



2024

SUSTAINABILITY REPORT

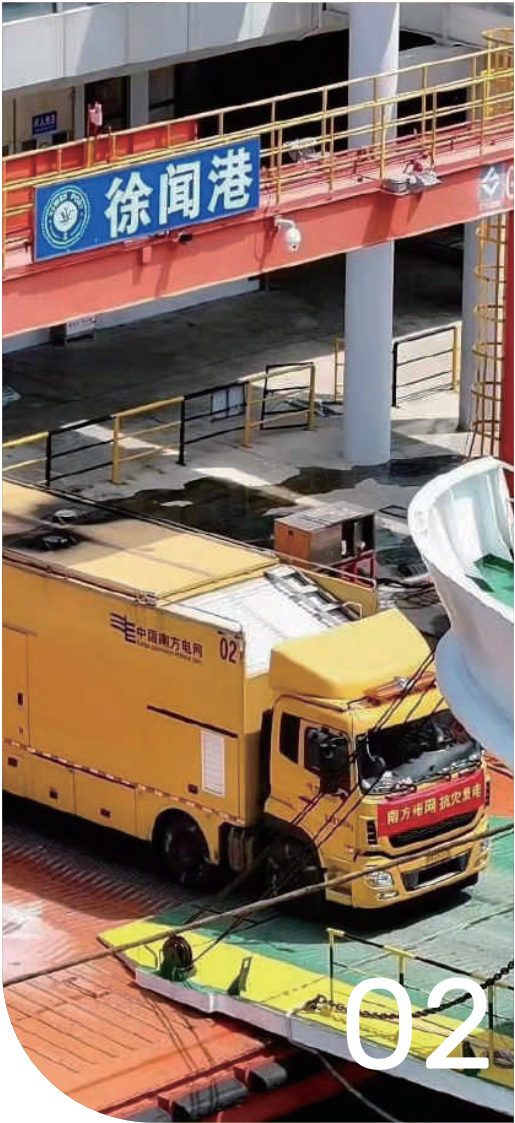
XUZHOU HANDLER SPECIAL VEHICLE CO., LTD.



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About This Report

Introduction

The Report marks the inaugural sustainability disclosure by Xuzhou Handler Special Vehicle Co., Ltd. (hereinafter referred to as “Handler”, “the Company”, or “we”) to the public. Prepared in accordance with the principles of objectivity, standardization, transparency, and comprehensiveness, it highlights Handler’s sustainable development practices and performance throughout the year 2024.

Reporting Scope

Time frame: The Report covers the period from January 1, 2024, to December 31, 2024 (hereinafter referred to as “the Reporting Period”). To enhance the comparability and completeness of the Report, selected content may include retrospective data from previous years or forward-looking statements.

Organizational scope: The Report focuses on Xuzhou Handler Special Vehicle Co., Ltd., including its subsidiaries. Unless explicitly stated otherwise, the scope of the Report aligns with that of the Company’s 2024 Annual Report.

Release Cycle

The Report is published on an annual basis, coinciding with the fiscal year.

Preparation Basis

- *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange— Sustainability Report (For Trial Implementation)* issued by the Shenzhen Stock Exchange
- *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange—Preparation of Sustainability Reports* issued by the Shenzhen Stock Exchange
- *Sustainability Reporting Standards* (GRI Standards 2021) issued by the Global Sustainability Standards Board (GSSB)
- United Nations 2030 Sustainable Development Goals (SDGs)

Data Sources

The data presented in the Report is derived from Handler’s internal records, official documents, and audited financial statements, with certain financial figures extracted from the Company’s 2024 Annual Report. Unless otherwise specified, all monetary amounts in the Report are denominated in RMB.

Report Access

In support of our commitment to low-carbon environmental protection and sustainable development, the Report is available for online viewing and download in electronic format on the Shenzhen Stock Exchange website (www.szse.cn) and the Company’s official website (www.xzhlz.com).

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Message from the Chairman



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Dear friends,

On behalf of the Board of Directors of Handler, I extend my sincere gratitude for your unwavering care and support.

Against a backdrop of escalating global climate change and an accelerating transition towards low-carbon economies, sustainable development has emerged as a core imperative for high-quality economic growth. As a listed company dedicated to specialized high-end intelligent equipment manufacturing, Handler remained steadfast in its “technology-driven differentiation” strategy throughout 2024. By leveraging innovation to drive green transformation, we are committed to delivering more efficient, low-carbon intelligent equipment solutions to our global clientele. Integrating sustainability into every facet of our operations, we strive to foster a modern industrial ecosystem in harmony with nature.



**Handler Champions Green Manufacturing Upgrades,
Highlighting its Commitment to Environmental Friendliness.**

In 2024, Handler achieved product carbon footprint certification for its “GKS28 Aerial Work Platform” and actively pursued the development of green products such as compressed air foam fire trucks and liquid nitrogen fire trucks. These efforts underscore our commitment to technological innovation and application within the green and low-carbon sector. Furthermore, we implemented initiatives such as the paint-to-powder project and promoted circulating water reuse in product debugging areas, continuously reducing emissions and optimizing resource conservation and recycling. In the face of climate change, Handler is dedicated to mitigating its carbon footprint through enhanced energy management and the implementation of energy-saving measures. We are also actively identifying and addressing climate-related risks and opportunities to effectively manage our exposure. Looking ahead, we will continue to explore and refine our climate-adaptive product portfolio and enhance our resilience to climate impacts.



**Handler Demonstrates a Proactive Approach to Responsibility,
Empowering Partners for Shared Success.**

In 2024, the Company focused on rural public safety and infrastructure resilience construction in 69 cities and towns across 25 provinces nationwide, supporting the implementation of the rural revitalization strategy. With respect to our products and services, we are committed to innovation-driven development, continuously cultivating intellectual property assets, and achieving significant breakthroughs in high-end core technology research. Furthermore, we are dedicated to optimizing customer service quality, and I am pleased to report that annual customer satisfaction reached a record high of 99.09%. Above all, Handler prioritizes the well-being of its employees. Through a multi-faceted employee welfare system, a dual-track “management and professional” development pathway, and a dual-engine training model incorporating “academic advancement + skill certification”, we foster a positive synergy between employee growth and enterprise development. In the realm of occupational health and safety, Handler has achieved ISO 45001 certification and established a robust safety management system. We are committed to continuously improving employee health protection and reinforcing our frontline defenses for work safety.



**Handler Remains Focused on Strengthening Governance
to Guarantee Integrity and Compliance.**

In 2024, Handler continued to strengthen its corporate governance framework and further optimize its governance structure to ensure scientific and efficient decision-making. We place significant emphasis on safeguarding shareholders' rights and investor returns. This year, we canceled 31.88 million repurchased shares and distributed a cash dividend of RMB34.59 million for 2023, allowing our investors to share in the dividends of our success. Furthermore, we are embedding sustainability at the heart of our governance, developing a “Four-Dimensional Synergy” approach to sustainable practices, designed to fortify Handler’s competitive edge. With regard to business ethics, Handler standardizes business conduct through a comprehensive set of measures, including commitment signing, risk control, inspections, and training. We continuously reinforce employees' business ethics awareness and ensure adherence to the principles of integrity and compliance in all business activities. We also actively engage and collaborate with partners to promote a fair and transparent business environment and jointly maintain a healthy industry order.

Looking ahead, Handler will harness “New Quality Productive Forces” as the engine, deepening its strategic initiatives in Specialized Equipment Innovation, New Energy Transition, Intelligent Transformation, and Global Expansion. This will facilitate a profound integration of ESG strategy with business growth. We remain steadfast in our commitment to advancing green operations and strengthening our social responsibility initiatives, underpinned by transparent and efficient governance mechanisms. These concerted efforts will safeguard sustainable development and create shared value for all stakeholders.

Xuzhou Handler Special Vehicle Co., Ltd.
Chairman
Ding Bo

About Handler

Company Profile

Founded in 2005, Handler secured specialized vehicle production qualification from the National Development and Reform Commission (NDRC) in 2006. In 2011, the Company made history by listing on the ChiNext Board of Shenzhen Stock Exchange (Stock Code: 300201), becoming China's first listed company in the mobile elevating work platform (MEWP) sector. In late 2012, Handler successfully acquired Shanghai Grumman International Fire Equipment Co., Ltd. Today, Handler is a leading provider of specialized vehicles and robotic solutions, encompassing research and development (R&D), manufacturing, sales, and service. Our product range includes mobile elevating work platforms (MEWPs), emergency power generation vehicles, emergency drainage vehicles, fire trucks, and specialized vehicles for military applications.

Handler is honored to be recognized as a National High-Tech Enterprise, a National Intellectual Property Demonstration Enterprise, a National Quality Benchmark Enterprise, a Jiangsu Provincial Innovative Leading Enterprise, and a Jiangsu Provincial Specialized and Sophisticated Enterprise. We remain steadfast in our commitment to a “technology-driven differentiation” strategy, guided by the principle of “transforming traditional industries through advanced technology and driving corporate growth through technological innovation”. Our business model, founded on “R&D innovation as the cornerstone, differentiated design and customization as the core, flexible manufacturing as the support, and refined services as the guarantee”, enables us to blend independent innovation with the integration of cutting-edge global technologies, fostering substantial growth in recent years.

Handler plays a leading, principal, or participating role in drafting national or industry standards for aerial work vehicles, aerial work platforms, power supply vehicles, power distribution vehicles, and fire trucks. The Company consistently leads the industry in lightweight design, aerial work, intelligent features, and insulated live-line operation for aerial work vehicles, securing a dominant position in the mid-to-high-end market. Handler has achieved import substitution for insulated vehicles, as the sole enterprise in the industry to realize domestic production of insulated booms. Furthermore, Handler has become a leading provider of power emergency support vehicle systems in China, offering the most comprehensive product range, complete functionality, and integrated solutions. The emergency drainage and rescue vehicles developed by the Company were successfully recognized as “Typical Cases for Application and Promotion of Safety and Emergency Equipment in 2024” by the Ministry of Industry and Information Technology (MIIT). Handler has garnered numerous accolades, including two National Science and Technology Progress Second Prizes, one China Patent Excellence Award, five provincial and ministerial science and technology progress awards, and three sets of First-of-its-Kind Major Technical Equipment in Jiangsu Province. The “Handler” brand is recognized as a Jiangsu Provincial Famous Brand.

Shanghai Grumman International Fire Equipment Co., Ltd., a wholly-owned subsidiary, boasts a century-long legacy as the birthplace of China's fire truck industry. It has pioneered countless industry-first innovations, including China's first fire truck, first fire pump, first fire extinguishing agent, and first portable pump engine. As a key player in China's fire truck industry, Shanghai Grumman offers a comprehensive portfolio encompassing tank-type, special-type, aerial-lift, and firefighting robotic solutions. Adhering to a “military-first, civil-military integration” strategy, Shanghai Grumman's military equipment demonstrates strong market competitiveness.

The Company's emergency power generation vehicles, bypass live-line operation vehicles, fire trucks, firefighting robots, and decontamination vehicles have been instrumental in ensuring power security at major events such as the Shanghai Cooperation Organization Summit, National Day Military Parade, G20 Summit, Winter Olympics, World University Games, Asian Games, and Asian Winter Games. They have also played a critical role in emergency rescue efforts following the Zhengzhou Flood on July 20 (2021), Sichuan Power Supply Assurance Operations (2022), the Tianjin Port Explosion on August 12 (2015), the Xiangshui Chemical Plant Explosion on March 12 (2019), and the Shigatse Dingri County 6.8-Magnitude Earthquake (2025).

Driven by a business model that prioritizes “R&D innovation as the cornerstone, differentiated design and customization as the core, flexible manufacturing as the support, and refined services as the guarantee”, and guided by a “technology-driven differentiation” strategy, the Company pursues development through innovation and efficiency through technology. With a talented R&D team and advanced research laboratories, the Company is dedicated to overcoming key core technologies, promoting the localization of high-end core components, accelerating high-level scientific and technological self-reliance, and securing a leading position in the industrial and value chains. The Company focuses on developing specialized robots, intelligent monitoring and command systems, and intelligent operation support systems for a wide range of applications, including flood control and drainage, anti-explosion and firefighting, emergency power supply, and fire rescue, contributing to society and benefiting the people through technological innovation. Moreover, the Company actively participates in emergency response efforts by repeatedly dispatching service personnel and maintaining a dedicated emergency rescue team, demonstrating a strong commitment to social responsibility.



Corporate Culture

Our Vision



- Take the lead in professional achievements, and honestly create social well-being.
- We are committed to the intelligent equipment manufacturing to strive to be industry expert and pioneer. We are engaged in all activities in good faith to be the creator of social well-being.

Our Spirit



- Integrity, Innovation, Faster and Stronger!

Our Mission



- To make aerial work safer, more comfortable, and swifter.
- To make emergency rescues safer, smarter, and more efficient.

Our Values

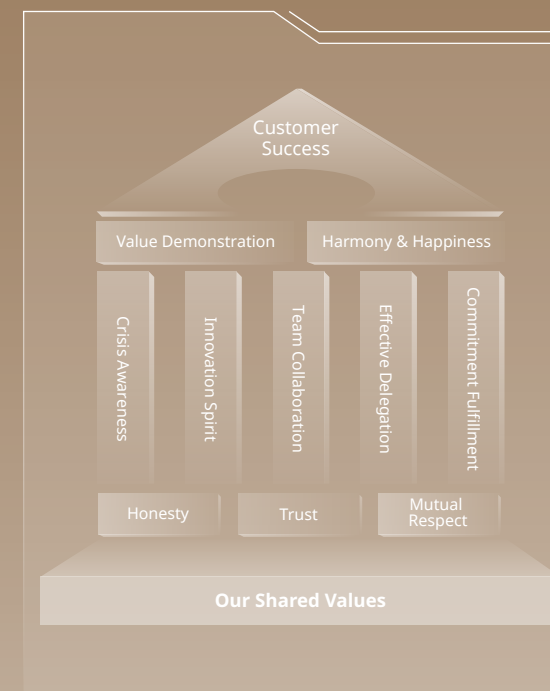


- We adhere to the business philosophy of "customer's success as our mission".
- We advocate the style of "honest man, and earnest work".
- "Honesty, trust, and mutual respect" are the foundation for all our activities.
- "Crisis awareness, innovative spirit, teamwork, good at authorization and commitment" are the backbones for our career success.
- "Value embodiment" and "harmony" are the pillars for our success.
- "Customer success" is the goal of our struggle.

Our Development Strategy



- We remain at the forefront of global technological advancements, leading domestic industry trends through innovation. We are committed to delivering premium products and services that empower our customers to achieve success and satisfaction.
- We actively expand our presence in both domestic and international markets, specializing in providing cutting-edge specialized vehicle solutions. By leveraging advanced technologies to transform traditional industries, we drive sector-wide progress through continuous technical progress.
- We are dedicated to cultivating an exemplary workplace, promoting employee growth, and fostering a corporate culture rooted in trust, respect, and harmony.



Annual Honors and Awards

XUZHOU HANDLER SPECIAL VEHICLE CO., LTD.

- Included in the
“2024 List of Typical Cases for Application and
Promotion of Safety and Emergency Equipment”
General Office of the Ministry of Industry and
Information Technology of the People's Republic of China
- Jiangsu Provincial Specialized and Sophisticated SME
Jiangsu Provincial Department of Industry
and Information Technology
- Jiangsu Provincial May 1 Labor Award
Jiangsu Provincial Trade Union Council
- AAA Credit-Rated Enterprise
Jiangsu Global Credit Rating Co., Ltd.
- Elected as Vice Chairman Unit of the China
Safety Industry Association
China Safety Industry Association

SHANGHAI GRUMMAN INTERNATIONAL FIRE EQUIPMENT CO., LTD.

- Included in the 2024 (First Batch) Shanghai
Innovative Product Recommendation Catalog
Shanghai Municipal Commission of
Economy and Informatization
- Champion of a Single Product of the Shanghai
Manufacturing Industry of 2024
Shanghai Municipal Commission of
Economy and Informatization
- 2024 Songjiang District Service-Oriented
Seed Enterprise
Shanghai Songjiang District Economy Commission
- Certificate of Demonstration Enterprise for
Patent Work in Shanghai
Shanghai Intellectual Property Office
- Specialized and Sophisticated SME
Shanghai Municipal Commission of Economy and Informatization
- 2024 Certificate of “Philanthropic Enterprise in
Agricultural Assistance”
Shanghai Songjiang District Civilian Volunteers Public
Service Development Center




Environmental

Embracing Green Principles to Protect Ecosystems


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SDGs addressed in this chapter


6 CLEAN WATER AND SANITATION




7 AFFORDABLE AND CLEAN ENERGY



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION





Climate Change Response

Handler is proactively aligning with China’s “Dual Carbon” targets (achieving carbon peaking and carbon neutrality), embedding this commitment deeply within its corporate development strategy to drive concrete progress towards these goals. Recognizing the multifaceted impacts of climate change on its assets, supply chain, trade, and logistics operations, the Company diligently assesses associated risks and opportunities. This forward-thinking approach informs the development of robust mitigation and adaptation strategies, ensuring operational resilience and enabling sustainable development in a complex and evolving world.

Climate Risks and Opportunities

Handler closely monitors climate-related impacts, continuously enhancing its capacity to assess and mitigate risks. The Company guides its subsidiaries in developing tailored strategies to bolster climate resilience and ensure business continuity.

Type	Climate-related risk description	Financial impact	Countermeasure
Physical risks	Acute risks		
	The increasing frequency and intensity of extreme weather events, such as typhoons and floods, pose a significant threat to our facilities, equipment, and infrastructure, potentially resulting in asset damage, data loss, and heightened safety risks for employees. These disruptions can lead to equipment malfunctions, service interruptions, and major operational breakdowns, thereby impacting business continuity and causing direct or indirect financial losses. Furthermore, extreme heatwaves may induce electricity supply shortages, disrupting energy-intensive operations and leading to revenue declines.	Indirect cost escalation ① Direct revenue decline ② Fixed asset value depreciation ③	<ul style="list-style-type: none">Establish a robust emergency management system.Refine contingency plans and conduct regular drills to enhance crisis response capabilities.
	Chronic risks		
	Rising temperatures may escalate demand for refrigeration equipment and amplify maintenance costs, driving up operational expenditures. Water scarcity could heighten expenditures through alternative water procurement, inflating business expenses.	Direct/Indirect cost escalation ① Direct revenue decline ②	<ul style="list-style-type: none">Upgrade energy-efficient equipment, optimize cooling technologies, and adopt digital management for systemic energy and carbon reduction.Promote water-saving initiatives and implement integrated water management.

Type	Climate-related risk description	Financial impact	Countermeasure
Transition risks	Policy and legal risks		
	Amid recent energy conservation, emissions reduction, and carbon emission trading regulations, stricter carbon compliance oversight on corporate facilities could mandate the purchase of carbon emission allowances, triggering operational cost escalation.	Direct cost escalation ①	<ul style="list-style-type: none">Closely monitor evolving policies and regulations related to the “Dual Carbon” targets, comprehensively implement our carbon reduction action plan, accelerate research and development in low-carbon technologies, and proactively our position within the green and low-carbon sectors.
	Market risks		
	Climate change trends may impact product market access, leading to shifts in customer purchasing preferences and new requirements such as stringent carbon footprint compliance. Failure to meet market demand for green and low-carbon products could diminish competitiveness and sales. Additionally, volatility in raw material and energy prices may escalate operational costs.	Direct cost escalation ① Direct revenue decline ②	<ul style="list-style-type: none">Strengthen monitoring of evolving carbon footprint regulations.Implement product carbon footprint management and certification programs, and develop zero-carbon demonstration projects.Intensify lean management-driven efficiency enhancement initiatives to achieve substantial and effective improvements in operational profitability.
	Technological risks		
	Amid the continuous advancement of energy-saving equipment and technologies, traditional high-energy-consuming equipment faces an inevitable upgrade-and-replacement trend. Consequently, the Company may incur increased capital expenditures due to the introduction of new energy-efficient devices, adoption of energy-saving and emission-reduction technologies, or optimization of process systems. Additionally, R&D expenditures on innovative new energy products and alternative technologies are also projected to rise.	Indirect cost escalation ①	<ul style="list-style-type: none">Develop energy-saving and carbon-reduction technologies to advance clean energy equipment.Accelerate energy structure transformation by implementing energy efficiency retrofits and driving green industrial transition.
Reputational risks	Reputational risks		
	As stakeholders increasingly expect companies to proactively address climate change and enhance disclosure transparency in line with “Dual Carbon” targets and carbon neutrality policies, insufficient progress in emission reduction efforts may lead to reputational damage due to unmet environmental responsibility expectations.	Indirect cost escalation ① Direct revenue decline ②	<ul style="list-style-type: none">Prioritize ESG initiatives to strengthen our brand as a leader in sustainable development.Proactively engage stakeholders, identify and update material ESG issues, and integrate these priorities into our corporate strategy.Ensure timely, transparent, and equitable information disclosure in compliance with all applicable laws and regulations.

Type	Climate-related opportunity description	Financial impact	Countermeasure
Resource efficiency	Improving energy efficiency contributes to reducing operational costs in the production process for enterprises.	Direct cost decline ①	<ul style="list-style-type: none">● Upgrade energy-efficient equipment and implement energy-saving technological retrofit projects to enhance energy efficiency.● Optimize management systems while promoting high-efficiency resource utilization.
Energy substitution	Increasing the proportion of clean energy can reduce energy consumption costs; optimizing production processes and upgrading equipment can reduce greenhouse gas emissions, thereby reducing sensitivity to changes in carbon emission costs.	Direct cost decline ① Direct revenue escalation ①	<ul style="list-style-type: none">● Promote the application of solar energy and other clean energy sources to drive the advancement and adoption of clean technologies.● Adopt innovative production processes and new equipment to reduce energy consumption.
Market and products	Against the backdrop of the low-carbon economic transition, the growing consumer preference for low-carbon products is driving demand growth for green low-emission alternatives, thereby unlocking revenue growth potential for companies offering vehicles with eco-friendly attributes. Additionally, developing new energy products may qualify businesses for government incentives and rewards.	Direct revenue escalation ①	<ul style="list-style-type: none">● Promote the green and low-carbon development of the transportation industry, and actively develop new energy-powered vehicles.● Strengthen and expand strategic emerging industries in the green and low-carbon sector.

Handler’s Climate Opportunity Identification and Response Framework



Green Actions and Initiatives

Product Carbon Footprint Certification

In response to the pressing global challenges of climate change and resource scarcity, carbon footprint certification has emerged as a crucial metric for assessing corporate green performance. It not only enables businesses to optimize their industrial chains and establish environmentally sound logistics and supply chain systems, but also fosters the growth of low-carbon industries and economies, thereby enhancing their competitiveness in the international marketplace. Aligned with China’s carbon peaking and carbon neutrality strategies, the Company achieved carbon footprint certification for its “GKS28 Aerial Work Platform” during the Reporting Period. This accomplishment quantifies and provides transparency into the product’s carbon footprint data, significantly bolstering its environmental credentials.

Green Technologies

The Company champions technological innovation as its core driver, integrating green development principles into every facet of R&D and product design. Through pioneering green technologies and products, we strive to create lasting value for society.



Rooftop distributed photovoltaic

Rooftop distributed photovoltaic (PV) systems convert solar energy directly into electricity and are typically installed on building rooftops. These decentralized power generation systems offer several advantages, including lower power output, minimal pollution, and significant environmental benefits.

As of the end of the Reporting Period, the Company had installed PV panels on its joint workshops and finishing facilities, boasting a total installed capacity of 3.88 MW. These systems generated approximately 1,000,000 kWh of solar power during the year.

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Rooftop Distributed Photovoltaic



Handler’s Online Power Monitoring Platform – PV Generation Monitoring



Powder electrostatic spraying process

The Company's coating line utilizes a domestically leading powder electrostatic spraying technology, which offers critical advantages: Zero volatile organic compound (VOC) emissions, eliminating atmospheric organic waste pollution; No water consumption as a process material, avoiding secondary solid waste treatment – conserving non-renewable water while preventing waste reprocessing; 100% recyclable powder materials, reducing raw material waste and lowering production costs through closed-loop resource utilization.

In 2024,

the Company used an average of

1.4 tons of powder coating per month

totaling

17 tons for the year

effectively replacing approximately

51 tons of traditional paint

Green Products

The Company actively develops green products, optimizing environmental performance throughout their lifecycle through innovative technology R&D. This provides a green impetus for sustainable industry development.



Case | Aerial tethered UAV fire truck

In firefighting technology innovation, the use of compressed air foam system (CAFS) by aerial tethered UAV fire truck represents a significant advancement in fire suppression media. Equipped with a highly integrated and intelligent CAFS, these fire trucks developed by Shanghai Grumman enable rapid response and can be deployed in under 5 minutes. Compared to traditional methods, they boost firefighting efficiency by 3-5 times and reduce water consumption by over 50%.



Shanghai Grumman's Aerial Tethered UAV Fire Truck Testing



Case | Compressed air foam fire truck

Shanghai Grumman's compressed air foam fire truck utilizes an intelligent control system to monitor flow and pressure parameters in real time, precisely regulating the foam-to-air mixture ratio. This technology achieves a 75% reduction in water usage compared to conventional systems. Furthermore, the system significantly enhances firefighting efficiency and reduces the consumption of foam concentrate. When equipped with a multi-agent fire suppression system, the fire truck can achieve "waterless firefighting" through the optimal mixing of dry powder and high-pressure nitrogen.



Case | Liquid nitrogen fire truck

Developed in collaboration with Sinopec Institute of Safety Engineering, Shanghai Grumman's liquid nitrogen fire truck utilizes cutting-edge liquid nitrogen-foam mixed foaming technology, positioning it as a global leader in firefighting innovation. Compared to conventional foam fire trucks, the liquid nitrogen fire trucks achieve more than double the firefighting efficiency while reducing foam concentrate consumption by over 40% (formulated as 6% foam concentrate + 94% water).



Case | 3RTS10&S12 face mask base material thermoplastic reformulation

Handler transitioned from a thermosetting Sheet Molding Compound (SMC) front mask assembly to a thermoplastic PA66 mask, moving from a non-recyclable thermoset material to a recyclable thermoplastic. This reformulation further reduced waste generation during component production, increasing the product's recyclability rate from 74% to 79% and achieving compliance with the recyclability standard (> 75%).



3RTS10 & S12 Face Mask Base Material Thermoplastic Reformulation

Indicators	Unit	2024
Carbon emissions	tCO ₂ e	113
Carbon emission intensity	tCO ₂ e/RMB million revenue	0.071

Handler's Carbon Emission Profile

Environmental Compliance Management

Environmental compliance management is a cornerstone of Handler's green development philosophy. Handler is committed to national environmental policies, strictly adhering to environmental protection laws, regulations, and related requirements. We continually improve our environmental management system to ensure the effective implementation of safety and environmental protection policies. The Company proactively manages environmental risks at the source, continuously enhances its environmental management capabilities, and scientifically coordinates environmental protection efforts across its operations. We are dedicated to fulfilling our environmental responsibilities.

Environmental Governance

Environmental Management Structure

Handler's Integrated Management Department undertakes the core responsibilities of environmental management, ensuring that production lines rigorously adhere to the Company's environmental policies and regulations. This structure clarifies and standardizes environmental protection responsibilities at all levels, ensuring the efficient promotion and orderly implementation of environmental management work.

Environmental Management System

Handler strictly complies with laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Environmental Impact Assessment*, ensuring that all business activities and production processes fully meet local environmental regulations and industry standards. We are steadfast in fulfilling our corporate environmental responsibilities. The Company has formulated and implemented a series of management documents, including the *Environmental Factor Identification, Evaluation and Control Procedures* and the *Environmental and Occupational Health and Safety Performance Monitoring Control Procedures*, which specify detailed environmental protection requirements and standards. These emphasize pollution control at the source, promoting cleaner production and full-process pollution control. In addition, the Company has established an environmental protection target accountability system and regularly conducts environmental supervision and assessments to ensure the effective implementation and continuous improvement of environmental measures.

Environmental Management System Certification

Handler is committed to advancing the certification of its environmental management system to ensure compliance and efficient operation, guaranteeing that business activities meet relevant environmental standards. As of the end of the Reporting Period, the Company has obtained the ISO 14001 Environmental Management System Certification.



Handler's ISO 14001 Environmental Management System Certification

The Company is actively promoting the creation of a "Green Factory" as a key initiative to implement its sustainability strategy. To this end, we have developed a comprehensive and systematic green factory training plan to enhance all employees' understanding and practical capabilities regarding green manufacturing concepts. Training programs include in-depth interpretations of green development policies, familiarizing employees with national and local guidelines, regulations, and incentives in this area. This training lays a robust foundation for the construction of our Green Factory and supports the Company's steady progress toward sustainable development.



Handler's "Green Factory" Creation Training

Environmental Risk Identification and Management

The Company places a high priority on environmental risk identification and management, standardizing procedures for the identification, evaluation, and control of environmental risks through the *Environmental Factor Identification, Evaluation, and Control Procedures*. Integrating environmental risk assessments into all phases of project construction and operations, and considering both our operational conditions and the characteristics of the surrounding environment, we systematically identify environmental factors associated with our activities (e.g., wastewater discharge, energy consumption). This ensures adherence to environmental regulations and enables the development of preventative measures to mitigate environmental risks.

Environmental Investments



Performance Highlights

During the Reporting Period,
the Company's total investment in environmental
protection amounted to RMB

1,534,100

Substantial environmental funding is essential for the Company to effectively implement its environmental initiatives. In recent years, the Company has actively undertaken several key environmental projects, necessitating substantial capital investment to facilitate the successful construction of environmental facilities, procurement and installation of advanced equipment, and R&D of related technologies. The progressive completion of these high-investment projects has not only substantially enhanced our environmental capabilities through improved infrastructure but has also established a solid foundation for ongoing environmental operations.

Environmental Training

Handler prioritizes enhancing employees' environmental awareness and practical skills and continuously conducts systematic environmental training to reinforce their theoretical knowledge, build professional competence in environmental protection, and integrate environmental awareness into the corporate culture.

During the Reporting Period, the Company sponsored designated personnel to participate in over ten environmental knowledge training sessions organized by local governments. In addition, we conducted two internal environmental training sessions for 60 participants, covering departments and teams involved in hazardous waste generation, such as the Painting Workshop and FRP Workshop, with each session lasting eight hours. Through this training, employees improve their ability to effectively minimize hazardous waste generation in their daily work and implement appropriate handling procedures.



Environmental Protection Training

Pollution Prevention and Ecological Protection

Handler views the management of pollutant emissions as a critical responsibility, upholding a philosophy of ecological protection and adhering strictly to national laws, regulations, and emission standards to rigorously control exhaust gases, wastewater, and waste. The Company continuously optimizes its pollution prevention and management mechanisms, promotes comprehensive governance of waste gas, wastewater, and solid waste, enhances environmental protection measures, and strives to achieve green production and sustainable development.

Waste Gas Emission Reduction

Handler strictly adheres to laws and regulations such as the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Integrated Emission Standard of Air Pollutants (GB16297-1996)*, and the *Standard for Fugitive Emission of Volatile Organic Compounds (GB37822-2019)*. The Company has also formulated internal management systems such as the *Atmospheric Pollution Management Regulations*, which define requirements for pollution prevention equipment management, VOC governance, and pollutant monitoring.

Waste Gas Detection System

Handler actively collaborates with third-party online emission monitoring service providers to ensure the proper and effective daily testing of exhaust gas emissions and to maintain the stable operation of online monitoring equipment. This ensures that emission data complies with all regulatory standards.

监测点名称	监测因子	监测单位	监测值	标准值	超标倍数
1#炉窑出口	SO ₂	mg/m ³	15.2	100	0.152
1#炉窑出口	NO _x	mg/m ³	45.8	100	0.458
1#炉窑出口	CO	mg/m ³	12.5	100	0.125
1#炉窑出口	VOCs	mg/m ³	8.7	100	0.087
2#炉窑出口	SO ₂	mg/m ³	18.9	100	0.189
2#炉窑出口	NO _x	mg/m ³	52.1	100	0.521
2#炉窑出口	CO	mg/m ³	15.3	100	0.153
2#炉窑出口	VOCs	mg/m ³	9.4	100	0.094

Handler Continuous Emission Monitoring System (CEMS) for Atmospheric Pollutants

Waste Gas Emission Reduction Measures

The primary air pollutants generated during the Company's production processes include sulfur dioxide (SO₂), nitrogen oxides (NO_x), volatile organic compounds (VOCs), and particulate matter (smoke and dust). The Company continuously strengthens its waste gas treatment efforts to reduce emissions from production operations. By deploying standardized waste gas collection and treatment equipment, implementing comprehensive monitoring plans, and adopting advanced emission control technologies, we achieve comprehensive control over waste gas emissions and enhance overall treatment efficiency.



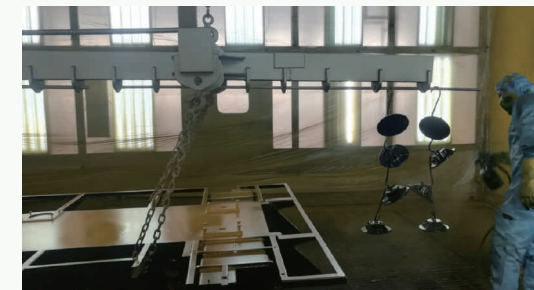
Painting Workshop Equipped with VOCs Collection and Treatment Systems



Centralized Welding Fume Collection and Treatment Equipment

Case | Paint-to-powder Conversion Emission Reduction Project

To reduce VOC emissions, the Company actively promotes process design optimization, aiming for both reduction and substitution of traditional materials. In component painting, powder coatings have replaced traditional paints, with a powder recycling rate exceeding 90%. This significantly reduces VOC emissions and minimizes hazardous waste generation.



Before Improvement



After Improvement

Case | Electrophoretic Coating Conversion Project for Cargo Compartment Skin Panels

Handler has upgraded the coating process for cargo compartment skin panels, transitioning from a traditional spray-painting method to electrophoretic coating. The original process involved degreasing, oil removal, and epoxy primer spraying, which generated significant VOC emissions and paint waste. Now, the Company utilizes pre-coated, electrophoretically treated substrates, significantly reducing the need for epoxy primer spraying and eliminating degreasing and polishing of bare metal sheets, thereby resulting in a substantial decrease in VOC emissions.



Before Improvement



After Improvement

Indicators	Unit	2024
Nitrogen oxides (NOx)	Ton	0.58
Sulfur dioxide (SO ₂)	Ton	0.144
Particulate matter	Ton	0.324
Volatile organic compounds (VOCs)	Ton	0.237

Handler's Waste Gas Emission Profile

Wastewater Treatment

The Company strictly complies with laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China* and the *Integrated Wastewater Discharge Standard (GB8978-1996)*. Furthermore, we have established the *Wastewater Treatment Management Regulations* to standardize the design of drainage and sewage facilities, wastewater treatment equipment, and wastewater discharge methods.

The Company’s wastewater primarily originates from domestic sewage generated within the facility, with primary pollutants including chemical oxygen demand (COD), ammonia nitrogen (NH₃-N), suspended solids (SS), and oil and grease.

●● Drainage System Management

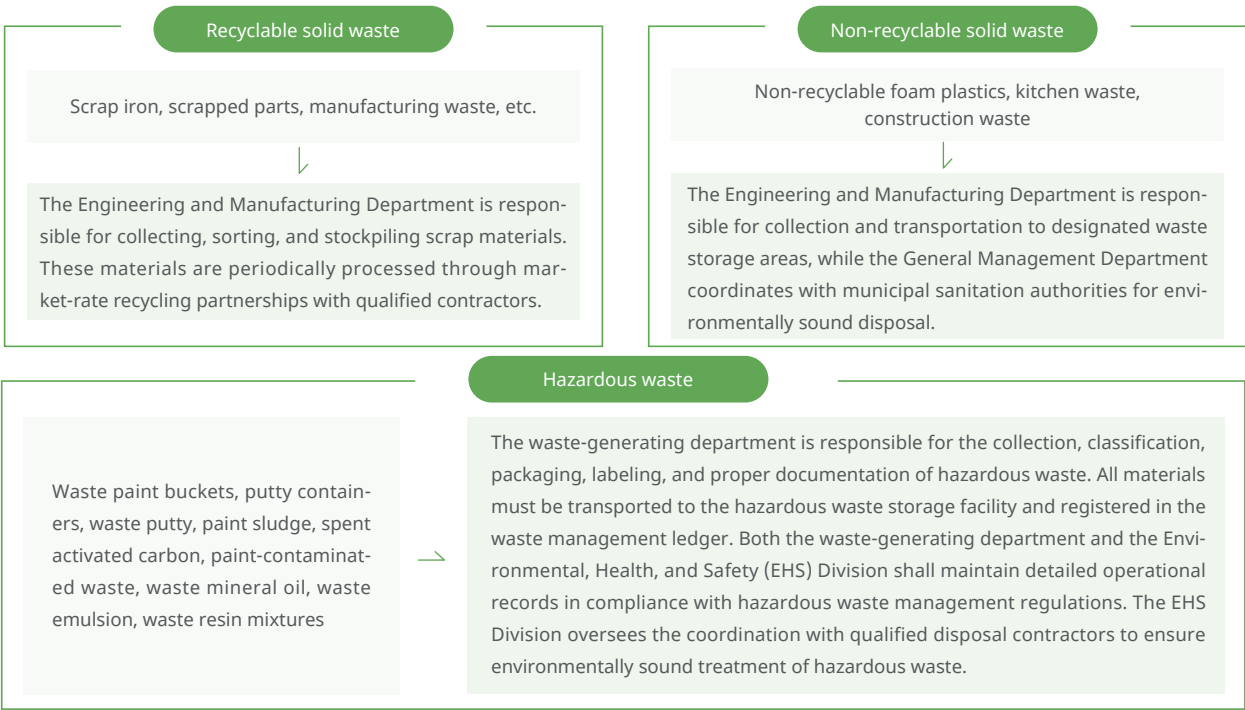
Handler adopts an eco-friendly principle in its plant drainage system design, implementing a segregated storm sewer separation system. Rainwater is directly discharged into the municipal storm drainage system through dedicated pipelines, preventing mixing with sewage to reduce wastewater treatment plant (WWTP) loading and promoting rainwater recycling. In domestic wastewater management, canteen effluent undergoes pre-treatment in an oil-water separator to remove oil and grease, and suspended solids, before being discharged into septic tanks along with other domestic wastewater for biological treatment. Septic tanks utilize anaerobic microorganisms to decompose organic matter, effectively reducing pollutant concentrations. Finally, the treated and compliant wastewater is conveyed to specialized wastewater treatment plants for centralized processing. This drainage and wastewater treatment model ensures compliant effluent discharge, effectively mitigating adverse environmental impacts.

Indicators	Unit	2024
Wastewater indicators		
Total wastewater discharge	Ton	11,500
Biochemical indicators for sewage		
Ammonia nitrogen	Ton	0.18
Chemical oxygen demand (COD)	Ton	2.22
Biochemical oxygen demand (BOD)	Ton	1.1
Total phosphorus (TP)	Ton	0.024
Suspended solids (SS)	Ton	0.367

Handler’s Biochemical Indicators for Wastewater and Sewage

Waste Management

The Company strictly adheres to laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and the *Standard for Pollution Control on Hazardous Waste Storage (GB 18597-2023)*. Furthermore, we have established the *Waste Classification Management Regulations* to implement classified management of solid waste and standardize disposal procedures. The Company establishes a target management system through institutional development, source reduction, classified storage, resource recycling, environmentally sound disposal, and public awareness campaigns to promote the implementation of improvement measures.



Handler’s Waste Classification and Management Measures Overview

Indicators	Unit	2024
Total hazardous waste generated	Ton	119.42
Total hazardous waste disposed	Ton	121.40
Hazardous waste discharge intensity	Ton/RMB million revenue	0.075
Total non-hazardous waste generated	Ton	976.70
Total non-hazardous waste disposed	Ton	976.70
Non-hazardous waste discharge intensity	Ton/RMB million revenue	0.614

Handler’s Waste Generation and Disposal Profile

Ecological Protection

Handler recognizes ecological conservation as a core tenet of corporate sustainability. Through innovative practices and enhanced management, we are committed to implementing biodiversity protection measures, promoting the conservation of biological diversity, fostering the integration of green manufacturing and ecological protection, and achieving harmonious coexistence between economic growth and the natural environment.

Resource Utilization Optimization

Handler consistently implements the principles of resource optimization and the circular economy in its daily operations. By enhancing resource utilization efficiency, continuously improving energy and water management, and actively exploring process innovation, technological advancements, and management upgrades, the Company strives to maximize resource efficiency, minimize waste, and enhance overall resource productivity.

Energy Management

Handler strictly adheres to laws and regulations such as the *Energy Conservation Law of the People's Republic of China* and the *Measures for the Administration of Energy Conservation of Major Energy-Consuming Entities*. The Company has established and implemented the *Rational Energy Use Management System* while consistently following the principle of integrating conservation with efficiency, continuously strengthening its energy management framework, and adopting multiple energy-saving measures to enhance resource efficiency.

Workshop lighting improvement

- The installation of high-transmittance skylight systems on workshop rooftops optimizes natural daylight utilization, effectively reducing daytime artificial lighting energy consumption.
- Annual electricity savings: approximately 10,000 kWh



Air compressor retrofit

- The adoption of variable-frequency air compressors to replace existing fixed-frequency units enhances compressed air supply efficiency while reducing overall electricity consumption.
- Monthly electricity savings: approximately 6,000 kWh, yearly electricity savings: 72,000 kWh



Pneumatic pipeline inspection

- Through production line inspection and rectification of identified leakage points, compressed air supply loss caused by leaks has been minimized, thereby reducing the energy consumption of the air compression system.
- Annual electricity savings: approximately 3,000 kWh



Intelligent energy management

- The Company will launch the construction of an Intelligent Energy Management Platform (IEMP) to monitor and record real-time consumption data of water, electricity, and gas. By aggregating operational data, the system will generate comparative performance reports to identify optimization opportunities. Furthermore, variable frequency logic control (VFLC) mechanisms will be implemented to reduce energy consumption costs.
- The platform is expected to be completed in 2025, with projected annual energy savings reaching 10,000 kWh.



Handler's Energy Optimization Management Measures

Indicators	Unit	2024
Gasoline	Ton	17.25
Diesel	Ton	224.40
Natural gas	Standard cubic meter	386,934
Purchased electricity	MWh	4,035.59
Total energy consumption	tce	1,105.14
Energy consumption intensity	tce/RMB million revenue	0.694

Handler's Energy Consumption Profile

Water Management

Handler strictly complies with laws and regulations such as the *Water Law of the People's Republic of China*, rationally allocates water resources, and optimizes water usage structures. The Company has formulated and implemented the *Water Conservation Management System* to strengthen water management, actively promote wastewater recycling, treatment, and reuse, reduce water pollution and waste, and effectively improve water resource utilization efficiency.

Upholding the management philosophy of “water conservation, rational use, and efficient utilization”, the Company adheres to the principles of resource conservation and recycling. All water-related testing facilities are designed and constructed with a focus on circular reuse. Additionally, the Company actively carries out water conservation awareness campaigns to enhance employees’ water-saving awareness and eliminate water waste.





Case | Implementing reuse of recycled water in product testing areas

Handler has established specialized facilities, including drainage vehicle test pools and rain simulation test benches, in its product testing zones. The water utilized during the commissioning process is filtered through the circulating water reservoir for reuse, with periodic make-up water replenishment to the reservoir. In 2024, a total of 396 van trucks were subjected to 30-minute water spray tests per testing requirements. Based on pump flow rate calculations, the average water consumption per vehicle was 67.5 cubic meters, resulting in a theoretical annual water usage of 16,730 tons. Accounting for a 10% loss rate, the annual water savings amount to approximately 15,093 tons.



Rain Simulation Test Bench



Drainage Vehicle Water Pump Testing Bench

Indicators	Unit	2024
Water consumption	Ton	45,683
Circulating water consumption	Ton	16,730
Water consumption intensity	Ton/RMB million revenue	28.71
Annual water conservation rate	%	9.58



Recycling

Handler rigorously implements circular economy principles across its operations, including material management, manufacturing, packaging, and transportation. The Company's primary raw materials include steel, aluminum, electrical components, and hydraulic parts. Production processes encompass cutting, bending, welding, and machining. Throughout the production process, raw materials do not undergo chemical changes. Consequently, with the exception of a limited number of components like plastics and sliders, the vast majority of parts can be recycled after reaching the end of their initial use. Furthermore, the Company has developed the *Guidelines for Product Disassembly, Recycling, and Reuse* to standardize material recycling practices.



Case | Recycling process for tooling

Brackets, used as carriers for transporting Type-A outriggers, are widely used both internally and externally. To ensure the safe transport of Type-A outriggers, the Company has implemented a closed-loop tooling recycling process. Products are stored and transported through the use of material codes and QR codes, which are delivered directly to assembly sites upon arrival. After components are unloaded, the shelves are re-stacked, collected, and reused for subsequent deliveries. This approach not only avoids the waste of stacking space but also improves the efficiency of material turnover.



Recycling of Brackets in Production Processes



Case | Recycling of aerial work vehicle superstructures

Handler's aerial work vehicle superstructures are stored and transported on reusable shelves. Upon arrival, the goods are directly delivered to the workshop. After disassembling the superstructures, the racks are returned for reuse in subsequent deliveries, effectively reducing tooling fabrication costs.



Recycling of Aerial Work Vehicle Superstructures

Social

Uniting Stakeholders for
Collective Progress

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SDGs addressed in this chapter

3GOOD HEALTH
AND WELL-BEING

5GENDER
EQUALITY

8DECENT WORK AND
ECONOMIC GROWTH

9INDUSTRY, INNOVATION
AND INFRASTRUCTURE

12RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Rural Revitalization and Social Contributions

Handler actively aligns with laws such as the *Law of the People's Republic of China on the Promotion of Revitalization of Rural Areas* and the *Law of the People's Republic of China on Donations for Public Welfare*, fulfilling its social responsibilities as a listed company in the rural revitalization strategy through targeted emergency equipment donations and a nationwide emergency service network. In 2024, the Company's rural revitalization efforts reached 69 grassroots areas across 25 provinces and municipalities, with a focus on strengthening rural public safety and infrastructure resilience.

Targeted Donation Mechanism

To address the shortage of fire equipment in remote regions, the Company established a closed-loop mechanism of "Needs Identification - Targeted Donation - Efficacy Verification", specifically addressing gaps in rural emergency equipment.

In July 2024, Shanghai Grumman, a subsidiary of Handler, donated a PM180 foam fire truck valued at RMB1.1 million to the Leibo County Fire and Rescue Brigade in Sichuan Province. This donation enhanced local emergency firefighting capabilities, safeguarded lives and property, and significantly strengthened the county's fire emergency response capacity.

Nationwide Emergency Service Network

The Company has established a service network integrating preventive maintenance and emergency response capabilities. Its emergency power generation vehicles, bypass operation vehicles, and other specialized products have been widely deployed in numerous emergency incidents and preventive power supply operations, participating in various emergency rescue missions.

In 2024, the Company achieved the following:



Preventive maintenance

Completed

621 power

equipment inspections across 6 provinces, including Gansu and Jiangxi

achieving

100 %

coverage of key support areas



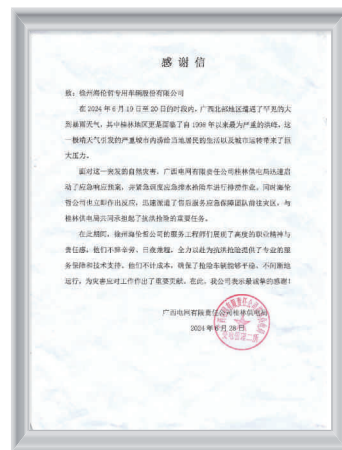
Emergency response

Executed

127

specialized power protection missions

including Emergency drainage equipment support for flood relief efforts with the Guilin Power Supply Company (Guangxi Province); Emergency power vehicle support for flood drainage in Tuanzhou Township, Huarong County (Hunan Province); Power vehicle support for peak load reduction in Chongqing Municipality; On-site emergency power generation vehicle support for disaster relief during Super Typhoon Yagi in Hainan Province.



Innovation-Driven Development and Technology Ethics

Handler continues to prioritize innovation as the core engine for high-quality development, adhering to a "technology-driven differentiation" strategy and deeply integrating technology ethics into research and development, product iteration, and industrial upgrading. By fostering new quality productive forces through innovative momentum, the Company drives the sustainable development of the industry with a strong sense of responsibility. In 2024, the Company achieved significant breakthroughs in high-end core technology research by deepening industry-academia-research collaboration, strengthening its intellectual property (IP) portfolio, and optimizing talent development mechanisms. Furthermore, we integrated ethical considerations, such as safety, reliability, and social value, throughout the entire value chain, from research and development to production and service delivery, ensuring an organic alignment between technological innovation and societal benefits.

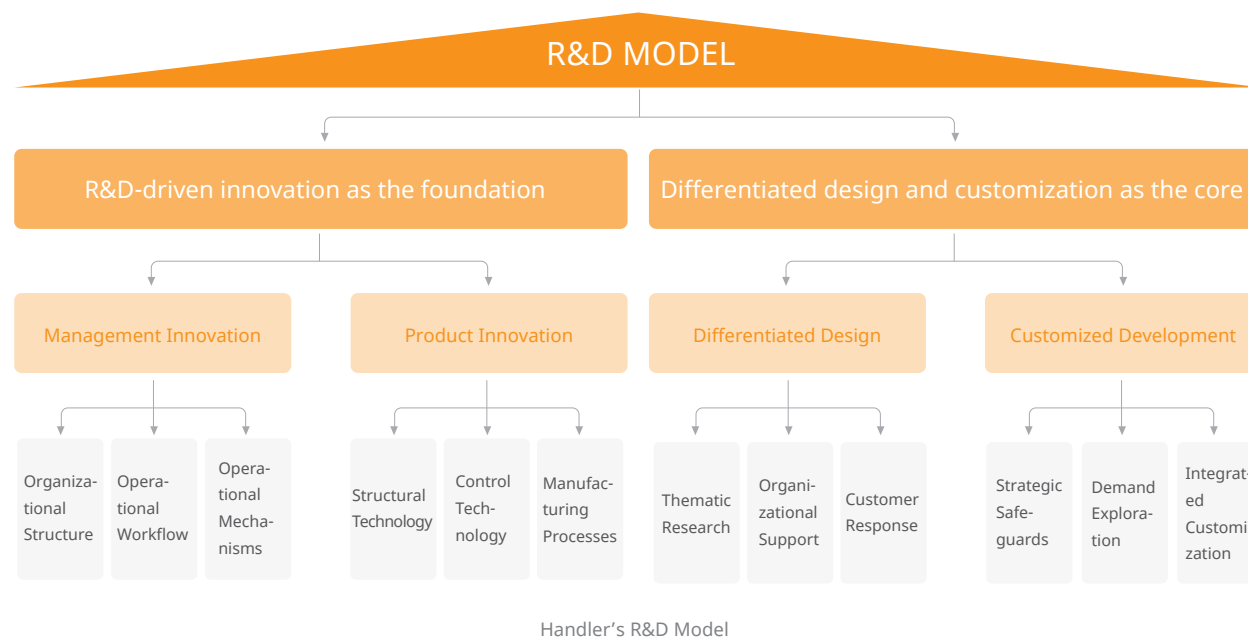
Innovation-Driven Development

As a national high-tech enterprise, Handler actively implements national industrial and economic policies with a clear development strategy. The Company adheres to a business model that prioritizes "R&D innovation as the cornerstone, differentiated design and customization as the core, flexible manufacturing as the support, and refined services as the guarantee", focusing on the development of specialized high-end intelligent equipment manufacturing. Driven by both solidifying its domestic market position and expanding its international presence, we are deeply committed to the intelligent equipment manufacturing sectors of special vehicles, specialized robots, and the military industry.

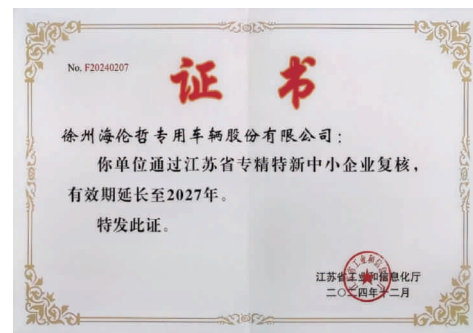


Handler focuses on three core business areas to build a differentiated innovation ecosystem.

The Company strictly adheres to laws and regulations such as the *Law of the People's Republic of China on Scientific and Technological Progress* and the "technology-driven differentiation" development strategy. We have achieved certification for our R&D management system in accordance with DB32/T2771-2015 *Enterprise R & D Management System Requirements*. Besides, we have also established design and development control procedures to improve the full-chain innovative management system from basic research to application development and commercialization of achievements. The Company has implemented a multi-dimensional collaborative management mechanism covering technology R&D, product design, and customer service. By emphasizing both technological innovation and ethical constraints, we enhance product core competitiveness and industry leadership while ensuring compliance and a commitment to social value in all R&D activities.



Handler's Certification of Compliance with DB32/T2771-2015
Enterprise R & D Management System Requirements



Handler was re-verified as a Jiangsu Provincial
Specialized and Sophisticated SME in 2024

Case

Handler's emergency drainage vehicle recognized by MIIT as a case for application and promotion of safety and emergency equipment

Handler has developed a series of emergency drainage and rescue equipment solutions, significantly increasing drainage capacity from 500 cubic meters per hour to 6,000 cubic meters per hour. This innovation provides comprehensive solutions for emergency flood control in a variety of urban environments, including roads, underpass tunnels, and underground spaces. Notably, Handler's emergency drainage vehicle was featured in the "2024 Typical Cases for Application and Promotion of Safety and Emergency Equipment" published by the Ministry of Industry and Information Technology (MIIT).



Performance Highlights

During the Reporting Period,

the Company's R&D expenditure totaled RMB

64,870,200

representing

4.08 % of its operating revenue

As of the end of the Reporting Period,

the Company employed

120 R&D personnel

representing

15.06 % of its total workforce

This included

64 mid-to-senior engineers

research-grade senior engineers

9

and

33 senior engineers

5 leaders

for Jiangsu Provincial "333 Project" discipline

5

Xuzhou Municipal Outstanding Talents

1

Xuzhou Municipal Distinguished Expert

1 Jiangsu Provincial First-Batch
Industry Professor

1 member of the National Standardization
Committee for Aerial Work Platforms

and

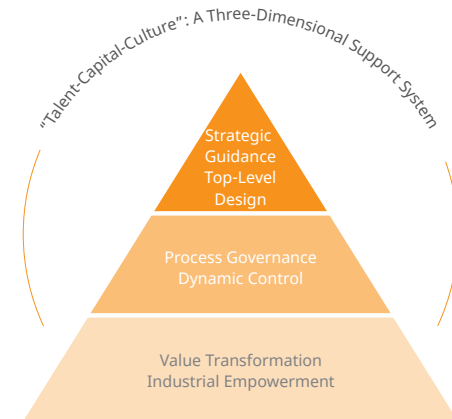
2 members of the Fire Protection Special Committee of the National Standardization Committee

The R&D team's expertise spans a wide range of disciplines, including vehicle engineering, automotive technology, construction machinery, mechanical design and manufacturing, hydraulic transmission and control, automation, computer science, information engineering, materials science, and engineering mechanics. This comprehensive and complementary knowledge base enables the development of complex, mission-critical projects with world-leading technological capabilities in the industry.

Techno-Ethical Collaborative Governance

Handler has established an innovative decision-making system guided by a “technology-driven differentiation” strategy, deeply embedding the principle of “doing and forbearing wisely”. By adhering to technology ethics in R&D, product iteration, and industrial upgrading, we harness innovation to cultivate new quality productive forces and demonstrate industry leadership through responsible practices for sustainable development.

Through an innovation-driven and techno-ethical collaborative governance mechanism centered on “strategic guidance, process governance, and value transformation”, and supported by “talent, capital, and culture”, Handler has achieved breakthroughs in core high-end technology R&D and import substitution. Additionally, the Company integrates ethical considerations—including safety, reliability, and social value—throughout the entire R&D, production, and service value chain, ensuring that innovation aligns with ethical principles of security and societal benefit.



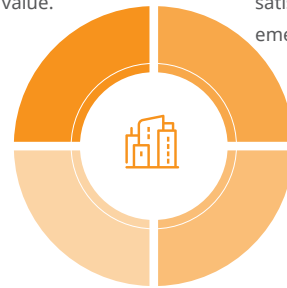
Handler's Innovation-Driven and Techno-Ethical Collaborative Governance Mechanism

Strategic guidance (top-level design)

- Establishing an innovation decision-making system under the “technology-led differentiation” strategy, fostering an industry-academia-research collaborative ecosystem, strengthening IP portfolio management, and optimizing talent recruitment and development mechanisms. This consolidates R&D foundations, achieves breakthroughs in intelligent and digital technologies, advances domestic substitution of high-end core components, and elevates product differentiation, industry leadership, and societal value.

Value transformation (industrial empowerment)

- Adhering to a product development strategy of customer extension and technology extension, we establish an agile innovation model where market demand feeds back into R&D. By co-building joint labs with key clients to deeply analyze pain points in sectors such as power and emergency response, we continuously expand our product portfolio through proactive market exploration. This enables us to deliver innovative integrated solutions that maximize customer satisfaction while driving the advancement of emergency response industries.



Process governance (dynamic control)

- Deepening product and technological innovation with a market demand orientation, precisely identifying differentiated needs in sectors such as leasing and power through industry-specific research initiatives, and enabling rapid market response via an integrated “R&D-Transformation-Application” innovation system.

Support system

- Implementing a three-dimensional framework of talent-capital-culture synergy. We recruit and cultivate top technical talent while retaining them to establish a talent pipeline, strengthen financial support through policies such as additional tax deductions for R&D expenses, and foster a culture of responsibility via initiatives such as Quality Month and ethics training programs. This establishes a sustainable development paradigm for strategic emerging industries.

Intellectual Property Management

Handler has established a dedicated IP strategy, integrating intellectual property into its risk management framework. Through systematic identification, evaluation, and corresponding control measures—supported by comprehensive and rigorous IP analytics—it mitigates prior-art risks and prevents infringement liabilities.

The Company has the Intellectual Property Management System (IPMS) certification, establishing a forward-looking, efficient, and mature R&D mechanism with a comprehensive innovation system. This has become a core driver for high-quality development. As a leading or primary participant in drafting national and industry standards for aerial work platforms and vehicles, we consistently pioneer advancements in lightweight design, extended reach, intelligent systems, and insulated live-line working technologies.

Our IP achievements are outstanding, with patent filings and grants reaching record highs:



Handler's Invention Patent Certificates (Selected)

Performance Highlights

As of the end of the Reporting Period,

the Company has been awarded
2 National Science and Technology Progress Awards (Second Class)

and
5 Provincial/Ministerial Science and Technology Progress Awards

with an active IP portfolio comprising:

333 valid patents (**126** inventions, **191** utility models, **16** designs)

40
registered software copyrights

7
PCT-authorized international patents



Case | Establishing a tiered IP training system to strengthen innovation protection capabilities

In 2024, the Company developed a tiered intellectual property training system, delivering specialized IP programs for R&D, marketing, and other key functions. With over 80 participants trained, the initiative significantly enhanced the IP competency of core employees. This system has effectively reinforced the implementation of the Company's technology-driven differentiation strategy while substantially strengthening innovation protection capabilities.

Collaborative Advancement with Industry Partners

The Company is committed to fostering an open and synergistic industrial ecosystem. By actively engaging in industry affairs, standard system development, and technological paradigm evolution, we have institutionalized corporate practices into baseline frameworks for sustainable industry development, driving consensus on responsibility and coordinated actions across the value chain.

In recent years, the Company has accelerated its strategic presence in the emergency response sector. In December 2024, the China Safety Industry Association convened its 3rd Member Congress in Xuzhou City, Jiangsu Province, where Handler was elected as a Vice Chairman Unit of the newly appointed leadership.

Standardizing Industry Practices

Through active participation in drafting national, industry, and consortium standards and technical specifications, the Company shares its expertise to establish industry benchmarks and drive technological advancement.



Handler participated in the revision of the *Mobile Elevating Work Platforms—Design, Calculations, Safety Requirements and Test Methods (GB/T 25849-2024)*



Handler participated in drafting the *Mobile Elevating Work Platforms—Operator's Controls—Actuation, Displacement, Location and Method of Operation (GB/T 43601-2024)*

Sharing Development Experience

Handler actively engages in industry associations to advocate for sector development, while sharing its experience and achievements at major industry events to foster collective progress. Key participation in 2024 included:

2024.4

Wuhan International Emergency Safety Expo



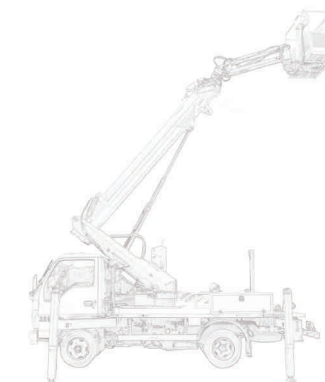
2024.6

Guangzhou International Emergency Safety Expo



2024.11

bauma CHINA (Shanghai)



2024.12

The Third Member Congress of the China Safety Industry Association and High-Quality Development Seminar on Safety and Emergency Industry



2024.11

The Fourth Session of the Fourth Member Congress of the Decoration and Aerial Work Machinery Branch of China Construction Machinery Association (CCMA) and the 2024 Annual Conference



Supply Chain Management

Handler strategically prioritizes supply chain management as a cornerstone of corporate development, recognizing that a high-performing supply chain is fundamental to its sustainable growth. Guided by a win-win philosophy, we maintain equitable partnerships with suppliers of all scales, with particular emphasis on empowering SMEs. Our approach focuses on: Establishing long-term, stable collaborations, streamlining procurement processes through digital transformation, implementing rigorous supplier evaluation and management systems, and ensuring reliable and efficient raw material supply. Handler actively conducts technical exchanges and collaborates with suppliers. Through initiatives such as organizing Supplier Annual Conferences, the Company empowers suppliers to enhance production capabilities, collaboratively building a more competitive supply chain system to provide a solid foundation for the enterprise's high-quality development.

In 2024, the Company leveraged external expertise to vigorously advance supply chain management consulting. By addressing gaps in marketing plan accuracy improvement, optimizing planning computation models, enhancing production BOM precision, resolving component quality issues promptly, strengthening supplier on-time delivery assessments, and improving supplier management capabilities, we systematically revised internal supply chain processes. This initiative focused on proactively identifying and resolving upstream challenges, implementing design finalization, cycle time improvement, safety stock management, and vendor-managed inventory (VMI). Additionally, we intensified performance evaluations for suppliers and procurement personnel, achieving significant progress in assembly complete kit rates.

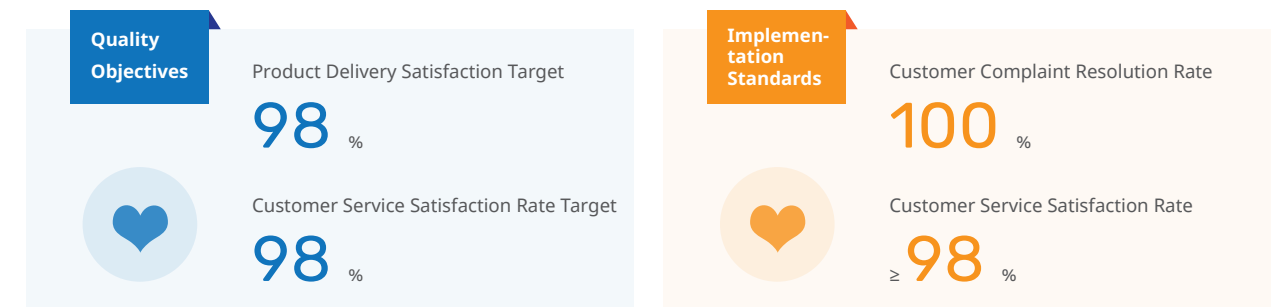


Product Liability

In the aerial work vehicle sector, Handler has pioneered a unique business model grounded in "R&D innovation, as the cornerstone, differentiated design and customization as the core, flexible manufacturing as the support, and refined services as the guarantee". Committed to the intelligent equipment manufacturing sector, the Company has established itself as an industry expert and strives to lead as a pioneer in the field. The Company upholds integrity in all operations, positioning itself as an architect of societal well-being. While pursuing professional excellence, we remain dedicated to generating social value through ethical business practices, achieving sustainable synergy between corporate growth and societal advancement.

Product Quality Management

The Company strictly complies with the *Product Quality Law of the People's Republic of China* and other relevant laws, regulations, and provisions. Upholding the quality policy of "Service—Timely and Effective, Pursuit—Customer Satisfaction", we continuously improve our quality management system and mechanisms based on the Quality Management Systems (GB/T 19001-2016) and the Implementation Rules for Compulsory Product Certification – Motor Vehicles (CNCA-C11-01:2020). This comprehensive framework covers all stages, including raw material procurement, production control, responsible sales and R&D, and after-sales service, establishing a company-wide, all-encompassing, and end-to-end quality management model. Through this systematic approach, we consistently enhance product and service quality.



Handler's Quality Management Objectives and Implementation Standards

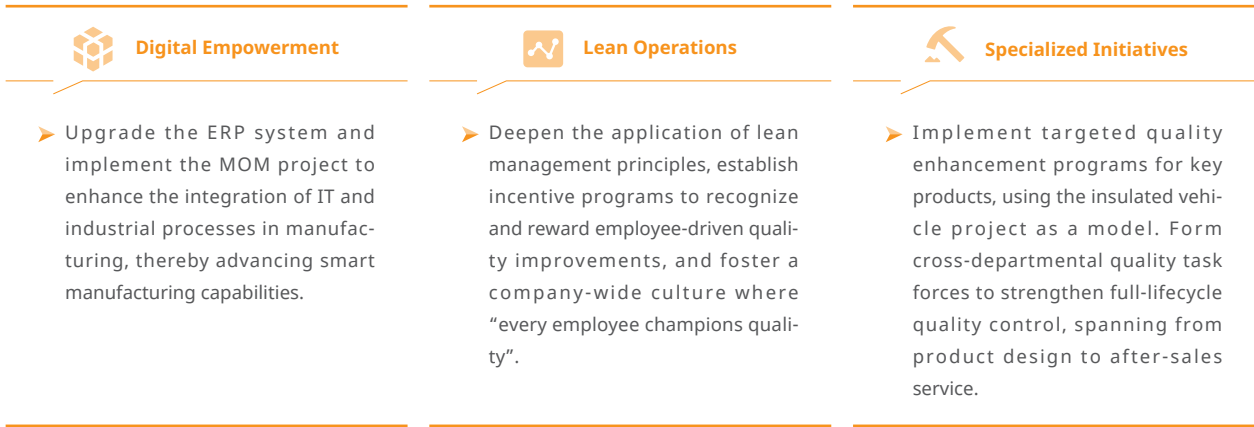


Quality Management System

Since its inception, the Company has introduced quality management system standards. By rigorously adhering to third-party certified system standards, the Company has refined its quality management organizational structure and established the *Quality Management System Control Procedures*. We continuously enhance our end-to-end quality management system covering R&D, production, and service. By defining measurable quality benchmarks for design, manufacturing, and inspection, Handler achieves full-process quality control from raw material procurement to after-sales service, consistently maintaining industry-leading product pass rates.

2024 Quality Enhancement Initiatives

In 2024, the Company innovatively established a tripartite mechanism – integrating digital empowerment, lean operations, and specialized initiatives – within its annual quality management enhancement efforts. This framework has transformed quality management practices, shifting from reactive responses to proactive prevention and evolving from localized optimization to system-wide enhancement. It has not only significantly improved product reliability and customer satisfaction but also cultivated a quality-centric, sustainable competitive advantage for the enterprise.



Handler’s 2024 Quality Management Enhancement Mechanism

2025 Quality Enhancement Directions

The Company firmly adheres to its three-year strategic development plan, continuously implementing the “technology-driven differentiation” strategy. With technological innovation as the engine and targeted quality enhancement initiatives as the focal point, it integrates strategic objectives with problem-solving approaches. By systematically advancing five key areas—technological innovation, market expansion, quality upgrading, intelligent operations, and service optimization—the Company consistently enhances product competitiveness and value creation capabilities, injecting robust impetus into sustainable development.



Handler’s 2025 Quality Enhancement Directions

Customer Rights and Services

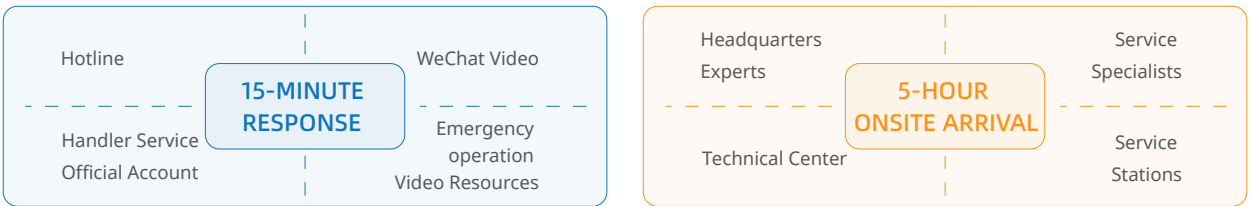
Handler regards customer rights protection and service innovation as core drivers of sustainable development. Upholding the business philosophy of “Committed to Customer Success”, the Company adheres to a product development strategy centered on “customer and technology extension”. This approach ensures products and services closely align with customer needs while continuously upgrading intelligent service capabilities to create additional value and cultivate new market opportunities. We strive to balance economic prosperity, social progress, and environmental stewardship to foster harmonious and sustainable growth.

To safeguard customer equity, the Company strictly adheres to legal and ethical business practices, establishing a long-term strategic partnership ecosystem with suppliers and customers. Leveraging a flexible model of “Customized Production + Predictive Mass Production”, we ensure personalized delivery while enhancing resource utilization efficiency, achieving industry-leading reductions in customer lead times. Additionally, the Company integrates social responsibility into service practices, conducting regular customer training and safety supervision to ensure products comply with national safety standards throughout their life cycles. Intelligent monitoring technologies are employed to mitigate equipment operation and maintenance risks, ensuring the harmonious advancement of customer rights protection and sustainable development goals.

After-sales Services

The Company has proactively established a “15-minute response + 5-hour onsite arrival” itinerant after-sales service mechanism. Leveraging a nationwide technical service network and digital coordination platform, we provide customers with sustained technical support and fault resolution beyond standard warranty periods, delivering on the commitment of “zero-distance service, 24/7 protection”.

Under the direct management of the Technical Service Center, the Company operates eight dedicated service centers in Xuzhou, Shijiazhuang, Guangzhou, Xi'an, Nanjing, Nanchang, Quanzhou, and Kunming, complemented by 12 mobile service stations. This multi-tiered service network of 20 strategically located nodes ensures nationwide coverage with a guaranteed 5-hour onsite arrival window for after-sales service.



Handler’s “15-Minute Response + 5-Hour Onsite Arrival” Proactive Itinerant After-Sales Service Mechanism

Responsible Marketing

The Company has established a comprehensive responsible marketing management system that spans the entire marketing process. This system ensures the compliance and transparency of all marketing activities through a framework of institutional controls, process management, and technology empowerment, in strict accordance with laws and regulations such as the *Advertising Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, and other relevant regulatory requirements.



Handler’s Responsible Marketing Management

Customer Satisfaction Enhancement

The Company adheres to the “Customer-First” service concept, continuously improving service response speed and quality through three key initiatives: building a nationwide service network, strengthening professional team construction, and promoting digital service transformation.

Service network development

The Company has optimized its nation-wide network of agents and maintenance hubs, launching industry-wide service outreach campaigns such as “Service Tour for the Leasing Industry”. By offering value-added services like complimentary filter replacements and wear-and-tear parts, customer experience has been significantly enhanced.

Service capability enhancement

The Company has innovatively implemented a “One-on-One Mentorship” training program, complemented by a technician skill certification system and regular technical workshops, to cultivate a high-caliber service team.

Service digital transformation

The Company has developed a smart APP offering features such as real-time parts inventory inquiry, self-diagnosis, and automated troubleshooting, leading to significant improvements in service efficiency and customer experience.

Performance Highlights

In 2024,
the Company’s service satisfaction rate reached
99.09 %, hitting a record high and fully demonstrating the outstanding efficacy of its service system.

Data Security and Privacy Protection

Handler is committed to upholding data security and privacy and strictly adheres to laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Data Security Law of the People's Republic of China*, as well as other relevant regulatory requirements. In alignment with its information security management system, the Company has established institutional frameworks that govern the entire data lifecycle. These frameworks standardize operational criteria and procedures for critical stages, including data collection, storage, transmission, and destruction. Furthermore, the Company employs technical safeguards such as data masking and encrypted transmission to comprehensively implement a robust protection system, ensuring information security, data integrity, and privacy.

Performance Highlights

In 2024,
the Company experienced
0 data security incidents
and
0 customer privacy breaches.

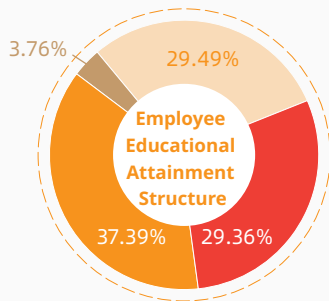
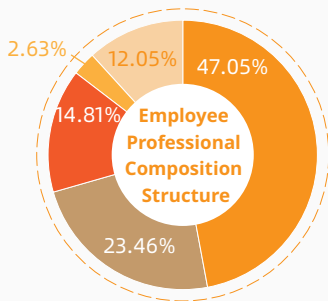
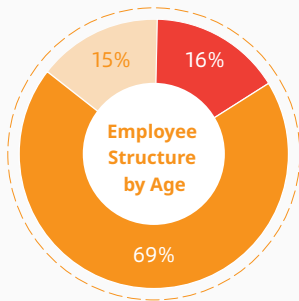
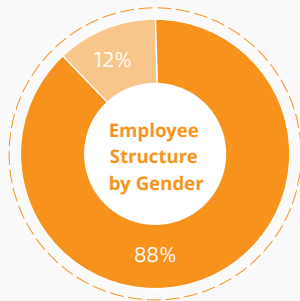
Employee Rights and Interests Protection

A high-caliber talent pool serves as the cornerstone for Handler to sustain rapid growth and maintain its core competitiveness. Handler strictly complies with labor and social security laws and regulations, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Social Insurance Law of the People's Republic of China*. Guided by a people-centric philosophy, the Company advocates the style of "honest man, and earnest work". We are dedicated to upholding employee rights and interests, promoting equitable employment practices, and ensuring transparent career advancement opportunities for all employees, fostering a fair environment for professional development. Furthermore, we actively support employee well-being through a variety of initiatives designed to enhance job satisfaction and promote a harmonious balance between corporate objectives and individual aspirations, ultimately maximizing both employee and organizational value.

Employee Rights and Interests and Well-being

Handler prioritizes the protection of employee rights and interests by maintaining lawful and compliant employment practices and standardized labor policies. The Company champions equal employment opportunities, cultivating a diverse workforce and fostering a work environment free from discrimination, retaliation, harassment, and any form of abuse. Handler strictly prohibits child labor and rejects all forms of forced or compulsory labor. The Company diligently implements regulations concerning maternity and lactation leave, safeguarding the rights of female employees during pregnancy and the postpartum period.

The Company consistently optimizes its workforce composition to ensure a balanced representation of gender, age, and educational background, thereby cultivating a truly diverse and inclusive workplace. As of the end of the Reporting Period, the Company employed a total of 797 individuals.



Employee Rights and Interests Protection

In 2024, Handler continued to strengthen team and talent development, establishing robust mechanisms for talent cultivation, recruitment, and internal mobility. The Company has implemented a competitive total rewards system that balances short-term incentives with long-term value creation, complemented by a performance management and incentive framework designed to continuously optimize its human capital.



Handler's Employee Rights and Interests Protection System



Compensation management system

The Company employs a "Value Assessment – Compensation Benchmarking – Dynamic Adjustment" approach to ensure employees receive fair, competitive, and performance-based compensation.



Position value evaluation

The Company utilizes the innovative IPE4 methodology, combined with regression analysis, to construct a scientific job architecture and compensation structure. This ensures internal equity across diverse roles, including management, technology, production, and sales, while maintaining external competitiveness through regular industry compensation surveys.



Performance management system and incentive mechanism

Handler has established a robust, full-cycle performance management system based on "Goal Setting – Process Management – Performance Feedback". This system promotes a high-performance culture by deeply integrating departmental and individual performance indicators within a structured management framework. The framework incorporates an annual cycle of objective setting, mid-year progress reviews, and comprehensive year-end evaluations, enabling a clear and direct linkage between performance outcomes and compensation adjustments. This system underscores Handler's commitment to recognizing the value of employee contributions and effectively fosters organizational vitality through differentiated incentives, providing a strong foundation for sustainable development.



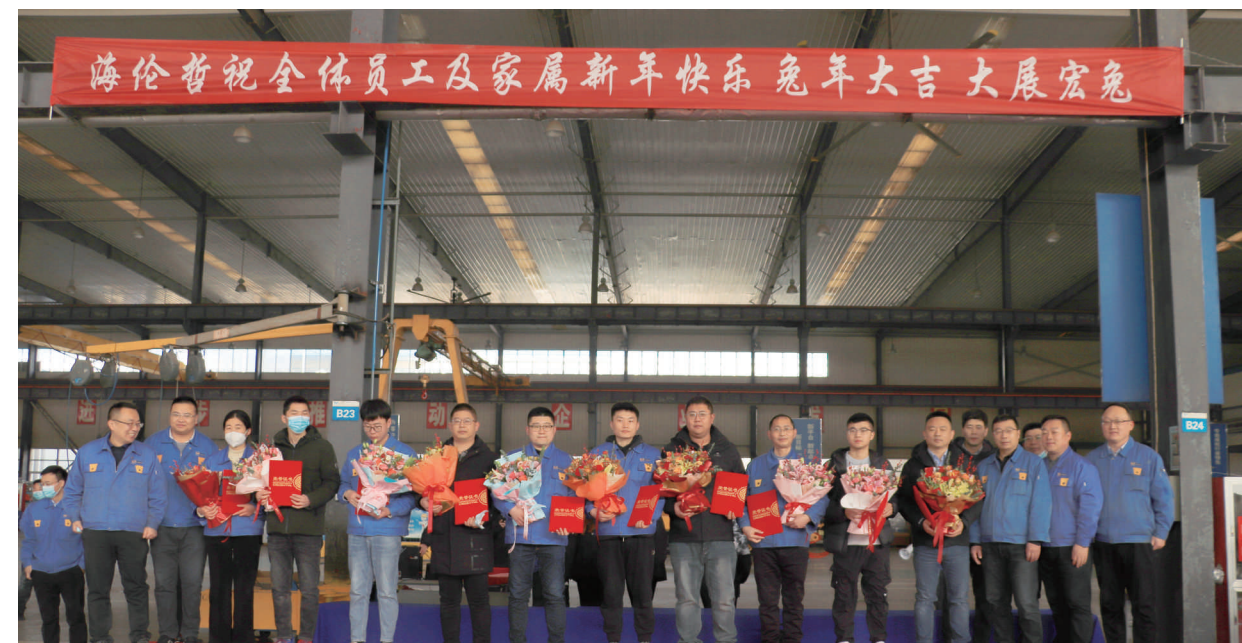
In August 2023, while formulating its three-year strategic development plan, Handler launched a new restricted stock incentive plan, granting 20.8 million restricted shares to 80 eligible participants. On September 20, 2024, Handler's Sixth Board of Directors and Sixth Board of Supervisors convened their respective fifth meetings to review and approve the *Proposal on the Fulfillment of Conditions for the First Vesting Period of the Initial Grant of the 2023 Restricted Stock Incentive Plan*. The vesting registration was completed on October 16, 2024, granting a total of 6.656 million shares to 80 employees. Furthermore, on August 13, 2024, Handler granted 4.16 million Type II restricted shares to 23 eligible participants at an issue price of RMB1.93 per share. By implementing equity incentive plans, Handler enhances its long-term incentive mechanisms, attracting and retaining top talent, fully engaging its workforce, and enabling employees to share in the benefits of the Company's sustainable growth. This effectively aligns the interests of shareholders, the Company, and core team members, focusing all stakeholders on the long-term success of Handler and the achievement of its strategic and operational objectives.

Employee Benefits Guarantee

Handler is dedicated to providing a diverse and comprehensive employee benefits program that addresses the economic, material, and health-related needs of its workforce. Handler's well-structured benefits program not only enhances employee satisfaction and organizational performance but also fosters long-term sustainable human capital, thereby underscoring its role as a socially responsible corporate leader.



Handler's Employee Benefits System



Employee Development and Training

Handler recognizes employee development and growth as essential to its long-term success. The Company offers equitable and diverse development opportunities and targeted training programs, enhancing the “management and professional” dual-career path system. A structured talent cultivation and succession management framework safeguards employee career development rights while adhering to principles of fairness and sustainability. Handler promotes employee competitiveness and strengthens its talent pipeline through a dual-track approach of “academic advancement + skills certification”. This systematic approach to talent development ensures a positive synergy between individual growth and organizational advancement, providing a solid foundation for sustainable development.



Case | Encouraging employee skill enhancement to strengthen organizational talent reserves

Handler places a high value on employee personal growth and career advancement. To meet the diverse learning needs of its employees, Handler actively encourages participation in academic improvement programs, skill enhancement training, and professional certification initiatives, with the goal of building a high-quality and professional workforce.

Each year, Handler provides a number of fully-funded postgraduate training opportunities, offering valuable learning opportunities for employees seeking to further their education. In addition, the Company provides strong support for employees who independently pursue academic or skills-based training in their professional fields. Upon successful completion of studies and certification, employees are eligible for reimbursement of 50% of their tuition fees.

Occupational Health and Safety

Handler prioritizes work safety above all else. In strict compliance with applicable laws and regulations, including the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and the *Measures for the Administration of Contingency Plans for Work Safety Accidents*, the Company implements robust internal management procedures, such as the *Work Safety Management System* and the *Environmental and Occupational Health and Safety Performance Monitoring and Control Procedures*. This commitment ensures a globally aligned and standardized safety and occupational health management system. Through the systematic allocation of responsibilities, implementation of science-based risk prevention and control measures, and the promotion of a company-wide safety culture, Handler strives to enhance the precision and effectiveness of its workplace safety management, aiming to provide a safe and healthy working environment for all employees and to establish a benchmark for safety management within the industry.



Safety Management System

Demonstrating its commitment to international best practices, Handler achieved alignment with international standards as early as 2009. The Company maintains effective operation of its ISO 45001 Occupational Health and Safety Management System certification. A multi-tiered safety management structure is in place, closely aligned with annual work safety objectives. Safety responsibility agreements are signed at each management level, clearly defining responsibilities and accountability. Furthermore, the Company has optimized its full-cycle safety management system in accordance with the *Work Safety Management System*.



- Embedding safety accountability from strategic decision-making to frontline execution, with continuous management system optimization



- Innovatively integrate Heinrich's Law and the 'Four No-Overlook' Principle to strengthen root-cause governance.
- Establish a full-cycle safety management closed-loop system (Prevention - Response - Improvement), including: near-miss incident traceability and analysis mechanisms, dynamic hazard control and accountability clarification mechanisms, five-dimensional inspection protocol, regularized safety training mechanisms.



- Dynamic hazard identification, assessment, and monitoring



- Achieve vertical penetration and horizontal collaboration of safety responsibilities through comprehensive safety responsibility checklists, Risk-tiered control mechanisms
- Enforce a multi-level safety accountability system with signed safety responsibility agreements at all levels.



- Five-dimensional Inspection Mechanism
- Multi-level Safety Training & Organization-wide Safety Culture Development

Handler's Safety Management System

Occupational Health Practices

Handler consistently prioritizes employee occupational health management. In strict accordance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other relevant regulations, the Company integrates occupational health risk identification into its safety management processes. The Company has established a comprehensive occupational health management system that includes various safety training programs and hazard identification initiatives. Additionally, we also organize diverse health education seminars and targeted medical check-ups while continuously optimizing workplace environments and working conditions to safeguard the overall health, safety, and well-being of our employees.

Governance

Upholding Prudent Operations to Safeguard Enterprise Development

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SDGs addressed in this chapter

16

PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17

PARTNERSHIPS
FOR THE GOALS





Corporate Governance

Handler is committed to sound corporate governance principles, adhering strictly to all relevant laws and regulations. The Company has established a well-defined “Three Committees and One Tier” governance structure (Shareholders’ Meeting, Board of Directors, Supervisory Board, and Senior Management), ensuring efficient and effective governance mechanisms. Furthermore, the Company prioritizes transparent information disclosure and proactive engagement with investors, protecting shareholder rights and building a robust foundation for sustainable growth.

Governance System

Handler operates in full compliance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Code of Corporate Governance for Listed Companies*. The Company’s governance framework, centered on the “Three Committees and One Tier” structure, is formalized through the *Articles of Association of Xuzhou Handler Special Vehicle Co., Ltd.*, and related internal regulations. Through effective collaboration among the Shareholders’ Meeting, Board of Directors, Supervisory Board, and senior management, Handler has established a governance system characterized by clear delineation of responsibilities, mutual checks and balances, and robust accountability. To further enhance governance effectiveness, the Company has established three special committees under the Board of Directors: the Strategy Committee, the Remuneration and Appraisal Committee, and the Audit Committee. These committees provide multi-faceted support for key decision-making processes, strengthening the scientific rigor, foresight, and strategic alignment of board decisions.

Performance Highlights

During the Reporting Period,

Handler held the following meetings:

3 Shareholders’ Meetings

Annual General Meeting

1

and

2 Extraordinary General Meetings

11 Board of Directors Meetings

3 Remuneration and Appraisal Committee Meetings

7 Audit Committee Meetings

and

11 Supervisory Board Meetings

Board of Directors Composition

Handler’s Board of Directors strictly adheres to the principles of meritocracy, diversity, and inclusion in the director selection process. Director candidates are rigorously selected based on the Company’s strategic objectives and practical operational needs. The Company comprehensively assesses candidates’ age, educational background, professional expertise, and industry experience to ensure a diverse board composition that aligns with business requirements, broadens decision-making perspectives, and enhances board effectiveness and executive capabilities.

The Board of Directors consists of 9 members (including 3 female directors), with 3 independent directors. Board members include professionals with expertise in finance, law, and corporate management, possessing the knowledge, skills, and qualities necessary to effectively perform their duties and provide strategic oversight.

Remuneration Governance for Directors, Supervisors, and Senior Management

Handler maintains a Board Remuneration and Appraisal Committee (comprising three directors), governed by the *Implementation Rules of the Board Remuneration and Appraisal Committee*. This structure establishes a robust and equitable framework for evaluating and compensating the directors, supervisors, and senior management.

In April 2024, Handler’s commitment to standardized compensation practices was further demonstrated through the review and approval of the *Proposal on the 2024 Remuneration Plan for Directors*, the *Proposal on the 2024 Remuneration Plan for Supervisors*, and the *Proposal on the 2024 Remuneration Plan for Senior Management*. Directors: Compensation is determined based on a combination of industry benchmarks, regional economic performance, and specific company performance. Supervisors: Compensation is based on position, years of service, and performance assessment outcomes. Senior Management: Compensation includes a base salary, annual performance bonuses, and performance-based incentives tied to specific responsibility agreements.

Remuneration Decision-Making Processes and Determination Basis for Directors, Supervisors, and Senior Management:

Remuneration Decision-making procedures for Directors, Supervisors, and Senior Management

- The compensation of directors and supervisors is decided by the General Meeting of Shareholders.
- The compensation of senior management is decided by the Board of Directors.

Remuneration Determination Basis for Directors, Supervisors, and Senior Management

- Remuneration is determined based on the Company's profitability, as well as the division of responsibilities and performance of directors, supervisors, and senior management. Performance indicators are evaluated by the Remuneration and Appraisal Committee.

Protection of Shareholder Rights and Interests

Handler places a high priority on protecting shareholder rights and interests. In strict compliance with laws and regulations, including the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, as well as the provisions outlined in the *Articles of Association*, Handler promotes standardized operations, safeguards the Company’s overall interests, and protects the legitimate rights and interests of all shareholders, with particular attention to minority shareholders.

To strengthen shareholder rights and interests, Handler’s *Articles of Association* include specific clauses on shareholders' right to information. The Company also facilitates minority shareholder participation in corporate governance through online voting at shareholder meetings. These institutional arrangements not only guarantee democratic and transparent decision-making but also enhance the influence of minority shareholders on major corporate decisions.

Information Disclosure

Handler adheres to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Work Guidelines for the Investor Relations Management of Listed Companies*, the *Measures for the Administration of Information Disclosure by Listed Companies*, and the *Rules Governing the Listing of Stocks on ChiNext of the Shenzhen Stock Exchange*. Consistent with these regulations and the Company's specific circumstances, Handler has established the *Information Disclosure Management System*, the *Internal Reporting System for Major Information*, and the *Registration and Management System for Insiders of Inside Information*. These systems are designed to standardize information disclosure practices, enhance the management of information disclosure, and protect investors’ right to know and other legitimate rights and interests.

The Chairman of the Company has ultimate responsibility for information disclosure. The Secretary of the Board of Directors, as the primary person in charge of information disclosure, manages all related affairs. The Company’s Securities Department, under the direct leadership of the Secretary of the Board of Directors, handles the daily management of information disclosure. Key components of Handler’s information disclosure include regular reports (Annual Report, Interim Report, and Quarterly Report) and ad hoc announcements (e.g., Resolutions of the Board of Directors, Resolutions of the Supervisory Board, Resolutions of Shareholders' Meetings, and Significant Event Notices).

In 2024, Handler made a total of 179 disclosures, ensuring that all information disclosures throughout the year were legal, compliant, and free from any false records, misleading statements, or material omissions.

Investor Relations

Handler is committed to maintaining strong investor relations by adhering to all relevant laws, regulations, and the provisions outlined in its *Articles of Association*. The Company has established the *Investor Relations Management System* to standardize and enhance these activities. The Company's investor relations are structured with the Secretary of the Board of Directors overseeing investor relations management. The Securities Department functions as the operational unit, responsible for the daily management of investor interactions.

In addition, Handler has established diversified communication channels with investors. Through a multi-level and comprehensive communication system, the Company ensures timely and transparent two-way communication regarding critical information, including development strategy, business results, and R&D advancements.

Performance Highlights

During the Reporting Period,

Handler addressed

102 inquiries through the EasyIR platform

hosted

6 investor exchange meetings

and conducted

2 online performance briefings



Legal Disclosure Channels

- Timely release of significant information through regular reports and ad-hoc announcements.



Interactive Communication Platforms

- Integration of offline events such as shareholder meetings and investor exchanges, and online channels including performance briefings, the EasyIR platform, and direct telephone consultations.



Proactive Engagement Mechanisms

- Active participation in industry events such as brokerage strategy meetings to proactively communicate the Company's value proposition.

Handler's Diversified Investor Communication Channels



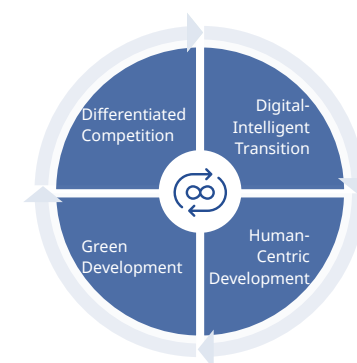
Sustainable Development Governance Mechanisms

Guided by a strong commitment to sustainable development, Handler integrates these principles into its core corporate strategy and business operations. The Company aims to create long-term, sustainable value for all stakeholders by deepening its ESG management practices and contributing to high-quality, sustainable economic and social development.

Sustainability Strategy Implementation

Handler is dedicated to implementing national strategic objectives by deeply embedding sustainable development principles into all facets of its corporate governance and operations. Taking a dual domestic and international perspective, Handler leverages scientific and technological innovation as its primary driver, supported by advanced manufacturing capabilities and guided by a commitment to green development. This approach enables the Company to build a dynamic management system that fosters the coordinated advancement of ESG factors. By integrating stakeholder needs with the evolving requirements for new quality productive forces, Handler is building a sustainable development ecosystem that generates both economic benefits and social value.

The Company has established a "Four-Dimensional Synergy" sustainable development practice system, implementing corporate sustainable development from four aspects: differentiated competition, digital-intelligent transition, human-centric development, and green development, to enhance its core competitiveness.



Handler's Four-Dimensional Synergy Framework for Sustainable Development Practices



Differentiated competition

Handler is committed to a sustainability strategy centered on "technology-driven differentiation". The Company actively shapes industry standards by leading, significantly contributing to, or participating in the drafting of national and industry standards for products such as aerial work vehicles, aerial work platforms, power supply vehicles, distribution vehicles, and fire trucks.



Digital-intelligent transition

Handler actively pursues sustainable development by leveraging the Fourth Industrial Revolution and accelerating its transition to intelligent, digitally-driven manufacturing processes. The Company enhances efficiency through production line upgrades and intelligent transformation of key flexible production processes, accelerates the development of smart manufacturing, and promotes a service-oriented manufacturing model through digital and intelligent technologies.



Human-centric development

By continuously refining its organizational structure, enhancing incentive mechanisms, and investing in talent cultivation and team building, Handler supports its innovative trajectory.



Green development

Handler explores innovative green development pathways, developing products such as aerial tethered UAV fire trucks that reduce water consumption by over 50%, mobile energy storage vehicles with peak-shaving and valley-filling capabilities, streetlight maintenance vehicles equipped with solar panels, and is advancing the development of low-energy alternatives such as hydrogen-powered generators.


Business Conduct

Handler is dedicated to strengthening its business ethics management system, placing integrity and compliance at the heart of its operational principles. The Company promotes a fair and competitive market by rigorously regulating business conduct through robust anti-bribery and anti-corruption mechanisms. Upholding accessible reporting channels, we firmly oppose all unethical practices and are committed to fostering a trustworthy, transparent, and sustainable business environment.

Anti-Corruption and Integrity Building


Handler strictly adheres to a comprehensive suite of laws and regulations, including the *Criminal Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Oversight Law of the People's Republic of China*, the *Law of the People's Republic of China on Administrative Discipline for Public Officials*, and the *Regulations on Integrity in Professional Conduct for Leaders of State-Owned Enterprises*. The Company has established a multi-dimensional, collaborative oversight system to enhance anti-corruption management. By establishing cross-departmental collaboration mechanisms, Handler effectively consolidates oversight resources, creating a closed-loop supervision system encompassing pre-emptive prevention, in-process control, and post-event accountability, thereby continuously improving the effectiveness of compliance management.

Handler's anti-corruption practices include signing *Enterprise Cooperation Integrity Agreements* with relevant parties and securing *Employee Integrity Commitment Letters* from 205 employees. These agreements encompass senior executives, marketing and sales personnel, after-sales service staff, procurement directors and personnel, R&D directors and designers, finance directors and deputy directors, general management directors and deputy directors/office directors and equipment safety officers, and information technology personnel.



Anti-Corruption Risk Management

Handler maintains a zero-tolerance stance against corruption, implementing dedicated integrity risk prevention initiatives in key operational areas such as procurement and marketing. The Company operates a robust procurement bidding management system, empowering all employees and bidders to monitor the bidding and implementation processes. Any irregularities discovered can be directly reported to the General Manager. The Audit Department is responsible for preparing special reports and addressing any abnormal issues arising during the bidding process.



Integrity Education and Training

Handler views integrity education as a cornerstone of its anti-corruption efforts, providing a comprehensive anti-corruption training program that covers all employees, with an emphasis on key positions. Through systematic and ongoing training, the Company cultivates a strong ethical foundation, equipping all employees to resist corruption.


During the Reporting Period,

Handler conducted

2 integrity training sessions


reaching

205 participants



Anti-Corruption Oversight and Inspections

Handler conducts regular internal anti-corruption inspections, strengthens daily oversight through various means, and utilizes a closed-loop management mechanism of "inspection - rectification - accountability". For violations, the Company applies a tiered approach, using measures such as interviews, education, rectification, and accountability, based on the severity of the circumstances.



Supplier Integrity Management

The Company firmly monitors the entire process of supplier corruption, requiring suppliers to sign integrity commitment letters and incorporating these into their performance evaluations. A blacklist system for non-compliant suppliers has been established, along with hierarchical disciplinary measures, to uphold a fair and competitive market environment and ensure the healthy and stable operation of the supply chain.

Anti-Unfair Competition

Handler consistently adheres to laws and regulations, including the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Monopoly Law of the People's Republic of China*, to regulate its business activities and employee conduct. The Company firmly opposes unfair competition practices such as false advertising and trade secret infringement, striving to maintain a fair, just, and transparent market competition environment.

According to internal policies, Handler requires all employees to uphold the principles of integrity and legality in all business activities. In marketing, the Company adheres to the fundamental principles of integrity and transparency, strictly guaranteeing the authenticity and accuracy of all marketing information while prohibiting the dissemination of any false or misleading information. Employees are clearly instructed to obtain business opportunities through fair and legal competition, with strict prohibitions against winning business through improper means such as offering undue benefits. Furthermore, Handler prohibits employees from exchanging competitively sensitive information, such as product prices and costs, with competitors, illegally obtaining competitors' confidential information, or maliciously spreading false information about competitors or other products and services, to ensure the fairness and impartiality of market competition.



Reporting Mechanism

In order to maintain the Company's good business order and the legitimate rights and interests of employees, Handler continuously optimizes the management process for whistleblowing acceptance and investigation, ensuring that all types of violations can be promptly and effectively addressed.

In practice, the Company ensures that reported issues are promptly escalated to relevant departments through clearly defined accountability at all levels. Investigations are conducted with impartiality and objectivity to ensure the accuracy and authority of the findings. Furthermore, Handler places high importance on whistleblower protection, strictly keeping whistleblowing information confidential and safeguarding whistleblowers' legitimate rights and interests, fostering an honest and upright corporate environment.

Reporting Channels

Handler has established a comprehensive communication and complaint mechanism, allowing employees to submit opinions and suggestions to department leaders and supervisors in charge. Additionally, a parallel supervision mechanism is in place, enabling employees to report personal opinions, suggestions, and complaints to the General Management Department, and Audit Department in accordance with relevant regulations.

To ensure unimpeded and convenient reporting channels, Handler provides multiple avenues, including dedicated email addresses, hotlines, secure drop boxes, and face-to-face consultations, to safeguard whistleblowers and facilitate secure and efficient disclosure of concerns. Dedicated personnel are assigned to receive and handle whistleblowing information, regularly summarizing and forming work records, and conducting timely analysis, research, and disposal to ensure efficient resolution of whistleblowing matters.

Whistleblower Protection

To effectively safeguard whistleblowers' legitimate rights and interests and create a conducive supervision environment, Handler actively improves its whistleblower protection mechanism. The Company prioritizes the confidentiality of whistleblower information, implementing stringent measures to protect reporters' identities and the information they provide. Access to this information is strictly limited to authorized personnel to prevent leakage or dissemination. During the handling of whistleblowing matters, all involved staff and other relevant personnel are required to strictly follow the work procedures, properly keep whistleblowing materials, and are strictly prohibited from disclosing the identities of whistleblowers and the content of whistleblowing matters to the reported parties and other irrelevant personnel.

Furthermore, Handler explicitly prohibits any form of retaliation against whistleblowers, categorizing such acts as severe violations of corporate policy. For acts of retaliation causing adverse consequences, Handler will initiate accountability investigations in accordance with laws and regulations, imposing disciplinary sanctions commensurate with the severity of the offense, thereby safeguarding whistleblowers' legitimate rights and ensuring the integrity, effectiveness, and fairness of the reporting mechanism.



Compliance and Risk Management

Handler places a high priority on compliance and risk management, establishing a comprehensive compliance management system to strengthen its compliance culture and enhance employee awareness. Furthermore, the Company rigorously adheres to relevant regulations, refining its risk management and internal control systems by establishing multi-layered safeguards for precise risk mitigation. By optimizing internal control processes, we ensure sustainable corporate development.

Compliant Operations

Handler prioritizes compliance management by establishing a comprehensive, multi-tiered compliance management system designed for the accurate identification, timely alerting, and effective mitigation of compliance risks, thereby fundamentally preventing the occurrence of various compliance breaches. Building upon existing structures, the Company continuously optimizes and strengthens compliance through enhanced mechanisms for review, reporting, corrective action, whistleblowing, and accountability. These improvements ensure effective policy enforcement and comprehensive compliance integration across all business operations. Personnel in high-risk roles and critical functions are required to sign mandatory compliance pledges, reinforcing accountability and clarifying responsibility boundaries, thereby promoting the establishment of a long-term compliance management mechanism.

Recognizing that a compliance culture is pivotal for sustainable corporate development, Handler places a high priority on employee compliance training, offering diversified training programs to enhance employee awareness and professional competence. The Company actively promotes and practices a compliance philosophy involving all employees, fostering a culture of proactive and self-driven compliance, embedding compliance values deeply within the organization and establishing a solid cultural foundation for high-quality corporate growth.



Case | Shanghai Grumman Employees' Compliance Training

During the Reporting Period, Shanghai Grumman conducted 12 compliance training sessions, covering 172 participants with a total duration of 20 training hours. The training program included the dissemination of the *Risk Assessment Guidelines for Equipment Procurement Contract Performance and Quality Management System and Qualification Supervision Requirements for Equipment Manufacturers*, as well as legal education and training, including the prevention of enterprise secret risks and the Government Procurement Law.

Risk Management

Handler attaches great importance to risk management and actively constructs a robust risk management and internal control system. Through multi-tiered safeguards with full-process penetration, the Company implements precision risk mitigation to maintain risks within acceptable thresholds, thereby ensuring sustainable corporate development.

Handler prioritizes enhancing internal controls. During the Reporting Period, the Audit Department finalized the *Internal Control Manual*, which clarifies and standardizes internal control standards and operating procedures. Furthermore, the Company continuously conducted audit work, completing over 30 audit projects covering key areas such as sales, procurement, and production at headquarters, subsidiaries, and affiliated companies. We continuously tracked and inspected the rectification of issues raised in audit reports, continuously optimizing existing internal control management processes, and strengthening the control of risk points. Moreover, we implemented systematic internal control evaluations to comprehensively assess the design and operational effectiveness of controls, mitigating compliance risks and enhancing oversight in critical areas.

Appendices

ESG Performance Overview

Indicators	Unit	2024
Economic performance		
Operating revenue	RMB100 million	15.91
Net profit attributable to the shareholders of the listed company	RMB100 million	2.24
Basic earnings per share	RMB/share	0.23
Total assets	RMB100 million	25.81
Weighted average return	%	15.59
Total Taxes Paid	RMB100 million	1.06
Environmental performance		
Total GHG emissions	tCO ₂ e	113
Gasoline	Ton	17.25
Diesel	Ton	224.40
Natural gas	Standard cubic meter	386,934
Purchased electricity	MWh	4,035.59
Total energy consumption	tce	1,105.14
Energy consumption intensity	tce/RMB million revenue	0.694
Nitrogen oxides (NOx) emissions	Ton	0.58
Sulfur dioxide (SO ₂) emissions	Ton	0.144
Particulate matter (PM) emissions	Ton	0.324
Volatile organic compounds (VOCs) emissions	Ton	0.237
Total wastewater discharge	Ton	11,500
Ammonia nitrogen emissions	Ton	0.18
Chemical oxygen demand (COD) emissions	Ton	2.22
Biochemical oxygen demand (BOD) emissions	Ton	1.1
Total phosphorus (TP) emissions	Ton	0.024

Indicators		Unit	2024
Environmental performance			
Suspended solids (SS) emissions		Ton	0.367
Total hazardous waste generated		Ton	119.42
Total hazardous waste disposed		Ton	121.40
Hazardous waste discharge intensity		Ton/RMB million revenue	0.075
Total non-hazardous waste generated		Ton	976.70
Total non-hazardous waste disposed		Ton	976.70
Non-hazardous waste discharge intensity		Ton/RMB million revenue	0.614
Water consumption		Ton	45,683
Circulating water consumption		Ton	16,730
Water consumption intensity		Ton/RMB million revenue	28.71
Annual water conservation rate		%	9.58
Total environmental protection investment		RMB10,000	153.41
Number of environmental training sessions		Sessions	2
Number of environmental training participants		Persons	60
Environmental training hours		Hours	8
Employee performance			
Number of employees		Persons	797
Number of employees by gender	Male	Persons	698
	Female	Persons	99
Number of employees by age	Aged under 30	Persons	124
	Aged 30–50	Persons	550
	Aged over 50	Persons	123
Number of employees by professional composition	Production staff	Persons	375
	Sales staff	Persons	187
	Technical staff	Persons	118
	Finance staff	Persons	21
	Administrative staff	Persons	96

Indicators		Unit	2024
Employee performance			
Number of employees by educational background	Master's degree or higher	Persons	30
	Bachelor's degree	Persons	235
	Junior college	Persons	234
	Others	Persons	298
Proportion of females in management		%	5
Employee turnover		%	7.18
Total training hours of employees		Hours	16,291
Total number of employees trained		Persons	661
Average training hours per trained employee		Hours/person	24
Number of occupational health and safety training sessions		Sessions	5
Number of emergency drills		Time	4
Number of work-related fatalities ¹		Persons	0
Governance performance			
Number of Board members		Persons	9
Number of independent directors		Persons	3
Number of female directors		Persons	3
Integrity education training sessions		Sessions	2
Number of integrity education training participants		Persons	205

¹ Statistical scope: work safety accidents

Content Index

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

Dimension	No.	Issue	Chapter/Section
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	2	Pollutant Emissions	Pollution Prevention and Ecological Protection
	3	Waste Disposal	Pollution Prevention and Ecological Protection
	4	Ecosystem and Biodiversity Protection	Pollution Prevention and Ecological Protection
	5	Environmental Compliance Management	Environmental Compliance Management
	6	Energy Utilization	Resource Utilization Optimization
	7	Water Resource Utilization	Resource Utilization Optimization
	8	Circular Economy	Resource Utilization Optimization
Social	9	Rural Revitalization	Rural Revitalization and Social Contributions
	10	Social Contribution	Rural Revitalization and Social Contributions
	11	Innovation-driven Development	Innovation-Driven Development and Technology Ethics
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	13	Supply Chain Security	Supply Chain Management
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Sustainable Development Governance	17	Employees	Employee Rights and Interests Protection
	18	Due Diligence	/
	19	Stakeholders Engagement	Corporate Governance
	20	Anti-commercial Bribery and Anti-corruption	Business Conduct
	21	Anti-Unfair Competition	Business Conduct

Suggestions and Feedback

Thank you for reading Handler’s 2024 Sustainable Development Report. To provide more valuable insights for you and other stakeholders, as well as to enhance Handler’s ESG management capabilities and standards, we sincerely welcome your comments and suggestions on this Report. Please provide your feedback through the following channels:

Xuzhou Handler Special Vehicle Co., Ltd.

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1. Which of the following stakeholder groups apply to you?

- ☐ Governmental and regulatory agencies
- ☐ Shareholders and investors
- ☐ Customers
- ☐ Employees
- ☐ Suppliers and other partners
- ☐ The public (media or communities)
- ☐ Industry association or business organization
- ☐ Charity organizations
- ☐ Others

2. Do you think this Report adequately present Handler’s sustainability performance?

- ☐ Yes
- ☐ Average
- ☐ No

3. Do you think this Report adequately addresses the expectations and requirements of Handler’s stakeholders?

- ☐ Yes
- ☐ Average
- ☐ No

4. Do you think the quantitative information disclosed in this Report is objective, truthful, and effective?

- ☐ Yes
- ☐ Average
- ☐ No

5. Do you think this Report is clear and easy-to-read?

- ☐ Yes
- ☐ Average
- ☐ No

6. Do you think the layout design of this Report helps you understand relevant information?

- ☐ Yes
- ☐ Average
- ☐ No

7. What aspects of Handler’s ESG management and sustainability disclosure you think require further improvement or refinement?