CHCNAV
华 测 导 航

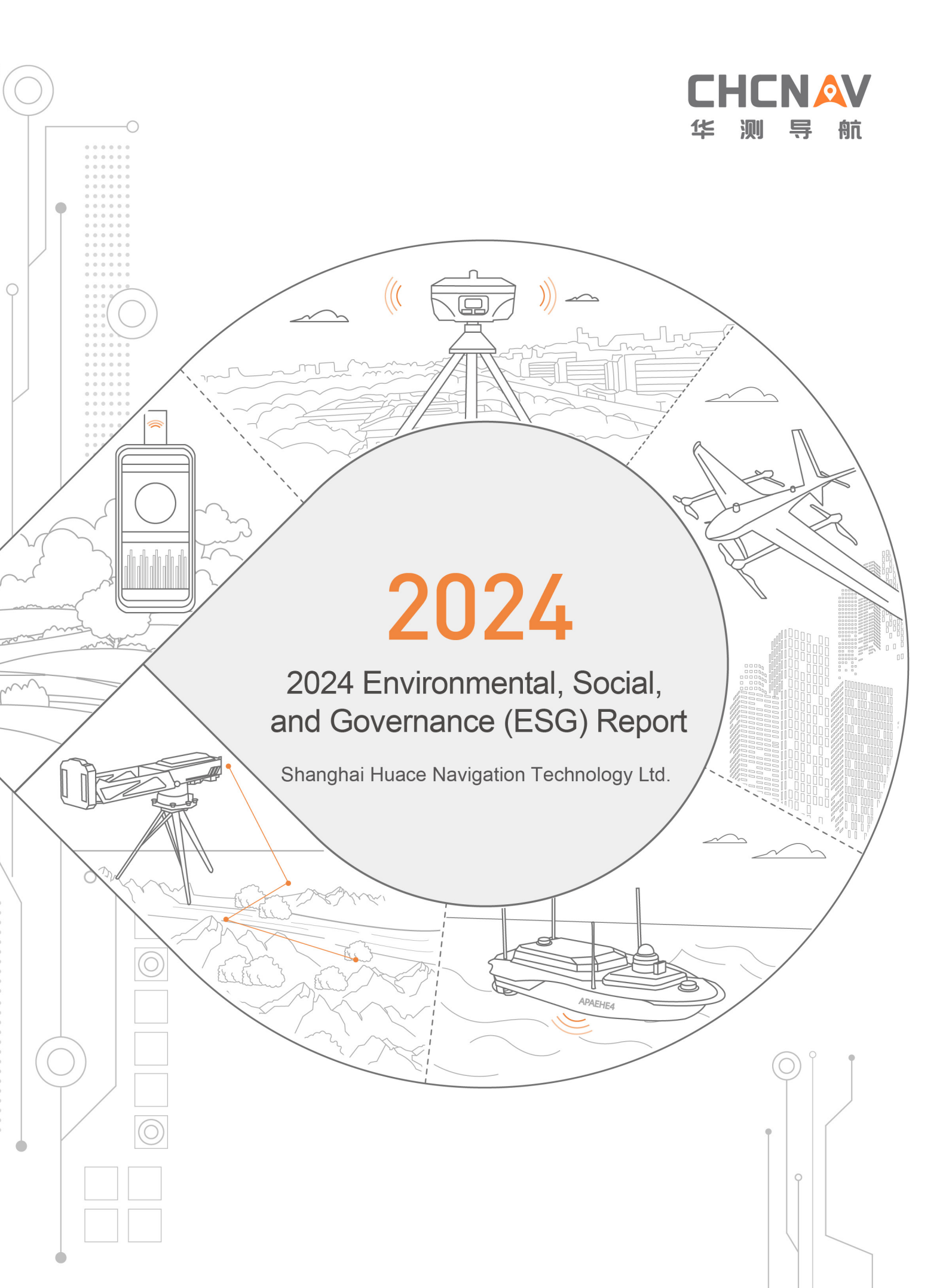# 2024

2024 Environmental, Social, and Governance (ESG) Report

Shanghai Huace Navigation Technology Ltd.

Contents

01
Integrity at our Core
Leading the Way with Smart Navigation

02
Innovation-Driven Development
Creating Value with Intelligence

03
Collaborative Efficiency
Smart Partnerships for a Shared Future

04
Low Carbon Empowerment
Smart Protection for a Green New Planet

05
Working Together for Progress
Growing with Intelligence

06
Working Together
for the Public Good
Bringing Warmth to Society with Innovation

About This Report

This report presents the Environmental, Social, and Governance (ESG) disclosures of Shanghai Huace Navigation Technology Ltd. (hereinafter referred to as "CHC Navigation," "the Company," or "we") for our stakeholders. It offers a comprehensive overview of our 2024 performance and practices in economic, environmental, social, and corporate governance areas. The purpose of this report is to support clear communication with stakeholders and to systematically address their expectations and needs.

Reporting Period

The reporting period covers January 1, 2024, to December 31, 2024. To enhance comparability and forward-looking relevance, certain sections may include data or information from previous years or anticipated future developments.

Reporting scope

This report includes responsibility-related information from Shanghai Huace Navigation Technology Ltd. and its subsidiaries, covering key aspects of economic, social, environmental, and corporate governance. Relevant case studies drawn from the Company and its subsidiaries are also provided.

Preparation basis

United Nations Sustainable Development Goals (SDGs)

China Corporate Social Responsibility Reporting Guidelines (CASS -ESG 6.0) issued by Chinese Academy of Social Sciences

Guidance on Social Responsibility Reporting (GB/T 36001-2015) issued by China National Institute of Standardization

ISO 26000: Guidance on Social Responsibility (2010) issued by International Organization for Standardization

Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) issued by Shenzhen Stock Exchange

Reporting data

The information in this report is sourced from official internal documents, statistical reports, and annual reports of Shanghai Huace Navigation Technology Ltd. The disclosed data reflects CHC Navigation's actual operational performance, supplemented by public government data, financial records, internal statistics, third-party surveys, and evaluator interviews. All financial data is presented in RMB. In case of discrepancies, the official financial reports shall prevail.

Reliability Assurance

The Company affirms that the content of this report is true, accurate, and complete, with no false statements, misleading information, or material omissions.

Abbreviations

CHC Navigation, the Company, or we refers to Shanghai Huace Navigation Technology Ltd.

Report Access

This report is available in electronic format for your convenience and can be accessed on the Company's official website. For any questions or feedback, please contact us via email or phone.

Company's official website: www.huace.cn

Email: huace@huace.cn

Tel: 021-64950939

This report is published in both Chinese and English. In the event of any discrepancy in interpretation between the two versions, the Chinese version shall prevail.

Message from the Chairman

The past year marked a pivotal period of embracing change and pursuing innovation-driven development for CHC Navigation. Guided by our vision of "Building an Intelligent World with Precise Spatiotemporal Information," we have been committed to the field of high-precision navigation and positioning. Driven by technological innovation, we have made unremitting efforts to tackle core technical challenges and expand the boundaries of product applications. From traditional fields such as surveying, digital construction, and emergency monitoring, to emerging sectors like autonomous driving, precision agriculture, and smart cities, our solutions can be found in diverse scenarios. These solutions fuel digital transition across industries, showcasing our strong capabilities and commitment to innovation in science and technology.

As for the corporate governance, we hold to integrity as a fundamental principle to build a solid foundation for business growth.

We have established a "three meetings" governance structure supporting efficient collaboration upon clearly defined rights and responsibilities to protect the rights and interests of all shareholders, especially the legitimate rights and interests of minority shareholders, with scientific decision-making process. Good corporate governance is the ballast stone of an enterprise for sailing forward steadily, and the key support for resisting risks and achieving long-term strategic goals. At the same time, we actively embrace the digital transformation, optimize organizational management methods and business processes with advanced information technology, promote the evolution of enterprise from scale development to a new stage of high-quality development, and maintain superior governance efficiency to ensure high-quality development.

Faced with the challenge of global climate change, we actively embrace the low-carbon concept and foster green transformation with technology.

We strictly control environmental risks in business operation by applying adequate environmental management policies and systems, and ensure that waste water, waste gas and solid waste are discharged after treated in compliance with all applicable standards, to safeguard our clean world. We inject green genes into the design, research and development stages of our products, ranging from chips and modules to complete systems, devote effort to achieving lightweight and low power consumption, help customers reduce their carbon footprint, and contribute CHC Navigation's wisdom and strength to global climate governance.

On the path of fulfilling corporate social responsibility, we actively fulfill our corporate citizenship based on a deep sense of responsibility and mission.

We firmly believe that employees are the most valuable asset of an enterprise, and commit ourselves to creating a fair, inclusive and humane workplace. To this end, we have established a complete set of compensation and benefits system, provide diversified training and personal development opportunities, and strictly implement occupational health and safety measures, in order to fully support the growth and development of employees, fully stimulate their creativity and increase their loyalty. At the same time, we actively participate in public benefit work and take the lead in education support, disaster relief and many other social good activities. From improving educational equity to participating in emergency rescue, we demonstrate our accountability of corporate citizenship through practical actions, and make contribution to social harmony and stability.

Looking into the future, CHC Navigation will stick to its original intention, and put ESG concepts into practice with higher positioning, wider vision and more practical measures. The way forward of our Company is a sustainable development path that resonates with the national development of China, facilitates and benefits from social progress and natural environment in a harmonious manner. The value of an enterprise lies not only in creating economic wealth, but also in creating comprehensive value for society, safeguarding lucid waters and lush mountains for future generations, and contributing to the building of a community with a shared future for mankind. We look forward to working together with all stakeholders to leverage the precise spatiotemporal positioning of CHC Navigation to explore the amazing intelligent world and jointly embark on a promising journey to sustainable development.

About CHC Navigation

Company Overview

CHC Navigation specializes in research, development, manufacturing, and commercialization of high-precision navigation and positioning technologies. We are a leading company in China's high-precision spatiotemporal information industry.

Guided by the vision of "Building an Intelligent World with Precise Spatiotemporal Information", the Company has focused on high-precision navigation and positioning technologies. Over time, it has gradually established two core technological pillars, i.e. a high-precision positioning chip technology platform and a global satellite-ground integrated enhancement network service platform. Furthermore, the Company has steadily developed a wide range of high-precision navigation and positioning intelligent equipment, systems, and solutions, strengthening its competitiveness across various application areas, including Resources & Utilities, Buildings & Infrastructure, Geospatial, and Robotics & Autonomous driving.

We follow an innovation-driven development strategy and place strong emphasis on scientific research. CHC Navigation has been awarded one National Medal of Technology and Innovation and four State Scientific and Technological Progress Awards and holds over 900 intellectual property rights. We have also received the National May 1 Labor Medal and are recognized as a National Enterprise Technology Center. For six consecutive years, we have been listed among the Top 100 Outstanding Enterprises in Shanghai's Qingpu District. In 2020, our BeiDou high-precision positioning equipment successfully reached the summit of Mount Everest as part of the Everest Elevation Measurement Project, marking a major milestone in precision navigation.

By the end of the reporting period, CHC Navigation operated 29 provincial-level service offices across China and had established branches in 10 countries and regions, including Hungary, Japan, and Singapore, serving customers in over 140 countries and regions worldwide. Our products and solutions are widely used in industries such as natural resources, construction, transportation, water conservancy, electricity, agriculture, education, and environmental protection. They are also increasingly applied in emerging fields such as smart cities, autonomous driving, and artificial intelligence. Looking ahead, we will continue to invest in research and development, strengthen our competitive advantage, and uphold our customer-first approach by delivering high-quality products and solutions to meet the needs of society.

CHC Navigation has been awarded

1 National Medal of Technology and Innovation

4 State Scientific and Technological Progress Awards

holds over

900 intellectual property rights.

CHC Navigation operated

29 provincial-level service offices across China

ad established branches in

10 countries and regions, including Hungary, Japan and Singapore

serving customers in over

140 countries and regions worldwide

Main Products and Services

CHC Navigation boasts a diversified product portfolio that encompasses surveying and mapping RTK products, 3D intelligent solutions, marine surveying and mapping equipment, deformation monitoring systems, navigation applications, precision agriculture solutions, and digital construction technologies. The Company has also developed a high-precision positioning service system that serves a wide range of sectors including surveying and mapping, agriculture, geological disaster prevention, water conservancy, mining, emergency response, transportation, ocean, forestry, and electricity. With these strengths, the Company provides high-precision positioning equipment, system applications, and solutions to customers across various industries.

Our Journey

2024

In June 2024, we, along with five other entities, participated in the project "Beidou High-Precision Real-Time Fusion Monitoring Technology and Major Engineering Applications," which was awarded the Second Prize of National Science and Technology Progress Award.

2023

In November 2023, the Company's automotive-grade integrated product achieved ASPICE Level 2 certification.

CHC Navigation celebrated its 20th anniversary.

Establish post-doctoral research stations.

2022

In April 2022, we were honored with the National May 1 Labor Medal.

In October 2022 and February 2022, our two major facilities in Shanghai and Wuhan were officially launched, marking key milestones in our operational expansion.

2021

In October 2021, we were honored with the Shanghai May 1 Labor Medal.

In November 2021, we, along with six other entities, participated in the project "Key Technologies and Large-Scale Engineering Applications of Centimeter-Level Specialized Mobile Measurement Equipment," which was awarded the Second Prize of National Science and Technology Progress Award.

2020

On May 27, 2020, the Chinese Survey Team reached the summit of Mount Everest, with our BeiDou high-precision receiver being the only domestic BeiDou receiver used for the summit's elevation measurements by mountaineering team members throughout the expedition.

In the same year, we launched our "Xuanji" high-precision baseband chip, fully developed and protected by our independent intellectual property rights.

In January 2020, together with six other entities, we participated in the project "Beidou Performance Enhancement and Wide-Area Decimeter Satellite-Based Augmentation Technology and Applications," which received the Second Prize of National Science and Technology Progress Award.

2012

In October 2012, we undertook the National High-tech R&D Program (863 Program)'s major project—High-Precision Positioning System and Application Demonstration.

2015

In 2015, our self-developed Beidou high-precision core board passed a review by six academicians.

2016

In November 2016, our project "Key Technologies and Applications of Multi-Mode, Multi-Frequency Beidou High-Precision Boards" won the third prize in the Shanghai Science and Technology Awards.
In November 2016, our Beidou receiver i70 won a Silver Award at the China International Industry Fair.
In December 2016, our collaborative project, "Key Technologies and Industrialization of Beidou Navigation and Positioning Services", won the Special Prize in the Shanghai Science and Technology Awards.

2017

In March 2017, we completed our initial public offering (IPO) and were officially listed on the ChiNext board of the Shenzhen Stock Exchange.

In December 2017, our joint project, "High-Precision and High-Reliability Positioning and Navigation Technology and Applications," developed in collaboration with five companies, was awarded the Second Prize of National Science and Technology Progress Award.

2018

In October 2018, the Hong Kong–Zhuhai–Macau Bridge officially opened. We provided surveying services, bridge surface paving solutions, and automated deformation monitoring for the project.

2019

In October 2019, we were awarded the First Prize of the Shanghai Key Product Quality Research Achievement Award.

In December 2019, we participated in the Ministry of Natural Resources' Universal Monitoring for Geological Disasters project.

2010

In April 2010, we participated in the Round Table Meeting on China-Africa Cooperation in Surveying and Mapping and donated 12 sets of GNSS equipment to African countries.

In December 2010, we were recognized as a Key High-Tech Enterprise of the National Torch Program.

2009

In February 2009, our "Geodetic GPS Dual-Frequency Surveying System" was awarded the third prize in the Shanghai Science and Technology Awards.

In October 2009, we successfully developed and localized the core motherboard for a dual-frequency GPS surveying system.

Also in October 2009, our products accompanied China's Antarctic research team on its expedition to Antarctica, marking the first time a domestic GNSS system reached the highest point in the Antarctic interior.

2005

In March 2005, we developed an integrate dual-frequency RTK system.

2003

On September 12, 2003, CHC Navigation was established.

About CHC Navigation

Integrity as the Foundation, Leading the Way with Smart Navigation

Innovation-Driven Development, Creating Value with Intelligence

Collaborative Efficiency, Smart Partnerships for a Shared Future

Low Carbon Empowerment, Smart Protection for a Green New Planet

Working Together for Progress, Growing with Intelligence

Working Together for the Public Good, Bringing Warmth to Society with Innovation

Our Milestones in 2024

In 2024, we moved forward with steady progress, combining collective wisdom and shared strength. United in purpose, we remained focused on quality and continuous improvement, laying a solid foundation for sustained success.

Our Products Earned Trust and Recognition, Driving Strong Sales and a Solid Reputation

GNSS RTK sales exceeded **100,000** units for the year.

Our automotive-grade products achieved total deliveries exceeding **300,000** units.

The CHCNAV unmanned surface vessel smart platform, equipped with ADCP and HQ multi-beam integrated solutions, continued to grow its presence across multiple industries in marine surveying.

Our agricultural auto-steering systems surpassed **60,000** units in annual sales.

The RS series system, powered by innovative laser SLAM and GNSS fusion technology, played a leading role in advancing industry development.

Achieve success in both sales and reputation

Our Strategic Journey to Industry Expansion

With innovation at the core, we expanded our network, driving technological breakthroughs and enabling their successful application across multiple industries.

Our Journey of Industry-Academia Collaboration

In 2024, we engaged with over 100 universities across China to strengthen communication and collaboration. We supported the National Higher Education Competition for Surveying and Mapping Teaching Innovations and Talent Development, hosted the first national seminar on Surveying and Mapping Training Room Construction and Management, and organized **four** 3D Data Collection and Processing Technology Workshops for university faculty. Beginning in September, our "Intelligent Surveying and Mapping on Campus" initiative reached **57** universities in **20** provinces, helping upgrade training and teaching methods. The program received strong support from higher education institutions nationwide.

2024 National Higher Education Competition for Surveying and Mapping Teaching Innovations and Talent Development

Vocational Education Training of Surveying and Mapping——3D Data Collection and Processing Technology Workshop

Seminar on Surveying and Mapping Training Room Construction and Management

Building an Open and Collaborative "Partner + CHC Navigation" Ecosystem for Accelerated Growth

In 2024, we transformed our marketing approach by building an open, growth-driven "Partner + CHC Navigation" ecosystem. Our partnerships in many product lines doubled. This expansion unified efforts across RTK, marine, 3D products, and industry solutions, fostering deeper collaboration and creating a positive cycle of mutual benefit. At the same time, we rolled out a series of strategic initiatives and support systems to offer our customers stronger market support and timely, expert technical services.

Join hands with our partners to build a nationwide after-sales service network featuring the "Partner + CHC Navigation" model

Our Success on the Global Markets

In 2024, amid global changes, we entered a new chapter of international growth. We hosted the International Partner Conference, strengthening relationships with partners around the world. We also accelerated the establishment of overseas subsidiaries, deepening our presence in Asia-Pacific and European markets, while integrating with local communities to boost market share. We continue to expand our global product portfolio, staying true to our strategy of evolving from local to a global presence.

CHC Navigation at World-Class Exhibitions Around the Globe

Our Path Marked by Achievement and Progress

In 2024, as we maintained our focus on product and technological excellence, CHC Navigation received broad recognition from both industry and society, marking a year of significant achievements. We were honored with one national-level award and four awards at the provincial and ministerial levels.

Our project "Beidou High-Precision Real-Time Fusion Monitoring Technology and Major Engineering Applications" won the Second Prize of National Science and Technology Progress Award.

Our project "Beidou High-Precision Real-Time Fusion Monitoring Technology and Major Engineering Applications" won the Second Prize of National Science and Technology Progress Award.

Our Path of Embracing Social Responsibility

In 2024, fully aware of our social responsibility, we leveraged our advanced technologies to support disaster relief and rescue operations across various regions. Through our technical expertise, we contributed to disaster prevention, mitigation, and emergency response in critical situations. From flood protection at Dongting Lake's Tuanzhou Dyke, to supporting relief efforts during the historic flood in Guangdong's Beijiang River, conducting flood flow measurements in Huangshan, and providing landslide monitoring in Zhaotong, Yunnan, and Shanghang, Fujian—we stood ready wherever and whenever technology was needed most.

Dongting Lake Flood Protection and Dyke Monitoring

Landslide Monitoring in Shanghang, Fujian

On-Site Inspection of the Once-in-a-century Flood in Guangdong's Beijiang River

Huangshan Flood Flow Measurement

Landslide Monitoring in Zhaotong, Yunnan

National Emergency Drill

Our Corporate Culture

As a company with vision "Building an Intelligent World with Precise Spatiotemporal Information", we are committed to focusing on the challenges and needs that matter most to our clients, delivering competitive precise spatiotemporal information solutions and services, and creating maximum value for our clients while actively contributing to societal progress.

VISION
Building an Intelligent World with Precise Spatial-Temporal Information

Our Corporate Values

MISSION
Focusing on the Challenges and Needs Our Clients Care About
Focusing on the Challenges and NDelivering Competitive, Precise Spatial-Temporal Information Solutions and Services
Constantly Creating Maximum Value for Our Clients

CORE VALUES
Empowering Clients, Striving for Excellence, Self-Criticism, Openness to Growth, Integrity and Trust, Teamwork.

Our Honors and Awards

Date	Honors & Awards	Award Description	荣誉证书
June 2024	The Second Prize in the State Scientific and Technological Progress Award.	The project "Beidou High-Precision Real-Time Fusion Monitoring Technology and Major Engineering Applications" won the Second Prize of National Science and Technology Progress Award.	
July 2024	The Second Prize in the Shanghai Science and Technology Awards	The projects: High-Precision GNSS Positioning Measurement Theory Innovation and Key Technologies, Key Technologies and Applications of Shanghai 3D Spatial Geographic Digital Base Construction, and the Key Technologies for Space Error Processing in Navigation Satellite Precision Positioning and Star-Earth Integration Applications were awarded the Second Prize of the Shanghai Science and Technology Awards.	
	Included in the Ministry of Water Resources' 2024 Catalogue of Key Promotion and Guidance for Advanced and Practical Technologies in Water Conservancy	The Acoustic Doppler Flow Measurement System lightweight unmanned surface vessel was successfully included in the Ministry of Water Resources' 2024 Catalogue of Key Promotion and Guidance for Advanced and Practical Technologies in Water Conservancy.	

Date	Honors & Awards	Award Description	荣誉证书
July 2024	The First Prize of the Shanghai Science and Technology Awards	The project "Key Technologies for Space Error Processing in Navigation Satellite Precision Positioning and Star-Earth Integration Applications" won the First Prize of the Shanghai Science and Technology Awards.	
August 2024	Top 100 Enterprises in the 2024 Geographic Information Industry	We were honored as one of the "Top 100 Enterprises in China's Geographic Information Industry 2024," steadily climbing the rankings from 10th to 3rd place in recent years.	
September 2024	CIIFHigh-Tech Engineering Award at the 24th China International Industry Fair	The H7 Integrated GNSS Monitoring Station won the CIIF High-Tech Engineering Award at the 24th China International Industry Fair.	
October 2024	China Agricultural Machinery Annual TOP50+ Application Contribution Award	The NX510 Auto-steering System won the "China Agricultural Machinery Annual TOP50+ Application Contribution Award."	
October 2024	The Second Prize of Jiangsu Province Science and Technology Award	The Complex Scenario Beidou High-Precision Spatio-temporal Key Technologies and Applications Project won the Second Prize of the Jiangsu Province Science and Technology Award.	
November 2024	Global Top 100 Intelligent Control Systems Award	The Digital Construction Intelligent Guidance System won the Global Top 100 Intelligent Control Systems award.	

About CHC Navigation

Integrity as the Foundation, Leading the Way with Smart Navigation

Innovation-Driven Development, Creating Value with Intelligence

Collaborative Efficiency, Smart Partnerships for a Shared Future

Low Carbon Empowerment, Smart Protection for a Green New Planet

Working Together for Progress, Growing with Intelligence

Working Together for the Public Good, Bringing Warmth to Society with Innovation

ESG Governance

🌱 Sustainable Management

CHC Navigation attaches great importance to the identification and management of key ESG topics. To proactively respond to the concerns of stakeholders, the Company has been dedicated to improving the processes for identifying and validating social responsibility topics, enhancing stakeholder communication and research, optimizing topic evaluation methods, and developing a matrix of material topics. These topics are disclosed in the report to meet the expectations of stakeholders.

Governance Topics
Corporate governance, investor relations management, anti-corruption and integrity, internal control of risks, information security
01

Environmental Topics
02
Environmental management, green operations, and tackling climate change

Social Topics
Innovation in scientific research, quality control, high-quality services, employee development, industry collaboration, and public welfare
03

💬 Stakeholder Identification and Communication

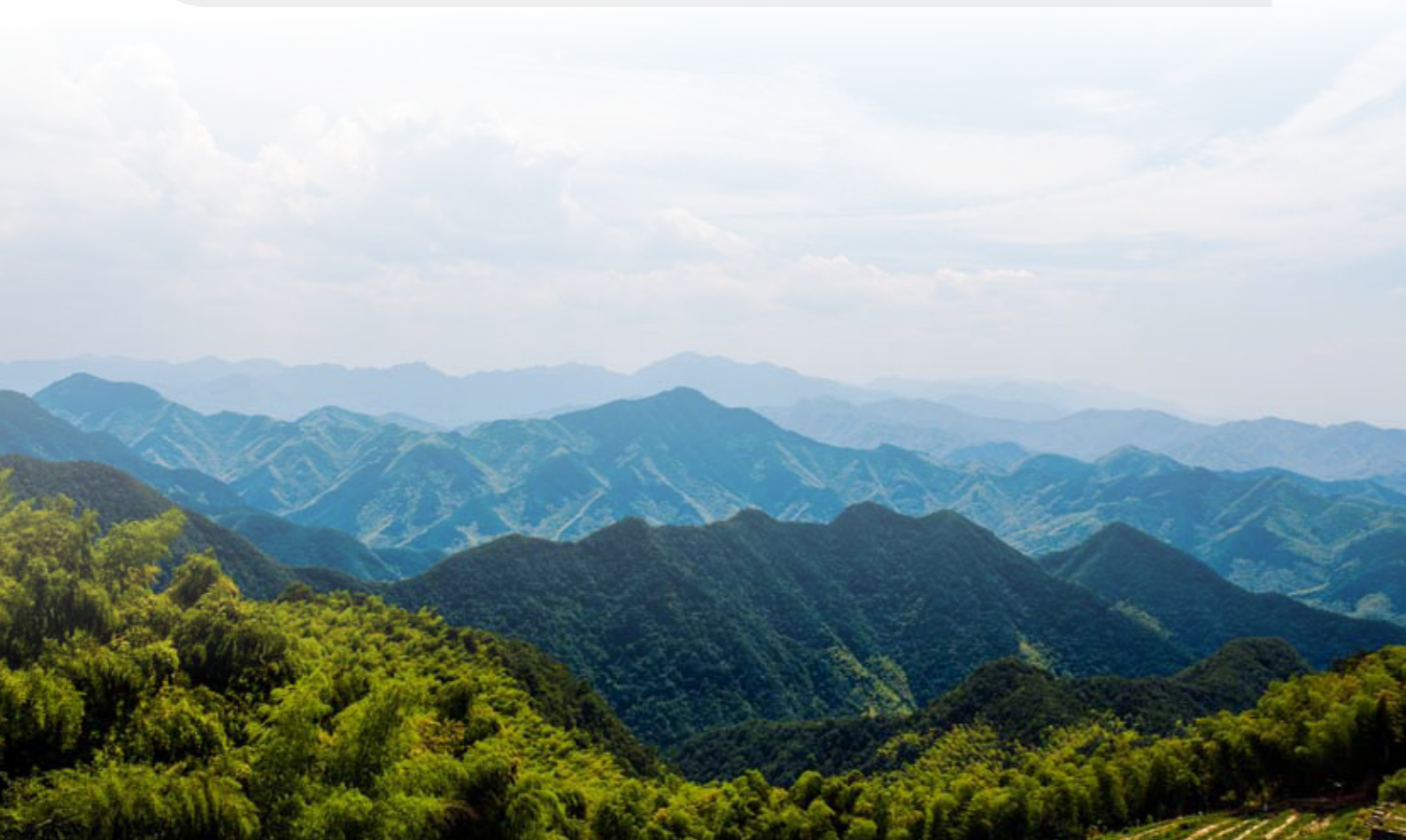| Stakeholder Identification	Expectations and Concerns	Communication and Response
Shareholders	• Lawful and compliant operations • Adequate information disclosure • Protection of shareholder rights and interests • Investor relations management • Adherence to business ethics	• Internal control management • Information disclosure • Diverse investor communication • Intellectual property management • Fair competition
Government and Regulatory Authorities	• Lawful and compliant operations • Anti-corruption • Internal control • Compliance with regulatory requirements	• Internal control management • Information disclosure • Diverse investor communication • Intellectual property management Fair competition
Customers	• High-quality products • Aftersales service • Privacy protection	• Innovative R&D • High-quality customer service • Information security management
Employees	• Compensation and benefits • Protection of employee rights and interests • Employee training and career development • Employee health and safety	• Rights and interests and their protection • Compensation management and incentives • Training programs • Democratic management • Occupational health management
Industries	• Supplier management • Joint advancement of industries • Industry cooperation	• Supplier management system • Participation in industry activities • Contribution to drafting documents
Community and the Public	• Social welfare	• Participation in community activities • Disaster relief support

About CHC Navigation

Integrity as the Foundation, Leading the Way with Smart Navigation

Innovation-Driven Development, Creating Value with Intelligence

Collaborative Efficiency, Smart Partnerships for a Shared Future

Low Carbon Empowerment, Smart Protection for a Green New Planet

Working Together for Progress, Growing with Intelligence

Working Together for the Public Good, Bringing Warmth to Society with Innovation

01

Integrity at our Core,
Leading the Way with Smart Navigation

At CHC Navigation, we operate with the principle of "Integrity at Our Core, Leading the Way with Smart Navigation." We have built a modern corporate governance model, featuring a collaborative system led by the Company's three key governing bodies. This structure enhances governance effectiveness through clear organizational roles and science-based decision-making. In investor relations, we've developed a comprehensive, multi-layered communication system, steadily increasing our visibility and recognition in the capital markets. We have also established a long-term anti-corruption framework and implemented comprehensive integrity monitoring, laying a strong governance foundation to support our vision of becoming a global leader in navigation and positioning solutions.

- Corporate Governance
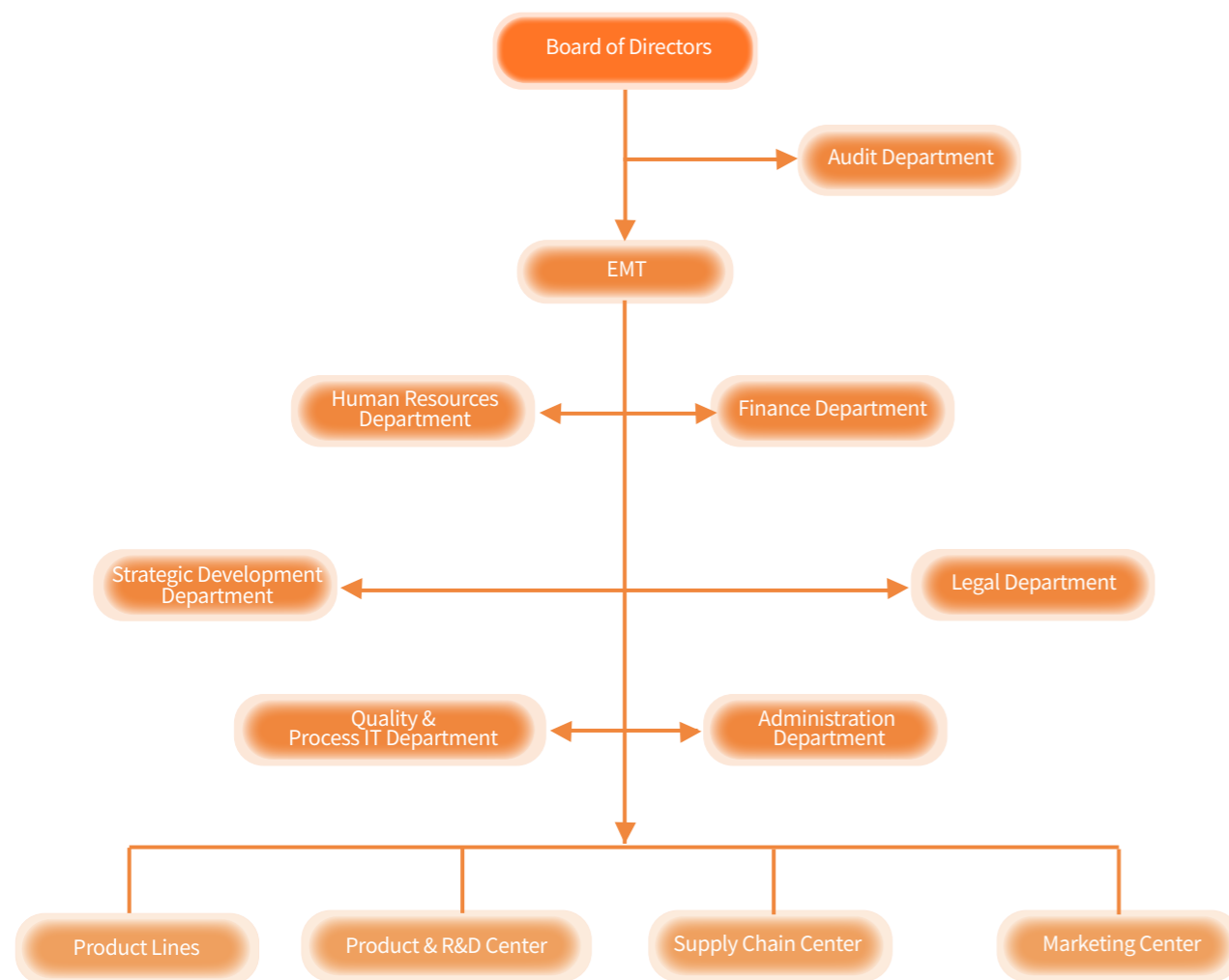- Investor Relations Management
- Internal Controls
- Business Ethics
- Information Security

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Corporate Governance

We strictly follow relevant laws, regulations, and guidelines, such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, and the Self-Regulatory Guidelines No. 2 for Standardized Operations for ChiNext Listed Companies. We continuously enhance our corporate governance structure by building robust internal management and control systems. Our governance framework clearly defines the roles and responsibilities of rights organizations, decision-making bodies, supervisory bodies, and management—ensuring checks and balances, informed decision-making, and coordinated operations. The General Meeting of Shareholders, Board of Directors, and Board of Supervisors operate in accordance with regulatory standards. Independent directors and specialized committees actively fulfill their duties. We are committed to promoting standardized, transparent operations and continuously improving our corporate governance practices.

Corporate Structure

Governance by the Three Key Bodies

We have established a governance structure composed of the General Meeting of Shareholders, the Board of Directors, and the Board of Supervisors. The General Meeting operates on the principle of equality, safeguarding the legal rights of all shareholders, with special attention to minority shareholders. The Board of Directors is formed through standardized procedures and supported by well-defined internal management systems, ensuring sound decision-making and responsible execution of duties. The Board of Supervisors exercises its oversight independently and in accordance with the law, monitoring key decisions, financial performance, and the conduct of senior executives. This governance model provides a solid institutional foundation for corporate governance, supporting stable development and the long-term protection of shareholder interests.

General Meeting of Shareholders

In line with the *Company Law of the People's Republic of China, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* and our *Articles of Association*, we follow standardized procedures for convening and conducting shareholder meetings, including voting and related processes. We uphold the principle of equality, ensuring that all shareholders, especially small and medium-sized ones, have the opportunity to fully exercise their rights. This guarantees the legality and effectiveness of decisions made at the General Meeting of Shareholders and protects shareholder interests.

Board of Directors

We strictly follow the procedures set out in the *Company Law of the People's Republic of China* and our *Articles of Association* to elect directors. The number and composition of the Board meet all legal and regulatory requirements. We have also established a comprehensive internal management system that clearly defines the responsibilities and authority of the Board of Directors. This ensures that all directors attend Board and Shareholder meetings with a responsible attitude, diligently fulfilling their duties to protect the overall interests of the Company.

Board of Supervisors

The Board of Supervisors of the Company is elected in strict accordance with the *Company Law of the People's Republic of China* and our *Articles of Association*. The number and composition of the Supervisors meet all legal and regulatory requirements. The procedures for convening and holding Supervisory meetings of the Company comply with related regulations of the *Rules of Procedure for the Board of Supervisors*. All Supervisors actively fulfill their supervisory duties, independently overseeing major corporate matters, financial conditions, and the performance of directors and senior executives to ensure legality and compliance.

Board Diversity

Our Board of Directors consists of seven members—one female and six male—with diverse academic and professional backgrounds in business management, accounting, and law. This diversity brings a broad range of perspectives, enhancing the quality and depth of decision-making. We have also implemented *Independent Director Work Guidelines* to ensure that independent directors carry out their responsibilities impartially, with a focus on protecting the overall interests of the Company, especially the rights of minority shareholders. This system supports both the independence and objectivity of our governance process.
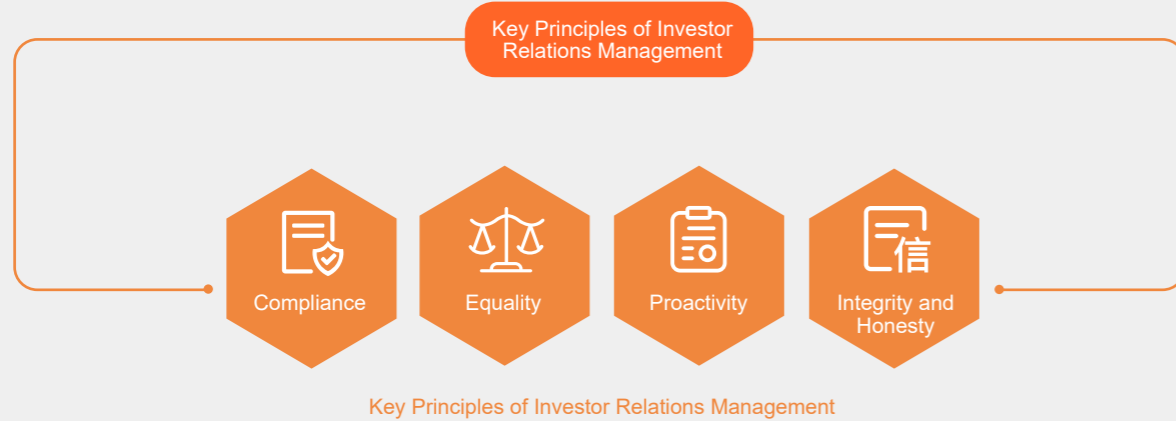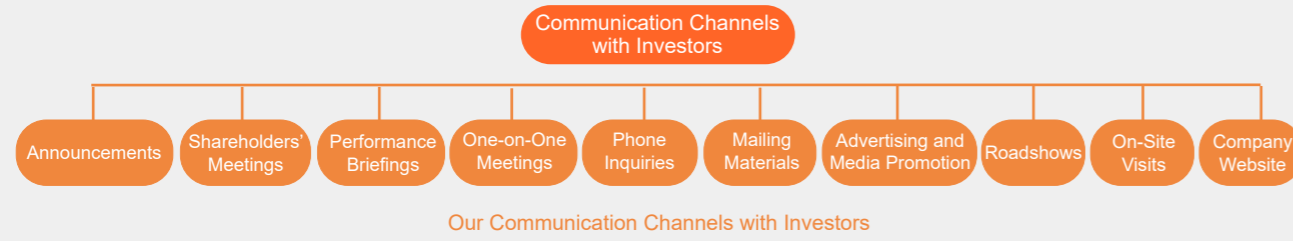
Our Board of Directors consists of seven members and

1 female   **6** male

Investor Relations Management

We place a high priority on managing information disclosure and investor relations, fully complying with relevant laws, regulations, and our company's articles of association. We have implemented the Information Disclosure Management System and the Investor Relations Management System. These systems standardize our disclosure practices, strengthen management processes, protect investors' legal rights, and clearly outline the principles, responsibilities, and communication methods for managing investor relations. This enhances corporate governance, safeguards investors' interests, and provides institutional support for the Company's sustainable growth.

Communication Channels with Investors

Announcements | Shareholders' Meetings | Performance Briefings | One-on-One Meetings | Phone Inquiries | Mailing Materials | Advertising and Media Promotion | Roadshows | On-Site Visits | Company Website

Our Communication Channels with Investors

Key Principles of Investor Relations Management

Compliance | Equality | Proactivity | Integrity and Honesty

Key Principles of Investor Relations Management

Case Study Advancing Investor Relations Management and Enhancing Transparency

In 2024, we actively conducted investor relations activities through multiple channels, including performance briefings, targeted investor meetings, offline investor reception days following regular report releases, conference calls, and responses via Hudongyi, the Shenzhen Stock Exchange's online interactive platform. During the reporting period, we responded to 86 inquiries on Hudongyi and welcomed 265 investor visits during our offline reception days.

we responded to
86 inquiries on Hudongyi

A total of **302** investor interactions were conducted through investor reception days, conference calls, and other channels

Internal Control

We view the enhancement of our governance system as a key pillar of sustainable development. By strengthening our internal control mechanisms, we aim to improve both operational management and risk prevention capabilities. We have established a comprehensive internal control system and implemented standardized management policies to ensure all business activities are legal, compliant, and secure, with accurate and reliable financial information. We strictly comply with tax laws and regulations, maintain a sound tax management system, standardize tax filing procedures, and provide employee tax training to effectively manage tax risks and protect the Company's reputation. In addition, we continue to enhance our financial management system to ensure the quality of financial data and protect the legitimate rights of the Company, shareholders, and creditors.

Internal Control Management

We strictly follow relevant laws, regulations, and guidelines, such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, and the Self-Regulatory Guidelines No. 2 for Standardized Operations for ChiNext Listed Companies. We continuously enhance our corporate governance structure by building robust internal management and control systems. Our governance framework clearly defines the roles and responsibilities of rights organizations, decision-making bodies, supervisory bodies, and management—ensuring checks and balances, informed decision-making, and coordinated operations. The General Meeting of Shareholders, Board of Directors, and Board of Supervisors operate in accordance with regulatory standards. Independent directors and specialized committees actively fulfill their duties. We are committed to promoting standardized, transparent operations and continuously improving our corporate governance practices.

Enhance process and system management Establish and improve business processes and related regulatory requirements to ensure that our internal control and risk management cover the key aspects of our operational activities.

Optimize cost, budget, and financial controls Strengthen cost accounting analysis, promote technological innovation, and conduct regular inspections and evaluations; implement comprehensive budget management to ensure the rational use of funds; improve the monitoring of funds to ensure financial security.

Improve information flow Implement a robust information security system to protect critical data and systems. Manage and control the development and changes of information systems to ensure system stability and functionality.

Focus on compliance Ensure compliance with laws, regulations, and industry standards, maintaining legal and ethical business practices. Provide regular compliance training to enhance employee awareness.

Our Internal Control Management System

Tax Management

We fully comply with tax laws and regulations to ensure the legality and compliance of our tax activities. We ensure timely, accurate, and complete tax filings and payments, and cooperate with tax authorities during audits and investigations by providing the required information. We have clearly designated responsible parties and established workflows for tax management to ensure smooth tax filings and payments. Additionally, we prioritize tax education for our employees, raising awareness of tax laws to ensure that they act in accordance with the law during the tax process, minimizing the risk of tax issues caused by individual actions. In short, we continuously enhance our management practices in tax compliance, improve our tax management, strengthen internal controls, and mitigate tax risks.

Financial Management

In accordance with the Company Law of the People's Republic of China and other relevant regulations, tailored to our company's specific needs, we have established a Financial Management System to strengthen financial management and economic accounting, while safeguarding the legitimate rights of the Company, shareholders, and creditors.

```
                        Financial Management

Finance Business    Financial Accounting    Funds        Tax Management    Operations
Partner (FBP)       Management              Management                      Management
```

Financial Management Key Focus Areas
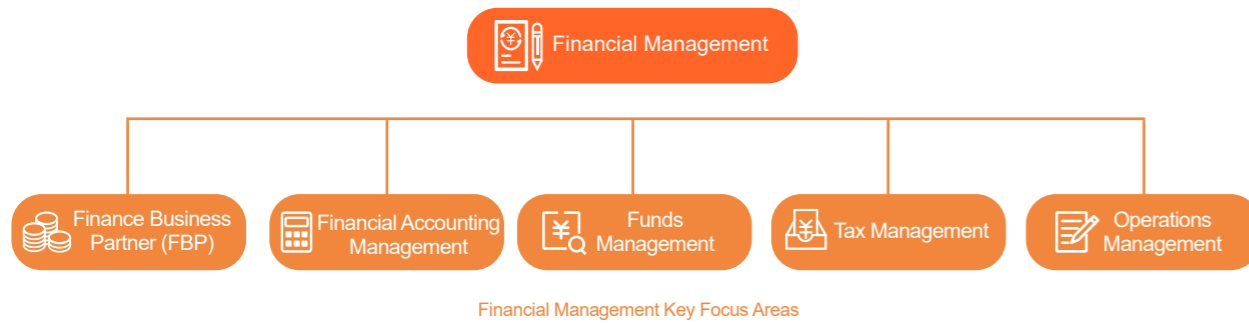
Business Ethics

We view business ethics as a core pillar of sustainable growth, and we are committed to fostering an environment that is honest, transparent, and responsible. We have established a comprehensive anti-fraud management system that covers the full process—from risk prevention and detection to response and recovery after an incident. To reinforce ethical conduct, we regularly conduct business ethics training to raise employee awareness of compliance, ensuring that all activities align with legal standards and industry regulations.

In all interactions with clients, suppliers, and competitors, we strictly comply with anti-monopoly laws and fair competition regulations. We require all employees to uphold high ethical standards and avoid any form of unfair competition. By continuously enhancing our business ethics management system, we effectively reduce operational risks, strengthen compliance practices, and support the long-term, stable development of the Company.

Integrity Building

We strictly adhere to anti-corruption and anti-bribery laws, recognizing integrity as a fundamental pillar of our sustainable development. We have established a robust anti-fraud management system and implemented our Anti-Fraud Management Measures, which clearly define roles and responsibilities to effectively prevent and address fraud risks, protect shareholder interests, and support stable business growth. We maintain a zero-tolerance policy toward corruption and bribery, enforce a comprehensive Business Ethics and Anti-Corruption Policy, and operate a whistleblower protection system that encourages employees to report violations. These efforts help us continuously strengthen compliance awareness across the Company.
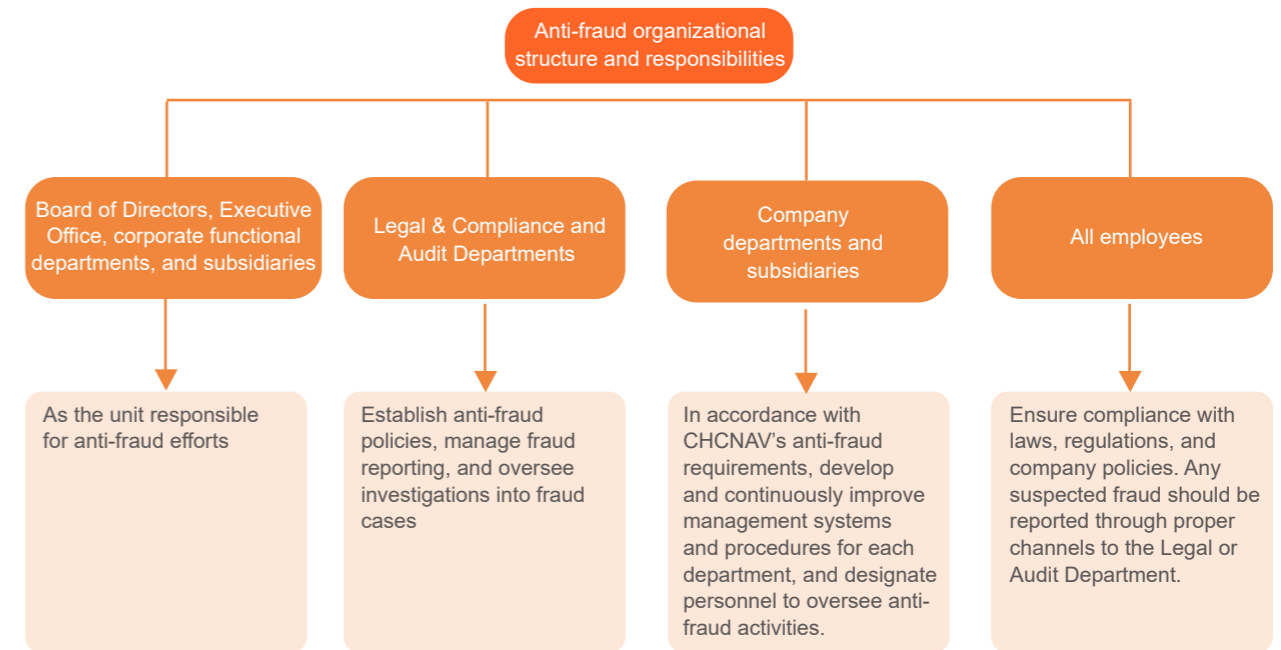
Key Achievements

During the reporting period, there was **0** instance of employees being dismissed (or disciplined), investigated by authorities, or having contracts with business partners terminated or not renewed due to commercial bribery or embezzlement.

During the reporting period, there was **0** lawsuit involving the Company, its directors, management, or employees related to commercial bribery or embezzlement.

Anti-Fraud Management

In accordance with the *Company Law of the People's Republic of China, the Insurance Law of the People's Republic of China*, the *Internal Control Standards for Insurance Companies*, the *Basic Standards for Internal Control of Enterprises*, and the *Insurance Audit Guidelines*, we have developed our *Anti-Fraud Management Measures* to prevent and resolve fraud risks, standardize business practices, protect shareholder rights, and ensure that the Company achieves its operational goals while maintaining sustainable, stable, and healthy growth.

```
              Anti-fraud organizational
              structure and responsibilities

Board of Directors,      Legal & Compliance and    Company              All employees
Executive Office,        Audit Departments         departments and
corporate functional                               subsidiaries
departments, and
subsidiaries

As the unit           Establish anti-fraud     In accordance with    Ensure compliance
responsible for       policies, manage fraud   CHCNAV's anti-fraud   with laws,
anti-fraud efforts    reporting, and oversee   requirements,         regulations, and
                      investigations into      develop and           company policies. Any
                      fraud cases              continuously improve  suspected fraud should
                                               management systems    be reported through
                                               and procedures for    proper channels to the
                                               each department, and  Legal or Audit
                                               designate personnel   Department.
                                               to oversee anti-fraud
                                               activities.
```

Anti-Fraud Organizational Structure and Responsibilities

Case Study — To strengthen integrity and self-discipline, CHCNAV held various integrity awareness activities

In 2024, CHC Navigation launched a series of integrity-focused initiatives, including "Say NO to False Reimbursement," the "Seven Principles of Self-Discipline," and Integrity Campaigns during the New Year, Spring Festival, and Mid-Autumn Festival. We also held Domestic and International Integrity Briefings for both suppliers and employees during major holidays. These initiatives reflect CHCNAV's core value of "Integrity and Trust," setting a benchmark for clean governance within the industry and laying a strong ethical foundation for building a globally competitive enterprise. They also support the development of a long-term integrity mechanism of "dare not corrupt, cannot corrupt, do not want to corrupt," helping drive the Company toward high-quality, sustainable growth.

"Seven Principles of Self-Discipline" Promotional Activity

New Year Integrity Campaign

Mid-Autumn Festival Integrity Campaign

📂 Business Ethics and Anti-Corruption

We are committed to doing our business with integrity, maintaining high standards of honesty, compliance, fairness, and transparency. We have a zero-tolerance policy towards corruption and bribery. Our Business Ethics and Anti-Corruption Policy focuses on four key areas: risk prevention, risk identification, risk response, and post-incident recovery. It ensures that all employees comply with laws, regulations, and our internal policies when interacting with government agencies and business partners, and in their day-to-day operations. We strictly prohibit any form of corruption, bribery, or commercial bribery, and continuously work to enhance our business ethics management system.

Reporting Mechanism

- **Complaint and Reportingchannels** → Reporting phone number;Reporting email address;Department responsible for handling reports;Mailing address

- **Key Elements for EffectiveReporting** → Whistleblowers should provide information about the individual being reported as much as possible, such as their name, department, job title, details of the fraudulent or unethical behavior, and any supporting evidence.

- **Whistleblower Rewards** → If there are any discrepancies in the information provided by the whistleblower, no liability will fall on them. If a report is made anonymously and is confirmed to be accurate and meets the necessary criteria, a reward may be offered.

- **Whistleblower Protection** → We are committed to protecting employees who make honest reports of violations or suspected violations of this policy, ensuring that they are shielded from any form of retaliation.

Reporting Mechanism for Corruption and Bribery

Whistleblower Protection → We prohibit disclosing the whistleblower's name, department, address, or any personalinformation.

→ We also forbid sharing any materials related to the whistleblower, including the report, withthe person being investigated, their department, or unrelated parties.

Whistleblower Protection Policy

Fair Competition

All employees are expected to respect the rights of customers, suppliers, and competitors, and to engage in fair, honest, and transparent business practices. Employees are strictly prohibited from exploiting others through manipulation, concealment, misuse of privileged information, distortion of facts, or any other unlawful conduct. We ensure that all interactions with suppliers, customers, competitors, and government entities reflect fair and lawful business practices, in full compliance with competition laws and regulations in the countries and regions where we operate.

We require all employees to follow these core principles when interacting with customers, suppliers, competitors, and other stakeholders: 1. Fully respect the legal rights of all parties and adhere to the principle of fair trade. 2. Strictly prohibit any form of unethical business behavior, including but not limited to information manipulation, abuse of privileges, and distortion of facts. 3. Ensure all business activities align with internationally recognized fair competition standards and comply with competition laws in the countries and regions where we operate, supporting a sustainable and equitable business environment for all.

📝 Key Achievements

During the reporting period, there was **0** instance of lawsuits or significant administrative penalties due to unfair competition.

Information Security

To fully align with national information security policies and classification requirements, we have specially developed the Information Security Policy and Strategy to enhance our company's information security management. This policy outlines the goals, principles, and implementation steps for managing information security, with the aim of building a comprehensive, multi-layered information security system. We have established a strong information security management framework, strengthened data classification and management, and implemented strict access controls and encryption technologies to ensure both the efficient operation of information systems and the protection of data. We also provide regular information security training to all employees to raise awareness and improve risk prevention skills, fostering a culture of security across the Company.

Additionally, to mitigate potential information security risks from third-party partners, personnel, and systems, we have implemented the Third-Party Security Management Guidelines, which define third-party entry standards, security responsibilities, and oversight requirements. This strengthens the security management of our external partners and ensures the overall integrity and sustainability of our company's information security.

🎯 Information Security Management Goals

Maximize the protection of information systems' integrity, confidentiality, and availability from threats.

Ensure that the frequency of major information security incidents (Level II) remains as low as possible, with a target of **0** incident per year.

| Security-Driven Principle | Leadership Accountability | Company-Wide Participation | Continuous Improvement |

| Legal Compliance | Use of Proven Technologies | Balancing Management and Technology |
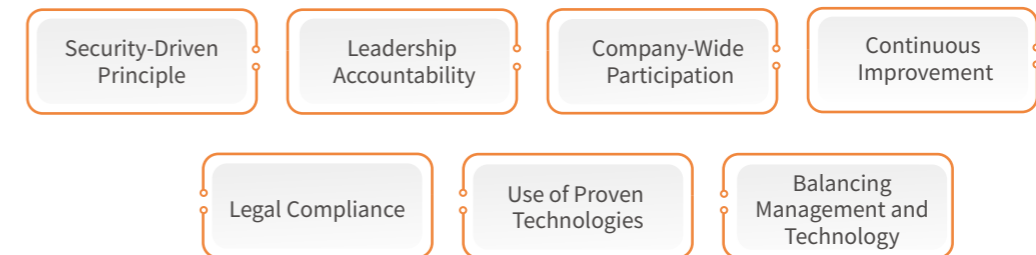
Information Security Management Principles

Management System

We have successfully achieved ISO 27001 certification for our Information Security Management System, creating a framework that meets international standards to ensure the security of data throughout its collection, storage, transmission, and processing. Through regular internal audits, third-party assessments, and vulnerability scans, we quickly identify and address potential security risks, continuously optimizing our data security management processes.

Key Achievements

ISO 27001 Certification for Information Security Management System

Our information security management framework is based on the ISO 27001 standard, tailored to our specific needs. We use the "PDCA" (Plan-Do-Check-Act) model for o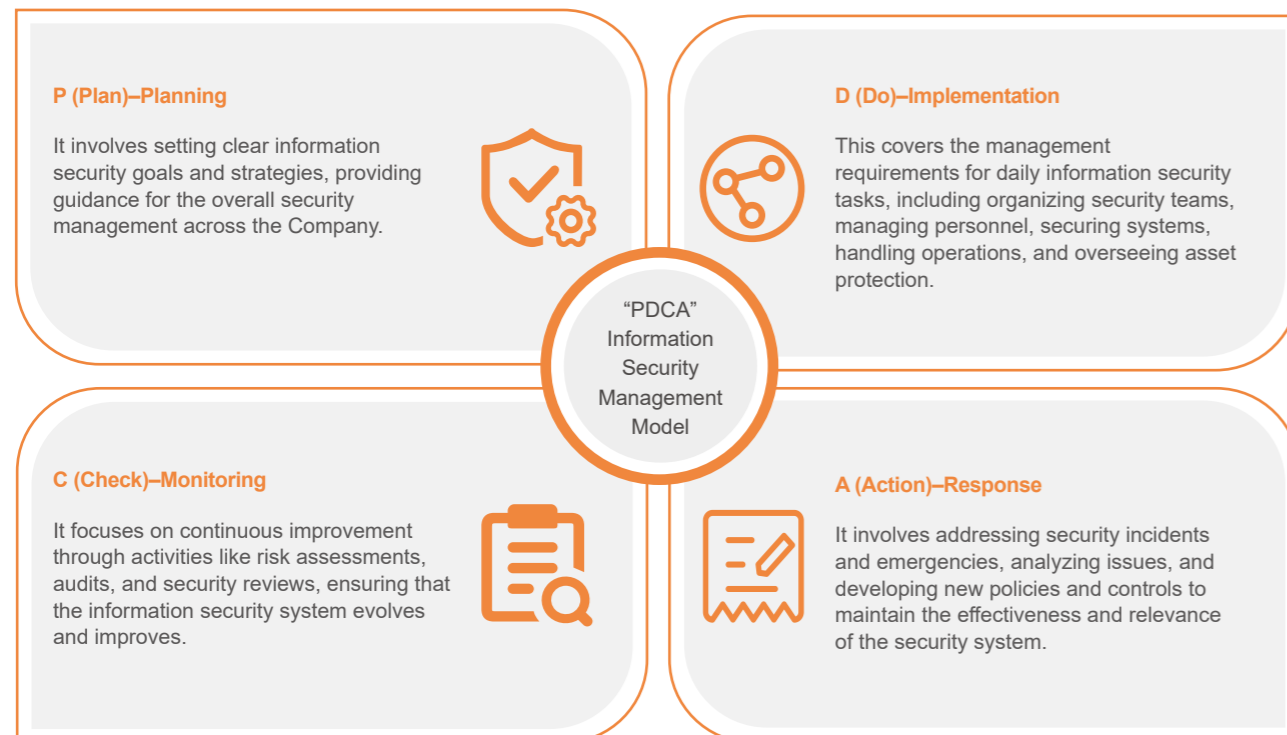ngoing improvements, ensuring the system's comprehensiveness, effectiveness, and adaptability, providing a strong security foundation for the continued growth of our business.

P (Plan)–Planning

It involves setting clear information security goals and strategies, providing guidance for the overall security management across the Company.

D (Do)–Implementation

This covers the management requirements for daily information security tasks, including organizing security teams, managing personnel, securing systems, handling operations, and overseeing asset protection.

"PDCA" Information Security Management Model

C (Check)–Monitoring

It focuses on continuous improvement through activities like risk assessments, audits, and security reviews, ensuring that the information security system evolves and improves.

A (Action)–Response

It involves addressing security incidents and emergencies, analyzing issues, and developing new policies and controls to maintain the effectiveness and relevance of the security system.

Management Team

We have established key policy documents, including the Information Security Leadership Team Structure and Responsibilities, Authorization and Approval Management System, and Security Inspection and Audit Management System, to clearly define the roles and responsibilities of our information security staff. This ensures that our information security strategy is effectively developed, implemented, and overseen, ensuring the continuous operation of the information security management system. Our information security team consists of a 14-person leadership group and a 6-person working group, who manage the development and operation of the information security management system together.

Responsibilities of the Leadership Team

- It is responsible for reviewing and approving the overall planning, budget, technical standards, management norms, and related policies for information security construction and application.
- It makes decisions on major matters related to the development of the information security system and oversees the implementation of the information security framework.
- It resolves decision-making issues promptly in the project construction process and provides guidance on all tasks.
- It approves and issues information security policies and the management system.
- It approves information security plans and project approvals.
- It ensures the availability of resources for information security.
- It is responsible for reviewing and promoting information security strategies.
- It establishes communication channels with internal and external experts, authoritative organizations, partners, and suppliers, and manages external information release and announcements in a unified manner.

Responsibilities of the Working Group

- It is responsible for the implementation and advancement of the information security system, regularly communicating with and reporting to the working group leader on relevant matters.
- It coordinates and communicates with consulting companies regarding project implementation and the progress of projects in the Company, ensuring smooth knowledge transfer.
- It is responsible for establishing the security management system and supervising the execution of information security management policies.
- It plans and oversees information security-related projects, ensuring the effective implementation of information security risk assessments and management.
- It develops the annual review plan, determining the scope of reviews and internal audit content.
- It is responsible for drafting, reviewing, and promoting information security strategies, standards, processes, and regulations.
- It creates a business continuity plan.
- It establishes communication channels with internal and external experts, authoritative organizations, and stakeholders, managing external information releases and announcements in a unified manner.

Information Security Management Team Responsibilities

⚡ Emergency Management

We have created a comprehensive emergency management system, which includes policies like the *Monitoring and Security Management Center Guidelines, Network Security Management Policy, System Security Management Policy, Security Incident Reporting and Response, Storage Media Management Policy*, and *Information System Emergency Response Plan*. These documents are regularly updated to ensure a systematic and organized approach to managing information security, reducing risks, minimizing losses, and keeping business operations running smoothly.

On the technical side, we have built a full-scale information security protection system that includes security defense strategies, employee access controls, log analysis management, server firewalls, and a security awareness platform. These measures help reduce the risk of information system failures and ensure quick responses to emergencies, minimizing any potential impact on business operations.

📢 Awareness Campaign and Training

To ensure effective implementation of our information security management, we have developed the *Information System Personnel Management System* and the *Information Security Training Management System*. These systems help maintain high professional standards and skill levels among staff working with sensitive information, reducing the risks of errors, fraud, and misuse of resources, while safeguarding information confidentiality, integrity, and availability.

We regularly conduct privacy protection training to strengthen employees' understanding and capabilities in data privacy and protection. This training covers topics like privacy policy interpretation, data classification, and privacy risk identification, ensuring that all staff adhere to privacy protection standards in their everyday work and build a solid foundation for data security.

We also offer specialized training for middle and senior management, helping them understand the importance of the information security management system and ensuring their full support for its implementation. This support is critical for the smooth progress of the system. At the start of each year, we create a training plan based on our needs, ensuring that every employee receives at least one basic information security management training session. Afterward, we assess the effectiveness of the training through testing to ensure knowledge retention and skill improvement.

In-house Training

This refers to training conducted in the Company, provided either by internal staff or external instructors.

External Training

This refers to public courses or specialized programs (including seminars, lectures, etc.) held outside the Company, which are arranged based on the training plan and employee development needs.

Information Security Training Methods

Intranet Information Security Awareness Campaign

02

Innovation-Driven Development, Creating Value with Intelligence

At CHC Navigation, our vision is to "Build an Intelligent World with Precise Spatio-temporal Information," driven by technological innovation. We specialize in high-precision positioning and provide accurate, reliable, and intelligent solutions to users worldwide. We continually advance our core technologies, support the digital transformation of the industry, explore new applications, and strive to build a comprehensive high-precision positioning ecosystem.

Innovation-Driven

Intellectual Property Protection

Product Quality

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Innovation-Driven Development

CHC Navigation has adhered to research and innovation as its core driving force. In line with our innovation-driven approach, we have built a multi-layered technology framework and a global R&D system, forming an ecosystem that supports core technology development, international collaboration, and specialized talent cultivation. We focus on applying cutting-edge technologies while incorporating green design principles into product development, promoting a shift toward efficiency and low-carbon solutions across the industry. We also promote industry-academia-research collaboration, partnering with universities and research institutions to accelerate the commercialization and implementation of technological breakthroughs. Throughout our innovation journey, we stay committed to technology ethics and social responsibility, ensuring that our progress supports sustainable development and delivers long-term value to society.

Key Achievements

During the reporting period, our total R&D investment reached RMB **469.0191** million, accounting for **14.43%** of our total revenue.

Key Achievements

Our self-developed products have received numerous honors, including the National Technology Invention Award (Second Prize), **4** National Science and Technology Awards (Second Prize), **19** provincial and ministerial-level awards, and **2** Silver Awards at the China International Industry Fair. We have also earned several prestigious industry accolades, such as the Special Award for Excellence in Satellite Navigation and Positioning Engineering and Products.
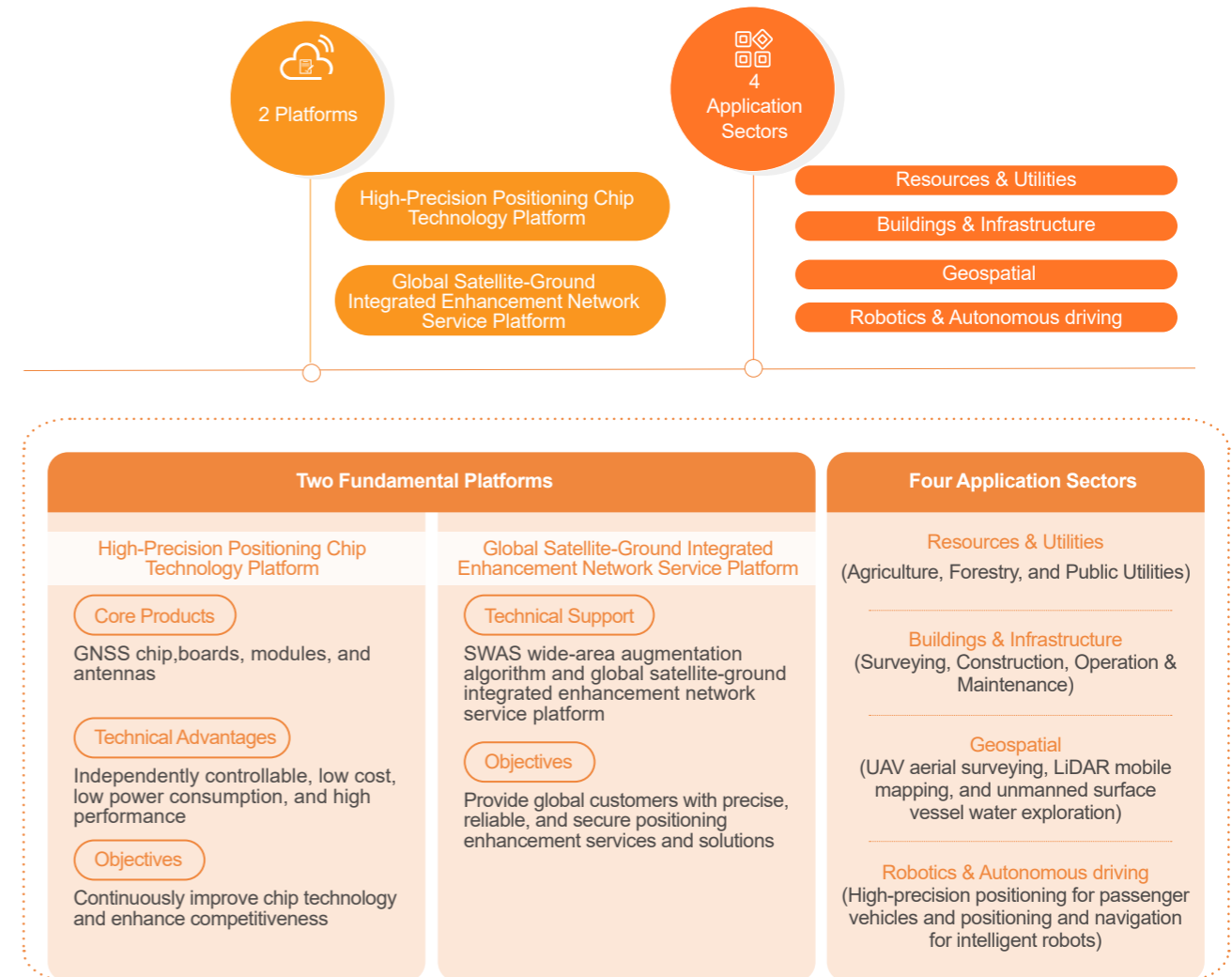

Innovation-Related Awards

R&D System

We have established a three-tier architecture based on the Integrated Product Development (IPD) system, clearly defining business layers and focusing on enhancing product competitiveness and technical platform capabilities. Guided by a well-defined R&D strategy and technology roadmap, we rely on a highly skilled R&D team to support our global expansion. In 2024, we launched a comprehensive organizational transformation, aimed at defining new business rules, establishing unified language standards, and designing solution frameworks. These efforts have already brought improvements in product portfolio management and quality control, further enhancing the efficiency and collaboration of our R&D system.

R&D Strategy

Built on core high-precision navigation and positioning technologies, the Company established two fundamental platforms, namely a high-precision positioning chip technology platform and a global satellite-ground integrated enhancement network service platform. It has also developed four major application sectors comprising Resources & Utilities, Buildings & Infrastructure, Geospatial, and Robotics & Autonomous driving. These application sectors span industries such as agriculture, construction surveying and mapping, and autonomous driving, offering precise positioning solutions while continuously strengthening technological barriers and market competitiveness.

2 Platforms
- High-Precision Positioning Chip Technology Platform
- Global Satellite-Ground Integrated Enhancement Network Service Platform

4 Application Sectors
- Resources & Utilities
- Buildings & Infrastructure
- Geospatial
- Robotics & Autonomous driving

Two Fundamental Platforms		Four Application Sectors
High-Precision Positioning Chip Technology Platform	**Global Satellite-Ground Integrated Enhancement Network Service Platform**	**Resources & Utilities** (Agriculture, Forestry, and Public Utilities)
Core Products GNSS chip, boards, modules, and antennas	**Technical Support** SWAS wide-area augmentation algorithm and global satellite-ground integrated enhancement network service platform	**Buildings & Infrastructure** (Surveying, Construction, Operation & Maintenance)
Technical Advantages Independently controllable, low cost, low power consumption, and high performance	**Objectives** Provide global customers with precise, reliable, and secure positioning enhancement services and solutions	**Geospatial** (UAV aerial surveying, LiDAR mobile mapping, and unmanned surface vessel water exploration)
Objectives Continuously improve chip technology and enhance competitiveness		**Robotics & Autonomous driving** (High-precision positioning for passenger vehicles and positioning and navigation for intelligent robots)

Core High-Precision Navigation and Positioning Technologies

About CHC Navigation

Integrity as the Foundation, Leading the Way with Smart Navigation

Innovation-Driven Development, Creating Value with Intelligence

Collaborative Efficiency, Smart Partnerships for a Shared Future

Low Carbon Empowerment, Smart Protection for a Green New Planet

Working Together for Progress, Growing with Intelligence

Working Together for the Public Good, Bringing Warmth to Society with Innovation

Technology Strategy

As a leader in high-precision satellite navigation and positioning, we are dedicated to BeiDou's high-precision spatiotemporal intelligent information. Our primary focus is on areas such as integrated PNT，chip modules and terminals, space-ground-sea intelligent perception systems, and autonomous robots for automated tasks. We actively engage in the "Explorer Program" of the Science and Technology Commission of Shanghai Municipality (STCSM), partnering with research institutions to drive innovation. Additionally, we are increasing investments in R&D in AI, industrial robotics, and multi-source integrated navigation and positioning technologies, aiming to push forward scientific breakthroughs, support industry innovation, and tackle future technological challenges.

Integrated PNT

Chip Modules and Terminals

Space-ground-sea Intelligent Perception Systems

Autono1ols Robots for Automated Tasks

Technology Strategy
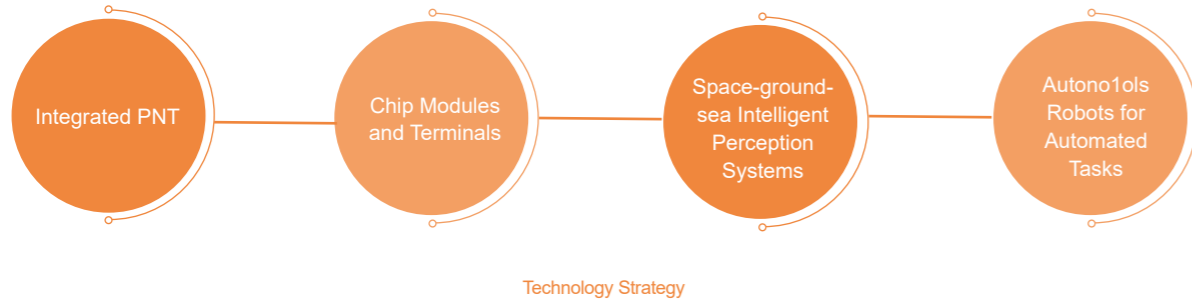
R&D Team

Our R&D team comprises nearly 700 skilled professionals, most of whom hold PhDs or master's degrees in disciplines such as satellite navigation, computer science and technology, and mechanical engineering. With deep technical expertise and a strong focus on innovation, our team is recognized for its industry leadership and holds a high level of international expertise. This solid foundation enables us to remain at the forefront of technological innovation and product development.

International Expansion

As part of our international strategy, we have established an R&D center in the UK dedicated to GNSS technology innovation. The center collaborates closely with leading UK universities to develop efficient, cutting-edge GNSS solutions, enhancing the performance and reliability of high-precision positioning systems. Our research focuses on data analysis, algorithm optimization, and the advancement of existing technologies to deliver more advanced and dependable positioning solutions.

R&D and Applications

Our products are designed with a strong focus on stability, reliability, and user-friendliness. By continuously enhancing our multi-sensor fusion technologies and algorithms, we deliver highly efficient solutions—from chips to modules and complete systems—while optimizing for lightweight design and low power consumption. Our core technologies are highly adaptable, meeting the needs of various industries. We also prioritize sustainable design, refining hardware and algorithms to reduce resource usage and achieve a balance between performance and energy efficiency.
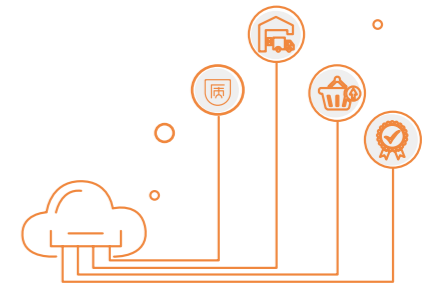
Core Technology Applications

We specialize in the development and application of BeiDou high-precision satellite navigation and positioning technology, building a comprehensive system that spans 2D to 3D and integrates space, ground, air, and sea operations. Our core technologies are widely applied in traditional industries such as surveying and land management, as well as in emerging sectors like smart cities, autonomous driving, and artificial intelligence. We have established four key application areas: Resources & Utilities, Buildings & Infrastructure, Geospatial, and Robotics & Autonomous driving, forming a complete product and solution ecosystem.

Green Design

We are committed to the principles of green design, making environmental protection a core focus in our product development. During the design and manufacturing process, we carefully select RoHS-compliant raw materials, ensuring our products are free from harmful substances and have a minimal environmental impact. Our products are also certified by recognized authorities, earning environmental certifications that reflect our dedication to combining technological innovation with sustainable, eco-friendly practices.

Key Honors

Type II Environmental Label Product Certification

Case Study | **Developing the H7 integrated GNSS monitoring station with built-in power supply, achieving breakthroughs in energy efficiency through low-power technology**

Focusing on green design, the Company adopted a sleep-wake mechanism for energy-saving management during the research and development of the H7 integrated GNSS monitoring station with built-in power supply. The facility utilizes a low-power NB-IoT narrowband communication solution, replacing traditional high-power 2G/3G/4G networks to further reduce energy consumption. The power consumption of the H7 station is controlled within 2W, achieving an industry-leading standard and significantly outperforming similar products on the market. Equipped with a built-in solar power system, the H7 station reduces reliance on conventional energy sources and helps minimize environmental pollution. Its green design not only enhances energy efficiency but also provides sustainable technical support for such fields as geological disaster monitoring and traffic safety, offering remarkable environmental benefits and application value.

H7 integrated GNSS monitoring station with built-in power supply

Industry-Academia-Research Collaboration

We maintain close partnerships with universities and research institutions, establishing post-doctoral research stations and academic expert workstations to create an integrated industry–academia–research collaboration platform. This accelerates the transformation of academic research into practical technologies. Through skill master and chief technician workshops, we manage projects that convert academic findings into product innovations. Our experienced technical teams play a key role in turning theoretical research into market-ready solutions, enhancing our technological competitiveness and ability to respond to market needs.

📝 **Key Achievements**

During the reporting period, we launched **4** industry-university collaboration projects under the STCSM Explorer Program.

we have jointly trained
1 doctoral student

over
10 master's students

we have
1 employee rated as Shanghai Outstanding Talent

1 Industry Leader

1 member of the Shanghai Leading Talent Program of Eastern Talent Plan

1 Top Talent from the Qingfeng Talent Program

1 member of the Eastern Youth Talent Project

Approximately
270 individuals have been granted Shanghai household registration (hukou) through the city's talent attraction policies

---

Postdoctoral Research Station

▷ Recruited **2** postdoctoral researchers.

▷ Recruit **3-5** postdoctoral researchers in 2025

Academician and Expert Workstation

▷ Invited professors from top universities such as Shanghai Jiao Tong University, Tongji University, and Wuhan University to serve as distinguished experts

▷ Develop research and development plans, define research topics, and provide guidance for postdoctoral researchers and students

Research Workstation

We are actively committed to nurturing talent through strong industry-university partnerships. We have established joint training programs with China's top-tier institutions such as Shanghai Jiao Tong University and Tongji University, aimed at cultivating master's and doctoral students whose professional and practical skills closely align with our Company's needs. Additionally, we implement a multi-tiered talent recruitment strategy to build a competitive and diverse talent pool, supporting the Company's long-term growth and sustainable success.

Shanghai Jiao Tong University–CHC Navigation 2024 Joint Excellent Engineer Training Program Launch and 2023 Student Internship Welcome Event

Adherence to Scientific Ethics

We adhere to scientific ethics throughout our product development process, with a focus on high-precision navigation and positioning technologies and their related products and solutions. By addressing real-world industry needs, we apply intelligent technologies to modernize traditional workflows, enhance operational efficiency, and deliver tangible value to our clients. At present, our technology development and implementation do not involve any ethical concerns related to human safety decision-making or human-machine interaction.

About CHC Navigation

Integrity as the Foundation, Leading the Way with Smart Navigation

Innovation-Driven Development, Creating Value with Intelligence

Collaborative Efficiency, Smart Partnerships for a Shared Future

Low Carbon Empowerment, Smart Protection for a Green New Planet

Working Together for Progress, Growing with Intelligence

Working Together for the Public Good, Bringing Warmth to Society with Innovation

Intellectual Property Protection

At CHC Navigation, we place great emphasis on intellectual property protection and innovation-driven development, having successfully obtained a wide range of intellectual property rights. To foster innovation, we implement an intellectual property incentive system that encourages our R&D teams to continuously overcome technical challenges. Additionally, we prioritize the protection and management of intellectual property by regularly offering training and awareness programs to educate our employees on intellectual property laws and regulations, enhance confidentiality awareness, and ensure that our technological innovations are effectively safeguarded.

Key Achievements

CHC Navigation holds over **900** intellectual property rights, including over **400** patents.

R&D Incentives

To support ongoing innovation and technological progress, we have established a robust incentive system to motivate our scientific and technical personnel. This includes both intellectual property rewards and timely incentives from our R&D center. The implementation of these measures not only boosts the Company's ability to attract and retain top talents but also enhances the overall expertise of our technical staff, fueling continuous innovation and contributing to the long-term growth of the Company.

Intellectual Property Incentives

To strengthen our independent innovation capabilities and motivate our researchers, we have developed the Intellectual Property Reward Management Policy. This policy provides differentiated rewards for achievements such as software copyrights, invention patents, and academic papers, ensuring a steady stream of intellectual property output. This approach enhances our core competitiveness and drives both technological innovation and long-term development.

We offer cash rewards to employees who actively participate in intellectual property applications and successfully secure corresponding rights.	Intellectual property achievements are a key factor in the evaluation of technical titles, job appointments, promotions, and other forms of recognition.	Each year, we conduct an awards program to recognize and reward departments and individuals who excel in meeting intellectual property goals.	If any employee attempts to claim ownership of a job-related invention without authorization, we will hold them legally accountable and seek financial compensation for any losses incurred by the Company.

Overview of Intellectual Property Incentive Policy

Timely Incentive Program of R&D Center

In addition to intellectual property incentives, we have developed a timely incentive program for our R&D center. This program covers various types of rewards, including quality performance bonuses, value-driven rewards, knowledge contribution awards, and process optimization prizes, ensuring that employees' innovative achievements in different areas are recognized and rewarded. Every quarter, we recognize outstanding performers based on their contributions and reward them accordingly. This helps boost the team's creativity and drives continuous progress in our R&D efforts.

Quarterly Star	Value-Driven Reward	Timely Incentive of Quality	Experience/Skill Sharing	Knowledge Contribution Award	Process Optimization Award
Recognizing top performers each quarter.	employees whose ideas or suggestions are adopted.	For notable improvements in quality, efficiency, and process, as well as effective use of tools, successful implementation of improvements and full team involvement.	For valuable contributions through technical exchanges and skill training.	For teams or individuals who excel in building departmental knowledge bases.	For impactful process improvements and optimizations.

Timely Incentive Program of R&D Center

Intellectual Property Training

As an innovation-focused company, we place great importance on intellectual property protection. We regularly organize IP-related activities, such as comprehensive training sessions, online quizzes, and other initiatives, to raise employees' awareness of intellectual property. This encourages full participation from everyone and strengthens our ability to protect our innovative achievements, providing a solid foundation for the Company's long-term growth.

Case Study — Intellectual Property Month–Enhancing IP Knowledge

In April 2024, we launched the Intellectual Property Month, which included distributing IP knowledge cards, hosting themed seminars, and holding online quizzes. These activities aimed to educate employees on the basics of intellectual property, related laws and regulations, and real-world applications. The goal was to increase awareness across the Company and enhance our capacity to protect our innovations. Over 200 employees participated in the event.

Over **200** employees participated in the event.
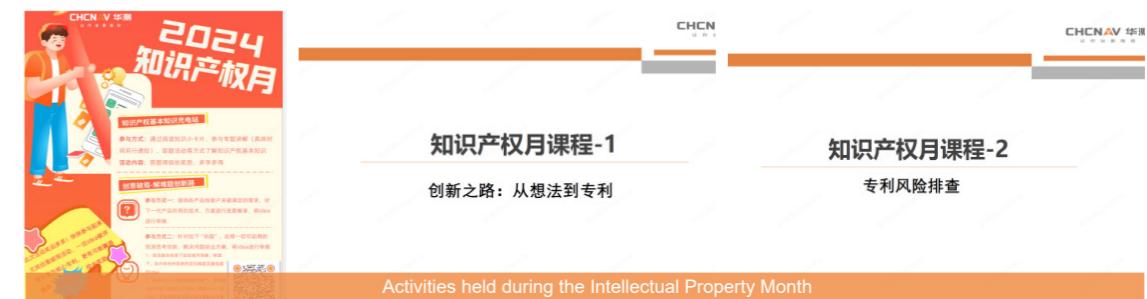
2024 知识产权月

知识产权月课程-1
创新之路：从想法到专利

知识产权月课程-2
专利风险排查

Activities held during the Intellectual Property Month

Product Quality

At CHC Navigation, we adhere to the philosophy of "making CHCNAV a trusted organization and CHCNAV products synonymous with high quality." We focus on continuous quality improvement through process optimization and standardized procedures. By implementing system documents such as the Non-Conformance Control Procedure and the Product Protection Control Standard, we provide a solid institutional foundation for quality management. We also established the Quality Management Committee to oversee quality-related decisions, including approving quality policies, setting goals, approving major improvement projects, and assigning responsibilities for resolving issues, ensuring a scientific and efficient approach to quality management.

Key Achievements

By the end of the reporting period, the Company had **51** quality-related procedural documents and **372** process documents.

Key Certification

Quality Management System Certification

Quality Goal: To make CHC Navigation a benchmark for high quality in the geographic information and surveying industry.

Quality Policy

Success through quality:We are always mindful that quality is the cornerstone of CHCNAV's survival and the reason our customers choose us. We ensure that customer requirements and expectations are accurately communicated across our entire value chain, building quality system together.

We respect processes, get things right the first time, unlock our employees' potential, and continuously improve. We work alongside our customers to balance opportunities and risks, quickly respond to their needs, and achieve sustainable growth.

CHCNAV is committed to delivering high-quality products, services, and solutions, consistently creating value for every customer.

Quality Strategy

1.We see quality as the lifeblood of our company. It is the foundation of our brand and value proposition and plays a critical role in fostering long-term, loyal customer relationships.

2.We strive for excellence, centering our focus on the end-user experience. We ensure quality through four dimensions: systems, products, components, and processes, maintaining high standards for results, processes, and our reputation.

3.We aim to create a culture that respects rules and processes, gets things right the first time, and continuously improves.

4.We ensure that customer requirements and expectations are clearly communicated to our partners and effectively managed, working together to create high-quality and sustainable growth across our value chain.

5.We value expertise and promote a culture of collaboration, building world-class teams of specialists in every field.

6.Everyone is dedicated to maintaining work quality, ensuring that no subpar output is produced, accepted, or allowed. We don't cover up issues, pass the blame, or falsify results; all decisions and problem-solving are based on facts.

7.We hold management accountable for quality, build a quality assurance system based on established processes, and develop a comprehensive quality management system that can support our future growth.

Quality Assessment System
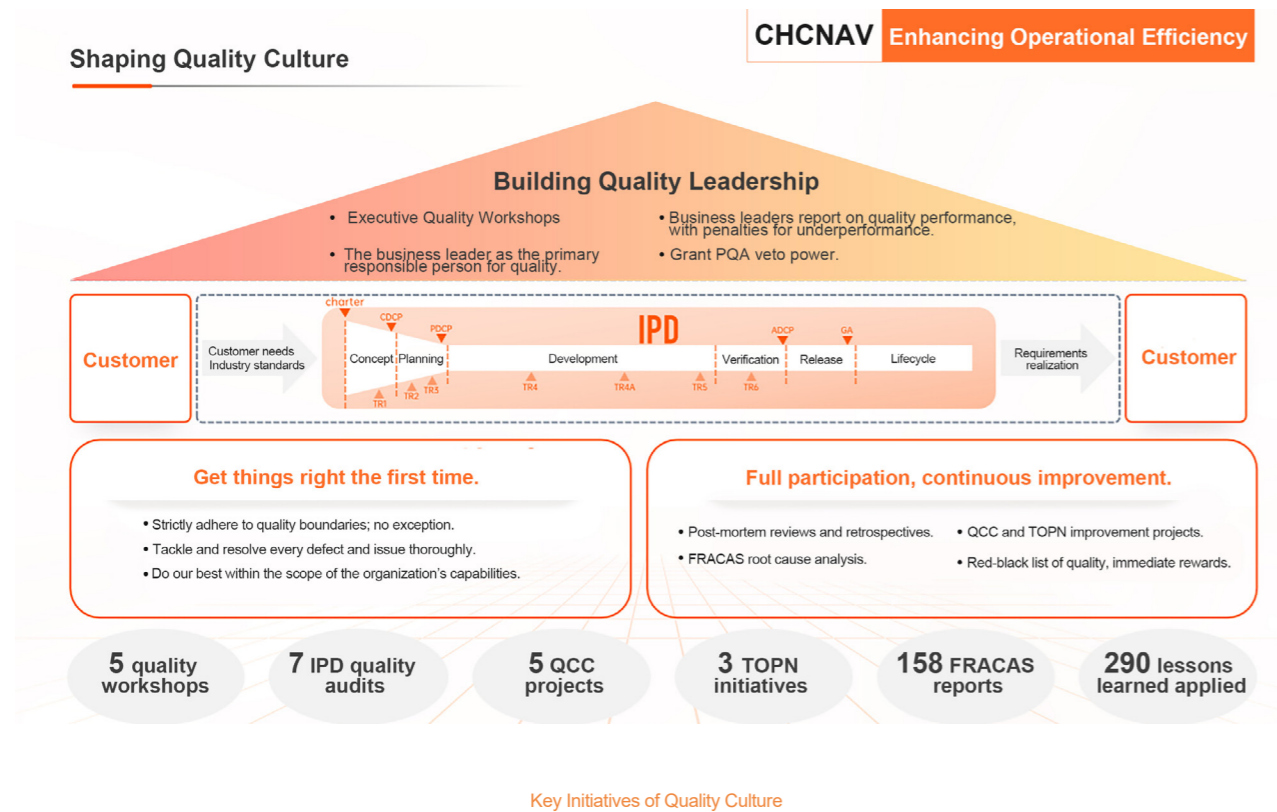
Our quality assessment system focuses on developing strong quality leadership and strictly enforcing quality standards to ensure full participation and ongoing improvement. By assigning clear quality management responsibilities, we have established a comprehensive assessment framework that ensures that every stage meets high standards. When urgent quality issues arise, we follow a set resolution process to respond quickly and effectively, ensuring product quality and customer satisfaction.
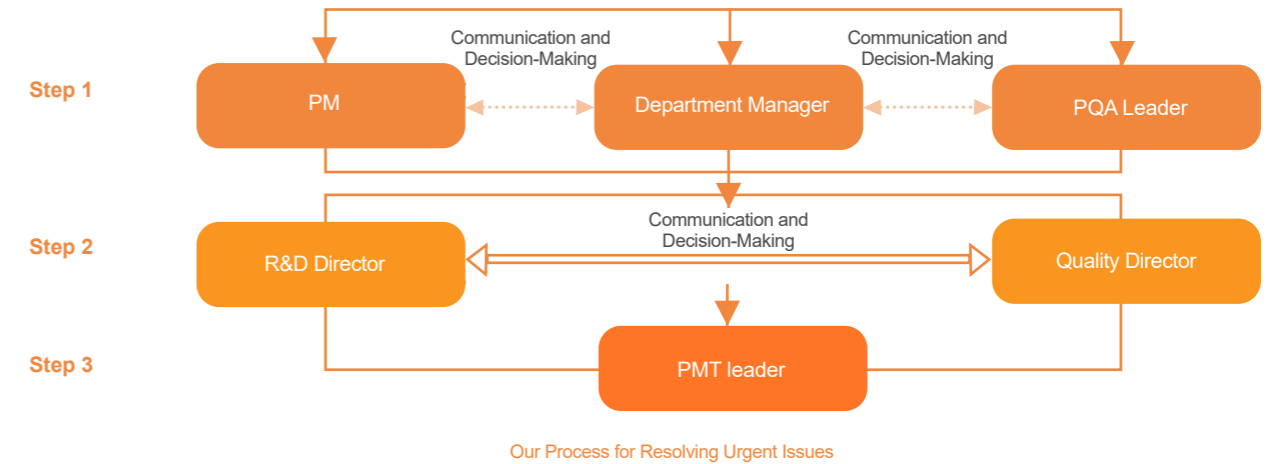
Shaping Quality Culture

CHCNAV | **Enhancing Operational Efficiency**

Building Quality Leadership
- Executive Quality Workshops
- The business leader as the primary responsible person for quality.
- Business leaders report on quality performance, with penalties for underperformance.
- Grant PQA veto power.

Customer

Customer needs Industry standards

IPD
Concept | Planning | Development | Verification | Release | Lifecycle | Requirements realization

charter CDCP PDCP ADCP GA
TR1 TR2 TR3 TR4 TR4A TR5 TR5

Customer

Get things right the first time.
- Strictly adhere to quality boundaries; no exception.
- Tackle and resolve every defect and issue thoroughly.
- Do our best within the scope of the organization's capabilities.

Full participation, continuous improvement.
- Post-mortem reviews and retrospectives.
- FRACAS root cause analysis.
- QCC and TOPN improvement projects.
- Red-black list of quality, immediate rewards.

5 quality workshops | **7** IPD quality audits | **5** QCC projects | **3** TOPN initiatives | **158** FRACAS reports | **290** lessons learned applied

Key Initiatives of Quality Culture

Product Management Responsibility

We strictly enforce product quality management responsibilities, with a clear system where "the business leader is the primary responsible person for quality." This strengthens accountability in quality management. If product quality issues cause the annual rework rate to fall short of the target and significantly affect customer satisfaction and the Company's brand image, the responsible business leader will be held accountable. This system drives all employees to prioritize quality, ensuring continuous product improvement and protecting our company's reputation and customer trust.

Addressing Urgent Quality Issues

We prioritize customer feedback and have set up a fast-response mechanism for urgent quality issues. By creating standardized solutions and streamlining our processes, we significantly improve the efficiency of issue resolution, leading to higher customer satisfaction.

Step 1
PM — Communication and Decision-Making — Department Manager — Communication and Decision-Making — PQA Leader

Step 2
R&D Director — Communication and Decision-Making — Quality Director

Step 3
PMT leader

Our Process for Resolving Urgent Issues

Quality Assessment System

We focus on precise control of product quality by setting clear quality management goals, identifying high-risk steps in production accurately, and making targeted inspections to increase the pass rate of finished products. To ensure consistent product quality, we have implemented Material Lifecycle Management and Category Material Lifecycle Responsibilities and Business Guidelines. These policies oversee every stage of the material lifecycle, assigning clear responsibilities to each team member to ensure that materials meet quality and compliance standards.

Building Quality Awareness

To strengthen employee awareness of quality and encourage ongoing improvements, we organized targeted quality management training programs. These included events such as "Quality Month" and specialized R&D workshops. By combining live presentations with on-site inspections, we systematically communicated the key principles, methods, and objectives of quality management to our employees, aiming for comprehensive product quality improvement.

Key Achievements

During the reporting period, we successfully implemented **684** quality assurance plans as part of our annual quality strategy, consistently driving improvements in product quality.

Key Achievements

During the reporting period, we held **5** quality training sessions in collaboration with the Product Quality and Operations Departments, with over **170** participants.

Case Study | **FMEA Tool Application - Enhancing Product Quality and Risk Management**

In September 2024, we hosted a "Quality Month" event focusing on advancing product quality management. The training covered essential tools like FMEA (Failure Modes and Effects Analysis) and DFMEA (Design Failure Modes and Effects Analysis). By combining theory with practical case studies, participants gained a deeper understanding of these tools' core principles, applications, and best practices, further enhancing our product quality management and providing strong support for identifying and solving potential problems.
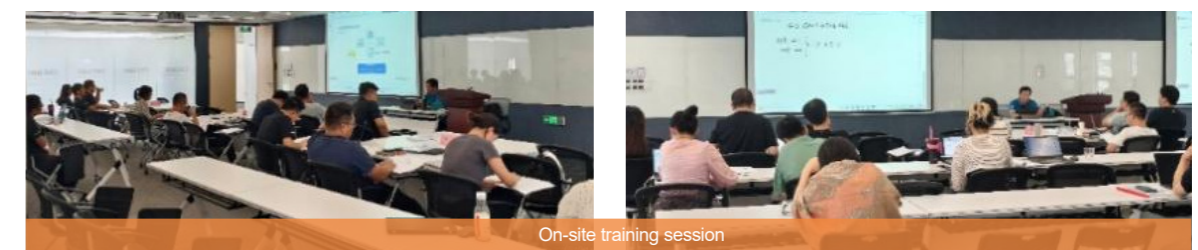
On-site training session

03

Collaborative Efficiency, Smart Partnerships for a Shared Future

At CHC Navigation, we are committed to building strong, collaborative partnerships across our upstream and downstream of the industrial chain. By optimizing technology and services, we enhance supply chain efficiency and ensure we meet customer needs with accuracy and reliability. We focus on continuous innovation to drive industry growth and work closely with our partners to overcome challenges, aiming for long-term success and mutual benefit.

Customer Rights

Responsible Procurement

Industrial Collaboration

12 负责任
消费和生产

17 促进目标实现的
伙伴关系

Customer Rights

Customer rights are central to our operations. At CHC Navigation, we are driven by customer needs—focused on addressing their pain points, expectations, and key concerns. We prioritize the development of high-quality, cost-effective products and services that ensure reliable performance, responsive service, and optimized operational costs. Our well-established after-sales service system allows us to respond quickly, resolve issues efficiently, and continuously improve customer satisfaction. We are committed to helping our customers increase efficiency and reduce costs, enhancing their competitiveness and profitability, and supporting their long-term success.

Our Mission

Focusing on the challenges and pressures that matter to our customers, we provide competitive and precise spatiotemporal information solutions and services, continuously creating maximum value for our customers.

Our Mission

After-Sales Service

We uphold the principle of "Quality First, Integrity Always, Service Above All" in our after-sales service approach. Guided by a customer-centric, practical, and forward-thinking culture, we communicate our service values and mission to both employees and clients through systematic training and outreach. To ensure consistent and reliable service, we have implemented the CHC Navigation After-Sales Service Policy, which sets clear standards and procedures for all after-sales activities. Through standardized management and a strong service mindset, we have built a comprehensive service system, establishing distinct service standards and practices that effectively protect customer rights.

Service Policy

Quality First, Integrity Always, Service Above All

Service Objectives

Prompt Response, Professional Service, Comprehensive Solutions, Customer Satisfaction

Corporate Value

Customer-Centered, Practical, and Enterprising

Aftersales Service Policy and Objectives

GBT 27922-2011 After-Sales Service Certification Certificate —— Five-Star

After-Sales Service Management System

Our after-sales service management system is a collaborative, multi-level framework designed to deliver efficient and professional technical support and after-sales service to our customers. With a well-defined organizational structure and clearly assigned roles and responsibilities, we ensure seamless service delivery and consistently high customer satisfaction.

Our after-sales service network covers all provinces across the country, providing customers with quick and reliable support. In addition, we have established international service points to offer comprehensive technical assistance and after-sales coverage for our global clients, further enhancing their overall service experience and satisfaction.

Global Aftersales Service Locations

After-Sales Service Process

Our after-sales service process consists of three key stages: acceptance, resolution, and closure. This process is supported by three core modules: customer profiles, work order data, and a case database, all working together to create an efficient data support system. Customer profiles ensure quick authentication and accurate information, work order data enables control and full traceability of the process, and the case database helps resolve issues quickly and builds expertise over time. Through modular data management, we increase service response speed and problem resolution efficiency, ensuring an excellent customer experience and consistent service quality.
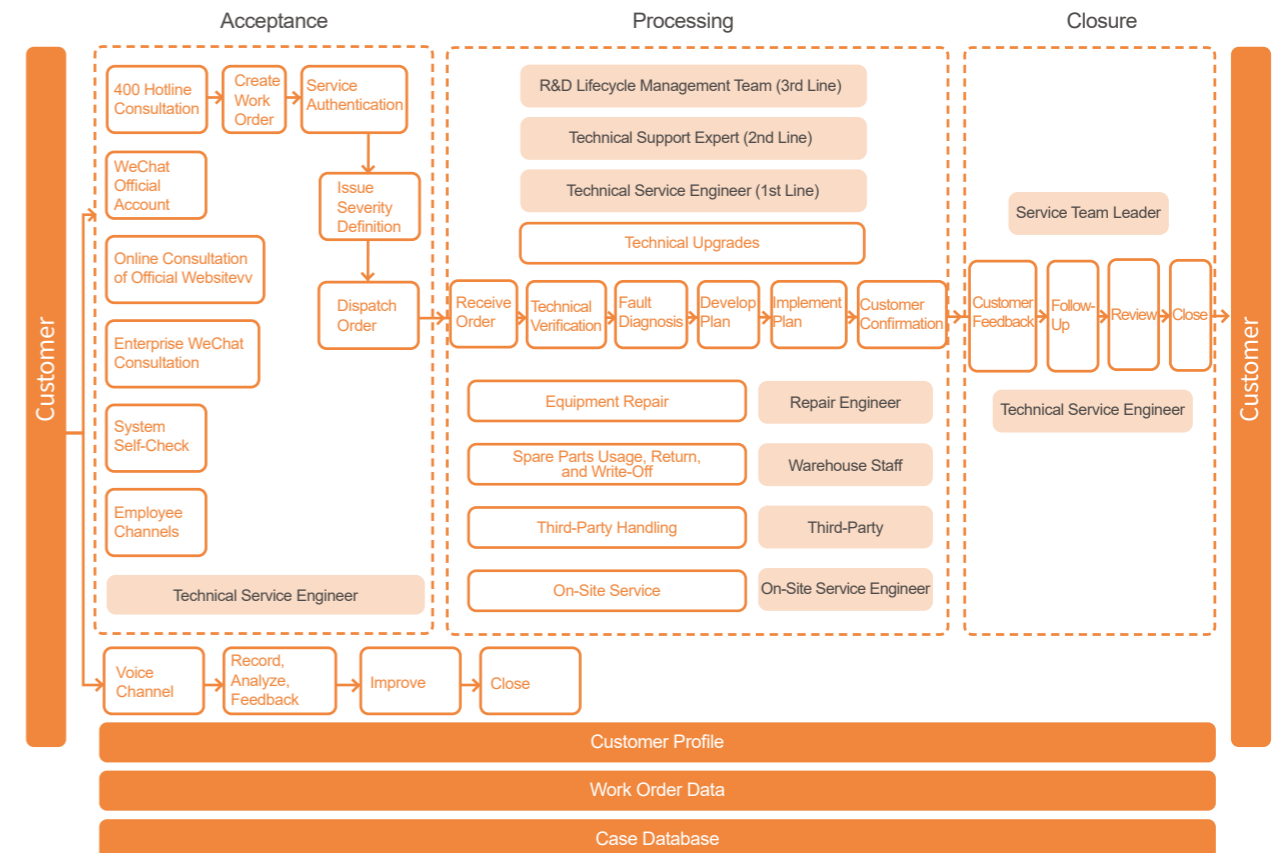
Acceptance Stage	Acceptance Stage	Closure Stage
• Customers report issues through various channels. • Our technical service engineers create a work order based on the reported issue, authenticate it, and assess its severity.	• Our technical service engineers work to resolve the issue through four steps: technical verification, fault diagnosis, solution development, and solution implementation. Once the solution is ready, it is sent to the customer for approval. • If the issue cannot be resolved, we escalate it to our technical experts and R&D team for further assistance. • If on-site support is needed, we send an on-site service engineer.	• The issue is closed, which includes collecting feedback, following up, reviewing, and finalizing the case. • Confirm the customer's satisfaction with the resolution.
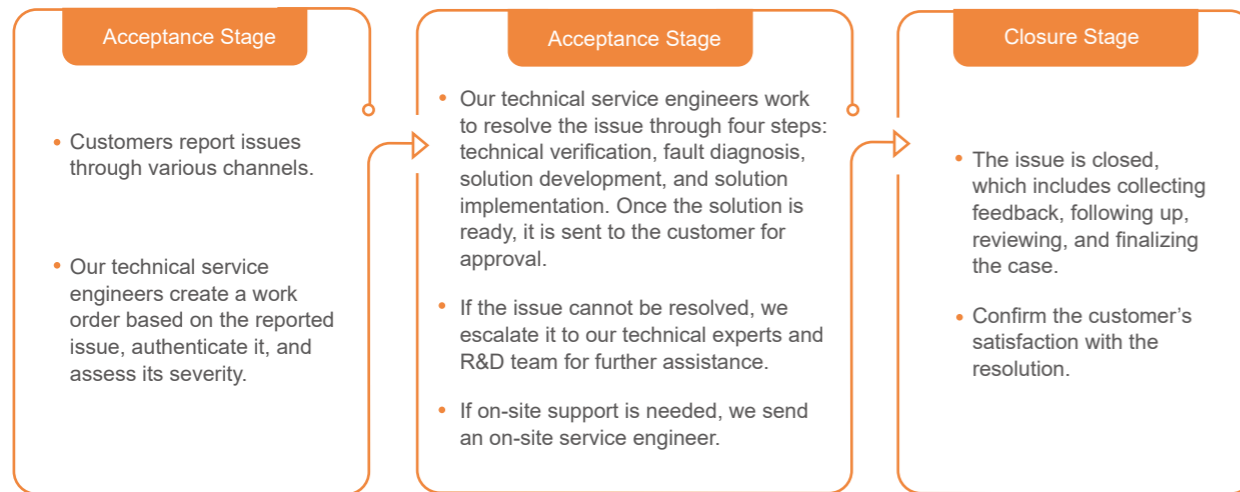
After-Sales Service Workflow

Acceptance Stage

We place strong emphasis on protecting our customers' after-sales rights and strictly adhere to our after-sales service policies. All customers who purchase our products are entitled to the legally mandated "Three Guarantees" within the specified time frame in the event of a quality issue. In addition, we provide comprehensive warranty services and maintain a dedicated after-sales support team to ensure all issues are addressed promptly and effectively, delivering a reliable and worry-free service experience.

Warranty Policy	Description
7-Day Free Return, Exchange, and Warranty	Within 7 calendar days from the start of the warranty period, if the main unit of the product experiences a performance failure not caused by human error, after verification by our technicians, you can choose to have the product repaired or replaced with the same model, or return it.
15-Day Free Exchange and Warranty	Within 15 calendar days from the start of the warranty period, if the product encounters any of the following issues, you may choose to exchange it for the same model and specifications: 1.The main unit of the product experiences a performance failure not caused by human error. 2.The product is damaged during shipping, and you can provide a damage certificate from the shipping company. 3.The product is found to have significant discrepancies from the original product description in one or more important aspect.
1-Year Warranty	During the warranty period, if the main unit of the product experiences a performance failure not caused by human error, you are entitled to free repair services.

Customer "Three Guarantees" Rights

We also provide full technical training support for our customers. Upon product delivery, we offer free technical training (available both online and offline) to the designated personnel outlined in the contract, ensuring that they are well-versed in the equipment's functions and capable of operating it effectively. During the warranty period, customers can also access free online technical training to further enhance their operational skills and ensure the long-term, efficient use of the equipment.
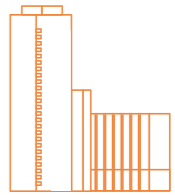
Customer Complaint Channel

We have a dedicated customer complaint channel where customers can report issues by calling our customer service hotline at 4006206818. Every complaint is thoroughly investigated to ensure timely and proper resolution, and we take appropriate action against the responsible parties based on our policies. Additionally, we develop improvement measures based on the nature of the complaint to continuously optimize our service processes and enhance the overall customer experience.

Customer Satisfaction

To better understand our customers' needs, we collect feedback and insights through a systematic approach, identifying key factors that impact customer satisfaction. Since 2020, we have partnered with a qualified third-party provider to conduct an annual customer satisfaction survey for five consecutive years, ensuring objective and professional results. In addition, we carry out ongoing follow-up surveys throughout the year, including 400 hotline follow-ups and proactive outreach from our product line teams. This comprehensive tracking system helps us continually improve service quality and optimize our products based on real customer input.

Customer Satisfaction Survey Goals
• To assess the performance of our products, quality, technical services, and after-sales support from the customer's perspective. • To improve product quality control and management, enhance customer perception, and strengthen the Company's image. • To evaluate employee performance.

Customer Satisfaction Survey Goals

Survey results from 2024 show that our overall customer satisfaction reached 74.9%, a 3.7% increase from 2023, indicating steady growth. Both customer loyalty and Net Promoter Score (NPS) also saw significant improvement compared to 2023. Customer satisfaction remains at a "Good" level, while loyalty and NPS have reached "Excellent" levels for the first time, marking a significant achievement in customer relationship management and service quality.

Survey results from 2024 show that our overall customer satisfaction reached

74.9%

increase from 2023

3.7%

Customer Satisfaction Survey Process

The survey is conducted primarily through questionnaires, covering various aspects such as promotions, products, services, competition, and overall satisfaction. The process includes questionnaire design, customer research, data collection, and analysis. Ultimately, the results provide us with customer satisfaction scores, loyalty levels, and NPS, offering valuable insights that guide our improvement strategies.

Design and distribute the questionnaire to relevant departments → Evaluate and refine the questionnaire → Extract customer list → Prepare for the survey, including staff training → Conduct the survey → Analyze and interpret data

Customer Satisfaction Survey Process

Improving Customer Satisfaction

To continually enhance customer satisfaction, we use systematic data analysis to identify customer needs and pain points, and then create targeted improvement plans. We also integrate customer feedback into performance evaluations to strengthen service awareness and offer specialized training to improve service quality. As a result, our service quality has significantly improved, customer satisfaction has consistently risen, and we have received numerous written commendations and thanks from our clients.

Name	Date	Issued by
Thank You Letter for Wuhan Huace Satellite Technology Co., Ltd.–Hunan Xiangtan Emergency Rescue	August 19, 2024	China Anneng Group, First Engineering Bureau,Guangxi Anlan Technology Development Co., Ltd.
Zhaotong City Geological Disaster Monitoring and Early Warning Project	August 12, 2024	Yunnan Geological Engineering Survey Design & Research Institute Co.,Ltd.
Emergency Response for the Breached Dongting Lake Dike in Huarong County, Yueyang, Hunan Province	July 24, 2024	China Anneng Group, First Engineering Bureau Co., Ltd.
Thank You Letter for Wuhan Huace Satellite Technology Co., Ltd -Hunan Tuanzhou Dike Piping Risk Treatment	July 11, 2024	China Anneng Group, Third Engineering Bureau, Wuhan Branch
Super Typhoon Prevention and Large-Scale Flood Rescue Drill	May 14, 2024	China Anneng Group, Second Engineering Bureau Co., Ltd.
2024 Provincial Water and Drought Disaster Defense Drill	May 7, 2024	Zhejiang Provincial Water Conservancy Flood Control Technology Center
Letter of Appreciation from the China Association for Disaster Prevention	January 9, 2024	China Association for Disaster Prevention
Emergency Survey and Mapping Support for the Earthquake in Jishishan County, Linxia Prefecture	January 3, 2024	Department of Natural Resources of Gansu Provincial

Thank You Letters from Customers

Case Study Customer Satisfaction Training to Strengthen Relationships

In 2024, we organized training to improve customer satisfaction, with a focus on enhancing employees' service awareness and communication skills while streamlining the process for resolving customer issues. Over 30 representatives from different fields participated in the training. This enabled our employees to respond to customer needs more efficiently, improve service quality, and further strengthen customer relationships, ultimately increasing brand loyalty.

Customer Satisfaction Training

Responsible Procurement

At CHC Navigation, we take a meticulous approach to responsible procurement. By implementing the *Procurement and Payment Internal Control Management System* and the *Supplier Management System*, we have standardized the entire procurement process, ensuring transparency and fairness in supplier selection. We focus on the reputation, supply capabilities, and social responsibility of our suppliers, carefully selecting our partners. We also promote open procurement practices, ensuring that the process is transparent, fair, and impartial. We give equal opportunities to small and medium-sized businesses, providing them with a fair chance to compete and supporting the sustainable development of our supply chain.
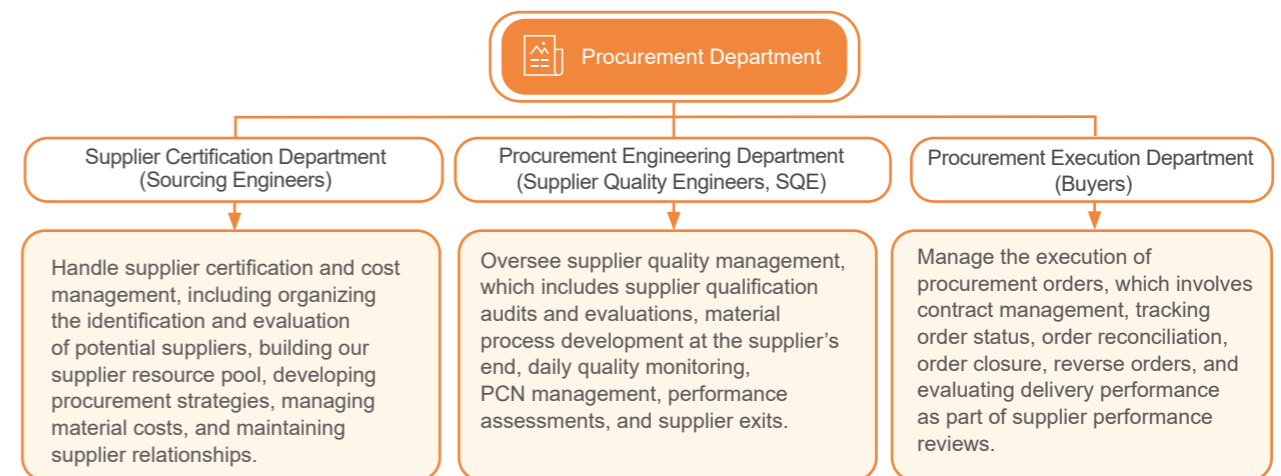
Key Achievements

During the reporting period, we established stable, mutually beneficial relationships with over **700** suppliers.

Supplier Selection

In the supplier selection process, we are committed to building long-term, stable relationships with high-quality suppliers. To ensure this, we have set up a dedicated Procurement Department and a procurement committee to oversee supplier management. Our supplier management process involves scientifically categorizing suppliers and implementing a strict entry management system to ensure that all suppliers meet our quality and delivery standards. These steps have not only guaranteed the stability of our supply chain but also fostered long-term cooperation and mutual growth with our suppliers.

Supplier Selection System

The supplier selection process involves collaboration across multiple departments to ensure both efficiency and compliance. The Procurement Department, as the central body for supplier management, includes the Supplier Certification Department, Procurement Engineering Department, and Procurement Execution Department, each responsible for supplier certification, technical requirements, and procurement execution, respectively. The Quality Assurance Department inspects incoming materials, production processes, and finished products to ensure that quality standards are met. The Planning Department releases procurement plans based on market demand and forecasts, ensuring smooth operations within the supply chain. Additionally, the Procurement Committee acts as the collective decision-making body for procurement-related matters, overseeing supplier selection and management, category management, and the establishment of business rules, ensuring procurement practices comply with regulations and align with strategic goals.

Procurement Department

Supplier Certification Department (Sourcing Engineers)	Procurement Engineering Department (Supplier Quality Engineers, SQE)	Procurement Execution Department (Buyers)
Handle supplier certification and cost management, including organizing the identification and evaluation of potential suppliers, building our supplier resource pool, developing procurement strategies, managing material costs, and maintaining supplier relationships.	Oversee supplier quality management, which includes supplier qualification audits and evaluations, material process development at the supplier's end, daily quality monitoring, PCN management, performance assessments, and supplier exits.	Manage the execution of procurement orders, which involves contract management, tracking order status, order reconciliation, order closure, reverse orders, and evaluating delivery performance as part of supplier performance reviews.

Management Structure and Responsibilities of the Procurement Department

Supplier Classification

We classify our suppliers into four categories based on financial impact (procurement volume) and availability (supply risk): strategic, leverage, bottleneck, and general suppliers.

• Strategic suppliers have high procurement volumes and high supply risks. They typically supply critical materials or technologies that directly influence our core competitiveness.

• Leverage suppliers have high procurement volumes but low supply risks. They mainly supply standardized and highly substitutable materials.

• Bottleneck suppliers have low procurement volumes but high supply risks. They are usually related to non-standard parts or scarce resources.

• General suppliers have both low procurement volumes and low supply risks, with limited strategic potential.

Based on this classification, we implement differentiated strategies in the selection of suppliers, cooperation models, and resource allocation to ensure that our supply chain is efficient, stable, and sustainable.

Supplier Qualification Standards

Before onboarding a supplier, we make a thorough evaluation of their quality management system and manufacturing capabilities. This includes reviewing their development capabilities, process capabilities, delivery reliability, quality assurance, and service flexibility. This process ensures that we select the most suitable partners, minimizing procurement risks.

Development Capability	Process Capability	Delivery Capability	Quality Assurance	Service & Flexibility
Ability to develop projects	Core processes cannot be outsourced; mastery of industry-leading processes	Ensure on-time delivery; adapt to small batch, multi-variety production	Complete quality framework; comprehensive quality system in place	Timely response

Supplier Qualification Management

Supplier Management

After selecting our suppliers, we implement a systematic approach to ensure that they consistently meet our strategic development goals. We have established the Supplier Management System that outlines the expectations for managing suppliers. We focus on assessing supplier performance in areas such as product quality, service quality, cost control, delivery times, and product competitiveness, while driving continuous improvement. Through a structured performance management system, we regularly evaluate supplier performance, identify improvement areas, and provide training to enhance their technical expertise, quality management capabilities, and service standards, helping us build efficient, long-term supply chain partnerships.

Supplier Performance Management

Suppliers undergo monthly performance reviews and an annual strategic potential assessment. Performance is evaluated across three key dimensions: quality, delivery, and service. The quality score includes factors like on-time delivery rate, return rates, and recurrence of issues, ensuring product quality. The delivery score is used to evaluate order fulfillment rates, material management, and cooperation levels, focusing on timely delivery and smooth collaboration. The service score is used to assess the supplier's technical contributions, innovation, and problem-solving abilities.

Additionally, we evaluate the strategic potential of suppliers annually, categorizing them into different levels based on their operational management capabilities, technological innovation strength, business coverage, and cross-sector collaboration, providing valuable reference for long-term cooperation.
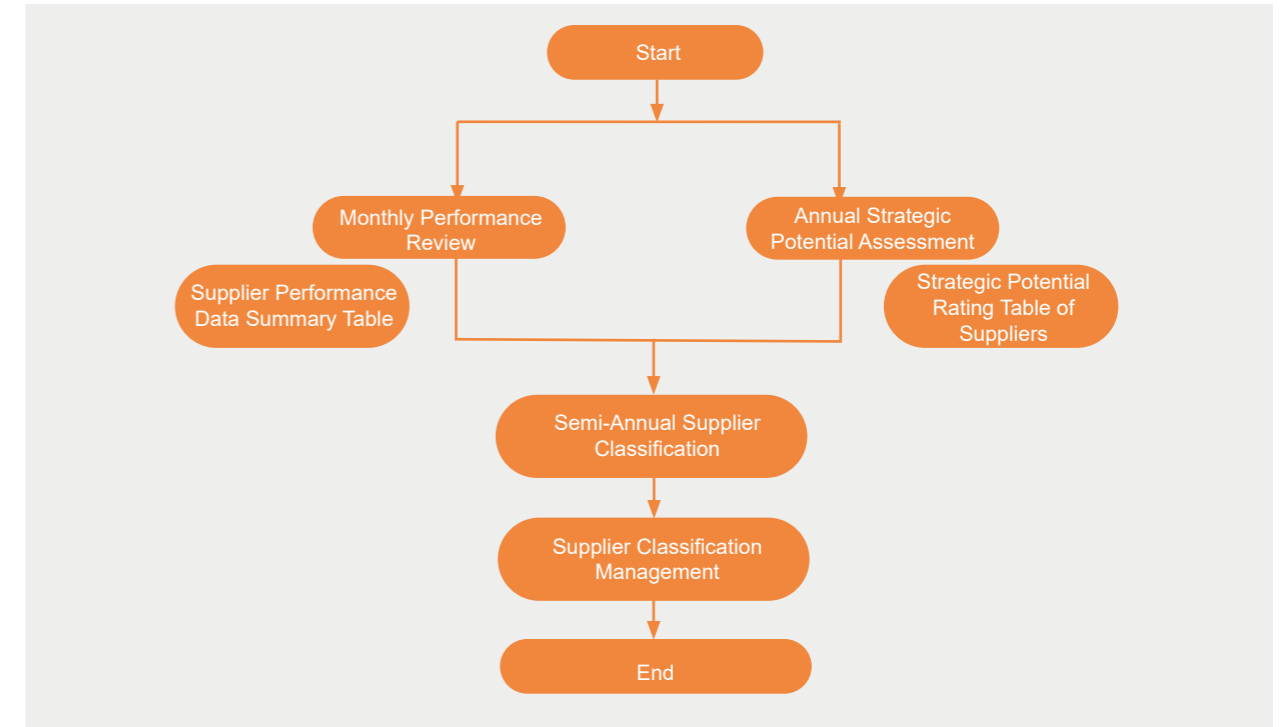
Supplier Performance Evaluation Process
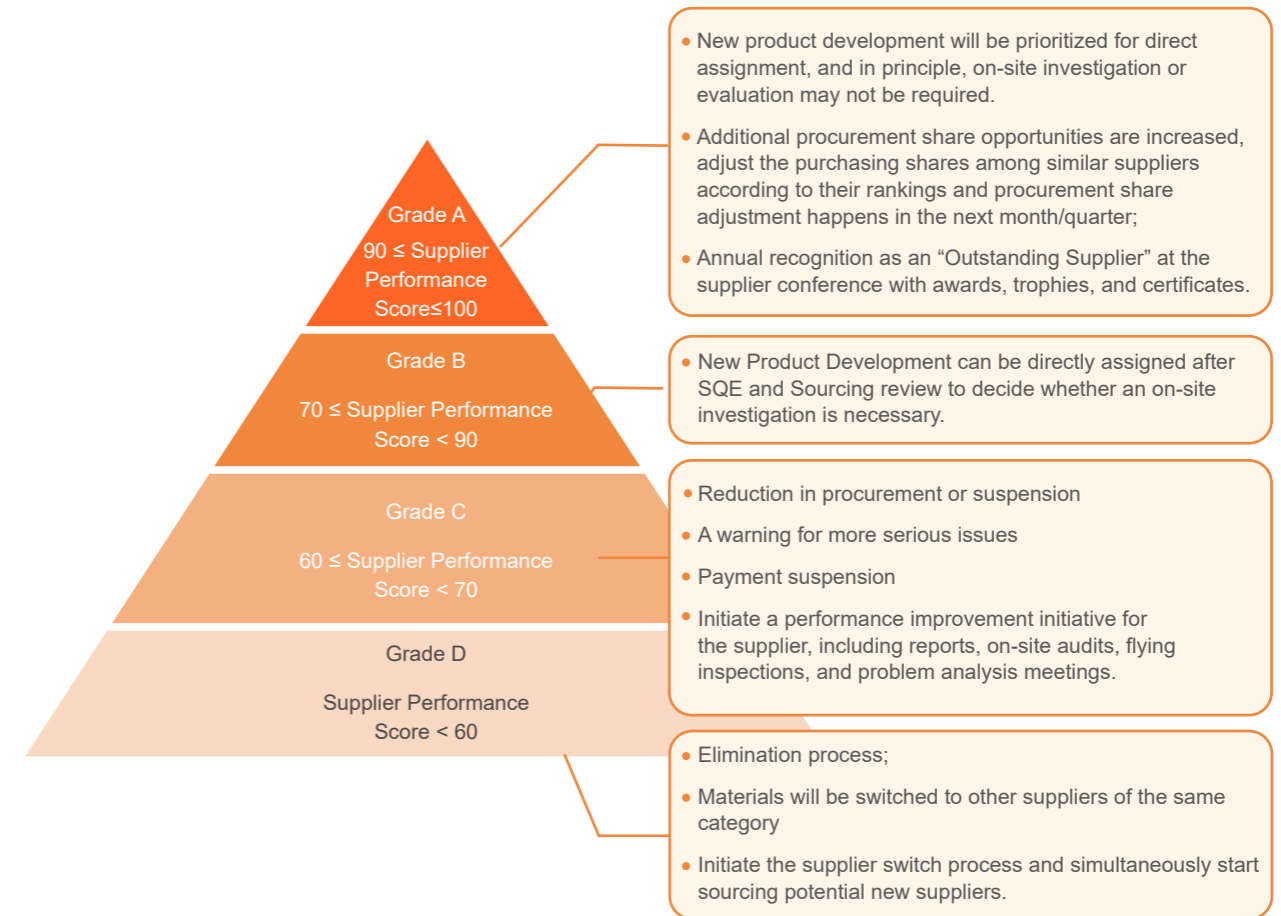
Performance Rating Classification and Application

Supplier Quality Management

Attaching great importance to supplier quality management, we require our suppliers to sign a quality goal commitment letter every year and set clear objectives around key performance indicators. Through strict evaluation and selection processes, we ensure that our suppliers possess reliable quality control capabilities to guarantee component quality at the source. At the same time, we continuously optimize our management processes and strengthen quality control to enhance overall supplier performance and ensure product quality and supply chain stability, thereby laying a solid foundation for long-term cooperation with our suppliers.

Pre-Production		Post-Production	
R&D Trial Production	Product quality must meet CHCNAV's trial production requirements.	Process Quality Control	The production process must be stable and consistent, ensuring adherence to standardized processes and manufacturing practices.
Product Testing	Suppliers need to cooperate with CHCNAV for product testing and trials.	Change Management	Any design or engineering changes must be submitted to CHCNAV for approval, and changes can only be implemented once they are verified and authorized.
Small Batch Stage	Suppliers must provide products that match mass production standards for small batch trial runs.	Issue Resolution	Suppliers must actively cooperate with CHCNAV in analyzing and addressing complaints and corrective actions.
Product Labeling and Packaging	Product packaging must meet CHCNAV's requirements.	Non-Conforming Products	Suppliers should promptly handle non-conforming products as per CHCNAV's requirements.
Product Acceptance Criteria	Shipments must be accompanied by a shipping report, with the content confirmed and aligned with CHCNAV's specifications.	Compensation Mechanism	Compensation should follow the Supplier Quality Abnormality Compensation Standards.

Supplier Quality Management Requirements

Supplier Training

To continuously enhance the overall performance of our supply chain and ensure efficient delivery, we are rolling out specialized training programs for our core suppliers. These initiatives are designed to raise awareness of quality, streamline production processes, and increase on-time delivery rates, all while building an efficient and sustainable supply chain together.

**Case Study** Building Quality Together, Winning the Future Through Collaboration

In May 2023, the CHC Navigation 2023 Supplier Conference was successfully held at the CHCNAV Smart Industry Base under the theme "CHCNAV 20 Years-Grateful for Your Support." The conference, with the theme "Building Quality Together, Winning the Future Through Collaboration," brought together nearly 300 supplier representatives to discuss future development. The Chairman reflected on the Company's 20-year journey and expressed heartfelt thanks to our supplier partners for their ongoing support at the conference. The event also featured an award ceremony recognizing suppliers who excelled in joint innovation, delivery efficiency, and quality control. Awards like the Joint Innovation Award, Best Delivery Award, and Excellent Quality Award were presented. Going forward, CHC Navigation will continue to collaborate closely with our supplier partners to deliver outstanding quality, foster industry innovation, and provide superior products and services to our customers, driving mutual success.·

Supplier conference

Transparent Procurement

We continue to strengthen the integrity of our supply chain procurement processes, aiming to meet high standards of compliance, transparency, and sustainability. In the process of all our business activities, we rigorously follow applicable laws and regulations, establish clear ethical standards for the supply chain, and implement standardized procurement bidding procedures along with a strong anti-corruption oversight system to govern the behavior of procurement staff. To ensure integrity and transparency in our commercial activities, we require all external partners—including customers and suppliers—with whom we have business or financial dealings to sign a Transparent Procurement Agreement and a Non-Disclosure Agreement. These agreements help mitigate procurement-related corruption risks and create a transparent, fair procurement environment.
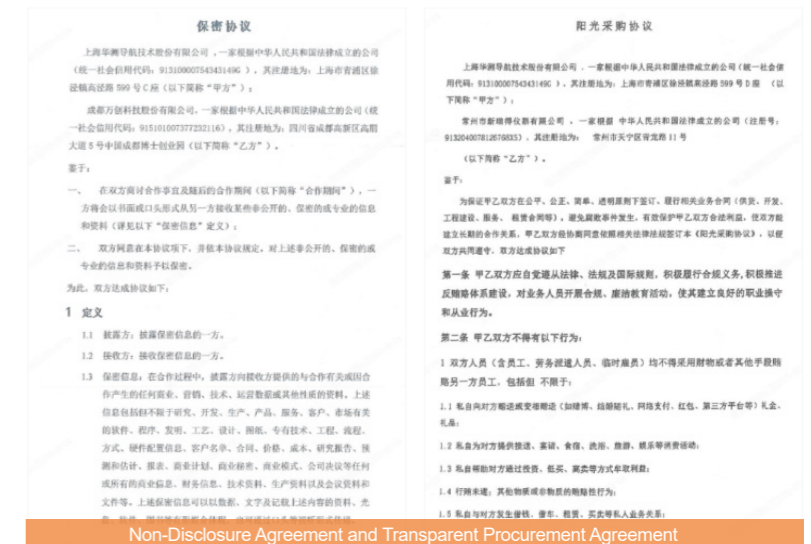
Non-Disclosure Agreement and Transparent Procurement Agreement

Fair Treatment of SMEs

We are committed to fairness and impartiality in cooperation with all our partnerships, ensuring equal treatment for all. In terms of financial management, we strictly adhere to contract terms, ensuring timely settlement of payables and preventing overdue or unpaid balances, thereby protecting the legal rights and interests of all our partners.

Industry Collaboration

To foster industry collaboration, we actively integrate into the broader industry ecosystem by participating in events, forums, and exhibitions, continuously strengthening our influence and voice. We are also committed to advancing the standardized development of the sector by actively contributing to the formulation of national and industry standards. Through these efforts, we support the high-quality growth of the industry and help build an open, collaborative, and mutually beneficial ecosystem.

Industry Event Participation

We place strong emphasis on collaborative partnerships within the industry. By actively participating in exhibitions, seminars, and related events, we continuously strengthen communication and cooperation with industry peers. These activities help us stay informed on the latest trends, cutting-edge technologies, and advanced management practices, while also offering valuable platforms to showcase our strengths and increase brand visibility. Through deep engagement with experts, scholars, and peer companies, we gain clearer insight into market needs, drive technological innovation, and respond more effectively to changing conditions—ensuring our path toward sustainable development.

Case Study   Participating in International Exhibitions to Accelerate Global Brand Expansion

In April 2024, Agrishow 2024, Brazil's largest agricultural machinery exhibition, was held at the Ribeirão Preto Exhibition Center. As one of the most influential platforms for agricultural technology and machinery in Latin America, Agrishow continues to be a key venue for showcasing industry innovations and trends. As a global leader in precision agriculture, we presented a selection of high-end products and solutions, drawing strong interest and engaging in in-depth discussions with numerous visitors. Highlights included our NX510 series auto-steering system for agricultural machinery, the X Series guidance system, and the IC100 satellite leveling system—all demonstrating our technological leadership in precision agriculture.

Agrishow 2024 Exhibition Scene

In September 2024, the INTERGEO 2024 exhibition officially opened in Stuttgart, Germany. We showcased our latest advancements in high-precision positioning and intelligent applications, including the CHCNAV Star-Earth Integrated GNSS Augmentation Service and the RuShi RS10 Handheld LiDAR+GNSS RTK system, among other innovations. Our regional business manager took the stage to share recent breakthroughs and application cases in LiDAR technology. At INTERGEO, we engaged with industry experts, innovators, and global partners, exchanging insights on emerging trends and exploring new market cooperation opportunities—further expanding our international presence and influence.

INTERGEO 2024 Exhibition Scene

Case Study   Participating in Major Industry Exhibitions to Showcase Our Technological Expertise

In October 2024, the Annual Conference and Exhibition of China Geographic Information Science and Technology of Surveying and Mapping was held in Zhengzhou. Our CEO attended the opening ceremony and delivered a keynote speech. We showcased more than 60 self-developed smart surveying and mapping products, including the new Xingzhe X500 drone and the RuShi RS10 measurement system, which drew significant attention. Our latest LiDAR technology advancements were also featured in media coverage during the event. This conference not only highlighted our technological capabilities, but also helped strengthen industry partnerships and supported the advancement of a digital China.
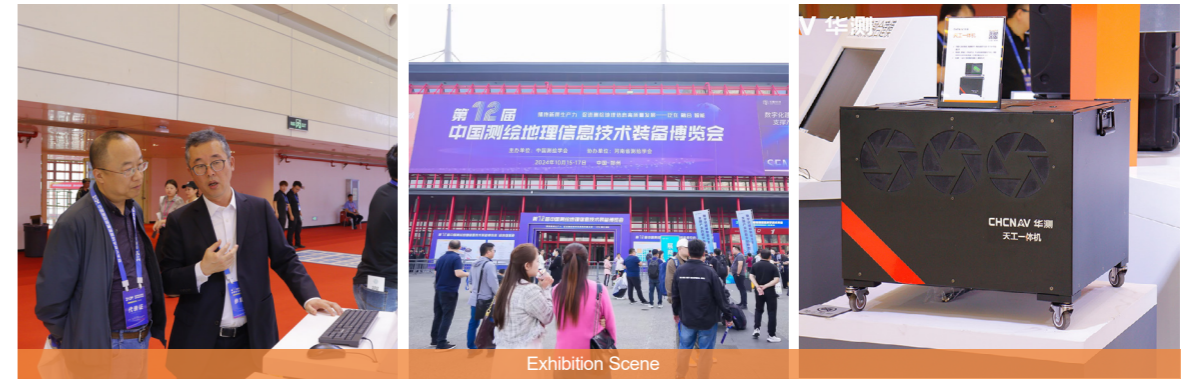
Exhibition Scene

Case Study   Engaging in Academic Conferences of the Industry and Deepening Our Expertise

In November 2024, the China Water Academic Congress was convened in Xi'an. Our General Manager for the Water Conservancy sector delivered a specialized presentation at the "Smart Water Conservancy & Digital Twin" session, showcasing our innovative solutions in areas like comprehensive monitoring of medium and large reservoirs, UAV inspection, water conservancy surveying, and hydrological testing. Leveraging technologies such as high-precision positioning, UAVs, and unmanned surface vessels, these solutions support water safety, disaster prevention, and digital twin development. We will remain committed to deepening our engagement in the water conservancy sector, contributing to the industry's high-quality development and the advancement of digital China.

Water Academic Congress Scene

Case Study | Showcasing Our Innovation at the CIIF

In September 2024, the 24th China International Industry Fair (CIIF) was held in Shanghai. At the Science and Technology Innovation Exhibition, we showcased our BeiDou high-precision smart equipment and solutions, covering sectors such as surveying, marine, agriculture, and construction. Our booth attracted significant attention and sparked engaging discussions with industry professionals. During the event, our H7 integrated GNSS monitoring station—recognized for its adaptive frequency modulation and ultra-long battery life—received the "CIIF High-tech Engineering Award," highlighting our technological capabilities and further strengthening our industry influence.

Our Booth at the CIIF
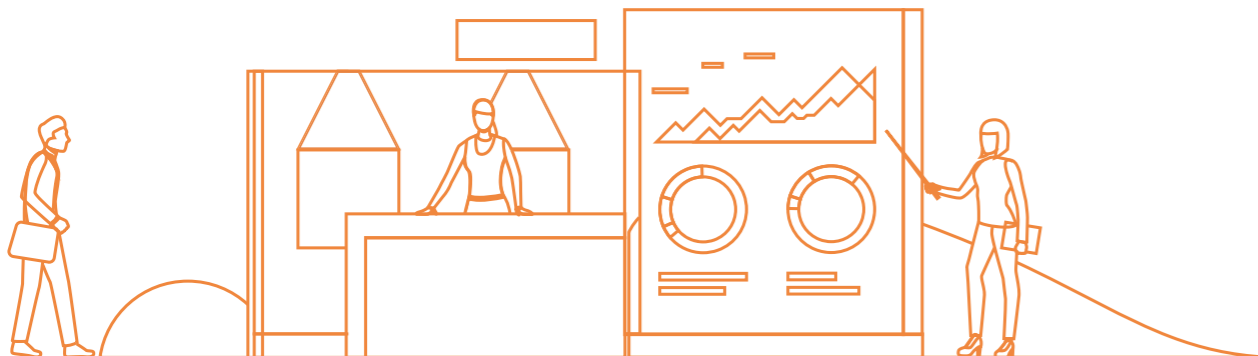
Other Exhibitions
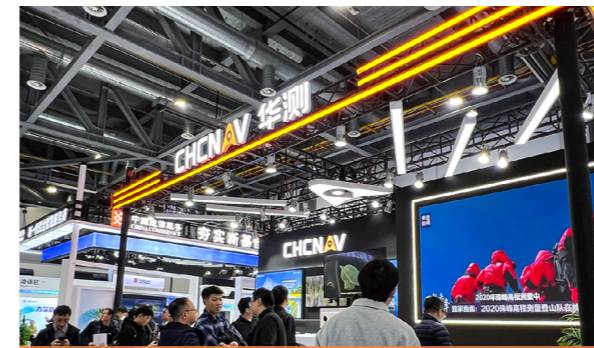
December 5, 2024 Zhejiang International Intelligent Transportation Industry Expo

October 24, 2024   International Summit on BDS Applications

September 20, 2024 Seminar on Multi-Beam Bathymetric System

December 6, 2024 Seminar on Smart Hydrology Technology of Yangtze River BasinTechnology

Standard Development

We are actively engaged in the formulation of national and industry standards, contributing to the development of a more regulated and unified industry landscape. Through our role in standardization, we aim to advance technological capabilities, promote industry best practices, and enhance our influence—supporting the high-quality growth of the sector.

Category	Standard	Implementation Date	Image
National Standard	GB/T 43478-2023	July 2024	
Group Standard	T/CAMA 102—2023	January 2024	

Standard Development

About CHC Navigation

Integrity as the Foundation, Leading the Way with Smart Navigation

Innovation-Driven Development, Creating Value with Intelligence

Collaborative Efficiency, Smart Partnerships for a Shared Future

Low Carbon Empowerment, Smart Protection for a Green New Planet

Working Together for Progress, Growing with Intelligence

Working Together for the Public Good, Bringing Warmth to Society with Innovation

04

Low Carbon Empowerment, Smart Protection for a Green New Planet

At CHC Navigation, we actively promote the innovation and application of low-carbon technologies through comprehensive environmental management policies and systems. We are committed to reducing carbon emissions and resource consumption across our operations. By leveraging high-precision navigation, positioning technologies, and intelligent solutions, we support green transformation and sustainable development in sectors such as smart transportation and precision agriculture. Looking ahead, we will continue to participate in national and local green initiatives, contributing to industry sustainability, protecting the earth's ecology, and supporting the creation of a greener future.

Environmental Protection and Climate Response

Energy Management and Resource Conservation

Waste Emission Management

Biodiversity Protection

7 AFFORDABLE AND CLEAN ENERGY

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

Environmental Protection and Climate Response

We have established a comprehensive environmental management policy and system, with clearly defined responsibilities for each department and role to ensure all environmental efforts follow structured and consistent guidelines. Based on our Infrastructure and *Work Environment Control Procedures and Environmental and Safety Operation Control Procedures*, we manage infrastructure, workplace environments, and environmental matters systematically to ensure the effective functioning of our environmental management system.

We have obtained environmental management system certification and are committed to continuously optimizing our environmental processes. Through regular internal audits and management reviews, we ensure that all activities related to project development and design meet applicable environmental standards and requirements.

📋 Key Achievements

During the reporting period, we strictly adhered to environmental regulations, with no major environmental incident or administrative penalty.

📦 Key Honors

We Have Been Certified with ISO 14001 Environmental Management System

Environmental Risk Management

To ensure our management policies and goals are effectively implemented, and to control operations related to key environmental factors, we have developed the *Environmental and Safety Operations Control Procedures*. This procedure provides a systematic approach to managing environmental and occupational health and safety processes for engineering consulting, design, and general contracting projects within our management system scope. It defines the methods and conditions required for controlled operations, ensuring that all activities are conducted in a safe and compliant manner. By following this procedure, we can effectively manage or minimize potential environmental impacts and apply scientific methods to address identified risks.

Tackling Climate Change

We are committed to tackling climate change by promoting the adoption of clean technologies through innovation. Our high-precision navigation and positioning products and solutions are widely applied in smart transportation, precision agriculture, and natural resource management, helping clients reduce carbon emissions and enhance resource efficiency. Looking ahead, we will continue to explore opportunities in clean technology and contribute actively to global climate governance.

Monitoring Solutions

⊙ Radar-Visual Integrated Multi-Point Displacement Monitoring Instrument

Application Scenario   This product combines radar and visual technologies to achieve comprehensive, high-precision monitoring of areas such as slopes, reservoir embankments, and road shoulders. It can capture displacement changes in real time, promptly detecting potential safety hazards.

Climate Change Response Value   In the context of frequent extreme weather events triggered by climate change (such as heavy rainfall and landslides), this device provides scientific and reliable data support for monitoring geological disasters, helping with disaster prevention and mitigation.

⊙ Deformation Monitoring System Solution

Application Scenario   Leveraging IoT and BeiDou high-precision positioning technology, we have developed a deformation monitoring system that is widely used in fields such as geological disasters, mining safety, and transportation slope monitoring. It can collect 3D deformation data of the monitored object around the clock.

Climate Change Response Value   This solution offers real-time monitoring and early warning capabilities for infrastructure safety, reducing disaster-related losses.

3D Solutions

⊙ Drone Levee Inspection and Risk Detection Solution

Application Scenario   This solution integrates surveying-grade LiDAR, high-resolution thermal infrared cameras, and visible light cameras, along with intelligent seepage detection algorithms, to conduct all-weather inspections of levees. It can promptly detect and address risks such as seepage and leakage. With the introduction of LiDAR, the false alarm rate is reduced to below 30%, significantly improving detection accuracy, especially in nighttime and complex environments.

Climate Change Response Value   Through efficient monitoring and early warning, this solution reduces the risk of disasters caused by extreme weather events (such as heavy rain and flooding), enhancing climate adaptability.

⊙ Grain Storage Measurement Solution

Application Scenario   Using high-density laser point cloud technology, this product enables precise 3D measurement of grain in storage, avoiding errors and resource waste typically associated with traditional manual grain stacking.

Climate Change Response Value   In light of the climate change threat to food security, this solution improves the efficiency and accuracy of grain management, reducing food losses and indirectly supporting climate adaptation.

⊙ Intelligent Surveying and Mapping Equipment

Application Scenario   With the rapid advancement of surveying technology, the demand for forest resource information has become increasingly diverse. Intelligent equipment is being more widely adopted in forestry applications, particularly in forest pest control, wildfire early warning and monitoring, forest resource surveys, and forestry digital twins.

Climate Change Response Value   The smart surveying and mapping equipment provides crucial technical support in addressing climate change. By integrating drones and high-precision LiDAR with such technologies as digital twins and image recognition, the Company has achieved efficient forestry surveys, accurate identification and localization of forest pests and diseases, as well as monitoring and early warning of forest fires, thus helping reduce carbon emissions caused by forest degradation. The related solutions can significantly enhance the efficiency and accuracy of forestry surveys, facilitate the protection and management of forest resources, safeguard the carbon sequestration capacity of forests, and enable forests to play a better role in climate regulation.

CHCNAV's Climate Change-Related Applications

Energy Management and Resource Conservation

To strengthen the management of energy and resources, ensure their efficient and responsible use, reduce costs, and improve overall business performance, we have established the *Resource and Energy Management Control Procedure*. The Administrative Department is responsible for overseeing the planning, monitoring, and evaluation of energy and resource consumption across all departments and workshops, ensuring the implementation of management measures. Each department is accountable for daily operations, executing energy-saving and consumption-reduction initiatives, and ensuring the proper use of energy and resources in line with their responsibilities.

Additionally, the Administrative Department conducts regular, comprehensive reviews, organizing at least one energy and resource usage audit across the company every six months. Through on-site inspections, data analysis, and other methods, we identify potential areas of waste, assess the effectiveness of energy-saving measures, and develop corrective actions for any issues found, ensuring that these corrections are tracked and implemented.

Energy Consumption Statistics and Allocation:

At the end of each year, the Administrative Department compiles and analyzes the total energy consumption for the year, setting energy usage targets for the following year for each department to ensure clear goals and assigned responsibilities.

Raw Materials and Auxiliary Materials Management:

Departments must strictly follow quota management guidelines, use raw materials and auxiliary materials efficiently, and eliminate wasteful practices.

Office Supplies Management:

Departments must adhere to the office supplies requisition system, prioritize conservation, avoid unnecessary waste, and improve the efficiency of resource use.

Energy and Resource Consumption Management

Furthermore, we encourage the principles of water saving, electricity saving, energy saving, land saving, material saving throughout the company. Tailored control measures are put in place for different spaces and activities, including process optimization, the adoption of energy-efficient equipment, and waste reduction. By doing so, we support green and sustainable development, continually improve our management systems, and contribute to both economic and environmental benefits.

Places and Operations

Office Areas (such as photocopying, printing, air conditioning, and lighting)

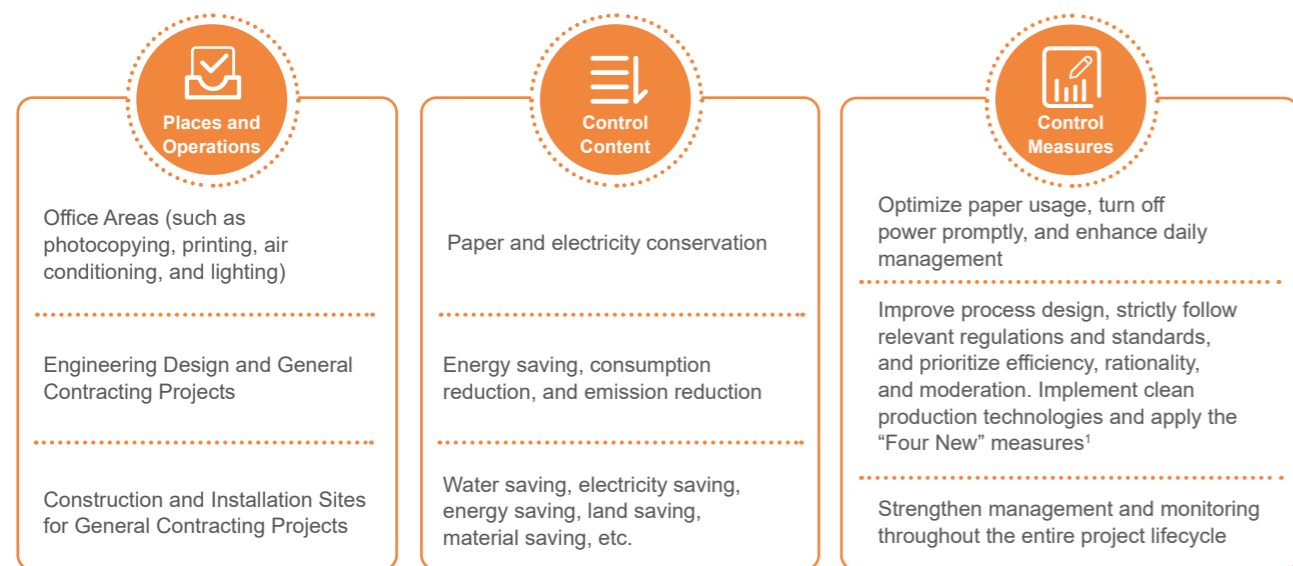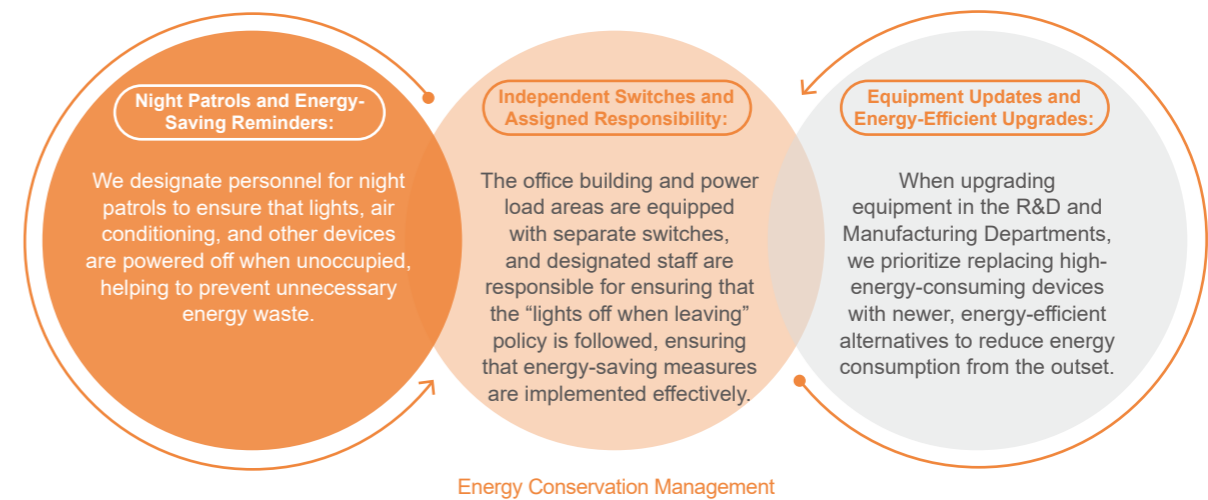Engineering Design and General Contracting Projects

Construction and Installation Sites for General Contracting Projects

Control Content

Paper and electricity conservation

Energy saving, consumption reduction, and emission reduction

Water saving, electricity saving, energy saving, land saving, material saving, etc.

Control Measures

Optimize paper usage, turn off power promptly, and enhance daily management

Improve process design, strictly follow relevant regulations and standards, and prioritize efficiency, rationality, and moderation. Implement clean production technologies and apply the "Four New" measures[1]

Strengthen management and monitoring throughout the entire project lifecycle

Tailored energy and resource control measures have been developed for different locations and operations

[1]The "Four New" measures refer to new technologies, new processes, new materials, and new equipment.

Energy Utilization

Our company is dedicated to establishing an efficient energy management system by refining our energy management policies and optimizing energy usage processes to meet our goals for energy savings and consumption reduction. In line with the *Resource and Energy Management Control Procedure*, we conduct regular maintenance and upgrades of office facilitiesand testing equipment, while introducing advanced energy-efficient technologies and equipment to enhance energy performance.

In day-to-day office operations, we implement various initiatives to raise employee awareness about energy conservation. For instance, we place energy-saving signs in office areas to remind employees to "lights off when leaving" and "power down equipment when not in use." We also assign personnel for regular night patrols to ensure that lights, air conditioning, and other devices are turned off when unoccupied. Furthermore, through internal training and awareness campaigns, we encourage employees to adopt energy-efficient habits and integrate green office practices into all aspects of daily work and life, aiming to foster a low-carbon, eco-friendly workplace.

Energy-Saving Signs in Office Areas

Night Patrols and Energy-Saving Reminders:

We designate personnel for night patrols to ensure that lights, air conditioning, and other devices are powered off when unoccupied, helping to prevent unnecessary energy waste.

Independent Switches and Assigned Responsibility:

The office building and power load areas are equipped with separate switches, and designated staff are responsible for ensuring that the "lights off when leaving" policy is followed, ensuring that energy-saving measures are implemented effectively.

Equipment Updates and Energy-Efficient Upgrades:

When upgrading equipment in the R&D and Manufacturing Departments, we prioritize replacing high-energy-consuming devices with newer, energy-efficient alternatives to reduce energy consumption from the outset.

Energy Conservation Management

Water Resource Management

We are committed to the efficient use and conservation of water resources, integrating water-saving practices into our daily operations. The Administration Department sets clear water usage targets and assessment mechanisms for each department, ensuring proper distribution and optimal use of water. Our maintenance team regularly inspects and services the water supply system, quickly addressing any issues such as leaks or drips to prevent water waste from the source. Each department also studies the *Water Law of the People's Republic of China* and relevant conservation regulations, implementing tailored water-saving measures, refining water use processes, and improving efficiency. By optimizing water usage processes and upgrading equipment, we have made significant strides in water resource management, helping to drive more sustainable water use.

Circular Economy

We explore circular economy practices, focusing on resource recycling and minimizing raw material waste during the R&D and design stages. By recycling and reusing waste materials, we aim to reduce our environmental impact.

Administrative, statistical, and office functions, such as typing and photocopying, are the primary areas where paper consumption occurs in our company. To ensure efficient resource use and sustainable management, we have implemented a strict paper-saving policy across these departments. We require double-sided printing and copying in all instances to eliminate paper waste at the source, ensuring more efficient use of office paper.

Air Pollution Control

Our company's operations do not involve emissions of waste gases, and there is no direct air pollution issue. Throughout our R&D, production, and operations, we focus on optimizing processes, using eco-friendly materials, and promoting green, low-carbon technologies to minimize our impact on the air. We are involved in supporting green and low-carbon development and relevant environmental policies, ensuring a harmonious relationship between our business and the environment.

Noise Pollution Control

In our general contracting projects, we strictly manage and control noise emissions at construction and installation sites, ensuring that noise levels from living areas and various construction machinery comply with national and local standards. By implementing clear noise management measures, we supervise and guide relevant parties to ensure that noise levels at construction sites meet the required standards. We have also installed professional monitoring equipment at noise monitoring points and regularly conduct noise level monitoring. Third-party authoritative agencies are commissioned to issue monitoring reports, which indicate that noise levels at all monitoring points strictly comply with national and local environmental protection standards.

Waste Management

We adopt strict waste management practices to ensure the proper disposal of both hazardous and non-hazardous waste. For hazardous waste, such as chemicals and adhesives, we comply with national regulations and entrust qualified professional agencies to handle all hazardous materials, ensuring 100% compliant disposal. For non-hazardous waste, including paper, plastics, and office waste, we promote waste classification and management. By optimizing our waste management processes, we effectively increase the recycling rate of waste and reduce our environmental impact.

ensuring **100%** compliant disposal
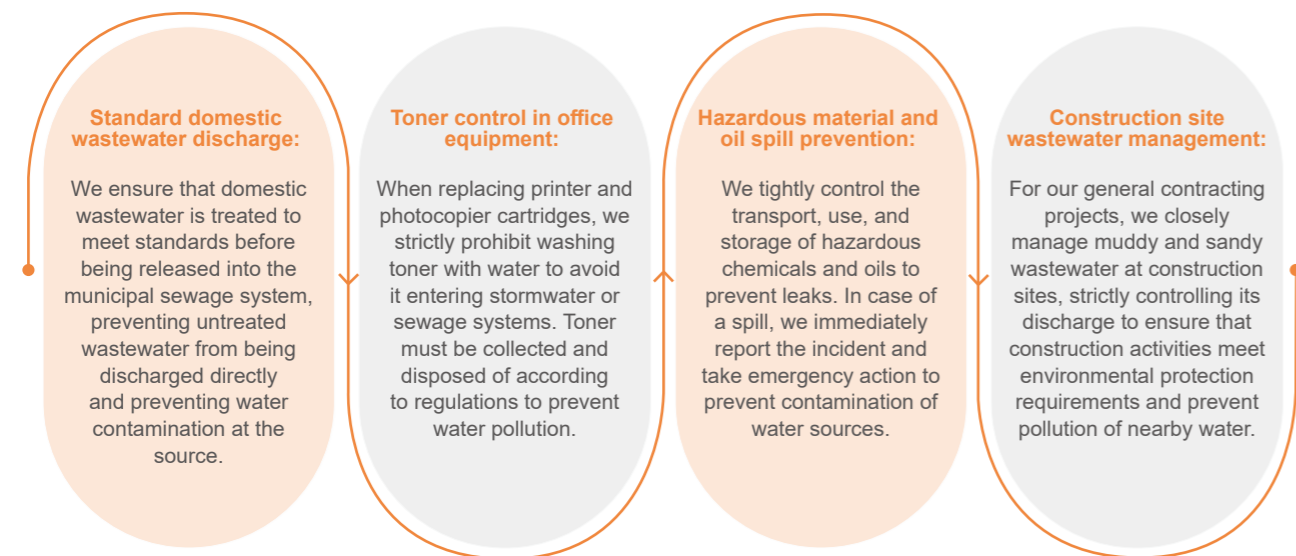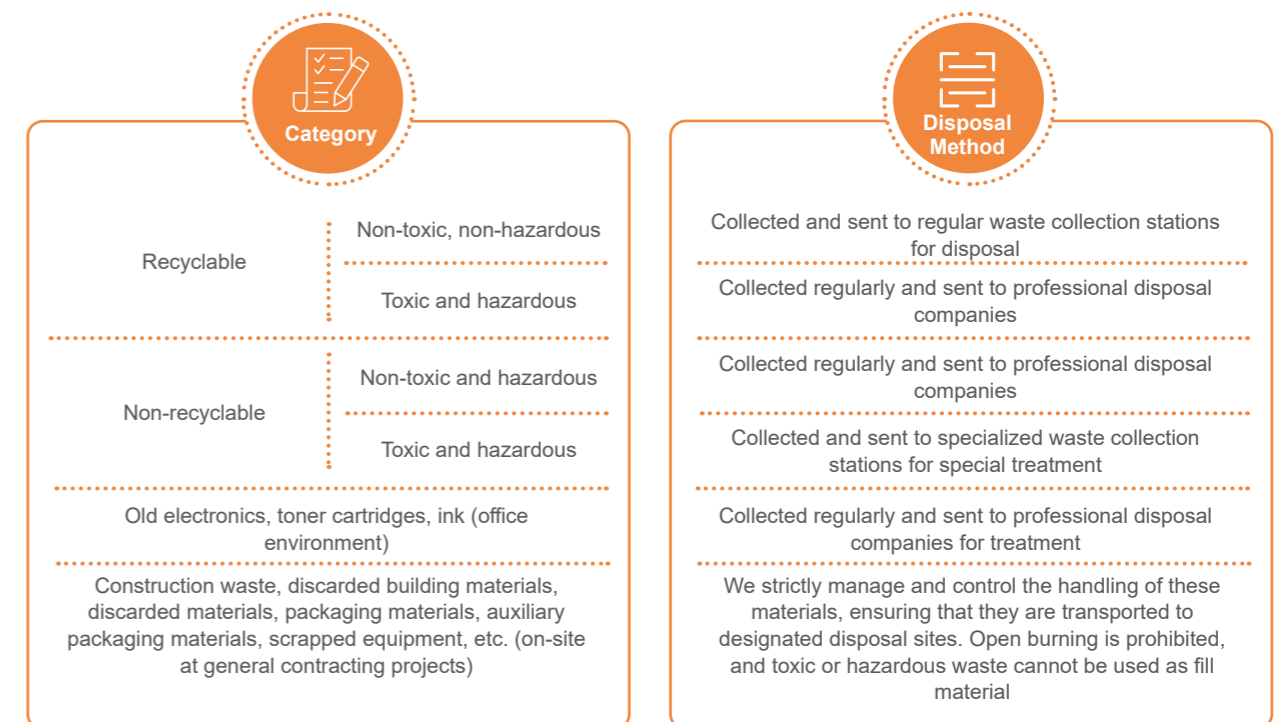
Waste Management

As a high-precision navigation and positioning technology company, we produce minimal waste and strictly follow environmental regulations to ensure proper treatment of wastewater, exhaust gases, and solid waste. In our engineering projects, we prioritize managing waste emissions by using scientific planning and green construction practices to optimize resource use, minimize waste, and promote sustainable development principles. This approach contributes to environmental preservation.

Water Pollution Control

We fully comply with national and local environmental regulations, adopting a science-based and standardized approach to managing water pollution. Through the construction of advanced wastewater treatment facilities, we ensure that wastewater discharges meet environmental standards.

In 2024, we maintained a 100% compliance rate for wastewater discharges, with no instance of exceeding discharge limits. We also regularly engage third-party agencies to test the wastewater, and all test results meet the required environmental standards.

In 2024, we maintained a

100% compliance rate for

wastewater discharges

Standard domestic wastewater discharge:

We ensure that domestic wastewater is treated to meet standards before being released into the municipal sewage system, preventing untreated wastewater from being discharged directly and preventing water contamination at the source.

Toner control in office equipment:

When replacing printer and photocopier cartridges, we strictly prohibit washing toner with water to avoid it entering stormwater or sewage systems. Toner must be collected and disposed of according to regulations to prevent water pollution.

Hazardous material and oil spill prevention:

We tightly control the transport, use, and storage of hazardous chemicals and oils to prevent leaks. In case of a spill, we immediately report the incident and take emergency action to prevent contamination of water sources.

Construction site wastewater management:

For our general contracting projects, we closely manage muddy and sandy wastewater at construction sites, strictly controlling its discharge to ensure that construction activities meet environmental protection requirements and prevent pollution of nearby water.

Water Pollution Control Measures

Category / **Disposal Method**

Category		Disposal Method
Recyclable	Non-toxic, non-hazardous	Collected and sent to regular waste collection stations for disposal
	Toxic and hazardous	Collected regularly and sent to professional disposal companies
Non-recyclable	Non-toxic and hazardous	Collected regularly and sent to professional disposal companies
	Toxic and hazardous	Collected and sent to specialized waste collection stations for special treatment
Old electronics, toner cartridges, ink (office environment)		Collected regularly and sent to professional disposal companies for treatment
Construction waste, discarded building materials, discarded materials, packaging materials, auxiliary packaging materials, scrapped equipment, etc. (on-site at general contracting projects)		We strictly manage and control the handling of these materials, ensuring that they are transported to designated disposal sites. Open burning is prohibited, and toxic or hazardous waste cannot be used as fill material

Waste Disposal Methods

About CHC Navigation

Integrity as the Foundation, Leading the Way with Smart Navigation

Innovation-Driven Development, Creating Value with Intelligence

Collaborative Efficiency, Smart Partnerships for a Shared Future

Low Carbon Empowerment, Smart Protection for a Green New Planet

Working Together for Progress, Growing with Intelligence

Working Together for the Public Good, Bringing Warmth to Society with Innovation

Biodiversity Conservation

At CHC Navigation, we take our corporate social responsibility in biodiversity conservation seriously, leveraging technological innovation and responsible management practices to minimize the environmental impact of our products and operations. We strictly comply with ecological protection laws and regulations, ensuring that all project development and operations preserve ecological balance and avoid harm to natural habitats. We actively promote the use of high-precision navigation and positioning technologies in ecological monitoring and conservation. Our solutions deliver accurate data to support biodiversity protection efforts in areas such as forest pest and disease control, forest fire early warning, forestry surveys, and digital forestry, advancing the sustainable development of the forestry and grassland sectors. In the field of hydrographic measurement, our smart water conservancy solutions enable real-time monitoring and analysis of hydrology, water resources, and water quality, providing critical data for water resource management and protection. Looking ahead, we will continue to innovate and develop new solutions that support biodiversity conservation, contributing to the long-term protection of the Earth's ecosystems.
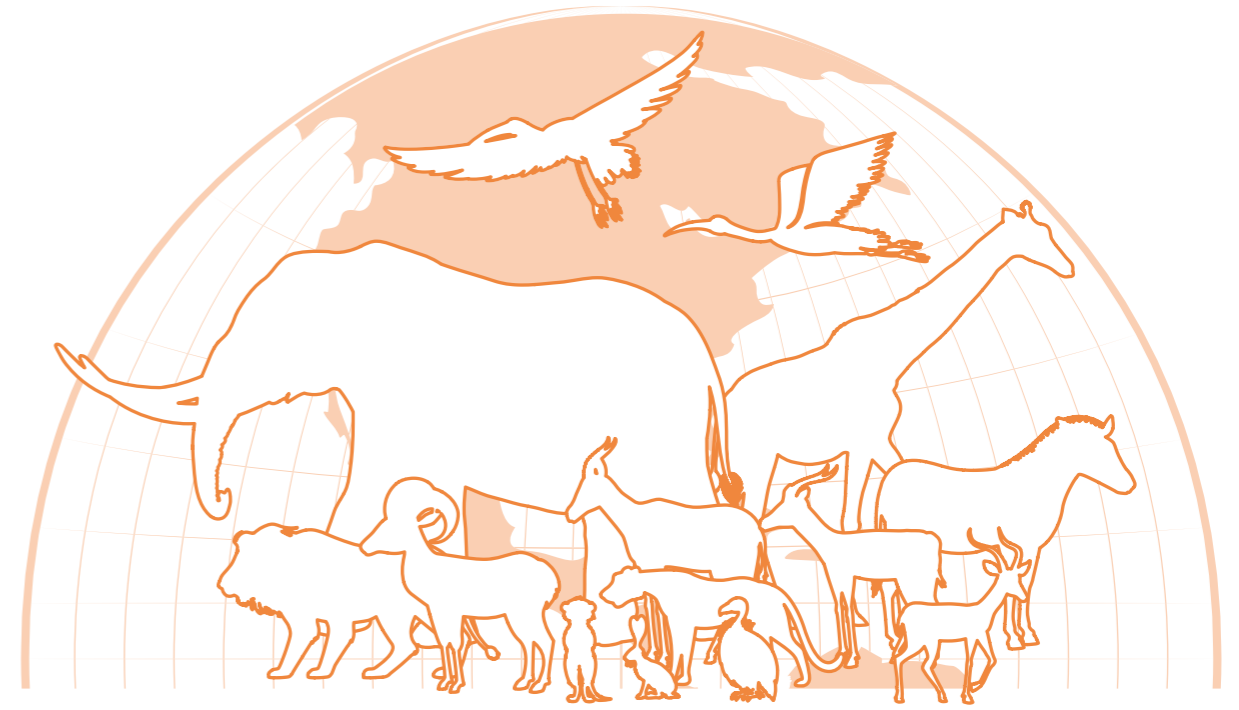
05

Working Together for Progress, Growing with Intelligence

At CHC Navigation, we view our employees as the core driving force behind the Company's growth. We are committed to creating a positive, supportive work environment through multiple initiatives. By offering benefits, performance bonuses, and safety training, we aim to enhance employees' sense of achievement and job satisfaction. At the same time, we firmly protect employee rights by establishing and enforcing clear policies and regulations, encouraging employees to take initiative and ownership in their roles.

Employee Employment and Rights

Employee Training and Development

Employee Health and Safety

Employee Support and Activities

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Employee Employment and Rights

At CHC Navigation, we prioritize fairness in employment by building a comprehensive system that fully safeguards our employees' legal rights. To enhance engagement and career satisfaction, we have developed a well-structured compensation system and continuously refine our incentive programs, aligning them with the Company's evolving needs. These efforts not only improve our employment framework and strengthen employees' sense of belonging, but also enhance our employer brand, support the creation of a robust talent pool, and lay a strong foundation for sustainable talent development.

Employee Employment

We adopt a "talent-first" approach and, in compliance with the Labor Law of the People's Republic of China, the *Labor Contract Law of the People's Republic of China, and the Social Security Law of the People's Republic of China*, have created an *Employee Handbook* that clearly outlines recruitment processes, contract termination, and other key procedures. This ensures that all recruitment procedures are conducted strictly according to regulations, preventing fraud and discrimination. We also adhere to industry CSR standards, including a firm commitment to banning child labor and protecting minors' rights. With a transparent recruitment process and a commitment to industry norms, we improve recruitment efficiency and ensure fairness in carrying out recruitment activities.

Key achievements

By the end of the reporting period, we employ about **2,046** people, both domestically and internationally.

Of these, **67.5%** hold bachelor's degrees, while **20.72%** have master's or doctoral degrees.

Recruitment and Hiring Regulations

(diagram nodes: Recruitment Principles; Conditions for Not Hiring; Recruitment Process; Reporting for Duty for New Hires; Signing the Employment Contract; Probation and Regularization; Recruitment Criteria; Job Responsibilities; File Management and Social Insurance; Recruitment and Hiring Regulations)

Compensation Management

Guided by the principle of "rewarding effort and achievement", we have developed and strictly enforced *Performance Management Measures* that link employee compensation to skills, position, job performance, and work behavior. To ensure that our performance management system remains aligned with the Company's goals, we review and adjust it annually. Based on team dynamics, we use a mix of annual, semi-annual, quarterly, and monthly assessments to encourage both organizational and personal growth.

Setting Performance Goals

We implement quarterly and annual PBC assessments and management, with all employees presenting their performance.

Our approach breaks down the Company's overall strategic objectives step by step, reinforcing the principle of goal alignment.

We combine job functions, KPIs, critical events, team and individual development goals, and values and behaviors, strengthening the performance-improvement-oriented principle.

Performance Implementation and Coaching

We encourage regular communication between supervisors and subordinates, with supervisors actively tracking their team members' progress towards goals and providing guidance and support when issues arise.

We also encourage managers to conduct formal one-on-one meetings with employees regularly, documenting key discussion points in the OA system to support employee growth.

When new employees join, or when an employee is promoted or transferred between departments, managers should provide performance coaching during the initial phase to help employees adjust to new environments and improve their work performance.

Performance Evaluation and Feedback

We follow the principle of objectivity and fairness, conducting regular performance evaluations based on multiple factors, such as annual performance and competency.

The evaluation process includes an appeal mechanism, allowing employees to challenge the results if they have concerns, fully safeguarding their rights.

Application and Improvement of Evaluation Results

Performance evaluation results are key references for year-end bonuses, performance-based pay, instant rewards, special incentives, salary adjustments, awards, promotions, job transfers, skill development, and even employee exits.

Additionally, based on the evaluation results, we provide feedback and improvement suggestions to help employees grow and develop further.

Performance Management Measures

Goal Setting		Performance Execution and Coaching	
Departmental Goal Breakdown	Signing the PBC	Daily Coaching	PBC Update
Individual Goal Setting Communication		Mid-term Review	Key Event Documentation
Feedback Discussion	Application of Results	Employee Self-Assessment	Group Evaluation
Performance Complaints		Direct Manager Evaluation	Public Announcement of Results
Performance Feedback		Performance Evaluation	

Performance Management Process

Equity Incentive Program

To strengthen the stability of our management and core technical teams and boost efficiency, we have established a long-term incentive program for our senior executives and key technical staff. Since our IPO, we have continuously implemented the equity incentive plan, aligning the interests of our executives and core technical team with those of our shareholders. This motivates our management and key employees to drive the Company's growth and success together.

About CHC Navigation

Integrity as the Foundation, Leading the Way with Smart Navigation

Innovation-Driven Development, Creating Value with Intelligence

Collaborative Efficiency, Smart Partnerships for a Shared Future

Low Carbon Empowerment, Smart Protection for a Green New Planet

Working Together for Progress, Growing with Intelligence

Working Together for the Public Good, Bringing Warmth to Society with Innovation

Key achievements

In 2024, we granted the first portion of the 2023 Restricted Stock Incentive Plan (covering **870** individuals) and the reserved portion of the same plan (covering **104** individuals). We also vested the first and second phases of the 2022 Restricted Stock Incentive Plan (covering **1** individual), the second portion of the 2021 Restricted Stock Incentive Plan (covering **567** individuals), the reserved portion of the 2021 Restricted Stock Incentive Plan - First Phase Vesting (covering **103** individuals), and the third phase of the 2020 Restricted Stock Incentive Plan (covering **36** individuals). Since our IPO, we have rolled out **6** equity incentive plans, granting stock to a total of **2,723** individuals.

Employee Training and Development

At CHC Navigation, we see our employees as a key driver of the Company's continued growth. We place strong emphasis on employee training and development, actively fostering partnerships with educational institutions to help enhance skill sets across our workforce. To remain competitive, we offer incentive mechanisms designed to retain core talent and boost long-term engagement. Through a comprehensive training system, an open, collaborative work environment, and hands-on learning opportunities, we ensure every employee has the chance to realize their full potential, achieve personal goals, and grow together with the Company.

Employee Promotion

To support talent development, reduce employee turnover, and encourage continuous growth, we have established an internal mobility system, outlined in our *Employee Handbook*. This system creates clear opportunities for advancement for high-performing individuals and offers flexibility for employees seeking role changes based on personal career goals or other needs.By optimizing workforce allocation and providing a fair, transparent career development path, we strengthen employees' sense of belonging and loyalty to the Company.

Employee Training

We believe that talent development is the cornerstone of long-term growth. Guided by a talent-first approach, we are committed to building a diverse, multi-tiered development system. For new hires, we offer professional onboarding training and structured probation management to support smooth integration into the Company. For fresh graduates, we have launched the "Shenghua (Upgrading) Training" program, which combines intensive training, selection processes, job rotations, performance assessments, and hands-on experience. This program enables graduates to quickly adapt, gain a solid understanding of our corporate culture, and build a strong professional foundation, effectively nurturing the next generation of talent.

Key achievements

Huace Business School, an online learning platform, currently offers nearly **300** courses, providing employees with a wealth of learning resources.

Case Study   Campus Recruitment Training to Help New Hires Transition Smoothly

In July 2024, we launched the "Shenghua (Upgrading) Training" program for our new campus recruits. This program offers comprehensive onboarding and training across various areas, including job-specific skills and knowledge. It helps new hires quickly make the transition from students to professionals, enabling them to integrate seamlessly into the company and perform effectively in their roles.

Shenghua Training 2024

Case Study   Management Training Program to Strengthen Leadership Skills

In April 2024, we kicked off the "Dongche Leadership Training" program for newly promoted managers. This program, featuring a series of management courses, helps these new leaders quickly adapt to their roles, gain essential team-building and management skills, and lay a strong foundation for effective leadership.

Management Dongche Leadership Training 2024

University-Industry Collaboration

To cultivate high-level, application-oriented talent with innovative thinking, global perspective, and the ability to drive rapid industry growth, we actively collaborate with universities and research institutes. Through joint research projects and collaborative initiatives, we create opportunities for students to develop both professional expertise and broader capabilities. We also invite distinguished professors from top universities to serve as expert advisors, contributing to research strategy development and mentoring PhD students and postgraduates. These partnerships strengthen our innovation capacity, enhance employee skills, and make more effective use of educational resources, while supporting the cultivation of high-quality talent for society.

Case Study **Partnership with Shanghai Jiao Tong University to Promote Collaboration**

We place a strong emphasis on talent development and external collaboration. As part of our efforts, we have built a solid partnership with Shanghai Jiao Tong University. Both parties signed the *Engineering Master's and PhD Training Reform Pilot University-Industry Cooperation Agreement* and the *Engineering Master's and PhD Joint Curriculum Development Agreement,* which allows students to bridge their academic learning with real-world business practices. This partnership enables resource sharing and co-development between the university and our company. Together, we aim to cultivate high-level, application-oriented talents while driving the industry's high-end, intelligent, and sustainable development.

Signing Ceremony

Employee Health and Safety

At CHC Navigation, we place great importance on the health and well-being of our employees. In 2024, we took steps to continuously improve our safety management systems and provide more comprehensive and effective health protection. We focused on enhancing employees' safety awareness and skills to ensure safe production practices, safeguard their rights, and fulfill our corporate social responsibilities.

Occupational Health

We fully comply with the *Occupational Disease Prevention and Control Law of the People's Republic of China* and other relevant regulations. Our internal occupational health management system is well-established, ensuring that health management processes are standardized. In the workplace, we have equipped our facilities with AED devices and first aid kits to handle both routine and emergency medical situations, ensuring the safety and health of our employees. We also regularly conduct health education programs to help employees improve their personal health management.

AED Devices (Left) and First Aid Kits (Right) Available at the Company

Case Study **Annual Health Checkups to Support Employee Health**

In October 2024, we arranged annual health checkups for employees who joined the company that year. To address the diverse health needs of our employees, we offered four different checkup packages, tailored to identify specific health risks for various groups. This approach helped improve the effectiveness of the health screenings.

Health Checkup Notification

About CHC Navigation

Integrity as the Foundation, Leading the Way with Smart Navigation

Innovation-Driven Development, Creating Value with Intelligence

Collaborative Efficiency, Smart Partnerships for a Shared Future

Low Carbon Empowerment, Smart Protection for a Green New Planet

Working Together for Progress, Growing with Intelligence

Working Together for the Public Good, Bringing Warmth to Society with Innovation

Case Study Traditional Chinese Medicine (TCM) Program for Employee Wellness

In December 2024, we invited a professional Traditional Chinese Medicine (TCM) team to visit our company and conduct wellness activities. In the morning, the doctors provided consultations and body assessments for employees, offering personalized health advice. In the afternoon, the TCM team hosted a wellness seminar to teach employees how to prevent and manage common work-related health issues. They also demonstrated traditional techniques such as acupressure, cupping, and acupuncture, helping employees improve their health awareness and maintain a healthy lifestyle.

TCM wellness event at the Company

Safety Training

Key honors

We are dedicated to improving our safety production standards. In 2024, we organized fire drills and conducted various safety training sessions to give employees practical experience in handling emergency situations. These initiatives significantly enhanced their ability to respond to emergencies and protect themselves in unsafe conditions.

Level 2 Excellent Enterprise Certificate of Safety Production Standardization

Company Safety Production License

Case Study Fire Safety Training and Drills to Improve Self-Rescue Skills

In April 2024, we organized fire safety training and hands-on drills to enhance employees' emergency response and evacuation skills. The training included both theoretical fire safety knowledge and practical experience with fire extinguishers. By combining theory and practice, we helped employees gain essential firefighting skills and boosted their safety awareness in case of emergencies.

Fire safety training drill

Employee Support and Activities

At CHC Navigation, we place high importance on employee care and engagement, striving to create a positive work environment that fosters a strong sense of belonging and well-being. Through a range of structured initiatives, we enhance the workplace experience by providing dedicated event spaces and organizing holiday celebrations. We incorporate a human-centered approach into daily operations, helping to build a warm and supportive atmosphere. Additionally, we maintain open communication channels to actively gather employee feedback and suggestions, ensuring that their voices are heard, valued, and reflected in meaningful improvements.

Employee Communication and Feedback

We continuously improve our internal communication and feedback system and have developed the "Tongshiba (Colleague Hub)" online platform. This provides employees with an anonymous channel to voice their opinions, offering them the chance to contribute ideas to the Company's growth. Employees can submit feedback on various topics, including company products, services, and workplace matters, either anonymously or by revealing their identity. Additionally, our corporate WeChat system enables employees to communicate directly with colleagues at all levels, including the Company's chairman, ensuring open and effective communication across the organization.

To further protect employee rights, we have established a legally compliant labor union, which acts as a bridge between management and employees, maintaining close and constant communication with our staff.

"Tongshiba (Colleague Hub)" online platform development

Employee Satisfaction Survey

To better understand employee perspectives on company facilities and the overall work environment, we developed and distributed the *2024 Employee Satisfaction Questionnaire*. The survey covered key areas such as the work environment, benefits, and support facilities, enabling us to gather comprehensive feedback. Following a detailed analysis of the responses, we compiled a *Survey Report* outlining both strengths and areas for improvement. Based on this feedback, we have implemented targeted enhancements to continually improve the employee experience.

Issues with equipment and event organization

Daily office tasks

Employee meals

Public Facilities in the Work Area

Apartment management and services

Survey Topics Included in the Questionnaire

Employee Support and Activities

To enrich employees' daily lives and boost their happiness, we provide a variety of recreational spaces for employees to engage in sports and activities. We also host regular sports competitions, rewarding outstanding employees and teams with special prizes to encourage active participation and promote a healthy lifestyle.

Employee Activities and Facilities

Football field

Other recreational spaces

Fitness equipment

Pool table

Basketball court

Varied Employee Activities

Competitive events

Annual Open Day for Families

Team-building wall activities

We also focus on creating a warm, welcoming work environment by organizing holiday events that increase employee engagement and strengthen their connection to the Company, showcasing our commitment to employee care.

Case Study   Aromatherapy Crafting for International Women's Day: Caring for Our Female Employees

In March 2024, we organized an aromatherapy crafting workshop for our female employees. They prepared materials and crafted their own aromatherapy products. This hands-on activity not only enhanced their skills but also encouraged interaction and bonding among employees, fostering team unity and a greater sense of belonging.

Aromatherapy Crafting Session

Case Study   Zongzi and Sachet Making for Dragon Boat Festival – Building Festive Spirit

In June 2024, ahead of the Dragon Boat Festival, we hosted an event where employees made Zongzi (traditional rice dumplings) and sachets at the company cafeteria. This activity not only improved employees' practical skills but also created a festive atmosphere, adding to the sense of community in the workplace.

Dragon Boat Festival Activity at the Company

Case Study   Santa Claus Visits: Fun Employee Engagement at Christmas

In December 2024, we organized a Christmas event where four employees dressed up as Santa Claus to deliver gifts and cheer to their colleagues. The fun-filled activity maintained the holiday spirit while also fostering a positive and uplifting image for the Company.


Christmas Fun Activity

Working Together for the Public Good, Bringing Warmth to Society with Innovation

At CHC Navigation, we integrate our growth with social service, taking on our corporate responsibilities and using our strengths to contribute to society. We also prioritize promoting social equality and supporting educational development, contributing to the modernization of socialism.

- Heartfelt Social Welfare
- Disaster Relief Support
- Talent Development Assistance

4 QUALITY EDUCATION

10 REDUCED INEQUALITIES
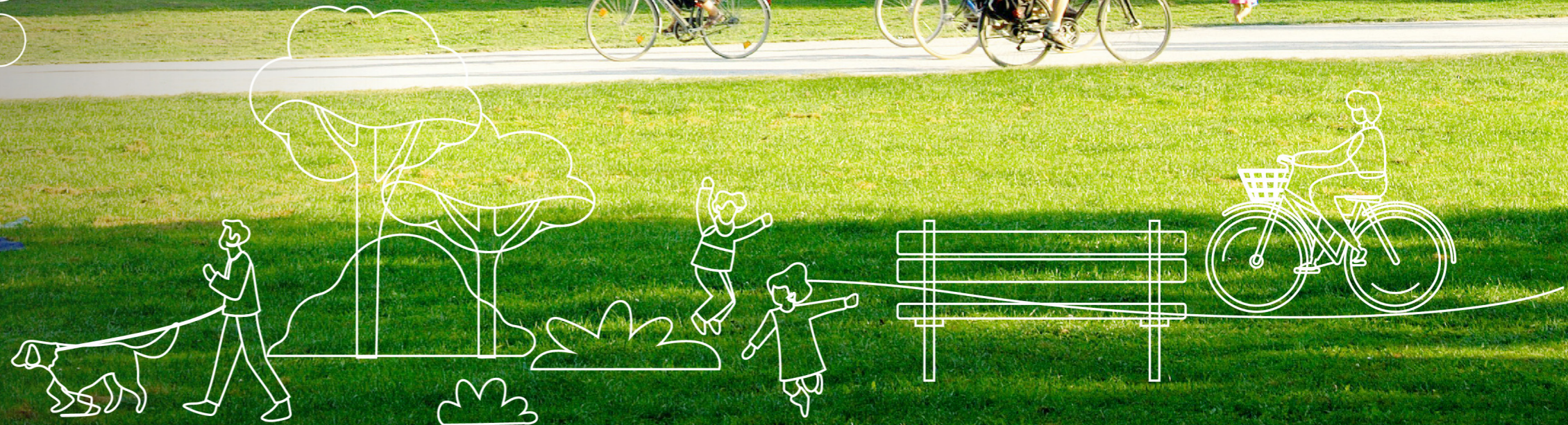
Heartfelt Social Welfare

At CHC Navigation, we believe in sharing the benefits of our success with society. Through volunteer work, donations, and other initiatives, we aim to promote fairness and progress. We are particularly committed to supporting youth education, taking tangible steps to fulfill our corporate responsibilities.

Case Study Donate funds and supplies to extend warmth and care

On the Double Ninth Festival in 2024, the Company donated RMB 50,000 to Dongfang Village in Qingpu District, Shanghai. In addition, the Company's wholly-owned subsidiary, Shanghai Sinov Navigation Technology Co., Ltd., donated daily necessities worth RMB 9,450 to the elderly in the village. By delivering the donated supplies to the local area, the employees of the Company brought warmth and care to the elderly.

Targeted Assistance for Dongfang Village in Qingpu District

Case Study Donating to Build Sports Facilities for a School in Yunnan

In March 2024, we donated RMB 50,000 to the Toudaoshui Primary and Secondary School in Aihua Town, Yun County, Linchang City, Yunnan Province, as part of a donation agreement. The funds will go toward building sports facilities, including a synthetic running track, basketball court, badminton court, and volleyball court. This initiative will address the growing need for physical activity among students, promote diverse physical education, and raise awareness about fitness among young people.

Donation Certificate

Case Study Hosting Junior Reporters for an Industry Tour

In July 2024, we welcomed a group of junior reporters from Xianghuaqiao Street in Qingpu District. Our Vice President personally greeted them, leading a tour of various hardware equipment and answering their questions. This event sparked the reporters' creative thinking while helping them develop valuable skills like observation, analysis, communication, expression, and practical abilities.

Junior Reporters' Tour

Disaster Relief Support

CHC Navigation leverages its expertise in positioning, navigation and mapping technologies to support disaster response efforts, providing both equipment and skilled personnel to enable effective disaster monitoring. This helps reduce the risk of secondary losses to human life and property. We are committed to fulfilling our corporate social responsibility and making an ongoing contribution to the sustainable development of society.

Water Conservancy

Emergency underwater terrain measurement solutions
Application Scenarios: flood rescue and relief and levee breach closure

Solutions for detection of hidden risks in water areas
Application Scenarios: levee inspection and emergency drills

Reservoir capacity solutions
Application Scenarios: reservoir capacity survey, coastal mapping, and underwater surveys and restoration.

Solutions for safety monitoring of hydropower station structures and reservoir bank slopes
Application Scenarios: lope monitoring of dams

Solutions for emergency survey with unmanned surface vessels
Application Scenarios: environmental monitoring systems for emergency rescue and systems for natural disaster monitoring and early warning

Automated hydrological testing solutions
Application Scenarios: emergency river flow monitoring

Solutions for small reservoir rainwater monitoring and forecasting and dam safety monitoring
Application Scenarios: irrigation areas, mountain pond detection, watershed monitoring, and reservoir safety monitoring

Mining

Online tailings pond safety monitoring solutions
Application Scenarios: flat terrain tailings ponds and valley-type tailings ponds

Open-pit mine slope safety monitoring solutions
Application Scenarios: surface displacement and deformation, groundwater level, and internal displacement

Solutions for monitoring of subsidence in goaf areas
Application Scenarios: metal mining areas

Geological Disasters

Automated landslide monitoring and early warning system
Application Scenarios: landslide-prone areas

Automated landslide monitoring and early warning system
Application Scenarios: mudslide-prone areas

System for identification and investigation of geohazard risk points
Application Scenarios: landslides, mudslides, ground subsidence, ground cracks, surface settlement, and collapse

Automated monitoring system for collapse
Application Scenarios: disaster monitoring and emergency response

Emergency mapping solutions
Application Scenarios: earthquake disaster, forest fire prevention, and flood disaster

Forest and grassland fire prevention patrol and monitoring
Application Scenarios: all-time forest protection and forest ranger patrol management systems

Application of Our Products in Disaster Warning and Response Projects

Case Study   Technical Support for Disaster Relief and Social Responsibility

In January 2024   a landslide affected the Hexing and Heping villages in Liangshui Village, Tangfang Town, Zhenxiong County, Zhaotong City, Yunnan. In response, we immediately deployed a team of technical experts equipped with emergency surveying equipment to the site. Our team worked closely with local authorities to support rescue and relief efforts.

PS-SAR1000 360 ° SAR Monitoring System Monitoring the Slope

In April   flooding struck the Beijiang River in Guangdong Province. Our technical team, in collaboration with the National Institute for Natural Disaster Prevention, joined a levee inspection team in Qingyuan City to assess potential risks. We promptly shared our findings with local authorities, providing critical data that enabled the implementation of timely preventive measures and helped reduce the impact of the disaster.

Levee Inspection Site

In June   heavy rainfall and severe storms affected multiple areas of Huangshan City, Anhui Province, resulting in significant flooding. Our technical team collaborated with the Huangshan Hydrology and Water Resources Bureau to conduct urgent river flow measurements, delivering essential data to support local flood control and disaster response efforts.

APACHE 4 Unmanned Surface Vessel in Operation

In July   continuous rainfall triggered a piping risk at pile number 19+800 along the Dongting Lake frontline in Huarong County, Yueyang City, Hunan Province. At 17:48, following a failed emergency closure, the levee breached. Our team quickly joined the rescue efforts, collecting above-water and underwater terrain data, conducting levee inspections, and identifying risks such as piping and seepage. Our timely support helped stabilize the defense line and enabled a swift, accurate closure of the breach.


CHCNAV Technicians Processing Data

Supporting Talent Development

To support talent development and promote educational advancement, CHC Navigation leverages its technology and resources to assist universities by providing advanced experimental equipment and financial support. This initiative enhances students' practical skills while strengthening collaboration among industry, academia, and research. Through these efforts, we contribute our expertise to addressing complex societal challenges, reflecting our ongoing commitment to corporate social responsibility.

Case Study   Fund Donation to Support Scientific Research

In May 2024, Shanghai Taihexing Enterprise Development Partnership (Limited Partnership), a person acting in concert with the Company's controlling shareholder donated RMB 2 million to the Education Development Foundation of a university in Shanghai. The donation established the "Little Squirrel" project fund under the College of Social Development and Public Policy, supporting research on social support systems for children with ADHD. The fund aims to provide more effective, science-based support for these children and to contribute to building a more inclusive society.
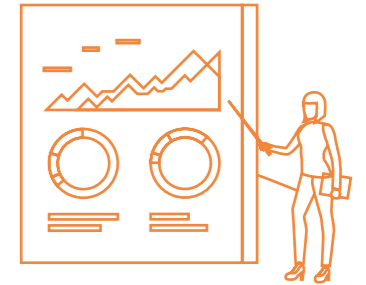
In 2024, Shanghai Taihexing Enterprise Development Partnership (Limited Partnership), a person acting in concert with the Company's controlling shareholder, donated RMB 3 million to the education development foundation of a university in Nanjing. The donation is earmarked for the university's CHC Navigation Talent Program, aiming to support the development of its talent cultivation initiatives.

Case Study   Instrument Donation to Fulfill Our Mission

In November 2024, we donated a handheld 3D laser scanner to a national-level experimental teaching demonstration center at a university. This donation supports the training of future surveying professionals and enhances collaboration between industry, academia, and research. It aims to help universities achieve more innovative outcomes in the field of surveying and mapping.

RS30 laser Scanner Donation Event

About CHC Navigation

Integrity as the Foundation, Leading the Way with Smart Navigation

Innovation-Driven Development, Creating Value with Intelligence

Collaborative Efficiency, Smart Partnerships for a Shared Future

Low Carbon Empowerment, Smart Protection for a Green New Planet

Working Together for Progress, Growing with Intelligence

Working Together for the Public Good, Bringing Warmth to Society with Innovation

Key achievements

Governance performance

Issue	Indicator classification	Name of quantitative indicator	Unit	2024	2023	2022
Corporate governance	Board of Directors	Total number of Board of Directors members	/	7	7	7
		Among them: Number of female directors	/	1	1	1
		Among them: Number of executive directors	/	4	4	4
		Among them: Number of independent directors	/	3	3	3
Commercial ethics	Commercial bribery and corruption incidents	Total number of confirmed corruption cases	/	0	0	0
	Unfair competition cases	Total number of lawsuits/administrative penalties against fair competition	/	0	0	0
		Total fines for violation of fair competition	RMB (10,000)	0	0	0

Environment performance

Issue	Indicator classification	Unit	2024	2023	2022
Environmental management	Number of violations of environmental laws and regulations	/	0	0	0
	Amount of major administrative penalties imposed by relevant departments such as the ecological environment department due to environmental incidents during the reporting period	RMB (10,000)	0	0	0
Energy utilization	Total amount of purchased electricity	MWh	5,601,429.2	5,406,212.34	/

Society performance

Issue	Indicator classification	Name of quantitative indicator	Unit	2024	2023	2022
Employee employment	Number of employees	Total number of employees	/	2,046	1,844	1,734
	Total number of employees	Number of newly-recruited employees	/	455	/	/
	Number and proportion of employees by gender	Number of female employees	/	416	387	349
		Number of male employees	/	1,630	1,457	1,385
		Proportion of female employees	%	20	21	20
		Proportion of male employees	%	80	79	80

Issue	Indicator classification	Name of quantitative indicator	Unit	2024	2023	2022
Employee employment	R&D department personnel	Total number of R&D personnel	/	681	615	554
		Proportion of R&D personnel	%	34	33.28	32
	Number and proportion of employee resignations	Number of employee resignations	/	253	/	/
		Employee turnover/resignation rate	%	12	/	/
Employee rights & interests and welfares	Protection of basic rights and interests	Employee social security payment coverage rate	%	100	100	100
	Discrimination	Confirmed incidents of discrimination	/	0	0	0
	Forced labor	Confirmed incidents of forced labor	/	0	0	0
	Child labor	Confirmed incidents of child labor	/	0	0	0
Employee safety	Occupational safety training	Number of safety drills (fire, toxic gas leak, etc.)	/	2	1	/
	Work-related injury	Number of work-related deaths	/	0	0	0
		Occupational disease incidence	%	0	0	0
Talent training and development	Staff training assessment	Total number of training sessions throughout the year	/	527	396	280
		Number of employees trained	/	2046	1,844	1,734
		Employee training coverage	%	100	100	100
R&D innovation	R&D investment	R&D expenditure	RMB (10,000)	46,901.91	46,211.31	40,304.60
		Proportion of total R&D expenditure against operating revenue	%	14.43	17.25	18.02
	Intellectual property	Number of patents held	/	452	353	273
		Number of invention patents held	/	183	162	156
		Number of software copyrights held	/	333	315	253
Product quality	Product quality	Annual amount of damages involved in major safety/quality liability incidents related to products and services	RMB (10,000)	0	0	0
Data security and customer privacy	Data security and customer privacy	Number of confirmed incidents of data security	/	0	0	0
		Specific amount involved in incidents of data security	RMB (10,000)	0	0	0
		Number of confirmed incidents of customer privacy breach	/	0	0	0
		Specific amount involved in incidents of customer privacy breach	RMB (10,000)	0	0	0

Index of Indicators

	Level-1 topic	Level-2 topic	Related chapters
1	Combating climate change	Management of risks and opportunities related to climate change	Environmental protection and climate response
		Assess the adaptability of the Company's strategy and business model to climate change	
		Transformation plans and measures to address climate-related risks and opportunities, and progress	
		Practices in reducing Greenhouse gas emissions	Energy management and resource conservation
2	Pollutant emissions	Information of pollutant discharge	Waste emission management
		Pollutant discharge and treatment	
		Emission reduction targets	
3	Waste disposal	Information of treatment	Waste emission management
		Emission reduction targets	
4	Ecosystem and biodiversity conservation	Protective measures within the area	Biodiversity conservation
		Protective and restoration measures	
5	Environmental compliance management	Risk management	Environmental protection and climate response
		Emergency	
6	Energy utilization	Status of use	Energy management and resource conservation
		Clean energy	
7	Water resource utilization	Status of use	Energy management and resource conservation
8	Circular economy	Specific measures	Energy management and resource conservation
		Progress	
9	Social contribution	Contribution	Heartwarming social welfare initiatives
10	Innovation driven	Strategic goals	Innovation driven
		Specific situation	Innovation driven
		R&D results	Innovation driven, intellectual property protection
		Innovation impact	Innovation driven
11	Scientific and technological ethics	Internal management	Innovation driven
		Violations	Not involved

	Level-1 topic	Level-2 topic	Related chapters
12	Supply chain security	Risk management	Responsible procurement
		Support measures	
		Improvement measures	
13	Treat small and medium-sized enterprises equally	Unpaid amount	Responsible procurement
		Specific situation	
14	Product and service safety and quality	Management system	Product quality
		Quality certification	
		Major accidents	Not involved
		After-sales service	Customer rights and interests
		Accessibility	
15	Data security and customer privacy protection	Management system	Information security
		Security incidents	
		Leakage	
16	Employees	Employee recruitment	Employee employment and rights
		Occupational health and safety	Occupational health and safety
		Career development and training	Career development and training
17	Stakeholder communication	Communication system	Investor relations management
		Suggested channels	
18	Anti-commercial bribery and anti-corruption	Management system	Business ethics
		Training performance	
		Event	
19	Anti-unfair competition	Administrative penalties	Business ethics

Reader Feedback Form

Dear Reader,

Thank you for taking the time to read the *2024 Environmental, Social, and Governance (ESG) Report of Shanghai Huace Navigation Technology Ltd*. To better serve you and other stakeholders, and to continuously improve our performance in fulfilling our corporate social responsibility, we sincerely welcome your feedback and suggestions. Your insights are valuable in helping us provide more meaningful information and enhance our ESG practices.

Multiple Choice Questions (Please tick the appropriate box)

1. How would you rate the overall quality of this report?

□ Excellent □ Good □ Average □ Below average □ Poor

2. How would you rate the report's responses and disclosures on issues of concern to stakeholders?

□ Excellent □ Good □ Average □ Below average □ Poor

3. How do you think CHC Navigation performs in economic responsibility?

□ Excellent □ Good □ Average □ Below average □ Poor

4. How do you think CHC Navigation performs in environmental responsibility?

□ Excellent □ Good □ Average □ Below average □ Poor

5. How do you think CHC Navigation performs in safety management?

□ Excellent □ Good □ Average □ Below average □ Poor

6. How do you think CHC Navigation performs in employee responsibility?

□ Excellent □ Good □ Average □ Below average □ Poor

7. How do you think CHC Navigation performs in community responsibility?

□ Excellent □ Good □ Average □ Below average □ Poor

8. Are the information, indicators, and data disclosed in the report clear, accurate, and complete?

□ Excellent □ Good □ Average □ Below average □ Poor

9. Do you think the content arrangement and layout design of this report are easy to read?

□ Yes □ No

Open-ended Questions

Do you have any comments or suggestions regarding CHC Navigation's social responsibility performance and this report?