal and external conditions, ensuring that risks across all R&D activities remain within controllable limits.

By incorporating intellectual property risk prevention and control into R&D project management requirements, the Company has strengthened intellectual property risk management, including patent search and intellectual property compliance review, at the stages of R&D project establishment, technical demonstration, and achievement transformation, to prevent technology leakage and infringement risks.

## Indicators and Targets

Indicators and targets	Achievement in 2025
Enhancing emergency management	<p><b>Targets achieved</b></p> <p>The number of R&amp;D personnel is 5,074, accounting for 12.93% of the total employees.</p> <p>The amount of R&amp;D investment in 2025 totaled RMB 1.432 billion, accounting for 3.57% of revenue.</p>
Increased number of patent applications and grants	<p><b>Targets achieved</b></p> <p>102 patents were newly granted during the year</p> <p>With a cumulative total of 819 valid patents granted</p>

# Quality First

## Governance

As excellent product quality is the cornerstone of industrial development, the Company continuously strives to deliver products of the utmost quality and reliability. The Company has established a product quality and safety working group, which is composed of various BU quality management centers or quality departments of different business segments. This group is responsible for the product quality management work of each business segment, including formulating quality policies and objectives, and the construction, implementation, and continuous improvement of the quality management system to ensure that each link meets quality standards. At the same time, the Company has established a cross-departmental collaboration mechanism and works together with R&D, procurement, production, and other functional departments to ensure that the Company's products comply with applicable laws and regulations, and customer requirements.

The Company has pushed each business segment to establish a series of quality management policies in accordance with international standards such as ISO 9001, IATF 16949, AS 9100, ISO 13485, VDA 6.3, and ISO 9004 in combination with customer audit requirements, which include *the Quality Manual, the Quality Management Manual, the Incoming Material Inspection Procedure, the Inspection Management Procedure, the Hazardous Substance Management Procedure, the Non-conforming Product Control Procedure, the Corrective and Preventive Action Procedure, the Supplier Quality Management Specification, the Customer Quality Complaint Handling Procedure*, etc. With these quality management policies, we have built up a high-standard quality management system for comprehensive risk prevention and control covering the whole life cycle of the products, ensuring the high reliability and high consistency of products throughout their full lifecycle.

## Strategy and Management Mechanism

DSBJ anchors its operations in customer needs. By integrating customer needs and high-standard quality requirements into every phase of the business chain, namely, from product design, R&D, procurement, and production to sales and post-sales services, DSBJ has implemented strict quality management throughout the product lifecycle, ensuring the delivery of customer-satisfying, high-quality products.

The Company is relentlessly driving the digital and automated transformation of its production infrastructure. Our flagship smart production line clusters have earned prestigious national recognitions from the Ministry of Industry and Information Technology, including the "Smart Manufacturing Demonstration Factory", the "Excellence-Level Smart Factory", and the "5G Factory". Leveraging this intelligent manufacturing system, we have achieved efficient and precise control, ensuring superior product quality and stability with advanced cutting-edge intelligent manufacturing processes. At the same time, the Company's business segments are enhancing the implementation of advanced quality management tools, such as T-QMS, Q-DAS, and DSQS, while pioneering the AI technology integration and interactive innovations. By iteratively upgrading our quality toolkits and knowledge-sharing hubs, we are accelerating our evolution into an enabling organization, shifting the paradigm of quality management from passive response to proactive prevention.

The Company's main production and operation bases have all obtained

**ISO 9001 quality management system certification**



## Full Life Cycle Quality Management



R&D quality management



Production quality management



Supply chain quality management



Customer request response

- During the product development phase, with detailed knowledge of customers' requirements for product quality and acceptance testing, DSBJ has established an end-to-end management mechanism covering customer needs, product design, verification and confirmation, and production transfer, clarifying the quality baseline from the source and ensuring that each product meets industry standards and customer requirements.
- The Company standardizes its R&D management processes, and each business segment carries out new product development and design in accordance with documents such as *the R&D Cycle Management Procedure, the R&D Management Specification, and the Design Management Specification*, controlling key nodes throughout the new product development process to ensure the quality of R&D and design.
- The Company strengthens its understanding and control of customer requirements and continuously optimizes its standard operating procedures (SOPs) to strictly ensure process quality in project management through systematic and scientific approaches. From the perspectives of "people, machines, materials, methods, environment, and measurement", the Company comprehensively identifies key processes and elements in manufacturing process management, and strengthens process quality control through quality control workflows to ensure the reliability and consistency of product quality.
- The Company has established an intelligent, information-integrated production system centered on data with deep interaction across multiple platforms and systems. Leveraging systems such as E-Audit, QMS, SRM, and MES, the Company comprehensively promotes intelligent quality management, provides early warnings of anomalies through trend analysis, and dynamically optimizes quality control strategies driven by data, thereby improving lean management capabilities and ensuring the stability, efficiency, and quality of the production process.
- For major or recurring quality issues, the Company promptly initiates corrective and preventive action (CAPA) procedures, forming a closed-loop management cycle covering problem identification, root cause analysis, measure implementation, and effect verification. After recording and archiving, these cases are transformed into an experience repository that feeds back into new project development, enabling knowledge reuse and continuous optimization throughout the full product life cycle.
- The Company requires suppliers to obtain quality management system certifications such as ISO 9001. Each business segment conducts new supplier qualification, new material certification, incoming material inspection, and supplier performance management in accordance with procedural documents, including *the Supplier Quality Management Specification, the Raw Material Quality Management Procedure, the Incoming Inspection Management Specification, and the Incoming Material Inspection Procedure*, ensuring product quality and safety. For further details, please refer to the chapter "Fostering Partnerships to Build a Resilient and Sustainable Supply Chain / Sustainable Procurement" in this report.
- In accordance with documents such as *the Customer Complaint Handling Management Specification, the Customer Quality Complaint Handling Procedure, and the Customer Feedback Management Procedure*, the Company has established an efficient customer quality complaint response mechanism to ensure that customer requirements are responded to promptly and clearly reflected and implemented across all aspects of the business chain, while maintaining high product quality and delivering products that meet customer satisfaction.

Case

**AI-empowered Intelligent Quality Inspection**

MFLEX BU has fundamentally integrated AI technology into its automated visual inspection (AVI) framework to build an intelligent quality inspection system, shifting the quality management and control paradigm from "post-event interception" to "proactive prevention at the source". In 2025, MFLEX BU iteratively refined its AVI models and improved its deep learning of defective samples, significantly enhancing detection capabilities for complex failure modes such as Hot bar, ACF, WB, and MIC, thereby effectively intercepting the outflow of defective products. By optimizing and standardizing stiffener bonding templates and height-sensing configurations, it effectively reduced the defect rate of double-stiffener bonding. By optimizing AVI algorithms and reporting logic, it drastically reduced false positives and false negatives, ensuring superior inspection stability and efficiency. Furthermore, by incorporating real-world customer complaint imagery into inspector training, MFLEX BU has synergistically enhanced the defect identification capabilities. Through the deep integration of AI and AVI, MFLEX BU further realized the intelligent upgrade of quality control, laying a solid foundation for manufacturing excellence.

Case

**Mutto Optronics' Smart Operation Practice**

Mutto Optronics centers its strategy on "Smart Operations" and drives a comprehensive integration of digital and intelligent technologies. In intelligent R&D, the Company has established a virtual design and simulation platform to guide R&D decisions through big data, and a collaborative R&D platform to improve R&D efficiency and quality. In intelligent manufacturing, the introduction of advanced automated production lines enables real-time monitoring of and intelligent scheduling for the production process, improving manufacturing efficiency and flexibility. The Company has also deployed automated testing equipment for online collection of key parameters, achieving data analytics-driven quality prediction and rapid identification and closed-loop management of quality issues. In intelligent supply chain management, Mutto Optronics optimizes inventory management through demand forecasting while strengthening supplier collaboration, thereby ensuring the timely supply of materials and stable quality through a high-quality supply chain system.

**Quality Inspection**

In order to better prevent potential product safety and quality issues, the Company has established a product and process reliability testing process and evaluation standards to achieve full process product reliability risk management for technical elements, product development, and mass production processes. The Company continuously improves quality standards and inspection procedures. Each business segment inspects products in strict accordance with the requirements of *the Process Inspection Operation Management Measures and the Product Inspection Control Procedures* throughout the entire quality management process, including raw material inspection, intermediate product inspection, packaging material inspection, and product inspection. Through real-time trend analysis and monitoring of product inspection data, we ensure that strict quality control is carried out at every stage from the entry of raw materials to the exit of products.

For internal testing, the Company has set up multiple laboratories equipped with advanced research and development equipment and testing instruments to conduct mechanical, cleanliness, solvent resistance, impact resistance, and salt spray tests, etc., to provide long-term services for new product research and development, mass production product quality control, and after-sales service. For external testing, the Company has established long-term cooperative relationships with authoritative and certified third-party laboratories. The Company has comprehensively considered its qualification certification (such as CMA, CNAS, etc.), testing capabilities, the advancement of testing equipment, service quality, and industry reputation when selecting the cooperative laboratories. For items that cannot be accurately tested in-house or products that require test reports issued by authoritative institutions, the Company commissions third-party laboratories for testing.

Products must pass safety and reliability tests before proceeding to mass production; any products that fail to pass must undergo continuous improvement until they meet the required standards, ensuring that products satisfy customer acceptance testing requirements. Any issues identified during the reliability testing process must be reported to the production department for ongoing review and improvement to ensure product quality and stability. During the new product introduction stage, new materials, equipment, processes, and technologies are subject to a comprehensive assessment to identify potential quality risks and develop and refine corresponding countermeasures. For new or potential quality issues, the Company prioritizes preventive control measures such as error-proofing, fool-proofing, and equipment automation to ensure that key quality factors are properly controlled.

**Key checkpoints for material and product inspection**

➤ **Incoming material inspection**

The Company conducts quality inspections on materials during the material incoming stage to ensure that the production materials and packaging materials meet requirements.

➤ **Process patrol and sampling inspections**

The Company conducts patrol inspections on the manufacturing process and regular process capability analysis activities while monitoring the working process to ensure that intermediate products meet the requirements during the production process.

➤ **Finished product inspection**

The Company conducts strict inspections of finished products to ensure that only products meeting the qualified standard requirements can be delivered and the finished products meet the shipping requirements.

➤ **Reliability testing**

The Company implements reliability testing regularly to identify and intercept potential defects or risks in the products.

To ensure the effectiveness of inspections and tests at all stages, all measuring instruments are regularly calibrated, with critical characteristic measuring instruments receiving MSA evaluation.

**Product Recall and Non-conforming Product Management**

The Company's business segments have established *the Product Recall Procedures and the Non-conforming Product Control Procedures* to standardize the management procedures for non-conforming products and clarify the responsible departments for each process to strictly control quality. If any defective product causes a quality accident, the Company will immediately take damage control measures to identify the cause of the defect and eliminate the problem, and carry out review work in a timely manner to make continuous improvement from both technical and management aspects to prevent the recurrence of quality incidents. During the reporting period, the Company experienced no product recalls, and the product recall rate was 0%.

## Quality Culture Construction

The Company continues to strengthen its quality culture development by implementing annual quality training programs for all employees. We organize and carry out differentiated quality training for staff in different positions, with content covering quality philosophy, quality control methods, and corrective action implementation, etc., to enhance all employees' awareness and competencies in quality management. Concurrently, we carry out diversified quality improvement initiatives and routinely disseminate quality management best practices in the Company. Through various quality management promotion campaigns such as quality months, Quality Control Circles (QCC), six sigma activities, etc., the Company has cultivated a cultural atmosphere of "everyone cares about high quality, everyone creates high quality, and everyone enjoys high quality".

Quality training covers

**100%** of all quality-related employees

- MFLEX BU implemented the "OCAP on the Wall" initiative to visualize the control process. By organizing Quality Month and i-QCC activities and launching the QMS Micro-learning Hub, the BU published 12 "Knowledge Capsules" in 2025, jointly fostering a robust engineer culture.
- Suzhou Dongyue Plant of the P-Manufacturing BU introduced a four-step training to help front-line supervisors improve employee quality training efficiency. This plant encourages employees to become internal trainers using easy-to-understand cases to explain theoretical points, so as to efficiently accumulate knowledge and experience within the team.



## Product Chemical Safety

The Company has established a chemical safety working group responsible for advancing chemical safety management matters, including chemical risk identification, hazardous substance control, and substitution. The Company has also established a full life cycle management mechanism for chemicals covering risk assessment, R&D and design, raw material procurement, and production processes, to drive the formulation of chemical policies and targets as well as their implementation, performance monitoring, and continuous improvement, thereby strictly controlling hazardous chemical substances present in raw materials, products, and manufacturing processes. In addition, the Company has set chemical safety-related targets and incorporates the achievement of these targets as an important component of management performance evaluation, so as to minimize the risks posed by chemical substances to human health and the environment in the course of the Company's production and operations.



### Commitment and Declaration

The Company formulates and implements chemical management policies in strict compliance with the laws and regulations applicable to its operating locations and exporting countries and regions, including but not limited to the EU RoHS Directive (including extended directives), the EU REACH Directive and its annexes, *the Candidate List of Substances of Very High Concern and the List of Restricted Substances, the Requirements for Restriction of Hazardous Substances in Electrical and Electronic Products, the International Electrotechnical Commission's Standard on Material Declaration for Products of and for the Electrotechnical Industry (IEC 62474), the EU Persistent Organic Pollutants Regulation (POPs), the US Toxic Substances Control Act (TSCA), the PFAS Master List of the US Environmental Protection Agency, and the Norwegian Prohibition on Hazardous Substances in Consumer Products (PoHS)*. We promise that all contents of hazardous substances in raw materials, parts, assemblies and finished products in the Company have met the requirements of RoHS, REACH and other HSF laws and regulations as well as customer specifications. We also carry out investigations and third-party testing for hazardous substance compliance according to the relevant standards, so as to ensure that the products produced and manufactured by us are all in compliance with the requirements. We are committed to reducing and phasing out hazardous chemicals by proactively seeking safer alternatives to eliminate, minimize, or control the impacts of chemicals as much as possible.

## Restricted and Prohibited Substance Commitment

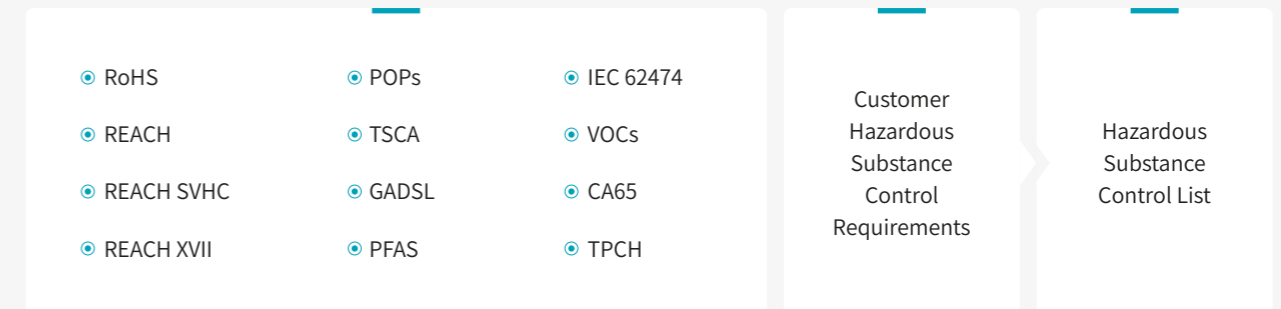
- Avoid using, producing, and selling products containing restricted and prohibited substances, ensuring 100% of our products are in compliance with the latest regulations on restricted substances in products and customer specifications.
- Establish and maintain a hazardous substances control system to eliminate the potential use and pollution of hazardous substances in our product production process.
- Continuously audit and improve the effectiveness of hazardous substance management activities.
- Communicate the requirements for restricted and prohibited substances to employees and suppliers in a timely manner to jointly achieve hazardous substance control goals.



### Improvement of Hazardous Substance Control List

In accordance with laws and regulations, industry standards, and international conventions on restricted and prohibited substances such as RoHS and REACH, the Company's business segments, combined with hazardous substance control specifications and requirements received from clients, have formulated detailed documents that specify the restricted and prohibited chemical substances in use and manufacturing process, such as *the Hazardous Substance Management List and the Hazardous Substance Control List*, to ensure that all hazardous substances in all relevant products are below the limits specified in laws, regulations and customer specifications. Concurrently, in response to evolving domestic and international environmental mandates and shifts in customer requirements, we maintain a dynamic update for our hazardous substance control lists and chemical management policies (including periodic recalibration of restricted substances, concentration thresholds, and regulatory scopes) to ensure our operations remain seamlessly and effectively aligned with the latest laws and regulations, standards, guidelines, and stakeholder expectations.

The Company conducts hazardous substance compliance investigations and third-party testing on products to ensure that the products strictly adhere to regulatory mandates and customer-specific thresholds. Our comprehensive testing protocols cover, but are not limited to, heavy metals (lead, cadmium, mercury, hexavalent chromium), bromine compounds (polybrominated biphenyls, polybrominated diphenyl ethers, hexabromocyclododecane), chlorine compounds, phthalates (DEHP, BBP, DBP, DIBP), alongside other restricted substances of great concern. All business segments have established elimination, replacement, or reduction plans for prohibited and restricted chemicals in our hazardous substance control lists, strictly prohibiting the re-importation of phased-out substances into any production and non-production stage.



## Chemical Substance Control Throughout the Product Lifecycle

To ensure chemical safety across both product compositions and manufacturing processes, DSBJ's business segments have formulated a series of institutional frameworks, including *the Hazardous Substance Management Norms, the Standards for Product Containing Prohibited Substances and Management Substance, the HSF Management Manual, the Chemical Management Procedures, the Technical Standards for Restricted Use of Hazardous Substances, and the Hazardous Substance Risk Management Procedures*, and established an end-to-end hazardous substances control system that spans the entire product lifecycle. By leveraging information systems, we perform continuous monitoring and validation, maintaining detailed records and traceability of each product batch to ensure unwavering compliance with applicable laws, customer requirements, and regulatory policies. We continuously track domestic and overseas regulatory trends and customer specification updates. When there are significant adjustments to relevant laws and regulations or company policies, we promptly recalibrate our internal standards and control lists and synchronize these updates across our entire supply chain. Suppliers are required to re-complete hazardous substance assessment or declaration documents according to the latest standards and undergo re-assessments aligned with the latest standards.

The Company's business segments have incorporated hazardous substance control requirements into internal audits, which are conducted annually according to internal audit plans to prevent the misuse, mixing, and contamination of prohibited and restricted substances. We regularly conduct IECQ QC080000 hazardous substance management system certification to ensure the continued effective operation of the management system.

To effectively improve the chemical management capabilities of employees in various operating locations, the Company routinely conducts chemical safety training, including basic knowledge of RoHS and other laws and regulations and customer-related requirements training, IECQ QC080000 hazardous substance process management training, hazardous substance incoming material management process training, and hazardous substance equipment management implementation training. In addition, the Company actively maintains close communication with suppliers and partners, providing hazardous substance management training to suppliers to ensure that they understand and comply with relevant standards and requirements.

MFLEX, Multek, Dongshan Sheet Metal, Mutto Optronics, Suzhou Dongyue, Yancheng Dongchuang, etc., have all passed **IECQ QC 080000 hazardous substance process management system certification**



Design and R&D

By taking environmental and health standards as important references for product design and development, the Company reviews new products according to technical drawings, inspection benchmarks, customer HSF mandates, and HSF laws and regulations. Under the guidance of *the RoHS Design Control Procedures*, we strictly assess the prohibited and restricted chemical substances of new products, enforcing a strict prohibition on the Company's Tier 1 hazardous substances for all raw materials at the conceptual stage. Furthermore, every material batch must be accompanied by valid chemical verification (e.g., RoHS, REACH), with third-party laboratory reports concurrently required to ensure full-spectrum compliance.

We have institutionalized a rigorous supplier hazardous substance assessment mechanism, cascading our HSF mandates to the furthest reaches of the upstream supply chain. This framework integrates mandatory incoming inspections for all raw and auxiliary materials with strict compliance verification of hazardous substances. On an annual basis, suppliers are required to submit declaration reports (e.g., *the Hazardous Substance Assessment & Declaration Report, the Hazardous Substance Non-Use Guarantees, the Environmental Compliance Declarations, and the REACH Substances of Very High Concern Disclosures*) alongside independent third-party test reports (e.g., RoHS, REACH). Only chemicals and materials that successfully navigate our compliance audit are permitted for production use.

JDI Electronics is dedicated to improving supplier hazardous substance management-related systems for independently developed products. In 2025, JDI Electronics overhauled its regulatory framework by introducing *the Environmental Hazardous Substance Control Rules and the Hazardous Substance Control Operation Rules* while updating its Green Procurement Management Manual. Product environment management (hazardous substance management) reviews were implemented for suppliers, with 40 product environment management audits completed during the reporting period.



Green Procurement



Manufacturing Process Management



Delivery Management

From the perspectives of personnel, machinery (equipment and molds), and raw materials, we systematically identify and assess hazardous substance risks across all production phases and implement differentiated control measures based on risk categorization, with targeted mitigation plans rigorously executed. We conduct rigorous internal testing on semi-finished and finished goods to verify that the entire manufacturing process remains free from cross-contamination. Furthermore, in response to evolving end-customer mandates and upgraded control requirements of laws and regulations, we concurrently drive the recalibration of in-process chemical controls and implement the phased elimination of high-risk substances, the formula optimization, and the strategic integration of safer alternative materials.

The shipping management follows strict management specifications and procedures. The Company has confirmed that the components and materials constituting the products are in line with the Hazardous Substance Control List under shipping inspection items or customer-specific requirements. We entrust third-party testing institutions to conduct inspections on hazardous substances under customer mandates to ensure that the hazardous substances contained are below the limits required by laws, regulations, and customer specifications. Qualified products should be labeled with environmental compliance labels or attached with the necessary test reports and conformity declarations, etc., according to relevant requirements.

## Chemical Phase-out

For chemicals prohibited or restricted in the chemical substance control list, the Company, under the long-term goal of gradually phasing out chemicals of concern, explores improvement opportunities in the management of restricted substances by continuously tracking domestic and international legal and regulatory dynamics, and benchmarking the latest standard requirements of mainstream customers. Moreover, the Company also promotes various business segments to formulate advanced hazardous substance phase-out plans, actively carrying out chemical reduction and substitution efforts and strictly prohibiting the re-importation of phased-out substances into any production and non-production stage.

### Yancheng Dongchuang's Product Hazardous Substance Reduction Plan

Material Categories	Hazardous substance management targets	Permitted concentration
Raw materials and products	Mercury and mercury compounds	Non-detectable
	Hexavalent chromium and its compounds	Non-detectable
	Polybrominated Biphenyls (PBB)	Non-detectable
	Polybrominated diphenyl ethers (PBDE)	Non-detectable
	Benzyl butyl phthalate (BBP)	Non-detectable
	Dibutyl phthalate (DBP)	Non-detectable
Ink	Diisobutyl phthalate (DIBP)	Non-detectable
	Bis(2-ethylhexyl) phthalate (DEHP)	Non-detectable
Metal	Lead (Pb)	Non-detectable
CCL/PP/Inks/ Important chemicals and products for the manufacturing process	Cadmium and its compounds	Non-detectable
	Organic halogen compounds (only bromine and chlorine)	Halogen content 93% Halogen-free 7%
All packaging materials	Cadmium, lead, mercury, hexavalent chromium	Cd + Pb + Hg + Cr (VI) < 100ppm, and Cd < 5ppm Pb, Hg, Cr (VI): non-detectable

Note: The allowable concentrations of hazardous substances for the above products are scheduled to be achieved in stages from 2025 to 2026.

Case

Source Photonics Promotes Halogen-Free Alternatives

Traditional halogenated compounds (such as brominated flame retardants) may release highly toxic substances such as dioxins when burned or under high temperatures, which are difficult to degrade and will accumulate in the environment for a long time. By embracing Halogen-Free (HF) design, we effectively mitigate potential toxic risks to soil, water, and air during product disposal, recycling, or incidental combustion. This proactive shift not only satisfies the stringent requirements of environmental mandates like RoHS but also underscores our commitment to ecological stewardship. All products designed and developed by Source Photonics are fully compliant with the EU RoHS Directive, strictly limiting the use of hazardous substances such as lead, mercury and cadmium and adhering to REACH regulations regarding the disclosure and control of substances of very high concern. Furthermore, Source Photonics steadfastly transitions to halogen-free PCB laminates to curtail the use of halogenated compounds such as brominated flame retardants, so as to safeguard soil and water resources from contamination risks.

## Impact, Risk, and Opportunity Management

During the quality risk assessment process, DSBJ systematically identifies multiple potential risks, including design/R&D risks, raw material/supply chain risks, production/process risks, hazardous substance risks, and regulatory compliance risks. With continuously strengthened quality risk management, the Company promotes all business segments to establish internal institutional frameworks such as *the Risk Management Rules for Quality Management System Process and the Organizational Environment and Risk Control Procedure*, clearly defining the processes of and requirements for quality risk identification, analysis, evaluation, mitigation, and monitoring. Through various risk management tools, such as Advanced Product Quality Planning (APQP), Measurement System Analysis (MSA), In-Process Quality Control (IPQC), Statistical Process Control (SPC), Failure Mode and Effects Analysis (FMEA), Control Plans (CP), and Production Part Approval Process (PPAP) and continuous iteration of risk analysis models, we have formulated effective control measures for different levels of quality risks from the design source, strictly controlling potential quality risks throughout the product lifecycle. To ensure the effective operation of the quality system, the Company has established a comprehensive quality audit mechanism, and encouraged all business segments to formulate the 2025 audit plan, including internal quality audits, third-party system certification audits, and customer audit inspections. These initiatives can help us identify potential issues and non-conformity in a timely and accurate manner, ensuring the effectiveness of the quality management system.

By deeply integrating automated intelligent production with AI technology and building a big data analysis platform, the Company realizes intelligent analysis and early warning of quality risks and drives corrective measures to improve risk management effectiveness, realizing continuous and stable improvement in production efficiency and product yield. Focusing on root cause analysis of defects and intelligent early warning of processes, we build a risk-forward prevention and control system, where we monitor key production nodes in real time through data-driven and intelligent means to achieve early detection and handling of quality problems, thereby guaranteeing our product delivery quality.

In addition, the Company regularly conducts the identification, assessment, and control of hazardous substance risks based on the overall risk management normative framework and documents such as *the Hazardous Substance Risk Management Procedures and the Supplier Hazardous Substance Management Procedures*, in order to safeguard product quality and safety.

## Indicators and Targets

Indicators and targets	Achievement in 2025
No major quality incidents	Targets achieved
100% coverage of employees for quality training	Targets achieved
No customer complaints about hazardous substances	Targets achieved
Zero incidents of supplier incoming materials exceeding HSF standards	Targets achieved

# Professional Services

## Customer Relationship Management

Guided by a customer-centric approach, DSBJ, based on an accurate understanding of customer needs, strives to provide customers with comprehensive, one-stop, and technologically advanced solutions to meet their customized requirements. We continuously improve the customer service system to ensure quick responses and efficient handling of customer requests by virtue of comprehensive process management, cross-departmental collaboration mechanisms, and digital platform support, thereby establishing a good and long-term relationship with customers. During the reporting period, all business segments received annual supplier service awards from customers.

## Quality Service

The Company is steadfastly pivoting its service model from "reactive" to "proactive". Through regular interaction with customers, we have gained granular insights into evolving customer demands. We have established a robust, end-to-end service monitoring framework coupled with a closed-loop feedback mechanism, enabling the preemptive identification of potential issues and timely intervention. Through professional and high-efficiency services, we continue to create value for our clients and foster enduring partnerships built on mutual trust and shared growth.



### Improving Service System

Each business segment has formulated and improved institutional frameworks such as *the Control Procedures for Processes Related to Customers and the Customer Satisfaction Management Procedures*, continuously improving the full-process service system covering pre-sale, in-sale, and after-sale stages, and promoting the standardization and efficiency of service processes. We accelerate the processing of orders and related information through automation, artificial intelligence, and other technologies, improving the efficiency and accuracy of customer service.



### Facilitating Communication Channels

We communicate with customers based on their different communication needs through multiple channels such as emails, phone calls, video conferences, chat software and offline visits, and maintain proactive communication with customers through regular customer visits to gather their opinions and feedback on the Company and our products, to promptly address any issues raised by customers.



### Professional Service Support

Through enhanced service awareness and professional skills training, we elevate our professional service capabilities. For example, MFLEX Electronics established customer reception offices by region, implementing 24-hour service support through a structure of "dedicated personnel stationed at specific points + flexible personnel". Suzhou Dongyue set up an exclusive service team for its key customers, which provided one-stop and comprehensive services covering early project docking, product customization development and continuous tracking after mass production delivery.

The customer service team at Dongyue Body Parts Plant of the P-Manufacturing BU has institutionalized an early involvement strategy. By leveraging the existing sound problem management and analysis tools, the team has drawn customer risk radar charts and implemented SLC (Simple, Lean, and Creative) error-proofing and quality gate control mechanisms to systematically preempt operational risks. The team proactively intervenes during the conceptual design or preliminary 3D data phases to provide comprehensive DFM (Design for Manufacturing) reports and continuously pushes the improvement of customer-focused issues, enhancing the transparency of services and improving customers' satisfaction and trust in services. In 2025, these front-end initiatives spanned 236 projects and 996 products, achieving an impeccable record of zero customer-end failures.

DSG is accelerating its digital customer service roadmap by constructing an intelligent end-to-end processing ecosystem and an AI-powered chatbot platform. By harnessing Artificial Intelligence, DSG has drastically enhanced data accuracy, timeliness, and overall customer service efficiency and empowered front-line personnel through on-demand micro-learning of business knowledge and the crystallization of standardized solutions for recurring client queries. This synergy between human expertise and machine intelligence not only ensures high-precision responses and shortened problem response time but also significantly improves the overall customer satisfaction.

## Customer Request Response

The Company values customers' opinions and feedback and drives various business segments to improve their customer complaint management. The Company has formulated a series of institutional documents, such as *the Customer Complaint Handling Management Specification, the Customer Complaint Handling Control Procedures, and the Handling of Escalated Problems and Internal Control Management Mechanisms* to establish an efficient response and processing mechanism. For customer feedback, we have carried out an analysis and made active improvements to ensure that our solution can meet the requirements of the customers.

### Customer Complaint Handling Process

#### Timely receipt and processing

Customers can file complaints or provide feedback through multiple channels. The Company will promptly handle customer complaints and maintain detailed records of customer complaints and solutions.

#### Exception investigation

The Company will investigate the defective products and related matters based on customer feedback, formulate counter-measures, and provide timely feedback to customers.

#### Improvement tracking

By systematically analyzing root causes, the Company takes corrective and preventive measures and tracks the implementation effect for verification. Moreover, we also update standardized documents in a timely manner to promote problem-solving and experience consolidation.

Customer complaint response rate is

100%

Customer complaint resolution rate is

100%



Note: The statistical scope does not cover the Source Photonics BU.

## Customer Satisfaction Management

The Company promotes all business segments to establish an institutional framework composed of *the Customer Satisfaction Management Procedures, the Service Delivery and Customer Satisfaction Management Procedures, and the Customer Satisfaction Measurement Management Specification*, etc. We conduct regular customer satisfaction surveys across different dimensions such as product quality, delivery time, problem handling efficiency and technical support, and make systematic customer follow-ups based on findings from these surveys, analyzing causes in depth and formulating improvement measures. Every year, we implement supervision through internal audits and other means to continuously enhance product and service quality.

MFLEX's customer satisfaction rate: 97%-99%	Multek's customer satisfaction rate: 95%	TCTD BU's customer satisfaction rate: 91%-100%
P-Manufacturing BU's customer satisfaction rate: 94%-98%	Source Photonics BU's customer satisfaction score: 4.36 (out of 5)	

## Responsible Marketing

Adhering to a scientific, rigorous, and responsible marketing philosophy, DSBJ strictly complies with applicable laws and regulations and the policy requirements of its operating locations, including *the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, the Anti-Unfair Competition Law of the People's Republic of China, the Advertising Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China*. The Company drives its various business segments to formulate a series of policies and specifications, including *the Sales Management Policy, the Market Development Management Specification, and the Project Operations Management Specification*, ensuring that products are promoted in an ethical, scientific, and objective manner.



### Marketing Compliance Management

The Company continues to improve the responsible marketing compliance management system and clarifies marketing compliance responsibilities and processes. With strict adherence to anti-unfair competition and anti-monopoly requirements and relevant laws and regulations in the place of operation, as well as the Company's code of ethics, commercial bribery, unfair competition and other illegal means are strictly prohibited for marketing activities, and any violations in marketing activities should be promptly addressed.

The Company has established a mechanism for controlling marketing content at the source, continuously improving the standard processes for generating and reviewing product information to ensure that all information is verified and consistent and accurate across all stages. The Company has also established a multi-party review mechanism whereby all externally released product marketing materials, including those involving marketing communications, are subject to rigorous review and approval by multiple departments, including R&D, quality, legal, and marketing, ensuring that all marketing information meets the requirements of accuracy, clarity, and regulatory compliance, and that any false, exaggerated, or misleading content is avoided. With regard to responsible marketing conduct among employees, the Company strengthens process audit and supervision, for example by monitoring and managing customer communication emails and correspondence, to prevent marketing risks.



### Responsible Marketing Capacity Building

The Company drives its various business segments to formulate annual responsible marketing training plans, providing marketing personnel with specialized training covering product knowledge, responsible marketing regulations, customer communication, and business ethics, to ensure that employees are aware of and strictly comply with the Company's sales policies and convey product information in an ethical, scientific, and accurate manner. The Company also encourages marketing personnel to participate in projects from the early stages of product development, enabling them to develop a thorough understanding of the products and avoiding any inaccurate transmission of product information.

# Embracing Eco-Efficiency to Accelerate a Clean and Low-Carbon Production System



# Environmental Management

DSBJ integrates the concept of green development into its operations to minimize the impact on the environment while enhancing the Company's competitiveness, so as to achieve a win-win situation between economic benefits and environmental protection.

## Environmental management system

The Company strictly complies with environmental protection laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Water 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*, and continuously improves its environmental management system in accordance with standards such as ISO 14001 and ISO 50001. The Company has established an EHS working group composed of employees from the Company's headquarters and the EHS departments of each business unit, responsible for coordinating, advancing, and overseeing the formulation and implementation of EHS plans, targets, and action plans across all business segments. The EHS management system achieves 100% coverage of all relevant business segments. During the reporting period, the Company's environmental management system operated in a stable and effective manner; the Company experienced no environmental pollution incidents and received no major administrative penalties in relation to environmental matters.

The Company has formulated a series of policies and specifications, including the *EHS Management Policy* and the *EHS System Management Specification*, covering the Group headquarters and all business segments. Based on operational development needs, existing environmental management capabilities, and the projected benefits of technological facility upgrades, the Company has established environmental management targets spanning environmental compliance, air emissions management, waste management, energy management, water resource management, and greenhouse gas reduction. These targets are broken down and assigned to relevant departments and linked to management performance appraisals, comprising veto items, regular assessment items, and bonus items. For specific targets, please refer to the relevant thematic chapters of this report.

Total environmental investment for the year amounted to

RMB **130.672** million



The Company's main production and operation entities have all passed the

**ISO 14001 environmental management system certification**

MFLEX Suzhou, MFLEX Yancheng, Yancheng Dongshan, Multek China Ltd., Multek Industries have passed the **clean production audit**

MFLEX Suzhou has been awarded the **title of National Green Factory**

Multek Industries, JDI Electronics, and the Sheet Metal Plant of DSBJ have been awarded the **title of Provincial Green Factory**

Source Photonics Chengdu Branch has been awarded the title of **Sichuan Environmental Integrity Enterprise (Grade A, Green Label)**



## Environmental Risk Prevention and Control

In accordance with the requirements of ISO 14001, the Company continuously improves its environmental risk management and control mechanism, actively promotes environmental aspect assessments and hazard identification inspections at key facilities, and develops a register of significant environmental aspects, identifying the environmental aspects associated with its activities, products, and services that it can control or influence, and monitoring and managing their environmental impacts on an ongoing basis from a life cycle perspective. The Company maintains continuous environmental monitoring, promptly discloses environmental monitoring results, and accepts inspection by regulatory authorities and public oversight.

The Company empowers its production and operation entities to bolster environmental emergency management. By formulating targeted emergency plans for sudden environmental incidents and conducting emergency drills according to actual conditions, we have enhanced our response capabilities to environmental incidents, ensuring that any potential environmental impact is effectively mitigated as much as possible.



## Environmental Audit

DSBJ has established an internal EHS audit mechanism to conduct regular environmental audits across all production units. The audit scope primarily covers, among others, EHS compliance, the operation status of pollutant treatment facilities, discharge of wastewater, waste gas, and solid waste, waste storage and disposal practices, storage and usage of hazardous chemicals, environmental hazard investigations, emergency response plans and emergency drills. The auditing methods include headquarters audits (quarterly) and strict self-inspection by subordinate enterprises. In addition, all operational bases regularly cooperate with regulatory authorities and external stakeholders to carry out external environmental audits to ensure the applicability and effectiveness of the environmental management system. The Company sets rectification deadlines based on the severity level of audit problems and has arranged a dedicated department to continuously track the implementation of rectification to ensure that rectification measures are implemented effectively.



## Environmental Protection Training

The Company regularly conducts dedicated environmental protection training programs, organizing employees through a variety of formats to study environmental laws and regulations, industry standards and specifications, internal policies, and practical environmental management skills, continuously enhancing employees' environmental awareness and professional competence. During the reporting period, environmental protection training achieved 100% coverage of the Company's principal operating bases.

# Addressing Climate Change

## Governance

DSBJ establishes a sound governance structure to continuously improve the identification, assessment, management, and disclosure of climate risks and opportunities. The Board of Directors is responsible for assessing climate-related risks and opportunities; paying attention to their potential impact on the Company's strategy, operations, and financial status; reviewing and approving climate-related plans, goals, and response plans; and supervising their implementation. The EHS working group is responsible for organizing climate risk and opportunity identification, scenario analysis, and materiality assessment; formulating strategies, goals, and implementation plans to address climate change; and promoting the practice of relevant work through closed-loop management. This working group also regularly collects and tracks climate change-related data and targets progress.

## Strategy and Management Mechanism

After fully analyzing the risks and opportunities brought by climate change, DSBJ has integrated the topic of addressing climate change into its corporate strategic decision-making. We incorporate green and low-carbon requirements throughout the entire project lifecycle - from planning and construction to operation - while promoting green transformation to strengthen climate resilience.

Category	Risk / Opportunity Description	Impact Cycle	Potential Financial Impact	Response Measures
Physical risk	Acute risk Extreme weather events triggered by climate change (such as floods, typhoons, high temperatures, etc.) may cause direct damage to DSBJ's assets and production facilities, which will affect normal production and operations.	Short-term Medium-and-long-term	Operating income ↓ Operating costs ↑ Value of fixed assets ↓	<ul style="list-style-type: none"> <li>Strengthen the identification and management of physical climate risks, improve emergency response plans, and ensure business continuity.</li> </ul>
	Chronic risk Rising temperatures and water resource risks may affect supply chain stability and increase operating costs.	Long-term	Operating costs ↑	<ul style="list-style-type: none"> <li>Optimize supply chain layout to reduce dependence on high-risk regions.</li> </ul>

Category	Risk / Opportunity Description	Impact Cycle	Potential Financial Impact	Response Measures
Transition risk	Policy and regulatory risks Responses to policy changes may lead to increased costs and strengthened operational constraints.	Medium-term Long-term	Operating costs ↑	<ul style="list-style-type: none"> <li>Proactively connect with local policy authorities, to research, follow up, and promote policy changes in a timely manner to strengthen compliance management.</li> </ul>
	Market and technological risks Due to continuously increased customer demands for low-carbon products and green supply chains, the layout of green industries and technologies will enhance the competitiveness of the Company's products. However, since the low-carbon transformation requires significant technological innovation and process equipment upgrades, we may need to invest in the research and development and application of low-carbon technologies.	Medium-term Long-term	Operating income ↓ Operating costs ↑	<ul style="list-style-type: none"> <li>Incorporate climate change responses into corporate strategy and proactively deploy low-carbon technology research and development, low-carbon product development and industry layout by actively introducing new technologies, new processes and new materials to meet customer demands for low-carbon solutions, thereby enhancing market competitiveness.</li> <li>Formulate carbon reduction targets with a clarified development path under the "dual-carbon" goal, and continuously promote energy conservation and emission reduction by means of management-driven energy conservation, technical energy conservation, the use of photovoltaics, and the purchase of green electricity; advocate green purchase.</li> </ul>
Climate opportunities	Products and services Through low-carbon technology R&D and green product development, new product directions and solutions are created to enhance product competitiveness and explore new growth space.	Medium-term Long-term	Operating income ↑	
	Resource efficiency Increased investment in low-carbon technology R&D can improve energy utilization efficiency, reduce production costs and enhance market competitiveness.	Medium-term Long-term	Operating costs ↓	<ul style="list-style-type: none"> <li>Tap into emission reduction potential and reduce energy consumption costs by optimizing the energy structure and strengthening energy management.</li> </ul>

## Clean Technology Opportunities

### Green Industry Layout

Upholding the concept of green development, DSBJ has integrated clean technology innovation into the Company's strategies. We proactively lay out our presence in areas including smart cars, artificial intelligence, and advanced telecommunications, maintaining increased investment in clean technology and innovation research and development, and expanded application scope of clean technologies, in order to stride confidently toward a new era of green and high-quality development.

#### Deepening the Layout of New Energy Business

DSBJ continues to solidify its strategic footprint within the global automotive supply chain. By offering global smart and new energy vehicle clients with a diversified portfolio composed of electronic circuits, automotive display panels and functional structural components, and integrated, comprehensive solutions, we actively expand the globalization of new energy-related businesses. The acquisition of the GMD Group in France marks a pivotal expansion of our industrial layout within the core European market. Simultaneously, by leveraging our domestic and overseas production hubs in Suzhou, Yancheng, and Mexico, we have bolstered our capacity synergy and localized delivery capabilities. This strengthened supply chain resilience enables us to provide global smart automotive clients with more competitive products and solutions, helping customers achieve high-quality growth.

#### Optical Communication Empowering Green Computing Power

In 2025, the Company's strategic acquisition of Source Photonics marked our official entry into the optical communication sector, significantly enhancing our product matrix for AI computing infrastructure. This acquisition represents a key strategic measure in seizing clean technology opportunities and advancing green data infrastructure. As a world-leading supplier of optical components, Source Photonics provides high-speed optical modules tailored for low-energy, high-computing scenarios such as AI data centers and 5G networks. Compared with traditional electrical interconnects, the high-speed optical module solutions significantly reduce energy consumption during data transmission, effectively catalyzing the transition toward a sustainable green digital economy.

### Clean Technology Innovation

While expanding into the green industry, the Company is also committed to providing more environmentally friendly, high-quality products. By increasing the R&D and promotion of clean technologies, the Company actively applies new materials, new equipment, new processes and new technologies to provide more environmentally friendly solutions for the industry.

### Case

#### Green Technology Solutions for Optical Module Products

Emphasizing the carbon footprint management of the entire product life cycle, Source Photonics has manufactured eco-friendly optical modules with high bandwidth, low energy consumption, and extended lifespan, contributing to the green transformation of computing power infrastructure.

#### Achieving a maximum energy consumption of 30W in design

The adoption of optimized process nodes for DSP chips has yielded a 14% reduction in single-chip energy consumption, while the dual-DSP architecture contributes a further 9% saving in total power usage. Additionally, enhanced thermal conduction management, improves the switch cooling efficiency, indirectly curbs data center PUE, and the optimized DC-DC component selection further decreases the overall energy consumption.

#### A 50% reduction in optical cables and fiber splicing nodes

Source Photonics pioneered the industry's first ultra-integrated 10G\*16 CWDM solution, utilizing circulators for transceiver isolation. This breakthrough optimizes chip bandwidth to maintain total module energy consumption under 11.5W and doubles the transmission rate within the original form factor through highly integrated structural design.

#### Boosting the energy efficiency ratio through technological innovation

By adopting single-wavelength 200G technology, Source Photonics has reduced the number of chip devices under the same bandwidth, effectively lowering module operating energy consumption and boosting the energy efficiency ratio. The refined energy efficiency scheduling for "sleep" and "wake-up" states prevents full-power operation during idle periods, significantly saving data center cooling and electricity consumption. Additionally, the simplified network architecture sourcing from self-sensing capabilities and the real-time information carried by "pilot tone" functionalities have allowed the network management system to accurately understand the health status of the modules, enabling extension of equipment lifespans and precise operations and maintenance to reduce the cumulative carbon footprint.

#### Dual Improvement in Energy Efficiency and Reliability

By adopting advanced process technology and novel thermal interface materials, Source Photonics has slashed total energy consumption by 10% at a high speed of 800G, curbing the data center PUE. Combined with low-loss multiplexing technology to enhance receiver sensitivity, Source Photonics has optimized the entire optical link's energy profile. The overall service life of optical module products is increased by 18.4%, which is evidenced by extending the mean time between failures (MTBF) from 1.63 million hours to 1.92 million hours.

## Low Carbon Operations

### Carbon Management

In active response to the national "dual carbon" initiative, the Company steadily drives the formulation of carbon neutrality targets and pathway planning, and orderly pushes major operational sites to carry out ISO 14064 greenhouse gas verification and product carbon footprint certification, solidifying the data foundation and scientific support for carbon management. At the same time, some of the Company's operational sites have officially established Science Based Targets (SBTi), clarifying the net-zero emissions path for the entire value chain, and implementing carbon offsetting with market-based carbon reduction tools such as purchasing green certificates, in order to actively integrate into the global climate governance system and enhance green competitiveness.

MFLEX Suzhou was honored as **an enterprise with outstanding achievements in the construction of zero-carbon (near-zero carbon) factories in Suzhou in 2025**

MFLEX Suzhou, MFLEX Yancheng, Multek, JDI Electronics, and Mutto Optronics have passed **ISO 14064 greenhouse gas verification**

Products of MFLEX Suzhou and Multek China Ltd. have passed **ISO 14067 carbon footprint certification**

MFLEX Suzhou, Multek, and Suzhou Dongyue have established **Science-Based Targets (SBTi)**



### Case

#### Multek Received the Official Validation from the Science Based Targets Initiative (SBTi)

In September 2025, the greenhouse gas emission reduction targets submitted by Multek, covering the entire value chain, were officially validated by the Science Based Targets initiative (SBTi). Multek is committed to complying with the latest SBTi standards to establish a net-zero emission pathway across the entire value chain:

#### Net-Zero Emission Target

Multek is committed to achieving net-zero greenhouse gas emissions across the entire value chain by 2050.

#### Short-term Target

Using 2024 as the base year, Multek promises a 58.8% reduction in Scope 1 and Scope 2 GHG emissions and a 35.0% reduction in absolute Scope 3 emissions by 2034.

#### Long-term Target

Multek promises to achieve a 90.0% reduction in absolute Scope 1, 2, and 3 GHG emissions by 2050 compared to the 2024 base year.



## Energy Management

With the continuous refinement of the energy management system, the Company systematically drives each business segment to fortify its energy governance architectures and define energy management target roadmaps. We encourage energy conservation from three perspectives, namely, management-driven energy conservation, technological energy conservation, and energy structure optimization, in order to achieve low-carbon operations. To ensure the effective operation of the energy management system, we conduct recurring internal and external energy audits and actively pursue energy management system certification across all major operational sites to elevate our energy stewardship.

MFLEX, Multek, JDI Electronics, Mutto Optronics, and the Sheet Metal Plant of DSBJ have all passed **ISO 50001 energy management system certification**

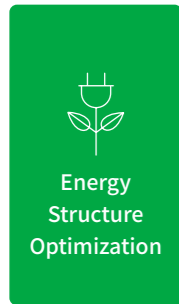
### Management energy conservation

- The Company drives all BUs to formulate a series of institutional frameworks such as *the Energy Management Manual and the Energy Management Procedures*, establishing and improving energy conservation and emission reduction indicator systems, monitoring systems, and assessment systems to achieve controllable and manageable energy usage.
- We also set overall group energy conservation goals, and arrange an energy conservation team to conduct energy-saving audits and management review meetings for regular evaluation of energy management goals to ensure their steady progress.
- The Company drives key operation entities to gradually establish a smart energy online monitoring system. We achieve real-time monitoring and analysis of the energy consumption of major equipment to promptly detect abnormal energy consumption. We also grasp energy consumption trends and changes at different positions and time periods by virtue of information technology and big data analysis to identify energy-saving improvement opportunities. And accordingly, we continuously optimize energy use strategies to further improve energy efficiency.
- The Company conducts multi-level energy management specialized training to continuously enhance employees' energy conservation awareness and capabilities. MFLEX BU has invited senior experts in the energy field to conduct professional technical training across the entire energy lifecycle, encompassing all key aspects of energy management, including energy supply, transmission and distribution, end-use, and equipment and facilities. The BU also conducts on-site topic discussions, graduation defense assessments, and certificate issuance to ensure successful practice of training outcomes.

The Company drives key operation entities to replace old, high-energy-consuming and inefficient equipment and adopts more efficient production technologies and processes to improve energy efficiency and achieve operational emissions reduction.

- **Lighting upgrade:** MFLEX BU is phasing in lighting upgrades by retrofitting old lighting fixtures with high-efficiency LED lighting fixtures. During the reporting period, MFLEX Suzhou reduced the wattage of lighting fixtures in some workshops and office areas to 12W and 20W, respectively; and MFLEX Yancheng changed some 18W fluorescent tubes to 8W tubes, resulting in a cumulative energy saving of approximately 621,900 kWh.
- **Energy efficiency improvement of public utility systems:** Multek BU constructed a high-efficiency centralized HVAC plant, replacing decentralized units with high-efficiency chillers. After the upgrade, the system's annual comprehensive energy efficiency ratio (EER) surged from 0.271 to exceeding 5.0, yielding annual electricity savings of 12 million kWh. Moreover, MFLEX BU integrated remote monitoring for utility systems, such as compressed air, air conditioning, vacuum, and PCW, across some production areas, enabling real-time, multi-party data synchronization and real-time monitoring.
- **Power quality optimization:** Mutto Optronics deployed 4,000 KVA of energy-saving filtering equipment to mitigate harmonic losses, capturing a 5%–8% monthly reduction in electricity consumption.
- **Circulation system modification:** Yancheng Dongchuang implemented a special upgrade for the cooling water circulation system in the die-casting workshop. By leveraging high-efficiency pumps and vacuum water diversion technology, the BU significantly reduced operational power while maintaining stable outlet pressure and flow, with an estimated annual saving of 475,200 kWh.

### Technological energy conservation



① The Company increases the consumption proportion of clean energy and renewable energy and gradually increases the share of green electricity through measures such as expanding photovoltaic power generation and purchasing green electricity. Photovoltaic power generation equipment is installed in all suitable areas of the plants.



## Impact, Risk, and Opportunity Management

DSBJ has established a process and framework for managing climate risks and opportunities to identify, analyze, assess, and clearly understand the scope of climate change risks and opportunities, thereby enhancing climate resilience.



## Indicators and Targets

Aligning with industrial best practices, DSBJ has refined its greenhouse gas (GHG) and energy management framework with reference to SBTi's Science Based Targets. We successfully operationalize our long-term climate change commitments by distilling them into quantifiable, traceable, and phased indicators and targets and seamlessly integrating them into the production and operation performance appraisal system of our diverse operation entities.

### Greenhouse Gas Emission Reduction Target

Using 2024 as the base year, DSBJ will achieve an 8% reduction in greenhouse gas emission intensity (Scope 1 and Scope 2) by 2030.

### Energy Management Targets

Using 2024 as the base year, DSBJ will achieve a 6% reduction in electricity intensity by 2030.

Indicators	Unit	2025	
Direct energy	Gasoline	tonnes	83.89
	Diesel	tonnes	67.86
	Natural gas	m <sup>3</sup>	8,463,979.37
Indirect energy	Purchased Electricity (excluding green electricity)	kWh	932,930,760.67
	Purchased green electricity	kWh	568,429,754.91
	Solar / Photovoltaic	kWh	20,359,903.70
Total renewable energy consumption	kWh	588,789,658.61	
Total energy consumption	tce	126,136.60	
GHG emissions	Direct GHG emissions (Scope 1)	tCO <sub>2</sub> e	18,767.79
	Indirect GHG Emissions (Scope 2, Market-Based)	tCO <sub>2</sub> e	568,714.59
	Indirect GHG Emissions (Scope 2, Location-Based)	tCO <sub>2</sub> e	796,621.89
	Total GHG Emissions (Scope 1 and Scope 2, Market-Based)	tCO <sub>2</sub> e	587,482.38
GHG Emission Intensity (Scope 1 and Scope 2, Market-Based)	tCO <sub>2</sub> e /RMB10,000 of revenue	0.1464	

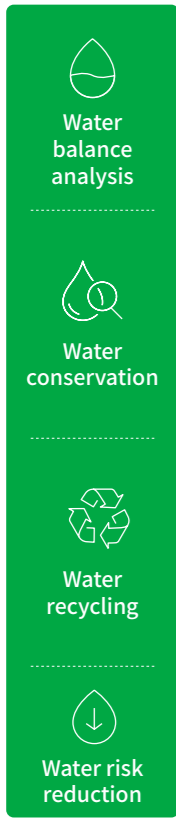
## Resource Utilization and Circular Economy

### Water Resources Management

The Company's water resources are sourced primarily from municipal water supply, and the principal production and operational sites with high water consumption are located in areas with low water resource risk levels. The Company has established water resource management targets and defined specific requirements for water use management based on internal policies and specifications such as its water management procedures, with the EHS departments of each business unit responsible for the overall coordination and supervision of water resource management. The Company also drives key facilities to establish water conservation teams or designate water conservation officers, who formulate annual water conservation plans and implementation programs to promote the sustainable use of water resources. During the reporting period, the Company experienced no violations related to water resources.

### The water resource management goal

is to achieve a 5% reduction in water intensity by 2030, using 2024 as the base year



We conduct water balance analysis to supervise and analyze the supply, use, and discharge of water during the factory production process, and formulate targeted water conservation measures to improve water resource utilization rates. As of the end of the reporting period, MFLEX BU, Multek BU, JDI Electronics, Mutto Optronics, the Sheet Metal Plant of DSBJ, and Yancheng Dongchuang have all conducted water balance analysis.

We formulate a water consumption quota plan and monitor and follow up on the monthly water consumption situation to find out the weak links and strengthen the daily water conservation management. We advocate the use of water-saving facilities and appliances and regularly check and maintain the water supply pipe networks to eliminate the phenomenon of water leakage, drip and spill. We also carry out water conservation publicity activities with enhanced water conservation publicity efforts to advocate the water conservation trend.

The Company actively promotes water recycling technology. We renovate and upgrade recycling water treatment facilities for collecting, treating, and reusing production wastewater to improve water resource utilization efficiency and reduce the impact of wastewater discharge on surrounding water bodies. We retrofit or construct rainwater reuse irrigation systems on production and operation sites, purifying and treating collected rainwater for greening, cleaning, and other non-potable uses, so as to reduce the water consumption from the municipal water supply.

During the selection process for new project investments, we, with full consideration of water resource risks, constantly monitor the risk of water shortages and assess water use strategies to ensure that the water supply can meet the needs of production and operation.

**Case**

**MFLEX Suzhou Comprehensively Promoted the Construction of Water-saving Factory**

MFLEX Suzhou comprehensively promoted the construction of water-saving factories by optimizing water equipment management, innovating technology applications, and strengthening employee water-saving awareness.

**100% reuse rate for RO concentrated water:** The RO concentrated water is pretreated through the water recycling system and redirected back to the purified water production plant for reuse in manufacturing processes, with an annual recycling volume projected at 500,000 tons. Residual RO concentrated water can be used for toilet flushing, with an estimated annual tap water conservation of 35,000 tons.

**Rainwater resource utilization:** Rainwater harvesting and treatment facilities are constructed, through which 12,000 tons of rainwater can be reused annually for landscape irrigation and cleaning purposes.

**Production line water-saving renovation:** The "Production Line Reverse-Flow Rinse System" is implemented for utilizing conductivity control technology to enable water recycling within production line tanks, with an annual water circulation volume of 1 million tons.

**Fostering a water conservation culture:** The Company conducts training on water-saving operational standards for key equipment operators, new employees, and temporary workers on an ad hoc basis, nominates selected personnel to participate in the "water-saving specialist" training program organized by the district water affairs bureau, and strengthens day-to-day water conservation awareness initiatives.

**Case**

**JDI Electronics' Efficient Water Resource Utilization Practices**

Targeting three core water use areas of production, domestic use, and equipment utilities, JDI Electronics predicts water demand based on production tasks and formulates precise allocation and water conservation plans in advance, continuously advancing water-saving initiatives. These include introducing new automated production lines to reduce water consumption per unit of output, and implementing process improvements such as repeated rinsing of cleaning tanks to achieve efficient wastewater recycling and reuse. The Company has also adopted air compressor waste heat recovery technology as an alternative to traditional steam heating, and dynamically optimizes water usage parameters based on actual equipment operating conditions, minimizing overall water consumption.

Indicators	Unit	2025
Total water intake	tonnes	9,901,341.41
Total water consumption	tonnes	2,907,396.72
Water consumption intensity	tonnes/ RMB 10,000 of revenue	0.7246

## Green Packaging and Raw Materials

DSBJ advocates the circular economy concept and actively practices the principles of reduction, reuse, and recycling, driving improvements in resource efficiency across the full lifecycle of raw materials and packaging materials.



**Using recycled materials**

DSBJ is committed to advocating sustainable raw material procurement, prioritizing environmentally friendly and renewable materials. For example, Yancheng Dongchuang has achieved 100% utilization of recyclable aluminum, with the total procurement reaching 10,518.62 tons during the reporting period. All suppliers of Yancheng Dongchuang involved in such procurement have obtained UL 2809 recycled content certification. MFLEX Suzhou, in cooperation with its suppliers, has used a diverse range of recycled raw materials during its manufacturing process, including recycled solder paste, gold salts, copper powder, copper foil, and steel sheets.



**Promoting circular packaging**

DSBJ implements reduction measures across the entire lifecycle, covering packaging design, manufacturing, distribution, transportation and sales to reduce resource consumption and mitigate environmental impact. For example, MFLEX BU has operationalized a "Use-Inspection-Return" closed-loop system for plastic turnover trays, ensuring high-fidelity reuse after quality validation. The DSBJ Sheet Metal Plant has replaced single-use packaging carriers with recyclable steel frames, capturing significant gains in green logistics efficiency. JDI Electronics significantly advanced its recovery agenda for component trays and cartons and cardboard, achieving an 87% tray recycling rate. Similarly, Source Photonics prioritizes recyclable and biodegradable eco-friendly packaging materials, with 24.69 tons of recyclable/recycled packaging materials used during the reporting period, accounting for 81.76% of its total usage.

# Pollution Prevention and Ecosystem Protection

## Emissions and Waste Management

The Company complies with relevant laws and regulations such as *the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and the Law of the People's Republic of China on the Prevention and Control of Air Pollution*, as well as local emission standards. We have established the "Three Wastes" Management Policy, the Hazardous Waste Management Policy and other relevant management policies, as well as emission and waste management targets. We also set up a comprehensive "three wastes" emission monitoring and control system involving various business segments. These initiatives enable us to minimize the impact of emissions on the environment under the principle of "reduction, recycling and reutilization" on the basis of ensuring compliance with emissions standards. During the reporting period, the Company encountered no incidents of exceeding pollutant standards or illegal discharge of exhaust gas and wastewater, nor any illegal violations related to waste disposal.

### Emissions and Waste Management Targets

- 100% compliance rate of "three wastes" emissions
- Using 2024 as the base year, achieve a 5% reduction in the emission intensity of particulate matter (PM) and volatile organic compounds (VOCs) by 2030
- Using 2024 as the base year, achieve a 3% reduction in the generation intensity of solid waste by 2030, and achieve over 85% comprehensive utilization rate of solid waste

## Wastewater Discharge Management

The Company's wastewater mainly comes from domestic sewage and industrial workshop wastewater. The Company has established targeted system guidelines such as *the Water Pollution Control Management Benchmark*, to regulate wastewater discharge control, treatment processes, monitoring, emergency management, etc. Domestic sewage is discharged into the municipal sewage network, while production wastewater is treated separately in the on-site wastewater treatment facilities. The production wastewater, after multi-stage process including coagulation, precipitation, biochemical treatment, and MBR membrane filtration, will be discharged into the municipal sewage network if meeting the discharge standards. The wastewater discharge at major operating bases is monitored by internal management personnel and third-party personnel. The Company optimizes the wastewater treatment process based on different production conditions to enhance the effectiveness of pollutant treatment. In order to strengthen wastewater testing management, we install online pollutant monitoring systems at discharge outlets to connect with national, provincial, and municipal environmental protection departments to ensure stable and compliant discharge.

To enhance the management efficiency of the water treatment system, the Sheet Metal Plant of DSBJ innovatively introduced a digital intelligent inspection system, which uses a mobile app to achieve full digital control of the entire inspection process. This system automatically pushes inspection tasks to maintenance personnel every 2 hours. Since it includes reasonable threshold values for various water treatment indicators, if there are any data anomalies detected, the system will provide immediate alerts and feedback, thereby significantly improving the speed of fault response and effectively preventing the risks of missed inspections, overdue inspections, or fake inspections. With this system, it can ensure that the water treatment facilities are always in optimal operating condition.

In order to achieve high-efficient resource utilization while meeting emission standards, the Company's major operational sites collect, treat, and reuse wastewater by actively deploying wastewater reuse technologies and upgrading wastewater treatment facilities, which gradually reduces wastewater discharge and minimizes the impact on the surrounding water environment. As of the end of the reporting period, the Automotive Electronics Plant of MFLEX BU, the new Dongshan factory of Mutto Optronics, and parts of the plants of the P-Manufacturing BU (the Sheet Metal Plant of DSBJ, Rf Top Electronic, and Yongchuang Technology) have all achieved zero industrial wastewater discharge.

The Rf Top Electronic and Yongchuang Technology production bases have implemented a zero-discharge roadmap for production wastewater. Production wastewater from the bases is centrally collected in a temporary storage pond and then uniformly fed into a triple-effect evaporation treatment system. This system uses heat energy cascading technology to separate pollutants from water. The treated condensate is entirely recycled into production processes, thereby achieving 'zero discharge' of production wastewater.

Indicators	Unit	2025
Total wastewater discharge volume	tonnes	6,997,064.69

## Exhaust Emission Management

Types of exhaust emissions mainly include volatile organic compounds, hydrogen chloride, sulfuric acid mist, hydrogen cyanide, nitrogen oxides, particulate matter, etc., generated during the production process. The Company strictly complies with relevant laws, regulations, and standards such as *the Law of the People's Republic of China on the Prevention and Control of Air Pollution*. All exhaust emission outlets are designed and installed in accordance with national standards. The exhaust gases are emitted into the atmosphere through high exhaust pipes after activated carbon adsorption, alkali neutralization, cloth bag de-dusting and other treatment processes. Exhaust emissions at major operating bases are monitored by internal management personnel and third-party agencies to ensure emission compliance. We continuously optimize waste gas treatment processes and upgrade high-efficiency end treatment devices to further reduce exhaust emissions on the basis of emission compliance.

In 2025, Yancheng Dongchuang officially put into operation an online monitoring platform for dust collectors, realizing real-time monitoring, intelligent early warning, and historical data traceability of dust concentration and equipment operating status through the linkage of IoT sensing and data mid-platform. During the reporting period, this system provided early warnings and assisted in the handling of abnormal operating conditions a total of 50 times, effectively preventing the risk of exceeding exhaust emission standards. In addition, Yancheng Dongchuang deployed more than 50 oil mist purification devices in the die-casting section to further reduce related exhaust emissions.

Indicators	Unit	2025
Volatile organic compounds (VOCs) emissions	tonnes	14.41
Nitrogen oxides (NOx) emissions	tonnes	21.91
Sulfur oxides (SOx) emissions	tonnes	3.81
Particulate matter (PM) emissions	tonnes	12.57

## Waste Management

The waste generated by the Company is divided into two categories: non-hazardous waste and hazardous waste. Non-hazardous waste mainly includes household garbage, waste plastics, waste paper, waste wood, waste metal, waste textiles, etc., while hazardous waste mainly includes sludge, waste printed circuit boards and scraps, dry film residue, and contaminated waste (filter cores, empty barrels, ink cans, etc.). The Company strictly complies with relevant laws and regulations such as *the Law on the Prevention and Control of Environmental Pollution by Solid Wastes and the Measures for the Administration of the Transfer of Hazardous Waste*. In accordance with guidelines such as *the Waste Management Benchmark, the Hazardous Waste Management Plan, and the Benchmarks for Selection of Contractors for Waste Treatment*, we have established strict waste treatment processes and safety operating procedures, clearly defined qualification standards for waste contractors, and regularly organize EHS personnel to assess the operation of waste to ensure its harmlessness. Through these initiatives, we may minimize the impact of waste on the environment and human health.

### Hazardous Waste

The Company has established hazardous waste warehouses equipped with waterproof and leak-proof measures, where hazardous wastes are strictly classified, stored temporarily, and managed by designated personnel according to the Standard for Pollution Control on Hazardous Waste Storage. We also submit warehousing applications to the government's electronic systems of hazardous waste management, and regularly entrust agencies with professional treatment qualifications to remove and dispose of hazardous wastes. During the reporting period, some of the Company's operating sites further improved the environmental information management system, realizing electronic hazardous waste ledgers, visual statistical analysis, and early warning of overdue or excessive hazardous waste storage and excessive outsourced disposal. They contribute to the construction of a "zero waste" environment with the help of digitization.

### Non-Hazardous Waste

Non-hazardous wastes in the plants are prioritized for recycling. They are transferred to designated storage points within the specified time. General production solid waste is collected and processed by qualified agencies for comprehensive utilization, while household garbage is collected uniformly and then removed by the sanitation department on a regular basis under entrustment. Waste oils are stored in dedicated containers and regularly recycled and disposed of by qualified agencies under entrustment.

Adhering to the principle of "reduction, reutilization and harmlessness of solid waste", the Company identifies opportunities for waste reduction to accelerate targeted solid waste reduction progress through tracking and analyzing waste data, and minimizes the generation of waste through the optimization of production processes and resource recycling. At the same time, the Company actively conducts special training on waste reduction to improve employees' awareness and ability to reduce waste.

MFLEX Suzhou has obtained **the highest Platinum-level Certification from the UL2799 Zero Waste to Landfill Program**  
 MFLEX Yancheng has obtained **the Certification of the UL2799 Zero Waste to Landfill Program**

Yancheng Dongchuang continues to improve the waste management system and takes multiple measures to promote waste management. It applies the Waste Data Tracking Table (WTR) to accurately record full-process data of waste monthly and implements targeted recycling collaboration programs to improve the waste recycling utilization rate. It also equips evaporation system facilities for cutting fluid and introduces a process combining "pre-filtration + pre-treatment + low-temperature evaporator + ceramic membrane", resulting in a great reduction of outsourced waste liquid disposal volume by more than 85%. Furthermore, it conducts the special "Cutting Fluid Weight Reduction System Training" to improve the practical operation level of first-line maintenance personnel on waste reduction.

Around the environmental goal of "reduction, reutilization and harmlessness of solid waste", MFLEX Suzhou continuously implements waste reduction in multiple dimensions according to the *Waste Disposal Management Operating Instructions*. In 2025, it passed the highest Platinum-level Certification of the UL2799 Zero Waste to Landfill Program again after a review. For many years, MFLEX Suzhou has continuously introduced advanced equipment to dehydrate hazardous waste dry film residue and filter cores, reducing weight by about 50%, and conducted low-temperature drying for copper-containing sludge and nickel-containing sludge in the plant, decreasing the sludge amount by about 3,000 tons per year. It recycles cowhide paper and pads used in production for further use and entrusts a third party that does not dispose of solid waste by landfill methods to dispose of waste, achieving zero waste to landfills.

In 2025, the comprehensive utilization rate of industrial solid waste reached

91.74%

Suzhou Dongyue continuously optimizes waste disposal paths and achieves hazardous waste resource utilization and low-cost disposal through environmental technology innovation. It adopts physicochemical methods to treat concentrated residual liquid and waste cutting fluid, and purifies and manufactures industrial salt with the help of three-stage MVR evaporation technology. As a result, the disposal unit price of both concentrated residual liquid and waste cutting fluid has been reduced to less than half of the original price. By using co-smelting technology, it transforms sludge generated during the production process into cement materials, realizing the resource utilization of sludge while reducing disposal costs.

In 2025, the comprehensive utilization rate of hazardous waste exceeded

91%

Indicators	Unit	2025
Amount of generated non-hazardous waste	tonnes	38,506.07
Amount of recycled non-hazardous waste	tonnes	26,111.68
Amount of generated hazardous waste	tonnes	35,506.72
Amount of recycled hazardous waste	tonnes	32,102.57
Hazardous waste compliance disposal rate	%	100%

## Biodiversity Conservation

In strict accordance with national and local laws and regulations on biodiversity conservation, the Company emphasizes the biodiversity conservation concept throughout all phases of projects including planning, design, construction and operation, to protect the ecological stability and biodiversity of the operating sites. During the project planning and design phase, the Company conducts a comprehensive investigation and assessment of the surrounding ecological environment under environmental protection requirements,

fully understanding the characteristics and distribution of local biodiversity to avoid selecting sites that may have adverse effects on the environment. As of the end of 2025, all plants of the Company are located within industrial parks, and production activities have involved no nature reserves or ecologically sensitive areas. During the project construction phase, the Company minimizes the impact on local vegetation, soil, and water by establishing construction protection measures and restricting the construction areas. During the project operation phase, the Company conducts continuous environmental monitoring and regular collection and analysis of environmental indicators such as air quality, water quality, and soil quality to identify and solve potential problems in a timely manner. The Company also continuously implements the landscaping enhancement projects in plants to improve the local ecological microenvironment of these plants.



Multek BU launched biodiversity advocacy campaigns

# Prioritizing People to Co-create a Shared and Prosperous Future



# Labor and Human Rights Management

## Governance

DSBJ strictly complies with international human rights specifications, such as *the International Bill of Human Rights, the International Labor Organization Convention, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights*, and the Ten Principles of the UN Global Compact, as well as local laws and regulations in its operating regions, and has established a comprehensive labor and human rights governance system. The Strategy and ESG Committee of the Board of Directors is responsible for reviewing major issues related to labor and human rights management and approving major labor and human rights management plans and targets. The Human Resources Working Group (composed of the HR department at headquarters and the HR management departments from various BUs) collaborates with the EHS Working Group (composed of the EHS departments at headquarters and from various BUs) to jointly promote the implementation of labor and human rights management topics, and monitor and continuously improve the work progress. The Human Resources Working Group is responsible for ensuring employee rights protection, such as the prohibition of child labor and forced labor, collective bargaining, anti-discrimination, diversity and inclusion, and compensation and benefits, while the EHS Working Group is responsible for occupational health and safety management. They work together across levels and horizontally to create a harmonious and positive workplace ecosystem.

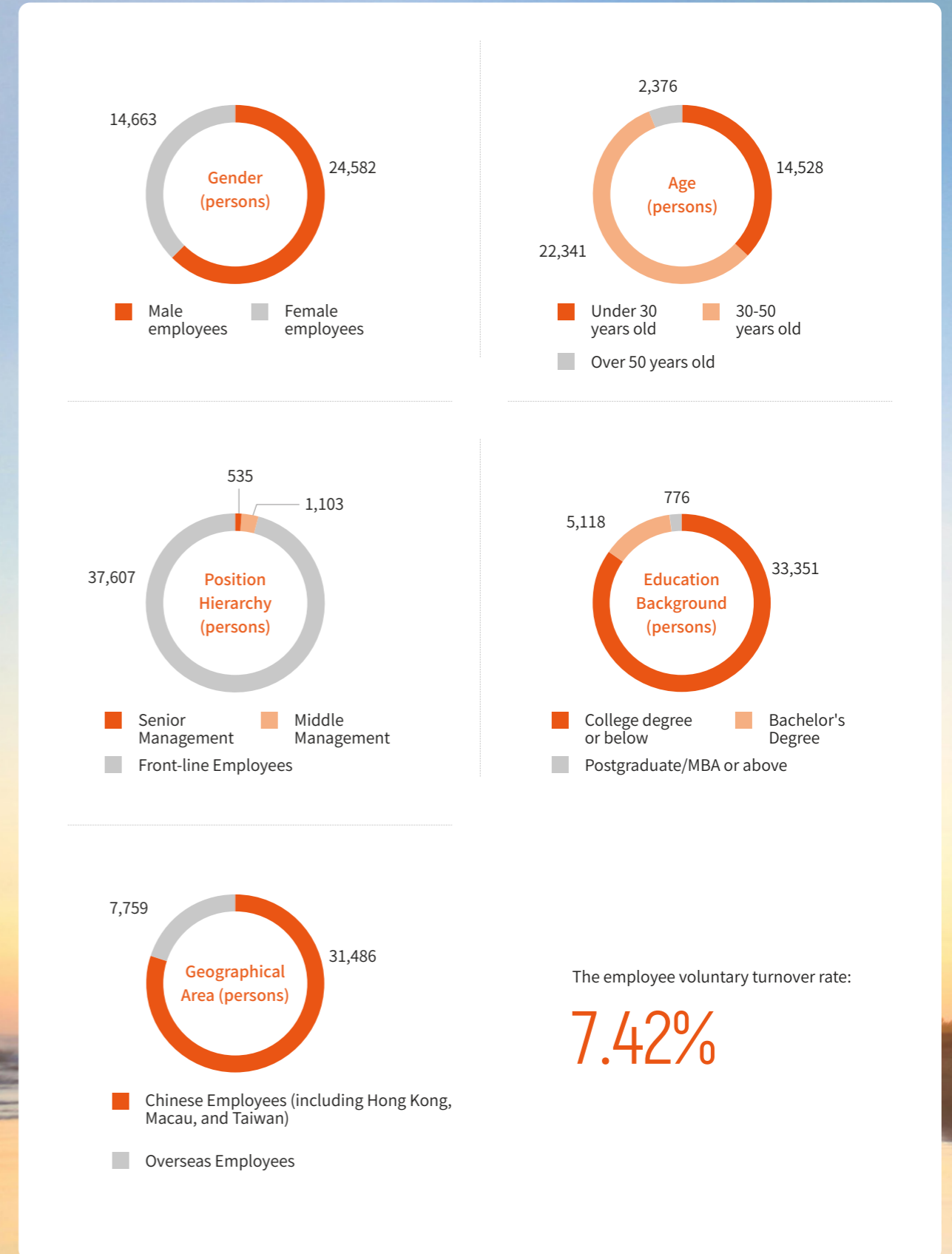
## Strategy and Management Mechanism

DSBJ is committed to respecting the basic rights and interests of every employee and providing all employees with equal opportunities for work and development. The Company has established a comprehensive and complete labor and human rights management system. We have clarified the code of conduct and requirements for employees, and taken various measures to prevent potential human rights risks, so as to create a safe, reliable, harmonious and efficient working environment.

## Compliance Hiring

The Company strictly complies with laws and regulations such as *the Labor Law of the People's Republic of China* and the employment policies of the operating location, and conducts standardized management of the entire process of talent introduction. In the recruitment and hiring process, we adhere to the principles of open recruitment, equal competition, and selection of the best candidates based on moral integrity and professional competence. All applicants who meet the requirements for the corresponding positions are eligible for interviews, without discrimination on gender, education, age, race, family status, religion, or cultural background, in order to ensure compliance and fairness in talent recruitment. The Company has established a recruitment and employment verification mechanism to strictly prohibit child labor and forced labor, ensuring that our employment is legal and compliant. During the reporting period, the Company achieved 100% labor contract signing rate and 100% social insurance coverage for all employees.

The total number of the Company's employees was	The number of employees hired during the reporting period was	The number of newly hired graduates was
<b>39,245</b>	<b>7,755</b>	<b>336</b>




## Respect for Human Rights

In the course of its operations, DSBJ takes actions consistent with *the Responsible Business Alliance (RBA) Code of Conduct* and drives its various business segments to formulate policies and specifications including *the Code of Business Ethics, the Code of Corporate Ethics, the RBA Management Handbook, and the Handbook on Social and Environmental Responsibility*, establishing a human rights risk assessment and prevention system. The Company consistently respects and safeguards the legitimate rights and interests of all employees and stakeholders in its business operations, prohibiting any form of human rights violation, and ensuring that every employee enjoys a harmonious, inclusive, and healthy working environment.

Significant labor and human rights risk events:

0

Multek, MFLEX Suzhou, and Mutto Optronics have obtained **the RBA VAP certificate from the Responsible Business Alliance**



### Mitigation and Control Measures

The Company continuously improves its human rights due diligence management procedures. Each business segment strengthens human rights due diligence and improves corresponding prevention, mitigation, and remediation measures for potential human rights risks in business operations.

Issues of Focus	Management approach	Mitigation and Control Measures
Prohibition of child labor and protection of minor workers	Our plants all over the world strictly regulate their hiring processes in accordance with local laws and regulations. We have formulated institutional frameworks such as <i>the Management Procedure for Child Labor and Minor Workers</i> , strictly prohibiting the use of child labor in any form.	<ul style="list-style-type: none"> <li>• Thoroughly verify the authenticity of applicants' identities.</li> <li>• Establish a reporting mechanism.</li> <li>• Formulate requirements for enforcement when child labor is discovered, and handle child labor employment events properly in accordance with RBA requirements.</li> </ul>
Forced and compulsory labor	The Company establishes relevant systems such as <i>the Forced Labor Management and Control Procedures</i> , to strictly prohibit forced and compulsory labor.	<ul style="list-style-type: none"> <li>• Employees are free to conclude and terminate labor contracts at their own discretion.</li> <li>• Recruit sufficient employees based on business development, and formulate working hour management and tracking mechanisms, ensuring that employees' working hours do not exceed the maximum hours stipulated by local laws.</li> <li>• Inform employees of overtime work in advance and obtain their consent; analyze and audit working hours on a regular basis; make timely adjustments to work arrangements and ensure the right to take leave.</li> </ul>
Anti-discrimination and anti-harassment	The Company establishes institutional frameworks such as <i>the Anti-Discrimination and Anti-Harassment Policy</i> to clarify the prevention mechanism, reporting channels, and handling procedures for discrimination and harassment incidents. We are committed to eliminating any form of discrimination, prejudice, and harassment.	<ul style="list-style-type: none"> <li>• Discriminatory clauses must not appear in recruitment advertisements, and employees must not be illegally rejected due to gender, age, race, and other diversity background factors.</li> <li>• Conduct anti-discrimination and harassment training for employees.</li> <li>• Provide reasonable special protections for vulnerable labor groups.</li> <li>• Establish investigation and verification procedures and take corrective measures in a timely manner.</li> </ul>

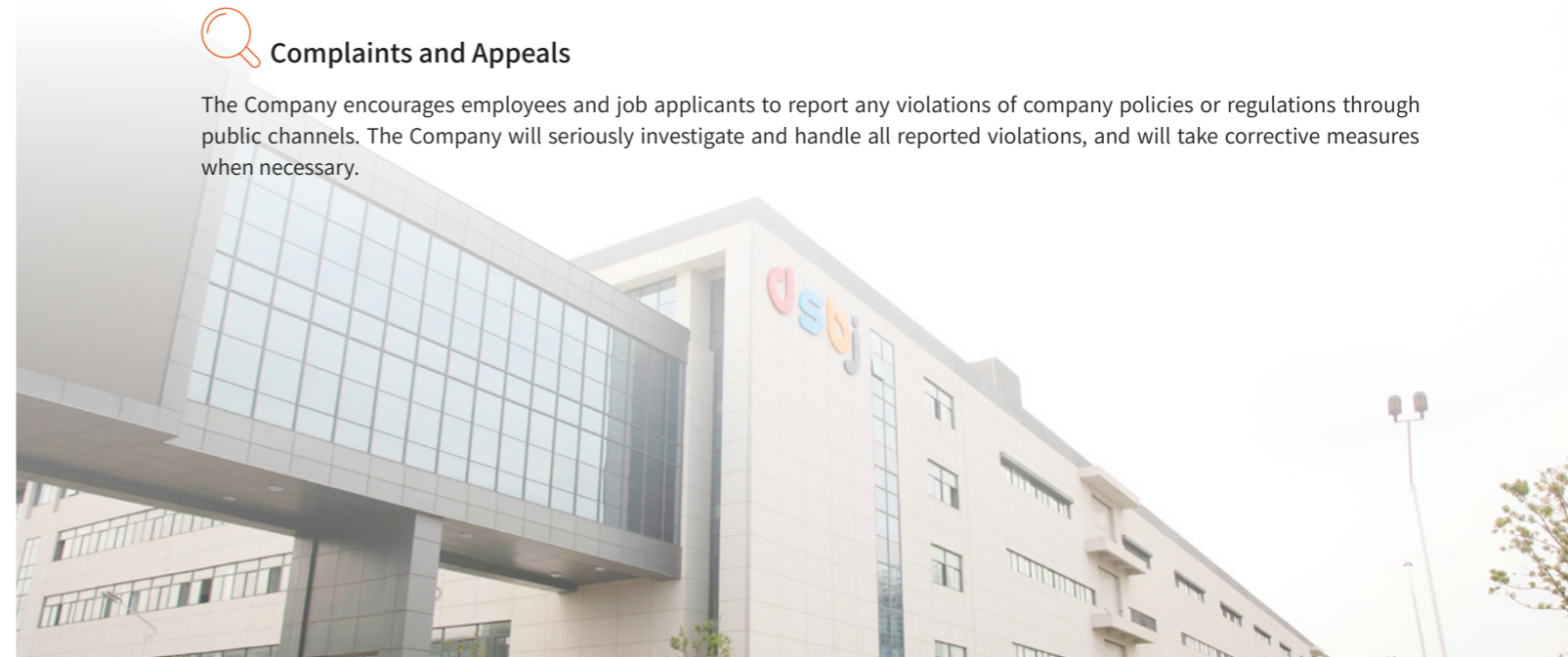
Issues of Focus	Management approach	Mitigation and Control Measures
Trade union and collective bargaining	The Company establishes institutional frameworks such as <i>the Work Procedure for Freedom of Association and Collective Bargaining</i> , according to which all employees have the right to freely join or form trade unions and participate in collective bargaining, so as to create a working environment of free expression.	<ul style="list-style-type: none"> <li>• Comply with the laws and regulations of each operating location, promote the establishment of trade union organizations, and protect employees' rights to know, participate, and supervise.</li> <li>• Promote collective consultation and the signing of collective contracts and collective employment agreements in terms of employees' wages, working conditions, welfare benefits, training and development, work environment, and special protection for female employees. During the reporting period, 100% of employees were covered by union/collective bargaining agreements.</li> </ul>
Health and safety	The Company establishes an occupational health and safety management system and develops corresponding safety operating procedures and methods to create a safe and healthy workplace.	<ul style="list-style-type: none"> <li>• Strictly monitor and manage health hazards in all workplaces, carry out safety risk assessments and promote safety culture construction, as detailed in the "Occupational Health and Safety" section of this report.</li> </ul>
Wages and benefits	The Company establishes institutional frameworks such as <i>the Salary Management Measures</i> , legally stipulating salaries and benefits to ensure that all employees receive fair and reasonable work returns.	<ul style="list-style-type: none"> <li>• Ensure that employees' salaries strictly follow relevant laws and regulations stipulating minimum wage standards, overtime compensation, and statutory benefits, and legally guarantee employees' right to paid annual leave.</li> <li>• Regularly conduct compliance reviews of wage payments.</li> <li>• Continuously analyze and adjust salary data to ensure the fairness and competitiveness of the salary system.</li> </ul>

### Training and Capacity Building

The Company promotes each business segment to conduct labor and human rights policy-related training regularly according to actual conditions in order to continuously improve the human rights awareness and practice ability of all employees. Multek BU conducted RBA & COC training for all employees annually. In 2025, 5,049 employees were trained, achieving a completion rate of 94.21%. The P-Manufacturing BU systematically provided labor rights and human rights-related policy training, covering prevention of discrimination and harassment, prevention of inhumane treatment, prohibition of child labor recruitment and remediation, etc. Among all employees, 98% of them were aware of the new regulations for 2025 and their own human and labor rights content. The TCTD BU conducted training on *CSR Red Line Training and Employee Handbook and Social Responsibility Handbook* for all employees. Source Photonics provided CSR, Ethics Policies, labor rights and human rights training to all employees (100% employee coverage). DSG conducted grievance handling and anti-harassment training to help the company prevent human rights risks in its own operations, value chain, and business-related activities.

### Complaints and Appeals

The Company encourages employees and job applicants to report any violations of company policies or regulations through public channels. The Company will seriously investigate and handle all reported violations, and will take corrective measures when necessary.



## Employee Communication and Participation

The Company respects employees' opinions and requirements, and is committed to providing smooth and diversified communication channels and establishing an open and healthy communication mechanism to ensure that the voices of employees are heard, valued and responded to.

### Employee Representative Assembly

We establish and improve the democratic management mechanism for employees in accordance with the laws and regulations and the relevant trade union requirements of each operating location, and regularly hold employee representative assemblies, trade union committee communication meetings and other democratic management meetings. Major matters involving the vital interests of employees are addressed through trade unions by gathering opinions and suggestions from employee representatives and performing review procedures, so as to protect the rights and interests of the employees in an effective manner. Employees can voluntarily join the union and participate in employee representative assembly-related affairs. The Company conducts collective bargaining in accordance with the law on key issues such as labor remuneration, working hours, working conditions, welfare protection, vocational training and development, and working environment, to build a harmonious and stable labor relationship.



### Employee Communication Meeting

By building a bridge for communication between superiors and subordinates, the Company provides employees with opportunities for direct dialogue with the management to efficiently drive the Company's optimization and improvement.



### General Manager's Mailbox/Employee Suggestion Box

The Company sets up mailboxes and suggestion boxes, with designated personnel regularly opening them to conduct special investigations and handle and provide feedback on employee complaints.



### Online Platform & Employee Hotline

The Company communicates with employees through OA system functions, online feedback platform, communication hotline, email, etc., to ensure that employees can freely express their opinions and ideas.



### Employee Service Center

The Company drives the establishment of employee service stations, employee care centers, and other service organizations at each operating site, assigning dedicated personnel to connect and handle employee inquiries and feedback.



The P-Manufacturing BU builds an online QR code platform as a green channel for employee opinions. Employees can conveniently submit problems and suggestions through this online feedback channel, achieving efficient direct access and immediate response. At the same time, a company-wide monthly routine meeting mechanism is established to promote management's regular face-to-face communication and interaction with frontline employees, further smoothing communication channels and building team consensus.

DSG establishes a comprehensive multi-dimensional communication matrix composed of "formal channels + digital platform + informal interaction", and routine communication mechanisms such as monthly communication and anonymous engagement surveys. In addition, relying on the Intranet system and the 7×24-hour DSG Employee AI Assistant, DSG provides employees with instant feedback and suggestion channels. DSG adheres to the closed-loop management process composed of employee feedback, management assessment, action plan and effect verification to ensure that the voices of employees become important sources of corporate governance decisions.

Multek BU has built a multi-faceted engagement framework that vertically covers all job levels and horizontally connects various core departments to open up opinion feedback channels through routine communication mechanisms. During the reporting period, a total of 40 special communication meetings were held, efficiently resolving more than 160 practical problems for employees. As voices of frontline can be directly heard by the Management, employees' sense of belonging and organizational cohesion have been continuously enhanced.



Multek BU Lunch Communication Meeting



### Appeal and Protection Mechanism

The Company has established internal rules such as *the Employee Appeal Management Procedures*, clarifying the entire process of handling employee appeals and reports that are applicable to all full-time employees and part-time employees, ensuring there is a response to issues raised by employees. Employee appeals will be handled and investigated by a dedicated team composed of the Human Resources Department, trade union representatives, etc. The Company encourages employees to file appeals in a timely manner when facing any unfair treatment or to report violations of human rights, and responds with solutions to the appellant in writing within a specified time frame. The Company ensures that every reasonable complaint or report is received and independently investigated under the principle of confidentiality in a timely manner, and actively takes the necessary measures to protect the legitimate rights and interests of bona fide whistleblowers to ensure that they are not subject to any form of retaliation.

- Complainants can freely choose to file complaints with supervisors at all levels or relevant functional departments through real-name or anonymous channels.
- After the complaint is processed, the relevant investigation and communication records shall be registered, sorted, and sealed for future reference. If the investigation results are true, corrective actions should be taken for the violations or disciplinary measures such as warnings, demerits, or termination of employment contracts should be implemented according to regulations after the investigation report is filed. Those suspected of illegal or criminal activities shall be transferred to the relevant judicial authorities.
- The complaint handling agency must have no direct conflict of interest with the complaint matter. After the investigation, verification, and processing by the complaint handling agency, if the complainant is satisfied with the result, the complaint can be terminated. If dissatisfied, the complainant can apply to the relevant management for further review.



Case

Source Photonics' "Open Door Policy"

Source Photonics implements an "open door policy" for employees, ensuring that employees are willing and able to speak up effectively when their legitimate rights and interests are infringed upon or when they detect irregularities. Employees may directly report any questions, complaints, suggestions, or violations of social responsibility standards to supervisors at all levels or to the HR department, administration department, or the Company's Legal Department, at their own discretion. The entire complaint handling process strictly adheres to the principle of privacy protection, keeping the identity of whistleblowers strictly confidential, and explicitly prohibits any threats, retaliation, or unfair treatment, ensuring that employees have nothing to worry about when exercising their right to report and raise concerns.

## Occupational Health and Safety

In strict accordance with laws and regulations such as *the Safety Production Law of the People's Republic of China*, *the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, *the Fire Protection Law of the People's Republic of China* and *the Regulations on Supervision and Management of Occupational Health in the Workplace*, as well as the requirements of the ISO 45001 management system, DSBJ has established a comprehensive environment, health and safety (EHS) management system and formulated multiple management policies and norms such as *the Occupational Health Management System and the Safety Production Management Procedures*, which cover all employees, contractors, and specific suppliers. The annual health and safety goals are incorporated into the performance assessments of the relevant responsible personnel to ensure the effective implementation of health and safety management requirements.

All major production and operation entities of the Company have passed the **ISO 45001 occupational health and safety management system certification**

MFLEX Suzhou was awarded the title of **2024-2025 Advanced Entity of Suzhou City in Hazardous Chemical Safety Management**



## Operation Safety Management

The Company has institutionalized a systematic operational safety prevention and control framework, underpinned by a robust safety production responsibility system that cascades accountability directly to the production front line. In terms of hardware guarantees, we strictly execute scheduled overhauls and preventive maintenance programs, consistently elevating the inherent safety of our equipment. Furthermore, we are accelerating the integration of advanced technological means such as digitalization, to improve the effectiveness of safety management at the operation site, forging a holistic "human-physical-technical" defense barrier. In 2025, JDI Electronics won the second prize of team competition in the Suzhou Safety Production and Labor Protection Skills Competition and the third prize of team competition in the Suzhou High-tech Zone Safety Production and Labor Protection Skills Competition.

Case

Mutto Optronics Promotes Drone Security

In October 2025, Mutto Optronics officially launched its autonomous drone patrol system to implement focused tracking and monitoring for core areas such as warehouses, hazardous operations, and construction sites. Leveraging the expansive aerial vantage point and rapid deployment capabilities of unmanned aerial vehicles, this system effectively eliminates the visual blind spots inherent in traditional manual inspections, significantly bolstering our site-specific risk identification and early-warning capabilities.



## Health and Safety Culture Building

The Company focuses on building a health and safety culture. We regularly conduct special training on health and safety based on the work requirements of employees to promote effective safety protection in their daily work. At the same time, the Company actively carries out activities such as Safety Production Month and safety knowledge competitions to publicize the safety culture, in order to create a good cultural atmosphere where everyone speaks about safety and everyone is responsible for safety. In 2025, we achieved 100% coverage of health and safety production training.



Multek BU's Safety Knowledge Competition



Dongshan Precision's Safety Month Activities

Case

Suzhou Dongyue's Multi-layered Safety Culture Building

Suzhou Dongyue is committed to cultivating a multi-dimensional safety culture and building a safety empowerment system with full employee participation. It has institutionalized a behavioral safety observation mechanism to identify and correct unsafe behaviors through on-site observation and communication. Through regular safety training for all employees and specific persons, and special programs such as "Safety Lesson" and "Safety Minute", it has improved employees' safety knowledge reserves. Furthermore, it pioneered the integration of the ILUO skills matrix to quantify employees' EHS proficiencies, enabling the precision mapping of their skill levels across diverse safety domains. Guided by the Safety Committee's regular monitoring and analysis of safety-related data, it has proactively promoted on-site safety improvement and system optimization, maintaining a robust closed-loop management of "assessment-feedback-improvement".

## Occupational Health Management

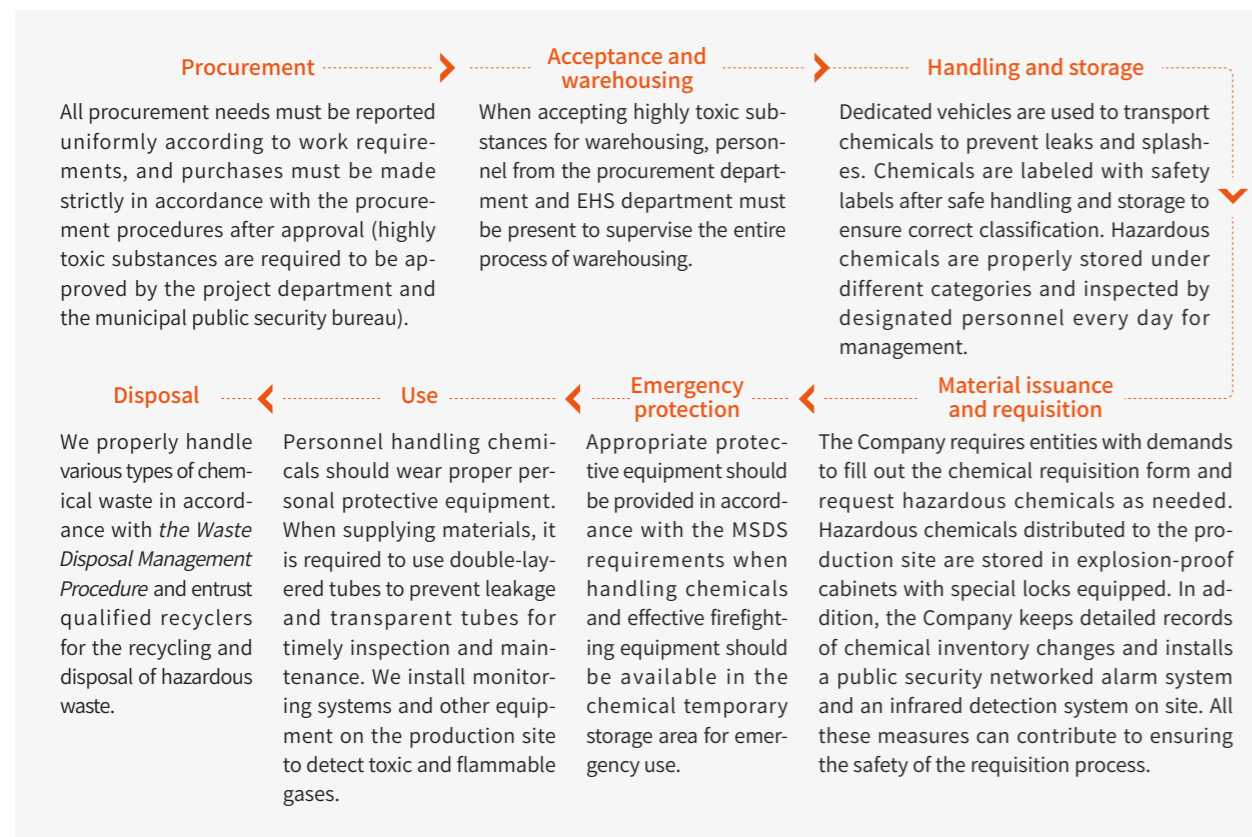
Insisting on prioritizing employees' health, the Company regularly assesses occupational disease hazard risks and formulates and implements occupational disease hazard control measures based on risk levels to ensure the safety and health of employees' working environment. According to the list of occupationally hazardous positions, the Company carries out pre-job, on-job and off-job special medical check-ups for relevant employees and establishes health files. During the reporting period, no new confirmed or suspected occupational diseases were found.

With close attention to employees' mental health, the Company has built a multi-dimensional psychological support system to help employees effectively relieve occupational stress and improve psychological resilience. The Company regularly invites external psychology experts to conduct special lectures on mental health, with areas covering stress management, emotional regulation, workplace communication, and psychological crisis intervention, to improve the mental health literacy of all employees. Some BUs have taken the lead in introducing the psychological support project of the employee assistance program (EAP), which provides professional psychological support to employees through various channels such as face-to-face counseling and telephone hotlines, in order to timely identify, prevent, and intervene in psychological crisis events, creating a positive and healthy working atmosphere.

## Chemical Management

The Company formulates the *Dangerous Chemical Safety Management System*, the *Management Measures for Precursor Chemicals and Explosive Precursors* and the *Chemical Management Procedures* in accordance with relevant national laws and regulations, industry standards, and requirements of relevant parties on dangerous chemicals. We supervise and manage the entire process covering procurement, loading and unloading, use, production, storage, transportation, and packaging of dangerous chemicals and annually organize regular training for relevant personnel on dangerous chemicals. We also regularly conduct annual chemical leakage emergency response drills to enhance the ability to respond to chemical leaks. Through these initiatives, we maximize the elimination, reduction or control of the impact of hazardous chemicals on the health and safety of persons.

### Entire Process Management of Chemicals



## Contractor Safety Management

The Company's health and safety management covers all activities of contractors in the Company. We have formulated documents such as the *Contractor Safety and Health Management Policy* to build a full-process contractor safety management mechanism. We have implemented strict training, assessment access, and process monitoring for partners conducting construction in designated zones, with detailed measures including signing safety agreements, pre-entry safety education, personnel and equipment inspections, approval of on-site work protection, and identification and remediation of work hazards. During the reporting period, for key construction projects, the Company summoned the principal executives of suppliers for on-site disciplinary talks, sternly emphasizing the mandatory requirements for safe construction. We also intensified site inspections and tightened penalties for safety violations. Furthermore, to improve management effectiveness, we transitioned critical workflows, including construction permitting, safety training, and the four-party joint inspection mechanism, to digital platforms.

## Risk and Opportunity Management

To effectively implement human rights policies and guidelines, the Company refers to requirements such as the *Responsible Business Alliance (RBA) Code of Conduct* to identify, assess, and manage human rights risks in operations, value chains, and investment and mergers and acquisitions. In accordance with risk identification, assessment, and management procedures, the Company sets up human rights and labor management target indicator programs annually for some key plants, and monitors the progress of these indicators monthly. In order to control risks more deeply, the Company conducts systematic review of potential risks, which includes regular RBA-based self-assessments on human rights issues at key plants, customer social responsibility checks, or RBA audit certifications, to comprehensively assess the completion and improvement of indicators such as the prevention of forced labor, prohibition of child labor, equal pay for equal work, health and safety, and collective bargaining rights. Audit results will be used to identify and address potential human rights risks and issues, and continuously improve the human rights management system. During the reporting period, the Company experienced no major incidents of labor and human rights risks.

### Human Rights Due Diligence Process



In response to health and safety risks, the Company has implemented a dual prevention mechanism comprising risk assessment and hidden danger investigation and control to effectively reduce the probability and impact of safety incidents. We encourage key operating entities to establish institutional frameworks for evaluating and controlling risks associated with hazardous source identification aligning with the requirements of ISO 45001, and conduct regular hazardous source identification and risk evaluation activities, resulting in the compilation of a safety risk classification and control list based on evaluation findings for comprehensive risk control. We assess the level of hidden safety risks and set up a file in accordance with internal regulations and policies such as *the EHS Inspection and Hidden Danger Investigation and Control System* to actively rectify hidden dangers. We also carry out regular internal inspections and actively cooperate with the external supervisory authorities and third parties to conduct supervision and inspection to ensure that the hidden dangers are detected and resolved in a timely manner.

## Indicators and Targets

Indicators and targets	Achievement in 2025	
No events of infringement of employee rights and interests	No incidents of child labor and forced labor	Targets achieved
	Total number of employee discrimination incidents is 0	Targets achieved
	100% of employee insurance coverage	Targets achieved
	100% of employees paid above minimum wage	Targets achieved
	100% handling of employee complaint and reporting incidents	Targets achieved
No major employee health and safety risk incidents	Zero serious safety accidents	Targets achieved
	Zero fire accidents	Targets achieved
	Zero employees who died due to work-related injuries	Targets achieved
	Zero major safety incidents	Targets achieved
	0% incidence rate of occupational diseases	Targets achieved
	Injury rate per thousand workers $\leq 1.5$	Targets achieved Injury rate per thousand workers 1.48

# Human Capital Development

## Governance

Talent is crucial to the sustainable development of the business. DSBJ continuously optimizes the human resources management system to ensure its deep integration and precise alignment with the Company's overall strategy. The human resources working group, which consists of personnel from the human resources management departments of the Company's headquarters and various BUs, is responsible for formulating and executing the Company's human resources strategy and goals, promoting the implementation of human capital development topics, monitoring the progress of the work and making continuous improvements. The Company's headquarters and all BUs have developed a series of institutional frameworks covering comprehensive dimensions such as employee training, talent management, career advancement, performance management, and compensation incentives, and scientifically planned human resources allocation according to strategic and business development needs, which contributes to the optimization of the Company's talent structure and the enhancement of organizational competitiveness.

## Strategy and Management Mechanism

DSBJ aligns its talent development strategy with corporate strategic plans and business growth directions. The Company continuously improves the competency model and the internal and external talent development strategies to create a continuous growth support system for employees' career lifecycle, so as to satisfy the Company's strategy and business development needs for versatile and high-quality specialized talents, thereby providing a solid talent support for business innovation and development and globalization layout.

## Talent Introduction

The Company remains dedicated to enhancing its talent development and management strategy. We conduct regular assessments of organizational needs and talent capabilities, in order to plan a forward-looking talent layout and anticipate the recruitment demands proactively. Furthermore, we actively diversify our talent recruitment channels to ensure accurate matching of recruitment resources. Through these initiatives, we have built a high-quality talent pool for the Company's development in an all-around and multi-dimensional way.

<p><b>Forward-looking layout</b></p> <p>The Company builds the talent pool based on needs and requirements. We predict recruitment needs in advance and formulate recruitment plans in line with the Company's strategic planning and business development trends to reserve relevant talents to support the Company's future stable operation.</p>	<p><b>Professional assessment</b></p> <p>The Company reviews job competency models to enhance talent profiles and adopts professional talent assessment tools for comprehensive evaluations and screenings of talent, so as to attract high-quality talent widely under the principle of fairness and impartiality.</p>	<p><b>Diversified channel</b></p> <p>The Company actively diversifies recruitment channels, such as online recruitment, offline recruitment, campus recruitment, headhunting, internal referrals, internal job competitions, internal job transfers, etc., and collaborates with universities to cultivate graduates and interns to jointly cultivate key professional talents, achieving a win-win situation for all parties. The Company also cooperates with training institutions to establish talent development and training frameworks, customizing talent delivery channels according to the demand for talent.</p>
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Case

DSG's Diverse Talent Introduction

DSG continues to expand diverse talent introduction channels. In 2025, it attracted a number of professional talents in core technology fields such as AI, network security, and data analysis. It also established industry-university partnerships with top universities such as Nanyang Technological University (NTU) and the National University of Singapore (NUS) to carry out joint internship programs and customized training programs, in order to reserve a pool of young talents with international competitiveness for the company's future development.

Case

Multek BU Launched the "Strong Skills Program" Internship Special Training Program

Multek BU is actively advancing the industry-education integration model by establishing strategic partnerships with Zhuhai College of Science and Technology, Zhuhai Technician College, and Guangdong Technology College. In 2025, this collaborative framework facilitated the onboarding of 52 interns. To ensure a seamless transition from campus to career, Multek BU launched the "Skills Mastery Program", a bespoke internship initiative designed to sharpen students' professional acumen and hands-on technical proficiency, to help talent incubation.



Multek's University-Enterprise Cooperation Negotiation Conference

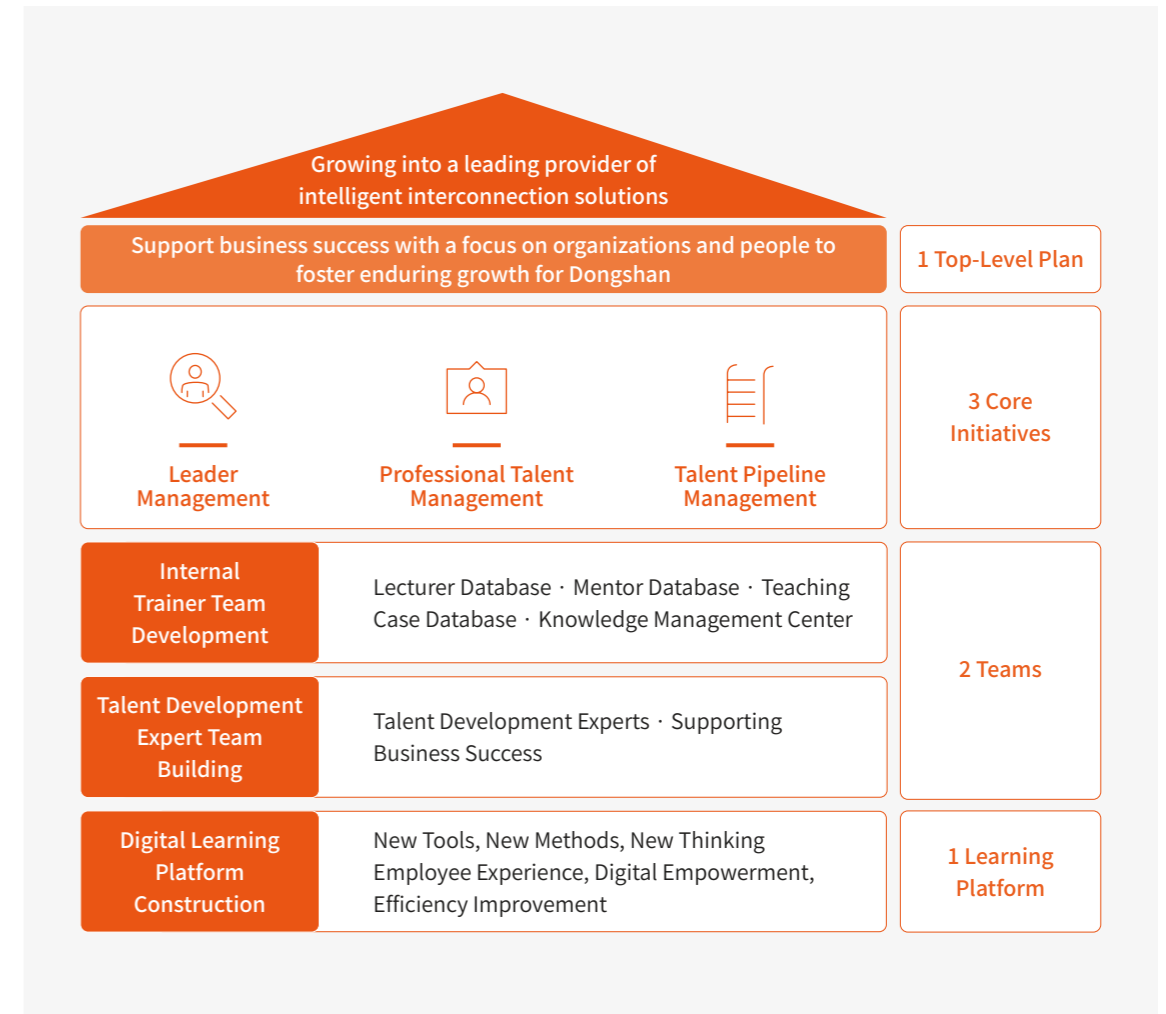


Multek's "Skills Mastery Program" Training

## Employee Training

DSBJ has built a systematic talent training system aimed at all employees around "One Top-level Plan, Three Core Initiatives, Two Teams, and One Learning Platform". Within this unified architecture, each business BU tailors bespoke competency-building programs to align with their specific operational needs, ensuring all-around and customized talent cultivation.

By integrating premier internal and external training resources, we continuously upgrade our employee training and learning development system based on strategic guidance and offer a diverse and scientific curriculum designed to foster a culture of "continuous learning for all", which aims to increase job competence for all employees to help them achieve continuous growth throughout their careers. In order to precipitate and replicate excellent organizational experience and core capabilities, the Company has established an internal trainer mechanism, incorporating internal professional talents into the internal trainer team. In this way, we have created a high-quality internal trainer team with comprehensive qualities and professional capabilities, systematically transferring high-value experience to fuel the lifelong career growth and professional evolution of every employee.



DSBJ Cloud Classroom

The Company has built an exclusive online learning platform for employees based on the cloud classroom, which provides employees with rich course resources and efficient, convenient, and flexible learning services to create an active learning community, thereby enhancing learners' sense of participation and enthusiasm. The learning platform, which provides both professional courses, such as financial management, supply chain management, research and IT management, and general competency courses, such as workplace effectiveness and professional skills, has become an important platform for employees' daily work learning and self-learning. In 2025, the online training platform courses were viewed 502,717 times, with a total learning time of 93,756.52 hours.

Indicators	Unit	2025
Total employee training expenditure	RMB 0'000	616.59
Employee training coverage rate	%	97.02%
Total number of employee training participants	Participant	497,368
Total study hours for employee training	Hour	1,769,165
Average annual training hours per employee	Hour	45.08
Training coverage rate by gender	Male employees	96.98%
	Female employees	97.07%
Training coverage rate by employee category	Senior management	97.25%
	Middle management	97.11%
	Front-line employees	96.89%
Average training hours per person by gender	Male employees	44.89
	Female employees	45.40
Average training hours per person by employee category	Senior management	47.92
	Middle management	47.45
	Front-line employees	44.97

### New Employee Training

The Company provides targeted training for newly hired employees, helping them understand the Company's development and various policies and systems through the combination of theory and practice, to quickly integrate into the work environment and master job skills. The Company also assigns instructors to guide and follow up on employees' learning and progress at work, supporting them to continuously grow and improve.

#### Case

#### Cultivating New Talents in the Workplace Through "Evergreen Program"

DSBJ continues to advance its "Evergreen Program", a dedicated development initiative for fresh graduates. Designed for new hires across Group headquarters and all BUs, this program spans multiple growth stages, including onboarding integration, intensive company-level and group-level training, department-specific tracks, and one-on-one mentorship. Among these stages, the intensive group-level training, as follows a "Orientation-Integration-Foundation Building-Acceleration-Competency" development pathway, is structured around four pillars: integration, learning, practice, and culture. The integration pillar helps fresh graduates quickly adapt to the corporate environment through exhibition hall tours and other similar activities. The learning pillar delivers multi-disciplinary courses, including mentor empowerment, workplace communication, and AI applications, to equip graduates with job-ready skills. The practice pillar combines role-specific training, mentor-guided coaching, and performance feedback to bridge theoretical knowledge with practical execution. And the culture pillar helps graduates understand corporate culture and establish a sense of belonging via executive face-to-face sessions, tech expert dialogues, book-sharing forums, and job performance reviews. In 2025, a total of 162 fresh graduates participated in the intensive group-level training under the "Evergreen Program", which effectively improved their professional quality and job competence, injecting new vitality into the Company's high-quality development.

### Leadership Training

In response to the Company's development strategy and employees' career development needs, we have established leadership standards to lay a solid foundation for leader selection, assessment and training. We continue our talent succession planning and accurately define a leadership quality model according to DSBJ's leader standards. We develop a comprehensive hierarchical leadership training program that encompasses leadership theory, team management, decision-making, communication skills, conflict resolution, and other aspects, providing opportunities for employees at different levels to develop leadership skills and support their continuous learning and growth. The Company's leadership training program spans the forward-looking development and enhancement of leadership for senior managers, middle managers, grassroots managers, and reserve management personnel. Our training initiatives are designed to assist managers at all levels, as well as the next generation of leaders, in understanding organizational strategy, enhancing their management capabilities, and broadening their horizons. Through these efforts, we seek to cultivate leading talents capable of driving the high-quality development of the Company while inspiring more young high-potential talents to grow and develop.

#### Strategy-Driven, Talent-First | Leadership Program Framework

High-Potential Talent Camp	New Manager Growth Camp	New Director Development Camp	Executive Leadership Camp
<ul style="list-style-type: none"> <li>Strategic Thinking</li> <li>Influence</li> <li>Leadership</li> </ul>	<ul style="list-style-type: none"> <li>Role awareness &amp; avoiding pitfalls</li> <li>Goal setting &amp; planning</li> <li>Delegation &amp; coaching</li> <li>Performance evaluation &amp; feedback</li> <li>Effective communication &amp; continuous improvement</li> </ul>	<ul style="list-style-type: none"> <li>Organizational activation</li> <li>Awareness raising</li> <li>Business control</li> <li>Team empowerment</li> </ul>	<ul style="list-style-type: none"> <li>Strategic vision</li> <li>Operation proficiency</li> <li>Management excellence</li> <li>Courage for innovation</li> </ul>

### Middle and Senior Managers

Focusing on the knowledge and skills of middle and senior strategic management and leadership, the Company, based on the "Six Leadership Principles" Program, conducts training on strategic thinking, business development planning, crisis management, team building, decision-making, and other aspects.

- DSBJ's "Six Leadership Principles" Program: DSBJ continues to deliver the "Six Leadership Principles" training program across all business BUs. In 2025, prioritizing the themes of "Accountability" and "Leading by Example", this program launched a comprehensive curriculum encompassing integrity education, change management, managerial role position and clarity, accountable leadership, and stress management, ensuring a continuous uplift in leaders' management excellence.
- MFLEX BU's Specialized Management Training: Focused on translating the "Six Leadership Principles" into actionable behaviors, MFLEX launched the special training titled "Management Insights from the TV Series I Am a Criminal Police". This initiative is designed to rapidly enhance the strategic leadership and accountability of mid-to-senior managers facing complex environments. It effectively galvanizes our management team, reinforcing their resolve to overcome critical challenges and ensure high-quality delivery.
- TCTD BU's "Executive Leadership Camp": The TCTD BU has launched the "Executive Leadership Camp" program to facilitate training centered on two strategic themes: "Executive Core Competencies" and "High-Performance Team Development", which is designed to elevate strategic mindsets and sharpen management skills.



The Company designs practical and relevant training content tailored to the day-to-day realities faced by frontline leaders, covering team management, crisis handling, goal setting and execution, and employee motivation, helping them better navigate the various challenges encountered in their daily work.

- Multek Block Operation Leaders and Reserve Force Training Camp:** Conducted separately for team leaders and operation leaders, the program encompasses classroom instruction, online learning, knowledge application, learning presentations, and recognition of outstanding learners. In 2025, the "Frontline Leadership Empowerment Training" was conducted in response to production requirements, helping improve frontline production management capabilities across teams.
- P-Manufacturing BU's Frontline Supervisor Training Program:** Tailored for grassroots managers, this training program centers on onsite basic management practices encompassing work guidance and technical coaching for team members, production site management and safety oversight, daily communication and interpersonal relationship management, and the implementation of company rules and regulations, in order to empower frontline leaders to achieve a pivotal transformation from technical experts to team coaches.

Young employees are the future hope of DSBJ. The Company cultivates young talents with leadership potential and innovative ability through professional leadership development courses.

- DSG's Structured Leadership Development Program for High-Potential Talent:** DSG has implemented a structured leadership development program for high-potential talent. By utilizing personality assessments and the 9-box grid potential assessment, DSG systematically identifies and assesses talents' growth potential and adopts a multimodal development approach, including one-on-one executive coaching, group facilitation, and individual development plans (IDPs), to help trainees navigate complex management challenges, ensuring a robust pipeline of versatile talent with both strategic foresight and hands-on leadership capabilities.

### Professional Position Training

The professional position training aims to enhance employees' knowledge and skills in their professional fields. The Company has established key position skill matrices and learning maps, providing comprehensive professional training covering various business areas such as research and development, production, quality, EHS, sales, and human resources to ensure that employees master the latest professional knowledge and technologies and improve core skills and teamwork abilities, so as to better adapt to market changes and meet the development needs of the Company. In addition, the Company emphasizes general skills training in areas such as digital transformation and AI applications, keeping up with digital transformation trends, AI technology advancements, cutting-edge industry dynamics, and updates to information security regulations. Through specialized course design and practical exercises like the "AI Competition", the Company has comprehensively improved employees' digital literacy and smart technology application capabilities, providing talent support for corporate innovation and strategic transformation.

#### Case

##### Cultivating Compound Engineers to Facilitate the Integration of Informatization and Industrialization

Under the Company's direction for the integration of informatization and industrialization, the cultivation of versatile engineers has become a top priority. The Company has built a comprehensive engineer development system. This framework utilizes a blend of internal and external training, supported by mentorship, project-based learning, and industry benchmarking, to systematically improve engineers' overall capabilities. In 2025, the P-Manufacturing BU, based on actual business needs, implemented specialized training programs focused on diverse engineering competencies from different fields such as systems, project management, frontier AI technologies, and hands-on technical skills. The BU successfully organized 14 specialized sessions, providing growth opportunities for 342 participants.

#### Case

##### DSG Builds a Key Position Training Framework

DSG is committed to refining its key position training framework through tiered learning maps specifically designed for professional lines such as IT, R&D, data science, and cybersecurity. In 2025, DSG systematically executed its key position capability initiative, providing employees in key positions with a robust curriculum featuring BI Training, AI Lab skill training, ISO internal auditor certification, project management and soft skills training. The high-potential talents also benefited from one-on-one coaching, in-depth IDP development and project practice. As a result, DSG achieved 100% training coverage for all identified key positions throughout the year.

### External Joint Training

The Company actively provides external educational resources for employees, introducing high-quality and professional training resources internally while supporting employees to participate in external training and learning, so as to help employees keep up with the latest developments to broaden their knowledge. In 2025, the Company collaborated with multiple external organizations to carry out high-quality training programs to provide employees of different types with the knowledge and resources they need.



The P-Manufacturing BU, in collaboration with external professional training institutions, has launched two flagship talent development programs: the "Dongyue Foundation Strengthening Program" and the "Project Management Practical Training Camp". The BU systematically conducted a series of specialized review training sessions such as CQI heat treatment, coating, and welding, and facilitated IATF 16949 internal auditor certification. These initiatives have continuously sharpened the professional capabilities and quality mindsets of employees, providing a robust talent foundation for the Company's high-quality development.

DSG collaborated with Exena Learning Hub to implement "Six Leadership Principles" workshops, systematically enhancing managerial accountability and proactive execution. In the realm of professional skills, the Company engaged NTUC Learning Hub for project management courses, BSI for ISO 27001 internal auditor certification training courses, and Eagle Infotech for advanced Excel skills and language communication training. On the R&D front, DSG deepened its strategic collaboration with Nanyang Technological University (NTU) to deliver specialized practical training in AI, robotics, and data analytics.

## Employee Development

Aligned with strategic planning and business development trends, the Company continuously refines its competency models to organically integrate employees' capability enhancement with career progression and proactively maps out the requirements for each professional stage, in order to empower employees to achieve sustainable growth throughout their entire career life cycle.

### Talent Inventory and Succession Program

The Company adheres to a talent strategy that prioritizes internal development while selectively recruiting externally. In alignment with its strategic talent needs, the Company continuously refines its competency models for key positions and integrates them into performance management, recruitment and selection, and professional development to support the optimization of its talent management system. The Company conducts periodic talent reviews to assess the pipeline of high-potential employees and key positions, and continuously advances its succession planning and Individual Development Plans (IDPs) to ensure that successor capabilities are matched to role requirements, enabling every employee to leverage their strengths in the most suitable role. In 2025, the Company completed a comprehensive five-week leadership talent inventory and successor mapping exercise, employing assessment processes including interviews, evaluations, and internal calibration sessions to systematically gauge the health of its talent pipeline, and produced a talent data analysis report to provide data-driven support for talent identification, deployment, development, and retention, as well as talent pipeline optimization.

#### Constructing a closed-loop management system for successors based on "talent inventory - cultivation - assessment - improvement"

##### Talent Inventory

We have built a comprehensive competency model and standard system for positions and drawn a capability map for key positions. We also conduct the talent inventory and successor review project according to organizational development needs to accurately identify high-potential talents.

##### High-Potential Talent Development

We develop differentiated development and training plans for employees in combination with their actual conditions, and enhance successors' capabilities through practical courses, mentor guidance, cross-departmental rotations and other mechanisms, so as to build a tiered management talent reserve from the grassroots management to senior management.

##### Assessment and Improvement

We have established a regular assessment and continuous coaching mechanism for successors (for example, DSG's quarterly and annual dual-cycle assessment mechanism). By iteratively refining our development framework, we ensure that successors' growth trajectories and capability enhancements are perfectly aligned with our business requirements.



### Career Advancement

Under the principles of organizational needs prioritization, emphasis on both moral character and performance, orderly promotion, and promotion and demotion of employees based on their performance, the Company has established internal rules and regulations such as *the Personnel Promotion Management Measures* related to career development to continuously improve dual-channel career promotion system, providing employees with diversified career development channels and a broad platform for professional excellence. The Company implements differentiated promotion systems based on different job attributes, and achieves orderly and smooth flow of talents horizontally and vertically through internal competition, job rotation, etc. In 2025, DSG, relying on the AI skills platform and skills framework, realized visualized career path management, empowering employees to clearly anchor their skill requirements and navigate their promotion pathways.



### Education and Certification Support

The Company advocates the concept of lifelong learning. While encouraging employees to continuously deepen and improve their professional fields, the Company provides sufficient support and guarantees for continuing education and career advancement, motivating employees to learn continuously to become the most competitive ones in their positions. The scope of re-education support covers 100% of formal employees.



#### Learning Resources and Platforms

The Company organizes and implements vocational skill level certifications to provide employees with opportunities to enhance their operational skills.

- Multek BU has established a proprietary in-house certification system covering job types including circuit graphic makers, printed circuit plating workers, and printed circuit machining workers, and organizes employees to participate free of charge in skills training and vocational qualification certification. During the reporting period, a total of 108 employees attained senior worker certification or above. Those who passed were entitled to certification allowances and matched with corresponding promotion pathways.

The Company supports employees to obtain higher education degrees to promote their professional development, with front-line supervisors/technicians focusing on upgrading to associate/bachelor degrees, and engineering technicians focusing on pursuing dual degrees to upgrade to bachelor's/master's degrees. Outstanding employees recommended by departments can be offered opportunities to pursue academic advancement such as Master of Business Administration (MBA), Master of Engineering Management (MEM), etc. Each BU formulates degree and vocational skill improvement policies based on its own situation, providing cost reimbursement and one-time allowances as incentives for employees who obtain degrees, qualifications, or titles.

- DSG implements an education sponsorship policy. Eligible full-time employees can apply for education assistance to pursue formal degrees (bachelor's degree, master's degree, MBA, etc.) and obtain professional qualification certificates (such as ISO internal auditor, project management, IT and engineering certifications, etc.).
- JDI Electronics establishes *the Translation Recognition Criteria* to provide exam fee subsidies and one-time allowance subsidies for employees who meet the required competency standards.
- Multek formulates the Employee Education Assistance Program (EEAP), which provides education funding to employees who participate in relevant external training and academic advancement, if they meet the stipulated conditions.



#### Funding and Rewards



#### Flexible Study Leave

The Company adopts a flexible study leave policy, allowing employees to utilize their vacation to complete professional certifications or continuing education without affecting work progress, thus supporting employees in achieving their further education goals.

## Compensation and Incentives

To attract, motivate, and retain outstanding talents, the Company continuously improves the employee compensation and incentive system to ensure that all employees receive compensation commensurate with their work performance.

### Diversified Incentives

Based on the "3P+1M" (Position, Person, Performance, and Market) compensation philosophy, the Company formulates a scientific and reasonable compensation and incentive program in accordance with *the DSBJ Assessment and Incentive Distribution Regulations* and other related compensation and incentive institutional frameworks. The Company has established the Assessment and Incentive Management Committee, which is chaired by the CEO, to review key assessment and incentive systems to ensure that employees receive fair and competitive compensation.

The Company's employee compensation structure consists of fixed salary, performance pay, variable bonuses, and subsidies, in which the variable compensation is closely linked to performance evaluation results. The variable compensation of senior managers is related to the Company's performance with the aim of encouraging them to bear more responsibilities in the Company's development. The compensation structure of common employees includes a variable component that is linked to factors such as company performance, organizational performance, and individual performance, with the aim of fully mobilizing employees' enthusiasm for work. Through diverse incentive mechanisms, the Company has formed a comprehensive incentive distribution plan including instant incentives, short-term incentives, and long-term incentives, which deeply integrates employees' interests with the Company's interests to establish a symbiotic win-win relationship between employees and the organization.



#### Immediate incentives

- Material immediate rewards include monthly performance bonuses, individual rewards, team rewards, etc.
- Non-material immediate incentives include honorary awards, recognition, public commendation, etc.



#### Short-term incentives

- The performance-driven salary adjustment strategy is adopted, according to which the salaries of employees with outstanding performance are increased regularly each year.
- Quarterly and annual bonuses are paid based on performance results.



#### Long-term incentives

- Retention bonuses are provided for key and high-potential employees with outstanding performance.
- Programs such as employee stock ownership plan are implemented for core backbone employees.

## Performance Evaluation and Appeals

The Company cascades its annual strategic and operational objectives down to departments, teams, and positions at all levels, which ensures seamless alignment among organizational, departmental, and individual performance, effectively operationalizing the corporate strategy. To ensure the fairness, impartiality, and objectivity of performance evaluation results, the Company promotes each BU to establish the annual performance assessment plan that aligns with its actual circumstances based on *the Performance Evaluation Management Measures* and related rules and regulations. A standardized performance evaluation mechanism is established, with regular performance assessments conducted through multi-dimensional and multi-tiered reviews to comprehensively evaluate employees' work performance and competencies. For example, the performance evaluation of the P-Manufacturing BU, which covers employee self-assessment, superior rating, departmental rating and grading, and center-level calibration, etc., has realized an objective, comprehensive and scientific evaluation of employees. DSG has implemented a dual-cycle performance framework consisting of mid-year and year-end evaluations, which includes self-assessments, supervisor reviews and behavior-based appraisals anchored in corporate values and core competencies. In 2025, 100% of the Company's workforce received regular performance and career development reviews.

Attaching great importance to performance communication and results feedback, the Company supports employees in understanding performance requirements and participating in goal setting and result review. We will provide comprehensive feedback to the evaluated personnel in a timely manner when their evaluation is completed, ensuring that the evaluated personnel have a more comprehensive understanding of their strengths and weaknesses, expectations and gaps. For employees whose performance does not meet the position standards or who are temporarily unqualified for the job requirements, a personal performance improvement plan (PIP) will be launched in a timely manner to clarify the direction of improvement with necessary support, and their improvement will be tracked in the subsequent assessment cycle. For example, Mutto Optronics has embedded performance improvement triggers into its performance evaluation mechanism, placing employees ranked in the lowest performance tier for three consecutive months into a performance improvement plan (PIP) to assist them in enhancing their skills and improving their work performance. Employees may file appeals to immediate supervisors or the HR department at a higher level according to the Company's performance complaint and feedback process if they have any disagreement or lack clarity on performance evaluation results after receiving the feedback on the results. When an appeal is submitted by an employee, the designated personnel will communicate with the employee to understand the situation and timely deal with the appeal with feedback provided, so as to ensure procedural effectiveness and timely resolution.

## Diversity and Equal Opportunity

DSBJ has integrated diversity and inclusion philosophy into team building, corporate operations, and cultural development. The Company prioritizes attracting talent with diverse backgrounds and helping them adapt to the surroundings, providing equal opportunities and expansive development platforms for all employees. By fostering respect, inclusivity, and open communication, the Company enhances employees' collaborative efficiency and innovation capabilities. The Company upholds principles of equality and fairness across talent development, compensation and benefits, career advancement and other aspects. Management actively values and incorporates diverse perspectives to build a diversified and vibrant workforce team. The Company encourages employees to provide feedback on violations of diversity and inclusion principles through various channels and collects reasonable suggestions for continuous optimization and improvement of the Company's related policies and measures.

To deepen employees' understanding of diversity and cultivate an inclusive workplace, the Company organizes training and diversity activities that involve all employees annually based on our diversity policies, so as to enhance multicultural integration for higher team efficiency. At the same time, the Group, in coordination with various BUs, conducts in-depth workshop training on multicultural awareness to help employees gain a deeper understanding of behavioral differences and values in different cultural backgrounds through interactive forms such as situational simulations, cross-cultural communication case studies, and cultural sensitivity training, so as to enhance their cross-cultural collaboration capabilities. All BUs customize cross-cultural training programs tailored to their own business characteristics and team composition, ensuring that the training is closely integrated with actual work scenarios. Through these initiatives, we effectively transform multicultural concepts into practical business tools, further enhancing organizational cohesion and global competitiveness.

Female employees account for

**37.36%**

Newly hired female employees account for

**32.82%**

Female employees in all management positions (including reserve management talents, middle managers, and senior managers) account for

**31.44%**

Female employees in junior management positions account for

**37.08%**

Female executives account for

**15.51%**

Female employees in management positions with revenue-generating functions account for

**44.04%**

Female employees in STEM-related positions (including R&D, technology, etc.) account for

**24.33%**

Ethnic minority employees account for

**0.48%**

Employees with disabilities account for

**0.31%**

The Company strictly complies with *the Law of the People's Republic of China on the Protection of Women's Rights and Interests and the Special Provisions on Labor Protection for Female Employees*, ensuring that female employees are provided with equal career development opportunities and compensation and benefits, for which employees should be paid equally for equal work regardless of their gender, and with unbiased training and promotion pathways to encourage and nurture them to take up key and managerial positions for exploring and expanding more possibilities for career development. The Company conducts regular pay equity reviews across its major operational sites to eliminate gender pay gaps and ensure the full implementation of equal pay for equal work. In addition, we provide comprehensive workplace rights and welfare for female employees, including but not limited to paid prenatal check-up leave, maternity leave, paternity leave, breastfeeding leave, childcare leave, lactation rooms for breastfeeding female employees, regular distribution of benefits for International Women's Day, health seminars addressing women-specific wellness topics and other activities that care for female employees, in order to ensure that female employees can work with peace of mind and comfort. During the reporting period, the Company had 1,333 employees on parental leave, with a 100% return-to-work rate.

The Company actively drives inclusive employment for persons with disabilities by providing job opportunities, configuring accessible facilities, and enhancing communication, thereby broadening the career development path for employees with disabilities. Therefore, disabled employees can win social respect and realize their self-worth through their own efforts. Multek BU launched the Care Program for Disabled Employees in 2018. This program is intended to provide professional job matching and pre-employment training. Every year, Multek BU conducts activities such as "Employee Communication Meetings" and "Outdoor Expansion Activities" to help employees with disabilities quickly adapt to the work environment and perform their jobs competently. By the end of 2025, Multek BU had recruited 360 employees with disabilities. Source Photonics has launched the "Stride Together" initiative, a program dedicated to providing comprehensive support for the employment of employees with disabilities. By implementing customized job role development and workplace adaptation, alongside the construction of an accessible residential environment, we are actively championing equal opportunities for employment and effectively facilitating the integration of these employees into the workforce.

Case

JDI Electronics' Inclusive Employment Project

All employees of the CCL dustproof clothing ultra-cleaning plant under JDI Electronics are employees with intellectual disabilities. The CCL provides the same wages and benefits as ordinary employees to these employees with intellectual disabilities, and sets up emergency shower rooms and other special facilities dedicated to them. Meanwhile, the CCL also allocated instructors to guide and educate them and train their skills from multiple aspects. In addition, the CCL strengthens communication with the families of employees with intellectual disabilities, creates employee growth profiles for them, and conducts regular summaries and discussions of special education to help them grow up in a comprehensive manner and have a self-reliant life like ordinary people. During the reporting period, CCL employees, representing the city of Suzhou, achieved distinguished honors at the 19th National Special Olympics Day that was organized by the Provincial Disabled Persons' Federation, securing three gold and three bronze medals.

 Cross-Cultural Management

With the acceleration of the business internationalization process, DSBJ is speeding up the implementation of international talent training and cross-cultural integration programs to cultivate international talents with effective communication, resource mobilization, and problem-solving abilities overseas. The Company continuously refines its globally standardized management documents, significantly reducing internal communication friction and enhancing cross-border operational synergy. We strengthen cross-cultural team building and international cultural exchange through multicultural integration activities and global project collaboration to deepen employees' cross-cultural understanding, so as to lay a solid foundation for high-performance collaboration across our multinational teams.

Case

The Cross-Cultural Talent Development Program of the P-Manufacturing BU

To support the strategic international expansion following the acquisition of the GMD Group in France, the P-Manufacturing BU launched *the Cross-Cultural Talent Development Program* in September 2025 to specifically empower BU executives and mission-critical personnel within overseas liaison functions. At the end of October, a flagship workshop themed "Cross-Cultural Awareness" was inaugurated, which, integrated with tailored digital learning modules, systematically enhanced the communication and management competencies of key personnel in a multicultural environment. These efforts provided strong support for the efficient collaboration of multinational teams.

Case

Diversity Practice by Chaoyi Thailand Factory of Multek BU

In 2025, Chaoyi Thailand T1 Factory of Multek BU actively promoted cross-cultural management by establishing an in-depth communication platform designed to catalyze dialogues between Chinese and Thai colleagues and developing a harmonious and mutually beneficial working atmosphere rooted in deep respect for local cultural heritage. It organized special Thai language and cross-cultural training courses, equipping Chinese employees with more cross-cultural communication skills through language learning and cultural understanding. By leveraging cultural milestones such as Thailand's Songkran Festival and the Chinese Mid-Autumn Festival as strategic touchpoints, it provided more communication and interaction between Chinese and Thai employees through special team-building activities to enhance team cohesion. Furthermore, it hosted communication meetings with Thai employees regularly, where management championed the concept of "de-layering and equitable dialogue" and promptly provided feedback and response to employees' career aspirations, in order to create an open and inclusive communication culture. Through warm interactions such as the year-end "Christmas and New Year gift exchange", Chaoyi Thailand T1 Factory created a caring and respectful corporate culture atmosphere, which can provide the essential "soft power" to underpin DSBJ's steady global expansion.



Communication and Interaction between Chinese and Thai Teams

Vibrant Workplace

With great attention to human care for employees, the Company advocates for a balance between life and work and provides comprehensive welfare benefits for all employees to enhance employees' sense of belonging and happiness.



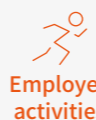
Welfare benefits

In addition to statutory benefits, the Company provides employees with additional commercial insurance, paid leave, high-temperature allowances, health examination, holiday gifts, free work meals, shuttle buses, flexible working hours, and remote office options. During the reporting period, Multek BU began to provide employees with fully-paid parental leave and single-child care leave while DSG increased the number of annual leave days for non-management positions and introduced more flexible welfare allowances.



Employee care

We pay attention to special employee groups such as pregnant women, disabled individuals, families in difficulties and retired employees, actively offering them economic assistance, diversified welfare benefits, and care and warmth to create a warm and loving corporate atmosphere. In 2025, we assisted 839 employees in need.



Employee activities

We held diverse employee activities, including team building, recreational and sports activities, employee birthday parties, family days, and holiday events, to help employees relax and regulate their physical and mental state. We also provided health lectures and consultations and other health support to help employees relieve work pressure and to jointly create a harmonious and healthy work atmosphere.



Dinner & Dance Retro Night



Annual Employee Birthday Party



Family Day Activities



Retiree Activities

### Employee Satisfaction Management

To comprehensively understand employees' workplace experiences and perceptions, the Company conducts annual employee satisfaction surveys covering different dimensions such as work environment, career development, compensation and benefits, and corporate culture. For dimensions with lower satisfaction, we have formulated improvement plans, which will serve as important references for the optimization of organizational management. The Company continuously monitors and analyzes employees' satisfaction trends to continuously optimize their experiences. In 2025, the majority of employees showed favorable attitudes towards the Company, with employee satisfaction ranging from 81% to 89% at the Company's main operating sites. For problems reflected in the survey, the Company formulated and promoted improvement plans, and continuously tracked the implementation effect. For example, DSG launched and implemented a series of improvement measures in 2025, including reward system upgrades, enhanced benefits, office space expansion, and supervisor performance communication training, which formed an effective closed-loop management.

### Risk and Opportunity Management

With priority on human capital risk management, DSBJ systematically identifies, assesses, addresses, and monitors human capital risks aligned with strategic objectives. The Company conducts comprehensive analyses of internal and external factors that may harm human capital development in order to identify key risk areas including but not limited to talent attrition, shortage of key talents, poor performance management, inadequate training and development, lack of competitive or equitable compensation and benefits, legal compliance issues, and organizational culture risks. To address these risks, we have developed a talent development strategy aligned with the Company's strategic planning and business development direction, according to which the key initiatives include enhancement of compensation competitiveness, establishment of a full-cycle career growth support system and optimization of HR management processes across talent attraction, cultivation, utilization, and retention. Through these initiatives, we can ensure that human capital development risks remain controllable while stabilizing workforce continuity and improving organizational performance with the assistance of a risk monitoring mechanism.

### Indicators and Targets

Indicators and targets	Achievement in 2025
We aim to comprehensively strengthen core competencies and professional capabilities of all employees, ensuring workforce development maintains strategic alignment with corporate objectives.	<b>Targets achieved</b> The Company spent a total of RMB 6.1659 million on employee training, achieving a 97.02% training coverage rate and delivering an average of 45.08 training hours per employee
100% coverage of formal employees for employee performance reviews.	<b>Targets achieved</b> 100% coverage of employees for regular performance and career development reviews

### Community Construction


The Company's sustainable development is closely intertwined with the stability and prosperity of society. The Company actively fulfills its corporate social responsibility by participating in philanthropic, public welfare, and volunteer activities, prioritizing the hiring of residents in the communities where it operates to support local economic development, and giving back to local communities through concrete actions.


In 2025, the Company's external public welfare donations amounted to


RMB 6.778 million

DSBJ was awarded the **honorary title of "Contributing to Education and Public Welfare" by the Zhuhai Doumen District Working Committee for the Care of the Next Generation**

Multek Industries was awarded the **"2024 Charity Outstanding Contribution Award" by the Zhuhai Doumen District Charity Promotion Association**

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The P-Manufacturing BU carried out a mountain cleaning campaign
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MFLEX BU's Love Charity Association organized a book and clothing donation drive
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The TCTD BU conducted volunteer activities for the elderly



DSG organized volunteer activities to visit the elderly and donated care gift packages



The TCTD BU participated in the Xuebao Children's Care Charity Donation Project

# Appendix

## Key Performance Table

### Corporate Governance and Economic Performance

#### Economic Performance

Indicators	Unit	2024	2025
Operating income	RMB 0.1 billion	367.70	401.25
Net profit attributable to shareholders of the listed company	RMB 0.1 billion	10.86	13.86
Basic earnings per share	RMB/Share	0.64	0.79

#### Corporate Governance

Indicators	Unit	2024	2025
Proportion of female directors	%	11.1%	9.09%
Proportion of independent directors	%	33.3%	36.4%

#### Business Ethics and Anti-Corruption

Indicators	Unit	2024	2025
Proportion of directors participating in anti-corruption training	%	100%	100%
Proportion of employees participating in anti-corruption training	%	100%	100%
Average anti-corruption training hours per employee	Hour	3	3

### Environmental Performance

#### Environmental Management

Indicators	Unit	2024	2025
Environmental protection investment <sup>1</sup>	RMB 0'000	25,458.42	13,067.20
Coverage rate of environmental training in main operation locations	%	100%	100%

Note 1: Expenditure decreased in 2025, primarily due to the significant investment in environmental protection facilities in 2024, with current-year spending focused on routine maintenance.

### Energy Use and GHG Emissions<sup>2</sup>

Indicators	Unit	2024	2025
Gasoline	tonnes	82.42	83.89
Diesel	tonnes	56.16	67.86
Natural gas	m <sup>3</sup>	6,914,644.40	8,463,979.37
Purchased electricity	kWh	915,239,602.84	932,930,760.67
Total energy consumption	tce	121,882.54	126,136.60
Solar/PV Consumption	kWh	39,323,394.00	20,359,903.70
Direct GHG emissions (Scope 1)	tCO <sub>2</sub> e	15,525.31	18,767.79
Indirect GHG Emissions (Scope 2, Market-Based)	tCO <sub>2</sub> e	557,930.06 <sup>3</sup>	568,714.59
Total GHG Emissions (Scope 1 and Scope 2, Market-Based)	tCO <sub>2</sub> e	573,455.37 <sup>4</sup>	587,482.38
GHG Emission Intensity (Scope 1 and Scope 2, Market-Based)	tCO <sub>2</sub> e /RMB10,000 of revenue	0.1560 <sup>5</sup>	0.1464

Note 2: Scope 1 GHG emissions are direct emissions from the Company's consumption of gasoline, diesel, and natural gas, while Scope 2 GHG emissions are indirect emissions from the electricity purchased by the Company. Scope 1 GHG emission factors are referenced from *the GHG Protocol developed by WRI and WBCSD, the Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals* (ISO 14064-1:2018), and *the General Principles for Calculation of Total Production Energy Consumption* (GB/T 2589-2020) issued by the State Administration for Market Regulation and the Standardization Administration of the PRC, among other international and national guidelines. The Scope 2 GHG emission is calculated according to the accounting method in the Announcement on the Release of 2023 Electricity CO<sub>2</sub> Emission Factors (Announcement [2025] No. 47) jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics.

Notes 3, 4, 5: The Scope 2 GHG emission for 2024 is calculated according to the accounting method in *the Announcement on the Release of 2022 Electricity CO<sub>2</sub> Emission Factors* jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics. For 2025, the method has been uniformly updated to that in *the Announcement on the Release of 2023 Electricity CO<sub>2</sub> Emission Factors*, adopting the "market-based" method for calculation. For 2024, the previously reported indirect GHG emissions (Scope 2) were 491,117.57 tCO<sub>2</sub>e; the total GHG emissions (Scope 1 and Scope 2) were 506,642.88 tCO<sub>2</sub>e. Accordingly, the previously reported GHG emission intensity (Scope 1 & 2) was 0.1378 tCO<sub>2</sub>e per RMB 10,000 of revenue.

#### Water Resource Usage

Indicators	Unit	2024	2025
Total water intake	tonnes	8,754,913.91	9,901,341.41
Total water consumption	tonnes	2,448,769.54	2,907,396.72
Water consumption intensity	tonnes/ RMB 10,000 of revenue	0.6660	0.7246

#### Emissions and Waste

Indicators	Unit	2024	2025
Compliance rate of "three wastes" emissions	%	100%	100%
Total wastewater discharge volume	tonnes	6,041,113.37	6,997,064.69

Indicators	Unit	2024	2025
Volatile organic compound emissions	tonnes	24.25	14.41
Nitrogen oxides (NOx) emissions	tonnes	20.42	21.91
Sulfur oxides (SOx) emissions	tonnes	1.90	3.81
Particulate matter (PM) emissions	tonnes	8.94	12.57
Amount of generated non-hazardous waste	tonnes	41,554.93	38,506.07
Amount of recycled non-hazardous waste	tonnes	38,489.08	26,111.68
Amount of generated hazardous waste	tonnes	31,851.18	35,506.72
Amount of recycled hazardous waste	tonnes	21,357.41	32,102.57

## Social Performance

### R&D Innovation

Indicators	Unit	2024	2025
R&D investment	RMB 0.1 billion	12.67	14.32
Proportion of R&D investment over revenue	%	3.45%	3.57%

### Customer Rights and Interests

Indicators	Unit	2024	2025
Customer complaint response rate	%	100%	100%
Customer complaint resolution rate	%	100%	100%

### Supply Chain Management

Indicators	Unit	2024	2025
Total Number of Suppliers	/	5,040	4,375
Number of suppliers in China (including Hong Kong, Macao, and Taiwan)	/	4,531	3,765

Indicators	Unit	2024	2025
Number of overseas suppliers	/	509	610
Number of suppliers certified by quality management system	/	2,747	3,210
Number of suppliers certified by occupational health and safety management system	/	990	1,108
Number of suppliers certified by the environmental management system	/	1,163	2,081
Number of suppliers who have passed responsible mineral due diligence	/	2,149	1,902

## Employee Responsibility

Indicators	Unit	2024	2025
Total Employees	Person	23,515	39,245
Percentage of female executives	%	17.80%	15.51%
Employee discrimination incidents	Event	0	0
Total number of employee training participants	Participant	472,821	497,368
Total study hours for employee training	Hour	1,118,601	1,769,165
Employee training coverage rate	%	100%	100%
Average annual training hours per employee	Hour	47.57	45.08

## Occupational Health and Safety

Indicators	Unit	2024	2025
Incidence of occupational diseases	%	0	0
Number of employees who died due to work-related injuries	Person	0	0

## Social Welfare

Indicators	Unit	2024	2025
Public Welfare Donation Investment	RMB 0'000	718.66	677.80

## Index of Indicators

### Guidelines for Self-regulation of Listed Companies No. 17 - Sustainable Development Report (Trial), the Shenzhen Stock Exchange

Disclosure requirements	Corresponding section of this report
Addressing Climate Change	Addressing Climate Change
Pollutant Emissions	Pollution Prevention and Ecosystem Protection
Waste Treatment	Pollution Prevention and Ecosystem Protection
Ecosystem and Biodiversity Conservation	Pollution Prevention and Ecosystem Protection
Environmental Compliance Management	Environmental Management
Energy Utilization	Addressing Climate Change
Water Resource Utilization	Resource Utilization and Circular Economy
Circular Economy	Resource Utilization and Circular Economy
Rural Revitalization	No related work has been carried out in 2025
Social Contribution	Community Construction
Driven by Innovation	Driven by Innovation
Technology Ethics	Driven by Innovation
Supply Chain Security	Fostering Partnerships to Build a Resilient and Sustainable Supply Chain
Equal Treatment of Small and Medium-Sized Enterprises	Fostering Partnerships to Build a Resilient and Sustainable Supply Chain
Product and Service Safety and Quality	Quality First / Professional Services
Data Security and Privacy Protection	Information Security and Privacy Management
Employees	Labor and Human Rights Management / Human Capital Development
Due Diligence	Materiality Analysis
Communication with Stakeholders	Communication with Stakeholders
Anti-commercial Bribery and Anti-corruption	Business Ethics and Anti-Corruption
Anti-Unfair Competition	Business Ethics and Anti-Corruption
Voluntary disclosure of topics	Corresponding section of this report
Responsible Minerals	Fostering Partnerships to Build a Resilient and Sustainable Supply Chain

## GRI Content Index

Usage statement: The Company has prepared this report in accordance with GRI standards for the reporting period from January 1, 2025 to December 31, 2025.

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<b>Prioritizing People to Co-create a Shared and Prosperous Future</b>	
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