ESTUN
AUTOMATION

2025

Estun Automation Co., Ltd.

Environmental, Social,and Governance (ESG) Report

CONTENTS

Message from the Chairman

At a time when global industrial transformation intersects with the accelerating momentum of sustainable development, Estun is forging ahead through innovation and responsibility, taking solid strides in a landscape shaped by the convergence of green and intelligent development. In 2025, we remained committed to our core strategy of "ALL Made By ESTUN," achieving coordinated improvements in both scale and quality within intelligent manufacturing, and contributing to the advancement of China' s robotics industry toward the high end of the global value chain. Guided by our founding mission, we continue to integrate sustainability into both innovation and practice, empowering industries across sectors to accelerate their transition toward intelligence and low-carbon development.

By deepening our industrial capabilities, we activate new quality productive forces through innovation.

We firmly believe that technological self-reliance is the foundation of industrial strength. In 2025, we adhered to the dual principles of "independent control of core technologies" and "application-driven innovation," and advanced a system-level forward R&D strategy, which further strengthened our investment in research and innovation. As a result, we have built a fully self-controlled intelligent manufacturing ecosystem. We led major science and technology initiatives under the Ministry of Industry and Information Technology, through which we achieved key breakthroughs in industrial automation and industrial digital platforms. At the same time, we adopted a forward-looking approach to expand into AI-powered robotics applications, which accelerates the integration of embodied intelligence, artificial intelligence, and robotics technologies. These efforts enable us to provide solutions that support the flexible, intelligent, and green transformation of industries.

By enhancing governance effectiveness, we ensure high-quality development through strong and standardized practices.

We continue to refine our corporate governance framework and strengthen our risk management and anti-corruption systems, which support the effective functioning of the Board-level ESG Committee. We embed sustainability across all operational processes, establishing a more structured and consistent ESG management approach that creates long-term value for both shareholders and stakeholders. In 2025, ESTUN received an S&P Global ESG Score of 47, placing it within the top 15% of the global IEQ Machinery and Electrical Equipment industry. The Company also achieved an AAA ESG rating from CNI Index and AA ratings from both Sino-Securities Index and Wind ESG. Furthermore, the Company were included in several ESG recognitions, such as Wind' s Top 100 ESG Best Practices of Chinese Listed Companies 2025 (Small and Mid-cap), Sino-Securities Index' s 2025 Top 50 A-Share Listed Companies in Environmental (E) Best Practices, and 2025 Top 30 Green & Low-Carbon Pioneers among A-Share Listed Companies. These achievements demonstrate our unwavering commitment to sustainability and high-quality growth.

By advancing green and low-carbon development, we deliver on our responsibility to shape a sustainable future.

In response to the challenges of global climate change, we have integrated green development into our overall strategy and advanced the implementation of our carbon peaking and carbon neutrality goals through a systematic approach. In R&D and design, we integrate green principles across the entire product lifecycle, which improves environmental performance from the outset and reduces overall environmental impact. In manufacturing, we have rolled out distributed rooftop photovoltaic systems across our three major facilities, enabling the use of clean energy to reduce carbon emissions in our operations. In recycling and reuse, we have established a circular reuse system for legacy equipment, which significantly reduces resource waste and electronic waste, and enables the development of a new circular economy model for robotics that delivers both economic and environmental value. Meanwhile, we advance green supply chain initiatives and collaborate with partners across the value chain to create shared green value. Through concrete actions, we uphold our commitment to making the world greener and position sustainability as a defining feature of intelligent manufacturing.

By creating shared value, we unite stakeholders and strengthen collective momentum for development.

Our growth depends on the dedication of our employees and the trust of our stakeholders. We are committed to building an open and inclusive workplace, where we strengthen career development pathways and talent development systems to enable shared growth between employees and the Company. Guided by our people-oriented philosophy, we have established a dedicated Love Fund to support those in need and enhanced our compensation and benefits framework so that those who strive can share in the fruits of development. At the societal level, we take "technology leading industry and education empowering the future" as our responsibility. We actively promote the integration of industry and education by developing a diversified "robotics + education" ecosystem, which converts our technological advantages into educational resources and contributes to both industrial upgrading and talent cultivation. Meanwhile, we continue to support public welfare and charitable initiatives, including targeted procurement programs that advance rural revitalization, as part of our commitment to corporate citizenship.

Looking ahead, Estun will strive to lead in the global era of intelligent manufacturing with confidence and ambition. We will continue to embrace the momentum of global intelligent manufacturing and integrate sustainability deeply into the development of the industrial ecosystem, with the aim of building a globally recognized Chinese benchmark brand in intelligent manufacturing. We will continue to grow with our employees, create value with our customers, thrive with our partners, and advance together with the industry. Working hand in hand with global partners, we will move forward with conviction on the path of sustainable development and jointly create a new era of intelligent manufacturing that is more efficient, more intelligent, safer, and more sustainable.

Wu Bo
Chairman of Estun Automation Co., Ltd.

About Estun

Estun (Stock Codes: 002747.SZ, 02715.HK) was founded in 1993. Guided by its corporate philosophy of openness, innovation, dedication, and shared growth, the Company remains committed to the independent development of core technologies. Headquartered in China and leveraging global talent, Estun delivers high-quality products and intelligent turnkey solutions to customers worldwide, advancing the global recognition of Chinese intelligent manufacturing. The Company remains committed to its "All Made By ESTUN" full industry chain strategy and has built a fully self-developed and controllable intelligent manufacturing ecosystem. According to the latest data from MIR DATABANK, Estun ranked first in industrial robot shipments in the Chinese market in 2025, including both domestic and international brands. This marks the eighth consecutive year that the Company has ranked first among domestic industrial robot brands in terms of shipments, positioning it as a key driver of sustained growth in China's industrial robotics market.

Corporate Culture

Vision & Mission

Enjoy your life from automation:
Smarter Manufacturing,
Greater Quality,
Better Life,
Greener World!

Core Values

Open
Innovation
Striving
Growing Together

Slogan

For a better life！
Always·Doing·Better

Core Business

Industrial Automation Products

Estun's proprietary motion control technology is delivered through the TRIO and Estun brands. Its product portfolio includes HMIs, CNC systems, motion controllers, PLCs, AC servo systems (50W-200kW), encoders, and a comprehensive range of automation components. Covering the information, control, drive, and execution layers, the Company provides integrated intelligent control solutions—combining TRIO + ESTUN—for sectors such as electronics manufacturing, semiconductors, lithium batteries, packaging, textiles, and machine tools.

Industrial Robots & Intelligent Manufacturing Solutions

Leveraging its core robotics technology, Estun offers 96 industrial robot models with load capacities ranging from 3 kg to 1,200 kg. The product lineup includes SCARA robots, general-purpose articulated robots, and specialized models for high-protection, cleanroom, explosion-proof, bending, palletizing, welding, and stamping applications. Supported by dozens of mature process software packages, these solutions are widely deployed in automotive, PV, lithium batteries, automotive components, electronics manufacturing, construction machinery, and offshore and marine equipment, helping industry leaders build lighthouse factories.

Digital Products & Digital Services

Estun provides industrial software and digital platforms covering the full solution lifecycle, from production line design and validation to integration, delivery, and operations and maintenance services. The Company has developed platforms including the E-Noesis cloud platform and the E-Care remote operation and maintenance platform. These deliver digital capabilities such as process quality inspection and optimization, fault early warning analysis, remote maintenance, and data integration, enabling transparency into equipment parameters, process data, capacity information, and quality metrics to strengthen customers' digital competitiveness.

Business Regional Distribution

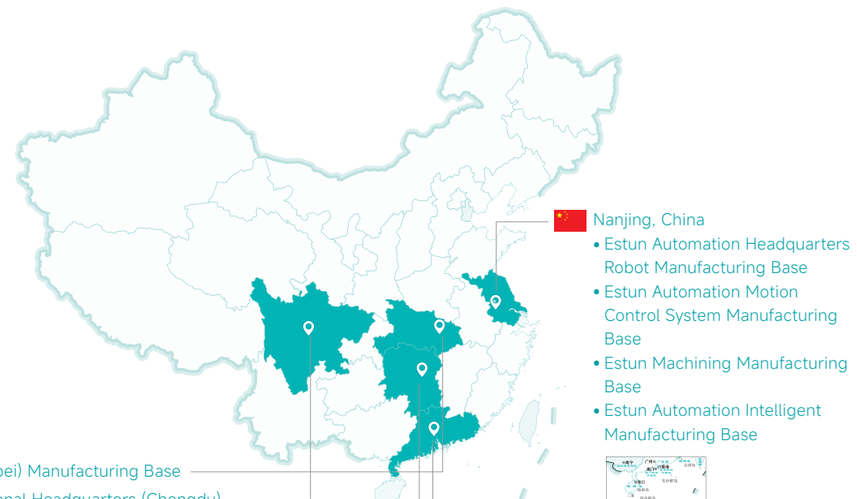
GLOBAL BASE

Global Bases

13

Global Service Points

75



Nanjing, China
- Estun Automation Headquarters Robot Manufacturing Base
- Estun Automation Motion Control System Manufacturing Base
- Estun Machining Manufacturing Base
- Estun Automation Intelligent Manufacturing Base

Estun Automation (Hubei) Manufacturing Base
Southwest China Regional Headquarters (Chengdu)
Central China Regional Headquarters (Changsha)
Southern China Regional Headquarters (Foshan)

London, UK
Trio Motion Control Base in the UK

Haiger, Germany
Cloos Welding Robot Manufacturing Base in Germany

Kronach, Germany
M.A.i Intelligent Systems Engineering Manufacturing Base in Germany

Estun Automation Headquarters Robot Manufacturing Base

Estun Automation Motion Control System Manufacturing Base

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Estun Automation Intelligent Manufacturing Base

Southern China Regional Headquarters(Foshan)

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Estun Automation (Hubei) Manufacturing Base

Trio Motion Control Base in the UK

Cloos Welding Robot Manufacturing Base in Germany

M.A.i. Intelligent Systems Engineering Manufacturing Base in Germany

Global Service Network (INTERNATIONALIZATION)

1 China

Eastern China
Headquarters in Nanjing
Wuxi Office
Changzhou Office
Suzhou Office
Shanghai Office

Southern China
Shunde Service Center
Dongguan Office
Shenzhen Office
Foshan Office

Southeast China
Hangzhou Office
Ningbo Office
Wenzhou Office
Xiamen Office

Central China
Changsha Service Center
Wuhan Office
Zhengzhou Office

Northern China
Tianjin Service Center
Jinan Office
Qingdao Office

Western China
Chengdu Service Center
Chongqing Office

Northeast China
Shenyang Office

2 Asia

Pune, India: Trio Indian Subsidiary/Cloos Indian Subsidiary
Kuala Lumpur, Malaysia: Malaysian Subsidiary

3 Europe

London, UK: Trio Headquarters
Staffordshire, UK: Cloos UK Subsidiary
Milan, Italy: European R&D Center
Kronach, Germany: M.A.i. Headquarters
Haiger, Germany: Cloos Headquarters
Other Cloos subsidiaries in Europe:
Belgium, the Netherlands, Austria, Spain, Turkey, Czech Republic, and Hungary

4 America

Pennsylvania, USA: Trio North American Subsidiary
Illinois, USA: Cloos North American Subsidiary
Mexico: Cloos Mexican Subsidiary
Brazil: Cloos Brazilian Subsidiary

Responsibility 2025

Deepening Industry Capabilities to Unlock New Quality Productive Forces

R&D investment
RMB **476** million

Total granted patents and software copyrights
1,075

First-pass yield upon unpacking inspection
99.78 %

In-process yield
94.83 %

Customer satisfaction score
91.4

Total R&D personnel
968

up
5.91%
year-on-year

up
0.09
percentage points year-on-year

up
0.75
percentage points year-on-year

up
1.64
points year-on-year

Strengthening Governance to Drive High-Quality Development

Operating revenue
RMB **4.89** billion

Total tax contribution
RMB **87.76** million

Special audits on business ethics and anti-corruption
3

Pursuing Green Development to Build a Sustainable Future

Investment in environmental protection
RMB **1.98** million

GHG emission intensity
1.98 tonnes of CO_2 equivalent/ RMB 1 million revenue

Water withdrawal intensity
32.40 tonnes/RMB 1 million revenue

Creating Shared Value and Advancing Together on a New Journey

Total hours of online employee training
73,224.98 hours

Investment in production safety
RMB **7.04** million

Total charitable donations
RMB **661,500**

Awards & Recognitions

National Enterprise Compliant with Industrial Robot Industry Specification
Ministry of Industry and Information Technology

National Advanced Collective in Industry and Information Technology Systems
Ministry of Human Resources and Social Security; Ministry of Industry and Information Technology

2025 Advanced-Level Smart Factory in Jiangsu Province
Department of Industry and Information Technology of Jiangsu Province

Industrial Robot High-End Application Award
2025 6th China Robotics Industry Annual Conference

Top 50 Leading Chinese Robotics Enterprises of the Year
2025 6th China Robotics Industry Annual Conference

Benchmark Enterprise in Comprehensive Layout of Industrial Embodied Intelligence
2025 GGII Golden Globe Award

Outstanding Embodied Intelligence Enterprise of the Year
GuruClub Gold Award

Most Influential Enterprise Brand of 2025
CIAA25 Summit Forum

Innovative Technology Award of 2025
CIAA25 Summit Forum

Innovative Product of the Year
OFweek Cup 2024

Brand Influence Enterprise of the Year
OFweek Cup 2024

Outstanding Domestic Industrial Robot Brand
imrobotic.com

Special Focus

Industrial Embodied Intelligence – Ushering in a New Era of Human-Machine Symbiosis

In 2025, "cultivating future industries such as embodied intelligence" was included in China's *Government Work Report* for the first time, marking its elevation to a national strategic priority. As a core domain at the intersection of AI and robotics, embodied intelligence is emerging as a key driver reshaping the global industrial landscape. As a leading enterprise in China' s automation and robotics sectors, Estun has strategically positioned itself at the forefront of embodied intelligence, leveraging its technological capabilities to support the manufacturing industry' s transition toward flexibility, intelligence, and sustainability.

Strategic Definition | A New Paradigm Integrating AI and Robotics

As AI moves from virtual algorithms into the physical world, embodied intelligence is redefining the boundaries of human-machine collaboration through a closed-loop logic of "perception – decision – action." At a time when industries are navigating the depths of intelligent transformation, Estun—drawing on its deep understanding of industrial automation—has redefined the paradigm for integrating AI and robotics.

In the 2025 GGII Golden Globe Award selection, Estun was named a

"Benchmark Enterprise in Comprehensive Layout of Industrial Embodied Intelligence."

In the 2025 GuruClub Gold Award annual excellence selection, Estun received the

"Outstanding Embodied Intelligence Enterprise of the Year" honor.

Leveraging its fully self-developed industrial ecosystem spanning "core components – complete robots – digital systems," Estun has built a comprehensive product portfolio covering motors, drives, and controllers, anchored in its core strength in motion control. This provides industrial robots with a high-performance, highly reliable "torso" and "neural system." Building on this foundation, the Company has achieved a balance between high-level task planning, scene understanding, and decision-making (the "brain") and real-time, precise motion control (the "cerebellum") through a software platform architecture designed for synergy between the two. Through data-driven skill learning (reinforcement learning and imitation learning) and Sim2Real digital twin technology, robots can acquire skills in virtual environments and execute them with precision in the physical world, significantly reducing deployment complexity. By embedding AI across robot perception, decision-making, and execution, Estun enables robots to self-learn, self-decide, and execute in complex, unstructured environments, providing an evolvable and reliable technology foundation for industrial intelligence and advancing Chinese manufacturing toward a new paradigm of human-machine symbiosis.

Estun Codroid officially launches its second-generation humanoid robot, Codroid 02

Estun has developed a control system architecture designed for AI applications, characterized by strong openness, compatibility, and scalability, providing robust support for industrial intelligence scenarios. Drawing on extensive experience and data from industrial robot applications, the Company has integrated AI technologies in a layered manner. Its next-generation controller incorporates dedicated interface technology that seamlessly connects with AI control, enabling the underlying architecture to interface with higher-level embodied intelligence systems.

Estun' s solutions for teaching-free welding, teaching-free grinding, and vision-guided random picking integrate motion control, machine vision, and AI programming. These solutions enable robots that are easy to deploy, user-friendly, and capable of intelligent operation without the need for teaching. In application areas with low robot density—such as steel structure welding, curved surface grinding and gluing, and laser welding—these robots can be rapidly deployed across scenarios, expanding market demand.

Collaborative Leadership | Charting a New Blueprint for the Embodied Intelligence Industry

Estun believes that industrial development thrives on collaboration and grows through symbiosis. The Company actively brings together resources across the industrial chain, driving and participating in industry exchanges, technology standard development, and collaborative R&D in embodied intelligence. Leveraging its technological strengths and industry experience, Estun is helping China' s embodied intelligence industry accelerate its transition from technological breakthroughs to large-scale applications, supporting the maturation and growth of the domestic supply chain.

On June 28, 2025, the Jiangsu Provincial Embodied Intelligence Robot Industry Alliance was inaugurated, accompanied by an Industry Innovation and Development Cooperation Conference in Nanjing. Estun serves as the rotating chair of the inaugural alliance, helping accelerate the industrialization of embodied intelligence technologies.

Establishment of Jiangsu Provincial Embodied Intelligence Robot Industry Alliance

In June 2025, Estun co-organized the Embodied Intelligence Technology Development Academic Forum, helping build a collaborative innovation platform connecting industry, academia, research, and application, and fostering deep integration between technological breakthroughs and practical scenario implementation.

the Embodied Intelligence Technology Development Academic Forum

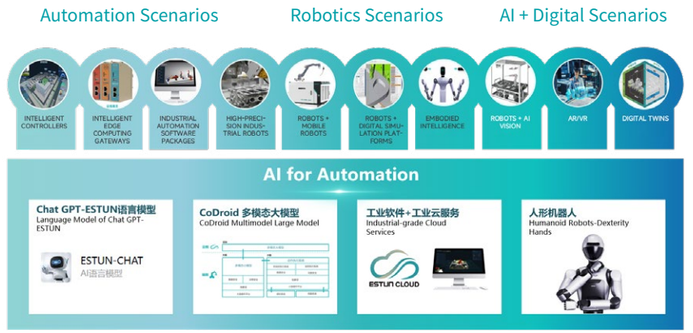
Estun participated in Jiangsu Province' s 2025 major science and technology projects and cutting-edge technology research programs, driving breakthroughs in key embodied intelligence technologies.

On May 15, 2025, Estun Codroid participated in the inaugural national standard launch meeting for humanoid robots, contributing practical insights from robotics R&D to help refine the standard framework and promote standardization in the humanoid robot industry.

Shaping the Future | From Industrial Sites to Broader Human-Machine Symbiosis

From precise execution on the factory floor to seamless human-machine interaction, Estun is building a next-generation automation ecosystem infused with AI. This ecosystem is built on intelligent controllers, edge computing gateways, and industrial automation software packages, leveraging high-precision industrial robot bodies and expanding application boundaries through models such as "robots + digital simulation platforms." At the AI and digital scenario layer, the Company integrates AI vision, AR/VR, and digital twin technologies. It has independently developed the Estun-Chat AI language model and the CoDroid multimodal large model for industrial applications, enabling natural language interaction and complex environment understanding. By combining industrial software with cloud services and exploring emerging technologies such as humanoid robots and dexterous hands, the Company is driving automation systems toward autonomous perception, intelligent decision-making, and flexible execution.

Looking ahead, Estun will continue to advance embodied intelligence technologies, increase R&D investment in "AI + robotics," and focus on practical application value and concrete deployment scenarios for intelligent robotics. The Company will also drive interdisciplinary research at the convergence of robotics, AI, big data, and other cutting-edge fields.



1 Deepening Industry Capabilities to Unlock New Quality Productive Forces

Contributing to UN SDGs

Creating Industrial Value

Estun remains committed to its "All Made By ESTUN" full industry chain strategy and has built a fully self-developed and controllable intelligent manufacturing ecosystem. The Company enables the intelligent transformation of diverse industries, enhancing productivity, safety, and reliability in industrial environments—making manufacturing smarter, quality more consistent, life more fulfilling, and the world greener.

Recognized as a "National Advanced Collective in Industry and Information Technology Systems"

Ministry of Human Resources and Social Security; Ministry of Industry and Information Technology

Enabling Low-Carbon Transition

Against the backdrop of global green and low-carbon transformation, Estun pursues its corporate mission of "making the world greener" by positioning clean technology innovation as a core strategic priority. The Company develops integrated low-carbon solutions that combine automation, digitalization, and intelligence, actively supporting the intelligent upgrade of the new energy sector and contributing to the society' s low-carbon transition.

Green Product Design

Committed to green development, Estun designs its products in accordance with the *General Principle and Requirements of Eco-design for Products* (GB/T 24256-2009). The Company integrates green, ecological, and circular principles across the entire product lifecycle—from design and production to use and end-of-life—enhancing environmental performance at every stage.

Stage of Product Lifecycle

Technology R&D

- Establish a core technology system encompassing lightweight robot body design, servo common-bus technology (enabling multiple servo drives to share a communication bus and power supply), motor weight reduction and heat dissipation optimization, brake dual-voltage control strategies (using two voltage levels to ensure precise and safe stopping), servo software control algorithms, controller software sleep functions, and four-quadrant controllable rectification at the power supply end (enabling bidirectional energy flow for driving and regenerative applications).

Product Design

- Promote "modular + lightweight" design to reduce redundant structures and material consumption. Use standardized interfaces for core components to enhance disassembly and reuse rates.
- Optimize equipment layout and energy paths to shorten material transport distances and reduce energy consumption of powered equipment such as AGVs and conveyor lines.
- Design dedicated waste liquid and material collection channels to prevent pollutant leakage during production and reduce environmental treatment costs.

Raw Material Selection

- Select lightweight eco-friendly alloys to replace traditional heavy steel, reducing total material consumption and equipment operating energy without compromising structural strength.
- Prioritize recycled metal materials—such as recycled aluminum alloys and recovered stainless steel—for non-load-bearing structural components (e.g., module brackets and PACK frames) in lithium-battery module and PACK smart production lines. Establish purity testing and adaptation verification mechanisms to ensure mechanical properties meet assembly requirements.

Manufacturing

- Reduce energy consumption through intelligent production equipment, energy-saving retrofits, precision control improvements, efficient energy utilization, and the development of a green energy supply system.
- Emphasize clean production by promoting green process technologies that reduce material loss and minimize emissions of solid waste, wastewater, and exhaust gases.

For details, refer to the "Addressing Climate Change" and "Pollution Prevention and Control" sections.

Use

- Integrate intelligent energy consumption management systems to enable adaptive load control for core production equipment (e.g., welders, ovens, testing equipment), automatically switching to low-power mode during standby and reducing energy consumption by over 60%.
- Adopt designs that improve heat, flex, and chemical corrosion resistance without compromising customer requirements, extending product life in harsh environments. Promote modular and easy-to-disassemble designs to improve repairability and parts compatibility, enabling localized faults to be addressed through precise component replacement rather than complete unit disposal, thereby effectively reducing scrappage rates and extending product lifespan.

Storage / Transportation

- Implement "reusable + degradable" green packaging solutions. Use recycled paper-based cushioning as core packaging materials to replace disposable foam, plastic film, and other non-biodegradable materials. Incorporate damage-prevention designs using cushioning materials such as honeycomb paperboard and degradable EVA foam to reduce module damage during transport and minimize resource waste.
- Adopt "containerization + lightweight" transport solutions. Use foldable containers and standard pallets for unitized transport to increase transport capacity per unit, reduce trips, and lower carbon emissions.
- Select new energy transport vehicles—such as electric trucks and hydrogen fuel cell logistics vehicles—to replace traditional fuel-powered vehicles, supported by charging stations and hydrogen refueling infrastructure, to reduce exhaust emissions.

End-of-Life

- Adopt "modular disassembly + standardized interfaces" structures. Use snap-fit or quick-release connections for core components instead of welding. Incorporate recyclable labels, centralized wiring, and separable connector designs to simplify disassembly, improve recycling efficiency, and reduce material waste.
- Develop a tiered recycling program to channel high-value components for testing, repair, and reuse, while directing metal and plastic parts to specialized partners for material regeneration.
- Establish a dedicated battery-related waste recycling mechanism for lithium-battery module and PACK production lines. Design sealed collection devices for hazardous waste—including spent cells, electrolytes, and contaminated auxiliary materials—to prevent leakage during recycling.

Case Creating a Circular Economy Model for Remanufactured Robots

To address the cost and environmental pressures associated with shortened equipment replacement cycles in manufacturing, Estun has launched an official robot remanufacturing service. Leveraging its original manufacturer technical expertise, the Company operates a closed-loop model of "assessment – recycling – remanufacturing – certification – resale." Recovered equipment is fully disassembled, rigorously tested, and fitted with upgraded components and control systems. Each remanufactured robot undergoes a 24-hour continuous test before receiving official remanufacturing certification. This model helps customers optimize procurement costs while significantly reducing resource waste and electronic waste through equipment reuse, establishing a new circular economy paradigm for robotics that delivers both economic and environmental benefits.

Improving Manufacturing Energy Efficiency

Estun develops tailored solutions for specific market segments, deeply integrating automation and robotics into industrial ecosystems. The Company builds high-precision, highly flexible intelligent production systems for sectors including metal processing, automotive, electronics, welding, rail transportation, and aerospace manufacturing, enhancing production efficiency while ensuring quality consistency. Estun has contributed to the construction of the world's first PV lighthouse factory, the world's first lighthouse factory in the coal mining equipment industry, three lithium battery lighthouse factories, and one construction machinery lighthouse factory, driving efficiency gains and quality improvements through smart manufacturing.

Case Supporting CRRC in Building a "Lights-out Factory" to Achieve Breakthroughs in Both Efficiency and Quality

To support the intelligent upgrade of rail transportation equipment, Estun built "lights-out factory" production lines for three CRRC subsidiaries—Puzhen, Dalian, and Zhuzhou—covering digital assembly, welding, logistics, inspection, and final rollout. Using flexible traveling fixtures and automated warehouse transfer systems, the lines enable zero-changeover-time model switching, transforming the traditional 5- to 10-minute changeover model and precisely meeting the cycle time requirements of the new facilities. In the welding process, rapid deep-penetration welding achieves a 4 mm penetration depth, while tandem dual-wire welding delivers a deposition rate of up to 25 kg/h, significantly boosting productivity. The welding process software is compatible with multiple welding tool brands, seamlessly integrates with existing digital production lines and MES systems, and enables data traceability and quality monitoring. Together, these capabilities create an unmanned, traceable intelligent welding workshop, establishing a benchmark for intelligent manufacturing in the rail transportation industry.

Enabling Green Smart Manufacturing in the New Energy Sector

As the global energy transition accelerates, China is emerging as a key driver of this transformation through its advanced manufacturing capabilities and intelligent technologies. Estun's industrial robots and automation solutions play a critical role across new energy segments, including PV, traction batteries, energy storage, and automotive, helping the industry move toward greater efficiency, precision, and sustainability.

Scan the QR code to explore robotics applications in the new energy sector

PV Industry	The Company provides solutions covering the full range of manufacturing scenarios, from silicon wafers and cells through to modules. Robots are widely used in processes such as silicon rod handling, cassette handling, cell string layout, and module framing. High-value products are customized for challenging processes, achieving automation coverage across the entire PV value chain.	• Support **2,000** GW/h of global PV cell manufacturing • Over **15,000** Estun PV-specific robots operate 24/7 • Deeply involved in the construction of the world's first PV lighthouse factory
Lithium Battery Industry	The Company provides intelligent solutions across the entire industrial chain—from electrode processing (die cutting, winding) to cell assembly (stacking, wrapping) and module/PACK (assembly, positioning)—helping customers build lean, efficient, and flexible production lines.	• Estun servo products are featured on CATL's recommended component brand list • Built ultra-high-speed lithium battery production lines globally • Participated in the construction of **3** lithium battery lighthouse factories

Case Pioneering "Magnetic Levitation + Flexible Chain" Technology to Optimize Large-Surface Liquid Cooling Plate Assembly Efficiency for Lithium Batterie

To address the challenges of low transport efficiency and complex changeovers in traditional large-surface liquid cooling plate assembly lines, Estun pioneered the integration of magnetic levitation and flexible chain technologies, successfully implementing this solution in a battery industry leader's large-surface liquid cooling plate assembly project. For cooling plate transport, magnetic levitation technology was introduced to leverage its contactless, low-friction advantages, enabling high-speed transfer and precise positioning. For cell transfer, a flexible conveyor line was adopted to accommodate reject handling processes. By reorganizing production processes and optimizing equipment layout, the line footprint was reduced by 50%, assembly efficiency reached 45 PPM, and one-key model changeovers can be completed within 30 minutes, supporting the full product range. Additionally, stacking stations and recipe systems were optimized, reducing equipment failure rates from 2.5% to 1.5% and increasing product yield from 95% to 99%, delivering a significant improvement in product yield.

Accelerating Industrial Digital Transformation

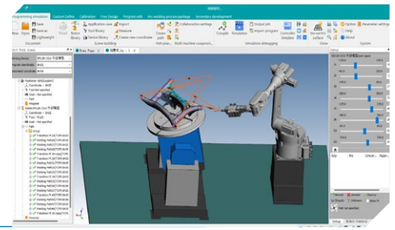
To address efficiency bottlenecks in traditional industrial maintenance and fully unlock the value of equipment data, Estun has developed a comprehensive suite of industrial software and remote operation and maintenance platforms, including EstunEditor, E-Care, E-Noesis, E-Chat, and E-Data. These solutions cover the full spectrum of robot programming, remote maintenance, cloud platform management, intelligent interaction, and digital twin applications. They help enterprises reduce operational and trial-and-error costs, enhance production transparency and controllability, and accelerate the transition to Industry 4.0 and smart manufacturing.

Case E-Noesis Platform Enables Lean Production in Welding Shops

Traditional welding shop information systems are constrained by data silos and manual monitoring, resulting in limited real-time visibility into welding parameters, delayed defect detection, slow fault response, extended downtime, and significant material waste—making quality traceability and process optimization challenging. The E-Noesis platform addresses these challenges by monitoring robot performance and production line efficiency in real time, optimizing scheduling and material tracking. Combined with digital twins, it enables remote visualization of the workshop. Real-time alerts and trend analysis identify potential equipment issues early, supporting predictive maintenance and significantly reducing unplanned downtime. This helps customers achieve lean production and continuous improvement. As of the end of the reporting period, 11,445 industrial robots had been connected to the Company's E-Noesis platform.

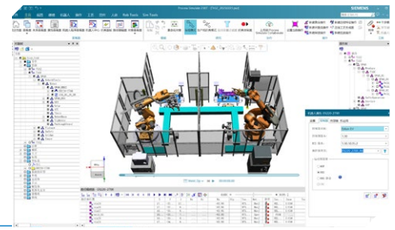
EstunEditor & AutoList Simulation and Offline Programming Suite

The suite offers robot parameter configuration, intelligent programming prompts, virtual debugging, and graphical trajectory editing. Editor supports real-time motion posture monitoring and collision detection; AutoList specializes in sheet metal bending optimization, automatically generating optimal gripping and flipping processes to improve equipment utilization and bending efficiency for high-mix, low-volume production.



Estun RCS Robot Virtual Control System

The system is deeply integrated with Siemens PDPS, incorporating the Estun kinematics kernel for high-precision digital twin simulation. It supports spot welding process commands and industrial-grade cycle time simulation, and automatically generates robot programs, providing precise offline programming solutions for applications such as automotive manufacturing.

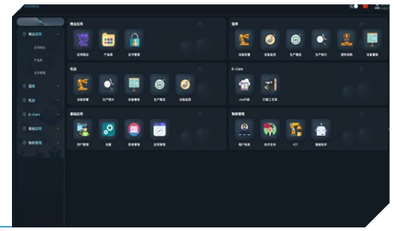


E-Care Intelligent Remote Operation and Maintenance Platform

The platform enables cloud connectivity for robots through a zero-cost networking solution, eliminating reliance on hardware gateways. It supports remote fault diagnosis, real-time status monitoring, and direct data integration with PLC and MES systems. Combined with multi-layer encryption protocols, it ensures end-to-end data security, significantly reducing downtime. The platform has increased fault resolution efficiency by over 60% and reduced unplanned downtime losses by more than 30%.

E-Noesis Industrial Internet Platform

The platform delivers enterprise-wide equipment management, permanent data storage, and high-speed analytics. It covers material scheduling, process management, digital twin dashboards, and integrates AI customer service and programming assistants, enabling intelligent production decisions and full-process traceability.



E-Data Visual Decision-Making

The solution leverages data dashboards and digital twins to enable digital, visualized, and transparent monitoring of complex production scenarios, supporting efficient operational decisions with precise data. Virtual simulation technology models the entire production process, helping enterprises rapidly build industrial metaverse applications.

E-Chat Small AI Agent

The agent integrates dual core functions: AI customer service and AI-assisted programming. It provides 24/7 intelligent service, accurately interpreting product knowledge and responding quickly to inquiries. The system can also intelligently generate robot program code based on user requirements, delivering a professional, efficient, and convenient intelligent interaction experience.

Enhancing Intrinsic Safety Through Automation

Estun is committed to using technology to enable safer and more efficient industrial development. The Company actively promotes the concept of replacing humans with machines, deploying industrial robots to take over repetitive, high-intensity, and hazardous manual tasks. This approach reduces operational safety risks at the source, alleviates worker fatigue, and supports safer, more humane production methods.

Case AI Intelligent Loading System: Enhancing Intrinsic Safety Through Automation

Traditional manual loading operations present significant safety risks and high labor intensity, with over 2,000 reported incidents annually nationwide, representing a major bottleneck for manufacturing upgrading. To fundamentally reduce safety risks, Estun partnered with collaborators to address the industry challenge of achieving efficient collaboration between robots and 3D LiDAR in complex environments, resulting in a fully integrated AI intelligent loading system. The system is built around a self-developed palletizing robot and integrates 3D perception, AI recognition, and reinforcement learning. LiDAR collects environmental data, AI models analyze vehicle and cargo characteristics, and reinforcement learning optimizes dynamic obstacle avoidance strategies. This enables full-chain autonomous decision-making—from vehicle recognition and motion control to loading operations. The system has successfully achieved a complete closed-loop application for domestic robots in intelligent loading scenarios, fully replacing high-risk manual loading work. This significantly reduces worker labor intensity and operational safety risks, strengthening intrinsic safety at the source.

R&D Innovation

Estun pursues an innovation-driven R&D strategy guided by independent core technologies and application-driven innovation. The Company continuously increases investment in technology R&D and innovation, accelerates the translation of scientific and technological achievements, and drives product and technology innovation to unlock new engines for high-quality development.

Governance

The Company has established a comprehensive and efficient R&D innovation governance system, supported by a forward-looking technology strategy that enables long-term growth and technological leadership. The internal R&D team is led by the Product Competitiveness Center, which oversees the overall technology development strategy, makes key technology decisions, and drives breakthroughs in core technologies and the allocation of innovation resources. The Center comprises three core departments, each with distinct responsibilities. The Innovation Center manages the Company' s medium- to long-term technology roadmap and drives forward-looking enhancement of core capabilities. The R&D Center focuses on short- to medium-term technology planning and execution to ensure continuous improvement in product competitiveness. The Product Lines teams are responsible for product-level innovation and development—particularly in industrial robots, motion control, and AI applications—ensuring close alignment with market demands and operational execution.

For intellectual property (IP) management, the Company operates a framework characterized by item-specific responsibility and coordinated management. The Operations Management Department of the Competitiveness Center serves as the central management unit, coordinating the planning, maintenance, risk prevention, and utilization of all IP categories, including patents, software copyrights, and trade secrets. The Administration Department is responsible for trademark management, including registration, maintenance, standardized use, and market monitoring. Together, they form an IP protection system that spans the entire value chain.

The Company has established and consistently refines internal policies such as the *R&D Management Standards* and the *Intellectual Property Management System* to standardize R&D and IP management, ensuring that all R&D activities proceed in an orderly manner. During the reporting period, the Company enhanced its system for identifying and managing IP infringement risks. New specialized policies were introduced, including the *Trademark Management*, the *Intellectual Property Validity Monitoring*, the *Intellectual Property Infringement Management*, and the *Infringement Identification and Remediation Procedure*. A full-channel infringement monitoring system, an internal-external linkage mechanism for tracking infringement clues, and a case-file management process were established. This has created an integrated protection network covering prevention, monitoring, and response, providing a solid foundation for technological innovation and brand value enhancement.

Strategy and Management Approach

Forward R&D System

Guided by its strategic R&D objective of "moving from following to surpassing," Estun has transformed its traditional R&D approach by advancing a system-level forward R&D strategy. The Company has built a full-chain R&D system linking customer needs, product requirements, and technical solutions, which enables deeper alignment between technology development and market demand at the source and provides strong support for the independent and controllable development of China's domestic robotics industry chain.

Deepening IPD Transformation

Building on the achievements of its Integrated Product Development (IPD) transformation in 2024, the Company continued to optimize and refine its IPD initiatives. It developed the *Estun IPD Framework Map (V2.0-2025 Edition)*, which outlines the transformation roadmap and improvement targets for 2025, and restructured the IPD process system to drive full implementation.

IPD Process System		2025 Transformation Initiatives
Operating Processes	These are core value-creation processes that belong to the Company's primary operational functions. They are customer-facing, end-to-end, and logically structured business activities essential for delivering customer value.	• **Organization & Personnel Appointments:** The Company published the operating mechanisms and personnel appointments for the Integrated Portfolio Management Team (IPMT), the Integrated Technology Management Team (ITMT), and the Special Product Development Team (SPDT) on its OA system. This promoted the implementation of a cross-domain matrix organization and further strengthened the operational management responsibilities of SPDTs, guiding functional departments to focus on resource assurance and capability building. • **Performance Target Breakdown:** The Company linked the KPIs of core SPDT representatives to product line operating results. This embedded IPD principles within business departments and achieved an interlocking operational mechanism between product lines and business units. • **Process System Development:** The Company added implementation standards for processes, including the *Lifecycle Project Process*, the *Technology Development Process*, and the *Non-Standard Customization Request Process*. These standards cover all typical business activity types, helping to control project process quality and improve operational efficiency. • **Enhanced Team Operation Mechanisms:** The Company optimized SPDT management rules, clarifying key requirements for meetings, authorization, and review meeting frequency. It also refined the functional support system to drive the implementation of operational activities.
Enabling Processes	These are processes that support professional capabilities and belong to the Company's capability-building functions. They are specialized and are invoked repeatedly or intermittently by operating processes, focusing on capability building to enhance operational efficiency.	• Within the R&D Center, the Company established standardized design and development processes and specialized development specifications covering the entire workflow. These initiatives systematically improve development efficiency and product quality while consolidating reusable team knowledge and experience, thereby creating a long-term mechanism for R&D accumulation and knowledge transfer.
Supporting Processes	These are foundational public services and infrastructure. They are basic processes that exist to ensure the continuous, efficient, and low-risk operation of the IPD system.	• The Company established a Process Owner accountability system to ensure the implementation of transformation initiatives. This system is supported by a suggestion incentive mechanism that encourages frontline employees to proactively identify and raise process bottlenecks, enabling those closest to operational challenges to participate deeply in process optimization.

Innovation Talent Development

Estun is focused on building a highly skilled, dynamic R&D workforce to sustain technological development and innovation breakthroughs. With Nanjing as its R&D hub, the Company integrates global resources from innovation centers in Germany, the United Kingdom, and the United States to build a world-class R&D team. As of the end of the reporting period, the Company employed 968 R&D professionals, of whom 265 hold a master's degree or higher.

To sustain R&D vitality and innovation capacity, the Company leverages its innovation incentive system—including the *Intellectual Property Reward Management Measures*—to build a long-term mechanism for cultivating and retaining research talent. In 2025, the Company further detailed and implemented its incentive mechanisms. This included introducing differentiated patent rewards, tiered based on high-value versus general-value patents, covering diverse achievements such as inventions, software copyrights, and trade secrets; establishing an inventor contribution review mechanism, which clarifies qualification criteria and distribution rules to ensure fairness and transparency; and including patent review committee members in the incentive structure, encouraging technical experts to participate in patent quality control. Through precise incentives, standardized management, and fair distribution, the Company has mobilized the innovation enthusiasm of its R&D personnel, continuously improving IP quality and strengthening its core technological competitiveness.

Open Innovation Ecosystem

Estun consistently strengthens its R&D innovation network, actively engaging in innovation collaboration with customers, suppliers, partners, research institutions, and universities. The Company has developed a diversified, open R&D model that stimulates innovation vitality.

Technology Collaboration

- As a high-tech enterprise, the Company has established 1 National Enterprise Postdoctoral Research Workstation, 1 Provincial Enterprise Technology Center, 3 Provincial Engineering Technology Centers, 1 Provincial Key Laboratory, 2 Provincial Enterprise Graduate Workstations, and 1 Provincial Industrial Design Center, supporting numerous research projects. During the reporting period, the Company led 3 key national science and technology projects under the Ministry of Industry and Information Technology and a "Two Priorities" project under the National Development and Reform Commission—a program focused on implementing major national strategies and building security capacity in key areas. It also participated in 2 provincial R&D projects, leveraging its strong technological innovation capabilities to contribute to China's intelligent manufacturing efforts.

Innovation Exchanges

The Company actively organizes innovation forums and seminars with university and industry experts to discuss emerging technology trends. Its senior R&D experts participate in academic conferences, industry association events, and exhibitions to stay abreast of cutting-edge technology developments, driving technological innovation and application commercialization.

- Hosted the Estun 2025 Global Partner Development Summit, bringing together over 400 global channel partners for in-depth discussions on the transformation and sustainable development of the intelligent manufacturing industry.
- Participated in the 2025 World Intelligent Manufacturing Conference, showcasing innovative products such as high-performance arc welding and spot welding workstations, explosion-proof grinding robots, multi-robot coordination systems, and embodied intelligence robots.

Industry Support

- Gerald Mies, CEO of Estun Robotics Europe, was elected to the Executive Committee of the International Federation of Robotics (IFR). In this role, he represents Estun and the Chinese robotics industry within the international robotics community and supports the IFR in serving the industry' s development.
- The Company is deeply involved in industrial ecosystem development, serving as the rotating chair of the inaugural Jiangsu Provincial Embodied Intelligence Robot Industry Alliance. It co-organized the alliance' s first member assembly and the Embodied Intelligence Technology Development Academic Forum. Estun Codroid participated in the development of the first batch of national standards for humanoid robots, promoting standardization and high-quality development in the embodied intelligence industry. *(For details, refer to the "Special Focus: Industrial Embodied Intelligence – Ushering in a New Era of Human-Machine Symbiosis" section.)*

Leading Technology Breakthroughs

Leveraging its advanced IPD R&D system and innovation ecosystem, Estun has achieved continuous breakthroughs in robot body structure technology, motion control and servo technology, and industrial digital platform technology. The Company is developing safer products with higher performance, continually redefining intelligent manufacturing.

Industrial Automation

- The 5-series servo system incorporates innovative magnetic field modulation technology, using motor stator teeth as a magnetic field modulator to create a "fundamental + harmonic" multi-working-wave torque generation mechanism. It also features an industry-first asymmetric stator modulation tooth structure and integrated processing technology. With unchanged volume and material usage, system efficiency has increased by 3.1%, and torque ripple has been significantly reduced to 0.145%. Under the same output torque, the volume and weight of the 5-series servo products have decreased by 20%, providing key technical support for the miniaturization and lightweighting of high-end equipment.

EM5G Series High-Quality Servo Motor System Magnetic Field Modulation Technology – Winner of the **"2025 Innovative Technology Award in the Motion Control Field"** at the CIAA25 Summit Forum

Industrial Robots

- In 2025, the Company launched the first 1.2-ton six-joint heavy-duty robot featuring 100% domestically produced core components. Through breakthroughs in dual-motor synchronization control, dual-reducer hard synchronization, and whole-body lightweighting, the system overcomes international technology barriers. Its high rigidity and compact structure provide strong support for intelligent manufacturing in China's aerospace and new energy sectors.
- Centered on greater openness, intelligence, reliability, and precision, the Company has fully upgraded its ER series with the introduction of the new iER series intelligent industrial robots. Built on the self-developed iER.OS operating system and Juliet high-level language, the software architecture has been restructured to achieve deep decoupling and intelligent integration of hardware and software. Key outcomes include ultra-high precision across the entire workspace and predictive intelligent maintenance upgrades. This has improved absolute precision to ±0.2 mm, reduced control cabinet energy consumption by up to 30%, and integrated remote maintenance platform capabilities, delivering an energy-efficient, integrated, and intelligent solution.Centered on greater openness, intelligence, reliability, and precision, the Company has fully upgraded its ER series with the introduction of the new iER series intelligent industrial robots. Built on the self-developed iER.OS operating system and Juliet high-level language, the software architecture has been restructured to achieve deep decoupling and intelligent integration of hardware and software. Key outcomes include ultra-high precision across the entire workspace and predictive intelligent maintenance upgrades. This has improved absolute precision to ±0.2 mm, reduced control cabinet energy consumption by up to 30%, and integrated remote maintenance platform capabilities, delivering an energy-efficient, integrated, and intelligent solution.

Industrial Digital Platforms

- The Company has launched the new E-Care robot remote operation and maintenance platform, integrating IoT and cloud computing technologies. With an integrated design, the platform enables whole-lifecycle operational monitoring and intelligent remote maintenance for robots. It connects IT and OT data links, supporting real-time status monitoring, remote fault diagnosis, and direct integration with PLC and MES systems. The platform addresses challenges such as data silos, slow fault response, escalating downtime losses, and high maintenance costs—improving fault resolution efficiency by over 60% and reducing unplanned downtime losses by more than 30%, helping enterprises achieve efficient maintenance.

- The Company independently developed the iER.OS robot control system and launched the RoboBase platform, focused on the industrial robot and AI application ecosystem. iER.OS serves as the "intelligent brain," rebuilding the robot language architecture (Juliet language) and real-time control kernel from the ground up to connect data, perception, and control pathways, equipping robots with environmental perception and autonomous decision-making capabilities. RoboBase acts as the application ecosystem carrier, establishing an open Android-like architecture for the industrial sector that supports third-party deep integration and secondary process development, promoting the evolution of robot systems toward a software-defined and ecosystem-co-creation model.
- By integrating large language models, multimodal sensors, machine vision, speech recognition, and advanced learning algorithms, the Company is applying AI technology across its product portfolio, with implementations in multiple scenarios.

AI + Innovation Solutions

AI Vision-Based Collaborative Motion Control Platform

Built on 2D and 3D vision and integrated with motion control platforms, this solution achieves cross-process data linkage and dynamic optimization through precise positioning, intelligent quality inspection, and deep vertical process integration, providing comprehensive intelligent support for motion control applications.

AI-Based Predictive Diagnostics and Maintenance

A predictive diagnostics and maintenance system for motion control systems, powered by AI algorithms, captures equipment operation characteristics in real time, predicts potential faults, and generates optimal maintenance plans—significantly improving system stability and lifecycle management efficiency.

AI-Based Generative Intelligent Programming Platform

By learning historical process data and real-time production demands, the platform automatically generates scenario-adapted program code and iterates dynamically, dramatically reducing manual programming costs and enabling flexible, efficient production at the motion control execution layer.

Intellectual Property Protection

Estun regards intellectual property—including patents, software copyrights, trademarks, trade secrets, and proprietary technologies—as core strategic assets. The Company has built a comprehensive IP protection framework to achieve closed-loop management across creation, maintenance, utilization, and protection, reducing the risk of unauthorized use or infringement by third parties. During the reporting period, the Company had no legal disputes related to IP infringement, effectively safeguarding operational compliance.

National Intellectual Property Advantage Enterprise

Strengthening IP Portfolio

- The Company conducted patent portfolio analysis for industrial robots and automation core components, developed a patent strategy implementation plan, identified technological gaps, and clarified R&D pathways. It deployed patent combinations from improvement to application across the technology application industry chain, implemented necessary design-around strategies and peripheral patent layout, and expanded overseas protection based on target markets, forming a multi-dimensional, global patent protection system.

Improving IP Management

- IP protection has been fully integrated into the new product development process. Through system revisions and process reengineering, risk control and patent mining are embedded from the outset of R&D, shifting IP management from reactive response to proactive involvement at the innovation source.
- A professional trademark agency was entrusted to review the Company's trademarks and develop an *Enterprise Market Analysis and Trademark Layout Report*. Trademark monitoring was implemented for the "Estun," "ESTUN," and "CLOOS" brands in core and related categories, with monitoring reports and intervention measures for similar trademarks.
- Leveraging its information platforms and channel resources, the Company retained professional law firms to regularly monitor online and offline sales of similar products, developing protection strategies for infringing products.

Raising IP Awareness

- The Company signed legally binding confidentiality and IP ownership agreements with all employees, as well as with external stakeholders such as customers, suppliers, and partners, clearly defining IP protection obligations and enforceable remedies for breaches.
- Three specialized IP training sessions were conducted for R&D personnel, with over 150 attendances recorded, effectively enhancing their capabilities in IP creation, protection, and risk management. R&D personnel have developed foundational capabilities in patent value assessment, risk analysis, and high-quality patent disclosure.

Intellectual property training

Impact, Risk and Opportunity Management

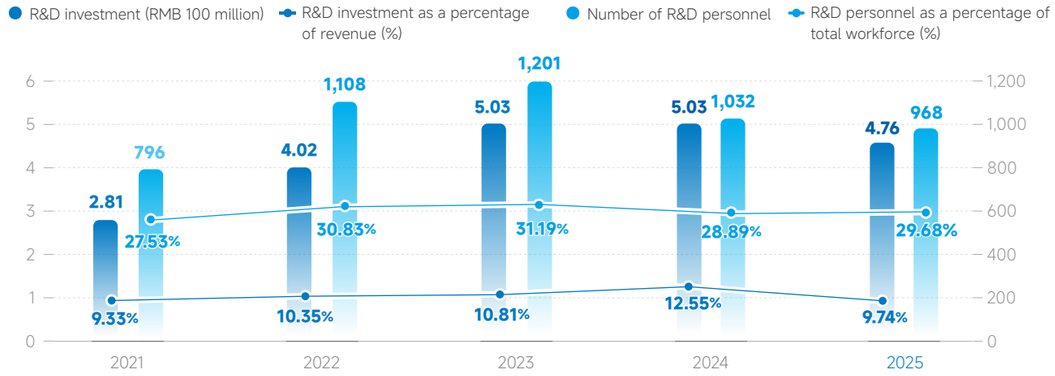
Driven by advancements in sensor technology, AI, and next-generation control architectures, the industrial robot solutions market is evolving rapidly. Stagnant R&D, the emergence of alternative technologies, or loss of competitiveness in the market can expose the Company to operational risks. To address these, Estun has established a dynamic, cross-functional risk management mechanism. At the R&D innovation management level, the Company emphasizes close collaboration among R&D, marketing, and production departments. It tracks global technology trends and policy changes in real time to develop and launch new products and solutions. Additionally, the Company explores applications of its products and solutions across various vertical industries to meet evolving customer needs and capture new growth opportunities. Estun focuses on core technologies such as high-speed, high-precision motion control, intelligent robot algorithms, and industry-specific software, deepening its presence in high-growth sectors such as new energy vehicles and semiconductors. By leveraging the demanding technical requirements and domestic substitution opportunities in these fields, the Company solidifies its technological leadership.

The Company's ability to maintain a competitive advantage in the industrial robot solutions industry depends significantly on its IP portfolio, which faces risks of challenge, invalidation, circumvention, or misappropriation. During the reporting period, the Company established an integrated IP risk management system covering the entire R&D innovation lifecycle. Risk reviews are embedded in R&D processes, with mandatory IP risk assessments at key milestones such as project initiation and pre-market launch. A systematic infringement monitoring and tiered response mechanism has been established to enhance risk management capabilities and response efficiency. Through market and network monitoring, technical comparisons, and other means, the Company consistently monitors the market for potential infringement of its patents, trademarks, or trade secrets. When infringement clues are identified, a 48-hour preliminary assessment and tiered legal response process is initiated, with actions ranging from warning letters to litigation depending on the severity of the infringement.

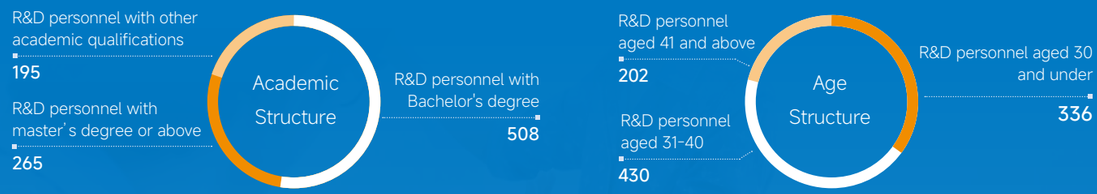
Furthermore, the Company strictly adheres to the *Industrial Robot Industry Standard Conditions (2024 Edition)*, the *Implementation Measures for the Administration of Industrial Robot Industry Regulatory Conditions (2024 Edition)*, and other applicable domestic and international laws, regulations, and technical standards. In its R&D and innovation activities, the Company follows scientific research ethics, prioritizing user safety and environmental sustainability. It strictly prohibits R&D and business activities that infringe upon fundamental individual rights or harm the public interest, ensuring that its technologies and products consistently serve sustainable development and social well-being.

Indicators and Targets

Estun pursues a long-term vision of achieving business success through technological innovation. The Company maintains a high level of R&D investment, targeting approximately 10% of operating revenue.



R&D Personnel Structure in 2025

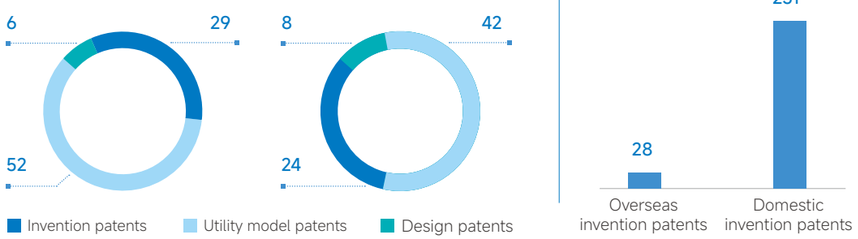


Intellectual Property Performance in 2025

New patent applications
87

New patents granted
74

Total patents granted
634



New software copyrights registered
51

Total software copyrights held
441

Product Quality and Safety

Estun believes that quality is the most fundamental element of manufacturing—the lifeblood of products and the soul of a brand. The Company consistently optimizes its product quality management mechanism, embedding quality into every aspect of production and operations. It fosters a culture of craftsmanship to provide customers with reliable, safe products.

The Company's high-payload industrial robot series has achieved
an MTBF (Mean Time Between Failures) of 120,000 hours,
demonstrating industry-leading technical stability.

Governance

The Company's Quality and Technology Department is responsible for building the quality management system and driving continuous product quality improvement. The Department comprises several divisions, including the Technology Department, the Process Quality Department, the Supplier Quality Department, and the Customer Quality Department, which enable full-lifecycle quality control. A Quality Expert Group is also established to provide regular guidance on quality strategy and improvement.

The Company strictly complies with quality laws and regulations such as the *Product Quality Law of the People's Republic of China* and the *Supervision and Management Regulations for Industrial Product Manufacturing Units to Implement Quality and Safety Responsibilities*. Based on the requirements of the ISO 9001:2015 Quality Management System, it has established a comprehensive set of 109 product quality management system documents, which are regularly revised to ensure alignment with operational needs. During the reporting period, the Company optimized and updated its quality system documents across product R&D, procurement management, manufacturing, quality management, and after-sales service. A total of 59 documents were issued, including 18 new documents and 41 revisions. Following issuance, these documents were used to train relevant personnel through the Estun Academy platform, with over 2,400 attendances.

In accordance with policies such as the *Quality Management Manual and the Internal Audit Management System*, the Company conducts annual internal quality management audits and third-party supervisory audits against ISO 9001, customer requirements, and industry standards to identify improvement opportunities and ensure products meet customer quality expectations. In 2025, the Company passed the ISO 9001 Quality Management System surveillance audit, covering 100% of its domestic manufacturing bases. It conducted 20 internal targeted quality audits and underwent 10 customer second-party audits, identifying 159 issues, all of which were rectified with a 100% completion rate.

Strategy and Management Approach

Quality improvement is a long-term, ongoing process. Estun is steadily advancing its three-year quality improvement plan. Following the quality revolution phase in 2024, which focused on optimizing product and process quality management, the Company designated 2025 as the year for quality breakthroughs. Lessons learned have been deeply integrated into regular management, with quarterly reviews and discussions serving as a core component of quality culture development. By thoroughly analyzing past projects, the Company consistently refines workflows to enhance product quality and operational efficiency, driving quality management from revolution to breakthrough.

Full-Process Quality Control

Guided by its corporate mission of achieving quality excellence, Estun has built a comprehensive quality control system that spans the entire product lifecycle, covering product quality, process quality, and personnel capability. The system encompasses five key stages: product development, raw material selection, manufacturing, sales and service, and non-conforming product management, enabling systematic quality control and continuous improvement.

Business Stage	Core Management Policies	Quality Management Measures
Product Development	*Technology Project Development Process* *New Product Development Process*	• Follow the IPD process to identify and reduce quality risks early in development. Use cross-functional technical reviews and reliability design tools such as DFX (Design for Excellence) to achieve proactive quality control.
Raw Material Selection	*Incoming Material Quality Management Process* *Material Qualification Management Process*	• Implement detailed internal supplier quality management procedures, including quality improvement plans and updated agreements, requiring suppliers to ensure that key component dimensions and performance meet requirements before delivery. • Conduct monthly supplier performance evaluations. Develop targeted improvement measures for underperforming suppliers. Utilize the SRM system to require suppliers to upload outgoing inspection reports and periodically invite senior supplier management for quality briefings.
Manufacturing	*Production Process Management Process*	• Systematically identify key control points across man, machine, material, method, environment, and measurement (4M1E + measurement). Implement PFMEA, SPC, and error-proofing technologies. Detect and correct anomalies early through regular process audits and additional inspection points, ensuring process stability at the source. • Conduct root cause analysis based on full-chain production data. Combine reliability testing and validation to pinpoint issues and iterate solutions. Embed improvement measures into process standards and operating procedures, forming a continuous optimization loop from problem discovery to prevention of recurrence.
Sales and Service	*Customer Complaint Product Quality Issue Handling Process*	• Establish standardized service processes and service level agreements (SLAs). Customer needs are rapidly responded to and routed via the CRM system and the 400 hotline. For identified issues, 8D reports are initiated for root cause analysis and cross-departmental coordination. Results are communicated to customers and measures validated, while trend analysis drives continuous quality improvement.
Non-Conforming Product & Recall Management	*Non-Conforming Product Management Process*	• Clearly define handling procedures and requirements for non-conforming products during manufacturing to ensure proper disposition and effective isolation upon anomaly detection. Prevent defective product flow by updating agreements and implementing quality alert mechanisms at the source. • Build a single-code traceability system, assigning unique identification codes to key components and complete machines. The MES system links production, inspection, and order data, enabling precise forward and backward traceability across the full chain from supplier to end customer, facilitating rapid recall if necessary.

Quality Improvement Initiatives

The Company has established a special improvement mechanism to regularly advance quality improvement initiatives, consistently addressing key issues in testing, manufacturing, and customer applications. During the reporting period, over 30 quality improvement projects were carried out, resulting in significant improvements in key quality indicators.

Process pass-through rate increased by **0.75** percentage points year-on-year

Product failure rate decreased by **0.19** percentage points year-on-year

Material PPM decreased by **54**% year-on-year

Case Targeting Typical Anomalies to Boost Both Quality and Efficiency

Motor insulation breakdown had long constrained process yield. To address this, the Company formed a special improvement team to systematically analyze the issue using the 4M1E + measurement methodology. The team optimized motor winding design, fixtures, and assembly consistency; analyzed failed control cabinets case by case to refine hardware and software parameters and testing coverage; and verified product reliability through both simulation and customer field tests. Following these improvements, motor breakdown rates dropped to below 0.2%—a reduction of over 80%—effectively lowering costs and improving throughput. Control cabinet product failure rates stabilized quickly after mass production, achieving breakthroughs in both quality and efficiency.

Case "Process Inspection + Error-Proofing Map" Drives Robot Quality Improvement

To address process variations and potential failure risks in robot manufacturing, the Company simultaneously advanced two quality initiatives: daily process inspection and error-proofing maps. Through weekly full-process inspections and cross-departmental joint checks, deviations were corrected in real time, enabling closed-loop management of frequently occurring issues. Additionally, a three-layer "process – risk – measure" error-proofing map tool was introduced. Using PFMEA, 83 critical nodes across the assembly process were identified, and error-proofing devices—such as those for oil seal press-fitting and servo parameter automation—were deployed for high-risk processes, eliminating human error at the source. Since the dual initiatives were implemented, 109 improvement opportunities have been identified, with a 96% closure rate. This reflects the Company's commitment to addressing issues promptly and preventing risk transfer, resulting in significant improvements in product consistency and process stability.

Supplier Quality Management

The Company continues to strengthen supplier quality management by precisely overseeing supplier process controls and capabilities at the source. Targeted training programs address supplier weaknesses, empowering supply chain partners and enhancing overall quality management levels.

Supplier on-site audit for risk identification and support

On-site supplier practical training

Regular Supplier Performance Evaluation and Process Audit Mechanism

The Company sets PPM targets by category, with monthly performance evaluations. Special improvement measures are developed for underperforming suppliers. In 2025, a total of 39 annual process and flight audits were completed, with follow-up on non-conformities until closure. Additionally, 66 quality briefings and 76 on-site and remote audits were conducted, continuously strengthening supply chain process control.

Special Quality Improvements and Standard System Development

To address ambiguous quality acceptance standards, the Company took the lead in optimizing standards, quantifying metrics, and clarifying benchmarks. It issued 5 quality technology specification documents and drove training implementation for both supply and demand sides to ensure stable product quality.

Targeted Resolution of Key Supply Chain Quality Issues

The Company implemented 17 special quality improvement projects. For example, collaborating with a supplier to address casting leakage defects from both source and process perspectives achieved zero recurrence of the issue. This marked a shift from inspection-based quality to empowerment-based coaching, promoting long-term supply chain quality improvement.

Digitalization Enabling Quality Management

To further enhance quality control, the Company deploys integrated digital systems across all key stages, enabling rapid risk identification and response while providing effective data support for quality management. Raw material inspection plans and results are entered into the SAP system, generating metrics such as PPM and batch pass rates in real time. Supplier performance is managed through the SRM system. In production, the MES system enables traceability of key materials, real-time monitoring of processes, automatic data collection, and anomaly visualization, directly supporting the zero-defect philosophy. For customer service, the CRM system ensures end-to-end traceability of feedback, improving response speed and improvement efficiency.

Selected as a 2025
Advanced-Level Smart Factory in Jiangsu Province

Zero-Defect Culture

Centered on the zero-defect quality goal, the Company organizes thematic quality culture activities on monthly, quarterly, and annual cycles. These activities foster an environment of valuing quality management, participating in quality control, monitoring quality issues, and enjoying quality benefits, helping to embed the Company' s quality culture and support sustainable business growth.

Valuing Quality Management

- Specialized quality training
- Quality Month activities

- Conducted **30** specialized quality training sessions
- Total training hours **55.5** hours
- Total attendances **418**

Quality commitment pledge ceremony

Participating in Quality Control

- Suggestion programs
- Lessons learned reviews

- Received **311** suggestions
- Evaluated and confirmed feasibility for **214** suggestions

Lessons learned sharing session

Monitoring Quality Issues

- Targeted quality audits
- Product audits
- Product quality spot checks

- Identified **154** issues through various quality audits
- Rectification completion rate: **100**%

Targeted quality audit

Enjoying Quality Benefits

- Skills competitions
- Workshop FPY improvement competitions
- Quality knowledge competitions

- A total of **487** attendances were recorded across various competitions and evaluation activities.

Employee skills competition

Product Safety Management

Estun prioritizes product safety, ensuring that users are not exposed to risks from immature technologies. The Company strictly implements product safety standards throughout design, production, and use, actively controls hazardous substances, and comprehensively safeguards product and user safety.

Mechanical Functional Safety

Safety is a critical feature of general-purpose industrial robots. The Company's robot designs employ redundant, reliable control architectures to mitigate high risks and incorporate continuous monitoring of position, speed, and designated safety zones, effectively protecting operators and equipment in complex, high-risk environments. This high-performance safety system is built on the Company's self-developed functional safety module, whose core technology is a dual-core redundant functional safety computing platform. At the software level, the Company uses a black-channel architecture concept to establish a safety data verification module supporting various safety encoders and network protocols. At the hardware level, it has developed a platform design with scalable safety input/output interfaces that can adapt to changes in product application standards and peripherals. The module meets the ISO 10218-1 robot functional safety standard and is designed to comply with IEC 61508 certification requirements. Software safety functions target PLd and SIL 2 levels, while hardware safety functions target PLe and SIL 3 levels, ensuring that the overall robot meets the PLd Category 3 requirements defined in ISO 13849-1. This establishes Estun's first-mover advantage in functional safety within the domestic industrial robot sector.

Full series of robots have passed **ISO 13849 functional safety certification**.

The ESTUN Safety Solution (ESS) has passed **TÜV Rheinland CE functional safety certification.**

The industrial six-axis articulated robot has passed **cETLus certification.**

Hazardous Substance Management

The Company ensures that all products meet safety, quality, and environmental requirements. Hazardous substances are managed across raw material procurement, new product development, manufacturing, packaging, storage, and transportation. In accordance with standards such as the RoHS Directive, the Company strictly prohibits the use of hazardous substances including lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBBs), and polybrominated diphenyl ethers (PBDEs). It prioritizes the use of low-toxicity, non-toxic, and degradable materials to ensure products comply with regulatory and customer requirements regarding hazardous substances.

Reliability Management

Estun has established a Product Reliability Testing Center comprising 4 testing teams and 9 functional laboratories. The Center is a CNAS-accredited national laboratory and a partner laboratory for certification bodies such as TÜV Rheinland and UL, with comprehensive reliability testing and validation capabilities. In 2025, the Testing Center operated strictly in accordance with CNAS system requirements, successfully passed the annual surveillance audit, and expanded its accredited scope. It added 12 standards and 24 capability items, now covering 49 domestic and international standards across 7 major fields—including motors, servos, robot performance and safety, EMC, environment, and vibration—and 78 testing projects. This provides full-process reliability validation support for product R&D and production.

Product testing at the Reliability Laboratory follows the IPD Product Testing Enabling Process, which defines the stages, operational requirements, entry and exit criteria, and output specifications for testing. The Severity, Occurrence, Detection (SOD) evaluation from Process Failure Mode and Effects Analysis (PFMEA) and a maturity model serve as criteria for test acceptance. In 2025, the Laboratory launched a Laboratory Information Management System (LIMS), enabling unified digital management of testing tasks, equipment, personnel, and reports—significantly improving operational efficiency and standardization.

To consistently improve product reliability, the Company has established enterprise-level testing requirements for each product category that exceed GB and IEC standards. These are strictly followed to ensure consistency in test results and product quality. In 2025, the Laboratory conducted extreme stress tests to proactively identify potential design risks through destructive testing, continuously enhancing product reliability. Additionally, ongoing reliability testing (ORT) is conducted monthly on mass-produced products to identify latent defects resulting from material, process, or design changes, monitor the batch quality of supplier components, and ensure the stability and consistency of finished products throughout their lifecycle.

Impact, Risk and Opportunity Management

The Company has built a preventive, full-chain, closed-loop quality risk control mechanism. It systematically identifies technical, supply chain, and engineering risks during R&D, procurement, assembly, and commissioning. Tools such as Failure Mode and Effects Analysis (FMEA), supply chain geographic analysis, and failure data are used for multi-dimensional quantitative assessment and risk classification. Special control plans are developed for high-risk items such as motion control accuracy and collision safety logic, forming a closed loop from identification and assessment to resolution.

01 Source Prevention of Quality Risks

- Regularly review the risk map, incorporating field failure cases and solutions into design specifications, supplier joint development agreements, assembly error-proofing fixtures, and final product diagnostic procedures. This creates a closed loop from source prevention to product iteration, continuously improving the ability to prevent quality risks.

02 Identification through Quality Risk Audits

- Utilize the ONES platform to ensure transparency in project development issues. Organize expert technical reviews to identify technical risks. In 2025, over 20 project reviews were completed, with more than 50 risk mitigation measures implemented.
- Conduct regular product and process audits and on-site inspections. Over 30 workshop audits were organized throughout the year, identifying and closing more than 300 improvement points, achieving risk identification and closed-loop control across the entire process from R&D to manufacturing.

03 Monitoring and Traceability of Quality Risks

- Enable real-time monitoring of SPC, core component traceability, and robot torque consistency on production lines, with threshold-triggered alerts and rapid response.
- Optimize the MES system to enable strong verification of key materials and full forward and backward traceability via a single code, ensuring quality risks are perceivable, monitored, and traceable.

04 Reporting and Improvement of Quality Risks

- Encourage employees to proactively identify quality risks, report improvement suggestions, and receive incentives for quality improvements. In 2025, 311 suggestions were received, 214 were evaluated and approved, and over 200 instances of incentives were granted.

Indicators and Targets

The Company pursues zero defects as its core quality goal and sets challenging annual management targets. Driven by high standards, it consistently optimizes and improves quality performance through systematic process control and continuous improvement mechanisms. During the reporting period, the Company had no major product recalls due to quality issues, nor did it receive any major customer complaints, product liability claims, or other legal claims related to the quality of sold products.

	2025 Target	2025 Actual	Target Achievement Status
Product failure rate	0.9%	0.99%	91.1%
In-process yield	96%	94.83%	98.8%
First-pass yield upon unpacking inspection	99.9%	99.78%	99.9%
Material PPM	700	632	109.7%

Customer Relationship Management

Upholding its customer-centric service philosophy, Estun has built an efficient service system that extends from China to global markets, consistently optimizing service processes, offerings, and experiences. Through effective customer engagement, the Company secures customer recognition and long-term support, working together to build mutually beneficial partnerships for sustained value creation.

Governance

Estun has established the Global Delivery and Service Department as its front-end interface, responsible for coordinating customer communication and relationship management. An Iron Triangle customer support team—comprising sales, technology, and project management professionals—provides high-level customized services, professional advice, and solutions. The Company has implemented policies such as the *After-Sales Service Management System*, the *Customer Complaint Handling Standards*, and the *Repair Management Measures* to standardize service processes, complaint handling mechanisms, and response time benchmarks, ensuring consistency, traceability, and standardization in service delivery.

Strategy and Management Approach

Customer Service System Management

Estun has built a global service system providing 24/7 technical support across pre-sales, in-sales, and after-sales phases. In the pre-sales phase, the Company focuses on precise market analysis and customer need identification, actively participating in industry associations, trade shows, and technical seminars. It optimizes customer communication and solution design processes to deliver customized solutions.

In the in-sales and after-sales phases, the Company has built a multi-dimensional service network encompassing delivery training, installation and commissioning, preventive maintenance, extended warranties, upgrades, peripheral products, repair services, spare parts, and buy-back services. This ensures customers can confidently use Estun's high-quality products and benefit from comprehensive operation, maintenance, training, and upgrade services. During the reporting period, the Company conducted over 200 technical training sessions, totaling more than 12,000 hours, helping customers enhance their technical skills and operational capabilities. It also developed an online learning platform to provide customers with more convenient and flexible learning resources. Additionally, the Company promotes digital and intelligent customer management, using a robust CRM system to comprehensively record customer information, needs and preferences, project history, and service records. This enables personalized service delivery, improving service efficiency and responsiveness to customer needs.

Strengthening Service Support Systems

The Company is dedicated to providing comprehensive and timely service and technical support to global customers. It has established a service network covering major cities across China, staffed by a professional technical service team capable of quickly arriving on-site for fault diagnosis and repair upon receiving a service request. The Company adheres to a "2-hour response, 24-hour solution, 48-hour on-site handling" response time commitment, ensuring a convenient and hassle-free customer experience.The Company is dedicated to providing comprehensive and timely service and technical support to global customers. It has established a service network covering major cities across China, staffed by a professional technical service team capable of quickly arriving on-site for fault diagnosis and repair upon receiving a service request. The Company adheres to a "2-hour response, 24-hour solution, 48-hour on-site handling" response time commitment, ensuring a convenient and hassle-free customer experience.

Global service outlets	Regional centers in China	Cooperative service outlets	Offices	After-sales engineers
75	4	6-10	18	115

Case Building a Nationwide Joint Service Network for Estun Robot Products to Ensure Efficient Service

The stable operation of automation equipment is critical to enterprise production. To enhance service response efficiency for its robot products, Estun has officially authorized four joint service partners, establishing an after-sales service network covering North, East, Central, and South China for spare parts, repairs, and maintenance. All cooperative service partners undergo rigorous selection and systematic technical training by Estun and have access to Estun' s official spare parts supply system, ensuring customers receive the same service experience and quality standards as from the official service team. By building this localized service network, the Company has significantly shortened engineers' on-site response time and fault handling cycles, minimizing losses caused by production interruptions and effectively optimizing customer maintenance costs.

Enhancing Digital Service Experience

In addition to its offline global service network, the Company is actively expanding online customer service channels, including a 400 hotline and mobile platforms. AI is applied across various customer service scenarios, such as Estun Chat and intelligent customer service, enabling customers to quickly receive effective support, enhancing digital experience, and improving overall service efficiency.

In 2025, the Company launched the Estun Automation Products and Application Cases mini-program, integrating core resources such as product selection, solution videos, document downloads, and after-sales service. It also provides online training courses, covering the full range of scenarios from product selection to training and learning, helping users conveniently access technical resources and efficiently connect with after-sales service—achieving one-stop technical empowerment.

Estun Automation Products and Application Cases mini-program

After-sales service inquiry

Training and learning services

Customer Communication and Satisfaction Management

Estun places high importance on customer feedback and has implemented a structured, tiered complaint handling mechanism. It has established the *Customer Complaint Handling Standards* and the *Estun 400 Customer Service Hotline Operation Management Standards*, defining the full-process mechanism for complaint receipt, classification, routing, handling, feedback, and closure. In 2025, the Company optimized its complaint escalation path and handling timeliness requirements, ensuring a complaint response within 2 hours. If on-site support is required, the Company guarantees dispatching technical personnel within 24 hours. The service team includes junior and intermediate engineers, with issues escalated to an expert team when necessary. All service activities are recorded in the CRM system to ensure full traceability. The Company also implements a first-inquiry responsibility system, where the employee who first receives a customer complaint is responsible for following it through to resolution, ensuring that complaints are not passed off or delayed. After resolution, the responsible department conducts a follow-up to confirm customer satisfaction. To prevent recurrence, customer feedback is categorized into nine key issue types—such as operational, quality, or usage-related issues—for root cause analysis by relevant departments, with findings fed back into R&D and manufacturing processes to drive continuous improvement. During the reporting period, the Company received 29 product and service-related complaints, all of which were effectively addressed and actively processed.

The Company conducts annual satisfaction surveys for domestic and international customers, covering three customer types: end users, integrators, and channel partners. The surveys assess satisfaction with product quality, delivery time, after-sales service, pre-sales evaluation, and pricing. In 2025, the Company' s overall customer satisfaction score was 91.40, an increase of 1.64 points year-on-year. Pre-sales evaluation and after-sales service scored highest. For areas with lower satisfaction, the Company developed improvement plans—such as enhancing product performance and reliability inspections and strengthening channel partner service staff training—and incorporated these into the work plans of relevant departments, continuously improving service quality and standards.

Service Team Capability Building

The Company is committed to building a highly skilled, professional customer service team. It conducts regular specialized training, service skills competitions, and excellent service case sharing sessions for technical service teams across all service network locations. These activities improve staff capabilities in service quality, communication skills, product knowledge, and issue handling procedures. The Company has also established a pool of service experts, selecting employees with strong skills and high customer evaluations to provide technical support and guidance, thereby enhancing the overall service level of the team. During the reporting period, the Company conducted 27 specialized training sessions for technical service personnel, totaling over 660 hours and recording over 1,100 attendances.

The Company also values capability building for its ecosystem partners. It offers engineer training programs for channel partners to ensure high-quality customer service at the market level, and conducts skills assessments for channel partner after-sales staff to ensure continuous improvement in service quality. During the reporting period, the Company conducted 5 phases of the Pioneer Warrior special empowerment training for channel partner sales personnel, training 178 individuals. At the Estun 2025 Global Partner Development Summit, the Company officially launched the Spark Plan, aimed at fostering the growth and capability development of partner technical teams to ensure continuous improvement in service quality. In 2025, the Spark Plan covered 9 G-level distributors and 4 S-level distributors, with over 10 core engineer team members certified by Estun, building the core capability to deliver outstanding innovation value to customers.

Spark Plan Action Matrix

Technical Spark — The Company deploys technical personnel to partner sites for on-site technical training and practical coaching, systematically enhancing the delivery capabilities of channel partner technicians and building a partner-side product knowledge base and FAQ manual.

Market Ignition — Through hands-on coaching for partner technicians, the Company establishes and implements coding standards, key checkpoint checklists, and delivery acceptance standards, making service processes replicable and traceable, thereby improving customer service experience and satisfaction.

Service Constellation — Leveraging the after-sales certification system, the Company expands the pool of certified after-sales engineers among channel partners. Through certification planning, coaching, and project-based practice, it enhances partners' ability to independently handle issues and improves their regional service coverage.

Impact, Risk and Opportunity Management

In the context of business development, customer management requires attention to risks such as misaligned needs and information leakage, while also capturing growth opportunities driven by enhanced customer loyalty. The Company has established a customer risk management and opportunity identification mechanism that spans the entire business process. Through regular customer visits, satisfaction surveys, industry exhibitions, and regulatory tracking, it dynamically captures market trends and evolving customer needs, promptly identifying potential business risks arising from technology shifts, quality fluctuations, or delivery issues. Leveraging the CRM system, the Company achieves systematic control from pre-sales inquiries and order fulfillment to after-sales support, effectively mitigating risks such as delivery delays, data breaches, and customer churn, while improving service efficiency and responsiveness to customer needs.

Furthermore, the Company prioritizes the collection, processing, and protection of customer information. It commits to collecting customer information only through lawful means with explicit customer authorization, and to using such information solely for providing and improving services. To ensure customer information security and privacy, Estun has established a comprehensive set of information security policies and strict management procedures, safeguarding the interests of both the Company and its customers.

Indicators and Targets

The Company has established a service quality supervision and assessment mechanism, regularly reviewing and evaluating service processes and outcomes. Annual targets are set for indicators such as customer satisfaction, customer complaint rate, and issue resolution timeliness, which are incorporated into the Company's assessment system and linked to employee compensation and promotion.

	2025 Target	2025 Actual	2026 Target
Customer satisfaction (points)	100	91.4	100
Average issue resolution time[1] (days)	24	12	24
Customer complaint resolution rate[2] (%)	100	90	100

Notes:
1. Average issue resolution time includes stages such as custom requirement analysis, testing, and solution validation.
2. The customer complaint resolution rate in 2025 did not reach 100% due to certain commercial disputes requiring negotiation and settlement; the Company is actively working to resolve these.

Percentage of customers using the Company's online service solutions / sales platforms

2024	2025
22.2%	31.6%

2 Strengthening Governance to Drive High-Quality Development

Contributing to UN SDGs

Corporate Governance

Estun recognizes that strong corporate governance is fundamental to sustainable development. The Company continues to enhance its governance framework, leveraging a well-designed organizational structure and efficient operating mechanisms to ensure steady progress along the path of high-quality development.

Corporate Governance System

Estun strictly complies with applicable laws, regulations, and normative documents, including the *Company Law of the People' s Republic of China,* the *Securities Law of the People's Republic of China,* the *Measures for the Administration of Stock Exchanges,* the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, and the *Shenzhen Stock Exchange Self-Regulatory Guidelines No. 1 – Standardized Operations for Main Board Listed Companies*. The Company has established a modern corporate governance framework centered on the General Meeting of Shareholders and the Board of Directors, supported by a well-defined operating mechanism characterized by clear allocation of responsibilities, effective communication, and robust checks and balances. In 2025, the Company streamlined its governance structure by dissolving the Board of Supervisors and transferring its supervisory responsibilities to the Audit Committee of the Board, enhancing the centralization and professionalization of oversight functions. In parallel, the Company continued to refine its internal governance framework. During the reporting period, it introduced the Interim Measures for the Deferral and Exemption of Information Disclosure and revised 25 key governance policies, including the *Articles of Association*, the *Rules of Procedure for the General Meeting of Shareholders,* and the *Rules of Procedure for the Board of Directors*. Corresponding policies applicable to its Hong Kong listing were also issued to ensure the timeliness, adaptability, and compliance of its governance system.

General Meeting of Shareholders

The General Meeting of Shareholders is the Company's highest authority. Estun convenes and holds general meetings of shareholders in strict accordance with the *Articles of Association*, the *Rules of Procedure for the General Meeting of Shareholders*, and other applicable regulations. The Company fully respects the rights of all shareholders, ensuring their right to be informed, to participate, and to vote on significant matters. It also ensures equal treatment and the full exercise of lawful rights for all shareholders, with particular attention to minority shareholders. In accordance with regulatory requirements, the Company discloses resolutions of general meetings of shareholders and related legal opinions in a timely manner.

During the reporting period, the Company convened **4** general meetings of shareholders, at which **31** resolutions were reviewed and approved.

Board of Directors

Reporting to the General Meeting of Shareholders, the Board of Directors serves as the decision-making body for the Company's operations and management, as well as the highest decision-making authority for ESG management. In accordance with the *Rules of Procedure for the Board of Directors*, the Company standardizes the Board' s deliberation processes and decision-making procedures, thereby promoting the effective performance of duties by both the directors and the Board as a whole. The Board has established five specialized committees, namely the Audit Committee, the Nomination Committee, the Remuneration and *Appraisal Committee*, the Strategy Committee, and the Environmental, Social, and Governance (ESG) Committee. Each committee performs its duties in accordance with the *Articles of Association* and its respective implementation rules, providing professional recommendations to the Board and enhancing its standardized operation and sound decision-making.

During the reporting period, the Board of Directors convened **9** meetings, at which **62** resolutions were reviewed and approved.

Board Independence and Effectiveness

Estun recognizes that an effective independent director system is essential to promoting standardized corporate governance, safeguarding the overall interests of listed companies, and protecting the legitimate rights and interests of minority investors. In accordance with the *Measures for the Administration of Independent Directors of Listed Companies*, the Company has established and implemented the *Independent Director System* and the *Working Rules for Independent Directors' Special Meetings*. Independent directors are appointed in strict compliance with the qualification requirements and appointment procedures set out in these policies, ensuring that qualified experts and professionals are selected and that their role in corporate governance is effectively fulfilled.

The Board of Directors comprises nine members, with independent directors accounting for 33.33%, none of whom hold shares in the Company. Independent directors do not participate in day-to-day management, which helps mitigate potential conflicts of interest and reinforces effective checks and balances. In addition, the number of concurrent positions held by independent directors is appropriately managed to ensure they can devote sufficient time and attention to their duties. Independent directors form a majority on, and chair, the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee, thereby ensuring the objectivity and fairness of Board decision-making. The Company has established a Board performance evaluation mechanism, under which the Remuneration and Appraisal Committee formulates assessment criteria and conducts regular evaluations of directors. During the reporting period, performance evaluations covered 100% of Board members.

Estun provides independent directors with adequate working conditions and professional support, while safeguarding their right to information by regularly sharing operational updates and relevant materials. In 2025, the Company convened four special meetings of independent directors to review matters such as related party transactions. Prior to the Board's deliberation of significant and complex matters, independent directors are involved in research and evaluation processes to ensure their views are fully considered. The Company also actively facilitates on-site engagement by independent directors, providing strong support for the effective and comprehensive discharge of their duties.

Independent Director Representation and Meeting Attendance of Board Committees

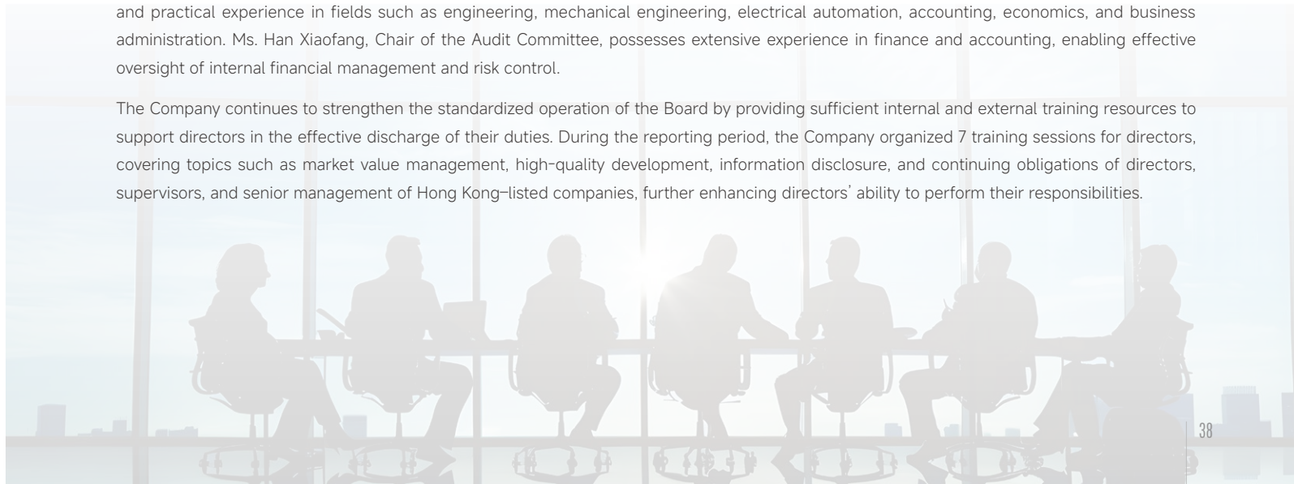
Board Committees	Proportion of Independent Directors	Number of Meetings	Attendance Rate of Independent Directors
Strategy Committee	20%	5	100%
Audit Committee*	100%	6	100%
Remuneration and Appraisal Committee*	66.7%	3	100%
Nomination Committee*	66.7%	3	100%
Environmental, Social and Governance (ESG) Committee	33.3%	3	100%

Note: * indicates that an independent director serves as the chair of the committee.

Board Skills and Diversity

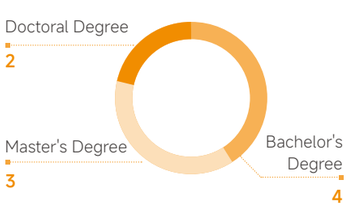
To enhance the quality and effectiveness of Board decision-making, Estun has formulated a *Board Diversity Policy (Draft),* taking into full consideration diversity across multiple dimensions, including cultural background, education, professional experience, gender, and age. This approach enables the Board to benefit from broader perspectives and more balanced judgment, supporting its professional, well-informed, and efficient operation. The Board comprises directors with a balanced mix of knowledge and competencies, bringing both academic expertise and practical experience in fields such as engineering, mechanical engineering, electrical automation, accounting, economics, and business administration. Ms. Han Xiaofang, Chair of the Audit Committee, possesses extensive experience in finance and accounting, enabling effective oversight of internal financial management and risk control.

The Company continues to strengthen the standardized operation of the Board by providing sufficient internal and external training resources to support directors in the effective discharge of their duties. During the reporting period, the Company organized 7 training sessions for directors, covering topics such as market value management, high-quality development, information disclosure, and continuing obligations of directors, supervisors, and senior management of Hong Kong–listed companies, further enhancing directors' ability to perform their responsibilities.

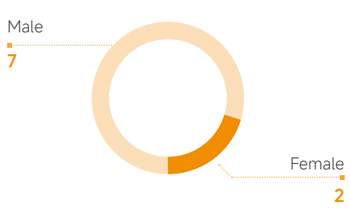


Position	Name	Gender	Professional Expertise						
			Strategic planning	Industry experience	Risk management	Financial accounting	Law	Technology R&D	Sustainable development
Chairman	Wu Bo	Male	✓	✓	✓			✓	✓
Vice Chairman, General Manager	Wu Kan	Male	✓	✓	✓	✓		✓	✓
Director, Deputy General Manager	Zhu Chunhua	Male	✓	✓				✓	✓
Director, Deputy General Manager	Zhou Ailin	Male	✓	✓				✓	✓
Director, Chief Financial Officer, Deputy General Manager	He Lingjun	Male	✓	✓	✓	✓	✓		✓
Director	Chen Yinlan	Female	✓	✓					✓
Independent Director	Tang Wencheng	Male	✓	✓				✓	✓
Independent Director	Han Xiaofang	Female			✓	✓			✓
Independent Director	Lin Jinjun	Male	✓		✓	✓			✓

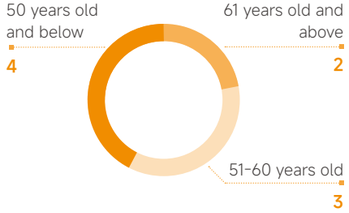
Board Educational Background



Board Gender Composition



Board Age Distribution



Director and Senior Management Compensation Policy

Estun has established a fair and effective remuneration management system and incentive framework for directors and senior management. The Remuneration and Appraisal Committee is responsible for formulating and reviewing remuneration policies and plans for directors and senior management. Such policies and plans are subject to approval by the Board of Directors and the General Meeting of Shareholders prior to implementation, with appropriate information disclosure conducted in accordance with regulatory requirements. The Nomination Committee and the Remuneration and Appraisal Committee jointly assess senior management based on their professional capabilities, performance of duties, and achievement of business objectives, and determine their annual remuneration packages and year-end bonuses accordingly.

To align individual incentives with the Company' s long-term development, the CEO and senior management are remunerated under an annual salary system comprising a fixed monthly base salary and a performance-based annual component. The performance-based component is closely linked to the Company' s overall operating results, with assessment indicators covering key financial metrics such as revenue, profit, and cash collection, as well as medium- to long-term factors including strategic execution and organizational development. This structure encourages management to focus on sustainable, long-term value creation and mitigates short-termism. In addition, a significant proportion of total compensation is variable and performance-based, reflecting a "high risk, high return" incentive approach and further strengthening the alignment between management compensation and the Company's long-term performance. To complement this structure, the Company has also implemented long-term incentive schemes, including equity and stock option plans, for the CEO, senior management, and key talent to further support effective performance of their duties.

Average annual remuneration of employees (excluding the General Manager)

RMB **363,400**

Total annual remuneration of the General Manager

RMB **968,400**

Ratio of General Manager's remuneration to average employee remuneration

2.66

Director and Senior Management Compensation Structure

In 2025, the Chairman did not receive any remuneration from the Company. Other non-independent directors who hold executive positions receive remuneration based on their respective roles and do not receive additional director fees. Their remuneration is determined with reference to the Company's operating performance, the scope and responsibilities of their management roles, their level of responsibility, and performance against assigned objectives.

Basic Salary	Performance-based Salary				
	ESG-related Components				
	Work Safety	Quality and Service	Risk Management	Talent Development	Employee Satisfaction

Ownership of Directors and Senior Management

Name	Position	Shareholding at Year-end (Shares)	Total Pre-tax Remuneration in 2025 (RMB 10,000)	Multiple of Annual Compensation[1]
Wu Bo	Actual Controller, Chairman	110,996,700	0	N/A[2]
Wu Kan	Vice Chairman, General Manager	1,263,033	96.84	30.91
Zhu Chunhua	Director, Deputy General Manager	128,600	89.84	3.39
Zhou Ailin	Director, Deputy General Manager	224,500	81.24	6.55
He Lingjun	Director, Chief Financial Officer, Deputy General Manager	240,000	121.09	4.70
Chen Yinlan	Director	118,000	50.39	5.55
Yin Chenggang	Deputy General Manager	84,900	66.16	3.04
ZHANGXING ZHU	Deputy General Manager	122,000	251.94	1.15
Xiao Tingting	Board Secretary	40,000	64.79	1.46

Note: 1. The multiple of annual compensation is calculated as: year-end share price × number of shares held ÷ annual remuneration.
2. Mr. Wu Bo does not receive remuneration from the Company; therefore, the multiple is not applicable.

Protection of Investor Rights and Interests

Estun attaches great importance to investor relations management and strictly complies with the *Company Law of the People' s Republic of China*, the *Securities Law of the People' s Republic of China*, the *Guidelines on Investor Relations Management of Listed Companies*, and other applicable laws, regulations, and the Company's *Articles of Association*. The Company has established and continuously improved its *Investor Relations Management System*, adhering to the principles of fairness, openness, objectivity, and equal treatment, to safeguard investors' right to information and other lawful rights and interests. The Company is committed to protecting the rights and interests of minority shareholders by ensuring their ability to attend general meetings of shareholders in person or exercise voting rights through online channels. For material matters that may affect minority investors, votes are counted separately and disclosed individually. This approach ensures that minority shareholders can fully exercise their rights.

Information Disclosure

Estun has established and strictly implements the *Information Disclosure Management System* and the *Confidentiality Management System*. These systems set out clear requirements for information transmission, review and approval, disclosure procedures, confidentiality measures, document management, and accountability. The Company fulfills its information disclosure obligations in accordance with applicable laws and regulations and ensures the proper preparation, review, and release of ad hoc announcements and periodic reports. Information is disclosed in a true, accurate, complete, and timely manner, with a continued focus on improving disclosure quality. During the reporting period, the Company reported no instances of false or misleading statements, material omissions, or other non-compliant disclosures.

Periodic reports disclosed
4

Ad hoc announcements disclosed
185

Investor Communication

Estun adheres to an investor relations philosophy grounded in sincerity, compliance, and professionalism. The Company maintains open and effective communication with investors through multiple channels, including telephone, email, the Shenzhen Stock Exchange Interactive Platform, on-site investor visits, results briefings, brokerage strategy meetings, reverse roadshows, and major industry exhibitions such as the China International Industry Fair. These efforts ensure that shareholders and the broader investment community are kept informed of significant developments and operating performance, while supporting constructive and ongoing engagement with investors.

- A cross-functional coordination mechanism is in place to respond to investor concerns, particularly on key or high-interest topics. The Board Secretary leads coordination efforts, with relevant business units providing timely input to ensure efficient communication between the Company and the market.
- The Company continues to upgrade its showroom and regularly updates exhibits to reflect its latest products. Factory tour routes are open to visiting investors, enabling direct observation of production facilities, products, operational processes, and working environments.
- In response to a diversified investor base, the Company adjusts the timing of visits and engagement activities for overseas investors to facilitate broad and equitable participation.
- Professional agencies are engaged to produce corporate videos that present the Company's fundamentals and address key investor concerns. These materials are used in overseas investor communication activities for China A-share companies.
- The Company maintains regular communication with major financial media and actively manages public opinion. Potential market-sensitive developments are monitored and addressed in a timely manner to help guide market expectations and reduce the risk of misinformation.
- Visual summaries of the annual report and Hong Kong IPO are developed and released in infographic format, providing clear and accessible communication of key information to investors.

Number of investor engagement activities (including results briefings)
5

Total investor participants
497

Number of investor visits received
28

Standardizing Related Party Transactions

To regulate related party transactions, reduce unnecessary transactions, and protect the legitimate rights and interests of shareholders, Estun has established and continuously improved a set of governance policies, including the *Articles of Association*, the *Rules of Procedure for General Meeting of Shareholders*, and the *Related Party Transaction Management Measures*. These policies set out clear requirements for the scope, review and approval, disclosure, and recusal procedures of related party transactions, ensuring that decision-making is conducted on a fair and equitable basis for all shareholders and that related party transactions are managed in an orderly and compliant manner.

During the reporting period, all related party transactions were conducted in the ordinary course of business and were necessary for the Company's operations and development. These transactions were carried out on normal commercial terms and in accordance with market principles. Pricing was fair and reasonable, and all required approval procedures and information disclosure obligations were duly completed. Independent directors conducted prior reviews of material related party transactions and issued independent opinions. This process ensures that such transactions are carried out in the best interests of all shareholders.

Sustainable Development Management

Board Statement

Estun has established and consistently strengthened its ESG governance structure to enhance overall ESG performance. The Company has put in place a three-tier ESG management framework, comprising the oversight, management, and execution levels, under the leadership of the Board of Directors. This structure enables the systematic integration and effective implementation of ESG and sustainable development initiatives across the organization. The Board of Directors serves as the highest decision-making body for ESG management and assumes overall responsibility for overseeing ESG-related matters. In terms of ESG governance, the Company has established a regular ESG risk management mechanism. Through materiality assessments, the Board and the ESG Committee periodically identify, prioritize, and manage ESG issues that are most relevant to the Company's operations. Resource allocation is aligned with the level of risk exposure, strengthening the Company's capacity to address key ESG topics such as climate change, green manufacturing, business ethics, and employee development. With respect to ESG target management, the Company integrates ESG objectives into its day-to-day operations. It has established a set of ESG targets covering areas such as carbon emissions management, quality management, and workplace safety. Progress against these targets is reviewed on a regular basis, and targets are continuously refined in line with industry trends and the Company's strategic priorities. This approach embeds sustainability across all aspects of operations and supports the creation of long-term value for shareholders and broader Financially Material Issue.

Oversight Level

Board of Directors

The Board of Directors is the highest decision-making body for ESG management. It is fully responsible for overseeing ESG-related matters, reviewing and approving ESG strategies and objectives, management policies, ESG reports, and other significant ESG matters, and retains ultimate decision-making authority on key ESG issues.

Environmental, Social and Governance (ESG) Committee

Chaired by the Chairman, the ESG Committee is responsible for identifying and overseeing ESG-related risks and opportunities that may have a material impact on the Company's business. It provides guidance to management on appropriate responses to these risks and opportunities, supports the formulation of ESG strategies and objectives, monitors implementation progress and effectiveness, and reports to and advises the Board on ESG matters.

Management Level

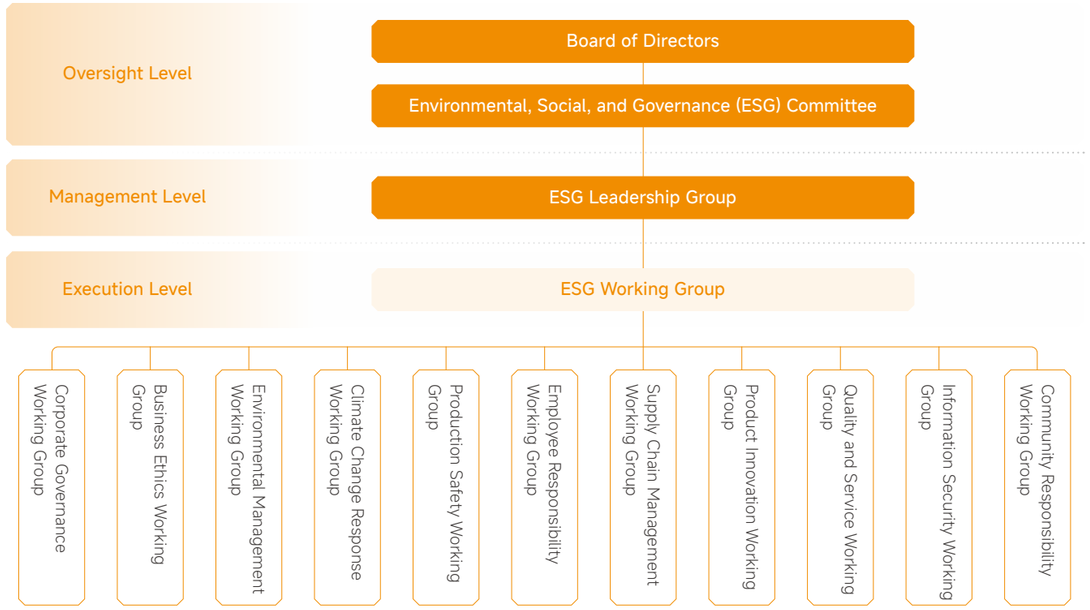
ESG Leadership Group

Led by the General Manager, the ESG Leadership Group comprises heads of relevant functions, including corporate governance, environmental management, health and safety, supply chain management, product innovation, quality and service, and human capital development. It is responsible for the overall coordination and management of ESG work, including identifying and managing ESG risks and opportunities, assessing the materiality of ESG issues, integrating ESG considerations into business decisions, and formulating ESG targets and action plans.

Execution Level

ESG Working Group

The ESG Working Group consists of personnel from various departments and subsidiaries. It is responsible for implementing ESG initiatives, managing ESG-related indicators, monitoring progress, and collecting and reporting ESG data to support effective execution across the organization.



In 2025, the Environmental, Social and Governance (ESG) Committee continued to actively fulfill its responsibilities, holding 3 special meetings focused on key ESG matters. During these meetings, the Committee reviewed and approved several critical proposals, including the *Proposal on Establishing the Company's ESG Governance Structure*, the *Proposal on the Company's 2024 Environmental, Social and Governance (ESG) Report*, the *Proposal on Revising the Rules of Procedure of the Board Environmental, Social and Governance (ESG) Committee*, and the *Proposal on Revising the Draft Rules of Procedure of the Board Environmental, Social and Governance (ESG) Committee in Connection with the H-Share Issuance and Listing*. These actions advanced the institutionalization of the Company's ESG efforts.

S&P Global ESG Score

47

Top 15%

in the global IEQ Machinery and Electrical Equipment industry

CNI Index ESG Rating **AAA**

Sino-Securities Index ESG Rating **AA**

Wind ESG Rating **AA**

Wind ESG

2025 Top 100 China Listed Companies ESG Best Practices (Small & Mid-Cap)

Sino-Securities Index ESG

2025 Top 50 A-Share Listed Companies in Environmental (E) Best Practices

Sino-Securities Index ESG

2025 Top 30 Green & Low-Carbon Pioneers among A-Share Listed Companies

Stakeholder Communication

Estun places great importance on communication with its Financially Material Issue. Based on its daily operations, management practices, material issue categories, and various influencing factors, the Company identifies and prioritizes internal and external Financially Material Issue with significant impact. Through diverse communication channels, it actively engages to understand stakeholder expectations and concerns, and responds in a timely and proactive manner to achieve mutual benefit and harmonious development with all parties.

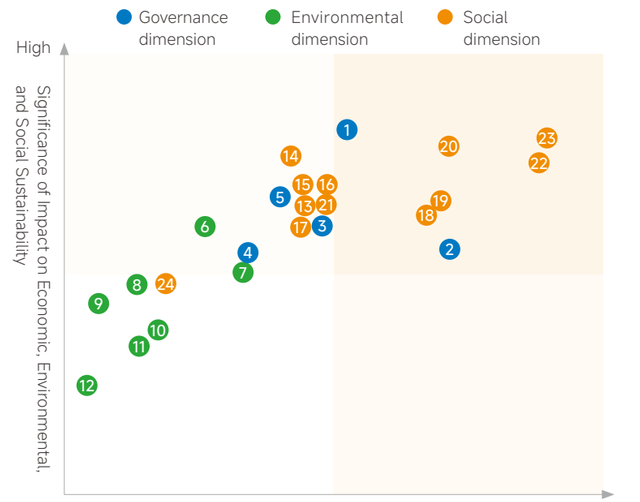
Financially Material Issue	Issues of Concern	Communication Channels
Government and Regulatory Bodies	• Compliance and risk management • R&D and innovation • Green technologies and products • Climate change and energy management • Public welfare and charity • Product quality management	• Government meetings • Special reports • On-site visits • Information delivery
Shareholders & Investors	• Corporate governance • Protection of investor rights and interests • Customer service management • R&D and innovation • Product quality management	• Information disclosure • Shareholders' meetings • Earnings briefings • Investor communication platform • Investor meetings and site visits
Customers	• Product quality management • Sustainable supply chain • Intellectual property protection • Responsible marketing • Customer service management • Information and data security	• Daily operational communication • Official communication channels • After-sales service and feedback • Customer satisfaction survey
Suppliers & Partners	• Sustainable supply chain • Digital transformation • Environmental management system • Business ethics and anti-corruption • Compliance and risk management • Industrial cooperation and development	• Strategic cooperation • Thematic Training • Market research • Special meetings • Industry exchanges
Employees	• Employee training and development • Employee rights and benefits • Compliance and risk management • Production safety and occupational health	• Official WeChat of the Company • Workers' Congress • Employee activities
Community and Public	• Pollution and waste management • Business ethics and anti-corruption • Green technologies and products • Industrial cooperation and development • Public welfare and charity	• Community communication • Media interaction • Industry forums • Information disclosure • Public welfare volunteer activities

Material Issues Analysis

Identification of Material Issues

Based on a comprehensive assessment of the continuity of ESG topics and the consistency of management practices, and considering that no material changes in business operations or business model occurred during the reporting year, Estun determined that its existing materiality framework remains relevant and applicable. Accordingly, the Company has continued to adopt the material issues identified in 2024, together with the corresponding management approach. The methodology and process for identifying and assessing material issues are detailed in the *Estun Automation Co., Ltd. 2024 Environmental, Social and Governance (ESG) Report*. Estun will continue to monitor changes in its internal operations and external environment. Material issues will be reviewed and updated as necessary in response to significant developments or periodic reassessments, ensuring ongoing alignment with the Company's sustainability practices and stakeholder expectations.

Estun's Dual Materiality Issues Matrix



1 Corporate governance
2 Compliance and risk management
3 Business ethics and anti-corruption
4 Protection of investor rights and interests
5 Digital transformation
6 Environmental management system
7 Green technologies and products
8 Promoting green packaging
9 Pollution and waste management
10 Material recycling
11 Climate change and energy management
12 Water use and management
13 Industry cooperation and development
14 Employee training and development
15 Production safety and occupational health
16 Employee rights and benefits
17 Intellectual property protection
18 Information and data security
19 Sustainable supply chain
20 Customer service management
21 Responsible marketing
22 R&D and innovation
23 Product quality management
24 Public welfare and charity

Risk and Opportunity Analysis for Financial Material Issues

The Company has comprehensively assessed the impact timeframe, risks, and opportunities associated with financially material sustainability issues. It has developed corresponding response strategies to rigorously control relevant risks and actively seize opportunities, thereby ensuring the Company's sustainable development.

Financially Material Issue	Impact Horizon	Risk/Opportunity Description	Response Strategy
R&D and innovation	Long-term	• R&D investment carries financial risk, as it may not yield expected commercial returns. • R&D innovation enables timely response to evolving customer needs, enhancing the Company's competitiveness and industry leadership.	• Adhere to short-, medium-, and long-term R&D strategies. Increase R&D investment, build technology innovation platforms, and pursue breakthroughs in core technologies. • Use the IPD model to advance technology R&D and product development based on macro trends, corporate strategy, customer needs, and technology roadmaps. *For details, refer to the "R&D Innovation" section.*
Product Quality Management	Long-term	• Quality issues could lead to major financial losses, such as product recalls. • High-quality products increase customer trust, enhance the Company's reputation, and grow market share.	• Maintain a full-process quality management system covering product design and manufacturing, fostering a quality-focused culture. • Operate the Estun Reliability Testing Center with specialized equipment and a dedicated testing team, applying reliability standards that exceed national and IEC requirements to improve R&D quality and product reliability. *For details, refer to the "Product Quality and Safety" section.*
Customer Service Management	Long-term	• Deteriorating customer relationships could lead to customer attrition, negatively impacting market performance. • Strong customer relationships drive business growth and create new opportunities.	• Maintain a comprehensive service assurance system and global service network to provide timely, thorough after-sales support. • Conduct regular customer satisfaction surveys and maintain a customer complaint handling process to respond promptly to feedback. *For details, refer to the "Customer Relationship Management" section.*
Sustainable Supply Chain	Medium- to long-term	• ESG risks in the supply chain could cause instability, affecting production and operations.	• Strengthen supply chain management by incorporating ESG factors into supplier evaluation and selection. • Implement a supply chain risk management plan to continuously identify and monitor procurement risks. • Promote sustainable practices among suppliers. *For details, please refer to the "Sustainable Supply Chain" section.*
Information and Data Security	Medium- to long-term	• Data breaches could violate laws and regulations, leading to compliance risks and financial penalties, while also eroding customer trust. • Strong information and data security helps maintain customer relationships.	• Enhance the information security management system, strengthening data controls and cybersecurity protection. • Standardize information confidentiality management and raise employee security awareness. *For details, please refer to the "Information Security" section.*
Corporate Governance	Long-term	• Weak corporate governance could lead to poor decision-making and ineffective internal oversight, harming long-term development, shareholder interests, and market reputation.	• Maintain a sound, efficient governance structure with clearly defined responsibilities and standardized operations. Ensure Board independence and diversity to support fair, well-informed decisions *For details, please refer to the "Corporate Governance" section.*
Compliance and Risk Management	Medium- to long-term	• Failure to meet compliance requirements or inadequate risk management could result in financial losses, legal disputes, and reputational damage.	• Consistently strengthen the internal control and compliance management system, focusing on audit, internal control, and compliance. • Enhance the tax management system to continuously improve tax compliance capabilities. *For details, please refer to the "Risk and Compliance Management" section.*

Risk and Compliance Management

Estun consistently refines its risk management framework and strengthens its internal control and compliance systems. By building a solid internal governance foundation, the Company supports efficient corporate governance and stable operations.

Governance

Estun has established an effective risk management structure. The Audit Committee, established under the Board, monitors and reviews operational risk management performance to ensure risk stays within acceptable limits. The Audit Department, as the internal audit function, conducts day-to-day audits, including verifying the accuracy and completeness of financial information and assessing the design and implementation of internal controls. Building on this foundation, the Company has established a Three Lines of Defense model for coordinated, interconnected risk management. This creates a full-process, closed-loop risk prevention and control system characterized by front-line prevention, mid-line coordination, and back-line supervision, which embeds risk management throughout the business chain. Internal policies, including the *Estun Risk Management System*, the *Internal Control System*, and the *Internal Audit System*, provide clear rules and procedures for risk management and internal control compliance. Additionally, the Company consistently improves its ESG management system. The ESG Leadership Group identifies and manages ESG risks and opportunities, ensuring effective oversight of ESG risks that could materially impact the Company's business.

First Line of Defense	Second Line of Defense	Third Line of Defense
Core business departments	Support functions	Assurance function
Sales, Procurement, R&D, Production, etc.	Finance, Legal, Human Resources, Quality, EHS, Process, Digital, etc.	Internal Audit.

Strategy and Management Approach

Risk Management

Estun has built a comprehensive risk management system, strengthened its risk prevention mechanisms, and cultivated a risk-aware culture. The Company operates a proactive risk control framework spanning pre-event prevention and early warning, in-event response and handling, and post-event review and improvement. This approach strengthens operational resilience and ensures that all business activities remain healthy and stable. During the reporting period, the Company experienced no major risk incidents.

Strengthening Risk Management

The Company has defined appropriate risk tolerance levels and designed corresponding internal control procedures. It has developed a series of *Internal Control Manuals* covering eight key areas and consistently updates the *Internal Control Checklist*. ESG risks, including those related to human resources, information security, R&D management, quality management, and business ethics, are fully integrated into the enterprise risk management framework. In 2025, the Company advanced risk governance and internal control upgrades using budgeting, contracting, process management, and digitalization as primary control tools.

Major Emerging Risk	Risk Category	Risk Description and Potential Impact	Response Measures
Supply Chain Resilience & Global Industrial Restructuring	Economic	• The global division of labor is shifting from an efficiency-first model to one that balances security and resilience. Over-concentrated supply chains face disruption risks from unforeseen events, which could affect business continuity and cause price volatility for critical resources. • Policy divergence and rising trade rule uncertainty among major economies create long-term challenges for market access, regulatory compliance, and investment returns across jurisdictions, increasing the complexity and cost of global operations.	• Implement supply chain backup and localization strategies. Diversify supply chain models to become self-sufficient and agile, avoiding over-reliance on any single model to strengthen resilience. • Promote diversification and regionalization of operations and supply networks. Strengthen local service capabilities in different regions to adapt to varying regulatory environments and disperse systemic risks. *For details, see the "Sustainable Supply Chain" section.*
International Trade Restrictions	Geopolitical	• Changes in international trade and investment policies, combined with rising geopolitical tensions, could materially harm the Company's business and financial results. Trade measures, such as new tariffs, import/export restrictions, technology controls, and economic sanctions, are highly unpredictable. Frequent U.S. tariff adjustments in 2025 significantly increased market uncertainty and could directly affect the Company's performance.	• Increase local value-added activities in the United States to reduce the share of imported components subject to tariffs. Improve customs procedures to ensure tariff assessments apply only to specific components covered by relevant tariff codes, not entire products. • Expand operations in Europe, including establishing local manufacturing facilities, to better manage and mitigate the potential impacts of U.S.-China trade tensions.

Risk Culture Development

In 2025, the Company delivered specialized risk management training through the Estun Academy Online platform, embedding the Three Lines of Defense concept at the operational level. The training enhanced employees' ability to identify risks and manage daily operations while fostering a culture of participation and proactive prevention.

Crisis Event Management

To prevent and respond effectively to emergencies, the Company has established a systematic, institutionalized crisis management and response mechanism. This framework ensures orderly execution of emergency response, decision-making, handling, and post-event improvement, thereby containing crises and minimizing major harm or negative impact.

Crisis Event Closed-Loop Management Mechanism

Pre-Event Prevention & Early Warning

- Department and subsidiary heads serve as the first responsible persons for early warning. They must regularly identify risks and ensure timely alerts and proactive control.
- The Company encourages and standardizes the internal reporting of early warning information. Any employee may report risks through dedicated hotlines.
- The Company also explores digital early warning tools to strengthen its forward-looking capabilities, such as using AI to scan public information for supply chain disruption risks.

In-Event Response & Handling

- Activation and Assessment: When an incident occurs, the Company immediately activates the response plan and forms a crisis response team to assess the nature and impact of the event.
- Unified Command and Action: The crisis response team coordinates command and implements measures based on the incident type.
- Compliant Disclosure and Communication: The Company prioritizes the protection of investors' legitimate rights and interests. According to disclosure regulations, it promptly and transparently reports to authorities and issues public announcements. The Company also establishes dedicated hotlines to respond to investor inquiries, keeping communication channels open.
- Seeking Professional Support: When necessary, the Company engages independent experts (e.g., legal, public relations, technical appraisal) to assist in handling the event, ensuring that response measures are objective and credible.

Post-Event Review & Improvement

- After the crisis is resolved, the Company conducts a comprehensive review to evaluate response effectiveness and document lessons learned.

Internal Control and Compliance

In 2025, to strengthen internal control and compliance management, Estun leveraged the COSO framework and the 18 internal control guidelines as core tools to advance its compliance governance efforts. During the reporting period, the Company had no material internal control deficiencies in financial or non-financial reporting.

Improving Internal Control Management

The Company issued 5 internal control-related policies, including the *Guidelines for Internal Control Process Optimization*. It completed internal control special audits for the entire sales process and R&D project management, which refined internal control details in key areas. During budgeting and control, system-based threshold controls strengthened the rigid constraints of budget execution. In digital development, the successful launch of the CRM and SRM systems, along with BI reports, further optimized business processes to consistently reinforce the foundation for enterprise risk prevention.

Internal Audit Supervision

The Company developed an annual audit plan covering core business activities, key matters, and high-risk areas across headquarters and subsidiaries. Issue rectification was tied to performance assessments to ensure effective resolution of audit findings. In 2025, the Company completed 19 audit projects spanning procurement management, sales operations, financial management, and anti-corruption. These audits drove 43 issue rectifications and established a "discovery → rectification → verification" closed-loop management system, effectively preventing operational risks.

Legal Compliance Management

To improve governance, the Company systematically advanced its legal compliance system. At the operational level, it optimized templates for all business contracts and synchronized them to the CRM and SRM systems, thereby strengthening transaction compliance and efficiency from the start. At the organizational and policy level, the Company established its own law firm in April 2025, supported by the *Estun Corporate Lawyer Management Measures* and the Litigation Management System. This achieved a strategic upgrade of legal risk management toward specialization, embedded integration, and full-process coverage.

Legal risk control training sessions	Total legal risk control training hours	Total attendances in legal risk control training
3	3.5	310

Tax Management

Estun fulfills its corporate tax obligations in strict accordance with domestic and international tax laws and regulations. These include the *Law of the People's Republic of China on the Administration of Tax Collection*, the *Enterprise Income Tax Law of the People's Republic of China*, and applicable international tax rules. During the reporting period, the Company had no major tax violations and was not involved in any significant tax-related litigation or arbitration.

Improving Tax Management

The Financial Management Center has full responsibility for the Company's tax management. By establishing a systematic tax compliance framework, it defines tax management principles, operational standards, and process requirements, standardizes tax payment practices, and dynamically tracks changes in domestic and international tax policies to update tax operation guidelines accordingly. This ensures timely and accurate tax filings and payments to effectively control tax risks.

Tax Risk Management

The Company conducts regular tax self-assessments, selecting 1-2 entities within the consolidated group annually for comprehensive tax self-assessment and risk evaluation. By identifying potential issues and implementing corrective actions, it consistently improves tax compliance levels. The Company actively cooperates with tax authorities during inspections and audits and engages independent third-party audit firms to conduct special audits of its tax management. This internal-external audit mechanism enhances tax management efficiency and enables iterative improvements to the tax management system.

Tax Compliance Training

The Company strengthens its tax team by organizing tax knowledge training for its tax study group, consisting of general ledger and tax management personnel from the Group and its subsidiaries. It conducted 4 training sessions using an online + offline model to interpret the latest tax policies, while adding in-depth courses on cross-border tax risk prevention and R&D expense super-deduction. These sessions enhanced the tax compliance awareness of relevant personnel and strengthened their tax compliance management capabilities.

Total tax contribution	Domestic subsidiaries rated as Class A taxpayers in 2025	representing	Tax knowledge training sessions
RMB 87.76 million	6	21 % of all domestic subsidiaries	4

Fair Competition

Estun strictly complies with the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Several Provisions on Prohibiting Infringements upon Trade Secrets*, and all applicable anti-monopoly and fair competition laws in the countries and regions where it operates. To formalize this commitment, the Company conducts all business activities based on the principles of fair and free competition.

Maintaining Fair Competition Order

The *ESTUN Code of Conduct* requires the Company to treat investors, customers, suppliers, competitors, and employees fairly. No employee may engage in fraud by altering, hiding, or misusing proprietary information, misrepresenting material facts, or participating in other unfair business activities. The Company commits not to make false or misleading statements about competitors, not to maliciously disparage them, not to illegally collect their trade secrets or other confidential information, and not to collude with peers to fix prices or disrupt market order, thereby working with peer companies to maintain a fair competitive environment. Additionally, anti-unfair competition content is included in mandatory compliance training for new hires to ensure employees understand the boundaries.

The Company also addresses anti-unfair competition in its *Partner Code of Conduct* and *Channel Partner Cooperation Agreements*, which requires suppliers, distributors, and other partners to adhere strictly to relevant requirements. These documents specify authorized sales regions, prohibit sales outside those regions, and forbid partners from providing false information or acting contrary to good faith. Partners are also strictly prohibited from engaging in malicious low-price competition. Through these measures, Estun works with its partners to maintain fair business competition. The Company has established multiple channels, including email and a channel platform system, to receive and handle violation complaints. Handling results are publicly communicated to all channel partners in real time through the Market Violations and Penalties section of the channel platform system. During the reporting period, the Company received no reports or lawsuits regarding unfair competition practices.

Responsible Marketing

Estun strictly complies with the *Civil Code of the People's Republic of China*, the *Advertising Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and other relevant laws and regulations. Upholding the principle of responsible marketing, the Company has established a review and oversight mechanism for marketing materials to regulate product labeling, marketing, and customer sales activities. This ensures that customers receive complete and accurate product and service information. Additionally, the Company provides responsible marketing training to sales personnel to protect customer rights effectively.

Establishing a Marketing Compliance Mechanism

Internally, the Company strengthens supervision and management of marketing activities, strictly prohibiting exaggeration and false advertising. Non-compliant activities are promptly addressed and publicly disclosed as a warning. Externally, the *Partner Code of Conduct strictly* restricts partners by prohibiting false or misleading statements in marketing and external business interactions.

Strictly Reviewing Marketing Content

The Iron Triangle, sales supervisors, and the Legal Department review and approve marketing materials and promotional content step by step before release. This ensures that all materials accurately and rigorously reflect the features and value of the Company's products and services, thus avoiding false advertising.

Enhancing Marketing Compliance Awareness

The Company clearly defines ethical standards for communicating with customers and the public, requiring compliance with industry norms in marketing activities to avoid improper promotion. Regular training for marketing personnel emphasizes the importance of compliance, helping them understand relevant laws and regulations and ensuring their activities meet legal requirements.

Responsible marketing training sessions	Total attendances in responsible marketing training	Total employee responsible marketing training hours	Average responsible marketing training hours per employee
86	122	6,853	56

Protecting Trade Secrets

Estun has built a trade secret protection system covering both internal employees and external partners to prevent trade secret leakage and improper benefit transfers.

Controlling Employee Conduct

The *Employee Handbook* and the *Non-Compete Agreement* clearly require that during employment and for a specified period after termination, employees must not engage in competitive activities or use the Company's trade secrets for personal gain.

Standardizing Market Competition

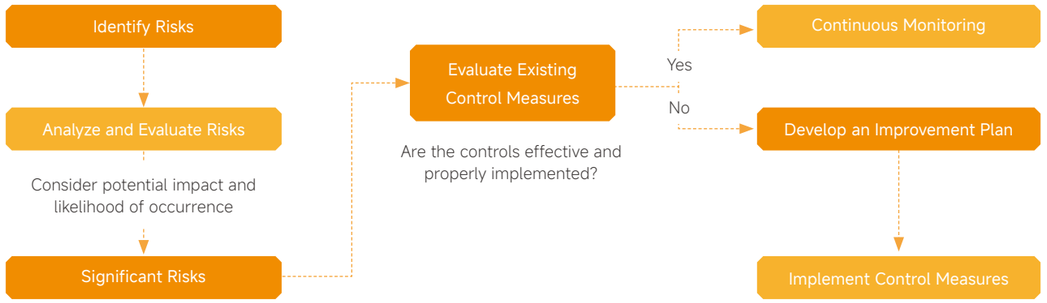
The *ESTUN Code of Conduct* sets explicit market conduct standards by prohibiting employees from profiting through illegal acquisition or use of others' trade secrets, thereby avoiding civil and criminal liability.

Constraining Partners

The *Partner Code of Conduct* states that partners must not disclose information about their cooperation projects with Estun to the media without the Company's consent, which prevents risks and disputes arising from information leakage.

Strategy and Management Approach

For key risk areas closely tied to business operations, Estun regularly reviews risks in each business module, defines control measures and oversight mechanisms, and implements closed-loop management to keep risks under control. Regular risk assessments are conducted, and improvement measures are developed based on findings to further strengthen the Company's risk prevention and control capabilities. The Company also regularly evaluates the effectiveness of its risk management and internal control systems and conducts periodic special audits. These activities ensure that the internal control and compliance system operates effectively to prevent operational risks. In 2025, the Company conducted 10 risk identification and assessment activities for internal control audit projects. It also completed systematic internal control special audits for the entire sales process and R&D project management, which refined internal control details in key areas and strengthened the foundation for enterprise risk prevention.



Estun's Risk Review Process

Indicators and Targets

Indicator / Target	Achievement Status in 2025
Zero major risk incidents reported	Target achieved
Provide specialized training for compliance administrators; complete compliance promotion and training for all employees	Target achieved
Conduct 12 audit projects	Target achieved 19 audits conducted in 2025

Business Ethics and Anti-Corruption

Estun consistently follows an integrity-based business philosophy, strictly adheres to business conduct standards, and maintains a zero-tolerance policy toward any form of corruption or behavior that violates business ethics. The Company participates in market competition lawfully and works with partners to build a strong defense line for business ethics.

Upholding the Business Ethics Defense Line

Estun strictly complies with the *Civil Code of the People's Republic of China*, the *Interim Provisions on Prohibition of Commercial Bribery*, and other applicable laws and regulations in the countries and regions where it operates. In 2025, with the goal of enhancing ESG governance, the Company built a business ethics and anti-corruption management system integrating cultural guidance, systematic prevention, and targeted enforcement. During the reporting period, the Company had no violations or illegal incidents related to corruption, bribery, conflicts of interest, fraud, money laundering, or unfair competition, nor any major legal disputes concerning business ethics or anti-corruption.

Improving the Management System

The Board of Directors serves as the highest decision-making body for business ethics and anti-corruption management. The Audit Committee, established under the Board, coordinates and supervises the Company's audit and oversight activities to ensure compliance and transparency in decision-making and execution. Under the Audit Committee's leadership, the Audit Department carries out audit and oversight functions to enhance business ethics monitoring.

Refining Management Policies

The Company effectively implements policies including the *Estun Reporting Management System*, the *Estun Business Gift Management System*, and the *ESTUN Code of Conduct*. These policies clearly define provisions on anti-fraud, anti-money laundering, anti-corruption, fair competition and anti-monopoly, and conflict of interest, covering the Company's directors, all employees, and all supply chain partners. In 2025, the Company developed the *Anti-Corruption, Anti-Money Laundering, and Economic Sanctions Policy (Draft)*, which further prohibits donations to political parties, party officials, or candidates for public office on behalf of the Group, and provides guidance on charitable donations and contributions to ensure that all activities are conducted with integrity and the highest ethical standards.

Optimizing the Prevention and Control System

Led by the Legal Department, the Company has established a control mechanism of pre-transaction compliance review, in-transaction dynamic monitoring, and post-transaction rapid response. For areas with concentrated authority, such as procurement, sales, and R&D, contract compliance review nodes have been embedded. Special audits on business ethics and anti-corruption are conducted, consistently enhancing the standardization and transparency of business conduct and effectively preventing integrity risks.

Fostering Culture and Values

The Company promotes business ethics and anti-corruption through internal websites and the Estun Style enterprise WeChat page, featuring topics such as "Strictly Preventing Conflicts of Interest and Prohibiting Crossing Red Lines" and "Employee Professional Ethics Red Lines." Using case studies and legal interpretations, these initiatives reinforce integrity awareness and foster a culture where compliance is non-negotiable and violations are actionable.

Special business ethics and anti-corruption audits
3

Cooperative entities audited for anti-commercial bribery agreement signing and filing
139

Anti-corruption training sessions
2
with
273 attendances

Anti-corruption training sessions for directors
1
with
9 attendances
representing
100 % coverage

Anti-corruption training sessions for employees
1
with
264 attendances

Reporting and Whistleblower Protection

Estun has established the *Estun Reporting Management System*, which defines violation types, reporting procedures, whistleblower protections, and management measures, thus standardizing reporting management to ensure fair, effective, and timely handling of potential corruption reports. The Company provides multiple reporting channels, including hotlines and email, and encourages employees, customers, suppliers, and other third parties to report any behavior that may violate business ethics laws, regulations, or other relevant policies, either anonymously or by name.

Upon receiving a report, designated investigators from the Audit Department handle and investigate the matter, prepare an investigation report, propose handling recommendations, and report findings to the Chairman of the Board to ensure the independence and fairness of investigation results. The Company ensures strict confidentiality for all whistleblower information, treats report materials as confidential documents with access strictly limited to those with a need to know, and strictly prohibits any form of retaliation against whistleblowers or related personnel.

Reporting Channels

Phone Reporting (Landline): +86 25 52785932

Email Reporting: sjjb@estun.com

Mail Reporting: Estun Audit Department, No. 1888 Jiyin Avenue, Jiangning District, Nanjing, China

In-Person Reporting by Appointment

Supply Chain Integrity Management

Estun strengthens business ethics and compliance management with its suppliers. The Company has established the *Supplier Commitment Letter* and the *Partner Code of Conduct*, which clearly define integrity and business ethics requirements for suppliers. Suppliers must strictly comply with relevant national and local laws, regulations, and industry standards regarding fair trade, integrity, and compliance. They must resolutely oppose any form of commercial bribery and refuse to accept or participate in bribery in business dealings. Suppliers are encouraged to promptly report any improper conduct through the Company's official reporting channels. The Company maintains a zero-tolerance policy toward fraud, dishonesty, malicious collusion in bidding, malicious withdrawal from bidding, or malicious breach of contract. Upon investigation and verification, it will cease cooperation with the violating supplier and place it on a blacklist. Additionally, the Company emphasizes integrity promotion with all suppliers. During major holidays, it sends letters via internal systems and email to advocate for honest cooperation, jointly fostering a fair, transparent, and integrity-based cooperation environment.

Supplier Commitment Letter signing rate
100 %

Information Security

Estun places high importance on information security and privacy protection. To fully safeguard its information and data security, the Company strictly complies with relevant laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*.

Governance

Estun has established a comprehensive information security and privacy protection management system through a multi-level governance model of Board supervision, executive responsibility, and specialized department execution. By linking information security performance to management and personnel assessments and incentives, the Company consistently improves its overall information security governance capabilities and risk prevention levels.

Estun's Information Security Governance Structure

The Company consistently strengthens its information and data security framework. In 2025, based on ISO 27001 requirements and its own operational context, the Company conducted an annual review and update of its information security management systems and data protection policies. It developed and improved a range of internal management documents, including the *Information Security Management Manual*, the *Information Security Risk Management Procedure*, and the *Personal Privacy Policy*, to continuously promote standardized information security management.

The Company conducts an annual internal audit and management review of its information security management system to ensure effective operation. During the reporting period, the Company completed an internal information security audit of its core information system and key business system, while implementing changes based on identified risks and improvement recommendations. As of the end of the reporting period, the Company had achieved ISO 27001 Information Security Management System certification, covering Estun Automation Co., Ltd. and Estun Robot Engineering Co., Ltd.

Estun's ISO 27001 Information Security Management System Certificate

Strategy and Management Approach

Estun has adopted an information security policy centered on four principles: all-employee participation to ensure information security, prevention-first to strengthen risk control, continuous improvement to achieve excellence, and customer-first to create a secure future. The Company consistently enhances its information security management system by adopting advanced protection technologies, strengthening network security and data controls, and raising employee security awareness. These efforts fully safeguard information and data security, thereby supporting standardized operations and stable international expansion. During the reporting period, the Company recorded no major cybersecurity incidents, data breaches, or compliance violations related to data or personal information protection.

Network Security Protection

- The Company has enhanced network boundary protection and endpoint security management, which improves its ability to monitor and respond to malicious attacks and abnormal behavior.
- The Company has consistently strengthened the security of its information technology systems, aiming to achieve stronger endpoint management, malicious attack prevention, data loss prevention, and system stability.
- The Company has developed information security-related business continuity plans, strengthened high availability and operational monitoring of core systems, and regularly conducts disaster recovery drills to enhance business continuity assurance. It has also strengthened system operation standards and patch management.

Data Compliance Management

- The Company has implemented data classification, grading, and backup and recovery mechanisms to reduce the risk of data loss and damage.
- The Company promotes personal information protection and full-lifecycle data compliance management, integrating data compliance requirements into its internal control and risk management system.
- The Company has enhanced compliance assessment and management for cross-border data flows in the context of overseas business expansion, ensuring that relevant activities comply with domestic and international data protection laws and regulations.

Information Security Management

- The Company has established an information security incident reporting and handling mechanism. Employees can promptly report security incidents, system vulnerabilities, or suspicious activities through designated internal channels.
- The Information Security Management Department classifies and assesses reported incidents. Based on severity, it organizes relevant departments to handle, isolate, repair, and recover, activating emergency response procedures when necessary.
- The Company documents and reviews incident handling processes and outcomes, while also driving the implementation of corrective measures.

Information Security Training & Communication

- The Company includes information security training in new employee orientation, covering its security policies, basic security knowledge, and common risk prevention methods.
- The Company regularly organizes specialized information security training for all employees, inviting industry experts to present on the latest security trends, case studies, and response strategies.
- The Company displays information security posters in internal office areas and plays security tips on electronic screens, fostering a strong information security culture.

Third-Party Management

- Network Security: Partners must strictly comply with the laws and regulations of their respective countries regarding network security and personal data protection, refraining from infringing on end users' freedom of communication or privacy rights.
- Personal Information Protection: Partners must collect, use, and process personal information in compliance with the latest personal information protection regulations. They must ensure that end users are informed of and provide written consent for the intended use of any personal information provided to Estun.

Impact, Risk, and Opportunity Management

Estun makes information security risk assessment a core component of its management system. The Company has established the *Information Security Risk Management Procedure* and built a comprehensive information security risk management framework, which defines risk assessment standards, handling procedures, and emergency response requirements. It systematically identifies risks and opportunities that need to be addressed, preventing and mitigating information security risks to ensure the security of the Company's information assets and stable business operations.

Information Security Risk Management

Risk Identification

The Company uses multiple methods to identify information security risks. It considers threat sources, threat events, and vulnerabilities to pinpoint risk factors that could lead to the loss of information assets.

Risk Analysis & Assessment

The Company uses standardized information security risk assessment methods and tools to conduct regular assessments. It determines risk levels and dynamically updates the list of key risks to provide a reliable basis for risk treatment.

Risk Treatment & Improvement

The Company develops a risk treatment plan based on the results of its information security risk assessments. It identifies all necessary control measures and ensures the orderly execution of risk treatment activities.

Emergency Management

The Company has established a comprehensive data and information leakage emergency management mechanism covering pre-event risk identification, in-event rapid response, and post-event rectification and improvement. This ensures prompt detection, effective handling, and minimal impact of any data leak. The Company has developed the *Data and Information Leakage Emergency Plan* to define emergency response management procedures. It regularly conducts information security emergency drills, tabletop exercises, and training sessions to continuously test and improve the effectiveness and operability of its emergency plans. These measures enhance the Company's ability to respond to and handle security incidents efficiently and reduce the impact of data and information leaks on business and compliance.

Indicators and Targets

	2025 Target	2025 Actual	Achievement Status
Core business system security hardening completion rate	⩾ 95%	100%	Target achieved
Information security training coverage for IT personnel	⩾ 90%	100%	Target achieved
Major information security incident rate	0	0	Target achieved
Third-party supplier information security review completion rate	⩾ 90%	95%	Target achieved
Key data backup availability	⩾ 99.9%	100%	Target achieved

Information security training sessions
6

Total information security training hours
54

Information security training attendances
403

Offensive and defensive drills
2

Information leakage incidents
0

3 Pursuing Green Development to Build a Sustainable Future

Contributing to UN SDGs

Environmental Management

Estun strictly complies with national environmental protection laws and regulations, including the *Environmental Protection Law of the People's Republic of China*. The Company has elevated environmental management to a strategic priority and continuously improves its environmental management system. It has developed a full-process governance model driven by senior leadership, aligned with system certification, and integrated with performance management, which enables effective control of environmental risks across operations and supports regional environmental improvement and national ecological conservation.

Improving Environmental Management

Environmental Management Structure and Systems

The Company has established an Environment and Safety Management Committee, chaired by the General Manager. The committee oversees an EHS Management Department, which is responsible for approving environmental protection systems and driving environmental initiatives. The Company strictly enforces key environmental policies, including the *Environmental Protection Management System*, the *Energy Management System*, the *Energy Management Manual*, and the *Environmental, Social, and Governance (ESG) Indicator Management Manual*, to ensure effective environmental management. During the reporting period, the Company revised and formally implemented two environmental management policies. The *Production Safety Accident Management System* was updated to the *EHS Accident Management System*, clarifying procedures for addressing environmental pollution and accidents arising from production incidents. The *Work Safety Rewards and Penalties System* was updated to the *EHS Rewards and Penalties System*, introducing new environmental management-related rewards and performance deductions.

Environmental Management System Development

The Company conducts internal environmental management audits and undergoes external audits by third-party professional firms. It has achieved ISO 14001 Environmental Management System certification, covering the design, development, and production of AC servo drive systems, permanent magnet AC servo motors, and electro-hydraulic servo systems; the design, development, and production of industrial robot bodies and electrical control cabinets for mechanical equipment; the machining of industrial robot components; and the design, development, production, and related management activities of industrial intelligent manufacturing systems (including industrial robot applications).

Environmental Management Target Assessment

Based on actual business conditions, the Company sets science-based environmental targets, breaks them down into measurable indicators, and signs safety and environmental responsibility agreements with each department. These agreements are integrated into the departmental performance assessment system to ensure accountability. Additionally, the Company signs environmental protection agreements with management, setting aside a portion of compensation as an environmental protection incentive fund. The fund is distributed based on performance target achievement status, systematically advancing the realization of environmental goals.

Environmental Goal	Decomposed Indicators	Achievement Status
Zero environmental pollution incidents	100% compliance for exhaust gas emissions	All targets achieved
	100% compliance for wastewater discharge	
	100% compliance for boundary noise levels	
	100% compliance for hazardous waste disposal	

Controlling Environmental Risks

Identification of Environmental Aspects

The Company systematically identifies environmental aspects following the *Environmental Aspect Identification and Evaluation Control Procedure*. For significant aspects identified, it develops management plans, emergency plans, and control measures, conducts hazard inspections, and monitors corrective actions, thereby effectively preventing environmental risks. During the reporting period, through monthly special inspections and daily irregular patrols, the Company identified 36 environmental risk points. Responsible personnel rectified all immediately, achieving a 100% rectification rate.

Environmental Incident Emergency Response

During the reporting period, the Company revised its *Environmental Emergency Response Plan*, and classified its environmental risk level as "general". The revised plan was submitted to the Nanjing Jiangning Ecology and Environment Bureau for approval and record filing.

- The Company installed shut-off valves at rainwater discharge outlets at the Jiyin Avenue, Yanhu Road, and Shuige Road plants for use during emergency conditions, ensuring that accident wastewater is effectively contained and prevented from being discharged into the external environment.
- Three rounds of emergency response drills for hazardous waste transfer and containment of decontamination wastewater from spills were conducted across the three plants, focusing on decontamination wastewater containment. These drills ensure that sufficient personnel are proficient in operating the shut-off valves.

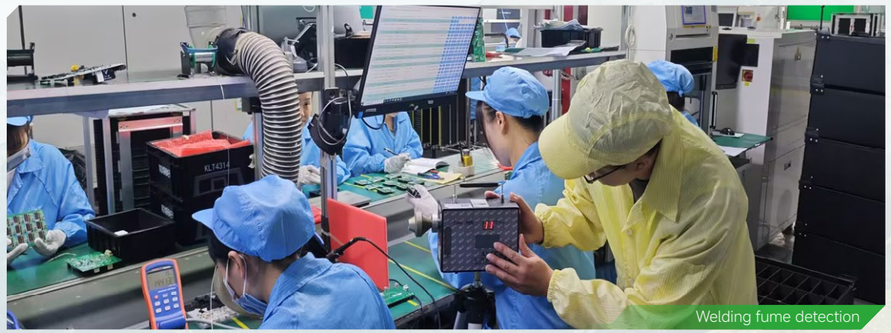
Environmental Indicator Monitoring

In accordance with the *Environmental Protection Management System*, the Company implements controls for wastewater, exhaust gas, noise, and solid waste management. It clearly defines emission limits, applicable standards, and monitoring frequencies for each pollutant indicator.

- The Jiyin Avenue plant uses a combination of manual and automated monitoring. Automated equipment monitors pollutant parameters in real time and is connected to provincial and municipal ecology and environment bureaus. The online monitoring system is entrusted to Nanjing Zhida Automation Group Co., Ltd. for 24-hour operation and maintenance. Manual monitoring is entrusted to Jiangsu Yanlan Detection Technology Co., Ltd., a third-party testing organization with CMA certification.

Environmental Impact Assessment

The Company conducts environmental impact assessments and completion acceptance in accordance with regulatory requirements. During the reporting period, the machining workshop robot component production line renovation project passed an on-site expert review, met the conditions for environmental protection completion acceptance, and successfully completed the process.



Welding fume detection

Raising Environmental Awareness

The Company organized personnel involved in hazardous waste management to participate in specialized training conducted by the Nanjing Ecology and Environment Bureau. All 16 participating employees passed the examination and obtained certificates, enhancing the technical skills and environmental awareness of relevant staff.

Violations of environmental protection laws and regulations

0

Environmental protection investment

RMB **1.98** million

Environmental protection training sessions

2

with approx.

500 participations

Addressing Climate Change

Extreme weather events have grown more frequent in recent years, and global climate risks continue to escalate. Addressing climate change has become a broad international consensus. As a leading enterprise in its industry, Estun places strong emphasis on the risks and impacts of climate change. Following the *Guidelines No. 3 of Shenzhen Stock Exchange for the Self-Regulation of Listed Companies – Sustainability Report Preparation* and referencing the International Sustainability Standards Board's *IFRS S2 Climate-related Disclosures*, the Company has established a science-based climate governance framework. It identifies and assesses climate-related risks and opportunities, develops and implements effective response strategies, and continuously strengthens the climate resilience of its own operations and the broader value chain, aiming to become a pioneer in climate change management within its industry.

Governance

Estun has built a climate change governance structure led by the Board of Directors and the ESG Committee, with management at the core and various departments, branches, and subsidiaries serving as the primary implementing bodies.

The Oversight Bodies

Board of Directors and ESG Committee

These bodies approve the Company's climate-related strategic plans. They oversee climate-related risks and opportunities, review climate targets, and receive management reports on climate matters, providing recommendations as needed.

The Management Bodies

ESG Leadership Group

This Group coordinates the development of major policies and strategic plans. It identifies climate-related risks and opportunities and integrates them into operational considerations. The Group also manages climate targets and drives the orderly implementation of climate actions and low-carbon development initiatives.

The Execution Bodies

ESG Working Group

This Group is responsible for executing and advancing climate-related tasks. It manages climate-related indicators and regularly reports on progress and target achievement status to the ESG Leadership Group.

For energy management, the Company has developed and implemented internal management documents, including the *Energy Management Manual* and the *Energy Management Implementation Plan*. It regularly conducts internal audits, management reviews, and legal compliance assessments to ensure continuous improvement of the energy management system in line with ISO 50001 and relevant regulatory requirements. During the reporting period, the Company revised and released an updated *Energy Management System*, specifying the composition of the Energy Management Leadership Group, providing assessment details, and refining departmental responsibilities for energy management. The Company passed the ISO 50001 Energy Management System surveillance audit and conducted one energy management training session. The training covered energy management systems, regulations and standards, energy-saving technologies, and case studies, aiming to enhance employees' understanding of energy consumption reduction.

Estun's ISO 50001 Energy Management System Certificate

Strategy and Management Approach

To strengthen climate resilience and seize climate-related opportunities, the Company conducts detailed climate risk and opportunity assessments. Based on the findings, it implements mitigation and adaptation strategies and integrates climate risks into its long-term strategic planning. The Company accelerates progress toward its dual-carbon goals by enhancing climate resilience, optimizing the energy structure, and improving energy efficiency. The Company also continues to prioritize R&D and innovation in low-carbon technologies and products, positioning its support for the new energy industry and energy-efficient business (e.g., industrial automation) as core strategic directions. It actively monitors emerging fields and market demands arising from the low-carbon transition, seizing opportunities in green technology development to lead the industry's green transformation.

Focus Area	Strategy
Company	The Company monitors and analyzes carbon emissions across different processes and sites, breaking down reduction targets across business units. It also uses PV systems in its industrial parks and integrates green electricity into production to reduce operational carbon emissions.
Customers	The Company responds to customer needs by innovating energy-efficient products and developing comprehensive intelligent, automated, and green solutions for various carbon emission reduction scenarios. This helps customers consistently improve their carbon emission reduction performance.
Value Chain	The Company deeply engages in new energy market segments such as PV, lithium batteries, new energy vehicles, hydrogen storage, and flow batteries. It identifies industry needs and pain points, collaborates with partners to drive technological breakthroughs, and promotes carbon emission reduction and resource efficiency across the new energy value chain.

Enhancing Climate Resilience

The Company recognizes that climate change can introduce both risks and opportunities across its value chain, affecting strategy, operations, and financial performance. Through systematic risk management and forward-looking planning, the Company is strengthening its climate adaptation capacity and long-term resilience in operations, supply chains, and products.

Strengthening Physical Risk Response

The Company develops specialized emergency plans and allocates emergency supplies for extreme weather events such as floods, high temperatures, and hail. It also assesses regional climate risks during project planning.

Driving Low-Carbon Operational Transformation

By improving production processes, using energy-efficient equipment, building smart energy management systems, and increasing the share of renewable energy, the Company consistently reduces energy consumption and carbon emissions to mitigate risks such as rising electricity costs and operational disruptions.

Climate-Related Risks and Opportunities

Risk/Opportunity Type	Risk/Opportunity Description	Potential Financial Impact	Response Measures
Physical Risks			
Acute Risk	• Rising average temperatures will significantly increase electricity consumption for air conditioning in Estun's offices and plants, leading to higher electricity costs and increased carbon emissions. • Extreme weather events, such as extreme heat, heavy rainfall, river flooding, and coastal flooding, could cause production interruptions, equipment damage, and employee commuting difficulties.	Operating costs ↑ Revenue ↓ Asset value ↓	• Improve energy consumption monitoring accuracy, introduce advanced production processes and equipment, phase out outdated high-energy-consumption equipment, and actively promote energy-saving technologies. • Develop and regularly update emergency plans for extreme weather and natural disasters, stock emergency supplies, and conduct regular drills to consistently strengthen emergency response mechanisms.
Chronic Risk	• Reduced rainfall due to persistent high temperatures or drought caused by climate change pose significant challenges, including water scarcity, power shortages, rising electricity prices, and operational interruptions. • Sea-level rise could affect the normal operation of coastal headquarters, branches, and subsidiaries of the Company, incurring relocation costs.	Operating costs ↑ Asset value ↓	• Consider regional climate risks during project selection and planning. • Gradually increase the share of renewable energy, such as solar power, in production and operations.
Transition Risks			
Policy & Regulatory Risk	• Sustainability disclosure requirements from the Shenzhen Stock Exchange, the Stock Exchange of Hong Kong, and the European Union will gradually strengthen climate-related information disclosure, imposing new demands on the Company's climate change management and reporting. • As carbon trading markets expand and various carbon assets emerge, carbon pricing is becoming a key tool for government control over corporate emissions, increasing the Company's cost burden associated with the energy transition.	Operating costs ↑ Asset value ↓	• Closely monitor changes in international and domestic environmental and carbon-related laws and policies, proactively consider policy adaptability, and improve internal management and compliance disclosure. • Strengthen energy and carbon emissions management, optimize the energy structure through energy-saving retrofits, and advance carbon emission reduction technologies to reduce operational carbon emissions.
Market Risk	• As a Tier 1 supplier to many well-known companies, Estun faces increasing customer expectations regarding low-carbon practices. Failure to meet these requirements could result in significant loss of orders.	Revenue ↓	• Strengthen communication with customers to understand their ESG requirements for suppliers and products. Incorporate sustainability requirements into product R&D, highlighting the green, energy-efficient, and low-carbon features of its products.
Technology Risk	• Underinvestment in energy-saving and carbon emission reduction technologies compared to peers could cause the Company to fall behind market demands. • R&D investment in new technologies carries an inherent risk of failure.	Operating costs ↑ Revenue ↓	• Strengthen feasibility studies for low-carbon technology R&D and application to reduce trial-and-error costs. • Maintain R&D investment, actively engage in industry collaboration, and work with value chain partners to advance low-carbon technology R&D and application, thereby closing the technology gap with peers.
Reputational Risk	• Increasingly stringent environmental performance disclosure requirements will raise compliance costs associated with maintaining or enhancing reputation. • Failure to meet external carbon emission reduction commitments could expose the Company to accusations of greenwashing from investors and the public, negatively impacting brand reputation and image.	Operating costs ↑ Revenue ↓	• Timely disclose measures taken to address climate change, including strategic planning, targets, actions, and performance. • Rigorously review disclosed information to ensure accuracy and alignment with actual conditions, building a cautious and responsible corporate image based on actual performance.
Opportunities			
Products & Services	• As the low-carbon economic transition gains momentum, demand for green, low-carbon products and services may increase. Developing and offering low-carbon products, services, and solutions could help the Company better adapt to market needs and achieve additional growth.	Revenue ↑	• Seize market opportunities by leveraging R&D strengths in industrial automation to consistently expand the green product portfolio and provide innovative low-carbon transformation solutions across industries, thereby reducing downstream value chain carbon emissions.
Resource Efficiency	• Adopting energy-efficient technologies and equipment reduces energy consumption during production, lowering operating costs while improving efficiency and supply capacity. • Strengthening resource recycling reduces waste and production costs.	Revenue ↑ Operating costs ↓	• Introduce advanced production processes and equipment, actively promote energy-saving technologies, and phase out outdated high-energy-consumption equipment. • Improve energy monitoring accuracy and promote conservation through awareness campaigns to reduce energy costs. • Establish a comprehensive resource recovery and treatment system to achieve waste reduction and resource utilization.
Energy Structure	• With ongoing R&D and innovation in green technologies and supportive policies, renewable energy is becoming more accessible and potentially less expensive. Using renewable energy in production and operations could lower direct energy costs.	Operating costs ↓	• Deploy PV power generation, expand clean energy use, and gradually increase the share of renewables, such as solar power, in production and operations.
Market	• Proactive response to climate policies can help the Company access more international markets, enhancing global competitiveness and attracting more international customers and partners.	Revenue ↑	• Actively participate in international certification and standard-setting to strengthen the competitiveness of its products in global markets

Clean Energy Transition

The Company expands its renewable electricity sources and accelerates the construction of PV power generation projects, including the installation of rooftop distributed PV systems across its three plants. In 2025, the plants continued to use third-party-invested PV power generation, with a total installed capacity of 4,621.3 kW. Annual self-built PV power generation reached 4.13 million kWh, accounting for 24.85% of total annual electricity consumption.

Improving Energy Efficiency

Following an energy policy of energy conservation, clean production, continuous improvement, and green development, Estun systematically implements energy management and conservation controls to consistently improve energy efficiency and management levels.

Real-Time Energy Monitoring

The Company uses smart meters to monitor electricity consumption in real time across all production stages. A smart energy monitoring and management platform has been built to implement three-level energy data control using information technology. By comparing and analyzing data, the platform strengthens balanced distribution and optimized scheduling of energy resources, thereby improving energy management and reducing overall consumption. The Company plans to achieve comprehensive monitoring of all major high-power equipment across all plants within three to five years.

Strengthening Energy Conservation Controls

Selecting High-Efficiency Equipment

The Company has established a phase-out and replacement plan, prohibiting the selection of obsolete electromechanical products and prioritizing energy-efficient alternatives. In 2025, 9 energy-efficient devices were introduced. The Coating Drying Gas System Optimization project replaced traditional burners with low-nitrogen burners, improving gas heating efficiency and reducing gas consumption per unit of product.

Optimizing Production Management

The Company applies advanced technologies and processes to increase capacity and efficiency while promoting energy conservation. By implementing a compressed air control system, reducing supply pressure, and conducting regular pipeline leak detection, the Air Compression System Optimization project is expected to reduce air compressor electricity consumption by 5%-15%, with a corresponding decrease in electricity consumption of compressed air per unit of output.

Implementing Green Office Practices

Production facilities use energy-efficient lighting and green lighting systems, saving 120 kWh per month. Air conditioning energy controls are strengthened, with each unit using a dedicated energy management card. Temperatures are set at 26° C in summer and 22° C in winter, with estimated summer savings of 1,500 kWh. Additionally, a duty officer inspection system ensures that unnecessary standby equipment is turned off promptly, effectively eliminating unoccupied energy consumption after working hours.

Impact, Risk, and Opportunity Management

To proactively address climate change challenges, Estun has established a systematic risk management process. Through internal research, industry analysis, and external advice, the Company identifies, analyzes, evaluates, and manages major climate risks and opportunities to ensure dynamic and ongoing management of short-, medium-, and long-term climate-related risks and opportunities. In 2025, the Company continued its climate risk assessment, identifying 2 physical risks, 4 transition risks, and 4 opportunities with material impact on its business. It evaluated their potential financial impacts, developed practical response measures, and reported results to the Board's ESG Committee.

Identification of Climate Risks and Opportunities

- The Company identifies climate risk and opportunity items following the framework recommendations of *IFRS S2 Climate-related Disclosures and the Guidelines No. 3 of Shenzhen Stock Exchange for* the *Self-Regulation of Listed Companies – Sustainability Report Preparation (Revised 2026).*

Materiality Assessment of Climate Risks and Opportunities

- The Company uses internal and external risk management tools, combined with the likelihood and impact of occurrence, to identify climate risks and opportunities that materially affect its business.

Management of Climate Risks and Opportunities

- The Company develops response measures based on risk levels. Through regular monitoring and dynamic strategy adjustments, it ensures that its business remains aligned with policy trends and market demands.
- For physical risks, the Company improves emergency plans and equips emergency supplies. It also enhances its extreme weather response capabilities through optimized response mechanisms.

Climate Risk and Opportunity Management Process

Indicators and Targets

Estun has set a goal of achieving operational carbon neutrality by 2050, using this target to guide its carbon emission reduction roadmap and track progress over time. In energy management, the Company aims to reduce unit energy consumption by 5% annually compared to the previous year. This target is broken down by product type and process workshop, with regular monitoring at each level and dynamic adjustments as needed.

Carbon Emission Reduction Targets

- Achieve peak operational carbon emissions by **2028**
- Achieve operational carbon neutrality by **2050**

Energy Targets

Indicator	Unit	2024 Baseline	2025 Target	2025 Actual
Comprehensive energy consumption per unit of electro-hydraulic servo system	kgce/unit	0.33	0.31	0.30
Comprehensive energy consumption per unit of industrial robot body	kgce/unit	27.10	25.75	19.97
Comprehensive energy consumption per unit of industrial robot component	kgce/unit	3.17	3.01	3.07

Energy Consumption and GHG Emissions

Indicator	Unit	2023	2024	2025
Energy Consumption				
Natural gas	cubic meters (m^3)	392,466.02	396,673.24	411,416.00
Gasoline	tonnes	18.69	24.27	22.18
Diesel	tonnes	26.90	63.18	33.63
Heating oil	tonnes	/	/	36.55
Purchased electricity	million kWh	16.17	17.30	16.61
Self-built photovoltaic power generation	million kWh	1.48	3.45	4.13
Total comprehensive energy consumption	tonnes of standard coal equivalent	2,757.85	3,204.60	3,229.08
Comprehensive energy consumption intensity	tonnes of standard coal equivalent/ RMB 1 million revenue	0.59	0.80	0.66
GHG Emissions				
Direct GHG emissions (Scope 1)	tonnes of CO_2 equivalent	842.00	882.05	1,141.76
Indirect GHG emissions (Scope 2)	tonnes of CO_2 equivalent	8,721.85	8,994.82	8,547.69
Total GHG emissions	tonnes of CO_2 equivalent	9,563.85	9,876.87	9,689.45
GHG emission intensity	tonnes of CO_2 equivalent/ RMB 1 million revenue	2.06	2.46	1.98

Resource Management

Following a resource management philosophy of source reduction, process circulation, and end-of-pipe control, Estun actively supports the global shift toward a circular economy. Through technological innovation and process optimization, the Company applies refined management to water resources and packaging materials, minimizing resource use and environmental impact while promoting both environmental and economic benefits.

Water Resource Management

The Company's operations are not heavily water-dependent. Water is used primarily for R&D testing, industrial cooling, equipment cleaning, and employee facilities. All water comes from municipal supplies, and water withdrawal has no direct ecological impact. In terms of water management, Estun strictly complies with the *Water Law of the People's Republic of China* and other relevant regulations, and has established and consistently improves its internal water management systems. During the reporting period, the Company revised its *Energy Management* System to include a section on Water Use Management Regulations, which strengthens requirements for water conservation and recycling across planning, design, production, and daily operations to further standardize water management. To address its water usage, the Company has set medium-to-long-term water conservation goals of a 5% reduction in total water consumption by 2030 (from a 2024 baseline) and 100% coverage of water-saving fixtures in office areas, with progress tracked regularly. To meet these goals, the Company integrates water conservation into all production and operational processes, consistently improving water efficiency through refined management and ongoing optimization.

Total water withdrawal

158,375.64 tonnes

Water withdrawal intensity

32.40

tonnes/RMB 1 million revenue

The Company uses high-grade wet-type vane-wheel water meters and flow meters, which are regularly calibrated and maintained, to track water use across production stages. This improves the precision of its water management.

The Company regularly inspects production equipment and pipelines to detect and promptly repair leaks. It also posts water-saving signs in restrooms and near drinking fountains to encourage employees to adopt water-saving habits.

The Company treats waste liquid from its machining workshop at its on-site wastewater treatment station. Liquid with a COD concentration below 500 mg/L is reused to prepare new cutting and cleaning fluids. This reduces daily wastewater discharge by approximately 50% while saving 1 to 1.5 tonnes of fresh water per day.

The Company has installed rainwater collection tanks in its industrial parks. The collected rainwater is used for landscaping irrigation, effectively conserving fresh water resources.

Packaging Material Management

Estun follows a packaging strategy centered on reduction, reusability, recyclability, renewability, and degradability. Guided by the *Logistics Packaging Design Management Measures*, the Company systematically promotes standardized and green packaging for finished goods, purchased parts, and semi-finished products to reduce environmental impact at the source.

Total packaging material usage **163.81** tonnes

Including **0.30** tonnes of plastic, **28.11** tonnes of paper, **129.50** tonnes of wood, **2.52** tonnes of foam, and **3.38** tonnes of other materials

Packaging Reduction

The Company eliminates unnecessary packaging to minimize material use and resource waste.

- For robot wooden crates, it optimizes box dimensions to reduce wood consumption and packaging weight without sacrificing safety or stability, thereby lowering transportation energy use.
- For 3C small robots, it substitutes cardboard boxes for wooden crates where carton strength meets shipping requirements, thereby cutting packaging material use.

Reusable Packaging

- The Company prioritizes recyclable materials and minimizes disposable packaging. It ensures that all packaging materials are safe, non-toxic, and easy to degrade or recycle.
- The Company also promotes recyclable, returnable containers for inter-plant transport of items such as drives and castings, replacing disposable packaging and significantly raising packaging recycling rates.

Pollution Prevention and Control

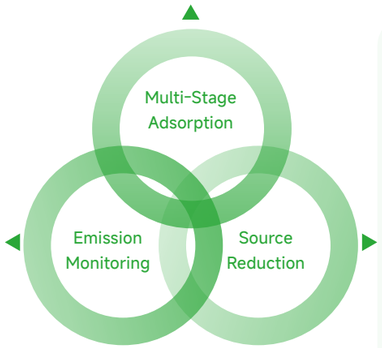
Estun strictly complies with national laws, regulations, and local environmental requirements. The Company has established the *Environmental Protection Management System* to govern exhaust gas, wastewater, and solid waste from production and operations. A dynamic management framework—combining real-time monitoring, regular assessment, and rigorous evaluation—is in place. The Company promotes cleaner production to cut emissions at the source and promotes internal material recycling within production processes. These efforts have made pollution reduction and prevention routine and sustainable, effectively fulfilling the Company's environmental responsibilities. During the reporting period, all wastewater, exhaust gas, and noise monitoring results met national standards, and the Company's operations had no significant impact on the environment or natural resources.

Exhaust Gas Management

Estun strictly follows the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and relevant national standards. Through standardized management and operation of exhaust treatment equipment, the Company minimizes emissions while ensuring compliance, actively protecting air quality. In line with the national *Action Plan for Continuous Improvement of Air Quality* and the target to reduce total nitrogen oxides emissions by 10%, the Company replaced burners in its industrial robot coating drying process with natural gas-fired low-nitrogen units, cutting NOx formation. In 2025, this change reduced nitrogen oxides emissions by over 40%.

The Company adopts a combined purification process consisting of a water curtain, filtration media, and two-stage activated carbon adsorption to effectively treat point-source exhaust gas from production lines, ensuring compliant emissions.

For point source emissions, the Company conducts real-time online monitoring in accordance with the *Emission Standard of Air Pollutants for Industrial Coating Processes* (DB32/4439-2022). For fugitive emissions, it performs monitoring every six months under the *Integrated Emission Standard of Air Pollutants* (DB32/4041-2021). To precisely control VOC emissions, the Company has installed online monitoring equipment for its coating lines, which is supported by weekly calibration and maintenance to ensure data accuracy and reliability.



- The Company promotes cleaner raw materials to prevent pollution at the source. At the Yanhu Road plant, it replaced the original cleaning agent with a VOC-free alternative, achieving zero VOC emissions. At the Shuige Road plant, the electronics workshop phased out solvent-based 802 board cleaner in favor of a water-based version, effectively reducing VOC emissions.
- For the coating workshop's natural gas drying process, the Company upgraded its equipment by replacing conventional burners with low-nitrogen models. This reduces thermal NOx formation at the source and significantly lowers harmful exhaust concentrations.

Exhaust Gas Emission Performance

Indicator	Unit	2023	2024	2025
Total exhaust gas emissions	10,000 m^3	26,013.71	20,642.28	23,379.034
Exhaust gas emission intensity	10,000 m^3 / RMB 1 million revenue	5.59	5.15	4.78
Non-methane total hydrocarbons (NMHC)	tonnes	0.35	0.38	0.89
Particulate matter (PM)	tonnes	0.41	0.16	0.27
Tin	tonnes	——	0.14	0.06
Nitrogen oxides (NOx)	kilograms	——	3.55	1.98

Wastewater Management

Estun strictly complies with the *Law of the People's Republic of China on Water Pollution Prevention and Control*. The Company has built robust internal management systems and standards, implementing systematic pollution control and resource reuse. While ensuring wastewater meets discharge standards, it consistently lowers pollutant discharge intensity and advances green development.

Segregated Treatment

Production wastewater undergoes a treatment sequence of equalization, demulsification, hydrolysis, and A/O biological treatment. Domestic sewage passes through grease traps and septic tanks. Semi-annual monitoring confirms that effluent quality meets the B-level standards of the *Wastewater Quality Standards for Discharge to Municipal Sewers* (GB/T 31962-2015).

Wastewater Reuse

Cleaning wastewater from machining is processed at the treatment station and then reused as make-up water for machine tool cutting fluids, substantially reducing factory wastewater discharge.

Wastewater Discharge Performance

Indicator	Unit	2023	2024	2025
Total wastewater discharge	tonnes	——	96,461	115,694.73
Wastewater discharge intensity	tonnes/RMB 1 million revenue	——	24.06	23.67
Chemical oxygen demand (COD)	tonnes	7.20	10.98	20.16
Ammonia nitrogen	tonnes	0.91	1.53	1.91
Suspended solids (SS)	tonnes	2.85	9.6	6.62
Total phosphorus	tonnes	0.08	0.19	0.25
Total nitrogen	tonnes	0.93	0.58	1.48
Animal and vegetable oils	tonnes	1.23	0.01	0.19
Petroleum	tonnes	——	0.05	0.04
5-day biochemical oxygen demand (BOD5)	tonnes	——	3.37	4.69
Anionic surfactants (LAS)	tonnes	——	0.04	0.02

Waste Management

Estun strictly complies with regulations including the *General Specification for Comprehensive Management of Solid Waste* and the *National Hazardous Waste Inventory*. The Company has built temporary hazardous waste storage facilities and established the *Hazardous Waste Standardized Inbound Process*, which defines storage and disposal procedures for each hazardous waste category. Qualified third-party units handle waste in accordance with the law, creating a closed-loop control system from generation and storage to transportation and disposal. The Company also uses the Jiangsu Provincial Solid Waste Management Information Platform for reporting, ensuring that data on waste generation and disposal remains accurate and traceable. During the reporting period, the Company further revised its *Environmental Protection Management System*, clarifying solid waste collection and disposal processes and continuing to promote standardized waste management.

Hazardous waste generation
140.52 tonnes

General solid waste generation
1,312.11 tonnes

Hazardous waste intensity
0.03
tonnes/RMB 1 million revenue

General solid waste intensity
0.27
tonnes/RMB 1 million revenue

Solid Waste Type	Solid Waste Source	Treatment Method
General Industrial Solid Waste	Primarily recyclable waste, including waste packaging materials, waste wood, metal scrap, cable scrap, and waste plastics.	Outsourced for reuse
Hazardous Waste	Waste drums (200L), waste oil, waste kerosene, and waste circuit boards.	Entrusted to qualified units for reuse
	Waste packaging containers, spent adsorption cotton, spent activated carbon, paint residue, waste resin, spent cleaning agents, cleaning waste liquid, sludge, etc.	Entrusted to qualified units for incineration
	Hydraulic cyclone wastewater*	Entrusted to qualified units for physical-chemical treatment

Note: Hydraulic cyclone wastewater is classified as hazardous waste (HW12) due to its toxic and harmful content and is not discharged into the plants' sewage network.

Solid Waste Segregated Disposal Performance (China Operations)

Indicator		Unit	2023	2024	2025
Hazardous Waste	Hazardous waste disposal volume	tonnes	97.44	136.46	120.72
	• Incineration	tonnes	92.57	114.29	105.17
	• Reuse	tonnes	4.87	22.17	15.55
	Hazardous waste utilization rate	%	5.00	16.25	12.88
General Solid Waste	General solid waste disposal volume	tonnes	2,217	1,716.15	899.83
	• Non-recyclable incineration	tonnes	1,219.35	1,098.34	186.08
	• Reuse	tonnes	997.65	617.81	713.75
	General solid waste utilization rate	%	45.00	36.00	79.32

Noise Management

Estun systematically controls noise pollution in accordance with the *Environmental Protection Management System*. The Equipment Management Department maintains and services production equipment to reduce noise generated by machinery. Workshops conduct daily inspections of general equipment. When abnormalities are detected, they investigate and address the cause immediately; in severe cases, they shut down equipment for repair. For major noise sources, such as dust extraction fans, air compressors, and fire pump systems, the Company implements focused monitoring and control, promptly applying sound insulation and noise reduction measures. Each year, Estun engages a qualified environmental monitoring agency to measure boundary noise, ensuring compliance with the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB 12348-2008).

Biodiversity Protection

Estun integrates environmental protection principles into all aspects of its business development. The Company explicitly requires that all new construction, renovation, and expansion projects undergo rigorous environmental impact assessments and comply with local environmental regulations throughout design, construction, and operation, demonstrating its commitment to a win-win outcome for enterprise development and ecological protection.

All of the Company's construction projects in Nanjing have completed environmental impact assessments and the "Three Simultaneities" acceptance process for environmental protection facilities (i.e., environmental protection facilities are designed, built, and operated alongside the main project). Assessments have confirmed that the environmentally sensitive areas surrounding these construction sites do not involve ecological protection red lines or ecological space control zones, including nature reserves, water source protection areas, wetlands, wildlife reserves, species protection areas, bird habitats, marine protected areas, national parks, or indigenous peoples' reserves.

4 Creating Shared Value and Advancing Together on a New Journey

Contributing to UN SDGs

Human Capital Development

Estun recognizes that outstanding enterprises pursue not only business success but also the important responsibility of fostering individual development and social progress. The Company cultivates an inclusive, empowering, and safe workplace. Through responsible employment practices, systematic capability-building programs, and comprehensive rights protection mechanisms, Estun helps employees realize their personal potential while achieving shared growth and mutual value creation.

Talent Attraction and Retention

Estun places its talent strategy at the core of corporate development. The Company has developed and implemented key talent management policies, including the *Organization Management System*, the *Personnel Management System*, the *Recruitment and Allocation Management System*, and the *Probation Management System*. By proactively planning talent pipelines, promoting employee growth through systematic training, and offering diverse incentives with clear career paths, Estun fully activates organizational vitality to build a solid talent foundation for long-term success.

Talent Recruitment

The Company builds a systematic, forward-looking talent pipeline aligned with its development goals and strategy. It conducts in-depth analyses of position requirements, particularly for key technical and senior management roles, and proactively plans talent deployment. Based on market trends, it forecasts hiring needs and establishes clear, transparent, and diversified recruitment policies with standardized processes covering every stage from job posting to onboarding. Taking into account local contexts, cultures, and job characteristics across different locations, the Company actively attracts suitable talent through multiple channels, including campus recruitment, industry job fairs, and internal referrals. Additionally, Estun has implemented a unified structured interview evaluation system that prioritizes candidates' long-term value and organizational fit, providing precise and efficient talent support for the Company's growth.

Total number of employees

3,261

Campus Recruitment

The Company deepens university-industry collaboration by building long-term strategic partnerships with leading universities in automation, computer science, mechanical engineering, and related fields. Through systematic campus outreach and dedicated presentations, the Company focuses on developing a talent pipeline for core positions. Campus recruitment efforts showcase Estun's history, culture, business landscape, and career development pathways, helping graduates understand the Company's prospects and their own growth opportunities.

Social Recruitment

The Company actively expands diverse recruitment channels, posting positions widely on mainstream platforms such as Zhaopin, 51job, Boss Zhipin, and Liepin. It also participates in industry forums, professional communities, and technical exhibitions to precisely reach and attract experienced professionals.

Internal Referrals

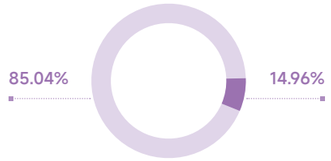
The Company has established an internal referral reward system to encourage employees to recommend outstanding talent, with rewards granted for successful referrals, effectively improving recruitment efficiency and talent-job alignment.

Employee Recruitment

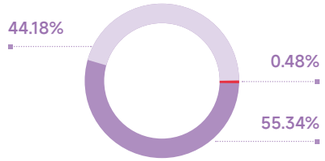
Newly recruited employees during the reporting period **421**

including **11** fresh graduates

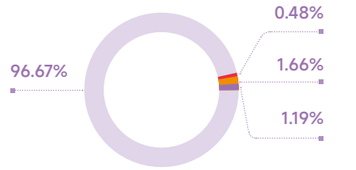
Newly recruited employees by gender



Newly recruited employees by age



Newly recruited employees by hierarchical level



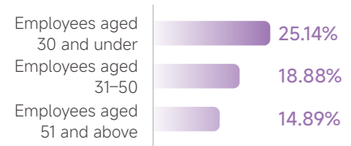
Employee turnover

Total employee turnover rate **20.89** %

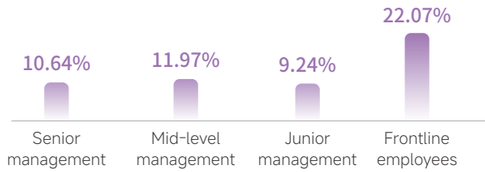
Voluntary turnover rate **14.33** %

Employee turnover rate by gender

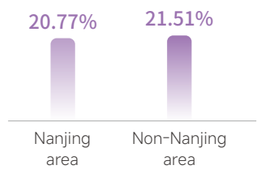
Employee turnover rate by age



Employee turnover rate by hierarchical level



Employee turnover rate by region



Note: 1. Data on newly recruited employees and employee turnover reflect China operations only.

Employee Development

Guided by the philosophy of talent-driven development, the Company established the Estun Academy. It has developed and implemented the *Training Management System* to systematically build a tiered and structured employee training framework. Leveraging the Estun Academy Online digital learning platform and integrating internal instructors with external experts, the Company comprehensively enhances employee competencies and qualities, consistently empowering organizational development and talent growth.

Training satisfaction score **91.15**

New employee orientation training

Leadership training

Employee Training System

Training Program	Content	2025 Progress
Leadership Training		
Transformation Program for Middle and Junior Management	The program is divided into four stages: team integration, planning for quick wins, influence enhancement, and operational alignment, assisting managers in successfully adapting to their new roles and responsibilities.	14 attendees
Leadership Program	The Company, in collaboration with external training providers, has developed a leadership development program to build a pipeline of mid- to senior-level management talent and cultivate a reserve of senior executives. The program is structured into five stages, including strengthening theoretical foundations, role cognition workshops, and diversified practical training.	20 attendees
General Competency Training		
Training for New Employees Hired through Social Recruitment	The program offers comprehensive training, covering an introduction to Estun (company overview, exhibition hall tour), corporate culture, human resources / finance / administrative systems and processes, product introduction, robot operation skills, safety knowledge, and occupational health, to help new employees integrate quickly.	Conducted 6 sessions for 405 new employees hired through social recruitment.
Professional Competency Training		
Super Engineer Program	The program covers product lines such as industrial robots, motion control, and sheet metal automation, aiming to build a versatile, highly skilled talent pool.	45 attendees passed certification assessments.
AR Robot Application Skills Enhancement Program	The program features courses custom-developed for sales personnel, covering industrial robot history, product features and functions, electrical control systems, mechanical structures, and robot operation and programming, to enhance understanding of product features, performance, and application technologies.	97 of 104 attendees passed assessments, with a pass rate of 93%.
AR Key Account Management Capability Enhancement Program	The program is divided into three stages: strategic foundation, value breakthrough, and ecosystem management, helping account managers develop capabilities to manage key accounts.	All 35 attendees passed assessments.
Business English Training	The program, developed with an external training provider, covers language skills, cross-cultural communication, and comprehensive international talent development, cultivating high-quality talent with a global perspective and cross-cultural abilities.	64 attendees
Department-Specific Professional Knowledge and Skills Training	Departments organize online and offline professional knowledge and skills training.	626 sessions were conducted, reaching 97.43% of employees, with an average of 43.79 training hours per employee.

Enhancing Online Training

The Company standardizes the operation of its Estun Academy Online digital learning platform in accordance with the *Estun Academy Online Operation Management Measures*, encouraging employees to make use of spare time for self-directed learning. During the reporting period, the Company systematically organized its knowledge base, redesigned the course catalog based on organizational structure and course categories, and categorized online courses to facilitate efficient learning. By the end of 2025, 626 training programs had been created. The platform follows an "uploader responsibility" principle, defining course upload specifications and review processes. Additionally, the Company improved departmental training oversight through project-based management, tracking training plan implementation in real time to further promote active learning and continuous development among employees.

Total online training attendances
29,137

Total online training hours
73,224.98

Online training coverage
97.79%

Average online training hours per employee
33.64

Online training coverage by gender

Male employees	97.51%
Female employees	98.85%

Average online training hours by gender

Male employees	45.91
Female employees	35.76

Online training coverage by age

Employees aged 30 and under	99.02%
Employees aged 31–50	97.10%
Employees aged 31–50	96.30%

Average online training hours by age

Employees aged 30 and under	49.62
Employees aged 31–50	40.71
Employees aged 51 and above	30.32

Online training coverage by hierarchical level

Senior management	100%
Mid-level management	98.98%
Junior management	96.12%
Frontline employees	97.76%

Average online training hours by hierarchical level

Senior management	7.05
Mid-level management	32.17
Junior management	35.13
Frontline employees	46.24

Note: Employee training data reflect China operations only.

Internal Trainer Development

The Company has developed the *Estun Instructor Management Measures*, establishing a systematic internal trainer management and incentive framework. By creating its own learning resources, the Company effectively promotes the accumulation and transfer of knowledge and skills across the organization. During the reporting period, the Company successfully conducted 4 sessions of Estun Light internal trainer empowerment training and certification, adding 40 newly certified courses.

Newly certified internal trainers	Total internal trainers
40	79

Estun Light internal trainer empowerment training and certification

Promotion and Incentives

Estun has established a closed-loop talent management system centered on standards, assessment, and development. Through systematic career pathways, a dynamic performance management mechanism, and a competitive incentive framework, the Company provides employees with clear, differentiated development paths and comprehensive growth support, motivating them to leverage their strengths while ensuring a consistent, stable pipeline of talent for key positions.

Clear Career Development Paths

Qualification Certification Process

The Company has established a management track (M series) and a professional track (P series). The *Position and Rank Management System*, the *Job Series Qualification Standards*, the *Cadre Selection Management System*, and the *Estun Super Engineer Management Measures* clearly define the qualifications required for employees in both tracks. Based on annual strategic goals, employee career development needs, and the Company's talent strategy, Estun builds and connects employee development paths, opening both horizontal and vertical advancement opportunities. Employees may choose their development path based on their interests, strengths, and capabilities. The Company organizes annual qualification certifications, Super Engineer certifications, and production skill level certifications. Using qualification requirements as a guide, it develops targeted training and development programs for various talent pools. This enhances employee competencies and professional skills, forming a systematic empowerment platform and talent development system that guides career development and helps employees realize their personal value. In 2025, 212 applications were submitted and pre-reviewed for qualification certification, with 138 passing (65% pass rate). For production skill level certification, 698 applications were submitted and pre-reviewed, with 94 passing (13.5% pass rate).

Talent Review

The Company conducts an annual talent review focused on high-performing, high-potential core employees. The review uses dual dimensions of performance and potential, employing the nine-box grid and other tools for talent classification to accurately identify future leaders and technical experts. Based on the results and development needs, the Company creates personalized development plans for key talent, ensuring that talent growth aligns with business needs.

Succession Planning

The Company implements a succession planning program for leadership roles, systematically strengthening the leadership pipeline and ensuring organizational vitality. For each key position, 1–2 "Ready-Now" successors and multiple potential candidates are identified. Their capability development is accelerated through a leadership program for reserve cadres.

Competitive Compensation System

Fair and Competitive Compensation

In accordance with the *Compensation Management Handbook*, the Company has established a comprehensive compensation framework covering fixed compensation, short-term incentives, and medium to long-term incentives. Estun adheres to the principle of fair pay, ensuring employees receive equitable compensation for their work and equal pay for equal work. Fixed compensation primarily focuses on key skills, including work experience, education, position, and market scarcity. Short-term incentives include on-the-spot rewards, special bonuses, and annual bonuses, closely linked to company, departmental, and individual performance. Medium to long-term incentives include honorary awards and equity incentives, primarily for core employees, aiming to align the interests of shareholders, the Company, and employees while retaining key talent. For non-sales functions, a security-based strategy is implemented, with a higher proportion of fixed income in the compensation structure to ensure alignment with work contributions.

Market-Aligned Compensation Levels

The Company is committed to maintaining the market competitiveness of its overall employee compensation. To this end, it monitors external salary levels and assesses internal salary adjustment ranges annually, ensuring that its compensation levels remain aligned with market dynamics.

Strengthening Performance Assessment and Incentives

Optimizing Performance Assessment

The Company has established a performance indicator library in accordance with the *Organizational Performance Management System* and the *Individual Performance Management System*. Focusing on company operations and strategic indicators, assessment indicators are designed around dimensions such as work performance, learning and growth, and values. Agile performance management methods are adopted, with quarterly monitoring and semi-annual or annual tiered, differentiated assessments. For R&D project personnel, project-based assessments are added; for cadres, indicators such as strategic initiatives and key tasks are included. Individual performance results are linked to organizational performance achievement status. During the reporting period, in addition to regular cyclical performance assessments for cadres, a new 360-degree assessment focused on integrity, breaking down silos, accountability, and efficiency was introduced. Through self-assessment and multi-dimensional feedback from supervisors, peers, business Financially Material Issue, and subordinates, the Company promotes comprehensive self-awareness among cadres, encourages open communication and accountability, and fosters mutual growth of the organization and individuals.

Strengthening Performance Communication

The Company has established smooth performance communication channels, actively collecting employee feedback and strengthening dialogue between superiors and subordinates on goal setting, performance results, and improvement coaching, ensuring that compensation incentives accurately reflect employee contributions. The *Individual Performance Management System* stipulates that employees may appeal performance results to the Group's Human Resources Department within three working days after the performance review meeting.

Improving Incentive Policies

The Company issued the *2025 Company Incentive Implementation Rules*, providing special incentives for core technical and key personnel. In 2025, based on departmental nominations and company approval, 135 individuals received such incentives. Additionally, in accordance with the *Employee External Professional Title Management Measures*, the Company supports employees in enhancing their professional qualifications. Employees who obtain intermediate or senior professional qualifications from the Human Resources and Social Security Bureau—and whose certificates are used for company project applications—receive corresponding cash rewards, along with related expense reimbursement policies to continuously stimulate employee enthusiasm for learning and innovation.

Implementing Equity Incentives

To encourage talent retention, the Company provides long-term incentives in the form of equity awards to core key employees annually. In 2025, participants in the employee stock ownership plan included the Company's directors (excluding independent directors), supervisors or senior executives, other senior management personnel, and mid-level management and core employees of the Company and its subsidiaries, with a total of no more than 200 individuals.

Employee Rights and Well-being

Estun embraces a corporate culture of people-centered management and respect for talent, placing strong emphasis on protecting employee rights. Through comprehensive labor management systems, open communication channels, and robust employee care and benefits programs, the Company cultivates an innovative, inclusive, equal, and respectful workplace, building harmonious labor relations.

Labor and Human Rights Management

Estun strictly complies with the *Company Law of the People's Republic of China*, the *Labor Law of the People's Republic of China*, and other applicable laws and regulations. The Company supports and respects the *ILO Declaration on Fundamental Principles and Rights at Work*, the *UN Guiding Principles on Business and Human Rights*, the *Universal Declaration of Human Rights*, and other relevant international frameworks. It strictly prohibits any conduct that infringes upon or violates human rights, ensuring that all employees are treated fairly and with dignity.

Social insurance coverage rate

100%

Labor contract signing rate

100%

Average annual paid leave days per employee

7

Number of employee discrimination or human rights violation incidents

0

Human Rights Policy Commitment and Management

The Company has developed and consistently improves policies such as the *Personnel Management System* and the *Employee Handbook*, and conducts regular training to standardize management across recruitment, termination, compensation, promotion, working hours, and leave, safeguarding employees' legitimate rights and interests. For outsourced production personnel, the Company signs *Talent (Labor) Dispatch Agreements* with outsourcing providers; for non-production labor dispatch personnel, it signs *Labor Dispatch Agreements* to protect the rights of dispatched workers.

The Company adheres to lawful employment practices. During recruitment and employment, it treats all employees equally, without discrimination based on gender, age, ethnicity, religion, or other characteristics, providing equal employment and development opportunities for every employee. The Company commits not to use or support any form of forced labor. Through standardized employment mechanisms, it comprehensively eliminates risks associated with modern slavery or labor practices, including debt bondage, prison labor, human trafficking, deposit requirements, confiscation of identity documents or property, restrictions on personal freedom, withholding or delaying wages and benefits, forced overtime, and restrictions on resignation, ensuring that all employment relationships are entered into voluntarily.

Human Rights Risk Mitigation and Improvement

The Company maintains a zero-tolerance policy toward any violation of human rights. It regularly conducts human rights due diligence to identify and assess major human rights risks, developing mitigation and remediation measures for employment-related compliance risks to protect employee rights.

Issues of Concern	Affected Groups	Mitigation and Remediation Measures
Prohibition of Forced Labor	All employees*	• Ensure that employees have the freedom to decide whether to enter into or terminate labor contracts. • Forecast and develop effective recruitment plans based on business development to hire and retain sufficient staff. • Strengthen employee communication to ensure all work is voluntary. • Use attendance systems to regularly analyze and audit working hours, implementing smart scheduling to arrange shifts and rest based on actual business needs.
Prohibition of Child Labor	Interns	• Clearly prohibit the employment of child labor in the *Personnel Management System* and the *Employee Handbook*. • Strictly verify the authenticity of applicants' identities during recruitment.
Anti-Discrimination and Anti-Harassment	All employees	• In the "Anti-Discrimination and Anti-Harassment" chapter of the *Employee Handbook*, the Company explicitly states that it strictly opposes workplace harassment, including but not limited to physical, psychological, sexual, or verbal harassment or abuse. All employees, regardless of race, culture, religion, color, gender, age, or disability, are entitled to equal opportunities and treatment. • Disciplinary actions for harassment are clearly defined. A Complaints and Reporting section is available on the employee forum, allowing anonymous reporting of discrimination or harassment incidents for investigation.
Working Hours and Leave	All employees	• In the "Attendance Cycle and Working Hours" chapter of the *Employee Handbook*, the Company specifies a standard work schedule of five days per week, eight hours per day, with flexible working hours available for some positions. In the "Leave Attendance and Offboarding Management" chapter, it defines working hour systems and overtime management standards, emphasizing that supervisors must reasonably manage overtime and not abuse their authority to force others to work. • The attendance system monitors working hours, automatically calculates overtime pay according to legal standards, and pays it in full monthly. • The attendance system automatically reminds employees of their annual leave balance. Annual leave may be carried over to the end of May of the following year, facilitating use during the Spring Festival period. In the "Leave Management" chapter of the *Employee Handbook*, it stipulates that wages remain unchanged during annual leave.
Protection of Female Employees	Female employees	• Prohibit discrimination or termination of employment based on pregnancy, maternity leave, or breastfeeding. Ensure equal pay and promotion opportunities for female employees. • Provide maternity leave, breastfeeding leave, social security benefits, and health protection. • Provide special rights and a safe, friendly working environment during pregnancy and breastfeeding. • Guarantee the right to return to the same or an equivalent position.
Freedom of Association and Collective Bargaining	All employees	• In the "Social Media" chapter of the *Employee Handbook*, the Company states that employees enjoy the legally provided rights to freedom of speech, belief, and association without fear of retaliation, intimidation, or harassment. It trusts and encourages every employee to be an ambassador for spreading company information and values. • The Company has established a workers' congress and a trade union organization. It convenes workers' congresses on a regular basis and invites employee representatives to participate in the review and decision-making of matters including company policies, compensation and benefits, health and safety, and social insurance.
Health and Safety	All employees	• Conduct regular inspections, risk assessments, and maintain accident reporting and feedback mechanisms to promptly address safety hazards. • Provide protective equipment and health checks, improving working conditions. • Promote a safety culture through regular safety and health training and occupational health checks. • Maintain agreements with partner medical institutions to provide annual health checkups and result interpretations, with follow-ups on abnormal findings.

*Note: "All employees" includes regular employees and dispatched workers.

Human Rights Complaints and Grievances

The Company maintains a zero-tolerance policy for violations of employee rights. It has established the *Estun Reporting Management System*, creating a complaint and grievance mechanism with designated reporting email addresses open to all employees. The system defines complaint handling procedures and whistleblower confidentiality requirements to ensure that issues are addressed promptly and fairly.

Benefits and Care

Estun is committed to building a comprehensive, multi-level employee care system. Beyond statutory and supplementary benefits, the Company has established a dedicated Love Fund, conducts regular employee care activities, and organizes diverse cultural and sports activities. These efforts focus on employee physical and mental health and work-life balance, consistently strengthening employees' sense of belonging, happiness, and cohesion.

Benefits Package

The Company maintains a multi-dimensional benefits policy as detailed in the *Employee Handbook*. The Handbook outlines various benefits and subsidy standards, including social insurance package, housing provident fund, accident insurance, holiday and paid leave benefits, employee activities, and care assistance, enhancing employee experience and well-being.

Statutory Benefits

Social insurance package, housing provident fund, statutory holidays and paid leave

Supplementary Benefits

- Flexible working hours, free working lunches, health checkups, Spring Festival and holiday benefits, birthday celebrations, employee activities, and care assistance.
- Depending on role, additional subsidies may include transportation, communication, and computer allowances.

Employee Care

The Company has established the Estun Love Fund, governed by the *Estun Love Fund Management Measures*, to provide financial assistance to employees facing hardship due to serious illness, accidental injury, or other difficulties, easing immediate burdens on employees and their families. Since its launch, the Fund has conducted 22 fundraising campaigns, raising RMB 681,400. Cumulative expenditures total RMB 110,000, supporting 6 employees in need. The Company also runs seasonal programs such as Summer Cooling and Winter Warming, along with visits to overseas-based employees, fostering a sense of collective care and support.

Balancing Work and Life

The Company enriches employee life through cultural and sports activities, including employee sports day, International Women's Day events, employee birthday celebrations, and craftsman culture month.

Employee Sports Day

International Women's Day event

Employee birthday celebration

Craftsman Culture Month

Diversity and Inclusion

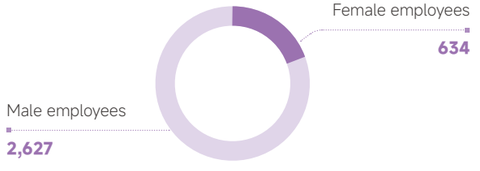
Estun believes that mutual respect, understanding, and open communication unlock the full potential and innovative capacity of its teams. The Company upholds diversity and inclusion as core values, committed to building a diverse, inclusive, and open workplace. It provides strong support and development platforms for every employee, harnessing diverse strengths to drive sustainable growth.

Ethnic minority employees proportion among employees of Chinese nationality

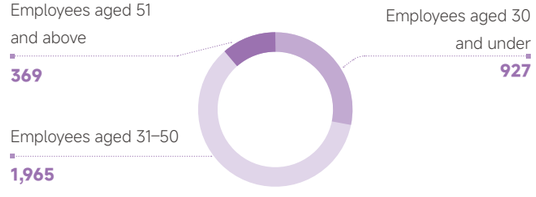
1.6%

Diverse Workforce Composition

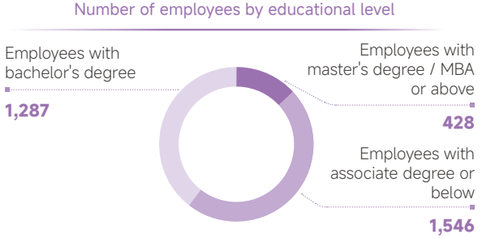
Number of employees by gender



Number of employees by age

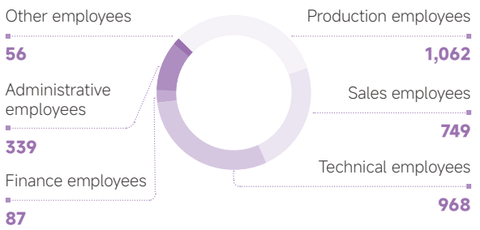


Number of employees by educational level

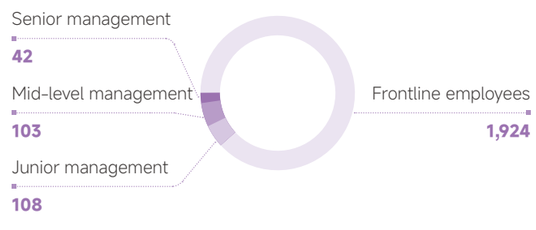


Number of employees by region

Number of employees by job function



Number of Chinese employees by hierarchical level



Fostering a Diverse and Inclusive Culture

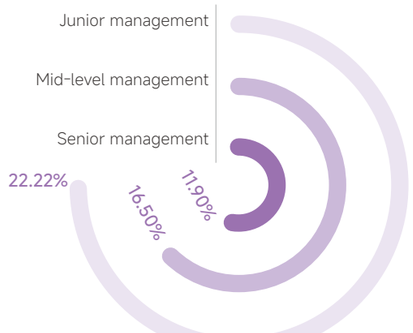
The Company integrates diversity and inclusion into daily operations and management. It attracts outstanding talent from varied backgrounds through open, flexible policies and fair, objective standards. The Company ensures fairness and equity in compensation and incentives, training and development, and promotion and selection processes, actively building and continuously cultivating a diverse workforce and fostering an atmosphere of diversity, equality, and inclusion.

Supporting Female Employee Development

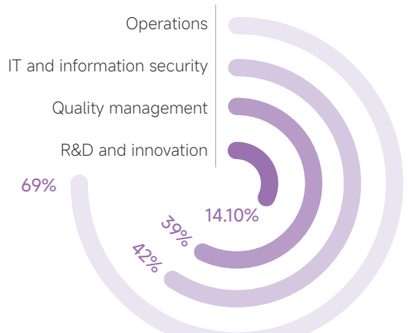
In the *Employee Handbook* and the *Compensation System Handbook*, the Company specifies that eligible female employees are entitled to prenatal check-up leave, maternity leave, breastfeeding leave, International Women's Day leave, and paid leave for parent-teacher conferences. Breastfeeding leave may be accumulated flexibly within the month, safeguarding women's rights.

Proportion of female employees among new hires in China	Proportion of women in new technical hires	Proportion of women in management roles within revenue-generating functions	Proportion of women in STEM-related positions
14.96%	**8%**	**7.5%**	**27.67%**

Proportion of female employees in management roles



Proportion of female employees in STEM roles



Note: Data on proportion of female employees reflect China operations only.

Open Communication

Estun values and actively listens to employee voices. The Company has established multi-level, regular internal communication platforms to ensure that employee concerns are promptly heard and addressed. It also encourages every employee to take ownership by offering reasonable suggestions, driving continuous improvement and the Company's healthy development.

Convening Workers' Congresses

The Company has implemented a workers' congress system in accordance with the *Estun Workers' Congress Management Measures*. Through regular meetings, the system ensures employees' rights to information, participation, and oversight on important company matters. In 2025, the Company added 17 employee representatives, bringing the total to 198 by year-end. During the reporting period, the Company held two workers' congresses, where representatives heard, reviewed, and voted on amendments to the *Employee Handbook*, the *Compensation Management Handbook*, and the *Individual Performance Management System*. Representatives also completed the election of the employee director to the Board.

Workers' Congress

Providing Employee Communication Channels

Online, the Company provides channels including the "Me and Estun" module on the EHR system, enterprise WeChat, email, and phone for employees to voice opinions, complaints, and suggestions in real time and receive timely follow-up. Offline, it holds regular employee meetings and forums to establish ongoing face-to-face communication and feedback platforms. After receiving employee complaints and suggestions, the President's Office, Administration Department, Human Resources Department, and Audit Department jointly handle them by breaking down the issues and providing responses, ensuring a safe and reliable feedback and appeal process that effectively encourages employees to speak up.

Conducting Employee Satisfaction Surveys

The Company conducts an annual online anonymous employee satisfaction survey covering two core dimensions: administrative satisfaction and satisfaction with the Estun Academy. The administrative survey focuses on daily canteen management, work professionalism, employee activities and benefits, service awareness and attitude, coordination and cooperation, and suggestions. The Estun Academy survey covers Estun Academy Online platform management, timeliness of training responses, professionalism of training organization, and suggestions. Through long-term tracking and in-depth analysis of survey results, the Company comprehensively understands employee needs and opinions, widely solicits feedback, analyzes root causes, and promptly adjusts management strategies to continuously improve overall satisfaction.

Trade union membership rate	Employee suggestions received	of which	Employee satisfaction score
100%	**333**	**113** were adopted and implemented	**88.78**

Occupational Health and Safety

Estun regards workplace safety as the foundation of its operations and growth. The Company strictly complies with national laws and regulations, including the *Law of the People's Republic of China on Work Safety*, the *Fire Protection Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. Guided by the ISO 45001 Occupational Health and Safety Management System framework and the principle of "safety first, prevention-oriented, and comprehensive governance," Estun has built and consistently improves a systematic, scientific, and efficient management mechanism. These efforts comprehensively enhance employee safety awareness and build a strong defense line for the Company's sustainable development.

Safety Management System

Management Structure and Responsibilities

The Group has established a Work Safety Committee, with the CEO serving as its director. The Committee oversees the Group's work safety strategy, objectives, and performance, and reviews and decides on significant work safety matters. Estun Automation Co., Ltd. and Estun Robot Engineering Co., Ltd. have each established their own Work Safety Committees and safety management departments, implementing a responsibility system for work safety at all levels.

Improving Management Systems

The Company has formulated and implemented policies including the *Work Safety Responsibility System*, the *Production Safety Accident Management System*, and the *Hazardous Operation Safety Management Regulations*. These policies apply to all employees, as well as outsourced production personnel working on company premises. In 2025, the Company focused on revising two core policies, which were formally issued and implemented after approval by the General Manager: the original *Production Safety Accident Management System* was revised to the EHS Accident Management System, further clarifying accident and incident classification criteria, reporting procedures, investigation report timelines, and penalty standards; the original *Work Safety Rewards and Penalties System* was revised to the *EHS Rewards and Penalties System*, adding new provisions related to safety management rewards and performance deductions.

Contractor Safety Management

The Company defines responsibilities for both parties through contractor safety management agreements and manages contractors based on the nature of their cooperation. Long-term partners—such as security, cleaning, catering, and long-term equipment maintenance providers—are integrated into the Company's safety management system, undergoing rigorous qualification reviews, agreement signing, safety training, and ongoing supervision. Short-term partners—such as visitors and minor repair suppliers—receive safety briefings and safety permits as needed.

Clarifying Management Objectives

The Company implements health and safety responsibilities across all levels. All departments signed the 2025 *Safety, Environmental, and Occupational Health Target Responsibility Agreement*, breaking down safety management targets into departmental objectives. A regular review and evaluation mechanism tracks management effectiveness, and target achievement status is directly linked to management performance.

Occupational Health and Safety Targets	Decomposed Indicators	Achievement Status
Zero major or above casualties	Zero major casualty accidents	All targets achieved
	Zero major fire accidents	
	Zero electric shock accidents	
	Zero large-scale infectious disease outbreaks and acute poisoning incidents	
Zero occupational disease incidents	No occupational disease cases found in medical examinations	

Estun's ISO 45001 Occupational Health and Safety Management System Certificate

Safety Risk Prevention and Control

Risk Identification and Hazard Inspection

The Company organized departments, branches, and subsidiaries to conduct hazard identification and risk assessment. In accordance with the *Jiangsu Province Catalog of Major and Above Work Safety Risks for Metallurgical and Other Industrial Enterprises (Revised Edition)*, several major risks—including rooftop PV power station operation, loading and unloading in warehouse receiving areas, and lifting operations in production workshops—were newly identified and placed under tiered controls. Additionally, through 12 comprehensive monthly safety inspections conducted during the year, a total of 603 hazards were identified. With the exception of a few requiring procurement of spare parts or pending repairs, all hazards have been rectified, forming a closed-loop management system that covers identification, assessment, control, and remediation.

Employee Proactive Reporting and Incentives

The Company encourages employees to report safety risks through channels such as enterprise WeChat and QR codes. The EHS Management Department follows a structured process: receiving, assessing, and classifying reports; investigating and identifying responsible departments; requiring rectification within a specified period; and tracking issues through to closure. The Company strictly protects whistleblower confidentiality and provides positive incentives. Senior leaders publicly support the program, actively fostering a "safety for everyone" culture. In 2025, employees reported 53 valid hazards, all of which were rectified. 40 employees received safety hazard identification incentives, with total bonuses and prizes of approximately RMB 4,400, effectively mobilizing employee participation in safety risk prevention and control.

Strengthening Equipment Risk Management

The Company implemented a three-month Equipment Intrinsic Safety Special Work Plan, systematically identifying 145 equipment risks across three phases. Rectification plans were developed for each risk, with long-term monitoring in place. For special equipment, technological upgrades were completed for its own forklifts, adding driver intelligent access management, intelligent seatbelt management, and front and rear pedestrian collision avoidance alerts. Since implementation in August, these upgrades have significantly improved equipment usage safety and effectively prevented production accidents.

Work safety investment
RMB **703.6** million

Work-related fatalities (including dispatched workers)
0

Lost workdays due to work-related injuries
0

Work-related injury rate
0%

Lost time injury frequency rate (LTIFR)
0

Contractor LTIFR
0

Enhancing Safety Awareness and Capabilities

Safety Awareness Promotion

The Company conducted Leader Safety Commitment activities, encouraging company executives, production managers, and frontline employees to record safety commitment videos, advocating safety practices within their departments and across the Company.

Safety Capability Training

The Company invited industry experts to conduct specialized training on the *Law of the People's Republic of China on Work Safety*, strengthening management's legal responsibility and red-line awareness. Instructors from the Red Cross were invited to organize first responder training, disseminating emergency rescue knowledge.

Safety Emergency Drills

The Company conducted comprehensive safety emergency drills covering key aspects such as initial fire suppression, personnel evacuation, casualty rescue, and hands-on fire extinguisher practice to enhance the ability to respond to emergencies.


First responder training


Safety emergency drill

Health and safety training coverage rate
100%

Total health and safety training sessions
22

Emergency drills conducted
3

Total attendances in health and safety training
2,561

Average health and safety training hours per employee
3.81

with
1,000 attendances

Note: Safety training and emergency drill data reflect China operations only.

Protecting Employee Health

The Company has formulated and implemented the *Occupational Health Management System*, establishing a responsibility system for occupational disease prevention. Through regular occupational hazard monitoring and assessment, it prevents occupational health risks at the source.The Company implements the *Labor Protection Equipment Safety Management Regulations* and provides employees with appropriate and effective personal protective equipment. It organizes pre-employment, in-service, and exit occupational health examinations for employees exposed to occupational hazards, preventing risks before employment and controlling risks during employment, thereby comprehensively safeguarding employee occupational health and safety.

Occupational disease incidence rate
0%

Employees undergoing occupational health examinations
157

Occupational health examination coverage rate
100%

Certification rate for special operations personnel
100%

Work-related injury insurance contributions
RMB **2.72** million

Work-related injury insurance coverage rate
100%

Note: Occupational health data reflect China operations only.

Sustainable Supply Chain

Estun upholds a procurement philosophy centered on three pillars: ensuring supply security as the baseline, building the industrial ecosystem for value, and fostering high-quality strategic ecosystem partnerships. The Company strictly complies with national laws and regulations, including the *Bidding Law of the People's Republic of China* and its implementing regulations. It is committed to building long-term, stable, and mutually beneficial relationships with suppliers and partners to jointly develop a responsible and sustainable supply chain.

Governance

The Company has established a Procurement Committee, operating under the *Procurement Committee Operation Management System*. The Committee is responsible for decisions on key business rules, major, special, or high-risk procurement matters, and other procurement activities with significant impact on the Group. At the execution level, the Integrated Supply Chain organization comprises the Supply Chain Operations Management Department, the Strategic Procurement Department, the Planning and Logistics Center, and the Manufacturing Center. The Strategic Procurement Department's core responsibilities include supplier development and management, procurement cost control, product line operational support, and process optimization.

The Company has established and continuously improved relevant management systems, including the *Strategic Supplier Management Process*, the *Production Material Supplier Management Process*, the *Non-Production Material Supplier Management System*, the *Production Material Procurement Management Process*, the *Production Material Supplier Performance Management Measures*, and the *Supplier Construction Environment, Occupational Health and Safety Agreement*. During the reporting period, the Company revised several key systems. Key updates include: (1) updating supplier performance evaluation indicators by increasing the weight of on-time delivery and customer complaints; (2) refining the supplier management process by adding definitions for strategic suppliers, material classification and grading, and on-site audit timeliness requirements; and (3) optimizing management processes for outsourced processing, mold development, and strategic suppliers, enhancing standardization and efficiency through digital approvals and updated core item lists.

Strategy and Management Approach

Supported by systems and processes, empowered by digital tools, and focused on continuous improvement, the Company is dedicated to building a transparent, reliable, and sustainable supply chain. These efforts ensure supply security and efficiency while supporting the Company's long-term, stable development.

Supply Chain Resilience

To enhance supply chain resilience and security, Estun has developed the *Risk-Based Material Shortage Early Warning Management System*. Using factors such as supplier geographical distribution and material delivery status, the Company identifies, assesses, manages, and monitors supply chain risks, including potential supply disruptions, price increases, ESG risks, and unexpected events. Risk levels are assigned, and targeted remedial or alternative measures are implemented accordingly, building a diversified supply chain system with differentiated procurement strategies. In 2025, the Company's raw material supply remained stable, with no production disruptions due to material shortages.

Risk Type	Risk Description	Response Measures
Supply Disruption Risk	Risk of supply chain interruption or continuity disruption due to external events such as geopolitical changes, international trade policy uncertainty, and extreme weather.	• Supplier Diversification: The Company has formed a Supply Risk Elimination Group to regularly review sole-sourced and high-risk materials within the Group, develop solutions, and track progress weekly to reduce supply risks. For key materials with no alternative sources due to market monopolies, it proactively develops strategic relationships to secure supplier support. • Inventory Pre-Management: Based on the Material Planning Strategy Management Measures, the Company strengthens demand forecasting and dynamically sets safety stock levels and supplier stocking strategies. Factors considered include supplier category, preference model, material lead time, cooperation level, and risk level. This ensures efficient, orderly material management, rapid response to supply needs, and improved inventory turnover, proactively avoiding risks to enhance product market competitiveness. • Alternative Sourcing: For imported materials (e.g., electronic components), the Company actively researches domestic alternatives to reduce supply and price risks caused by changes in international trade policies. • Regional Deployment: The Company is establishing overseas production bases in countries such as Poland to optimize global production capacity and strengthen local service capabilities in different regions.
Price Fluctuation Risk	Fluctuations in key raw material market prices, along with cost and capital pressures arising from changes in market demand (e.g., weak overseas demand) and the need to fulfill customer orders.	• Material Standardization Management: The Procurement Center and R&D team have formed a dedicated normalization group to address material standardization issues. They unify main and alternative material codes, with procurement shares subsequently allocated based on factors such as supply risk and price. • Long-Term Partnerships: The Company signs long-term framework agreements with high-quality suppliers, clearly defining price adjustment mechanisms and force majeure clauses. • Financial Risk Assessment: For bulk raw materials (e.g., copper and aluminum) subject to frequent price fluctuations due to spot market characteristics, the Company evaluates not only suppliers' supply and quality capabilities but also their financial stability. Financial risk assessment serves as a key criterion, guiding appropriate procurement strategies based on the specific circumstances of both sides.
ESG and Compliance Risk	Supply chain performance in areas such as environmental responsibility, labor rights protection, and business ethics faces increasing scrutiny from investors and customers, creating significant compliance and social responsibility risks.	• Risk Assessment and Dispute Resolution: The Company extends risk assessment to all key suppliers, as well as non-key suppliers operating in high-ESG-risk industries or regions. For any confirmed material ESG violations, it will terminate cooperation. • Strengthening On-Site Audits: The Company conducts on-site supplier audits, with particular focus on ESG-related risks, to avoid supply chain disruptions arising from ESG issues.

Supplier Management

The Company has built a full lifecycle management system covering supplier onboarding, evaluation, tiering, and exit. Leveraging digital tools and regular audit mechanisms, it systematically enhances supply chain transparency, responsiveness, and risk resilience. The Company also actively promotes supplier capability building through targeted empowerment programs, committed to developing a sustainable supply chain ecosystem characterized by collaborative growth and continuous improvement.

Full Lifecycle Management

Supplier Onboarding

- Evaluate whether to introduce new suppliers based on the *Supplier Development Application Form* and the *New Supplier Survey Form*.
- Require suppliers to complete and sign four key Estun agreements: the *Quality Agreement*, the *General Purchasing Framework Agreement*, the *Confidentiality Agreement*, and the *Supplier Commitment Letter*.
- Implement enhanced on-site audit timeliness requirements, mandating that audits be coordinated within five days of supplier development application approval and that audit completion and result delivery occur within seven days (with the audit team led by SQE and comprising procurement and technical personnel). Revise the trial production evaluation cycle, requiring that trial production evaluation be completed within one to three months based on material classification after sample verification passes, and that materials be moved to the approved stage only if no major quality or delivery issues arise.

Performance Evaluation

- Conduct monthly supplier performance evaluations based on quality, delivery, technology, service, and cost, following the *Supplier Performance Evaluation and Elimination Management Measures*, and document the results.

Tiered Management

- Classify suppliers into four categories (A, B, C, D) based on performance ratings. Consider suppliers rated A for six or more consecutive months for strategic partnerships. Engage in normal cooperation with Category B suppliers. Apply improvement support or elimination measures to Categories C and D suppliers.

Elimination and Replacement

- File a *Supplier Elimination Recommendation Form* for suppliers rated no higher than C for two consecutive months, and communicate the elimination plan to relevant departments.
- Place suppliers rated D for two consecutive months on the elimination plan through the Procurement Department, and initiate elimination activities.
- Reduce supply share for suppliers on the elimination plan during the three-month elimination period.
- Discontinue procurement for suppliers whose products have market quality issues and who refuse to resolve them, and pursue liability and compensation for losses.

Supply Chain Audits

In accordance with the *Supplier Audit Management Measures*, the Company regularly conducts new supplier audits, mass production supplier process audits, and unannounced audits. Based on supplier performance, an *Annual Supplier Process Audit Plan* is developed. On-site audits focus on product development, incoming inspection, process control, customer service, and compliance commitments. Audit reports and conclusions are issued, with pass criteria requiring scores of no less than 75% for key categories and no less than 60% for general categories. The Company requires suppliers to implement corrective actions for identified weaknesses, tracks progress, and provides system, quality, and technical guidance as needed to ensure timely resolution, promoting continuous supplier improvement.

Digital Management

In procurement, the Company uses digital tools to empower supply chain management. The SRM system provides visualized control over supplier orders and forecasts, enabling real-time identification of delivery and capacity bottlenecks. This improves supply chain responsiveness, standardizes operating procedures, and effectively reduces procurement costs.

Supplier Empowerment

To improve supplier quality management, the Company organizes specialized technical and management working groups to carry out quality improvement initiatives for suppliers whose PPM failure rates do not meet targets or whose quality processes are unstable. By providing technical support and implementing improvement measures alongside suppliers, the Company effectively ensures supply chain product quality while systematically enhancing suppliers' quality management capabilities.

Responsible Procurement

Estun adheres to responsible procurement principles. The Company has developed and implemented the *Partner Code of Conduct* and requires all suppliers to sign the *Supplier Commitment Letter*, clearly requiring them to consider the direct and indirect social impacts of their business activities. Suppliers must formally commit to standards covering anti-child labor, anti-forced labor, safety and health, wages and benefits, working hours, anti-discrimination, fair treatment, freedom of association, ethical conduct, environmental management, anti-corruption, conflict of interest, and anti-unfair competition, with clear liability provisions and remedies for breaches.

Hazardous Substance and Chemical Management

The Company systematically manages hazardous substances and chemicals. It strictly reviews material compositions and requires suppliers of chemicals, materials, and components to provide complete compliance documentation and traceability reports. Green cooperation agreements are also signed with these suppliers, clearly defining mutual environmental responsibilities and obligations, thereby minimizing the impact of raw material use on health, safety, and the environment.

Conflict Minerals Management

The Company strictly enforces conflict minerals management in procurement, committing not to purchase tantalum, tin, tungsten, gold, cobalt, or their derivatives from conflict-affected and high-risk areas. It ensures supply chain compliance and transparency by requiring suppliers to comply with relevant provisions of the *Dodd-Frank Act* and disclose the origin of the minerals they use. In 2025, the Company found no evidence of suppliers using conflict minerals.

Promoting Green Procurement

The Company advances a green procurement policy, prioritizing suppliers that use renewable energy and practice waste minimization. It prioritizes the purchase of green materials and has replaced all metal cleaning agents with water-based alternatives and all robotic painting processes to water-based paint, reducing the environmental impact of procurement activities. Additionally, all suppliers must sign the *Supplier Commitment Letter*, which includes environmental protection clauses. A professional EHS team oversees environmental, safety, and health management, ensuring comprehensive implementation of green procurement.

Equal Treatment of SMEs

Through standardized systems and transparent procurement processes, the Company equally protects the legitimate rights and interests of SME suppliers. In daily cooperation, it strictly adheres to framework agreements signed with suppliers, ensuring their payment and receivable rights are protected. By requiring all suppliers to sign the *Supplier Commitment Letter* and continuously promoting a culture of transparent procurement, the Company effectively safeguards suppliers' legal and compliant rights. In 2025, the Company had no overdue payments to SMEs.

Impact, Risk and Opportunity Management

To effectively address supply chain challenges, the Company has established a supply chain risk management mechanism covering risk identification, assessment, and control. Through internal assessments, industry analysis, and external advice, it systematically identifies, analyzes, and evaluates major supply chain risks, developing targeted response measures to ensure supply stability. The Company also encourages and standardizes internal reporting of early warning information; any employee may report risks through dedicated channels. Additionally, the Company explores digital early warning tools—such as using AI to scan public information for supply chain disruption risks—enhancing the forward-looking nature of its early warnings.

Indicators and Targets

The Company fully integrates the ESG indicator system into its supply chain management framework to consistently improve related performance. This approach systematically enhances the level and transparency of supply chain management.

Indicator		Unit	2025
Total number of suppliers		/	452
Number of suppliers by tier	Tier 1 suppliers	/	452
	Non-tier 1 suppliers	/	0
Number of suppliers by region	Chinese suppliers (including suppliers from Hong Kong, Macao, and Taiwan)	/	445
	Overseas suppliers	/	7

Suppliers certified under quality management systems
372

Suppliers certified under environmental management systems
220

Suppliers certified under occupational health and safety management systems
294

Supplier integrity commitment signing rate
100%

Shared Social Development

Total charitable donations
RMB **661,500**

Consumer assistance special procurement
RMB **281,900**

Employee volunteer team members
38

Total employee volunteer service hours
130

Deepening Industry-Education Integration

As a pioneer in intelligent manufacturing, Estun has always taken "technology leading industry and education empowering the future" as its mission. The Company actively collaborates with universities to build platforms for industry-education integration. Through initiatives such as "Engineers on Campus," corporate practice bases, and joint training by academic and industry instructors, Estun has fostered a diversified "robotics + education" ecosystem. In doing so, it transforms the Company's technological strengths into educational resources and converts universities' research capabilities into industrial momentum, thereby supporting industrial upgrading and economic development.

Case Industry-Education Integration Technology Service Center Boosts Regional High-Quality Development

In February 2025, Estun officially inaugurated the Intelligent Manufacturing Industry-Education Integration Technology Service Center at the Chengdu Industry & Trade College's industrial robot training base. The center's establishment marks a further step in Estun's deep commitment to education. By integrating university and corporate resources, the center creates an innovation platform that combines technology R&D, commercialization of outcomes, talent development, and industrial services, supporting high-quality development of the regional manufacturing industry.

the Intelligent Manufacturing Industry-Education Integration Technology Service Center

Case University Partnerships Build Industry-Academia-Research Integration Bases

In March 2025, Estun officially launched the Estun Education Ecosystem and University Plan Co-creation Service Center. Subsequently, the Company signed a strategic cooperation agreement with Nanjing Vocational University of Industry Technology to establish the Co-creation Service Center. This partnership promotes deep collaboration in technology R&D, talent cultivation, and outcome translation. The goal is to integrate Estun's advanced technology and practical experience into university teaching, cultivating high-quality skilled talent that meets industrial development needs and achieving synergy between vocational education and industrial growth.

Signing of the Co-creation Service Center Strategic Cooperation Agreement with Nanjing University of Industry Technology

The 2nd Estun Cup College Students' Robot Competition was recognized as a

provincial-level competition

and included in the provincial education system's

2025 Provincial Competition List for Undergraduate and College Students at Regular Higher Education Institutions.

Community Engagement and Charity

Estun actively supports the national rural revitalization strategy and upholds the volunteer spirit of dedication, friendship, mutual assistance, and progress. The Company has developed and implemented the *Corporate and Community Relations Management System* and conducts various charitable and volunteer activities, promoting the sustainable development of both the Company and its communities.

Supporting Rural Revitalization

The Company fulfills its social responsibilities through consumer assistance initiatives. It procures high-quality specialty agricultural products from rural areas, such as apples from Baishui County, Shaanxi Province, and navel oranges from Ganzhou City. These efforts help farmers expand sales channels and increase income, effectively translating corporate procurement into tangible support for rural revitalization.

Contributing to Public Welfare

The Company is committed to fostering positive corporate-community relationships and actively fulfilling its social responsibilities. During the reporting period, it donated 330 gift packages, valued at approximately RMB 8,000, to the Guli Subdistrict Minors' Welfare Center in Jiangning District, Nanjing, bringing warmth to disadvantaged children in the community. Additionally, the Company donated a Rubik's Cube Robot and Five-in-a-Row Robot, valued at approximately RMB 80,000, to the Nanjing Science and Technology Museum, making a positive contribution to enhancing public scientific literacy.

Estun donates supplies to Minors' Welfare Center

Offering Volunteer Services

The Company regulates the management of its volunteer service team through a comprehensive *Volunteer Service Team Charter,* ensuring the orderly conduct of volunteer activities. During the reporting period, the Estun Volunteer Team carefully planned and executed the Robot Exploration Journey public science education program, visiting multiple summer care centers in Jiangning District. Through engaging and lively science sessions, the program cultivated a sense of technological curiosity and wonder among the children.



Estun Volunteer Team conducts "Robot Exploration Journey" public science education program

About This Report

This is the fifth Environmental, Social and Governance (ESG) report publicly released by Estun Automation Co., Ltd. It aims to inform Financially Material Issue of the Company's practices and accomplishments in economic, social, and environmental aspects. Meanwhile, the Company also seeks oversight from Financially Material Issue to enhance its ESG management practices more effectively.

Reporting Scope

Organizational Scope: The scope of this report aligns with that of the annual consolidated financial statements of the Company.
Time Range: This report covers the period from January 1, 2025, to December 31, 2025.
Reporting Period: This report is an annual report.

Definition of Terms

Abbreviation in the Report	Definition of Terms
Estun, the Group, the Company, we	Estun Automation Co., Ltd.
CLOOS	Carl Cloos Schweißtechnik GmbH
TRIO	Trio Motion Technology Ltd
M.A.i.	M.A.I GMBH & CO.KG

Reporting Principles

- The *GRI Standards* by the Global Sustainability Standards Board.
- The United Nations Sustainable Development Goals (SDGs).
- *ISO 26000: 2010-Guidance on Social Responsibility by* the International Organization for Standardization.
- The *national standard Guidance on Social Responsibility Reporting* (GB/T36001-2015) by Standardization Administration of China.
- The *Shenzhen Stock Exchange Guideline No.17 on Self-Regulation for Listed Companies—Sustainability Reporting (Trial), the Shenzhen Stock Exchange Guideline No.3 on Self-Regulation for Listed Companies—Preparation of Sustainability Reports (Revised 2026).*
- *Environmental, Social and Governance Reporting Code* by the Hong Kong Stock Exchange.

Source of Information

The operational and management data disclosed in this report are as of December 31, 2025. The data and cases presented in this report are all derived from original operational records or financial statements of Estun and its subsidiaries. Unless otherwise specified, all monetary amounts mentioned in this report are measured in RMB. In the event of discrepancies with the financial statements, the financial statements shall prevail.

Preparation Process

Develop the preparation plan → Assemble the drafting team → Identify Financially Material Issue and significant issues → Determine the reporting framework → Write, revise, and refine the report → Report review → Report publication → Collect feedback for continuous improvement.

Assurance of Accuracy

The Company assures that there are no false records, misleading statements, or significant omissions in the contents of this report, and is responsible for its truthfulness, accuracy, and completeness.

Report Availability

This report is available in both Simplified Chinese and English on the official website of the Shenzhen Stock Exchange (http://www.szse.cn), CNINFO (http://www.cninfo.com.cn), and the official website of Estun Automation Co., Ltd. (http://www.estun.com). It is also available in both Traditional Chinese and English on the website of the Hong Kong Stock Exchange (http://www.hkexnews.hk). In the event of any conflict or discrepancy in interpretation among the three language versions, the Simplified Chinese version shall prevail.

For a hard copy of the report, please email zqb@estun.com or contact us at 025-52785597.

(To minimize environmental impact, we recommend choosing the digital version of the report. We appreciate your cooperation!)

Key Performance Table

Environmental Indicators

Indicator		Unit	2023	2024	2025
Environmental Management	Environmental protection investment	million RMB	1.93	1.72	1.98
	Environmental pollution incidents	/	0	0	0
Energy Management	Natural gas	cubic meters (m^3)	392,466.02	396,673.24	411,416.00
	Gasoline	tonnes	18.69	24.27	22.18
	Diesel	tonnes	26.90	63.18	33.63
	Heating oil	tonnes	/	/	36.55
	Purchased electricity	million kWh	16.17	17.30	16.61
	Self-built photovoltaic power generation	million kWh	1.48	3.45	4.13
	Total comprehensive energy consumption[1]	tonnes of standard coal equivalent	2,757.85	3,204.60	3,229.08
	Comprehensive energy consumption intensity	tonnes of standard coal equivalent/ RMB 1 million revenue	0.59	0.80	0.66
Greenhouse Gas Emissions[2]	Direct GHG emissions (Scope 1)	tonnes of CO_2 equivalent	842.00	882.05	1,141.76
	Indirect GHG emissions (Scope 2)	tonnes of CO_2 equivalent	8,721.85	8,994.82	8,547.69
	Total GHG emissions	tonnes of CO_2 equivalent	9,563.85	9,876.87	9,689.45
	GHG emission intensity	tonnes of CO_2 equivalent/ RMB 1 million revenue	2.06	2.46	1.98
Water Resource Management	Total water withdrawal	tonnes	177,681.00	136,176.00	158,375.64
	Water withdrawal intensity	tonnes/RMB 1 million revenue	38.19	33.97	32.40
Wastewater Management	Total wastewater discharge	tonnes	/	96,461	115,694.73
	Wastewater discharge intensity	tonnes/RMB 1 million revenue	/	24.06	23.67
	Chemical oxygen demand (COD)	tonnes	7.20	10.98	20.16
	Ammonia nitrogen	tonnes	0.91	1.53	1.91
	Suspended solids (SS)	tonnes	2.85	9.6	6.62
	Total phosphorus	tonnes	0.08	0.19	0.25
	Total nitrogen	tonnes	0.93	0.58	1.48
	Animal and vegetable oils	tonnes	1.23	0.01	0.19
	Petroleum	tonnes	/	0.05	0.04
	5-day biochemical oxygen demand (BOD5)	tonnes	/	3.37	4.69
	Anionic surfactants (LAS)	tonnes	/	0.04	0.02

Notes: 1. Total Comprehensive Energy Consumption: Calculated according to the State Administration for Market Regulation and the Standardization Administration's GB/T 2589-2020 *General Rules for Calculation of Comprehensive Energy Consumption*, expressed in units of standard coal. With the stable operation of the company's photovoltaic power generation project and the improvement of its metering system, in 2025 we incorporated the consumption of photovoltaic power into the calculation of total comprehensive energy consumption in accordance with the latest accounting rules, and retrospectively adjusted the comprehensive energy consumption data for 2023 and 2024 to ensure data reliability and consistency.

2. GHG Emissions: Exclusively refer to carbon dioxide emissions, not including other GHGs such as methane and nitrous oxide. Scope 1 GHG emissions include emissions from the combustion of fossil fuels such as diesel, gasoline, and natural gas, as well as from industrial production processes. The emission factors for Scope 1 are derived from the guidelines issued by the National Development and Reform Commission: *Guidelines for Accounting and Reporting GHG Emissions for Machinery Manufacturing Enterprises (Trial)* and *Guidelines for Reporting Environmental Key Performance Indicators*. Scope 2 emissions cover those from outsourced electricity; the emission factors for 2025 power in China are taken from the national average power grid factor published in the *Announcement on the Release of Carbon Dioxide Emission Factors for Electricity in 2023* (Announcement No. 47 of 2025) issued jointly by the Ministry of Ecology and Environment and the National Bureau of Statistics. For international operations, emission calculations follow *Greenhouse gas reporting: conversion factors 2024 and Power Sector Carbon Intensity in Germany 2000-2023.*

Indicator		Unit	2023	2024	2025
Exhaust gas Management	Total exhaust gas emissions	10,000 cubic meters	26,013.71	20,642.28	23,379.034
	Exhaust gas emissions intensity	10,000 cubic meters/RMB 1 million revenue	5.59	5.15	4.78
	Non-methane hydrocarbons	tonnes	0.35	0.38	0.89
	Particle matter (PM)	tonnes	0.41	0.16	0.27
	Tin	tonnes	/	0.14	0.06
	Nitrogen oxides (NO_X)	kilograms	/	3.55	1.98
Waste Management[1]	Hazardous waste generation	tonnes	97.44	136.46	140.52
	Hazardous waste intensity	tonnes/RMB 1 million revenue	0.02	0.03	0.03
	General solid waste generation	tonnes	2,217	1,716.15	1,312.11
	General solid waste intensity	tonnes/RMB 1 million revenue	0.48	0.42	0.27

Notes: 1. From 2023 to 2024, the statistical scope was limited to operating sites in China; starting from 2025, the statistical scope has been expanded to include overseas operating sites.

Social Indicators

Indicator			Unit	2023	2024	2025
R&D Innovation	R&D investment		million RMB	503	503	476
	R&D investment as a percentage of operating revenue		%	10.81	12.55	9.74
	Number of R&D personnel		persons	1,201	1,032	968
	R&D personnel as a percentage of total workforce		%	31.19	28.89	29.68
Supply Chain Management	Total number of suppliers		/	499	607	452
	By region	Chinese suppliers (including Hong Kong, Macao, and Taiwan)	/	443	596	445
		Overseas suppliers	/	56	11	7
Production Safety	Work safety investment		million RMB	6.66	5.60	7.04
	Major production safety accidents		/	0	0	0
	Work-related fatalities (including dispatched workers)		persons	0	0	0
	Rate of work-related fatalities (including dispatched workers)		%	0	0	0
Employees	Total number of employees		persons	3,851	3,572	3,261
	Gender Structure[1]	Male employees	%	80.38	80.40	80.56
		Female employees	%	19.62	19.60	19.44
	Age Structure	Employees aged 30 and under	%	36.02	31.83	28.43
		Employees aged 31-50	%	54.16	57.61	60.26
		Employees aged 51 and above	%	9.82	10.56	11.31
	Academic Structure	Employees with associate degree or below	%	50.04	48.43	47.41
		Employees with bachelor's degree	%	37.70	37.85	39.47
		Employees with graduate/MBA degree or above	%	12.26	13.72	13.12
	Professional Structure	Technical employees	%	31.19	28.89	29.68
		Sales employees	%	22.41	23.24	22.97
		Finance employees	%	2.16	2.32	2.67
		Administrative employees	%	9.06	10.33	10.40
		Production employees	%	33.91	33.90	32.57
		Other employees	%	1.27	1.32	1.71
	Proportion of Chinese female employees in middle and senior management		%	18.91	23.54	15.17
	Employee turnover rate		%	19	20.18	20.89
	Total online training attendances		/	33,987	39,276	29,137
	Total online training hours		hours	81,736	113,080.26	73,224.98
	Average online training hours per employee		hours	35.9	47.08	33.64
Community Engagement	Total charitable donations		RMB	2,269,900	781,400	661,500
	Consumer assistance special procurement		RMB	352,800	169,200	281,900

Note: 1. The gender structure data in 2023 is based on operations in China.

Governance Indicator

Indicator	Unit	2023	2024	2025
Special business ethics and anti-corruption audits	times	3	2	3

Index Table

Estun disclosed the information referenced in this index for the period from January 1, 2025, to December 31, 2025, in accordance with the *Shenzhen Stock Exchange – Guidelines for Self-Regulation of Listed Companies No. 17 – Sustainability Reporting (Trial)*, the Hong Kong Stock Exchange – *Environmental, Social and Governance Reporting Code*, and aligned with the Global Reporting Initiative (GRI) Standards.

Reporting Framework	Shenzhen Stock Exchange Sustainability Reporting Guidance	Hong Kong Stock Exchange – Environmental, Social and Governance Reporting Code	GRI Standards
Message from the Chairman	/	/	2-22
About Estun	/	/	2-1，2-6，201-1
Responsibility 2025	/	/	/
Special Focus: Industrial Embodied Intelligence – Ushering in a New Era of Human-Machine Symbiosis	Section 41, Section 42.2, Section 42.3, Section 42.4	/	203-2
Deepening Industry Capabilities to Unlock New Quality Productive Forces			
Creating Industrial Value	Section 20, Section 28, Section 34, Section 37.2, Section 41, Section 42.3, Section 42.4	/	203-1，203-2
R&D Innovation	Section 11.1, Section 11.2, Section 11.3, Section 11.4, Section 19, Section 41, Section 42.1, Section 42.2, Section 42.3, Section 42.4, Section 43.1	B6.3	2-27，3-3，203-2
Product Quality and Safety	Section 11.1, Section 11.2, Section 11.3, Section 11.4, Section 19, Section 44, Section 47.1, Section 47.2, Section 47.4	B6 General Disclosure	2-25，2-27，3-3，416-2，417-1
Customer Relationship Management	Section 11.1, Section 11.2, Section 11.3, Section 11.4, Section 19, Section 44, Section 47.1, Section 47.4	B6.1，B6.4	2-25，3-3
Strengthening Governance to Drive High-Quality Development			B6 General Disclosure
Corporate Governance	Section 12.2, Section 51, Section 53.1, Section 53.2	Governance Structure	2-9，2-10，2-11，2-12，2-17，2-18，2-19，2-20，2-21，2-27，3-3，405-1
Sustainable Development Management	Section 12.1, Section 12.3, Section 12.4, Section 12.5, Section 13, Section 14.1, Section 15.1, Section 15.3, Section 17, Section 18.1, Section 18.2, Section 18.3, Section 18.4, Section 51, Section 52, Section 53.1, Section 53.2	Governance Structure	2-12，2-13，2-14，2-16，2-22，2-24，2-29，3-1，3-2，3-3
Risk and Compliance Management	Section 11.1, Section 11.2, Section 11.3, Section 11.4, Section 12.3, Section 12.4, Section 12.5, Section 19, Section 56.1, Section 56.2	B6 General Disclosure	2-27，2-13，2-24，3-3，207-1，207-2，207-3，417-2，417-3
Business Ethics and Anti-Corruption	Section 11.1, Section 11.2, Section 11.3, Section 11.4, Section 19, Section 54, Section 55.1, Section 55.2, Section 55.3, Section 55.4	B7 General Disclosure	2-27，3-3，205-2，205-3，206-1
Information Security	Section 11.1, Section 11.2, Section 11.3, Section 11.4, Section 19, Section 44, Section 48.1, Section 48.2, Section 48.3, Section 48.4	B7.1，B7.2，B7.3	2-27，3-3，418-1
Pursuing Green Development to Build a Sustainable Future			B6 General Disclosure
Environmental Management	Section 19, Section 20, Section 29, Section 33.1, Section 33.2	A3 General Disclosure A3.1	2-27，3-3
Addressing Climate Change	Section 11.1, Section 11.2, Section 11.3, Section 11.4, Section 19, Section 20, Section 21, Section 22.1, Section 22.2, Section 22.3, Section 23.1, Section 23.2, Section 23.3, Section 23.5, Section 24, Section 25.3, Section 26, Section 27, Section 28, Section 34, Section 35.1, Section 35.2, Section 35.3	A2 General Disclosure A2.1，A2.3 A3 General Disclosure A3.1 Climate-related Disclosures(Governance, Strategy, Risk Management, Metrics and Targets)	2-27，3-3，201-2，302-1，302-3，302-4，302-5，305-1，305-2，305-4
Resource Management	Section 34, Section 36.1, Section 36.2, Section 37.2, Section 37.3	A2 General Disclosure A2.2，A2.4，A2.5 A3 General Disclosure A3.1	2-27，3-3，303-1，303-3，303-5
Pollution Prevention and Control	Section 29, Section 30.1, Section 30.2, Section 30.3, Section 30.4, Section 30.5, Section 31.1, Section 31.2, Section 31.3, Section 37.1, Section 37.2, Section 37.3	A1 General Disclosure A1.1，A1.3，A1.4，A1.5，A1.6 A3 General Disclosure A3.1	2-27，3-3，303-2，303-4，305-7，306-1，306-2，306-3，306-4，306-5
Noise Management	Section 29	A3 General Disclosure A3.1	/
Biodiversity Protection	Section 29, Section 32.2	A3 General Disclosure A3.1	3-3，101-2，101-4，101-5，304-1，304-2，304-3
Creating Shared Value and Advancing Together on a New Journey			
Human Capital Development	Section 49, Section 50.1, Section 50.2, Section 50.3	B1 General Disclosure B1.1，B1.2 B2 General Disclosure B2.1，B2.2，B2.3 B3 General Disclosure B3.1，B3.2 B4 General Disclosure B4.1，B4.2	2-7，2-19，2-23，2-27，2-30，3-3，201-3，401-1，401-2，401-3，403-1，403-2，403-3，403-4，403-5，403-6，403-7，403-9，403-10，404-1，404-2，405-1，406-1，407-1，408-1，409-1，412-2
Sustainable Supply Chain	Section 11.1, Section 11.2, Section 11.3, Section11.4, Section 19, Section 44, Section 45.1, Section45.2, Section46	B5 General Disclosure B5.1，B5.2，B5.3，B5.4	2-27，3-3，204-1，408-1，409-1
Shared Social Development	Section 38, Section 39.2, Section 39.3, Section 40	B8 General Disclosure B8.1，B8.2	3-3，203-1，203-2，413-1
Appendix			
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Key Performance Table	/	/	2-4
Index Table	/	/	/

Hong Kong Stock Exchange - Environmental, Social and Governance Reporting Code - Part D: Climate-related Disclosures

Aspect	Climate-related Disclosures	Index
Governance	(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate related risks and opportunities. (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Addressing Climate Change - Governance *The Company has incorporated the identification of climate-related risks and opportunities into its comprehensive risk management system and conducts regular risk assessments. The Company has not yet established a mechanism linking executive compensation to climate change response; it will continue to improve its compensation policies to promote the achievement of climate-related goals.*
Strategy	Climate-related risks and opportunities	Addressing Climate Change - Strategy and Management Approach *Based on its current capabilities, the Company has conducted a qualitative identification and assessment of climate-related risks and opportunities, along with a financial impact analysis. We plan to carry out a refined identification, assessment, and analysis of climate-related risks and opportunities in 2026 in accordance with standard requirements, and to quantify both current and expected financial impacts.*
	Business model and value chain	
	Strategy and decision-making	
	Financial position, financial performance and cash flows	
	Climate resilience	
Risk Management	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks. (b) the processes the issuer uses to identify, assess, prioritise and monitor climate related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Addressing Climate Change - Impact, Risk, and Opportunity Management
Metrics and Targets	Greenhouse gas emissions	Addressing Climate Change - Indicators and Targets Index Table *Regarding the Scope 3 greenhouse gas emissions data, the Company has initiated preparatory work and capability-building efforts, strengthened communication and collaboration with value chain partners, and is jointly improving the collection and management of relevant data. In the future, the Company will calculate and disclose its Scope 3 greenhouse gas emissions data.* *Regarding the greenhouse gas accounting methodology, the Company continues to apply the same accounting standards as in previous years to ensure data comparability and consistency.*
	Climate-related transition risks	*Due to the current immaturity of existing skills, capabilities, and resources, the Company is temporarily unable to accurately quantify the financial impacts of climate-related risks and opportunities.*
	Climate-related physical risks	
	Climate-related opportunities	
	Capital deployment	*During the reporting period, the Company has not established any capital expenditures, financing, or investment projects specifically dedicated to addressing climate-related risks and opportunities, nor has it applied clear climate labeling classifications to its existing expenditures.*
	Internal carbon prices	*The Company does not engage in internal carbon pricing, so this indicator is not applicable.*
	Remuneration	*The Company has not yet established a mechanism linking executive compensation to climate change response, so this indicator is not applicable.*
	Industry-based metrics	*This is an encouraged disclosure item. This report does not currently disclose industry-specific metrics.*
	Climate-related targets	Addressing Climate Change - Indicators and Targets *The Company's greenhouse gas emission targets are set through internal research, with tiered regular monitoring and dynamic management, and continuous review and supervision of progress toward the targets. These targets have not yet been verified by a third party, nor have industry decarbonization approach been adopted. Since the targets are not net targets, they do not involve the use of carbon credits.*
	Applicability of cross-industry metrics and industry-based metrics	*The Company has fully referenced cross-industry metrics and considered their applicability, but has not yet taken industry-specific metrics into consideration.*

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