

ZCZL

ZCZL Industrial Technology Group Company Limited

2025

Environmental, Social and Governance Report

中创智领集团



ZCZL 中创智领集团
LISTED COMPANY SHANGHAI STOCK EXCHANGE



郑州煤矿机械集团有限责任公司
ZHENGZHOU COAL MINING MACHINERY GROUP CO., LTD.

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About This Report

Compilation Basis

This report is prepared with reference to guidelines including the *Environmental, Social and Governance Reporting Code* (hereinafter referred to as the "ESG Reporting Code") under Appendix C2 to the *Listing Rules* issued by Hong Kong Exchanges and Clearing Limited (hereinafter referred to as "HKEx"), the Shanghai Stock Exchange (hereinafter referred to as "SSE") *Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial)*, the SSE *Guidelines No.1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Standardized Operation*, the SSE *Guide No.4 for Self-Regulatory Supervision on Listed Companies - Compilation of Sustainable Development Reports (Revised in January 2026)*, and *SDG Compass – the Guide for Business Action on the SDGs (UN SDGs)*.

Scope of the Report

To enhance clarity and readability throughout this report, ZCZL Industrial Technology Group Co., Ltd. together with its subsidiaries are hereinafter collectively referred to as "ZCZL," "the Group," "our Group," or simply "we." Unless otherwise specified, this report presents the Group's social responsibility performance for the period from January 1, 2025 to December 31, 2025 (hereinafter referred to as "2025," "the current year" or "the reporting period"). To provide greater comparability and completeness, this report also includes selected data and content from periods outside the reporting year.

This report primarily follows the activities of ZCZL Industrial Technology Group Co., Ltd., and includes the following entities within its scope¹:

- ▶ Coal Mining Machinery Sector**

Zhengzhou Coal Mining Machinery Group Co., Ltd. and its subsidiaries, including Zhengzhou Coal Mining Comprehensive Machine Equipment Co., Ltd., Zhengzhou Coal Mining Crane (Zhengzhou) Co., Ltd., Zhengzhou Longwall Coal Mining Machinery Co., Ltd., Zhengzhou Coal Mining Machinery Group Material Trading Co., Ltd., Zhengzhou Mining Intelligent Working Face Technology Co., Ltd., etc. To enhance clarity and presentation, this report refers to them collectively as the "Coal Mining Machinery Sector."
- ▶ Auto Parts Sector**

ASIMCO Technology, Inc. and its subsidiaries (hereinafter referred to as "ASIMCO"), such as ASIMCO NVH Technologies Co., Ltd. (Anhui), ASIMCO Camshaft (Yizheng) Co., Ltd., ASIMCO International Casting (Shanxi) Co., Ltd., ASIMCO Intelligent Automotive Technology (Yizheng) Co., Ltd., and ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd.; SEG Automotive Germany GmbH and its subsidiaries (hereinafter referred to as "SEG"); and SEG Automotive E-Drive System Co., Ltd. and its subsidiaries (hereinafter referred to as "SES"). To enhance clarity and presentation, this report refers to them collectively as the "Auto Parts Sector."
- ▶ Industrial Intelligence Sector**

Zhengzhou Hengda Intelligent Control Technology Co., Ltd. (hereinafter referred to as "Hengda Intelligent Control") and its subsidiaries, including Zhengzhou Coal Mining Machinery Shuyun Intelligence Technology Co., Ltd., Zhengzhou Coal Mining Machinery Intelligent Control Technology Innovation Center Co., Ltd., Zhengzhou Hengda Kunpeng Technology Co., Ltd., etc. To enhance clarity and presentation, this report refers to them collectively as the "Industrial Intelligence Sector."

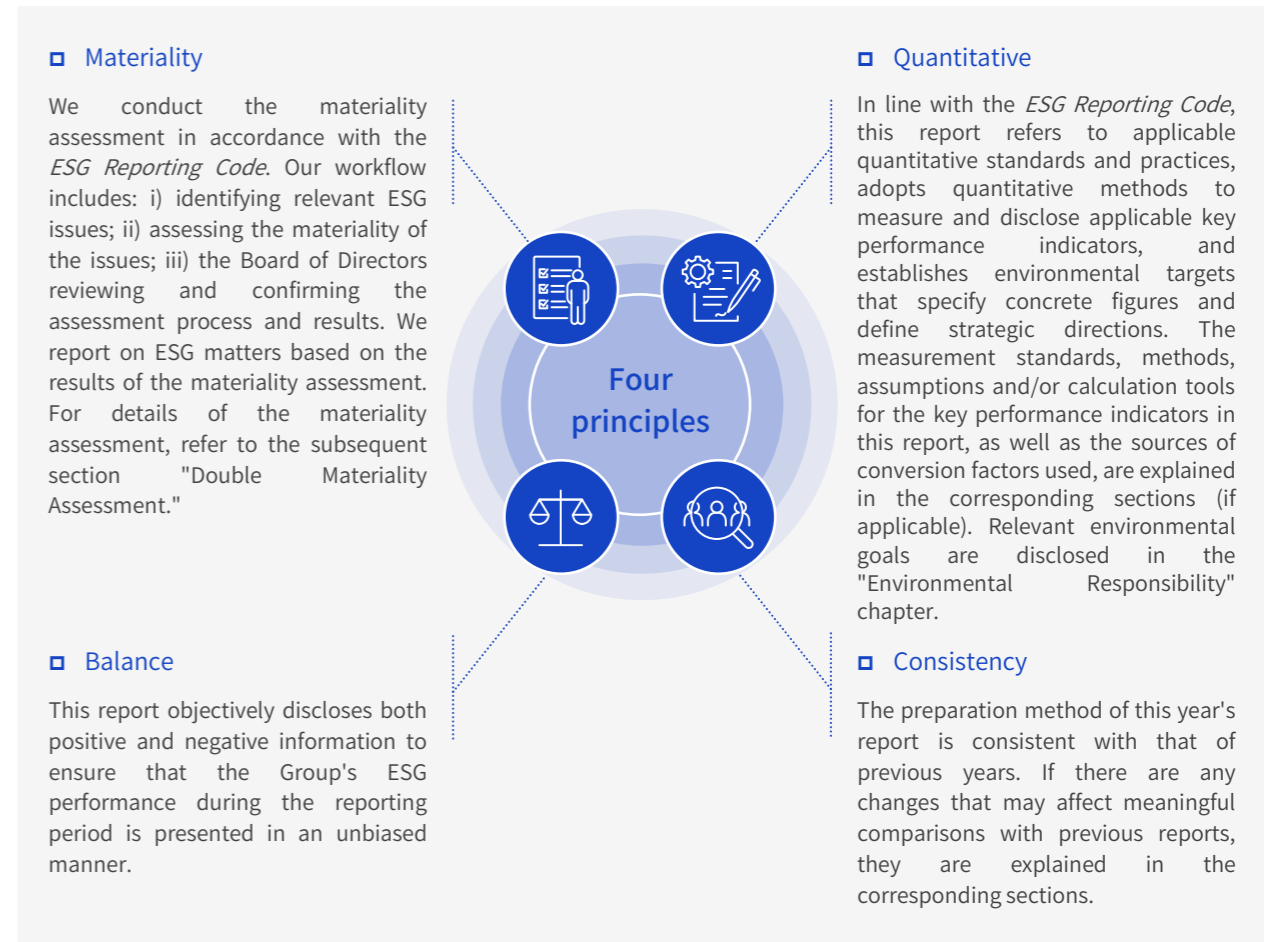
¹This year, the Group has reviewed and revised the organizational boundaries of this report based on actual operational updates. The determination of organizational boundaries and data consolidation methods for environmental data in this report adopt the operational control approach. Unless otherwise stated, the scope for social data aligns with that of the Group's consolidated financial statements.

▶ Other Businesses

Zhengzhou Zhima Street Industrial Co., Ltd., ZMJ Commercial Factoring Co., Ltd. and Zhengzhou ZCZL Future Investment Management Co., Ltd. To enhance clarity and presentation, this report refers to them collectively as the "Other Businesses."

Reporting Principles

The preparation of this report adheres to the four core principles of "Materiality," "Quantitative," "Balance" and "Consistency."



Access

This report is released in three versions: Simplified Chinese, Traditional Chinese and English. In case of any discrepancy between the versions, the Simplified Chinese version shall prevail. The report can be accessed through the Group's official website (www.zczl.cn), the HKEx website (www.hkexnews.hk) and the SSE website (www.sse.com.cn).

About ZCZL

ZCZL (Zhengzhou) Industrial Technology Group Co., Ltd. ("ZCZL") was formerly known as Zhengzhou Coal Mining Machinery Group Co., Ltd. ("ZMJ"). On September 17, 2025, the Group officially changed its Company name from ZMJ to ZCZL. The renaming not only responds to the Company's evolving internal development needs, but also aligns with the broader industry shift toward intelligent upgrading. Moreover, it serves as a concrete step in implementing the Strategy for Leading in New Tracks and the digital transformation agenda promoted by the Henan Provincial Committee and Provincial Government.

Zhong Chuang Zhi Ling ("ZCZL") derives its name from the concept of "Chinese Innovation, Intelligent Leadership." Its inception stems from a profound insight and forward-looking strategy in response to the trend towards industrial intelligence. Over the past six years, the Company has steadfastly followed the guidance of General Secretary Xi Jinping, continuously advancing its transformation and upgrading efforts:

In the field of intelligent manufacturing, we built the world's first Lighthouse Factory in the coal machinery industry and established the Industrial Intelligence Sector; through deep integration of technologies such as the Industrial Internet, digital twins, and artificial intelligence, we are reshaping discrete manufacturing and setting new benchmarks for the industry. In terms of technological innovation, complete sets of independently-developed intelligent equipment entered the international market; the world's tallest 10-meter support achieved high efficiency in production, while our intelligent mining face holds the top market share in the industry. Meanwhile, the Company deepened its presence in the field of new energy vehicle components, with products such as drive motors, vibration and noise reduction systems, and air suspensions having secured partnerships with leading automakers. In building the industrial ecosystem, our investees, Suda Corporation and Nanjing Bestway Intelligent Control Technology Co., Ltd., successfully listed. Other key investments, Luoyang Bearing Group and Vastai Technologies, completed share restructuring and launched the listing process, further expanding new avenues for growth.

ZCZL will focus on its core mission of "Digital Industrial Intelligence," dedicated to building a hundred-billion-yuan industrial intelligence technology group. The Coal Mining Machinery Sector will fully inherit the name and brand of ZMJ, continuing to deepen its presence in the field of coal mining machinery. Guided by intelligence and integrated solutions, it will remain focused on providing high-quality products and services to customers. The Auto Parts Sector will actively embrace the wave of new energy vehicle development, deepening its presence in areas such as "driving, braking, steering, and suspension" to become a globally leading automotive components supplier. The Industrial Intelligence Sector will leverage the expertise of Hengda Intelligent Control, sharing its transformation experience to provide intelligent upgrade solutions for discrete manufacturing enterprises, thereby creating a new growth driver.

Looking to the future, ZCZL will always keep the entrustment in mind, uphold the development philosophy that "Technology Changes the World, Intelligence Leads the Future," and strive to compose a new chapter of sustainable development that serves the customers, rewards the shareholders, fulfills the employees, and contributes to the society.

Statement from the Board of Directors

The Board of Directors assumes ultimate responsibility for ZCZL's ESG governance and ESG strategies. The Group has established the ESG governance structure and management processes², and regularly reports on ESG-related matters to the Board of Directors.

ZCZL recognizes the potentially material impacts that ESG risks such as Innovation as a Core Driver, Product Quality, Customer Service Satisfaction, and Climate Change may have on the Company, and has incorporated them into its risk management system. During the reporting year, the Group conducted a double materiality assessment. By integrating ESG risk identification and insights gathered through engagement with internal and external stakeholders, the Board of Directors participated in the evaluation, prioritization, and management of material ESG issues. It oversaw the assessment of ESG-related risks and opportunities, defined the strategic priorities for the Group's ESG governance, and regularly reviewed ESG management strategies.

The Company has established environmental targets aligned with its business operations, which are reviewed and assessed by the Board of Directors and the Strategy and Sustainability Committee during their annual meetings.

This report provides a comprehensive disclosure of environmental, social, and governance matters and was reviewed and approved by the Board of Directors on March 30th, 2026.

²Please refer to the section "Corporate Governance - ESG Governance" for details on the ESG governance structure and management processes.

Message from the Chairman

2025 marked a pivotal chapter in the history of ZCZL. Standing at this new starting point of development and facing the new wave of technological revolution and industrial transformation driven by AI, we are ready to embark on a new journey, officially advancing towards building a hundred-billion-yuan intelligent industry group.

We lifted our strategy to a higher plane and reshaped our development landscape. The Group's renaming marked a decisive shift from equipment manufacturing to industrial solutions driven by digital intelligence; our coal-machinery business, with the ZMJ brand continuing to lead the industry, further strengthened our core foundation; meanwhile, our industrial-intelligence business has been systematically integrated, becoming the central platform to our "AI + Manufacturing" future blueprint. A comprehensive digital-transformation roadmap is now in place, and our global governance framework is accelerating. Through deep self-renewal, we have answered the questions of our time.

In the past year, ZCZL has also taken substantial steps on the path to sustainable development. Guided by elevated strategies, we have driven comprehensive transformation and have deeply integrated sustainability into corporate governance and innovative practices. By introducing advanced digital tools to systematically sort and integrate the Group's ESG data, we significantly improved the transparency and management efficiency of ESG-related information.

This year, we used innovation as a torch to strengthen our enduring advantage. The concentrated release of eight major smart-mining technologies, such as the electrified constant-water hydraulic supports, auxiliary robots for mining operations, has injected new momentum into the green transformation of the coal industry; the construction of a cluster of key auto parts industries has supported the development of the new energy sector; the construction of the intelligent demonstration plant for hydraulic supports has created the industry's first intelligent assembly line, promoting industrial upgrading.

2026 is the opening year of China's 15th Five-Year Plan, and the year we set sail on our hundred-billion journey. We will continue to uphold our corporate mission of "Intelligence Drives a Better Future," to drive the green transformation through forward-looking strategic planning, to strengthen supply chain resilience, and to work with all stakeholders in building a sustainable future.

The road ahead is long and demanding, but steady progress makes arrival inevitable. So long as we remain true to our original aspiration and advance in step, no obstacle can stop our momentum. Let us continue shoulder to shoulder, moving toward the new, and embrace together this vast and inspiring hundred-billion endeavor.

Chairman of ZCZL Industrial Technology Group Co., Ltd.
Jiao Chengyao
 March 2026

2025 Financial Performance

✓ Revenue reached RMB **41.38** billion

✓ Representing a year-on-year increase of **11.69%**

✓ Net profit attributable to parent company amounted to RMB **4.293** billion

✓ Reflecting a year-on-year growth of **9.14%**



2025 Honors and Recognitions



19th China Listed Companies Value Selection: "Top 100 Valuable Listed Companies on the Main Board" and "Top 100 Growing Listed Companies on the Main Board"



"27th Listed Companies Golden Bull Awards: "Most Investable Award" and "Golden Bull Listed Company Dividend Return Award"



2025 "Shanghai Stock Exchange Eagle · Golden Quality Award - Continuous Growth Award"



Has been ranked among the top 500 companies in China by Fortune for seven consecutive years



"Top 100 Henan Enterprises 2025"



Director Unit of the Navigation Industry Professional Committee, China Association of Welding for Workers



2024 China Top 50 Coal Machinery Enterprises



Outstanding Enterprise for Social Responsibility Reporting in the Coal Industry



May 1st Labor Award of Henan Province



Enterprise with Harmonious Labor Relations (Zhengzhou)



Featured Stories

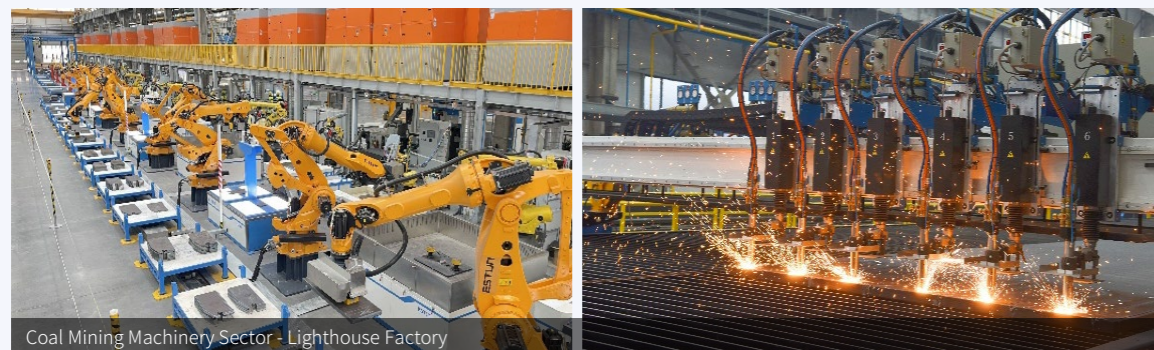
Lighthouse Factory in the Smart Park

In recent years, the Coal Mining Machinery Sector has thoroughly implemented the important directives from General Secretary Xi Jinping during his inspection of ZMJ in 2019. The sector has firmly advanced the digital and intelligent transformation, persistently driving comprehensive business process reform through digital means, and cultivating and developing new quality productive forces with digital tools. In 2024, the Smart Park of the Coal Mining Machinery Sector was successfully selected for the Lighthouse Factory³ list announced by the World Economic Forum (WEF), becoming the first Lighthouse Factory in the global coal machinery industry. It has also been successfully selected as a National Smart Manufacturing Demonstration Factory. Guided by the Industry 4.0 smart manufacturing system, the Smart Park extensively utilizes advanced digital technologies such as 5G, AI, and edge computing, integrating digital support into the entire process from product design to service. This has achieved end-to-end digital management from design, procurement, production to delivery.

Compared to traditional coal machinery manufacturing factories, the Coal Mining Machinery Sector's Lighthouse Factory has achieved a qualitative leap in production efficiency. Leveraging high-tech equipment such as intelligent robotic arms, laser cutting machines, and automated production lines,

it has more than doubled production efficiency, increased space utilization by 50%, boosted output by over 30%, improved labor productivity by over 100%, and shortened the production cycle by 67%.

Being awarded as a Lighthouse Factory is a significant milestone in the Coal Mining Machinery Sector's implementation of its digital transformation strategy and creation of a smart factory. Looking ahead, the Coal Mining Machinery Sector will use the Lighthouse Factory as a new starting point to continue deepening exploration and practice in the field of smart manufacturing, providing global customers with higher quality, more efficient, and smarter coal machinery equipment solutions.



Coal Mining Machinery Sector - Lighthouse Factory

³The Lighthouse Factory originated from Germany's Industry 4.0 Strategy. By adopting and integrating cutting-edge technologies such as artificial intelligence (AI), the Internet of Things (IoT), and big data analytics, it represents the global benchmark for digital transformation and smart factory construction in the manufacturing industry. As of September 2025, according to the World Economic Forum's Global Lighthouse Network, the total number of Lighthouse Factories worldwide is only 201.

Zero-Carbon Factory

In 2025, the Coal Mining Machinery Sector was successfully included in the 2025 Henan Province's Zero-Carbon Factory public notice list, marking the Group's leadership in green manufacturing and sustainable development within the province, and even nationally in mining machinery manufacturing. The Coal Mining Machinery Sector advances its zero-carbon transformation through systematic energy-saving and carbon-reduction initiatives. The company actively optimizes its energy structure by installing 7MW of distributed photovoltaic panels in the factory area, increasing the proportion of directly used renewable energy to 29.18%. In production processes, the company implemented a series of technical upgrades such as heat-treatment-waste heat recovery and quenching tank water recycling, effectively reducing natural gas consumption and carbon emissions. Furthermore, the Coal Mining Machinery Sector has established a comprehensive carbon management system, relying on a digital energy and carbon management center for real-time monitoring of energy consumption and emissions. Upon achieving deep emission reductions, the company offset 100% of its annual carbon emissions in 2024 by also retiring green electricity certificates, ultimately reaching "zero-carbon." The Coal Mining Machinery Sector will continue to promote the use of clean energy and smart manufacturing upgrades, leading the industry's green transformation, and contributing to the achievement of China's "Dual Carbon" goals in the manufacturing sector.



Coal Mining Machinery Sector's Zero-Carbon Factory

Featured Stories

Digital and Intelligent Transformation and Upgrade

Intelligent Transformation of Coal Mining

Hengda Intelligent Control under the Industrial Intelligence Sector specializes in the core intelligent control field of coal mine smart mining. It discards the "single patent conversion" model and innovatively adopts a "Patent Technology + Product + Service" integrated strategy, providing customized one-stop solutions for coal mining enterprises. It integrates 156 patents into three major areas: hydraulic control, intelligent fully-mechanized mining, and smart mine AI, enabling the intellectual property to leap from technological achievements to full-chain value. This establishes a benchmark for "complete-set application of patents" in the industry, connecting technology, product, and service chains with complete-set solutions, and providing replicable and scalable models for the intelligent transformation of coal mines.

For example, Hengda Intelligent Control independently developed an Intelligent Fully-mechanized Mining Face Planning and Mining with Digital Twin System. This system collects real-time synchronized data from underground face equipment via a big data platform, fully simulates the real movement posture of the "three machines⁴" in fully-mechanized mining, and monitors the mining face around the clock. Simultaneously, targeting key risk points in the underground mine, the system supports integration with existing underground broadcasting and control systems, enabling emergency shutdowns in abnormal situations. This reduces reliance on personnel for underground safety management and decreases the occurrence of accidents.



Mining Face Digital Twin Planning and Mining System

⁴The three core pieces of equipment in the fully mechanized coal mining process are: the coal shearer, the scraper conveyor, and the hydraulic support.

Top 10 Auxiliary Operation Robots

Over the past six-plus years, the Coal Mining Machinery Sector has developed and promoted more than 260 sets of intelligent fully mechanized mining face systems. Through practical experience, it has been found that while intelligent integrated systems have addressed issues on high yield and efficiency at the mining face, many underground operations still rely on manual labor due to the complexity and regional variability of coal seam conditions in China. In response, the Coal Mining Machinery Sector has proactively aligned with national and industry development trends, deeply identified user pain points, and aimed to reduce manpower, enhance safety, improve efficiency, and lower costs. To tackle the challenging conditions in coal mines, the sector has developed 55 types of robots and solutions, with 26 already implemented. It remains committed to realizing the vision of "reduced personnel and unmanned operations" in two roadways, thereby supporting the Group's integrated intelligent system projects.

- The Intelligent Unit Support Handling Robot effectively solves problems in traditional operation modes such as difficulty in handling and loading/unloading, low efficiency, and significant safety risks of tipping and falling.
- The Air Return Gateway Multi-Functional Integrated Robot effectively addresses issues such as difficulty in transporting accessories and significant safety risks associated with manual anchor removal.
- The End-Cutting Coal Recovery Robot effectively addresses issues such as the high labor intensity and significant risks of cross operations associated with the traditional manual coal clearance method, which typically requires nearly a hundred workers.



Featured Stories

Green Products and Technologies

Constant-water Hydraulic Supports

Facing the global challenge on sustainable development in mining, the Coal Mining Machinery Sector, through a series of cluster breakthroughs in underlying technologies, provides a disruptive "ZMJ Solution" with the world's first electrified constant-water hydraulic supports. Aiming at "Zero Emissions, Zero Pollution, Zero Additional Investment," the constant-water hydraulic supports achieves 100% full protection of oil cylinders in a water medium through independently developed corrosion-resistant special materials and full-protection surface treatment processes. Its key performance exceeds national standards, innovatively solving the core pain point of traditional hydraulic supports - emulsifier pollution - leading the coal mining industry toward inherently sustainable and environmentally responsible practices. While improving product reliability, the constant-water hydraulic supports reduces the complexity of water treatment systems, lowers the full lifecycle operational costs of equipment, and minimizes environmental pollution of underground water resources caused by emulsifier discharge, setting a new technological benchmark for green transformation in mining. Currently, constant-water hydraulic supports products have been promoted and implemented with downstream coal mine customers.



Hydraulic Roof Support for Fully-mechanized Coal Mining Face

The Coal Mining Machinery Sector's leading product, the Hydraulic Roof Support for Fully-mechanized Coal Mining Face, consists of hydraulic cylinders, load-bearing structural components, advancing devices, control systems, and other auxiliary devices. It is a structural element used to control mine pressure in coal mining faces. The Coal Mining Machinery Sector actively responds to the national "Carbon Peak" and "Carbon Neutrality" goals, promoting the green transformation of the coal mine hydraulic support industry. The Hydraulic Roof Support reduces energy

consumption and emissions, decreasing Greenhouse Gas (GHG) emissions through optimized hydraulic system design, adoption of energy-saving cylinders, and improved hydraulic fluid utilization. It lessens environmental pollution, reducing harm to water resources and soil by using environmentally friendly hydraulic fluids, adding filtration devices, and minimizing fluid leakage. It enhances resource utilization, reducing resource waste by employing recyclable materials, expanding channels for the recycling and reuse of decommissioned equipment, and improving equipment remanufacturing levels. At present, the product has obtained product carbon footprint certificates.



Intelligent Crane

During descent operations, the crane's drive motor enters power generation mode, converting the gravitational potential energy of the load into electrical energy. In traditional technical solutions, such regenerative electrical energy needs to be converted into heat and consumed through externally connected braking resistors, resulting in significant energy waste. The second-generation Intelligent Crane independently developed by Zhengzhou Coal Mining Machinery Shuyun Intelligence Technology Co., Ltd., a subsidiary under the Industrial Intelligence Sector, adopts a Common DC Bus Multi-Drive Energy Feedback System. It constructs a closed-loop system around the "Central Energy Hub - Distributed Execution Units - Dynamic Energy Regulation" framework, completely reconstructing the traditional crane's decentralized model of "one independent drive per mechanism," achieving an energy saving rate of 20% to 40%.

Thermal Management

Automotive thermal management is a core technical system underpinning a vehicle's power performance, fuel efficiency, safety and comfort, covering heat control and temperature regulation across multiple dimensions including the powertrain, battery system, and cabin environment. With the electrification and intelligent upgrading of automobiles, automotive thermal management is evolving toward integration, high efficiency and intelligence. The application of integrated thermal management modules and heat pump systems can significantly improve energy utilization efficiency. To enhance the market competitiveness of its thermal management cold plate business, ASIMCO Technologies (Nanjing) Co., Ltd., a subsidiary under the Auto Parts Sector, has invested in establishing a wholly-owned subsidiary, ASIMCO Thermal Management Technology (Yizheng) Co., Ltd. Currently, the company's cold plate business has achieved 100% automated production and 100% online inspection, with the first-pass yield increased to 99%.

New Energy Motor

New energy electric drive systems are the core power units driving the electrification transformation of vehicles, undertaking the critical mission of efficiently converting electrical energy into mechanical energy. Their performance directly impacts the power, energy efficiency and reliability of the entire vehicle. SES, a subsidiary under the Auto Parts Sector, has independently developed electric drive products for 400V/800V voltage platforms. These products adopt advanced algorithms such as self-developed active noise control and neural network prediction models,

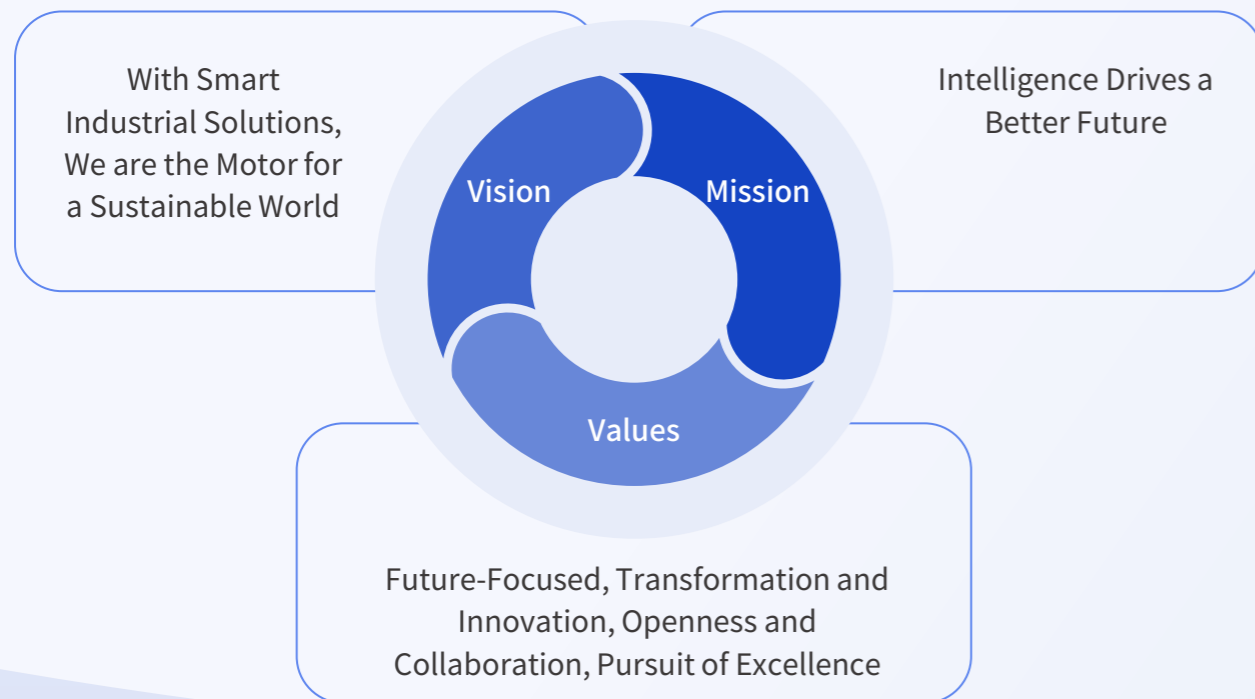
meeting high safety, high reliability and high efficiency requirements, and delivering benchmark-level NVH (Noise, Vibration, and Harshness) performance. In addition, the company continues to expand its intelligent product portfolio in the electric field, including 5-in-1/3-in-1 fully active suspension electro-hydraulic pump systems, motors for brake-by-wire systems, and motors for steer-by-wire haptic simulators. Meanwhile, SEG, another subsidiary under the Auto Parts Sector, has developed electric bicycle motors. Featuring a lightweight housing design, these motors provide multi-gear torque output while delivering superior quiet operation performance.



ESG Strategy

With the corporate vision of "With Smart Industrial Solutions, We are the Motor for a Sustainable World" and the corporate mission of "Intelligence Drives a Better Future," ZCZL upholds the corporate values of "Future-Focused, Transformation and Innovation, Openness and Collaboration, Pursuit of Excellence". We anchor on five core dimensions of sustainable development: corporate governance, environmental responsibility, employee responsibility, market responsibility, and public welfare, and have systematically built an enterprise ESG governance system. We fully integrate the concept of sustainable development into the Company's strategic decision-making and operational practices. ZCZL is committed to empowering the green transformation of industries, enhancing employee well-being, co-creating value with partners, and actively giving back to communities and the environment through innovative technologies and responsible operations. We fulfill our solemn commitments to customers, employees, society, and the future with concrete actions, steadily advancing toward long-term sustainable growth.

Mission and Vision



Five Strategic Pillars



01

Corporate Governance



ESG Governance

To ensure the integration of ESG principles into the corporate strategy, the Group systematically established an ESG management system in 2025, creating a three-tier ESG governance structure at "decision-making, management, and execution" levels. This initiative comprehensively enhances sustainable development capabilities and long-term value creation while effectively addressing increasingly stringent domestic and international regulatory requirements and the growing expectations of stakeholders.



Decision-Making Level

Board of Directors: Assumes ultimate responsibility for ESG supervision, reviews and approves the Group's major ESG strategies, policies, targets and annual ESG reports, and oversees the performance of the ESG Management Committee.

Strategy and Sustainable Development Committee: Authorized by the Board of Directors, it conducts in-depth research on global ESG development trends and their impacts on the Group's strategies, reviews and submits major ESG issues, strategies, targets and performance reports to the Board of Directors, and guides and supervises the work of the ESG Management Committee.



Management Level

ESG Management Committee: Reviews and approves the Group's ESG strategic plans, annual work plans, key performance indicators and targets, as well as major ESG policies, systems and risk management strategies. It supervises the progress and effectiveness of the ESG Working Group, reviews annual ESG reports and other important external disclosure documents, and guides and promotes the integration of ESG into the Group's core business processes and major decisions. The ESG Management Committee convenes formal meetings at least semi-annually to deliberate on significant matters, and regularly reports the Group's overall ESG performance, risks and key progress to the Board of Directors.



Execution Level

ESG Working Group: Implements the strategies, targets, plans and policies formulated by the ESG Management Committee, and is responsible for promoting daily ESG work, cross-departmental communication and coordination, and project execution. It drafts ESG reports, information disclosure materials and relevant internal reports, tracks global ESG policies, regulations, standards, rating trends and best practices, identifies and assesses specific ESG risks and opportunities, organizes internal ESG training and advocacy to enhance employee awareness, and conducts preliminary communication with external stakeholders. The ESG Working Group holds regular meetings at least once every quarter, and convenes special meetings as required by projects. The team leader regularly reports work progress to the ESG Management Committee, including ESG target progress, data aggregation, ESG risk identification, ESG project status and resource requirements.

To advance the in-depth development of the Group's ESG governance, we have incorporated the achievement of key ESG performance indicators (such as business ethics, quality, innovation, environment, health and safety) into the performance appraisal system of relevant departments. For example, ASIMCO under the Auto Parts Sector links the company's strategic goals and ESG-related indicators to employee performance evaluation and incentives, assessing employees' contributions to environmental protection and resource conservation, such as participation in green projects and carbon emission reduction, to drive all levels of the enterprise to deeply engage in ESG governance practices.

Board Diversity

The Group attaches great importance to board diversity, ensuring that the selection of board candidates is based on diversity indicators, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and tenure. The Nomination Committee is responsible for reviewing the board diversity at least once a year, and where appropriate, reviewing the board diversity policy and the measurable targets and progress set by the board to implement the policy.

The Group holds director elections every three years. The current board has 8 directors, including 4 executive directors, 4 non-executive directors and 3 independent directors, with independent directors accounting for 37.5%; 1 female director, accounting for 12.5%. The Nomination Committee is responsible for assessing the independence of independent non-executive directors.



Independent directors,
accounting for

37.5%

Female director, accounting for

12.5%



Communication with Stakeholders

With the vision of "Becoming a Leading and Sustainable Intelligent Industrial Solution Provider," the Group integrates stakeholders' demands into its development while pursuing its own growth. We have established regular and diversified stakeholder communication channels to listen to the expectations of investors, governments/regulators, employees, customers, suppliers, non-governmental organizations and the public, and translate them into practical actions to drive the Group's sustainable development.

Stakeholders	Expectations for the Group	Communication Channels
 Investors	<ul style="list-style-type: none"> Protect shareholder rights and interests Timely and accurate information disclosure Improve corporate governance Compliance operation 	<ul style="list-style-type: none"> General meetings of shareholders Press releases and announcements External reports Corporate website updates Investor briefings
 Governments/ Regulators	<ul style="list-style-type: none"> Compliance operation Workplace health and safety Bring benefits to the community 	<ul style="list-style-type: none"> Compliance reports Supervision and inspection License applications Compliance meetings
 Employees	<ul style="list-style-type: none"> Competitive compensation and benefits Workplace health and safety Training and capacity building 	<ul style="list-style-type: none"> Trade unions/employee representative conferences Collective bargaining agreements Safety and compliance meetings Training and career development Internal employee communication channels
 Customers	<ul style="list-style-type: none"> Customer service Quality assurance Product liability 	<ul style="list-style-type: none"> Key customer forum Systematic communication Plant visits Industry organization participation Sustainability reports
 Suppliers	<ul style="list-style-type: none"> Supplier access management Supplier assessment Protection of supplier rights Supplier cooperation 	<ul style="list-style-type: none"> Tenders and seminars Supplier access and assessment On-site inspections Senior management meetings
 Non-governmental organizations	<ul style="list-style-type: none"> Local development investment Participation in local community projects Fulfill environmental responsibilities Human rights conditions Fair benefit sharing 	<ul style="list-style-type: none"> Direct communication Plant visits Annual Environmental, Social and Governance Reports

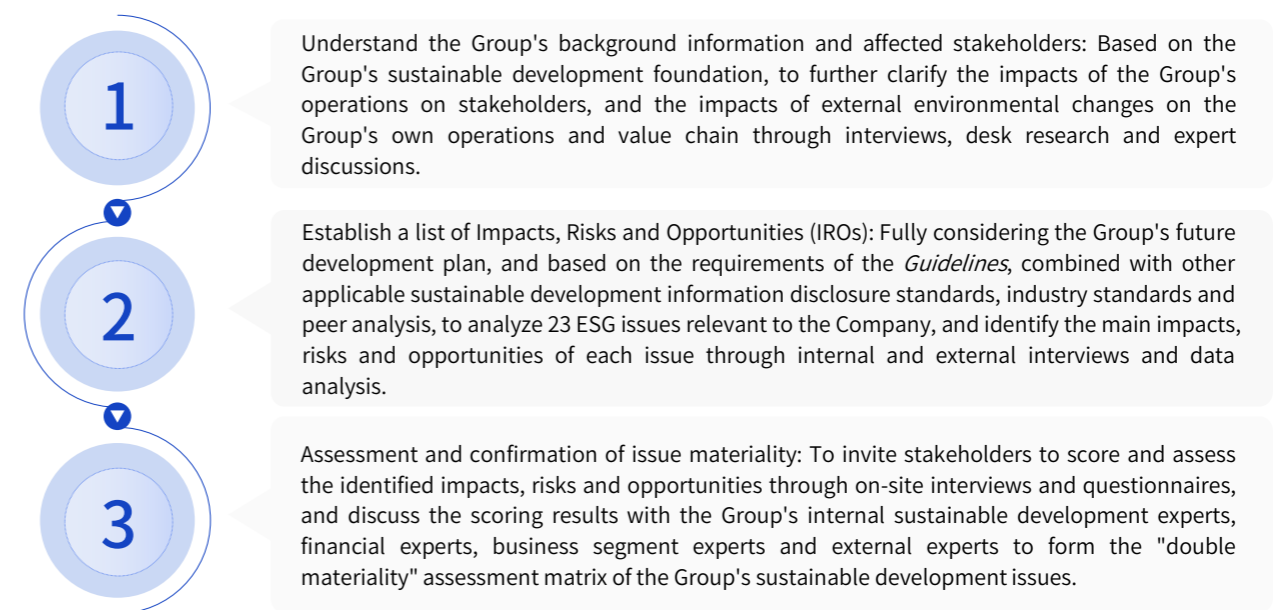
Stakeholders	Expectations for the Group	Communication Channels
 Community	<ul style="list-style-type: none"> Local development Fulfill environmental responsibilities Promote employment Create opportunities for local goods and service providers 	<ul style="list-style-type: none"> Community meetings Focus group meetings Procurement notices Recruitment notices

Double Materiality Assessment

In 2025, with reference to the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* (hereinafter referred to as the "Guidelines") and other latest global sustainable development information disclosure standards, ZCZL conducts the first "double materiality" assessment (including impact materiality and financial materiality) on sustainable development issues, to clarify the focus of the Group's sustainable development work and information disclosure.

Combined with its strategic planning and actual situation, the Group comprehensively assesses the impacts of 23 ESG issues on the Company's finance, economy, environment and society through interviews and questionnaires. After review and approval by the Board of Directors and the Strategy and Sustainable Development Committee, this report focuses on 3 issues identified as having double materiality.

Assessment Methodology and Process for Double Materiality Issues

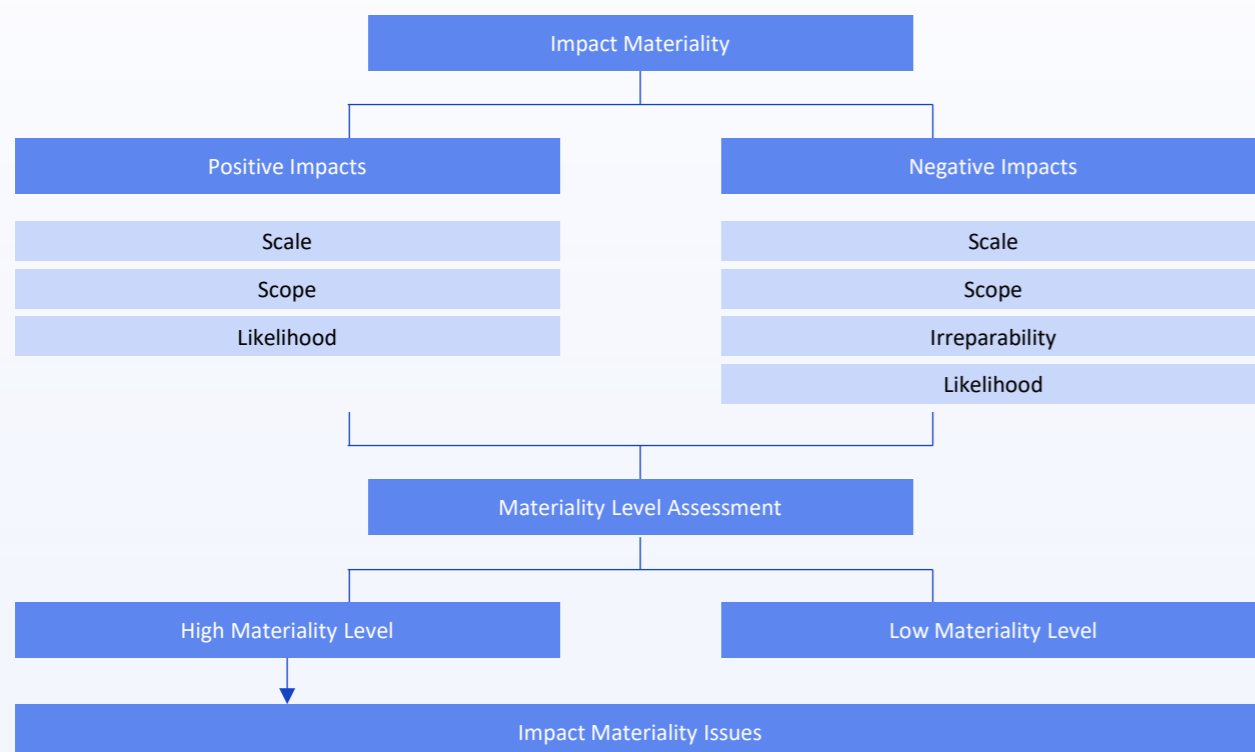


This year, based on the issue setting of the *Guidelines* and industry characteristics, the Group integrates and sorts previous ESG issues, and conducted the materiality assessment based on the *Guidelines*.

Impact Materiality Assessment

We adopted the following steps to assess the impact materiality of each issue:

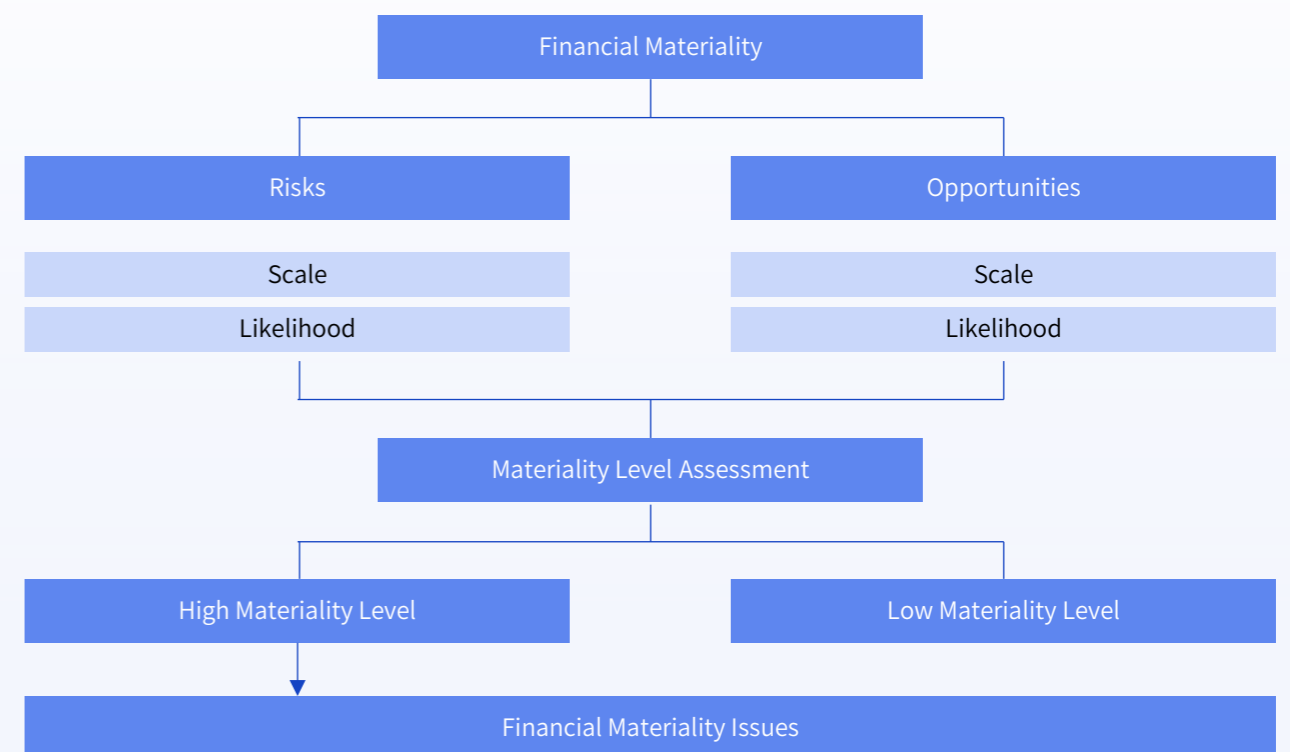
- Identify the positive and negative impacts of the Group's business operations on the sustainable development of stakeholders across the value chain;
- Determine the threshold and judgment method for impact materiality in combination with the Group's internal risk assessment standards;
- Fully refer to laws and regulations, scientific research results, the Group's operation history, industry characteristics and other factors to assess the scale, scope, irreversibility (limited to negative impacts) and likelihood of impacts;
- Summarize the assessment results, analyze and discuss with internal and external experts, prioritize each issue based on the impact level, and determine issues with impact materiality based on their importance.



Financial Materiality Assessment

We adopt the following steps to assess the financial materiality of each issue:

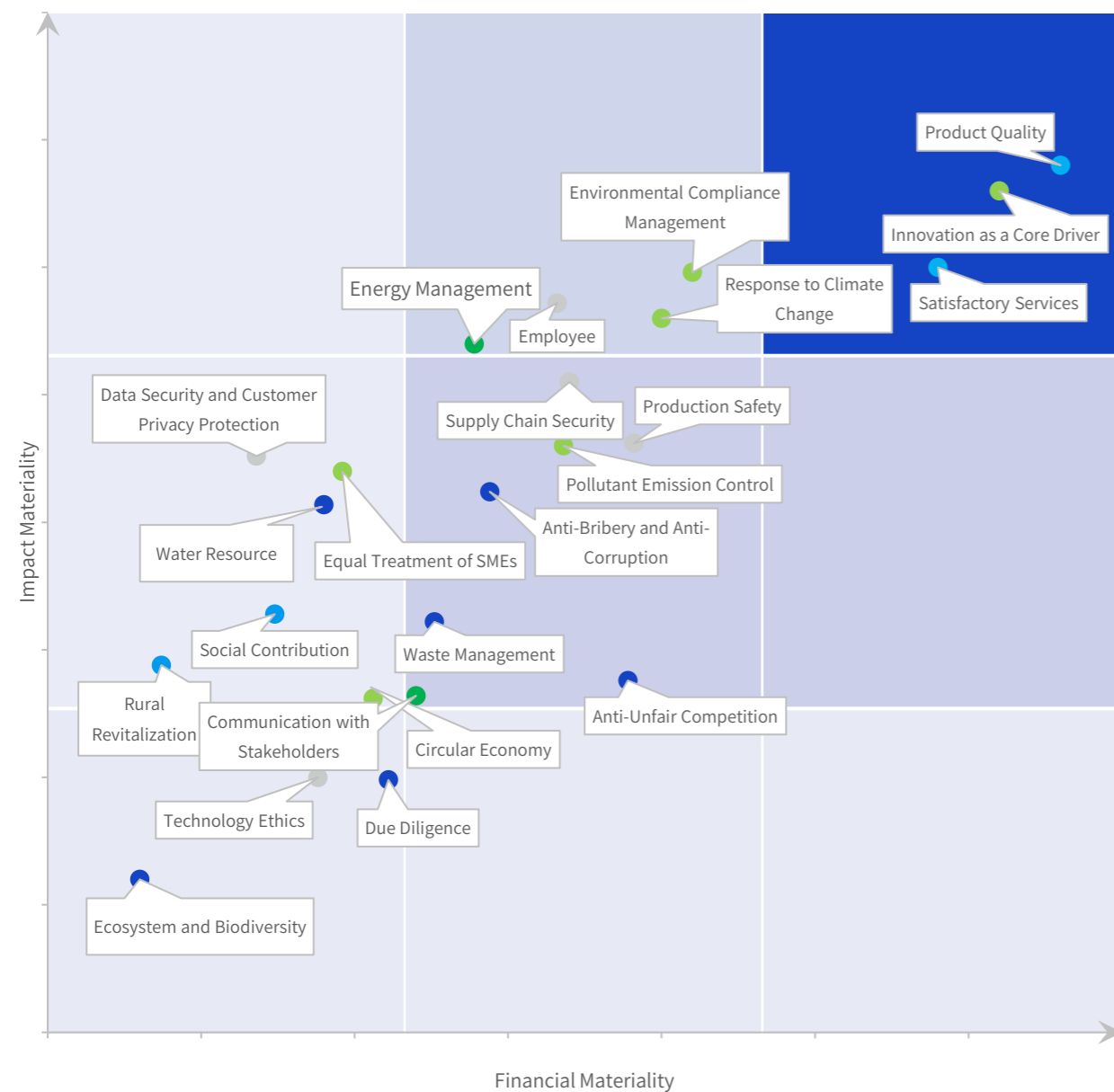
- Analyze changes in the external environment related to the Group's sustainable development, fully consider the extent of the Group's operational dependence on and impact on relevant resources and relationships, and identify the main sustainable development risks and opportunities faced by the Group;
- Determine the analysis method for financial impact level with reference to indicators such as the Group's financial status, operating results, cash flow, financing methods and costs, in combination with the Group's internal risk assessment standards and suggestions from financial experts;
- Work with internal and external experts to identify, analyze and determine the main financial impact paths, impact levels and likelihood of each risk and opportunity, and assess the financial impact of each risk and opportunity;
- Summarize the assessment results, prioritize each issue based on the impact level, and determine issues with financial materiality based on their importance.



Double Materiality Assessment Results

Through the above steps, ZCZL identifies the double materiality issues and matrix. Among them, three issues - Innovation as a Core Driver, Product Quality, Satisfactory Services - have both financial and impact materiality, and the Group's strategies and responses to these issues are detailed in this report.

2025 ZCZL Materiality Issue Matrix



Business Ethics

Anti-Commercial Bribery and Anti-Corruption

The Group adheres to the principles of "integrity, compliance and clean operation," and strictly complies with applicable laws and regulations in its operating locations, including the *Criminal Law of the People's Republic of China*, *Company Law of the People's Republic of China*, *Interim Provisions on Banning Commercial Bribery* and the *German Criminal Code*. It has formulated the *Internal Control Manual*, and through measures such as a risk control matrix and procedures for handling, approving, and authorizing fraudulent incidents, strict standardization of fraud management processes is enforced, fostering a business environment characterized by "integrity, fairness, and transparency."

ZCZL has established a well-defined anti-corruption supervision and management structure. The Audit and Risk Management Committee of the Board of Directors (hereinafter referred to as the "Committee") and the Group Discipline Inspection Commission are responsible for formulating integrity management policies. Under the Committee, the Audit and Legal Department and the Discipline Inspection and Supervision Department serve as the executive bodies for anti-corruption and integrity supervision and management. They conduct internal audits of the Group's subsidiaries and report the audit results to the Committee and the Board of Directors, ensuring a clean and integrity-driven operational environment for the Group.

The Group conducts internal audits covering its major subsidiaries every two years. The audit scope includes operational activities, risk management, internal controls, financial information, and anti-fraud measures of each unit. In addition, the Group mandates that each primary-level Party organization submits monthly reports on oversight data related to Party conduct and government integrity. At the same time, administrative units are required to submit monthly oversight data on violations of the Central Committee's Eight-Point Decision. Following leadership transitions, all Party members and officials within the Group are required to sign integrity pledge letters and update their personal integrity files annually.

The Coal Machinery Sector strictly implements a collaborative working mechanism between disciplinary inspection and supervision and internal audit, forming a joint supervisory force against corruption and for integrity, which effectively oversees employees in fulfilling their duties and responsibilities. SEG under the Auto Parts Sector, has established a global compliance department led by the Chief Compliance Officer that is responsible for supervising non-compliant behaviors and formulating corresponding prevention and response measures. The Internal Audit and Legal Affairs Department under the Industrial Intelligence Sector serves as the dedicated department for anti-corruption supervision, focuses on corruption risks during special internal audit projects, and issues investigation reports when specific incidents occur, to provide references for the management's anti-corruption decision-making.

In 2025, the Group had no concluded corruption lawsuits filed against the Group or its employees.

For content on anti-corruption in the supply chain, please refer to the Chapter on Market Responsibility - Sustainable Supply Chain - Supplier Anti-Corruption.

Anti-Money Laundering

The Group attaches great importance to anti-money laundering and strictly complies with applicable laws and regulations in its operating locations, including the *Anti-Money Laundering Law of the People's Republic of China* and the *Money Laundering Act*. ZMJ Commercial Factoring Co., Ltd. has formulated and improved the internal *Business Management Measures*, and provided a solid foundation for the efficient development of the Group's anti-money laundering work through a series of risk management measures such as customer access management and customer due diligence, to strictly control the Group's investment capital risks.

To enhance the Group's anti-money laundering management capabilities, its subsidiary ZMJ Commercial Factoring Co., Ltd. has carried out anti-money laundering awareness promotion activities through regular meetings and case studies. These initiatives help employees stay updated on the latest financial developments. Additionally, the company organizes employee participation in relevant training programs offered by the factoring industry association in its registered location, systematically improving staff capabilities in identifying and responding to anti-money laundering risks.

Anti-Unfair Competition

The Group strictly complies with relevant laws and regulations, including the *Anti-Unfair Competition Law of the People's Republic of China*, *Anti-Monopoly Law of the People's Republic of China* and the *Act against Unfair Competition*, and actively guides employees in maintaining good business practices to safeguard the proper competition order of the industry.

For example, SES, a subsidiary under the Auto Parts Sector, incorporates anti-unfair competition management into the scope of work of relevant compliance management departments. The General Counsel serves as the person in charge of anti-unfair competition management and regularly reports the work progress to the senior management. The compliance team and its dedicated staff are responsible for specific anti-unfair competition management work, including improving law and regulation tracking, system construction, risk assessment, review and training, and regularly report to the General Counsel.

In 2025, the Group had no lawsuits or major administrative penalties resulting from unfair competition behaviors.

Business Ethics Awareness Training

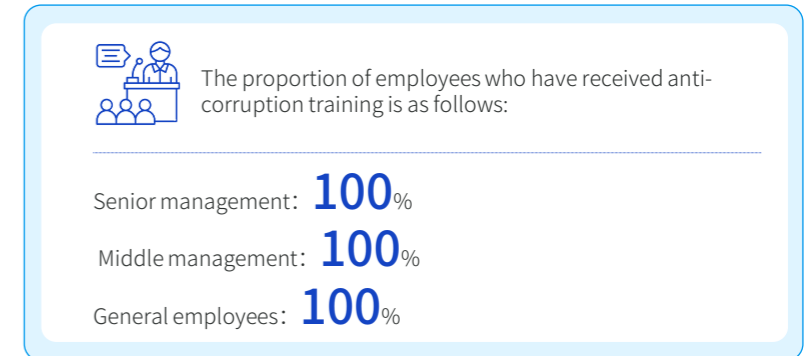
The Group places high priority on cultivating employees' awareness of business ethics, actively promotes the concept of integrity in professional conduct, and effectively integrates integrity management into all aspects of the Company's operations and management. The Group invites external political and legal experts to conduct anti-corruption training for all employees every year;



internal business groups carry out daily discipline inspection and supervision mini-classes to convey the spirit of integrity to all employees through case sharing; weekly anti-corruption "case-based rectification" case analysis activities are organized and promoted to all employees through the intranet; integrity education is provided for all new employees to effectively enhance their business ethics awareness; special study on the Eight-Point Decision is carried out for all leading Party members and officials, and middle and senior leading Party members and officials, as well as all directors participate in the online training course on the Eight-Point Decision. In addition, the Group issues integrity notices to all employees before major holidays to strictly emphasize anti-fraud discipline requirements.



SEG, a subsidiary under the Auto Parts Sector, offers e-training courses on compliance management and codes of conduct, covering themes such as anti-corruption, anti-money laundering, codes of conduct and data protection, and continuously updates the course content to adapt to new developments, ensuring that all employees learn and comply with relevant compliance requirements in a timely manner.



Reporting and Grievance Mechanism


The Group formulates and strictly implements the provisions on anti-corruption in the *Management Measures for Discipline Inspection and Supervision Reporting*, and publishes the supervision and reporting telephone number and email address on its official website to encourage all parties to report violations of business ethics. The Group's Discipline Inspection and Supervision Department will verify, follow up and handle the reported matters.

Reporting Channels


Discipline Inspection and Supervision Department

Telephone: +86-371-67891056

Email: zmj_jw@163.com



The Group attaches great importance to the information management of informants, requiring strict confidentiality of informants' identity information and the content of reports, including the name, work unit (or entity), address and other relevant information of the informant. It is strictly prohibited to transfer or disclose report materials and informant information to the reported organization or personnel. The receipt and verification of reports shall be carried out without exposing the informant's identity. The Group will impose severe penalties on responsible persons who use report materials to seek personal interests or provide convenience for retaliating against informants.

 **Speak Up**

SEG, a subsidiary under the Auto Parts Sector, launched the "Speak Up" initiative. Any employee, customer or supplier can report non-compliant matters through the reporting email and electronic reporting platform. The Compliance Manager checks all received reports every week and follows up on their handling. The electronic reporting platform is operated by an independent third party to ensure the anonymity of reports on non-compliant matters.

Innovation as a Core Driver



Governance

The Coal Mining Machinery Sector has built an innovation-driven governance structure with the Research Institute Headquarters as the core to coordinate and promote the innovation layout of the entire system. As the core of the Group's innovation decision-making and coordination, the Research Institute Headquarters has a Technical Center Office under it, which is responsible for coordinating innovation processes and integrating resources to support the implementation of the Group's integrated and intelligent strategy.



Strategy

ZCZL actively responds to the national *Made in China 2025* policy guidelines, with the vision of "Becoming a Leading and Sustainable Intelligent Industrial Solution Provider" and the values of "Facing the Future, Transformation and Innovation, Openness and Collaboration, Pursuing Excellence." It accurately grasps the development cycle, proactively embraces technological changes, comprehensively enhances the innovation capabilities of all industrial sectors, accelerates the pace of digital transformation, and reshapes industrial competitiveness with AI technology as the engine.



Impact, Risk and Opportunity Management

The Group has established a systematic risk prevention and control mechanism to proactively identify and manage potential risks, while actively seizing innovation opportunities to continuously consolidate market advantages and inject impetus into sustainable development by developing market-competitive innovative products.

Type of Risk/Opportunity	Description	Time Horizon ⁵	Potential Financial Impact	Response Measures
Risk	Market Risk	Medium to Long-term	Decline in operating revenue	Establish a dynamic market intelligence monitoring system to enhance market trend insight; continuously conduct product iteration and business model innovation to build a differentiated "moat".
Opportunity	Technological Opportunity	Medium to Long-term	Increase in operating revenue	Strategically increase investment in R&D resources, focus on basic research and tackling key generic technologies; through patent applications and ecosystem building, solidify technological advantages into sustainable commercial advantages.
	Product Opportunities	Medium to Long-term	Increase in Operating Revenue	Deepen customer insights and drive scenario-oriented precise innovation; develop customizable professional product portfolios to meet segmented market demands and expand business boundaries.

With customer value as the anchor and technological innovation as the engine, the Coal Mining Machinery Sector actively develops integrated turnkey intelligent solutions. Evolving from "equipment stacking" to "system symbiosis," it deeply integrates core equipment such as shearers, hydraulic supports and scraper conveyors, realizing data interconnection and collaborative operation via a unified platform and architecture. This not only significantly boosts coal mining efficiency but also elevates safety and reliability to a new benchmark. It builds a digital closed-loop system featuring "remote intelligent mining system + full-mine AI analysis + industrial internet platform + intelligent control platform", enabling mines to shift from manual experience-based management to data-driven intelligent operation. It promotes research and development (R&D) and application of new products including open-pit continuous mining systems, green mining technologies, intelligent tunneling equipment and auxiliary mining robots, and develops a specialized technical system for coal mine robots to secure its leading position in the coal machinery market. Focusing on three core directions of coal mine operation – production, safety and equipment management – it leverages digital and intelligent technologies to deliver multi-scenario services for customers, creating a new model of "digital and intelligent operation of mines and equipment manufacturing." It accelerates the construction and upgrading of intelligent factories, improves the overall framework for digital transformation, advances key digital projects, and drives end-to-end business transformation through digitalization.

The Auto Parts Sector actively integrates upstream and downstream industrial chain resources, establishes innovation consortia, promotes in-depth industry-university-research integration, and enhances the core competitiveness of industrial clusters. Guided by the product design philosophy of high-end, intelligent and lightweight solutions, it propels innovative upgrading of the new energy vehicle industry.

⁵Taking into account core business planning, the time frame of social low-carbon development goals and other factors, this report defines the time horizons as follows: within 1 year (inclusive) after the end of the reporting period (short-term); 1 to 5 years (inclusive) after the end of the reporting period (medium-term); and more than 5 years after the end of the reporting period (long-term). This framework enables a reasonable assessment of how the Group's business development in different time periods is impacted by corresponding issues.

ASIMCO Air Compressor

ASIMCO Intelligent Automotive Technology (Yizheng) Co., Ltd., a subsidiary under the Auto Parts Sector, has successfully developed and mass-produced its first air compressor, achieving domestic substitution, filling a series of technical gaps in domestic air compressor R&D, breaking foreign monopoly, and strengthening the core technological competitiveness of China's automotive industry.



Undertaking Major Scientific and Technological Projects

Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, actively undertakes national and major scientific and technological projects. In 2025, the company participated in one national-level demonstration project for in-depth application of dual basic software, Development and Demonstration Application of Distributed Collaborative Control System for Coal Mining Face Based on MineHarmony OS (a basic software program), as well as one Henan Provincial Key R&D Special Project and one Henan Provincial Major Science and Technology Special Project.

Innovation Incentives and External Cooperation

Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, has established an incentive system, providing cash rewards for invention patents and utility models, linking the industrialization benefits of relevant intellectual property to departmental rewards, and incorporating R&D achievements into employee promotion assessment. The company has also built long-term stable partnerships with domestic universities and research institutions such as China University of Mining and Technology and technology companies such as Huawei Technologies Co., Ltd. It fully leverages the talent and technical resources of these institutions to make up for the company's R&D shortcomings and enhance its overall R&D strength and innovation capability, while providing a practical platform for the commercialization of scientific research achievements of universities and research institutions, achieving mutual benefits and win-win results in industry-university-research collaborations.

Indicators and Targets

Indicator	Unit	2025 Value
R&D Investment Amount	RMB Thousands	1,625,999
R&D Investment as a Percentage of Group's Revenue	%	3.93%
Number of R&D Personnel	Person	2,311
Proportion of R&D Personnel	%	14.02

ZCZL is committed to continuous exploration of technological innovation. Through the construction of high-level innovation platforms, it enhances the enterprise's scientific research capability and creates favorable conditions for the cultivation of high-caliber talents and the development of talent teams.

The Coal Mining Machinery Sector has a National Enterprise Technology Center, a Postdoctoral Research Workstation, and 16 provincial-level R&D platforms, including: Henan Key Laboratory of Intelligent Coal Mining Technology and Equipment, Henan Industrial Design Center, Engineering Research Center for Intelligent Fully-mechanized Mining Complete Equipment, Henan Engineering Research Center of Large Casting and Forging Forming Manufacturing for Mining Machinery, Henan Intelligent Coal Mining Technology Innovation Center, Henan Intelligent Coal Mining Innovation Consortium, Industrial Research Institute, 6 provincial-level engineering technology research centers, and 3 provincial-level enterprise technology centers.

The Auto Parts Sector has one provincial-level technology center, one laboratory accredited by the China National Accreditation Service for Conformity Assessment (CNAS), and one provincial-level industrial design center.

The Industrial Intelligence Sector has one provincial-level research center, one provincial-level technology center, one provincial-level key laboratory, one municipal-level technology center, and an industrial internet platform for intelligent coal mining.

In the current year, the Group has won a number of national and provincial qualification certifications and honorary awards:

- The Coal Mining Machinery Sector won one First Prize and one Second Prize of the Henan Provincial Coal Science and Technology Award, as well as two First Prizes of the Henan Provincial Machinery Industry Science and Technology Award.
- ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd., a subsidiary under the Auto Parts Sector, was awarded the Advanced-Level Smart Factory of Jiangsu Province. SEG Automotive E-Drive System Co., Ltd., a subsidiary under the Auto Parts Sector, won the "Top Enterprise Award for Independent Stator and Rotor" at the 5th Global xEV Drive System Technology & Industry Conference, and it has also been recognized as a "Changsha Municipal Enterprise R&D Center".
- Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, has achieved the following honors and qualifications: winning the First Prize of the 7th National Equipment Management and Technological Innovation Achievements; being certified as a National-level "Little Giant" Enterprise (Specialized, Sophisticated, Unique, New); obtaining one First Prize and one Second Prize of the Science and Technology Progress Award issued by the Department of Education of Henan Province; being granted the title of National High-tech Enterprise; being selected as a recommended candidate for the establishment of a "National Intellectual Property Demonstration Enterprise"; being included in the 2025 Intelligent Manufacturing System Solutions "Open Bidding for Leading Talents" project initiated by the Ministry of Industry and Information Technology (MIIT); being listed in the Henan Provincial Enterprise Technology Center directory; being named to the list of Henan Provincial Intelligent Workshops and Smart Factories.



First Prize of the Henan Provincial Coal Science and Technology Award



Intellectual Property Management

The Group strictly complies with applicable intellectual property laws and regulations, such as the *Patent Law of the People's Republic of China*, *Trademark Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, and national standards including *Enterprise intellectual property compliance management system - Requirements (GB/T 29490-2023)*. It has formulated internal systems focusing on intellectual property creation, application, protection, management and services, including the *Intellectual Property Management Measures*, *Patent Management System*, and *Intellectual Property Rewards and Punishments System*. As of the end of the reporting period, 100% of the Group's R&D personnel have signed confidentiality agreements and non-compete agreements.

The Coal Mining Machinery Sector vigorously implements the innovation-driven development strategy and continuously upgrades its products. Its leading products, new products and key technologies all possess independent intellectual property rights, and its technological R&D capabilities have been significantly enhanced. To strengthen patent information support, it has purchased the professional external patent retrieval tool incoPat Patent Retrieval Platform and established a dedicated database for R&D projects on the platform. Internally, it actively develops a technology management platform to provide real-time updates on intellectual property information, tracking the status of newly filed and authorized intellectual property, while offering data support for R&D personnel to access internal intellectual property resources. The sector regularly monitors the market to detect infringement acts promptly. Through strengthening intellectual property training for employees and building long-term partnerships with patent agencies and professional law firms, it continuously improves its intellectual property protection capabilities and dispute response capabilities, providing solid support for technological innovation and market competitiveness. From the project initiation and R&D stage of new products and technologies, it closely collaborates with intellectual property service institutions, adopting measures such as patent information retrieval and patent early-warning analysis to conduct full-process monitoring of R&D, pre-sales, and post-sales stages, proactively avoiding intellectual property dispute risks. In addition, it provides equity incentives for relevant technical personnel to strengthen motivation for intellectual property protection.

ASIMCO, a subsidiary under the Auto Parts Sector, has formulated internal systems including the *Intellectual Property Management Regulations* and *Trade Secret Management Regulations*, and established an intellectual property management team to standardize end-to-end management of intellectual property creation, management, application and protection (covering trademarks, copyrights and patents).

It integrates intellectual property risk identification and control into R&D, procurement and sales processes, conducts infringement searches before bidding for new product development, and continuously identifies and evaluates intellectual property risks to ensure compliance with the company's products. It tracks technologies and markets of similar products in the market, issues timely warnings against malicious patent infringement, and partners with external professional legal institutions to monitor brand application and registration in real time. In case of infringement of ASIMCO's intellectual property rights, the internal control department will promptly pursue legal responsibilities to safeguard the company's legitimate rights and interests.

The Group has continuously strengthened its efforts in trademark protection. For instance, the subsidiary company SES under the automotive parts sector also pays great attention to trademark protection. The core trademarks within China have been registered, and overseas registrations have been completed through the *Madrid Agreement* in multiple countries. Before trademark registration, a professional intellectual property team is commissioned to conduct reviews to ensure the pass rate of the trademark plan. During the trademark announcement period, social media accounts and domain names are registered simultaneously and preventive registrations are taken to prevent others from maliciously registering the trademarks.

As of the end of the reporting period

<p>The Group has filed 607 patent applications</p> <p>obtained 341 authorized patents</p>	<p>Holds 1,695 valid authorized patents</p> <p>among which 726 are invention patents applied to its core business.</p>
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02

Environmental Responsibility



Response to Climate Change

Governance

ZCZL integrates climate-related responsibilities into its three-tier ESG governance structure consisting of the decision-making, management and execution layers. At the decision-making level, the Board of Directors serves as the highest decision-making body and assumes ultimate responsibility for climate-related work. To ensure effective implementation, the Board authorizes the Strategy and Sustainable Development Committee to oversee and guide climate-related initiatives, including system establishment, target setting and performance tracking. The Strategy and Sustainable Development Committee reports annually to the Board to support decision-making. At the management level, the ESG Management Committee is responsible for reviewing and approving climate-related strategies, annual work plans, KPIs and targets, supervising the ESG Working Group, promoting climate integration into core business processes, and reporting regularly to the Board. At the execution level, the ESG Working Group is responsible for implementing strategies, targets and policies, promoting daily climate work, coordinating cross-departmental collaboration and project execution. Currently, climate-related considerations have been incorporated into the compensation policies for personnel responsible for energy consumption and emission management. The Coal Mining Machinery Sector and ASIMCO are actively promoting the integration of energy consumption indicators and other ESG metrics into the performance evaluation system, while capital market compliance-related indicators have also been included in the management's compensation and performance framework.

The Group has incorporated topics such as the undertaking of the national "dual carbon" strategy, industrial digitalization, green transition, integrated solutions, and holistic transition into the formal agenda of the Board of Directors meetings, facilitating regular discussions on the Group's green and intelligent transformation path, active response to the "dual carbon" strategic goals, active actions-taking, and continuous exploration on the optimal solutions for carbon neutrality in the industry. The Company regularly arranges briefings and training sessions for the Board of Directors, including topics related to climate change, to help them gain professional understanding and competence in climate-related matters.

Strategy

ZCZL actively responds to the national "carbon peaking" and "carbon neutrality" goals, anchoring the national "dual carbon" strategy throughout the Company's sustainable and high-quality development. It fully integrates climate issues into the Group's business strategy and steadily advances its "dual carbon" initiatives. We continuously improve the top-level design for the "dual carbon" initiative, strengthen energy management and energy conservation and emission reduction in production and operation processes, and contribute to the achievement of national sustainable development and the "carbon peaking and carbon neutrality" strategic goals.

For example, the Coal Mining Machinery Sector established leading working groups for the construction of a carbon management system and for the development of zero-carbon factories. It also issued the Carbon Management Policy, committing to integrating the concept of "green and low-carbon development" into the company's strategic planning, incorporating carbon management system requirements into business processes, conducting ongoing energy-saving diagnostics to identify the decarbonization potential, continuously advancing energy-saving and emission-reduction technological improvements, actively practicing the "green and low-carbon" philosophy, and fully supporting the national goals of "carbon peaking and carbon neutrality."

Impact, Opportunity, and Risk Management

ZCZL regularly identifies the impact of climate-related risks and opportunities on its own operations and the upstream and downstream value chains. It adjusts business development directions and resource allocation based on operational conditions, formulates response measures, and regularly evaluates the effectiveness of these measures.

Climate-Related Physical Risks

The Group's climate-related physical risks mainly focus on the impact of frequent extreme weather and high temperatures caused by climate change on the stability of its operations. Considering that the Group has implemented comprehensive prevention, mitigation, and response measures, the overall level of climate-related physical risks is low. The following table lists the main physical risks faced by the Group and the corresponding response measures.

Risks	Potential Impact on Business and Value Chain	Potential Financial Impact	Time Horizon ⁶	Resilience Building Measures	
Acute Physical Risks	<ul style="list-style-type: none"> Extreme weather such as heavy rains, floods, typhoons, and blizzards 	<ul style="list-style-type: none"> Workshop buildings, production equipment, and energy infrastructure in manufacturing plants are vulnerable to damage from flooding due to heavy rains and typhoon strikes, leading to production line shutdowns, prolonged asset repair cycles, and direct impacts on order delivery schedules; blizzards may reduce the treatment efficiency of sewage treatment stations, cause freezing and cracking of outdoor pipelines and valves, resulting in interruptions to supporting production services and increased maintenance costs. 	<ul style="list-style-type: none"> Increased operating expenses Decreased asset value Decreased operating income 	<ul style="list-style-type: none"> Short-term, medium-term, long-term 	<ul style="list-style-type: none"> Formulate scenario-specific natural disaster emergency plans and conduct regular emergency drills; reinforce the waterproof/windproof structures of factory workshops, install waterproof cofferdams and windproof fixing devices for key equipment; strengthen the rainproof and lightning protection of energy infrastructure and equip with emergency power generation equipment; add thermal insulation layers to sewage treatment stations and regularly inspect the anti-freezing measures of outdoor pipelines and valves.
Chronic Physical Risks	<ul style="list-style-type: none"> High temperatures 	<ul style="list-style-type: none"> Production side: High-temperature processes such as coal machinery welding and auto parts die-casting require additional cooling equipment or extended operation time of existing refrigeration systems, increasing electricity consumption costs; prolonged high temperatures may reduce equipment heat dissipation efficiency, increase the probability of mechanical failures, and affect production continuity; Human resources side: Outdoor work in factories cannot be carried out for long periods, reducing employees' effective working hours and overall operational efficiency; the risk of occupational health issues such as heatstroke and heat exhaustion among employees in high-temperature environments increases, requiring additional heatstroke subsidies and medical expenses. 	<ul style="list-style-type: none"> Increased operating expenses Decreased operating income 	<ul style="list-style-type: none"> Long-term 	<ul style="list-style-type: none"> Technological cost reduction: Promote the energy efficiency upgrade of production equipment, such as adopting energy-saving industrial refrigeration systems and optimizing workshop ventilation layouts to reduce energy consumption while ensuring process temperatures; Human resource optimization: Implement a "staggered work + indoor-outdoor rotation" system and provide heatstroke prevention supplies for outdoor positions; set up heatstroke prevention and cooling rest areas in factories/parks and conduct regular first-aid training on high-temperature diseases such as heat exhaustion; install central air conditioning and evaporative coolers in workshops to reduce the operating environment temperature; Introduce human-machine separation measures to achieve unmanned or minimally manned operations in high-temperature and harsh workshop environments. Training & Education: During the high-temperature period, conduct weekly high-temperature protection and heatstroke prevention training for all employees to ensure 100% coverage, systematically enhancing staff safety awareness and emergency response capabilities.

⁶Considering the core business plan, the time frame of social low-carbon development goals, climate-related disclosure standards and management suggestions, etc., we set the time horizon as within 1 year after the end of the reporting period, including 1 year (short-term); 1 to 5 years after the end of the reporting period, including 5 years (medium-term); more than 5 years after the end of the reporting period (long-term), to reasonably assess the impact of climate on the Group's business development in different time periods.

Climate-Related Transition Risks

The Group's climate-related transition risks mainly focus on the series of impacts on the Company's operations caused by the gradual tightening of requirements in product carbon emissions and energy efficiency, market demand for high-energy-efficiency products, and stakeholders' attention to product carbon emissions. Among them, carbon emissions from the use of the Group's products have a certain impact on stakeholders, and compliance with climate-related laws, regulations, and market mechanisms bring certain financial impacts to the Company.

Risks	Potential Impact on Business and Value Chain	Potential Financial Impact	Time Horizon	Resilience Building Measures
Policy and Legal Risks	<ul style="list-style-type: none"> Strengthened requirements for carbon emission-related laws and regulations and climate-related disclosure Stricter carbon emission and energy consumption control policies in China and overseas for high-energy-consuming equipment, which may increase the compliance costs of R&D, design, and factory production and operation of the Company's coal machinery products; failure to meet standards will also face penalty risks. Regulatory authorities from domestic and international capital markets continue to escalate information disclosure requirements for product carbon footprints in companies, and emission reduction targets; insufficient disclosure or data distortion may trigger compliance risks and investor doubts. 	<ul style="list-style-type: none"> Increased operating expenses Increased compliance costs 	<ul style="list-style-type: none"> Short-term, medium-term, long-term 	<ul style="list-style-type: none"> Closely track global and regional environmental protection laws, regulations, and carbon policy trends and respond in a timely manner; Continuously study policy control risks, strengthen communication with stakeholders, and actively respond to the requirements of various stakeholders.
Energy Price Risks	<ul style="list-style-type: none"> Rising energy costs The Company's production and operation mainly rely on purchased electricity; failure to optimize the energy structure and future increases in electricity prices will lead to higher energy procurement costs for the enterprise. 	<ul style="list-style-type: none"> Increased operating costs 	<ul style="list-style-type: none"> Medium-term, long-term 	<ul style="list-style-type: none"> Promote energy-saving technological transformation in factories, office areas, and parks of Zhima Street, such as installing energy-saving equipment and replacing with LED lighting; Build an energy management platform to carry out energy consumption monitoring and gradually increase the proportion of green power supply such as distributed photovoltaic.
Reputational Risks	<ul style="list-style-type: none"> Poor climate-related performance Under global low-carbon transition, investors and customers are paying more attention to enterprises' climate actions; if issues such as high carbon emissions and slow emission reduction progress in the Group's coal machinery manufacturing come under scrutiny, it will trigger negative public opinion, leading to investor withdrawal and reduced customer willingness to cooperate. 	<ul style="list-style-type: none"> Decreased operating income Reduced financing channels 	<ul style="list-style-type: none"> Short-term, medium-term, long-term 	<ul style="list-style-type: none"> Enhance the enterprise's sustainable development capability and actively respond to climate change; Improve the transparency of relevant management and respond to stakeholders' concerns

Climate-Related Opportunities

The accelerated social transition to low carbon will also bring climate-related opportunities for the Group. The Group's accelerated layout in new energy vehicle parts, green and intelligent coal mining machinery, and supporting digital systems will not only bring more benefits to the Group in the short, medium, and long term but also help the green transition of the coal industry, generating positive environmental and social impacts.

Opportunities	Potential Impact on Business and Value Chain	Potential Financial Impact	Time Horizon	Resilience Building Measures
Product and Service Opportunities	<ul style="list-style-type: none"> Accelerated promotion of green and low-carbon products Developing low-energy-consuming coal machinery equipment, new energy vehicle parts, and intelligent digital software can meet downstream customers' demand for low-carbon products/supply chains and expand the high-value-added product market; Complying with domestic and foreign carbon emission reduction policy requirements reduces compliance costs while enhancing brand competitiveness. 	<ul style="list-style-type: none"> Revenue growth 	<ul style="list-style-type: none"> Short-term, medium-term, long-term 	<ul style="list-style-type: none"> Continuously strengthen low-carbon technology R&D and increase the proportion of production capacity of products with green attributes; Actively participate in the formulation of green and low-carbon standards, conduct carbon footprint analysis and verification of existing products, and implement targeted improvements based on verification results.
Market Opportunities	<ul style="list-style-type: none"> Policy support for industrial transformation Under the national "dual carbon" strategy, the industry's low-carbon transition receives policy support; order scale can be expanded by leveraging policy benefits. 	<ul style="list-style-type: none"> Revenue growth 	<ul style="list-style-type: none"> Short-term, medium-term, long-term 	<ul style="list-style-type: none"> Track green industry policies and proactively apply for policy benefits.
	<ul style="list-style-type: none"> Sustainable financing Policies related to sustainable financing are increasingly refined. If the company can effectively advance its low-carbon and energy conservation initiatives, it will gain access to a diverse range of financing channels. 	<ul style="list-style-type: none"> Increased financing channels Reduced financing costs 	<ul style="list-style-type: none"> Short-term, medium-term, long-term 	<ul style="list-style-type: none"> Improve ESG information disclosure and promote the implementation of low-carbon projects in line with sustainable financing standards; Strengthen ESG financing cooperation with financial institutions and explore the application of tools such as sustainability-linked loans and green bonds.
Resource Efficiency Opportunities	<ul style="list-style-type: none"> Clean energy substitution solutions Promoting the substitution of traditional electricity generation with clean energy such as photovoltaic and wind power in factories can reduce energy costs and hedge against the risk of energy price fluctuations. 	<ul style="list-style-type: none"> Decreased operating costs 	<ul style="list-style-type: none"> Medium-term, long-term 	<ul style="list-style-type: none"> Promote the utilization of clean energy in factories; Build an intelligent energy management platform to optimize the energy structure and increase the proportion of clean energy use.

It is difficult to distinguish the current and expected financial impacts of climate-related risks and opportunities from those of other operational and market factors, and they cannot be independently identified and measured during the reporting period. Additionally, there is a lack of reference standards for relevant assessment methods. Currently, we only conduct a qualitative description of the nature, direction of financial impact, and time horizon of relevant climate risks and opportunities, and clarify the financial statement items that may be affected. The Group will continue to invest resources in identifying the quantitative impact of climate-related risks and opportunities, strive to gradually deepen the depth and breadth of analysis in subsequent reporting periods, and re-evaluate the feasibility and applicability of relevant quantitative methods after the end of each reporting period.

Climate Scenario Analysis

This year, considering factors such as data availability and impact scope, combined with the analysis results of internal and external industry experts, ZCZL prioritized assessing the impact of acute physical risks on major operating factories under low-carbon and high-carbon scenarios.

Risk/Opportunity Type	Time Horizon	Climate Scenario Selection
Acute Physical Risks	2030、2050	Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway RCP 4.5 (low-emission scenario)
	2030、2050	Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway RCP 8.5 (high-emission scenario)

Scenario Analysis Results:

Risk/Opportunity Type	Risk Exposure under Different Scenario Assumptions			
	RCP 4.5		RCP 8.5	
	2030	2050	2030	2050
Physical Risks	Low	Low	Low	Low
Acute Physical Risks	Low	Low	Low	Low

Under the condition that there are no significant changes in the current geographical location and business model, the Group's exposure to acute physical risks such as heavy rains and floods is low in the medium and long term. In addition, the Group minimizes relevant impacts through upgrading and transforming facilities and equipment and formulating emergency plans.

Risk Management

The Group incorporates climate risks into the existing risk management process. Based on the Group's risk management framework, it systematically identifies, assesses, and manages climate-related risks to ensure they are within a controllable range. We fully consider climate and environmental factors in all business links and actively cooperate with value chain partners to address climate change. For identified risks and opportunities, we comprehensively evaluate their likelihood of occurrence and impact on finances and business in combination with feedback from various business sectors, prioritize them, and formulate targeted response measures. At the same time, we conduct regular monitoring of climate-related risks and gradually enhance the Company's resilience in responding to climate change.

ASIMCO, a subsidiary under the Auto Parts Sector, actively responds to climate change-related risks, formulates a carbon strategy, conducts annual emission reduction project planning and review, tracks the implementation effect of relevant climate management measures, establishes a feedback and improvement mechanism, systematically evaluates the consistency of the enterprise's climate transition measures, and conducts annual carbon management performance evaluation. In 2025, ASIMCO carried out carbon footprint certification for its typical products and obtained certification reports.



Automotive Electrification Transformation

To address global climate challenges and reduce carbon emissions in the transportation sector, SEG, a subsidiary under the Auto Parts Sector, continues to strengthen its strategic deployment in the electrification market, providing scalable electrification solutions to support the energy transition process of the automotive industry. By developing a series of product portfolios such as full-voltage platform motors for battery electric vehicles, various derivative supporting products, and lightweight mid-mounted drive motors for electric bicycles, it accelerates the sustainable transition of the industry.

For more details on the Group's initiatives to address climate change-related risks and advance its green transformation, please refer to the sections "Featured Stories – Green Products and Technologies" and "Environmental Responsibility – Environmental Protection".

Indicators and Targets

We conduct GHG emission inventories covering Scope 1, Scope 2 and Scope 3 emissions, and carry out the relevant work in accordance with the *Greenhouse Gas Protocol Corporate Accounting and Reporting Standard* developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

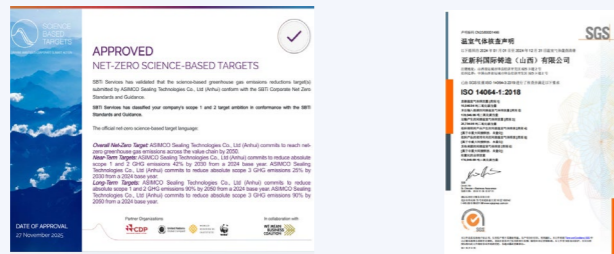
Indicator	Unit	2025 Data
Total GHG Emissions (Scopes 1 and 2) ⁷	tCO ₂ e	528,121
Scope 1 GHG Emissions	tCO ₂ e	51,912
Scope 2 GHG Emissions	tCO ₂ e	476,209
Scope 3 GHG Emissions ⁸	tCO ₂ e	4,087,834
GHG Emissions per Million Yuan Revenue (Scopes 1 and 2)	tCO ₂ e/million yuan	12.76

⁷GHG accounting is presented in carbon dioxide equivalent, and is calculated in accordance with documents issued by authoritative departments and institutions such as IPCC and the Ministry of Ecology and Environment of the People's Republic of China, as well as the GHG Emission Factors Hub and Supply Chain GHG Emission Factors issued by the U.S. Environmental Protection Agency, and the UK Government GHG Conversion Factors for Company Reporting issued by the UK Department for Environment, Food and Rural Affairs.

⁸Scope 3 GHG emissions accounting of the Group come from purchased goods and services, capital goods, upstream transportation and distribution, business travel, and employee commuting. The accounting of Scope 3 GHG emissions is conducted in accordance with the GHG Protocol: The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). Going forward, we will continue to improve our data management system, enhance professional capabilities, and gradually expand the disclosure scope of Scope 3 GHG emissions.

Science-Based Carbon Targets Setting

ASIMCO NVH Technologies Co., Ltd. (Anhui) ("ASIMCO Anhui"), a subsidiary under the Auto Parts Sector, has carried out the accounting of Scopes 1, 2, and 3 GHG emissions. It has committed near-term and net-zero targets with the Science-Based Targets initiative (SBTi). The targets were officially approved in November 2025. ASIMCO Anhui has formulated a carbon emission reduction strategic roadmap, prioritizing emission reduction in its own operations and promoting emission reduction actions in the upstream and downstream value chains. In addition, ASIMCO Anhui is actively researching internal carbon pricing and will implement it in a timely manner according to the company's specific needs.



ASIMCO International Casting (Shanxi) Co., Ltd. a subsidiary under the Auto Parts Sector, has undergone third-party GHG emissions verification.

Emission Reduction Targets

SEG, a subsidiary under the Auto Parts Sector, has set the following targets:



2030 emission reduction targets:

Reduce Scope 1 emissions by 60% and achieve 100% reduction in Scope 2 emissions by 2030, using 2022 as the baseline year; Reduce carbon dioxide emissions intensity per million euros of revenue by 10% by 2030, with 2024 as the baseline year.



Long-term emission reduction target:

Achieve net-zero emissions by 2050.

Target Tracking

Taking 2022 as the baseline year, SEG's Scope 1 emissions decreased by 8.4% and Scope 2 emissions by 29.7% by 2025. Taking 2024 as the baseline year, carbon dioxide emissions per million euros of revenue increased by 2.7% in 2025⁹

⁹The slight increase in SEG's carbon emission intensity in 2025 was primarily due to changes in our sales product mix. We are committed to transitioning toward a lower-carbon future and will systematically advance decarbonization across our operations and value chain, to ensure we meet our 2030 emission reduction targets as scheduled.

Environmental Protection

With the mission to "promote green development and foster harmony between humans and nature," ZCZL unswervingly takes the path of ecological priority and green development, and strictly complies with all relevant environmental protection laws and regulations applicable in the regions where it operates. The Group improves energy efficiency through scientific management of energy consumption structure, optimizes water resource utilization efficiency through refined measures, promotes efficient resource reuse through a circular economy model, strengthens the bottom line of environmental operations through compliance management, actively fulfills ecological protection responsibilities, and comprehensively promotes the coordinated development of production and operation with ecological environmental protection.

Major affiliated companies of the Group in China have obtained ISO 14001:2015 environmental management system certifications, and the overseas subsidiary, SEG, has obtained ISO 14001:2015 environmental management system certification.



ISO 14001: 2015 Environmental Management System Certification

In January 2025, Zhengzhou Coal Mining Machinery Group Co., Ltd. obtained the Green Factory Certification issued by the Ministry of Industry and Information Technology of the People's Republic of China.

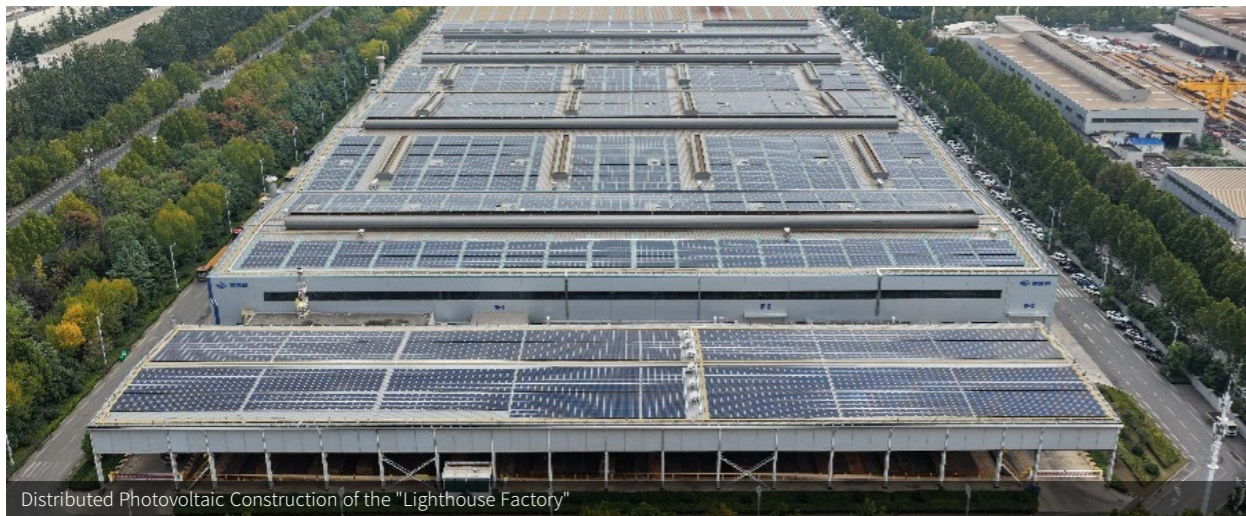
The smart park of Zhengzhou Coal Mining Machinery Group Co., Ltd. was certified as a *Lighthouse Factory* by the World Economic Forum (WEF), the first lighthouse factory in the coal machinery industry.

ASIMCO NVH Technologies Co., Ltd. (Anhui), a subsidiary under the Auto Parts Sector, has obtained provincial-level Green Factory and Advanced Smart Factory Certifications.

Energy Management

In accordance with the *Energy Conservation Law of the People's Republic of China* and other relevant laws and regulations in the regions where it operates, ZCZL has formulated the *Energy Procedure Manual*. It clarifies the energy management responsibilities and improvement mechanisms at all levels around the establishment of an energy management system, energy review, energy use control, and performance monitoring, so as to improve energy utilization efficiency and promote the low-carbon transition of the Group's own operations.

The Coal Mining Machinery Sector continuously optimizes the energy structure, independently researches and develops, and implements a digital energy and carbon management platform to achieve real-time monitoring of electricity and gas consumption. Key equipment is monitored daily, and other equipment is covered weekly. It can real-time identify abnormal energy use and trigger alarms, and simultaneously monitor equipment utilization and failure rates, helping to improve energy efficiency and refined energy management. At present, the sector has planned the construction of 48.5 megawatts of distributed photovoltaic, with approximately 7 megawatts completed, and the total photovoltaic power generation in 2025 is 6.25 million kilowatt-hours; it participates in green power transactions and achieves 100% green power offset; it adopts numerical control and intelligent technologies and actively implements green and low-carbon transformations, with an average of 3.7 green and low-carbon transformation and upgrading projects per year in the past three years. In addition, the Coal Mining Machinery Sector promotes linking energy consumption indicators with employee performance, and the emergency support department inspects the completion of energy goals, indicators, and performance parameters monthly.



The Auto Parts Sector continuously implements various energy-saving and emission-reduction measures and actively responds to the national "dual carbon" goals. ASIMCO International Casting (Shanxi) Co., Ltd., a subsidiary, uses a ground-source heat pump air conditioning system, which utilizes free and constant low-temperature geothermal energy underground. One system can replace the original three sets of equipment: "boiler + air conditioner + water heater," saving initial equipment investment costs and electricity consumption; ASIMCO NVH Technologies Co., Ltd. (Anhui), a subsidiary, has set energy utilization targets, continuously phased out high-energy-consuming equipment, procured energy-saving production machinery, and actively deployed photovoltaic power generation systems; SEG, a subsidiary, continues to increase the proportion of green power use, with a green power ratio of 100% for one of its factories in Spain in 2025, and sets a green energy use target of 100% green power by 2030; SES, a subsidiary, continuously optimizes the energy structure and vigorously promotes the construction of distributed photovoltaic, with a completed photovoltaic capacity of 2.4 megawatts.

Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, deploys high-precision power collection modules in the power distribution cabinets of factory areas, realizing the full-process management of data from collection to application through the Internet of Things architecture. Currently, the factory power collection system can monitor the energy use of workshops, production units, office buildings, and key equipment. Through data analysis, it accurately identifies energy waste phenomena such as no-load operation/overload operation, optimizes equipment operation strategies, and can achieve an energy-saving effect of 5%-20%.



In addition, the Industrial Intelligence Sector continuously optimizes the energy structure and vigorously promotes the construction of distributed photovoltaic, with a total installed capacity of 2 megawatts planned, expecting annual power generation of 2.3 million kilowatt-hours, and photovoltaic power consumption accounting for 30%.

Currently, as such energy-saving and emission-reduction measures are deeply integrated into daily production operations, the individual emission reduction effects was not yet independently and precisely isolated or quantified from the overall emission data.

The Coal Mining Machinery Sector has obtained ISO 50001:2018 Energy Management System Certification.

Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, has obtained ISO 50001:2018 Energy Management System Certifications.

Selected subsidiaries of ASIMCO under the Auto Parts Sector, have obtained ISO 50001 Energy Management System Certification.

Key Performance Indicators for Energy Consumption

Indicator	Unit	2025 Data
Purchased Electricity	MWh	714,130
Including: Green Electricity Consumption	MWh	33,711
Natural Gas	MWh	193,527
Other Energy Consumption ¹⁰	MWh	39,337
Total Energy Consumption	MWh	946,994
Direct Energy Consumption	MWh	227,500
Indirect Energy Consumption	MWh	719,494
Energy Consumption Intensity	MWh/Million Yuan	22.88

Water Resource Management

Water obtained by the Group is mainly used to meet the production and living needs of the operation bases, and the water intake comes from the municipal water supply system. The Group attaches great importance to the protection and rational use of water resources, is committed to improving the efficiency of water resource use in its own operations, and disseminates the concept of saving and protecting water resources to the value chain. The Group strictly complies with relevant laws and regulations in the regions where it operates, actively adopts various water-saving measures, focuses on the daily inspection and maintenance of water-using equipment, strengthens the publicity of water-saving concepts, and strives to reduce water resource waste in all operation links.

Moving forward, the Group will gradually increase the water recycling ratio and reduce water waste.

In 2025, all business sectors of the Group continued to actively reduce water resource consumption by improving the recycled water rate and updating equipment:

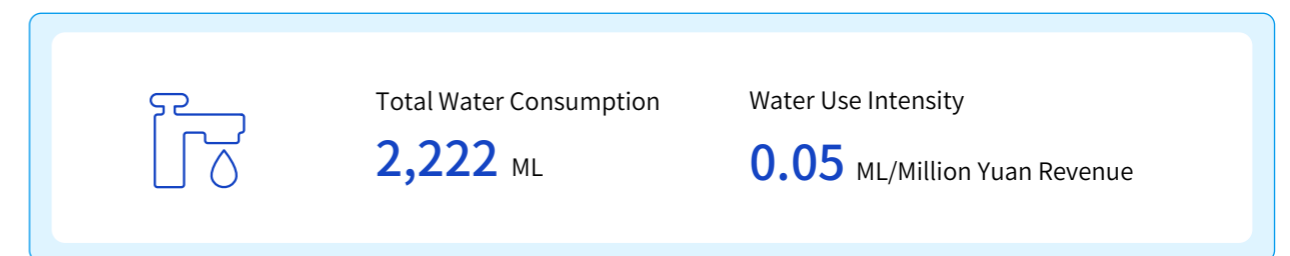
- The Coal Mining Machinery Sector strengthened the inspection and maintenance of water pumps and pipelines everywhere to eliminate water leakage.
- ASIMCO NVH Technologies Co., Ltd. (Anhui), a subsidiary under the Auto Parts Sector, prioritized the use of river water for production to reduce tap water consumption, and regularly carried out water pipe inspection and maintenance to reduce the risk of water pipe aging and leakage.

¹⁰Other energy types include diesel, gasoline, liquefied petroleum gas, heat, etc.

- ASIMCO International Casting (Shanxi) Co., Ltd., a subsidiary under the Auto Parts Sector, optimized the cooling water circulation system to achieve a 95% recycled water utilization rate.
- ASIMCO Camshaft (Yizheng) Co., Ltd. , a subsidiary under the Auto Parts Sector, vigorously promoted water-saving measures such as reclaimed water reuse, series water supply, and closed-circuit circulating water use, and gradually eliminated water-intensive equipment and processes.
- SEG, a subsidiary under the Auto Parts Sector, recycled the condensed water of the evaporator to effectively improve water resource utilization efficiency.

ASIMCO NVH Technologies Co., Ltd. (Anhui), a subsidiary under the Auto Parts Sector, has established the following water resource management targets: Perform periodic leak inspections and repairs on water intake pumps, all water outlets, and piping systems; fully utilize recycled water for cooling water systems of newly installed equipment.

Key Performance Indicators for Water Resource Management



Circular Economy

The Group actively explores the recycling of raw materials and promotes efficient circulation of resources through process optimization.

The general industrial solid waste generated in the production and operation of the Coal Mining Machinery Sector, such as steel scraps and waste packaging materials, is collected centrally and entrusted to resource recycling companies for recycling, achieving 100% resource utilization; the Coal Mining Machinery Sector replaces disposable cardboard and wooden packaging with reusable iron frames in distribution.

ASIMCO, a subsidiary under the Auto Parts Sector, optimizes the efficiency of raw material use and prioritizes the procurement of environmentally friendly raw materials; it focuses on the source control and recycling of waste, entrusts qualified suppliers to dispose of waste mineral oil, recycles and reuses packaging materials, and part of the waste packaging is recycled and reused by raw material manufacturers; in the supplier supply and shipment links, it prioritizes the selection of environmentally friendly packaging materials with high resource utilization rate, recyclability, or easy degradation to reduce the use of disposable packaging materials such as cartons and wood. SES, a subsidiary under the sector, uses recyclable bulk bags for packaging in the dipping process and promotes the circular reuse, effectively reducing the amount of waste packaging and containers contaminated with toxic and infectious hazardous waste. In addition, the company supports and encourages suppliers to deliver goods using plastic turnover boxes and plastic collapsible containers, and provides bulk steel suppliers with a longer material procurement cycle for waterway transportation, reducing carbon emissions in transportation.

- SEG's Treto factory in Spain, a subsidiary under the Auto Parts Sector, obtained the "Zero Waste to Landfill" certification issued by TÜV Rheinland.



"Zero Waste to Landfill" Factory Certification

Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, adopts a wet processing mode in the machining process, with a supporting cutting fluid recycling process. Through a metal chip extruder, the waste fluid is reused through sedimentation, filtration and other processes, effectively reducing waste fluid discharge.



Metal chip extruder



In the future, the Group will continuously increase the resource recycling rate to support the development of a circular economy.

Key Performance Indicators for Packaging Materials

Indicator	Unit	2025 Data
Plastic Usage	Tons	674
Paper Usage	Tons	251
Carton Usage	Tons	4,255
Metal Usage	Tons	3,011
Other Packaging Material Usage	Tons	5,835
Total Packaging Material Usage	Tons	14,026
Recycled Materials Used	Tons	3,534
Proportion of Recycled Materials Used	%	25.20

Environmental Compliance Management

ZCZL strictly complies with relevant environmental protection laws and regulations in the regions where it operates, such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, and the *Federal Immission Control Act*. In accordance with the requirements of laws, regulations, and ISO 14001, it has established a comprehensive set of environmental management system documents, including the *Environmental Protection Management System*, *Soil Pollution Prevention Management System*, *Noise Pollution Prevention Management System*, *Pollution Control Facility Management System*, *Environmental Monitoring Management System*, and *Hazardous Waste Management System*.

The Group has established the work safety committee as the highest leading body for environmental management, responsible for formulating the enterprise's environmental management policy, goals, and performance, supervising the implementation and improvement of environmental management-related policies, and organizing various production bases to carry out environmental factor identification. The environment, health, and safety department promotes the implementation of various environmental protection systems in accordance with environmental management policies, and continuously tracks the Company's environmental management performance reflected by various indicators.

 <p>Environmental Risk Identification and Emergency Management</p>	<p>The Group attaches great importance to environmental risk identification and the prevention and response to emergency environmental incidents. The Coal Mining Machinery Sector has formulated the <i>Emergency Plan for Sudden Environmental Accidents</i> and established an environmental emergency organization. It systematically conducts hierarchical assessments of surrounding environmental risks, clarifies the handling and disposal processes around environmental risk early warning, emergency monitoring, and emergency hierarchical response, organizes employees to conduct emergency drills for environmental events, and effectively improves the Group's ability in identifying environmental risk factors and handling emergency environmental incidents.</p> <p>During the year, the Group did not experience any major environmental pollution incidents, nor any environmental violations or penalties.</p>
 <p>Pollutant Management</p>	<p>The Group attaches great importance to ecological and environmental compliance management, continuously strengthens environmental risk prevention and control capabilities, regularly conducts inspections of environmental protection equipment and special investigations and rectifications of ecological and environmental risk hazards, strengthens special investigations of sensitive areas, key industries, and enterprises with high ecological and environmental risks, regularly revises and issues the <i>Emergency Plan for Environmental Pollution Accidents</i>, organizes employees to conduct emergency drills, and continuously improves employees' environmental awareness and emergency disposal capabilities.</p> <p>ASIMCO NVH Technologies Co., Ltd. (Anhui), a subsidiary under the Auto Parts Sector, conducts annual environmental assessment surveys, inviting local community residents to fill out environmental assessment questionnaires to understand the impact and extent of the company's production and operation on the surrounding environment and communities.</p> <p>In 2025, the Group did not have incidents with significant impacts on employees, local community residents, and other groups due to pollutant emissions.</p>
 <p>Waste Management</p>	<p>All business sectors of the Group strictly comply with the regulatory requirements on the disposal of different types of waste in the regions where they operate, and formulate sound waste management policies to clarify the requirements for the collection, temporary storage, and disposal of various types of waste, continuously improving the waste management system and reducing waste emissions. Regarding non-hazardous waste, reuse valuable non-hazardous waste resources to increase the recycling rate; other non-hazardous waste is handed over to municipal authorities or qualified third-party institutions for compliant disposal; regarding hazardous waste, all of it shall be entrusted to qualified third-party disposal institutions for treatment and disposal or recycling. In the future, we will explore more sustainable waste treatment methods to ensure that no environmental pollution incidents occur due to waste.</p>

 <p>Noise Management</p>	<p>The Group complies with laws and regulations such as the <i>Law of the People's Republic of China on Noise Pollution Prevention and Control</i>, and strictly controls the generation and emission of noise in production and operation.</p> <p>The Auto Parts Sector installs soundproof enclosures on high-noise equipment to achieve physical noise reduction. Concurrently, strict adherence to the pollutant discharge permit management requirements is maintained by conducting specialized environmental noise testing, with all results complying with relevant standard limits.</p> <p>Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, reduces the noise emission of individual equipment through measures such as equipment entry control and adding basic shock absorption and sound insulation devices, thereby reducing the overall factory noise, and entrusts qualified third-party institutions to conduct regular testing.</p>
 <p>Wastewater Management</p>	<p>The wastewater generated by the Group mainly includes domestic sewage and production wastewater. Domestic sewage is mainly from the drainage of office toilets and kitchens, without the discharge of toxic, harmful substances, and special substances; production wastewater mainly includes electroplating wastewater and painting wastewater. Among them, electroplating wastewater containing heavy metals achieves full reuse through a classification treatment system, and painting wastewater is treated by integrated industrial wastewater treatment equipment and discharged in compliance with local environmental protection standards.</p>
 <p>Air Emissions Management</p>	<p>The Group attaches great importance to the generation and treatment of air emissions from production and operations, ensuring that all emissions are treated and discharged in compliance with standards.</p> <p>The Coal Mining Machinery Sector uses robotic welding instead of manual welding, optimizes welding workshops to improve air emissions collection efficiency; upgrades dust collectors to reduce PM concentration; adopts spray coating technology instead of traditional painting technology, completes the anti-corrosion environmental protection transformation of the hydraulic cylinders' surfaces, and reduces VOC emissions.</p> <p>ASIMCO, a subsidiary under the Auto Parts Sector, implements full-process treatment of VOC generation, achieves 100% compliance on the discharge of air emissions through professional collection devices and supporting environmental protection equipment, significantly improves air emissions collection rate and treatment efficiency, and conducts regular testing in strict accordance with the requirements of pollutant discharge permits. SEG, a subsidiary under the Auto Parts Sector, actively adopts new energy-saving and environmentally friendly processes, regularly maintains and replaces filter elements of air emissions adsorption devices, ensuring that the concentration of air emissions is far below the regulatory limits.</p>

Key Performance Indicators for Emissions

Indicator	Unit	2025 Data
Total Wastewater Discharge	Tons	42
Non-hazardous Waste	Tons	376,327.08
Hazardous Waste	Tons	4,100.99
Non-hazardous Waste Intensity	Tons/Million Yuan	9.09
Hazardous Waste Intensity	Tons/Million Yuan	0.10
Total Air Emissions ¹¹	Tons	154.87
Including: PM	Tons	57.26
SOx	Tons	6.66
NOx	Tons	71.38
VOC	Tons	19.57

¹¹The air emissions generated by the Group mainly comes from fossil fuel combustion emissions, painting emissions, dust, smoke, etc. during the production process.

Ecosystem and Biodiversity Conservation

ZCZL attaches great importance to the impact of its own activities on ecosystems and biodiversity, and strictly complies with relevant laws and regulations such as the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Wild Animal Conservation Law of the People's Republic of China*, the *Regulations of the People's Republic of China on Wild Plants Protection*, and the *Opinions on Further Strengthening Biodiversity Protection* issued by the General Office of the State Council, minimizing the impact on nature.

We strictly abide by legal regulations and require all new construction projects or renovation projects to conduct natural environment surveys and evaluations during the preparation stage, avoiding operations and construction in areas including statutory ecological protection areas, important habitats, and other areas with important ecological functions and significance for biodiversity protection. In addition, we also conduct hierarchical assessments of environmentally sensitive targets at project sites, and carry out subsequent work after confirming that the project would not cause serious impacts on ecological resources and biological habitats, striving to avoid damage to ecosystems.

ASIMCO NVH Technologies Co., Ltd. (Anhui), a subsidiary under the Auto Parts Sector, conducts due diligence on suppliers of products containing high-risk materials (including but not limited to rubber) in response to export requirements, clarifies the sources of high-risk materials, to help ensure deforestation is avoided across the supply chain.

The Coal Mining Machinery Sector focuses on the innovation of green mining technology. The independently developed backfill support for fully-mechanized coal mining face has achieved large-scale process implementation, realizing the coordinated development of ecological protection and resource utilization. This process breaks the traditional mode of natural collapse of goafs after coal mining. Through special backfill supports, solid waste such as gangue generated during coal mining is converted into backfill media, which is directionally backfilled into goafs to form stable support. It not only ensures the safety of original residents' houses and infrastructure in coal mining areas but also solves the pain points of land occupation and vegetation destruction caused by gangue storage, reducing the disturbance of mining activities on ecological habitats from the source, and practicing the green mining mode of "mining while governing."



03

Employee Responsibility



Compliance with Hiring Standards

ZCZL strictly complies with relevant laws and regulations applicable in the regions where it operates, such as the *Labor Law of the People's Republic of China*, the *Anti-Employment Discrimination Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, the *General Equal Treatment Act*, and the *German Working Hours Act*. It also refers to international human rights conventions such as the Universal Declaration of Human Rights to formulate and update internal management systems including the Employee Handbook and the Employee Recruitment and Employment Management Measures. These systems regulate management in areas such as recruitment and dismissal, salary and promotion, working hours and leave, effectively safeguarding employees' legitimate rights and interests. The Group firmly prohibits child labor and forced labor. It verifies candidates' valid documents such as ID cards throughout the entire employment process, including recruitment needs submission, employment approval, and onboarding, to ensure consistency between the person and the certificate, and fundamentally eliminates the recruitment and employment of child labor. If any act of employing child labor or forced labor occurs, the Group would immediately terminate the labor contract with the relevant employee and hold the responsible persons accountable in accordance with the law. In 2025, the Group did not find any cases of child labor, forced labor, or discrimination. The Group pays "five social insurance and one housing fund"¹² for all employees, and all employees have signed labor contracts.

Adhering to the principles of "open recruitment, equal competition, merit-based selection, and job-person fit," the Group adopts a combination of internal and external recruitment to continuously introduce talents accurately. Internally, it releases recruitment information, encourages employees to compete for positions, provides internal transfer opportunities, and broadens employees' career development paths; externally, it relies on diversified channels such as recruitment platforms, internal referrals, and campus recruitment to continuously strengthen the intensity and quality of talent introduction, better matching the Company's future talent and requirements with talent capabilities and literacy. ASIMCO NVH Technologies Co., Ltd. (Anhui), a subsidiary under the Auto Parts Sector, regularly participates in special recruitment activities for veterans, the disabled, and other groups to promote stable employment of key groups.

In terms of attendance management, the Group standardizes working time management, strictly controls overtime hours, and pays overtime wages or arranges compensatory leave for overtime employees in accordance with the law, effectively safeguarding employees' rights to take breaks and leaves. In accordance with legal provisions, the Group guarantees employees' rights to public holidays, paid annual leave, marriage leave, maternity (paternity) leave, compassionate leave, personal leave, sick leave, breastfeeding leave, work-related injury leave, etc. Different business sectors also provide diversified leave arrangements such as only-child care leave and home-leave based on their own operational practices. This year, as the Group's internationalization process gradually deepens, it provides a flexible working system for employees involved in cross-border management.

The Group, in compliance with legal requirements such as the *Labor Dispute Mediation and Arbitration Law of the People's Republic of China* and the *Provisions on the Negotiation and Mediation of Enterprise Labor Disputes*, has formulated the *Employee Handbook* to specify the mediation and arbitration mechanisms for labor disputes. The Coal Mining Machinery Sector has established a labor dispute mediation committee to properly handle complaints and disputes.

¹²Including endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund.

Employment Indicators

Indicator	Unit	2025 Data
Number of Employees by Employment Type	Permanent Employees	Number of Employees 16,480
	Temporary Employees ¹³	Number of Employees 1,254
Number of Employees by Gender	Male	Number of Employees 12,366
	Female	Number of Employees 4,114
Number of Employees by Age Group	Under 30 Years Old	Number of Employees 3,561
	30-50 Years Old	Number of Employees 10,201
	Over 50 Years Old	Number of Employees 2,718
Number of Employees by Region	Asia	Number of Employees 12,524
	Europe	Number of Employees 2,337
	Other Regions	Number of Employees 1,619
Number of Employees by Employee Category	Senior Management	Person 13
	Middle Management	Person 861
	General Employees	Person 15,606
Overall Employee Turnover Rate	%	12
Employee Turnover Rate by Gender	Male	% 12
	Female	% 12
Employee Turnover Rate by Age Group	Under 30 Years Old	% 19
	30-50 Years Old	% 10
	Over 50 Years Old	% 8
Employee Turnover Rate by Region	Asia	% 11
	Europe	% 10
	Other Regions	% 22

¹³Including dispatched workers, part-time employees, interns, etc. Statistics based on gender, age, region, and employee category include only permanent employees.

Diversity and Inclusion

The Group has always adhered to the principle of zero tolerance for discrimination and built an equal, inclusive, and diverse working environment. In terms of recruitment, salary, training, promotion opportunities, etc., it does not discriminate against or unfairly treat employees based on factors such as age, disability, ethnicity, gender, marital status, nationality, political affiliation, race, religion, or sexual orientation.

The Group vigorously promotes a diverse and inclusive working environment, respects cultural differences among employees of different nationalities and ethnic groups, and is committed to providing employees with a comfortable and secure working environment.

- Ethnic minority employees** The Coal Mining Machinery Sector has set up special dining options for ethnic minorities.
- Foreign employees** The Coal Mining Machinery Sector regularly organizes forums and other activities for newly recruited foreign employees.
- Disabled employees** The Auto Parts Sector provides annual disability subsidies for disabled employees.

ZCZL attaches great importance to the protection of female employees' rights and interests. All business sectors provide female employees with leave benefits such as breastfeeding leave and maternity leave, and supporting facilities such as mother-and-baby rooms and yoga rooms. They also carry out diverse care initiatives including health knowledge lectures, thematic flower arrangement activities, and outstanding employee commendations, striving to create a friendly working environment that cares for women's physical and mental health, supports women in exerting their potential, and helps women achieve career growth. As of the end of the reporting period, the proportion of female employees in the Group was 24.96%.

Women's Health Knowledge Lecture

In 2025, on the occasion of International Women's Day on March 8th, the Coal Mining Machinery Sector held a health knowledge lecture themed "Charming Goddess, Shining Brightly" to present thoughtful holiday gifts to female employees. The lecture invited chief physicians from the Obstetrics and Gynecology Department of Zhengzhou Maternity and Child Health Hospital to explain in detail the causes, prevention, treatment, and health maintenance of common female diseases for female employees, caring for their health.



Women@SEG Program

In 2025, SEG, a subsidiary under the Auto Parts Sector, officially launched the employee-initiated "Women@SEG" program, focusing on women's career growth and leadership empowerment. With the "SEG Career Path Mentorship Program" as the core, the program provides one-on-one professional guidance from senior mentors to help female employees improve their professional capabilities and broaden their development options; at the same time, it introduces special policies, specifying that all leadership succession plans must include at least one female candidate, and promotes the implementation of the strategic goal of "increasing the proportion of women in management from 15% to 27% by 2030" through practical measures.



Salary and Incentives

To attract and retain outstanding talents, we have established a market-competitive salary and welfare system. In addition to basic salaries, we have set up multiple incentive policies such as performance bonuses, medium and long-term incentive plans, and profit-sharing plans. In 2025, the Group implemented a new phase of the "Employee Stock Ownership Plan," with the main incentive targets including group directors, supervisors, senior management personnel, core management personnel, and core backbones in R&D, sales, and management.

Performance Evaluation

We continuously optimize the performance evaluation management system, adopting monthly and annual assessments. The assessment content mainly consists of two parts: performance indicators and key tasks. Performance indicators are linked to the Company's key performance achievements, and key tasks are related to employees' annual work plans. The assessment results are linked to employees' salaries, driving in-depth alignment between group goals and individual performances. In addition, for employees in different business types such as sales, production, and R&D, we have set up differentiated assessment dimensions, including work attitude, attendance, safety, workload, and innovation capabilities, to fully mobilize the enthusiasm and initiative of employees in different positions.

Each business sector of the Group has also formulated unique salary incentive policies based on its own business practices. SES, a subsidiary under the Auto Parts Sector, has established special retention incentives for key employees and designed special project bonuses for the company's core cost control projects; ASIMCO, a subsidiary under the Auto Parts Sector, provides additional project rewards to teams or individuals who perform outstandingly in specific projects, and also launches an employee stock option plan to strengthen the sense of ownership of management employees; Zhengzhou Coal Mining Machinery Shuyun Intelligence Technology Co., Ltd., a subsidiary under the Industrial Intelligence Sector, has established a scientific management system oriented by performance results, taking performance evaluation as the decision-making basis for employee probation assessment, salary adjustment, promotion and demotion, staff retention, talent development, and training development. It also has established a performance evaluation mechanism, allowing employees to initiate performance appeals with one click in the performance evaluation system of the Qizhiyun management platform.

☀ Benefits and Care

The Group has always adhered to a people-oriented approach and taken employees' physical and mental health as one of the cornerstones of the Company culture. We organize a variety of cultural, sports, and recreational activities to help employees balance work and life rhythms, effectively carry out assistance work for employees in need, strive to build a healthy, pleasant, and positive working atmosphere, and continuously enhance employees' sense of belonging and happiness.



The Coal Mining Machinery Sector attaches great importance to employee well-being and cultural life construction. It not only sends warm gifts to employees during holidays but also carefully plans a variety of cultural and sports activities, including sports and cultural festivals, youth friendship activities, friendly basketball matches, recreational sports games, and Spring Festival galas, comprehensively meeting employees' spiritual and cultural needs, and effectively enhancing team cohesion and employees' sense of belonging.



The trade union of Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, has organized the "Warmth Project" and "Happiness Project." Through home visits and other channels, it has strengthened its support and condolences for employees facing illness, financial hardship, or significant life events such as weddings and funerals. This ensures comprehensive care for employees in difficult circumstances, including those with low incomes, serious illnesses, or hospitalization. On the occasion of the Double Ninth Festival in 2025, the company particularly invited retired employees to visit the new industrial park area to personally experience the company's leapfrog development. This initiative not only honors the fine traditional Chinese virtue of respecting and caring for the elderly but also reflects the company's deep gratitude and care for its retired employees.



Li Keping Scholarship

Since 2006, ASIMCO, a subsidiary under the Auto Parts Sector, has established the Li Keping Scholarship Fund to support eligible employees' children. The fund aims to encourage them to pursue advanced studies in science, technology, engineering and mathematics (STEM) fields at institutions of higher learning, laying a solid foundation for nurturing more outstanding talents in STEM disciplines. In 2025, a total of 25 outstanding employees' children received grants from the fund. As of the end of the reporting period, the scholarship fund has provided financial assistance to a total of 288 employees' children for their education.

Employee Communication

The group attaches great importance to mutual communication with employees and strives to build smooth communication channels to timely listen to employees' voices. We have set up an employee hotline to support employees in anonymously reporting behaviors that may harm their own rights and interests; we hold a Staff Representative Congress every year to extensively collect employees' opinions and demands, and better respond to their expectations; in addition, direct supervisors and HR business partners also conduct formal or informal communications to timely understand employees' needs, alleviate their concerns, and promote the resolution of relevant issues; we also set up anonymous suggestion boxes and employee opinion collection platforms to encourage employees to put forward suggestions and opinions, truly integrating employees' voices into enterprise decision-making.



To further enhance employees' sense of participation and belonging and improve job satisfaction, we actively carry out employee satisfaction surveys. The Coal Mining Machinery Sector, Auto Parts Sector, and Industrial Intelligence Sector conduct annual employee satisfaction surveys, extensively listening to employees' voices on issues of common concern such as career development, salary and benefits, working environment, and corporate culture. Based on the survey results, we systematically sort out employees' opinions and suggestions, focus on universal and key issues, and timely optimize management strategies.

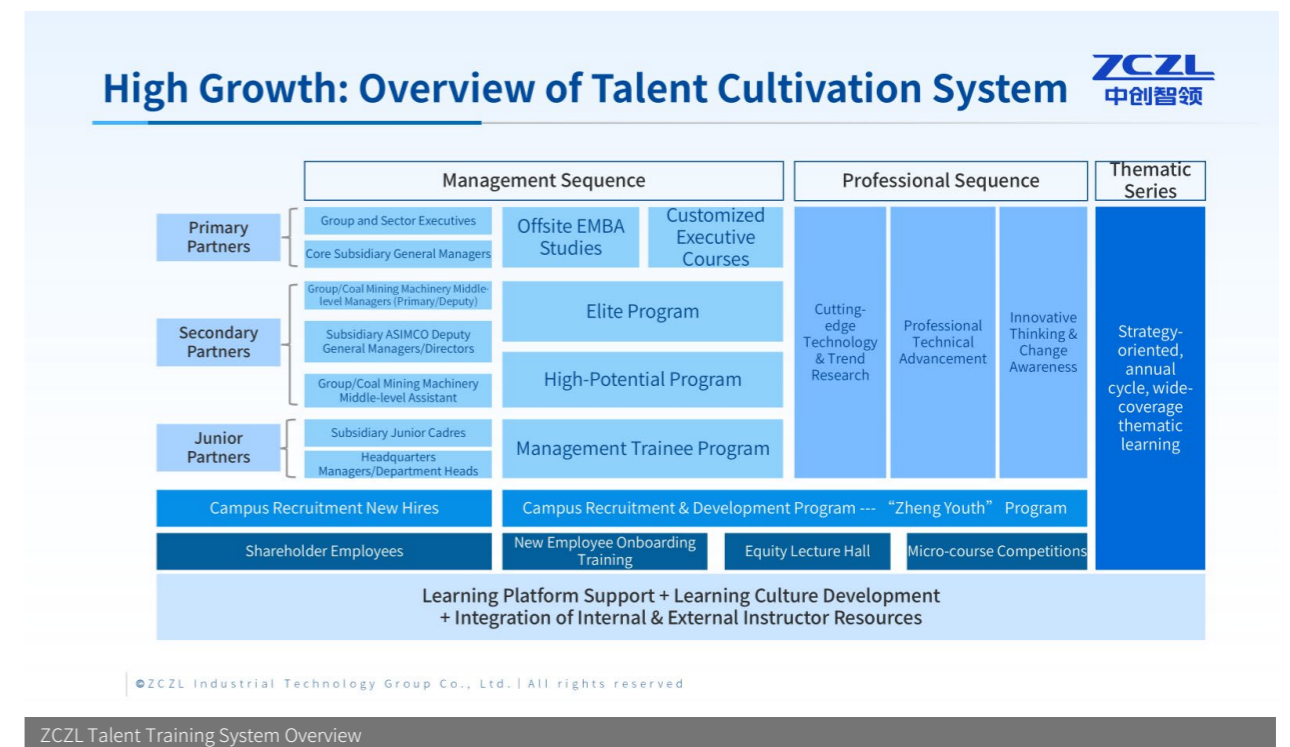
"1-3-6" Regular Interview Mechanism for New Employees

Zhengzhou Coal Mining Machinery Shuyun Intelligence Technology Co., Ltd., a subsidiary under the Industrial Intelligence Sector, attaches great importance to the onboarding experience and emotional connection. To help new employees smoothly transition, it has established the "1-3-6" Regular Interview Mechanism for New Employees (interviews on the 1st day, 1st week, 1st month, 3rd month, and 6th month). Through anonymous feedback channels such as employee mailboxes, it forms a closed loop of opinion collection, mutual communication, follow-up and implementation, and result feedback.

For employees with a tendency to resign, we take the initiative to communicate with them, carefully listen to their demands, and assist business departments in optimizing and adjusting management methods; at the same time, we conduct exit interviews with each resigned employee to deeply understand the reasons for their resignation and the difficulties they face, and give them full care and respect.

Talent Training

The Group implements a comprehensive talent training plan, carrying out targeted empowerment training according to the needs of employees in different business lines, different growth stages, or different roles. It strives to build a professional talent team with a complete range of categories, a reasonable structure, and excellent quality, providing a solid talent foundation for the Company's future transformation and technological innovation.



For the management team, the Group regularly holds the "Global Managers' Conference" to promote cross-business sector and cross-cultural collaborative communication and align with Group objectives. Additionally, through deepening cooperation with the China Europe International Business School, thematic training sessions are conducted, and selected officials are enrolled in EMBA (Executive Master of Business Administration) programs, thereby expanding their cognitive boundaries and broadening their strategic perspectives. For employees, we hold the "ZCZL Lecture Hall" and "Micro-course Competition" to create an organizational atmosphere of knowledge sharing, and systematically improve employees' comprehensive capabilities. This year, the Group carried out 3 thematic training sessions covering three major themes: AI, self-awareness, and leadership and change. Each business department also independently carried out targeted department-level training in combination with professional fields and skill needs, forming a multi-level and full-coverage talent development support mechanism.

In 2025, all business sectors continued to carry out a variety of employee training programs:

- The Coal Mining Machinery Sector organized more than 600 training sessions of various types, covering multiple levels and professional fields: for middle and senior management personnel, it carried out special training on the development trends of the machinery industry to strengthen the forward-looking vision and decision-making capabilities of the management; for high-potential key talents, it implemented systematic and project-based special training plans to build an officials reserve team; around business development needs, it continuously strengthened the professional skills and customer service capabilities of marketing and technical personnel; it also carried out onboarding training for new campus recruits to help them integrate quickly.
- ASIMCO, a subsidiary under the Auto Parts Sector, built a diversified talent training system, launched a new online training platform, integrated various course resources such as soft skills, hard skills, and industry knowledge, and supported employees to choose courses independently according to their needs; it created a systematic leadership development project, customized course modules for managers at different levels, covering core competency areas such as strategic thinking, team management, and change management; it invited industry experts and well-known lecturers to carry out special lectures and seminars to help employees broaden their industry vision and knowledge boundaries; it provided special training and application subsidies for employees taking professional qualification exams, encouraging them to obtain professional certifications and comprehensively improve their personal career competitiveness.
- Zhengzhou Coal Mining Machinery Shuyun Intelligence Technology Co., Ltd., a subsidiary under the Industrial Intelligence Sector, introduced the Beisen learning platform and built a blended training system integrating online and offline learning. Relying on an internal training team deeply rooted at the forefront of the business, the company effectively stimulated the enthusiasm of internal trainers through a "certification + incentive" dual-drive mechanism, promoting the employee learning participation rate to 95%, and accumulating more than 300 standardized courses, including 130 independently developed courses.



The Coal Mining Machinery Sector organized more than

600 training sessions of various types



Zhengzhou Coal Mining Machinery Shuyun Intelligence Technology Co., Ltd., a subsidiary under the Industrial Intelligence Sector, introduced the Beisen learning platform

promoting the employee learning participation rate to **95%**, and accumulating more than **300** standardized courses, including **130** independently developed courses.

University-Enterprise Cooperation

The Coal Mining Machinery Sector has further promoted university-enterprise cooperation and actively built a talent ecosystem integrating production, education, and research. It has invited teachers and students from many well-known universities such as China University of Mining and Technology, Zhengzhou University, and Henan Polytechnic University to conduct on-site visits, exchanges, and internships. While broadening the horizons of students, it has also reserved high-quality talents for the enterprise's technological innovation and future development, achieving a win-win situation in talent cultivation and employment. The Coal Mining Machinery Sector and Henan Polytechnic University jointly built the "Henan Provincial Key Laboratory of Coal Mine Intelligent Mining Technology and Equipment," focusing on the needs of coal mine intelligence and inherent safety, providing support for Henan Province to build a highland for coal mine intelligent technology innovation and a center for high-level talents, and contributing to regional industrial upgrading and economic development in terms of talents and technology in the long run.

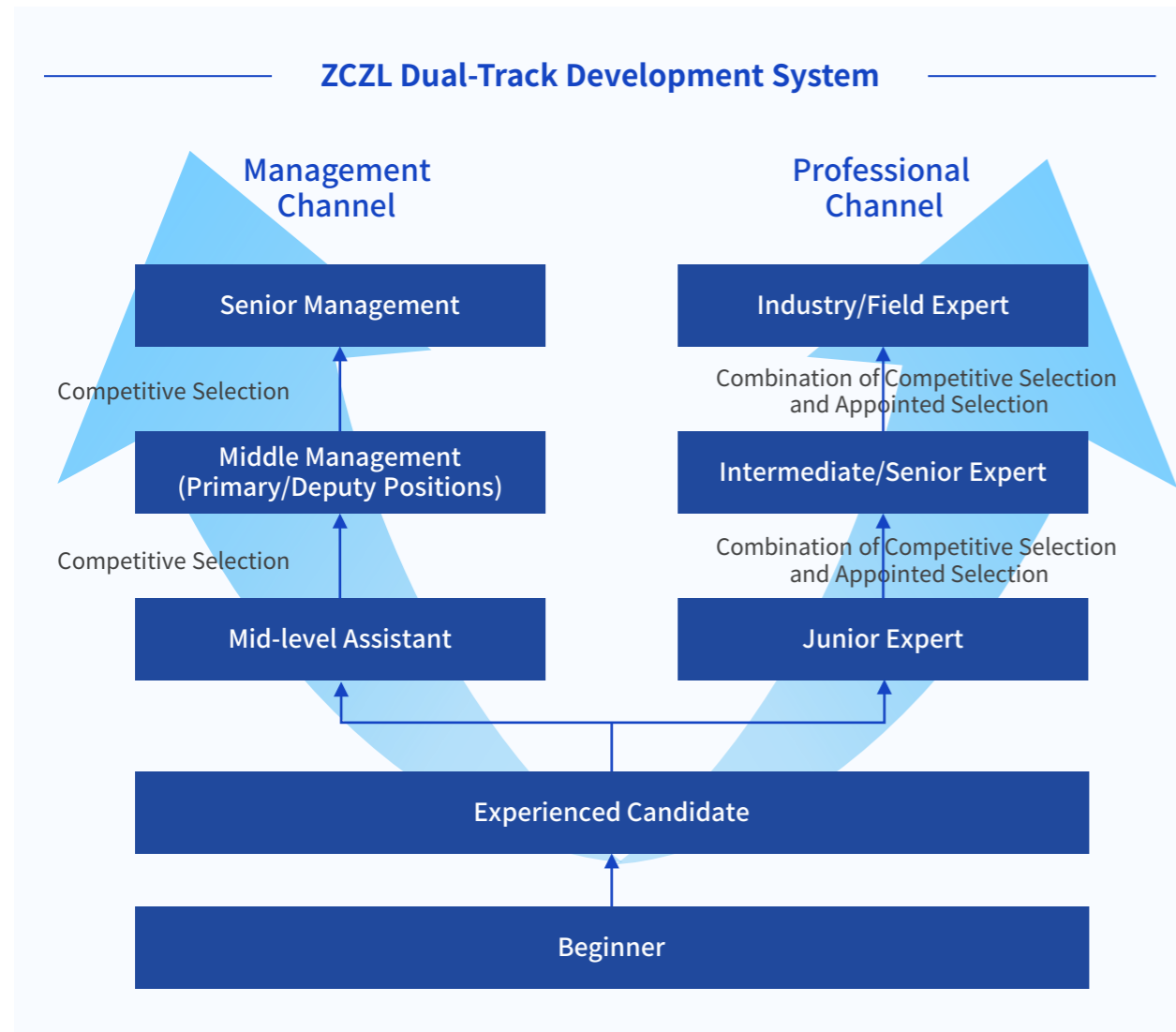
This year, Zhengzhou Coal Mining Machinery Shuyun Intelligence Technology Co., Ltd., a subsidiary under the Industrial Intelligence Sector, reached a cooperation framework agreement with China University of Mining and Technology. In accordance with the principles of "complementary advantages, joint development, and industry-academia win-win cooperation," the two parties will jointly build an innovation system of industry-university-research alliance around the research on AI System technologies for smart factories.

Training Indicators

Indicator	Unit	2025 Data
Annual Training Expense	RMB Thousands	12,927
Percentage of Trained Employees by Gender	Male	89.10
	Female	86.75
Percentage of Trained Employees by Employee Category	Senior Management	100.00
	Middle Management	90.07
	General Employees	88.50
Average Training Hours per Employee	Hours	23.42
Average Training Hours per Employee by Gender	Male	24.05
	Female	21.46
Average Training Hours per Employee by Management Level	Senior Management	30.82
	Middle Management	34.64
	General Employees	22.83

Career Development

While improving the management career advancement system, ZCZL has actively built a professional and technical career development channel system. Based on multiple dimensions such as work performance, professional and technical capabilities, and development potential, professional talents are divided into junior experts, intermediate experts, senior experts, and industry/field experts. It has solidly promoted the dynamic management mechanism of "appointment every two years and evaluation every year," establishing a dual-track development path that combines management and specialization. In 2025, the Group launched the global integrated job grading project, unified job grading standards and management systems, built a diversified and global job grading system, laid a management foundation for the flow and rotation of global talents, and provided strong support for the classified and refined management of talents.



Health and Safety

Workplace Safety

We have always put employees' safety and health in the first place and adhered to the work safety policy of "Safety First, Prevention First, and Comprehensive Governance." The Group strictly complies with the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and other applicable laws and regulations in the regions where it operates. It has formulated internal rules and regulations such as the *Workplace Safety Inspection System* and the *Employee Safety and Health Management System*, and continuously improved the occupational health and safety management system.

This year, ZCZL and its subsidiaries in various business sectors have obtained ISO 45001:2018 Occupational Health and Safety Management System Certification.



ISO 45001: 2018 Occupational Health and Safety Management System Certification Certificate



SEG, a subsidiary under the Auto Parts Sector has obtained the 2025 Safety Awards issued by India National Safety Council

The Coal Mining Machinery Sector has built an information-based comprehensive safety management platform, promoting the digitalization of the dual preventive management mechanism, realizing the real-time display of work safety status and the automatic evaluation of the safety status of organizations and personnel, providing scientific guidance for work safety management. At the same time, relying on this platform, the sector has established and improved a safety inspection management system, standardized inspection frequency, clarified core management indicators such as hidden danger discovery rate, violation discovery rate, and on-time rectification rate of hidden dangers for safety management personnel, and with the help of the account management function of the platform, realized the automatic alarm and push of safety risks such as expired certificates. It carried out annual risk identification work, continuously optimized safety management measures based on the identification results, and achieved iterative improvement of safety management level; in 2025, the sector pioneered the safety supervision model, carried out the pilot application of AI intelligent safety monitoring, providing real-time early warning prompts for unsafe behaviors such as illegal operations, violations, and using mobile phones during work, significantly improving the intelligence level of safety supervision.

The Auto Parts Sector systematically identifies and evaluates work safety and occupational health risks throughout the entire operation and production and manufacturing process. With hazard identification as the core, it comprehensively analyzes various hazard sources and their potential impacts, clarifies risk priorities through systematic evaluation, formulates and implements targeted control measures, and achieves effective reduction and precise prevention and control of risks. It conducts annual risk assessments, compiles work safety risk assessment reports and puts forward improvement suggestions, continuously optimizing risk control effectiveness.

AI Digital Safety Supervision System

Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, has built a comprehensive safety management platform and created an intelligent AI digital safety supervision system, planning nine application monitoring scenario modules including risk prevention and control and hidden danger investigation and management, realizing the full-process tracking and closed-loop management of hidden dangers and violations, and effectively improving safety management efficiency. It promotes the application of a hidden danger investigation mobile application, supporting all employees to upload safety hazard information around them at any time, and realizing a convenient reporting mechanism of "taking photos with one click and uploading them immediately" for safety hazards.

Occupational Disease Hazard Monitoring

The Group continuously strengthens occupational disease risk prevention and control and occupational health protection, regularly conducts testing of occupational disease hazard factors; provides pre-employment, on-the-job, and post-employment occupational health examinations for employees in positions exposed to occupational disease hazards, and establishes and improves "one person, one file" occupational health monitoring files; in combination with test results and actual job needs, it fully equips employees with standard-compliant labor protection equipment and conducts regular maintenance, comprehensively safeguarding employees' occupational health rights and interests.

Emergency Management

The Group continuously improves the work safety accident disposal and emergency management mechanism. Each business sector formulates internal occupational health and safety management systems based on its own operational practices, implements hierarchical management of accidents, and establishes a full-process closed-loop management system of hierarchical reporting, approval, implementation, and case closure. The Coal Mining Machinery Sector revises the work safety emergency plan every three years and formulates detailed emergency drill plans to ensure the steady improvement of emergency response capabilities.

Occupational Health and Safety Awareness Training

The Group actively integrates internal and external resources, continuously carries out occupational health and safety-related education and training and emergency drills to improve employees' health and safety awareness. This year, the Group carried out the themed work safety month activity of "Everyone Talks About Safety, Everyone Can Respond to Emergencies - Finding Safety Hazards Around You," organizing a series of safety training activities such as safety knowledge competitions, emergency evacuation drills, and simulated accident handling, comprehensively creating a strong and inherent culture on safety. The Group coordinates all business sectors to strictly implement the annual safety and occupational health training plan, systematically carries out special training such as accident warning education, special operation personnel training, and safety management personnel training, and regularly conducts comprehensive emergency drills, fully covering key areas such as mechanical injuries, forklift-related accidents, confined space operations, natural gas leaks, heatstroke prevention, fire emergencies, and special equipment incidents, thereby holistically enhancing employees' emergency response capabilities.



Health and Safety Indicators

Indicator	Unit	2025 Data
Working Days Lost Due to Work-Related Injuries	Day	1,781
Work-Related Injury Insurance Investment	RMB Thousands	527,881
Work-Related Injury Insurance Coverage Rate	%	100
Work Safety Liability Insurance Investment	RMB Thousands	48,009
Work Safety Liability Insurance Coverage Rate	%	62.21

Indicator	Unit	2025 Data	2024 Data	2023 Data
Total Number of Work-Related Fatalities	Person	0	0	0
Work-Related Fatality Rate	%	0	0	0

04

Market Responsibility



Focus on Product Quality

Governance

The Group firmly complies with laws and regulations related to product quality in all operating locations, including the *Product Quality Law of the People's Republic of China* and the *Product Safety Act*, and has formulated internal systems such as the *Measures for the Handling of Product Quality Accidents*, *Measures for the Statistical Management of Quality Data*, and *Procedure for the Control of Non-Conforming Products*. In 2025, we further optimized the quality management system, realizing the transformation from "traditional experience-based control" to "digital precision control". Through the coordinated upgrading of system architecture, institutional documents, and core processes, we comprehensively improved the Group's quality management capabilities. Currently, the Group is constructing a Quality Brain data platform, which will integrate data from the entire lifecycle including R&D, production, testing, and after-sales service. This platform will enable real-time collection of key process parameters, automatic generation of quality analysis reports, and intelligent early warning of potential risks, promoting the transformation of the Group's quality management system from "post-event traceability" to "pre-event prevention" and systematically enhancing product quality competitiveness.



SEG, a subsidiary under the Auto Parts Sector has obtained the Best Practices Competition on Daily Work Management – Strong Commitment issued by the Indian Society for Quality

All subsidiaries of the Group have obtained GB/T 19001-2016 and ISO 9001:2015 quality management system certifications and continuously maintain the effective operation of the quality system. ASIMCO and SES, subsidiaries under the Auto Parts Sector, have passed the IATF 16949:2016 automotive quality management system standard. SEG, another subsidiary under the same sector, has obtained ISO 26262 (Road Vehicles - Functional Safety) and ISO 21434 (Road Vehicles - Cybersecurity Engineering) certifications.



GB/T 19001-2016/ ISO 9001: 2015 Quality Management System Certification Certificate

Strategy

ZCZL takes "pursuing excellence" as its value orientation, strictly implements the quality philosophy of "high standards, refinement, and zero defects", advocates the corporate culture of "doing it right the first time", and provides customers with products of long service life, high reliability, and high satisfaction.

Impact, Opportunity, and Risk Management

The Group continuously optimizes the quality control system, systematically identifies and prevents quality risks throughout the entire process. Meanwhile, we actively explore opportunities for quality improvement, continuously consolidate the foundation of quality, and lay a solid guarantee for the high-quality development of the enterprise.

Risks/Opportunities	Description	Time Horizon of Impact	Financial Impact	Response Measures	
Risk	Market Risk	Product quality and safety issues will affect the Company's brand image	Short, Medium, and Long-term	Decreased operating income Increased operating costs	Strengthen product quality and safety management to reduce the occurrence of product quality and safety incidents
Opportunity	Green Transformation Opportunity	Deploy the research, development, and iteration of energy-efficient coal mining machinery equipment and lightweight automotive component products to align with the market's green demands.	Medium and Long-term	Increased operating income	Promote the R&D of low-carbon product technologies and optimize product design in line with internationally leading green standards

The Group implements internal quality system audits, product audits, process audits, and special audits of key processes, follows up on the improvement suggestions from management reviews, optimizes the organizational structure, improves system documents, strengthens the implementation of quality standards and control capabilities, and ensures the efficient operation of the full-lifecycle quality management system. The Coal Mining Machinery Sector launched the "Quality Journey Across the Country" activity, with Company leadership leading visits to strategic and key clients. They engaged in on-site discussions at mining facilities to address equipment usage issues and explore potential needs, systematically compiling the findings into a product improvement list. This customer feedback-driven approach fuels the iterative enhancement of product quality.

The Group attaches great importance to the management of non-conforming products. The Coal Mining Machinery Sector has improved the product service and recall management mechanism, providing supporting services such as maintenance and expert support, quickly tracking and handling product quality accidents with strict accountability to ensure effective resolution of issues. The Auto Parts Sector has established management specifications for non-conforming products and returned products, forming a closed-loop control mechanism for non-conforming products throughout the entire process, clarifying the responsible entities for each process, formulating special procedures for defective products, and conducting root cause analysis and preventive improvements to eliminate the recurrence of similar problems. The Industrial Intelligence Sector strictly regulates the management procedures for non-conforming products, establishing a closed-loop management process of "identification - marking - isolation - review - disposal - improvement", clarifying the responsible departments for each step, and realizing full-process monitoring and management of non-conforming products through online systems.

Promotion of Product Quality Awareness

The Coal Mining Machinery Sector actively advocates the cultural concept of "all employees do it right the first time", and constructs a three-level quality training system (company-level, department-level, and team-level). Combined with the quality responsibilities and competency requirements of different positions, it adopts a composite training model of "online + offline" and "theory + practical operation", achieving breakthroughs from knowledge transfer to capability transformation and from individual improvement to full-staff collaboration.

SES, a subsidiary under the Auto Parts Sector, promotes the company-wide quality management philosophy, requiring all employees to participate in quality awareness training and pass corresponding assessments. It conducts case-based practical exercises focusing on early quality planning and FMEA analysis (proactive risk assessment and prevention), promoting the integration of quality awareness into daily work. ASIMCO, another subsidiary under the same sector, carries out various quality awareness promotion activities such as leak detection special activities, inspection special activities, quality exposure platforms, digital layered audit systems, and full-staff proposal activities. At the same time, it directly links quality assessment results with departmental performance and employee evaluations, encouraging all departments and employees to actively fulfill quality responsibilities and solidify the outcomes of building a quality-oriented culture.

Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, builds a quality culture with full employee participation and establishes a three-level quality training system (company-level, department-level, and team-level). Each department pushes monthly thematic courses on product principles, inspection procedures, and drawing changes, effectively improving employees' professional skills and problem-solving capabilities.


In 2025, the Group did not receive any customer penalties arising from product or service quality issues. Products recalled by its subsidiary due to safety or health concerns accounted for 0.0048% of the subsidiary's total output; all such recalls were small-scale preventive actions that had no material impact on customer safety or brand reputation.

Indicators and Targets

Indicator	Unit	2025 Data
Major liability incidents related to product safety and quality	Cases	0
Number of products related complaints received	Cases	984

Product Quality Target

ASIMCO, a subsidiary under the Auto Parts Sector, has established a quality target of zero product safety incidents.



Providing Satisfactory Services

Governance

Customer satisfaction is key to the Group's success. We attach great importance to customer satisfaction and take maximizing customer interests as our primary task. In 2025, we focused on service quality, continuously improved the comprehensive service system, built cyclical service management, and continuously enhanced the customer service experience. Each sector has established a professional and efficient customer service system based on its own operational practices and product portfolio characteristics.

The Coal Mining Machinery Sector has formulated an integrated service management system, realizing unified service management, unified abnormal handling management, and unified after-sales service digital platform management, promoting service collaboration among various subsidiaries under the Coal Mining Machinery Sector. In addition, the sector has established a professional customer service team, with dedicated after-sales service teams for different product categories such as complete sets of products, hydraulic supports, and shearers, responsible for handling and following up after-sales issues. It also holds regular special reporting meetings to promote the closed-loop disposal and continuous improvement of quality issues.

SES, a subsidiary under the Auto Parts Sector, implements the "Village Chief System" to ensure that customer demands are promptly transformed into internal improvement measures. At the same time, it sets up dedicated contact windows in key steps such as quality, projects, sales, logistics, and R&D, ensuring the efficient implementation of various customer requirements through regular project meetings and quality meetings.

Strategy

The Group adheres to the customer service philosophy of "taking customer needs as the anchor, service experience as the core, and win-win symbiosis as the goal", practices the service strategy of "full-lifecycle empowerment, digital-driven, and ecological collaboration", upholds the service tenet of "creating value, delivering warmth, and building trust", and adheres to the service principles of "integrity, professionalism and efficiency, customer-centricity, and continuous improvement". It comprehensively guarantees service quality and customer rights and interests, and consolidates the foundation of customer trust with high-quality service experience.

Impact, Opportunity, and Risk Management

Risk/Opportunity Type	Description	Time Horizon of Impact	Potential Financial Impact	Response Measures	
Risk	Market Risk	Delayed customer service response and deviations in demand alignment affect customer satisfaction and cooperation stickiness	Short and Medium-term	Decreased operating income	Optimize the service response mechanism and establish a cross-departmental rapid docking process
Opportunity	Digital Customer Service Experience	Deepen the digital upgrading of customer service, expand the full-lifecycle service ecosystem, and enhance customer value stickiness	Medium and Long-term	Increased operating income	Promote the construction of a digital service platform and expand full-lifecycle value-added services

The Coal Mining Machinery Sector organically integrates the full-process management of customer service with product quality improvement, constructing a closed-loop service system of "pre-sales - during-sales - after-sales". In the pre-sales phase, we focus on market analysis and customer demand mining, optimize communication and scheme design, and strive to provide customers with customized solutions. In the during-sales phase, we implement digital intelligent customer management, optimize the Leads To Cash (LTC) process through the Customer Relationship Management marketing management system, and continuously improve the efficiency and response speed of customer service management. In the after-sales phase, the Coal Mining Machinery Sector implements the after-sales responsibility system, providing customers with full-process services such as product handover, usage training, trial production follow-up, and after-sales inspections. Before the expiration of the warranty period, the after-sales team will also go underground to track the operation status of the equipment. For product quality issues, the sector adopts the Seven-Aspect Analysis method, formulates corresponding improvement and prevention measures, and establishes special research teams for key and typical issues to reduce the incidence of quality problems. In 2025, the Coal Mining Machinery Sector launched a new quality follow-up activity, conducting follow-up visits to 52 client-sites, collecting 461 feedback items, with a completion rate of 95.4%. For common and difficult issues raised by customers, we formulated 13 targeted improvement measures, which not only improved customer satisfaction but also continuously optimized and improved product quality. In addition, the Coal Mining Machinery Sector has established an efficient customer complaint handling mechanism, allowing customers to complain and provide feedback through multiple channels such as the 24-hour service hotline, WeChat, and the official website.



In 2025, the Coal Mining Machinery Sector launched a new quality follow-up activity
Conducting follow-up visits to

52 client-sites,

Collecting **461** feedback items,
with a completion rate of

95.4%

We formulated **13** targeted
improvement measures

ASIMCO International Casting (Shanxi) Co., Ltd., a subsidiary under the Auto Parts Sector, has established its Customer Information Handling Procedure. The company conducts regular customer feedback visits and maintains a routine quality communication mechanism. It continuously refines its rapid response and closed-loop management system for customer complaints, with clearly defined timelines for complaint resolution. Furthermore, a cross-departmental coordination mechanism involving technology, quality, production, and other relevant functions has been implemented to collectively drive problem-solving and develop long-term corrective and preventive actions.

Customer Satisfaction Survey

The Coal Mining Machinery Sector conducts annual customer satisfaction surveys through telephone follow-up, email, and face-to-face interviews, understanding customers' opinions and improvement suggestions on products around dimensions such as product quality, delivery and service, communication and complaint response, safety performance, and environmental attributes.

Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, conducts quarterly customer satisfaction surveys, in-depth understanding customer demands around dimensions such as product quality, installation and commissioning technical support capabilities, after-sales response timeliness, and the professional quality and maintenance expertise of service personnel. Based on the survey results, it conducts quantitative analysis, establishes a special customer service improvement project, continuously tracks and feeds back improvement measures, and strives to improve customer satisfaction. In 2025, the overall customer satisfaction of Hengda Intelligent Control increased by 1.45% year-on-year.

Indicators and Targets

Indicator	Unit	2025 Data
Number of service-related complaints received	Cases	1
Major liability incidents related to service safety and quality	Cases	0

Customer Service Satisfaction Target

The Coal Mining Machinery Sector has set an annual target of customer service satisfaction $\geq 85\%$. In 2025, the customer service satisfaction of the Coal Mining Machinery Sector was **93.89%**, and the annual target of customer service satisfaction was achieved.



Data Security and Consumer Privacy Protection

ZCZL strictly complies with laws and regulations related to data security and privacy protection such as the *Data Security Law of the People's Republic of China*, *Personal Information Protection Law of the People's Republic of China*, and *Measures for Cybersecurity Review*, and has formulated internal policy documents including the *Information Security Management Manual*, *Information Security Incident Management System*, *Network Security Management System*, and *Account and Permission Management System*, continuously strengthening the Group's information security compliance management capabilities.

In 2025, the Group established the Information Security Management Committee as the highest leading and decision-making body for the Group's information security work. It has set up the Group Information Security Working Group and information security committees in each sector, which are responsible for management and operation, and implementation respectively. The Group's Chairman serves as the Director of the Information Security Management Committee, and senior management such as the Group's CEO serve as core members. The Information Security Management Committee is responsible for approving the annual plan for information security and data compliance, listening to reports on information security and data compliance work, deciding on the disposal and accountability of major leaks or other security and compliance incidents, approving the core confidentiality scope, data classification and grading standards, and security strategies, and issuing Group-level systems. The Information Security Working Group is responsible for the implementation, supervision and inspection, and emergency response of data security and compliance. The information security committees within each sector are responsible for implementing decisions and systems, conducting training and promotion, and building a culture. The Information Security Working Group and the information security committees in each sector regularly report information security status to the Information Security Management Committee, and report major incidents immediately. The Group incorporates information security work into the annual performance evaluation and conducts regular special inspections and evaluations.

Information Security Management

Under the guidance of the Group, SEG and SES, subsidiaries under the Auto Parts Sector, have built information security management systems with reference to ISO/IEC 27001 requirements, formulated and strictly implemented internal systems such as *IT Risk Management and Access and Identity Management*, standardized the management actions in key activities such as IT vulnerability management, IT risk identification, user authorization management, and information security incident handling, and systematically improved information security management capabilities. ASIMCO, another subsidiary under the Auto Parts Sector, has established an information security team and formulated information security management systems covering core content such as computer security management, information security manual, email management, information security strategy, and computer room security management. It collaborates with professional information security institutions to conduct internal and external network vulnerability scans, deploys equipment such as Intrusion Prevention System (IPS), bastion hosts, and firewalls at the network end to resist network attacks, and establishes an annual internal vulnerability scanning and patch repair mechanism to comprehensively build a solid information security defense line.

Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, has established a special team in the Information Management Department to coordinate information security affairs. In the aspects of system security and R&D, the company has formulated management measures such as the *Code Review Process Specifications* and *Emergency Response Plan for Critical Security Vulnerabilities of Systems*, building a solid information security defense line from the source of development, patch release, to vulnerability response. At the same time, the company regularly conducts vulnerability scans and penetration tests, timely identifies and handles potential security risks through simulated hacker attacks, carries out emergency drills, strengthens the ability to handle information security incidents, and comprehensively ensures the safe and stable operation of the company's information systems.

In 2025, to further improve employees' information security awareness, various sectors of the Group actively carried out multiple special data security training activities. At the Group level, we conducted special information security training for employees with different positions such as financial personnel and information security management personnel, focusing on the analysis of common information security risks and practical review of typical cases, helping relevant personnel quickly strengthen their information security awareness. The Coal Mining Machinery Sector pushed information security-related courses through the internal online platform and organized offline Information Security Workshops to train practical skills such as the control of external documents. This year, a total of 4 full-staff training sessions and 3 special-post training sessions were carried out, covering 100% of employees in R&D, production, and operation and maintenance positions, with a passing rate of 100%. SES, a subsidiary under the Auto Parts Sector, released mandatory information security courses through the online platform and sent information security tips and best practices to all employees via email, covering topics such as password management, phishing email identification, data protection, and remote work security, helping employees prevent information security risks in daily work. SEG, another subsidiary under the Auto Parts Sector, carried out simulated phishing email attacks, simulated ransomware attacks, and penetration tests to systematically strengthen employees' data security protection awareness.

During the reporting period, the Group did not experience any data security incidents.

Zhengzhou Coal Mining Machinery Shuyun Intelligence Technology Co., Ltd., a subsidiary under the Industrial Intelligence Sector, has obtained ISO/IEC 27001:2022 Information Security Management System Certification.

Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, has obtained ISO/IEC 27001:2022 Information Security Management System Certification and Cloud Services Information Security Management System Certification.



Information Security Management System Certification Certificate



Cloud Services Information Security Management System Certification Certificate

Customer Privacy Protection

The Group strictly follows the *Procedure for the Control of Customer Property*, strengthens the confidentiality control of customers' core intangible assets such as patented technology and trade secrets, and strictly prohibits disclosing them publicly in any form without the customer's written permission. All office computers of the Group are installed with encryption software to fully control the external transmission of various information including customer privacy data.

The Coal Mining Machinery Sector builds a customer privacy protection system with "data classification + technical protection + process audit" as the core. We have formulated the *Measures for the Security Management of Customer Information*, clarifying the standards for the collection, storage, and destruction of privacy information such as customer demand data, equipment operation parameters, and after-sales records. We implement classified management of customer information, and core confidential data is stored in a desensitized manner. Customer privacy security audits are conducted every quarter, and no risks of permission abuse or data leakage were found.

SES, a subsidiary under the Auto Parts Sector, strictly follows the eight data processing principles including legality, fairness, transparency, purpose limitation, data minimization, accuracy, storage limitation, and confidentiality. It clarifies that customers, as data subjects, have the right to access, correct, delete, object, and withdraw consent. The company builds a solid data security defense line through technical means such as access control, encryption, and log audit, and sets strict compliance requirements for cross-border transmission and third-party cooperation scenarios.

Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, adheres to the principle of least privilege for information systems and strictly standardizes the management measures for customer privacy folders. It adopts data encryption, desensitization, and other protective measures to strengthen the protection of customer privacy data. It regularly carries out employee privacy protection training and requires employees in relevant positions to sign confidentiality agreements. It establishes an emergency response plan for customer privacy data leakage to comprehensively prevent customer privacy security risks.

During the reporting period, the Group did not experience any customer privacy breach incidents.

Sustainable Supply Chain

ZCZL attaches great importance to cooperation with industry partners, actively practices the values of "Openness and Collaboration", continuously strengthens supply chain risk management, and strives to build a high-quality supply chain system characterized by "transparent processes, controllable risks, improved efficiency, and cost leadership", establishing long-term, stable, and sustainable cooperative relationships with value chain partners such as suppliers.

The Coal Mining Machinery Sector has formulated the Measures for *Supplier Management*, constructing a supplier management system with "classification and grading, dynamic evaluation, and continuous optimization" as the core principles, and continuously promoting the construction of an electronic bidding and tendering platform and the digital construction of the Supply Chain Management Supplier Portal. The sector has set up the Strategic Procurement Department, Procurement Execution Department, Supplier Management Department, and Tendering Office, clarifying the functional division of each department and further standardizing the full-process supplier management system. To balance the comprehensive procurement at the Coal Mining Machinery Sector level and the independent procurement needs of each subsidiary, the sector divides the procurement model into three categories: centralized procurement, centralized procurement with distributed supply, and decentralized procurement, which match the supply needs of common materials, general materials, and special materials respectively, realizing the organic combination of procurement efficiency and flexibility.

ASIMCO, a subsidiary under the Auto Parts Sector, has established procurement-related systems such as the *Procurement Policy* and the *Supplier Performance Evaluation Management Measures*. It has also built a "two-level and three-tier" management system, where the Group Procurement Management Department and first-level subsidiaries serve as the "two levels", and the decision-making level (Group Management Office), management level (Enterprise Procurement Management Committee), and operational level (Subsidiary Procurement Department) form the "three tiers". At the same time, it conducts classified management of different types of materials relying on digital systems.

Supply Chain Management System

Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, adheres to the values of "Openness and Collaboration", has formulated the *Supplier Evaluation and Management Procedures*, takes the initiative to break the barriers of the traditional supply chain, builds an information sharing platform with suppliers, and actively shares information and resources with external partners. This year, the company launched the independently developed Supply Chain Management system, continuously optimizing the supply chain management model through unified processing standards and full-process online operations, and realizing the green transition, intelligence, and sustainability of the supply chain.

Supplier Admission

The Coal Mining Machinery Sector implements a dual-certification management system for supplier access and product category access, carrying out supplier product category admission according to the management needs of different categories. Among them, the admission of new suppliers and product category admission are carried out simultaneously, and the admission process includes five stages: qualification review, on-site inspection, sample verification, and small-batch trial, etc. At the same time, based on the existing material classification system, we evaluate the impact of various materials on enterprise operations from dimensions such as strategic importance, procurement expenditure scale, material use, and procurement strategy in accordance with the principles of "importance, bulk, and standardization", and divide them into five categories (A, B, C, D, E) from highest to lowest importance. Qualified suppliers providing various materials are correspondingly divided into five categories (A, B, C, D, E).

Supplier Evaluation

Building upon its classified supplier management system, the Coal Mining Machinery Sector systematically carries out hierarchical supplier management work by combining the strategic importance of each category, the cooperation relationship between the enterprise and suppliers, and the actual performance of suppliers, relying on core elements such as evaluation indicators and indicator weights. The evaluation is implemented with a monthly-and-annual combined mechanism, where monthly evaluations focus on seven core dimensions such as quality, technology, and service, and annual evaluations are comprehensively judged based on monthly evaluation results. Finally, according to the annual evaluation results, suppliers are rated into four levels: A, B, C, and D, namely "strategic suppliers, preferred suppliers, optional suppliers, and alternative suppliers".

ASIMCO, a subsidiary under the Auto Parts Sector, further optimizes supplier performance management measures, deepens the application of digital tools, and incorporates suppliers' ESG performance into the core evaluation system. It requires suppliers to have corresponding quality management system certifications and product certifications, encourages major suppliers to issue ESG reports, and takes performance in aspects such as environmental compliance, labor rights, and business ethics as important criteria for supplier grading.

Supplier Termination

To further control supply chain risks, the Coal Mining Machinery Sector has established a clear supplier termination and dynamic control mechanism. For suppliers with serious quality problems, delivery breaches, or causing significant losses, the sector will terminate cooperation with them. For suppliers with general problems, it will suspend payment and urge them to rectify within a time limit. For alternative suppliers, it conducts annual centralized reviews of alternative suppliers, and systematically suspends partnerships with those that fail to meet cooperation requirements. For outsourcing processing suppliers, the Coal Mining Machinery Sector organizes annual special on-site inspections to ensure compliance with the company's management requirements.

Supplier Chain Empowerment Training

This year, the Coal Mining Machinery Sector carried out "Do it Right the First Time" special training for selected suppliers to consolidate the foundation of supply chain quality control. Among them, for frequent product quality problems such as welding leakage, the company set up a special team of technical and quality backbones to carry out targeted assistance. For internal procurement personnel, we organize monthly procurement meetings and post-meeting special training, invite external supply chain experts to give special lectures, and select personnel to participate in professional training courses at the World Expo to comprehensively improve supply chain management capabilities.

SES, a subsidiary under the Auto Parts Sector, continues to promote key supplier quality assistance projects, organizing internal experts of the company to conduct supplier process and quality audits to help suppliers improve their process capabilities and quality management levels. In addition, the company, in conjunction with professional carbon management institutions, carried out "scientific carbon management training" for more than 50 major suppliers, strengthening the supply chain's understanding of carbon emission policies and carbon tariffs, and promoting supply chain emission reduction.

Sustainable Procurement

The Coal Mining Machinery Sector fully considers the environmental attributes of products when purchasing, formulates water-based paint procurement standards, and gives priority to purchasing equipment with low energy consumption. We require major suppliers to provide ISO three-system certificates (environmental management system, quality management system, and occupational health and safety management system certifications). At the same time, for bulk materials such as steel, the company also pays attention to their product carbon footprint information to promote the construction of a green supply chain.

SES, a subsidiary under the Auto Parts Sector, signs the *Quality and Corporate Social Responsibility Agreement* with suppliers, requiring suppliers to meet the environmental protection requirements of the *N2580 Restricted Substance Standard*, comply with the environmental protection requirements of the "Ten Principles of the United Nations Global Compact", and formulate environmental protection policies, so as to promote the sustainable development of the supply chain. ASIMCO, another subsidiary under the same sector, incorporates factors such as forest protection into the consideration of supplier procurement, giving priority to purchasing wooden packaging, pallets, and office paper with Forest Stewardship Council (FSC) certification or other credible certifications. SEG, another subsidiary under the Auto Parts Sector, has required suppliers to commit to complying with SEG's Scope 1 and 2 emission reduction targets since 2024, and will gradually incorporate this commitment into the core basis for procurement decisions.

Conflict Minerals Management

ASIMCO, a subsidiary under the Auto Parts Sector, adheres to the core principles of "due diligence, transparent disclosure, and continuous improvement", firmly opposes the use of conflict minerals, and is committed to ensuring that products do not directly or indirectly fund armed groups that violate human rights in the Democratic Republic of the Congo and its neighboring countries, in line with the requirements of relevant laws, regulations, and international conventions. When conducting major transactions, the company requires suppliers to provide product origin information to ensure the legality and compliance of the source of upstream raw materials. ASIMCO NVH Technologies Co., Ltd. (Anhui) has incorporated relevant management requirements involving conflict minerals into the *Framework Contract* for supplier cooperation, and requires direct and secondary suppliers to comply with relevant requirements by signing contracts. ASIMCO International Casting (Shanxi) Co., Ltd. conducted origin traceability surveys on the alloy material elements mainly used in products (including iron, copper, molybdenum, tin, manganese, chromium, and silicon). All direct suppliers of relevant materials are from within China, and no conflict minerals have been found.



Anti-Corruption in the Supply Chain

The Group always pays attention to the commercial ethics risks in the supply chain and attaches great importance to cultivating the integrity awareness of the Group's procurement personnel.

SES, a subsidiary under the Auto Parts Sector, carries out special integrity procurement promotion based on the *Anti-Commercial Bribery Agreement*, strictly prohibiting employees (including relatives and associates) from obtaining any form of "improper benefits" such as physical objects, cash, or vouchers in interactions with suppliers. The sector has established a supplier reporting channel, and if violations are verified, the relevant suppliers and procurement personnel will be held accountable in accordance with the agreement and systems. Currently, 100% of major mass production suppliers have signed the *Anti-Commercial Bribery Agreement*. ASIMCO, another subsidiary under the Auto Parts Sector, has formulated system regulations such as the Tendering Management System for commercial ethics risks involved in transactions, and signed the Sunshine Clause with suppliers on anti-corruption and anti-bribery matters. For the internal procurement team, ASIMCO has implemented a "procurement" and "purchasing" segregation measure and regularly requires purchasing personnel to rotate positions, ensuring the integrity of operations at every stage of the supply chain.

Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, has formulated internal systems such as the *Procurement Framework Agreement* and *Supplier Contact/Visit Management Plan* to regulate the commercial ethics behavior of suppliers. The company conducts special integrity promotion for the procurement team, strictly prohibiting employees from accepting banquets or any form of physical objects, cash, or vouchers from suppliers. Once any violations are identified, they will be promptly addressed, and the relevant supplier units will be notified. We require all new suppliers to sign integrity cooperation agreements during the admission stage, and simultaneously carry out the signing of integrity cooperation agreements with existing suppliers.

Equal Treatment of Small and Medium-Sized Enterprises

The Group adheres to honest treatment of suppliers and equal treatment of small and medium-sized enterprises (SMEs). We have set up fair and reasonable payment terms to effectively maintain sound cooperative relationships with SMEs. ZMJ Commercial Factoring Co., Ltd. provides accounts receivable factoring business for the Group's suppliers, effectively addressing the core pain points of suppliers such as difficulty in financing, high financing costs, and mismatched capital needs, and reducing the comprehensive financing costs of SME suppliers. This year, the Group has completed payments for all projects with normal performance and acceptance, and there have been no cases of overdue payments to SMEs.

Key Supplier Performance Indicators

Indicator	Unit	2025 Data
Total number of suppliers	Companies	9,226
Number of suppliers by region		
Asia	Companies	6,277
Europe	Companies	1,884
Other regions	Companies	1,065

05

Social Contribution

In 2025, the Group's total community investment amounted

to **2.971** million yuan,
with total employee volunteer

hours reaching **8,990** hours.



Rural Revitalization

ZCZL actively responds to the national strategy of comprehensively advancing rural revitalization and promoting common prosperity. It vigorously explores long-term mechanisms to support rural revitalization, leverages its resource and capability advantages, and adopts diversified measures such as employment promotion and industrial revitalization to boost industrial upgrading and green economic development, contributing to the in-depth integration of technological innovation and rural revitalization.

This year, Zhengzhou Coal Mining Comprehensive Machine Equipment Co., Ltd., a subsidiary under the Coal Mining Machinery Sector, has continuously adhered to the principle of "targeted assistance and practical effectiveness." Centering on rural revitalization and people's livelihood support, it has invested a total of nearly 100,000 yuan. Among them, it donated 20,000 yuan worth of daily necessities in a targeted manner during the Spring Festival, covering 100 rural households precisely and effectively alleviating their demand for holiday supplies; allocated 15,000 yuan in special funds to support the holding of the "Huanxi Ancient Fair," facilitating the inheritance of local traditional culture and the development of rural cultural and tourism formats; focusing on its own procurement needs, it has prioritized cooperation with characteristic agricultural product supply chains in rural areas, purchasing nearly 60,000 yuan worth of honey products from rural agricultural cooperatives and supporting the industrial development of poverty-alleviated areas through targeted procurement.



In 2025, Hengda Intelligent Control, a subsidiary under the Industrial Intelligence Sector, donated 100,000 yuan in assistance funds to Guanjiazui Village, Yangjiagou Town, Mizhi County, Shaanxi Province, a designated poverty-alleviation village of CNE Energy. The funds are specifically used for the purchase and upgrading of facilities in the elderly activity room of the Happiness Courtyard, as well as the "Party Branch + Resident Work Team" Party building alliance village assistance project in Yangjiagou Town, effectively improving the quality of life of local elderly people and enhancing the cohesion and service vitality of primary-level Party organizations; under the guidance of the Henan Rural Revitalization Association, the company purchased 245,800 yuan worth of year-end visit gifts through the Henan Consumption Assistance Public Service Platform, benefiting agricultural product producers and e-commerce enterprises in multiple poverty-alleviated counties in Henan; the company purchased 116,300 yuan worth of local specialties in Ningxia, supporting the development of the local Tan sheep industry through consumption; it has actively addressed the employment issues of villagers around its operation locations, providing multiple employment positions such as security, cleaning, and canteen services for local residents, achieving the direct social benefit of "vitalizing borders, strengthening villages, and enriching the people."

Philanthropy and Charity

To thoroughly implement General Secretary Xi Jinping's overall requirements for charitable public welfare undertakings and enterprise reform and development, and to implement the spirit of the *Charity Law of the People's Republic of China* and relevant guiding opinions of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the Group has established a comprehensive public welfare and charitable management mechanism, practicing the concept of harmonious coexistence between enterprise development and the performance of social responsibilities. The Group has formulated the *External Donation Management System of ZCZL Industrial Technology Group Co., Ltd.* to strengthen the management of its own external donation affairs, standardize external donation behaviors, clarify the principles, types, scope, decision-making procedures, inspection and supervision of external donations, and better fulfill corporate social responsibilities.

The Coal Mining Machinery Sector encourages employees to actively pay attention to and participate in various public welfare, charitable and voluntary activities. In 2025, the company selected key security personnel to serve as district "Peace Volunteers" to assist in relevant public security governance work; participated in the "2025 Disadvantaged Groups Assistance Project" organized by Henan State-owned Capital Operation Group, donating a total of 32,100 yuan to assist employees and masses living in difficulties due to unexpected accidents, major diseases, disabilities, low income, etc.; focusing on three major areas: ecological protection, social welfare, and life care, it organized nearly 10 public welfare activities throughout the year, attracting more than 100 participants, including voluntary tree planting, voluntary blood donation, and targeted donations to charitable federations.



Since 2010, ASIMCO, a subsidiary under the Auto Parts Sector, has continuously supported the development of education and elderly care undertakings through forms such as the Guangcai Program and charitable associations, with cumulative donations to education exceeding 1.5 million yuan; the company has established the ASIMCO volunteer team, organizing and calling on a large number of party members and employees to participate in more than 30 voluntary service activities such as charitable donations, condolences to nursing homes, and Beautiful Village Construction, and has invested targeted funds to assist in the renovation of transportation roads in neighboring villages, with cumulative donations of nearly 5 million yuan in cash and materials; every year, it jointly carries out paired assistance activities with the local human resources and social security bureau, conducting on-site condolences to socially disadvantaged groups and providing material assistance; this year, ASIMCO International Casting (Shanxi) Co., Ltd. invested 470,000 yuan to build flood drainage pipelines with a third-party company to ensure the flood discharge safety of the community where it is located. In the education sector, ASIMCO has provided aid and donations to multiple primary and secondary schools as well as special education schools. In terms of community care, it has delivered consolation materials to nursing homes and, for many consecutive years, collaborated with government agencies to pair up and support individuals and families facing financial hardship. In 2025, ASIMCO's total public welfare investment exceeded 70,000 yuan.



SEG, another subsidiary under the Auto Parts Sector, allocates a special budget for the Group's global corporate social responsibility project "Sustainable Together" every year, promoting all employees to deeply understand the needs of local communities and supporting the development, construction and people's livelihood improvement of communities around its operation locations. Employees can independently propose localized public welfare projects, which are reviewed by the global corporate social responsibility team to determine the list of funded projects. Since the launch of the project in 2022, SEG has funded more than 40 public welfare projects worldwide, covering China, Brazil, Germany and other countries; in 2025, the company allocated 50,000 euros in special funds to support public welfare activities proposed by employees, promoting the implementation of diversified public welfare actions. Specifically, these include assisting children with severe illnesses and their families, supporting victims of violent crimes, creating inclusive and shared spaces for children with disabilities, supporting inclusive preschool education, empowering people with Down syndrome to improve their independent abilities, and organizing voluntary blood donation activities to convey health concepts and the spirit of mutual assistance.



Empowering Regional Development

In 2025, Zhima Street 1958 Innovation and Entrepreneurship Park adheres to the industrial positioning of "technological innovation + cultural and creative industries" and continues to fulfill its responsibility of building an entrepreneurial ecosystem and empowering regional development. In terms of technological innovation, the park has successfully attracted the settlement of 184 enterprises including Didi Chuxing regional headquarters, China Unicom industrial internet research institute, and UBTECH robotics base. It has established six major industrial chains: "big health, creative design, green economy, platform economy, digital innovation, and intelligent equipment," forming a three-tier industrial evolution pattern of digital transformation of traditional industries, large-scale development of strategic emerging industries, and forward-looking layout of future industries. It has not only become an important engine for economic growth in Zhongyuan District, Zhengzhou, but also provided a replicable "Zhongyuan Plan" for the transformation of old industrial bases.



In terms of cultural and creative industries, Zhima Street continues to play the role of an urban cultural engine. In September 2025, marking the 5th anniversary of the park's opening, it invited the Spark Band to hold the "Time Walker - Five Years Together, Create the Future" 5th Anniversary Music Celebration Night; hosted the Double Ninth Festival activities organized by local communities; and undertook the "STARZ ATHLETIC UNION BADMINTON OPEN", building a stage for young badminton enthusiasts to show themselves.



Appendix

HKEx Environmental, Social and Governance Reporting Code Part C: "Comply or explain"

Pillar	Topic	Disclosure Requirement	Corresponding Section
Governance Structure	-	A statement from the board containing the following elements: (1) a disclosure of the board's oversight of ESG issues; (2) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (3) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Board of Directors' Statement
Reporting Principles	-	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About This Report
Reporting Boundary	-	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report
Environmental	A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Responsibility - Environmental Compliance Management
		A1.1 The types of emissions and respective emissions data.	Environmental Responsibility - Environmental Compliance Management
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility - Environmental Protection

Pillar	Topic	Disclosure Requirement	Corresponding Section
Environmental	A1 Emissions	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility - Environmental Protection
		A1.5 Description of emission target (s) set and steps taken to achieve them.	Environmental Responsibility - Environmental Protection
		A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target (s) set and steps taken to achieve them.	Environmental Responsibility - Environmental Protection
	A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Responsibility - Environmental Protection
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility - Environmental Protection
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Responsibility - Environmental Protection
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Responsibility - Environmental Protection
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Responsibility - Environmental Protection
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Responsibility - Environmental Protection	
		A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Responsibility
Social	B1 Employment	General Disclosure Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee Responsibility - Compliance with Hiring Standards, Diversity and Inclusion, Benefits and Care
		B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employee Responsibility - Social Key Performance Indicators
		B1.2 Employee turnover rate by gender, age group and geographical region.	Employee Responsibility - Social Key Performance Indicators

Pillar	Topic	Disclosure Requirement	Corresponding Section
Social	B2 Health and Safety	General Disclosure Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employee Responsibility - Health and Safety
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employee Responsibility - Social Key Performance Indicators
		B2.2 Lost days due to work injury.	Employee Responsibility - Social Key Performance Indicators
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Responsibility - Health and Safety
	B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Responsibility - Talent Training
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Responsibility - Social Key Performance Indicators
		B3.2 The average training hours completed per employee by gender and employee category.	Employee Responsibility - Social Key Performance Indicators
	B4 Labour Standards	General Disclosure Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employee Responsibility - Compliance with Hiring Standards
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	Employee Responsibility - Compliance with Hiring Standards
		B4.2 Description of steps taken to eliminate such practices when discovered.	Employee Responsibility - Compliance with Hiring Standards
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Market Responsibility - Sustainable Supply Chain	
	B5.1 Number of suppliers by geographical region	Market Responsibility - Sustainable Supply Chain	
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Market Responsibility - Sustainable Supply Chain	

Pillar	Topic	Disclosure Requirement	Corresponding Section
Social	B5 Supply Chain Management	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Market Responsibility - Sustainable Supply Chain
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Market Responsibility - Sustainable Supply Chain
	B6 Product Responsibility	General Disclosure Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Market Responsibility - Focus on Product Quality, Providing Satisfactory Services, Data Security and Customer Privacy Protection, Corporate Governance - Intellectual Property Management
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Market Responsibility - Focus on Product Quality
		B6.2 Number of products and service related complaints received and how they are dealt with.	Market Responsibility - Providing Satisfactory Services
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	Corporate Governance - Intellectual Property Management
		B6.4 Description of quality assurance process and recall procedures.	Corporate Governance - Intellectual Property Management
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Market Responsibility Data Security and Customer Privacy Protection	
	B7 Anticorruption	General Disclosure Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Corporate Governance - Business Ethics
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Corporate Governance - Business Ethics
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Corporate Governance - Business Ethics
	B8 Community Investment	B7.2 Description of anti-corruption training provided to directors and staff.	Corporate Governance - Business Ethics
		General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Contribution
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social Contribution
	B8.2 Resources contributed (e.g. money or time) to the focus area.	Social Contribution	

Disclosure Requirement		Corresponding Section	
Governance	Governance	19. An issuer shall disclose information about: (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.	Response to Climate Change - Governance
Strategy	Climate-related risks and opportunities	20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Response to Climate Change - Impact, Opportunity, and Risk Management
	Business model and value chain	21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Response to Climate Change - Impact, Opportunity, and Risk Management
	Strategy and decision-making	22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Response to Climate Change - Governance
		23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Response to Climate Change - Strategy

Disclosure Requirement		Corresponding Section	
Strategy	Financial position, financial performance and cash flows	Current financial effect 24. An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Response to Climate Change - Impact, Opportunity, and Risk Management The Company is unable to isolate the impacts of climate-related risks and opportunities from other market factors. There is significant uncertainty regarding relevant measurement methodologies, and quantitative information does not provide a reliable reference. Therefore, quantitative data on related financial impacts is not provided in this reporting period. After assessment, the Company has not identified any material impacts of the aforementioned climate-related risks and opportunities on its financial position, operating results, and cash flows for the next fiscal year.
		Anticipated financial effect 25. The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Response to Climate Change – Strategy Due to current limitations in capabilities, expertise, and resources, quantification of the anticipated financial effects is not yet feasible at this stage.
	Climate resilience	26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date; (b) how and when the climate-related scenario analysis was carried out.	Response to Climate Change - Impact, Opportunity, and Risk Management
Risk Management	Risk Management	27. An issuer shall disclose information about: (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, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Response to Climate Change - Impact, Opportunity, and Risk Management The Company's risk management related processes have not undergone significant adjustments compared to the previous fiscal year.

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Guideline Chapter	Topic / Disclosure Requirement	Guideline Article	Corresponding Section
Chapter 1 General Provisions		Article 1	/
		Article 2	/
		Article 3	About This Report
		Article 4	About This Report
		Article 5	Corporate Governance – Double Materiality Assessment
		Article 6	About This Report
		Article 7	/
		Article 8	Environmental Responsibility -Response to Climate Change
		Article 9	Corporate Governance -Communication with Stakeholders
		Article 10	/
Chapter 2 Disclosure Framework for Sustainability Information		Article 11	Corporate Governance –Innovation as a Core Diver, Market Responsibility - Focus on Product Quality, Market Responsibility – Providing Satisfactory Service
		Article 12	Corporate Governance – ESG Governance
		Article 13	ESG Strategy, Corporate Governance – ESG Governance
		Article 14	Corporate Governance – Innovation as a Core Diver
		Article 15	Corporate Governance – ESG Governance
		Article 16	Corporate Governance – Innovation as a Core Diver, Market Responsibility - Focus on Product Quality, Market Responsibility – Providing Satisfactory Service
		Article 17	Corporate Governance – ESG Governance

Guideline Chapter	Topic / Disclosure Requirement	Guideline Article	Corresponding Section	
Chapter 2		Article 18	Corporate Governance – ESG Governance	
	Disclosure Framework for Sustainability Information	Article 19	Corporate Governance – Innovation as a Core Diver, Market Responsibility - Focus on Product Quality, Market Responsibility – Providing Satisfactory Service	
Chapter 3 Environment	Section 1 Climate Response			
		/	Article 20	Special Topics, Environmental Responsibility
	Climate change tackling	Article 21		Environmental Responsibility -Response to Climate Change
		Article 22		Environmental Responsibility -Response to Climate Change
		Article 23		Environmental Responsibility -Response to Climate Change
		Article 24		Environmental Responsibility -Response to Climate Change The Group has not yet established a plan to utilize carbon credits for offsetting greenhouse gas emissions. Should such measures be adopted in the future, they will adhere to the principles of high quality, transparency, and additionality, with corresponding disclosures to be made.
		Article 25	/	
		Article 26		About This Report, Environmental Responsibility - Response to Climate Change
		Article 27		Environmental Responsibility -Response to Climate Change The Group has not yet participated in the National Voluntary Greenhouse Gas Emission Reduction Program or engaged in trading of China Certified Emission Reductions (CCER).
		Article 28		Special Topics, Environmental Responsibility - Response to Climate Change, Environmental Responsibility – Energy Management
	Section 2 Pollution Control and Ecosystem Protection			
	/	Article 29	Environmental Responsibility -Environmental Protection	

Guideline Chapter	Topic / Disclosure Requirement	Guideline Article	Corresponding Section
Chapter 3 Environment	Pollutant discharge	Article 30	Environmental Responsibility -Environmental Protection
	Waste disposal	Article 31	Environmental Responsibility -Environmental Protection
	Ecosystem and biodiversity protection	Article 32	Environmental Responsibility -Environmental Protection
	Environmental compliance management	Article 33	Environmental Responsibility -Environmental Protection
	Section 3 Resource Utilization and Circular Economy		
		Article 34	Environmental Responsibility -Environmental Protection
	Energy usage	Article 35	Environmental Responsibility -Environmental Protection
	Usage of water resources	Article 36	Environmental Responsibility -Environmental Protection
	Circular economy	Article 37	Environmental Responsibility -Environmental Protection
	Chapter 4 Society	Section 1 Rural Revitalization and Social Contributions	
		Article 38	Social Contribution
Rural revitalization		Article 39	Social Contribution – Rural Revitalization
Contributions to the society		Article 40	Social Contribution – Philanthropy and Charity, Empowering Regional Development
Section 2 Innovation-Driven Development and Ethics of Science and Technology			
		Article 41	Corporate Governance – Innovation as a Core Diver
Innovation-driven		Article 42	Corporate Governance – Innovation as a Core Diver
Ethics of science and technology		Article 43	The Group does not engage in scientific research, technology development, or other activities in ethically sensitive fields such as life sciences and artificial intelligence. Therefore, this topic is not applicable.
Section 3 Suppliers and Clients			
		Article 44	Market Responsibility

Guideline Chapter	Topic / Disclosure Requirement	Guideline Article	Corresponding Section	
Chapter 4 Society	Supply chain security	Article 45	Market Responsibility – Sustainable Supply Chain	
	Equal treatment to small and medium-sized enterprises	Article 46	Market Responsibility – Sustainable Supply Chain	
	Safety and quality of products and services	Article 47	Market Responsibility - Focus on Product Quality, Providing Satisfactory Service	
	Data security and customer privacy protection	Article 48	Market Responsibility - Data Security and Customer Privacy Protection	
	Section 4 Employees			
		Article 49	Employee Responsibility	
	Employees	Article 50	Employee Responsibility	
	Chapter 5 Sustainability-related governance	Section 1 Sustainability-Related Governance Mechanisms		
			Article 51	Corporate Governance – ESG Governance
		Due diligence	Article 52	Based on the assessment, this topic is neither financially material nor impact-material.
Communications with stakeholders		Article 53	Corporate Governance -Communication with Stakeholders	
Section 2 Commercial Behaviors				
		Article 54	Corporate Governance - Business Ethics	
Anti-commercial bribery and anti-corruption		Article 55	Corporate Governance - Business Ethics	
Anti- unfair competition	Article 56	Corporate Governance - Business Ethics		
Chapter 6 Supplementary Provisions and Interpretation		Article 57	/	
		Article 58	/	
		Article 59	/	
		Article 60	/	
		Article 61	/	
		Article 62	/	
		Article 63	/	

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