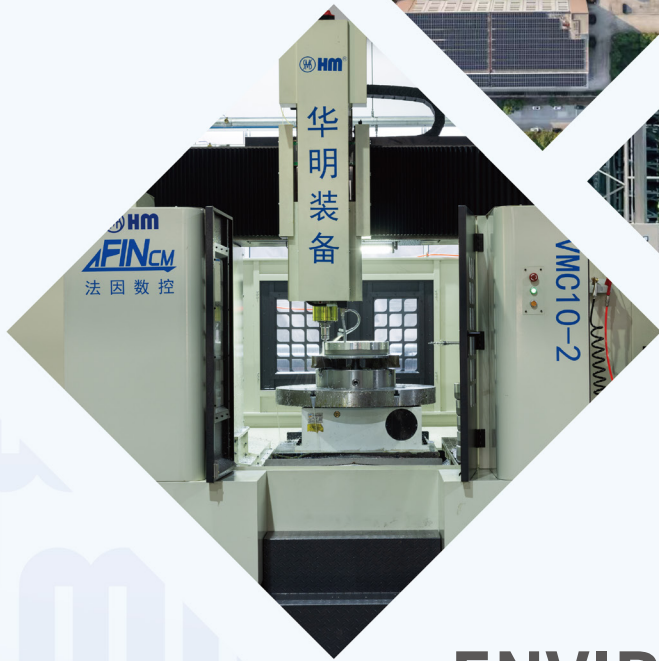




Stock Abbreviation: Huaming

Stock Code: 002270



# 2025

## ENVIRONMENTAL、SOCIAL AND GOVERNANCE REPORT

# CONTENTS

About This Report	01
Message from the Chairman	03
About Huaming	05
Development History	07
2025 Honors of Huaming	09
Key Performance Indicators	79
Index of Indicators	85
Feedback	98



## 01 Corporate Governance

Our Governance	13
Risk Control and Compliance	26
Business Ethics	29



## 02 Environmental Protection

Environmental Management	33
Resource and Energy Management	35
Emissions and Waste	39
Green Operations	40



## 03 Safety Responsibility

Product Safety	43
Supply Chain Management	47
Data Security	50
Work Safety and Occupational Health	51



## 04 Client Service

R&D and Innovation	57
Client Service	61



## 05 Social Responsibility

Employee Management	67
Promoting Industry Development	76
Public Welfare	78

# About This Report

This is the third Environmental, Social and Governance (hereinafter referred to as "ESG") Report issued by Huaming Power Equipment Co., Ltd. (hereinafter referred to as "Huaming" or "We") for stakeholders.



## Report Scope and Boundaries

This report takes Huaming Power Equipment Co., Ltd. as the subject and covers all directly-managed subsidiaries of Huaming. The disclosure time frame is consistent with that of the financial information in Huaming's 2025 Annual Report. Meanwhile, to ensure the completeness and coherence of the disclosed information, some information may be traced back to previous years.



## Data Explanation

The data used in this report is sourced from Huaming's actual operational raw data, public data from government departments, annual financial data, internal relevant statistical statements, etc. The financial data in this report is denominated in RMB. In case of any inconsistency with the financial report, the financial report shall prevail.



## Preparation Basis

- Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (Trial)
- China National Standard Guidance on Social Responsibility Reporting (GB/T 36001-2015)
- Chinese Academy of Social Sciences the Guidelines on Sustainability Reporting for Chinese Enterprises (CASS-ESG 6.0)
- United Nations Sustainable Development Goals (SDGs)
- Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards)



## Reliability Assurance

This report contains no false records, misleading statements or material omissions, and Huaming assumes full responsibility for the authenticity, accuracy and completeness of the contents of this report.



## Publication Format

The electronic version of this report is available on Huaming's official website ([www.Huaming.com](http://www.Huaming.com)) and CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)).

Huaming will continuously improve the level of report disclosure and our social responsibility governance in the future. For any questions or suggestions about this report, please feel free to contact us:

Huaming Power Equipment Co., Ltd.

Tel: +86 21 5270 8824

Email: [dsh@huaming.com](mailto:dsh@huaming.com)

Address: No. 977 Tongpu Road, Putuo District, Shanghai, China

## Message from the Chairman

Dear Stakeholders,

Huaming upholds the spirit of "Uphold integrity in business operation, treat others with benevolence and virtue, pursue continuous innovation, and strive for self-improvement", and deeply integrates the ESG philosophy into all aspects of Huaming's strategic planning and daily operations. As a world-leading manufacturer of tap changers, we fully recognize that ESG is the core support for Huaming to achieve high-quality and sustainable development, and an inevitable choice to respond to the expectations of shareholders, employees, clients and all sectors of society. In 2025, Huaming continued to deepen ESG practices, advanced steadily in various fields with standardized governance, solid actions and outstanding achievements, striving to realize the synchronous development of corporate value and social value.

### Striving for Breakthroughs in Core Technologies to Consolidate the Foundation of Innovative Development

Focused on the development direction of ultra-high voltage (UHV) and green power equipment, Huaming deepened R&D and innovation guided by market demand, improved the industry-university-research collaborative innovation system, and participated in the formulation of national industrial standards in depth. In 2025, UHV products entered batch operation in the Longdong-Shandong  $\pm 800\text{kV}$  UHV DC Project, and the key performance of the SHZVII on-load tap changer for converter transformers reached the world-leading level. The independently developed 24kV power electronic on-load tap changer overcame the arc issue. These continuous breakthroughs in core technologies laid a solid foundation for us to consolidate our industry position and expand into the global market.

### Deepening Green Operations to Build a Benchmark for Low-Carbon Development through Intelligent Manufacturing

Guided by the "dual carbon" goals, Huaming built a comprehensive environmental management system covering energy management, emission disposal and green operations, strictly implemented environmental protection laws and regulations, and promoted the green and low-carbon transformation of the entire production process. In 2025, our Fengxian Production Base and Guizhou Chenting actively advanced distributed photovoltaic (PV) projects to increase the utilization of clean energy. We also completed the intelligent transformation of the Fengxian automated warehouse and achieved standardized and intelligent material storage management through an automated warehouse management model. This model not only achieved the core goals of intensification and resource consumption reduction, but also improved the utilization rate of warehouse space and cargo turnover efficiency, and reduced warehousing costs. Meanwhile, Huaming introduced the self-designed VMC series vertical and horizontal composite machining centers to strengthen the overall CNC machining capacity, upgraded the insulation workshop to create a modern standard production environment, and introduced manipulators in the assembly workshop to replace some manual repetitive operations, improving assembly accuracy and production efficiency. In the future, Huaming will continue to promote digital transformation, provide support for the digitalization and paperless operation of the production process, and improve the production system in an all-round way.

### Cultivating a Strong Employee Foundation to Activate the Internal Driving Force of the Enterprise

Adhering to the people-oriented philosophy, Huaming improved a fair and equal employment management system, safeguarded the legitimate rights and interests of disabled employees, part-time workers and other groups, built a dual-track career development path for management and technical personnel, constructed a multi-level and all-round employee training system, and deepened humanistic care and diversified welfare protection. Huaming also provides targeted assistance to employees in difficulty, creating a warm "home culture".

### Fulfilling Social Responsibilities to Empower Industrial and Social Development

Upholding the concept of mutual prosperity with the industry and society, Huaming played a leading role to promote the high-quality development of the industry, deepened the management of green supply chain and business ethics, and actively participated in social welfare to repay society with practical actions.

Huaming participated in the formulation of national standards for tap changers used in UHV transformers, showcased achievements at domestic and international exhibitions such as the Shanghai International Power Equipment Exhibition and the Dubai Navigator Conference, set up the "Huaming Education" Special Fund, donated to many schools to support their educational development, and also made charitable donations to many medical institutions. In addition, Huaming has won numerous honors in the industry and capital market. All these demonstrate the era responsibility of Huaming as a national manufacturing enterprise.

Looking to the future, standing at a new development starting point, Huaming will continue to be guided by the new development philosophy, integrate ESG governance into every link of business development. We continue to strive for breakthroughs in core technologies, deepen green and low-carbon transformation, cultivate advantages in employee development, and expand the boundaries of social responsibility. We will always adhere to the original aspiration of the enterprise, fulfill our sustainable development responsibilities with more stringent standards and more pragmatic actions, walk hand in hand with all stakeholders, jointly promote the high-quality development of the power equipment industry, and contribute more Huaming strength to social development!

Chairman: Xiao Yi

April, 2026

# About Huaming

## Company Profile

Huaming (Stock Code: 002270) is a world-leading manufacturer of transformer tap changers. According to Frost & Sullivan, we ranked second globally and first in the China by revenue in the tap-changer market in 2024. Huaming offer a broad portfolio of tap-changers and related solutions for traditional and high-growth end markets. As essential and mission-critical components of power transformers, tap-changers position us to benefit from the growth of the power industry driven by demand from new energy sectors, ESS, AIDC and other end markets.

We have been focusing on the tap-changer business for more than three decades, investing substantially in product development, high-precision precision manufacturing and technology R&D. As a result, we have established comprehensive end-to-end capabilities covering R&D, design, manufacturing, testing, sales and after-sales services, while building long-standing relationships with leading transformer manufacturers and power grid operators worldwide. We have reached major milestones across multiple dimensions that have reinforced our market position and global competitiveness.

## Corporate Culture

We uphold the spirit of "Uphold integrity in business operation, treat others with benevolence and virtue, pursue continuous innovation, and strive for self-improvement", and build a good image of integrity with this work attitude. At the same time, Huaming makes every effort to create a favorable working atmosphere for employees, caring about employee protection and career development, and building a warm "home" for all employees.

## Business and Products

Huaming is mainly engaged in power equipment, CNC equipment and power engineering businesses. Our products are sold well all over the world, with power equipment exported to Europe, North America, Southeast Asia and many other countries and regions.

### Power Equipment

As the core business of Huaming, it mainly involves the R&D, production, sales and full-life-cycle operation, maintenance and overhaul of transformer tap changers.



### CNC Equipment

The R&D, production and sales of complete sets of CNC equipment.

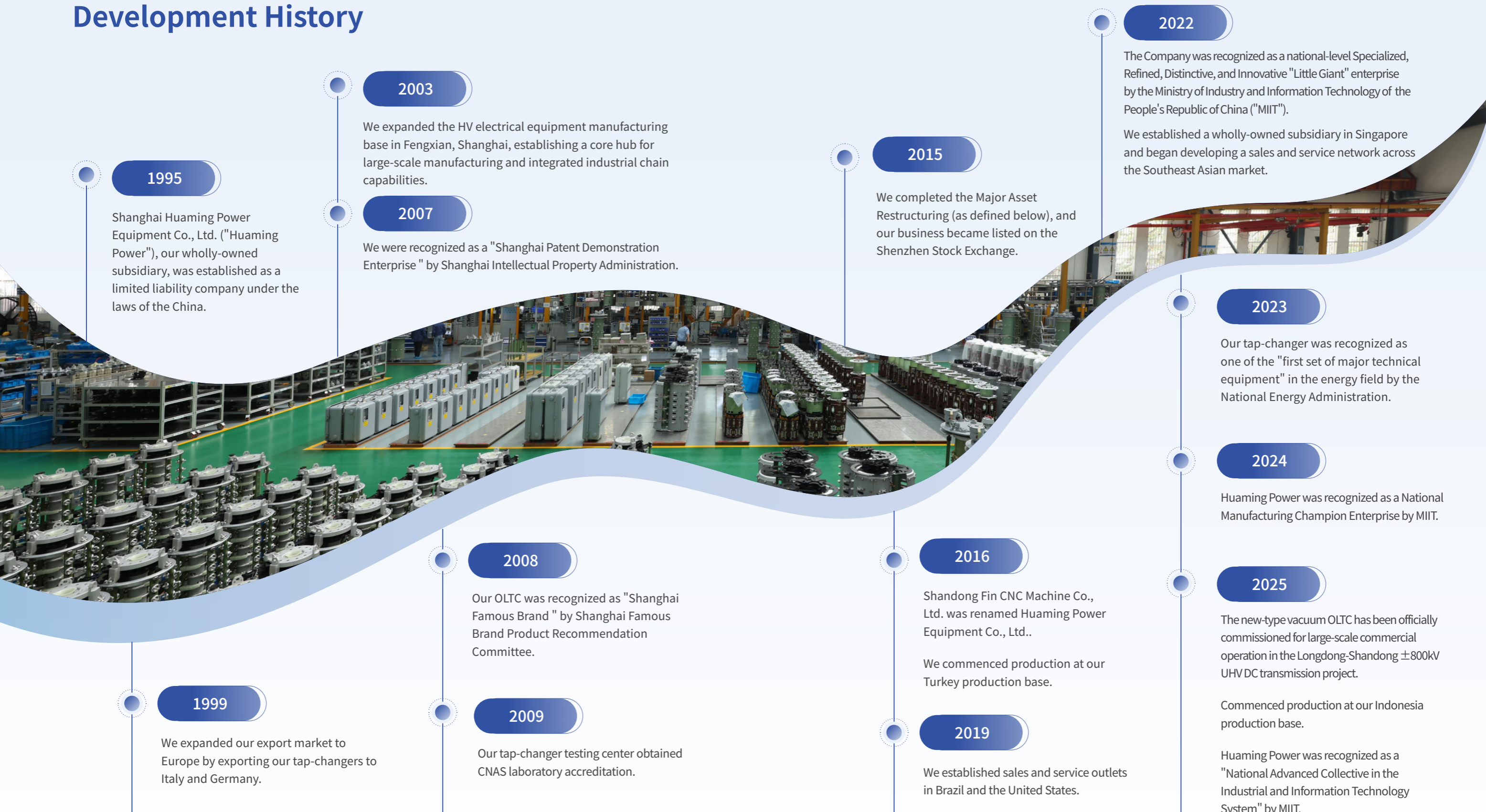


### Power Engineering

Contracting, Design and Construction of New Energy Power Plants



# Development History



1995

Shanghai Huaming Power Equipment Co., Ltd. ("Huaming Power"), our wholly-owned subsidiary, was established as a limited liability company under the laws of the China.

2003

We expanded the HV electrical equipment manufacturing base in Fengxian, Shanghai, establishing a core hub for large-scale manufacturing and integrated industrial chain capabilities.

2007

We were recognized as a "Shanghai Patent Demonstration Enterprise" by Shanghai Intellectual Property Administration.

2008

Our OLTC was recognized as "Shanghai Famous Brand" by Shanghai Famous Brand Product Recommendation Committee.

2009

Our tap-changer testing center obtained CNAS laboratory accreditation.

1999

We expanded our export market to Europe by exporting our tap-changers to Italy and Germany.

2015

We completed the Major Asset Restructuring (as defined below), and our business became listed on the Shenzhen Stock Exchange.

2016

Shandong Fin CNC Machine Co., Ltd. was renamed Huaming Power Equipment Co., Ltd..

We commenced production at our Turkey production base.

2019

We established sales and service outlets in Brazil and the United States.

2022

The Company was recognized as a national-level Specialized, Refined, Distinctive, and Innovative "Little Giant" enterprise by the Ministry of Industry and Information Technology of the People's Republic of China ("MIIT").

We established a wholly-owned subsidiary in Singapore and began developing a sales and service network across the Southeast Asian market.

2023

Our tap-changer was recognized as one of the "first set of major technical equipment" in the energy field by the National Energy Administration.

2024

Huaming Power was recognized as a National Manufacturing Champion Enterprise by MIIT.

2025

The new-type vacuum OLTC has been officially commissioned for large-scale commercial operation in the Longdong-Shandong  $\pm 800\text{kV}$  UHV DC transmission project.

Commenced production at our Indonesia production base.

Huaming Power was recognized as a "National Advanced Collective in the Industrial and Information Technology System" by MIIT.

# 2025 Honors of Huaming

**Selected for the 2025 Listed Companies Cash Dividend List**

China Association for Public Companies

Shanghai Huaming Electric Power Equipment Manufacturing Co., Ltd.

**Future 20 Growth Enterprise of the Year**

China Business Network

**Title of "Advanced Collective in the National Industry and Information Technology System"**

Ministry of Industry and Information Technology (MIIT)

**The 16th China Listed Companies Investor Relations Management—Shareholder Return Award**

Securities Times

**Re-certification as a Shanghai "Little Giant" Specialized, Refined, Differential and Innovative (SRI) Enterprise**

Shanghai Municipal Commission of Economy and Information Technology

**The 16th China Listed Companies Investor Relations Management—Tianma Award**

Securities Times

**Re-certification as a Shanghai Specialized, Refined, Differential and Innovative (SRI) Enterprise**

Shanghai Municipal Commission of Economy and Information Technology

**Investor Relations Gold Award (2024) — Outstanding Institution Attention Award**

Panorama Network

Shandong Fin CNC Machine Co., Ltd.

**Future Energy Industry Star Listed Company**

F-CN.CN

**Third Prize for Scientific and Technological Progress in the National Machinery Industry**

China Machinery Industry Federation (CMIF) 、 Chinese Mechanical Engineering Society (CMES)

**2024 Influential Listed Companies of the Year**

Snowball



# 01

## Corporate Governance

Huaming adheres to the governance philosophy of "Compliant and Steady Operation, Transparent and Efficient Management", and integrates standardized operation into the entire development process. By improving the governance structure, perfecting the risk control and compliance system, building a full-dimensional ESG management mechanism, strengthening communication with stakeholders, we strictly abide by the bottom line of business ethics and clean operation.

### Our Actions

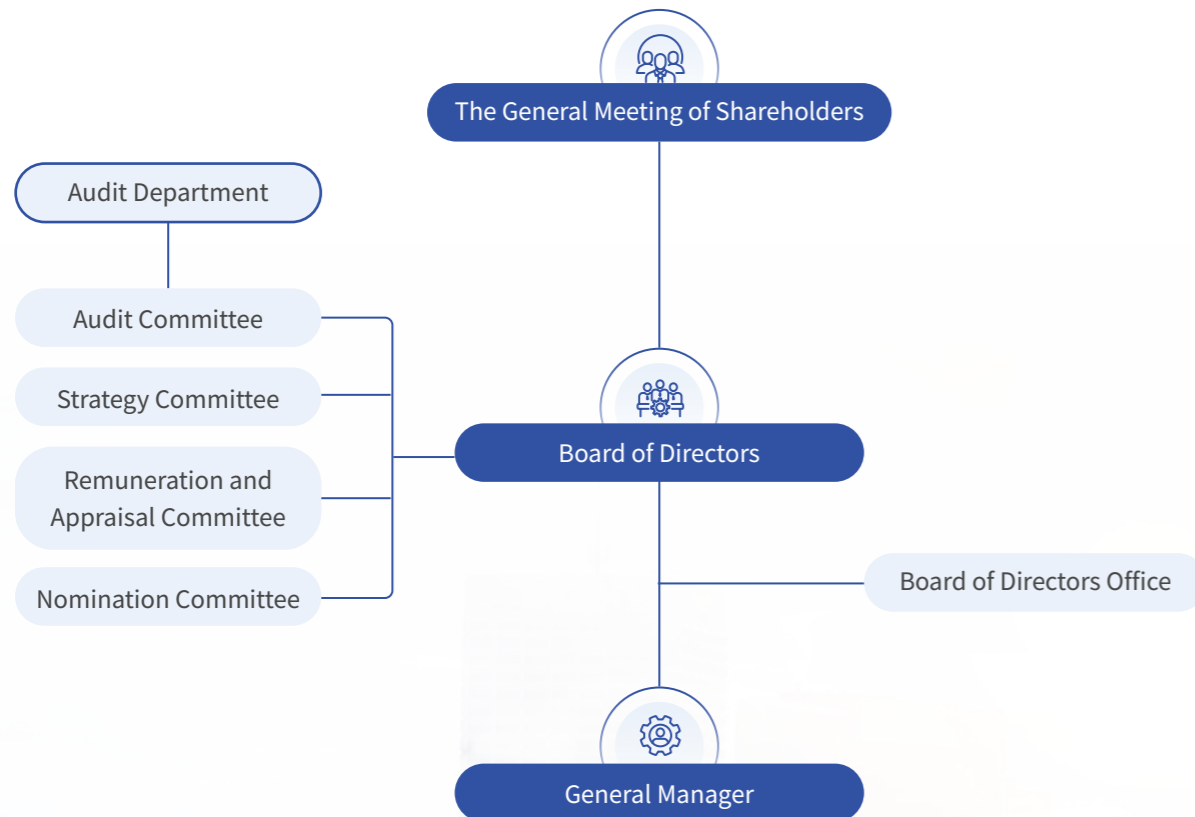
- Improve Our Governance
- Strengthen Investor Relations
- Establish an ESG Management System
- Enhance Risk Control
- Deepen Compliance Development

### Supporting of the UN SDGs



## Our Governance

Huaming continuously improves the governance structure, deepens communication with stakeholders, accurately identifies key ESG topics, and integrates SDG goals into governance practices. We consolidate the foundation for development through a sound investor relations management and risk prevention and control system.



## Governance System

Huaming strictly complies with the requirements of laws and regulations such as the Company Law of the People's Republic of China and the Code of Corporate Governance for Listed Companies in China, formulates and continuously improves the Articles of Association and the Rules of Procedure for the Board of Directors and other relevant systems, and builds a governance structure with the General Meeting of Shareholders, the Board of Directors and the management as the core. The Board of Directors has set up special committees including the Strategy Committee, Remuneration and Appraisal Committee, Nomination Committee and Audit Committee to ensure compliant and transparent operation. Huaming formulates and implements management systems such as the Detailed Implementing Rules for the Audit Committee of the Board of Directors, laying a solid institutional foundation for the orderly operation of the governance structure.

As the highest authority of Huaming, the Shareholders' general meeting exercises core functions and powers such as decision-making on significant corporate matters, review of profit distribution and electing Directors, in accordance with the law, safeguarding the legitimate rights and interests of all shareholders, especially minority shareholders. The Board of Directors focuses on strategy formulation, risk control and oversight of management, serving as the "decision-making hub" for Huaming's development. The senior management is responsible for implementing Huaming's strategies and overseeing day-to-day operations, coordinating and advancing production and operations, technological innovation and other key initiatives to ensure the efficient achievement of our business objectives.

The Board of Directors has a rational member structure, with the proportion of independent directors meeting regulatory requirements and an appropriate proportion of female directors. At the same time, the members of the Board of Directors have excellent professional literacy and rich governance experience, and the recruitment of personnel adheres to the fair principles of gender equality and ethnic equality.

### Key Performance Indicator

- | The Board of Directors has **9** members, including **3** independent non-executive directors, accounting for **33.3%**
- | The Board of Directors has **1** female director, accounting for **11.1%**
- | **4** sessions of the General Meeting of Shareholders were held, reviewing **33** proposals
- | **9** sessions of the Board of Directors were held, reviewing **86** proposals
- | **14** sessions of the special committees of the Board of Directors were held, reviewing **28** proposals



## Governance Honors

With a standardized and efficient governance structure and compliance practices, Huaming has been recognized by the industry and regulators, and won many honors in the capital market during the reporting period.



2025 Listed Company Cash Dividend List(Selected)  
China Association for Public Companies



Investor Relations Gold Award – Outstanding Institutional  
Attention Award  
Panorama Network



Investor Relations Management Shareholder Return Award  
Securities Times, "The 16th China Listed Companies  
Value Selection"



Investor Relations Management Tianma Award  
Securities Times, "The 16th China Listed Companies  
Value Selection"

## Investor Relations Management

Huaming formulates and implements the Investor Relations Management Policy and the Information Disclosure Management Policy to standardize the whole-process management requirements. Attaching great importance to safeguarding the legitimate rights and interests of all investors, especially minority shareholders, Huaming helps investors understand Huaming's operating conditions and development strategies by holding performance briefings, receiving investor research visits, and promptly replying to the Shenzhen Stock Exchange Interactive Easy Platform. Huaming's information disclosure comprehensively covers statutory information such as periodic reports and interim announcements, as well as key content such as operating data, financial status and major investments. It makes no selective disclosure and ensures that all investors obtain Huaming's information on an equal basis.

### Key Performance Indicator

- Held a total of **136** investor research sessions, receiving more than **1,200** person-times of investor research
- Issued a total of **155** periodic reports and interim announcements to the public



Huaming issued and implemented the Shareholder Return Plan for the Next Three Years (2023-2025), stipulating that the annual cash dividend distribution shall not be less than 60% of the distributable profits realized in the current year. In 2025, Huaming has been selected into the dividend list of China's listed companies.

### Key Performance Indicator

- Interim and third-quarter dividend distribution of RMB **358** million
- 2025 annual dividend distribution of RMB **188** million
- Total dividend distribution of RMB **547** million in 2025



## ESG Governance

### Supporting of the UN SDGs

#### Social Responsibility | Safety Responsibility



- Establish an occupational health and safety management system and conduct regular employee physical examinations;
- Strengthen work safety control and carry out safety training and emergency drills;
- Provide diversified employee benefits to protect employees' physical and mental health.

#### Social Responsibility



- Build a multi-level employee training system covering skills, safety and other dimensions;
- Set up an education incentive fund to support the educational reform and employee training of colleges and universities;
- Carry out school-enterprise cooperation to provide practical and employment support for students.

#### Social Responsibility



- Adhere to gender equality in recruitment and promotion with no gender discrimination;
- Safeguard the legitimate rights and interests of female employees and provide benefits such as special physical examinations;
- Cultivate female management employees and optimize the gender structure of the management team.

#### Environmental Protection



- Build a sewage treatment system to ensure the up-to-standard discharge of wastewater and promote recycling;
- Standardize the environmental health management of the production site to reduce pollution risks;
- Promote green office and improve the cleanliness of the office environment.

#### Environmental Protection



- Build photovoltaic power generation projects in the factory area to increase the proportion of clean energy use;
- Establish an energy management system and implement energy-saving technological transformation;
- Promote high-efficiency and energy-saving equipment to reduce energy consumption intensity.

#### Social Responsibility



- Improve the salary and performance system to ensure reasonable salaries and benefits for employees;
- Build a dual-track career development path for management and technical personnel to support employee growth;
- Strictly abide by labor laws and regulations, safeguard the legitimate rights and interests of employees, and eliminate forced labor.

#### Client Service



- Maintain R&D investment, overcome key technologies such as UHV, and drive product iteration;
- Participate in the formulation of national and industrial standards to lead the standardization of industrial technology;
- Carry out industry-university-research cooperation, build innovation platforms and promote technological transformation.

#### Social Responsibility



- Provide fair employment and promotion opportunities for employees with different educational backgrounds and experiences;
- Establish a support mechanism for employees in difficulty and provide financial and material support;
- Layout production bases in multiple regions to drive local employment and balanced economic development.

#### Social Responsibility | Environmental Protection



- Promote the green transformation of production and operation to reduce the impact on the urban environment;
- Participate in community public welfare activities to help improve community infrastructure;
- Fulfill social responsibilities and improve the quality of community life.

#### Environmental Protection



- Implement classified waste management, promote the compliant disposal and resource recycling of hazardous waste;
- Build a green supply chain and require suppliers to comply with environmental and ethical standards;
- Promote the application of lightweight and long-life materials to reduce resource consumption.

#### Environmental Protection



- Incorporate climate change into strategic planning and conduct carbon emission inventory;
- Implement energy-saving transformation projects to reduce greenhouse gas emission intensity;
- R&D and promote low-carbon and environmentally friendly products to help clients reduce emissions.

#### Huaming Governance



- Establish an integrity management system to eliminate commercial bribery and fraud;
- Operate in compliance with laws and regulations, actively respond to government regulatory requirements and maintain market order.

#### Social Responsibility | Client Service



- Establish long-term and stable cooperative relations with suppliers and clients to achieve win-win results;
- Participate in industry exchanges and international cooperation to share sustainable development experience;
- Build a stakeholder communication mechanism to listen to and actively respond to the demands of all parties.



## ESG Development Philosophy

Huaming actively implements the new development philosophy of innovation, coordination, green development, opening up and sharing. Huaming promotes the high-quality development of the industry through efforts and practices in work safety, scientific and technological innovation, corporate governance, employee training and other aspects.

## ESG Management

In accordance with the Basic Standards for Enterprise Internal Control, SZSE Self-Regulatory Guidelines for Listed Companies No. 1 — Standardized Operation of Main Board Listed Companies and other relevant provisions, Huaming formulates and implements the ESG Management Policy. We establish a sound ESG management structure to exercise unified leadership, decision-making and organization for relevant work.

Management Level	Responsible Body	Responsibilities
ESG Leading and Decision-Making Body	Board of Directors	<ul style="list-style-type: none"> <li>Determine Huaming's ESG development direction and goals;</li> <li>Review and approve Huaming's ESG management systems;</li> <li>Review Huaming's ESG reports and major ESG topics, etc.</li> </ul>
ESG Research and Guidance Body	Strategy Committee of the Board of Directors	<ul style="list-style-type: none"> <li>Coordinate the relevant internal and external work in an overall manner;</li> <li>Study the laws, regulations, policies and material topics of Huaming in the ESG field;</li> <li>Identify and manage ESG-related risks and opportunities that have a significant impact on Huaming's business;</li> <li>Guide the daily development of ESG work and the compilation of ESG reports.</li> </ul>
ESG Execution Units	All Departments and Subsidiaries	<ul style="list-style-type: none"> <li>Implement ESG work tasks in accordance with Huaming's overall plan and report the implementation progress regularly.</li> </ul>
	Board of Directors Office	<ul style="list-style-type: none"> <li>Understand the demands, opinions and suggestions of stakeholders and analyze material topics;</li> <li>Be responsible for the information collection, compilation and disclosure of ESG reports.</li> </ul>

## Stakeholder Engagement

Huaming has established and improved a stakeholder communication mechanism, listened to the opinions and suggestions of stakeholders, and accurately identified material ESG topics.

Stakeholders	Expectations and Requirements	Actions
Shareholders/Investors	<ul style="list-style-type: none"> <li>Compliant disclosure</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Hold the General Meeting of Shareholders</li> <li>Receive investor visits</li> <li>Disclose information regularly</li> <li>Hold performance briefings</li> </ul>
Government and Regulators	<ul style="list-style-type: none"> <li>Rural revitalization and social welfare</li> <li>Business ethics</li> <li>Industry trends and policies</li> </ul>	<ul style="list-style-type: none"> <li>Create employment opportunities</li> <li>Practice rural revitalization and social welfare</li> <li>Conduct exchanges and cooperation</li> </ul>
Suppliers and other partners	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Intellectual property protection</li> </ul>	<ul style="list-style-type: none"> <li>Open and transparent procurement</li> <li>Build a green supply chain</li> <li>Protect intellectual property rights</li> </ul>
Clients	<ul style="list-style-type: none"> <li>Product quality and safety,</li> <li>Customer satisfaction</li> <li>R&amp;D and innovation</li> <li>Information security and privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen product quality control</li> <li>Organize customer visits and training activities</li> <li>Provide high-quality services</li> <li>Enhance privacy protection</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Employee rights and interests</li> <li>Employee care</li> <li>Employee training and development</li> <li>Employee health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Safeguard employee rights and interests</li> <li>Organize diversified employee activities</li> <li>Provide fair promotion channels</li> <li>Create a safe and healthy working environment</li> </ul>
Society and the Public	<ul style="list-style-type: none"> <li>Rural revitalization</li> <li>Social welfare</li> </ul>	<ul style="list-style-type: none"> <li>Support rural revitalization</li> <li>Launch student assistance programs</li> <li>Conduct charitable activities</li> </ul>

## Dual Materiality Analysis of Topics

Huaming carries out the identification and analysis of material topics, and identifies 24 topics that are financially material to itself and impact material to stakeholders. Through questionnaires conducted among investors, clients, employees, suppliers and other parties, we collect evaluations and suggestions, and combine expert opinions to evaluate and rank the dual materiality of the topics.



Materiality Topic Analysis Matrix

## Due Diligence

Dimension	Topic	Topic Objective	Scope of Impact			Risk Identification	Response Measures	Corresponding Chapter
			Value Chain	Corporate Operation	Social Impact			
Governance	Corporate Governance	Improve the transparency of corporate decision-making and operational efficiency, and safeguard the rights and interests of all shareholders by establishing and maintaining a sound governance structure and an operation mechanism of the three meetings (General Meeting of Shareholders, Board of Directors, Board of Supervisors).		✓		Organization and governance risks	Continuously improve the corporate governance system, set up special committees of the Board of Directors and report regularly, and strictly implement the information disclosure system.	Corporate Governance
	Risk Management	Prevent operational compliance and business interruption risks, and ensure the steady development of Huaming by establishing a risk identification, assessment and prevention system covering the entire business process.	✓	✓		Organization and governance risks, Legal and litigation risks, Operational and supply chain risks	Formulate and implement relevant risk control systems, conduct annual internal control self-evaluation and external audit, and establish a dynamic risk monitoring and early warning mechanism.	Corporate Governance
	Addressing Climate Change	Proactively respond to the policy and physical risks brought by climate change, and promote low-carbon transformation by setting carbon emission reduction goals, implementing energy-saving technological transformation and management improvement.	✓	✓	✓	Legal and litigation risks, Operational and supply chain risks, Reputational and brand risks	Incorporate Address climate change into strategic planning and conduct carbon emission inventory; implement energy-saving transformation and explore the application of clean energy.	Environmental Protection

Dimension	Topic	Topic Objective	Scope of Impact			Risk Identification	Response Measures	Corresponding Chapter
			Value Chain	Corporate Operation	Social Impact			
Governance	Energy Management	Systematically improve energy use efficiency, control energy costs and reduce the environmental impact of operations by establishing a sound energy management system and updating energy-saving equipment and technologies.		✓		Operational and supply chain risks, Legal and litigation risks	Formulate an energy management system, conduct energy audit and monitoring, invest in and introduce high-efficiency energy-saving equipment, and carry out energy-saving publicity and training.	Environmental Protection
	Environmental Protection Management	Ensure compliance with emission standards, and prevent environmental pollution incidents and related reputational losses by strictly implementing environmental protection laws and regulations and improving the pollutant and waste management system.		✓	✓	Legal and litigation risks, Reputational and brand risks, Organizational and employee risks	Establish an environmental management organization and system, and conduct regular environmental protection training and emergency drills; strengthen the compliant monitoring and disposal of waste gas, wastewater and solid waste, strictly manage waste cutting fluid and oily wastewater generated by machining, and disclose the up-to-standard emission data of pollutants from production bases regularly and publicly.	Environmental Protection

Dimension	Topic	Topic Objective	Scope of Impact			Risk Identification	Response Measures	Corresponding Chapter
			Value Chain	Corporate Operation	Social Impact			
Social	Occupational Health and Safety	Prevent industrial accidents and occupational diseases, and safeguard employees' life safety and physical health by establishing and implementing a comprehensive work safety and occupational health management system.		✓	✓	Organizational and employee risks, Legal and litigation risks, Reputational and brand risks	Promote the construction of work safety standardization, conduct regular hidden danger investigation, safety training and drills, and occupational health monitoring; carry out special occupational health examinations and protection for posts such as assembly and welding.	Safety Responsibility
	Product Quality and Safety	Ensure the safety and reliability of products, meet customer requirements and win market trust through a full-life-cycle quality management system and strict control.	✓	✓	✓	Legal and litigation risks, Reputational and brand risks, Operational and supply chain risks	Implement full-process quality control and conduct quality training and selection; establish a global rapid response mechanism for customer faults and provide remote diagnosis and on-site maintenance services.	Safety Responsibility
	R&D and Innovation	Drive technological upgrading and product iteration, and consolidate and enhance Huaming's core competitiveness by continuously increasing R&D investment, building innovation platforms and protecting intellectual property rights.	✓	✓		Organizational and employee risks, Operational and supply chain risks	Formulate an R&D and innovation strategy, increase R&D investment, build industry-university-research platforms, and improve the intellectual property protection mechanism.	Client Service

Dimension	Topic	Topic Objective	Scope of Impact			Risk Identification	Response Measures	Corresponding Chapter
			Value Chain	Corporate Operation	Social Impact			
Social	High-Quality Customer Service	Improve customer satisfaction and loyalty, and establish long-term and stable strategic cooperative relations by building an efficient demand response mechanism and a customer relationship management system.	✓	✓		Reputational and brand risks, Organizational and employee risks	Optimize the customer service process, provide product training and guidance, and conduct satisfaction surveys and closed-loop management of complaints.	Client Service
	Sustainable Supply Chain	Build a safe, stable, responsible and sustainable supply chain system by conducting a comprehensive evaluation and management of suppliers covering quality, environmental protection and ethics.	✓	✓	✓	Operational and supply chain risks, Legal and litigation risks, Reputational and brand risks	Establish a supplier access evaluation system, conduct ESG training, implement open and fair procurement, and sign integrity and environmental protection agreements.	Safety Responsibility

## Risk Control and Compliance

### Governance

Huaming strictly complies with relevant laws, regulations and industry regulatory requirements, formulates and implements the Internal Audit Policy, and establishes a management structure of "hierarchical responsibility, coordination and linkage".



#### Audit Committee under the Board of Directors

- Formulate and disclose the rules of procedure for the Audit Committee;
- Guide the Internal Audit Department to carry out audit work.



#### Internal Audit Department

- Inspect and evaluate the completeness, rationality and effectiveness of the internal control system;
- Audit the legality, compliance, authenticity and completeness of Huaming's accounting materials and other relevant economic materials, as well as the financial revenues and expenditures and related economic activities reflected therein;
- For internal control deficiencies found in the review process, urge the relevant responsible departments to formulate rectification measures and a time schedule, conduct follow-up review of internal control and supervise the implementation of rectification measures;
- Be responsible for the special audit of various acts that violate Huaming's systems, encroach on Huaming's assets, cause serious waste and damage Huaming's interests;
- Report work to the Audit Committee regularly.

## Strategy

### Management Strategy

Focusing on our core power equipment business and key development priorities—including ultra-high voltage (UHV) projects and overseas expansion—we focus on critical risk areas such as market, technology, and supply chain risks. We have established mechanisms for risk anticipation and dynamic adaptation to ensure risk management progresses in tandem with business development, thereby laying a solid foundation for Huaming's sustainable, high-quality development.

### Risk Control and Risk Analysis

Risk Type	Risk Description	Impact Timeframe	Potential Financial Impact	Response Measures
Internal Control Failure Risk	The lack or inadequate implementation of control over key business processes may lead to financial misstatement, asset loss or low operational efficiency.	Short-term, Medium-term, Long-term	Financial losses, audit adjustments, increase costs	Continuously improve the internal control system and promote our information-based implementation; conduct regular internal control self-evaluation and special audit; strengthen the assessment of system implementation.
Inadequate Audit Supervision Risk	Incomprehensive coverage of internal audit and ineffective follow-up on the rectification of audit suggestions may lead to failure to detect and correct potential risks in a timely manner.	Short-term, Medium-term, Long-term	Accumulation of potential risks, regulatory penalties	Ensure the independence and resource guarantee of internal audit; establish a closed-loop mechanism for the rectification of problems found in audits; strengthen the reporting of audit results to the Board of Directors.
Compliance Management System Risk	Failure of the compliance system to respond to changes in laws and regulations in a timely manner, and inadequate compliance training and awareness raising increase the possibility of non-compliant operations.	Short-term, Medium-term, Long-term	Fines, litigation costs, reputational damage	Establish a dynamic update mechanism for compliance; carry out hierarchical compliance training for all employees; set up compliance performance assessment indicators.

## Management of Impacts, Risks and Opportunities

### Audit Work Development

Huaming conducts annual internal control self-evaluation and external audit. In 2025, Huaming engaged Shine Wing Certified Public Accountants to conduct an internal control audit across all operating locations, obtaining an audit report with a standard unqualified opinion.

### Compliance Culture Building

Huaming organizes core personnel to participate in official regulatory training by the CSRC and stock exchanges, as well as special practical training by external law firms and professional institutions. At the same time, Huaming also actively carries out comprehensive compliance training to ensure that employees fully understand and strictly abide by relevant laws and regulations.

## Indicators and Goals

With improving risk prevention and control quality and upgrading system efficiency as the core goals, Huaming's risk control and compliance work formulates annual indicators focusing on key links such as compliance training, audit supervision and defect rectification. Huaming builds a solid compliance defense line in line with business reality.

#### Key Performance Indicator

- Held **6** meetings of the Audit Committee
- The audit scope mainly covers the compliance and effectiveness of internal control, as well as the efficiency and performance of business operations; audits cover procurement and payment, outsourcing business, departure audit of key positions and other aspects, with a total of **10** special audits conducted



# Business Ethics

## Integrity Management System

Huaming strictly abides by the Anti-Unfair Competition Law of the People's Republic of China, the Interim Provisions on Prohibiting Commercial Bribery Acts and other laws and regulations, and formulates and implements the Anti-Fraud Management Policy of Huaming Electric Power Equipment Co., Ltd. On the eve of important festivals and holidays, Huaming reminds employees to adhere to the bottom line of integrity through internal notices, emails and other means. In 2025, Huaming had no litigation cases related to corruption.

### ○ Huaming's Integrity Management Requirements



Shall not solicit or accept cash gifts, presents, credit cards, shopping cards, kickbacks or other items from business partners or individuals in any name.



It is strictly forbidden to take advantage of one's position to extort or accept bribes; it is strictly forbidden to seek benefits for relatives and friends by taking advantage of one's position, and Huaming's business cooperation shall not be conducted with relatives and friends who have a conflict of interest with oneself.



Shall not participate in entertainment activities such as commercial song and dance halls, nightclubs, leisure and tourism invited by clients, suppliers and other parties, and shall not have personal expenses reimbursed by business partners.



Huaming's financial and relevant personnel shall not use public funds to speculate in stocks or misappropriate public funds for personal use; anyone found doing so shall be dismissed immediately, and those with serious acts shall be held criminally responsible in accordance with the law.



Business trips shall have a clear business purpose, be conducted in a thrifty manner, with no over-standard reimbursement of travel expenses, and no detours for tourism under the pretext of official business.



Anyone who finds others engaging in acts that damage Huaming such as favoritism and fraud, abuse of power and commercial bribery shall report to Huaming in a timely manner. Failure to report after knowing the facts shall be regarded as concealing fraudulent acts.

## Reporting Channels

Huaming discloses anti-fraud reporting channels to all stakeholders, assigns special personnel to be responsible for reporting records and investigations, keeps all reports strictly confidential, and resolutely eliminates any form of threat and retaliation.

### ○ Anti-Fraud Reporting Channels



Reporting Hotline: +86 21 5899 5505



Mailing Address: Internal Audit Department, Huaming, No. 977 Tongpu Road, Putuo District, Shanghai



E-mail: jubao@huaming.com



Postcode: 200333

## Supplier Business Ethics Management

Huaming signs the Supplier Integrity Commitment Letter and the Integrity Agreement with all suppliers, clarifying the responsibilities and disciplinary measures of both parties to reduce procurement compliance risks. In 2025, Huaming's suppliers had no violations related to corruption and embezzlement.



# 02

## Environmental Protection

Huaming regards green and low-carbon development as the core driving force for the enterprise's sustainable development. We have systematically built a multi-dimensional governance system covering energy, waste, waste gas and wastewater management. Huaming is committed to identifying and addressing climate risks, seizing low-carbon transformation opportunities in green operations, and fulfilling the environmental responsibilities of an equipment manufacturing enterprise.

### Our Actions

- Environmental Management
- Address Climate Change
- Energy Management
- Waste Management
- Waste Gas Management
- Wastewater Management
- Green Operations

### Supporting of the UN SDGs



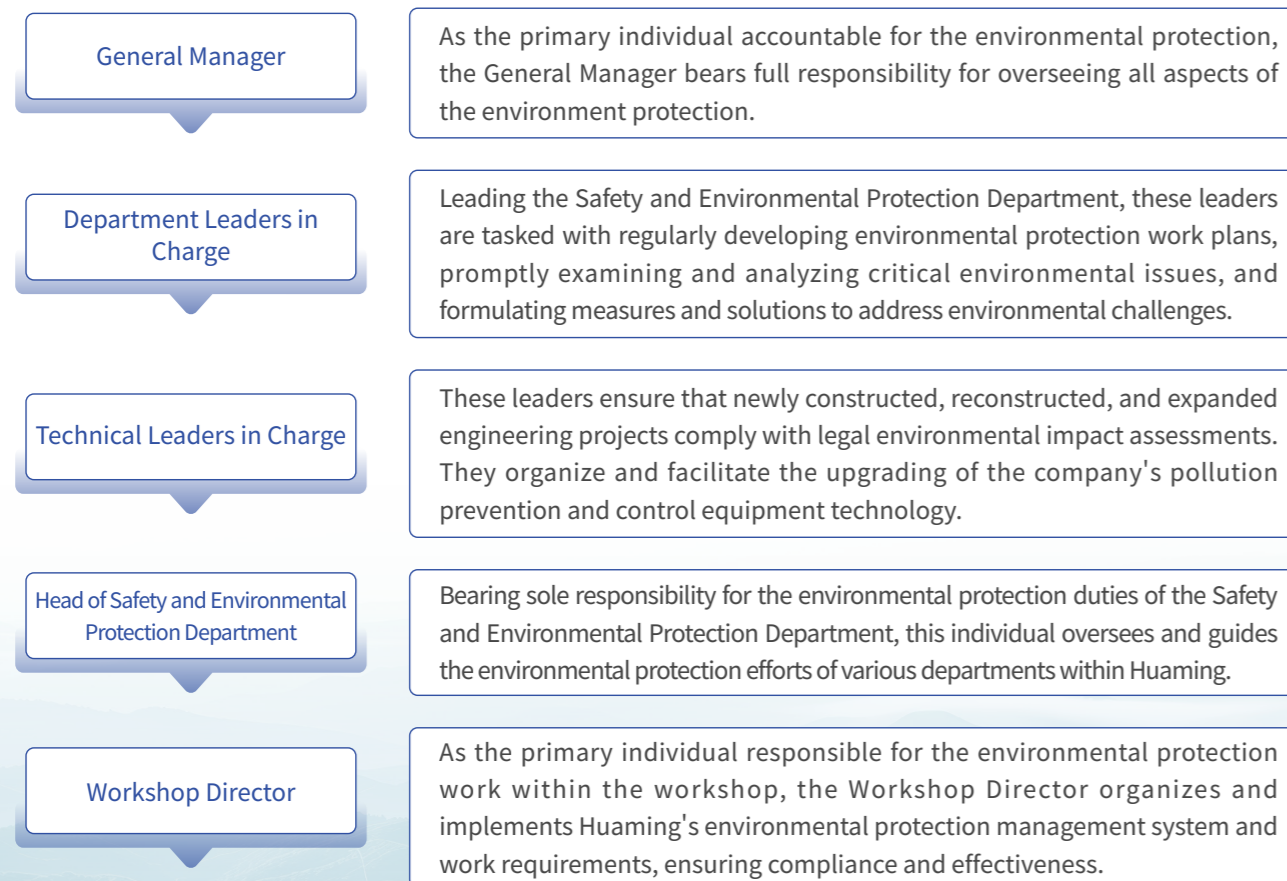
# Environmental Management

## Governance

Huaming strictly abides by the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China and other relevant domestic and foreign laws and regulations. We have improved and optimized a number of systems including the Quality / Environment / Occupational Health and Safety Management System, the Procedure for Identification and Evaluation of Environmental Factors and the Regulations on the Management of Hazardous Waste Storage Sites, and constantly improved the environmental management system. In 2025, the major subsidiaries of Huaming maintained compliance with the ISO 14001 Environmental Management System certification requirements.

Huaming established a top-down, all-round environmental management organizational structure, clarifying the person in charge of environmental management and their responsibilities.

### Environmental Management Structure



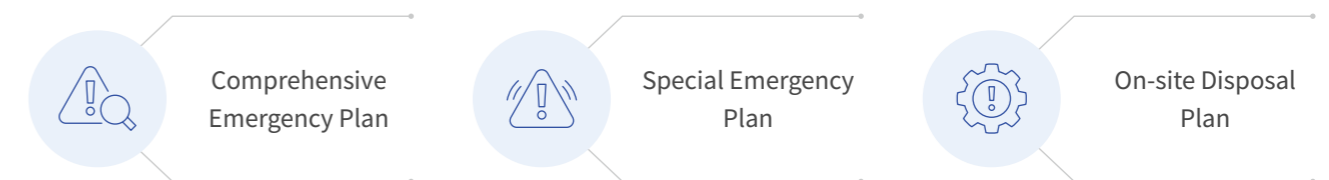
## Strategy

All subsidiaries and production units of Huaming conduct risk investigations in accordance with the Emergency Plan for Sudden Environmental Incidents. We improved emergency facilities, organized regular emergency drills, and strengthened the ability to prevent and control various accidents. No environmental accidents occurred during the reporting period.

## Management of Impacts, Risks and Opportunities

We and our subsidiaries regularly conduct analyses of environmental management risks and opportunities. Shanghai Huaming has formulated and implemented the Control Procedures for Responses to Organizational Environment, Risks and Opportunities, by which it regularly identifies risks, assesses their severity, and documents the assessment results in the Form for Identification, Analysis and Evaluation of Risks and Opportunities.

### Shanghai Huaming's Environmental Emergency Plan System



Welding Environmental Protection Training



Environmental Emergency Drill



# Resource and Energy Management

## Addressing Climate Change

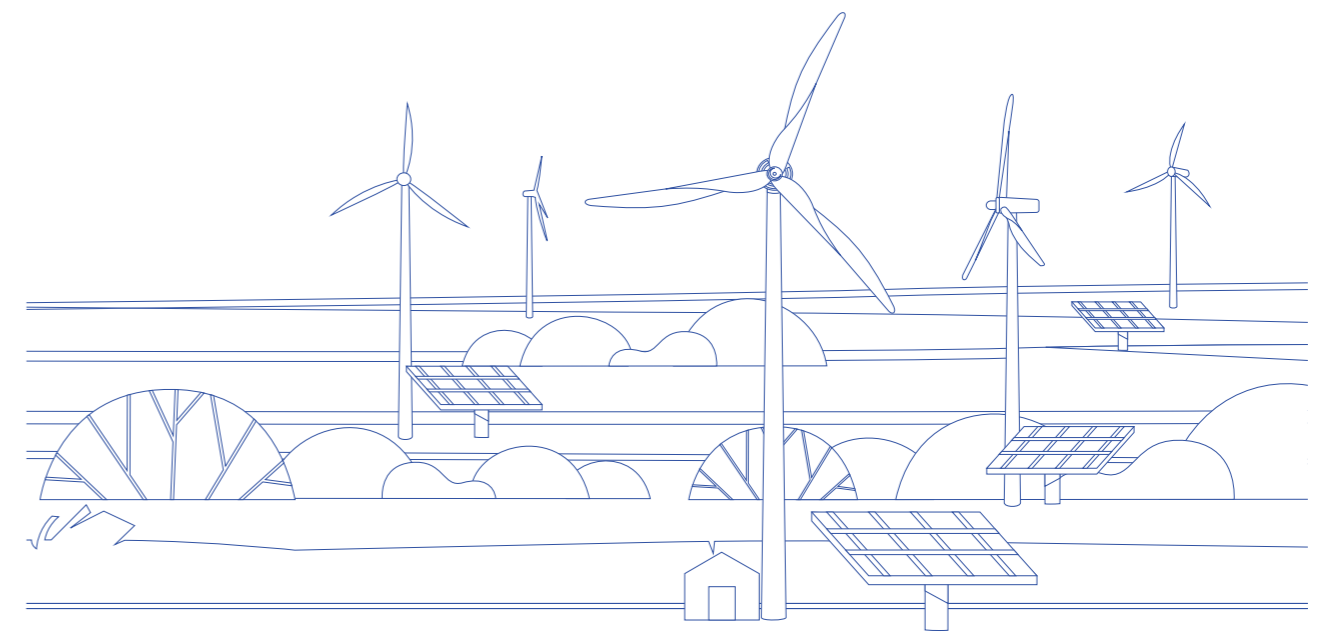
### Governance

Through product innovation and service upgrading, Huaming is transforming from a "key supplier of power grid equipment" to a "key enabler of new power systems and energy transformation solutions".

### Strategy

Category	Details	Timeframe	Potential Impacts	Response Measures
Transition Risks	Policy and regulatory risks: Tighter carbon emission reduction policies may subject high-energy-consuming equipment manufacturing to higher environmental standards or carbon emission costs	Short-to-medium term	Increased production costs, restricted product market access, and impacts on traditional business models	Strengthen R&D of energy-saving technologies and drive the upgrading of product energy efficiency; Conduct carbon accounting and explore low-carbon supply chain management; Participate in the formulation of industry standards to adapt to policy changes in advance
	Technological iteration risks: The Electric Power Equipment Industry is transforming towards green and intelligent development, and traditional technological paths may be replaced	Medium-to-long term	Eroded market share and increased pressure on R&D investment	Increase R&D investment in new energy field equipment (e.g., UHV, energy storage); Cooperate with scientific research institutions to lay out low-carbon technologies
	Market and reputational risks: Customer preferences shift to low-carbon products; poor ESG performance may affect corporate image and financing capacity	Medium-to-long term	Damaged brand value and increased financing costs	Establish an ESG information disclosure mechanism; Launch green product certification and strengthen sustainable brand promotion

Category	Details	Timeframe	Potential Impacts	Response Measures
Physical Risks	Acute risks: Extreme weather (e.g., heavy rain, typhoons) leads to factory shutdowns, supply chain disruptions or equipment damage	Short term	Production delays, asset losses and increased insurance premiums	Formulate disaster emergency plans and enhance the disaster resistance capacity of facilities; Lay out a diversified supply chain to reduce regional concentration risks
	Chronic risks: Rising average temperatures and water shortages affect the efficiency of production and operation or the stability of energy supply	Medium-to-long term	Increased operating costs and enhanced resource dependence	Promote energy-saving and water-saving transformation of factories; Explore self-use solutions for renewable energy (e.g., photovoltaic power)
Opportunities	Product and service opportunities: Growing demand for new energy infrastructure such as wind power, photovoltaic power and UHV drives the demand for Electric Power Equipment upgrading	Medium-to-long term	Open up new markets and expand profit margins	Focus on the R&D of customized equipment in the new energy field; Expand cooperation in overseas green infrastructure projects
	Resource efficiency opportunities: Reduce raw material costs through the circular economy (e.g., recycling and utilization of waste equipment)	Medium-to-long term	Lower production costs and enhance supply chain resilience	Establish a product recycling and remanufacturing system; Promote the application of lightweight and long-life materials



## Management of Impacts, Risks and Opportunities

We fully integrate climate-related risks and opportunities into our strategic management framework, and implement systematic management through a dynamic closed-loop mechanism of "Identification - Assessment - Response - Monitoring". At the operational level, we conduct resilience assessments of the supply chain, production processes and product portfolio, and identify high-priority areas. In response to transition risks, We proactively address them by developing green technological products and optimizing the energy mix; for physical risks, we strengthen the adaptability of infrastructure and lay out supply chain resilience solutions. At the same time, Huaming actively seizes opportunities such as the expansion of the new energy equipment market, the improvement of resource efficiency and green financing, and converts them into growth drivers. All management actions are supported by key performance indicators and disclosed in the annual ESG report.

## Indicators and Goals

In 2025, Huaming conducted a greenhouse gas (GHG) inventory for the scope of the consolidated financial statements in accordance with ISO 14064:2018 and the GHG Protocol.

Indicator	Unit	2023	2024	2025
Total GHG Emissions	tCO <sub>2</sub> e	11,548.35	12,638.87	11,166.70
Direct GHG Emissions (Scope 1)	tCO <sub>2</sub> e	1,178.16	798.79	735.41
Direct GHG Emission Intensity (Scope 1)	tCO <sub>2</sub> e/RMB 1 million	0.60	0.34	0.30
Indirect GHG Emissions (Scope 2)	tCO <sub>2</sub> e	10,370.19	11,840.08	10,431.29
Indirect GHG Emission Intensity (Scope 2)	tCO <sub>2</sub> e/RMB 1 million	5.29	5.10	4.30

**Notes:**

Huaming's Scope 1 GHG emissions come from direct GHG emissions in the operation process (e.g., combustion of gasoline, diesel, natural gas and gas fugitive emissions).

Huaming's Scope 2 GHG emissions come from indirect GHG emissions generated by purchased electricity.

## Energy Management

Huaming strictly follows national energy conservation requirements, formulates relevant energy-saving and consumption-reduction control documents, and regulates and guides the energy-saving work of all its plants.

We and our subsidiaries actively adopt energy-saving measures and introduce green electricity. During the reporting period, the photovoltaic power generation projects at the Guizhou Chenting plant and our Fengxian production base were completed and put into operation. At the same time, we successfully relocated the high-energy-consumption steel casting workshop at the Fengxian production base, significantly reducing diesel consumption.



Photovoltaic Power Generation at Fengxian Production Base

## Case: Guizhou Chenting Distributed Photovoltaic Power Generation Project

In 2025, Guizhou Chenting Co., Ltd. built a distributed photovoltaic power generation project using the idle roof of the factory area, adopting the self-generation for self-use model. Constructed by a professional photovoltaic enterprise and promoted through multi-department collaboration, the project was connected to the power grid for generation in June of the same year. By the end of December, we had achieved an accumulated power generation of 1.71 million kWh, accounting for 23.14% of the annual total electricity consumption. The project has realized energy conservation, consumption reduction, cost reduction and efficiency improvement, effectively lowering electricity costs and the carbon footprint.



Energy Consumption Type		Unit	2023	2024	2025
Direct Energy Consumption	Direct Energy Consumption Volume	kgce	438,624.47	416,583.44	415,205.28
	Direct Energy Consumption Intensity	kgce/RMB 1 million	223.66	179.39	171.09
Indirect Energy Consumption	Indirect Energy Consumption Volume	kgce	2,223,957.95	2,560,850.24	2,254,906.93
	Indirect Energy Consumption Intensity	kgce/RMB 1 million	1,134.02	1,102.77	929.17
Comprehensive Energy Consumption	Comprehensive Energy Consumption Volume	kgce	2,662,582.41	2,977,433.68	2,670,112.21
	Comprehensive Energy Consumption Intensity	kgce/RMB 1 million	1,357.67	1,282.16	1,100.26

## Emissions and Waste

Huaming strictly abides by the Environmental Protection Law of the People's Republic of China and Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and continuously optimizes the Waste Control Procedure, clarifying the requirements for the whole-process management of waste.

### Waste Management

Huaming strictly complies with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Measures for the Administration of Transfer of Hazardous Wastes and other laws and regulations, improves systems such as the Waste Management Measures and the Solid Waste Control Procedure, and standardizes waste disposal. Waste is classified into hazardous waste and general waste for separate management.

In accordance with the Hazardous Waste Management Measures, Huaming implements standardized control over hazardous waste. All subsidiaries and branches establish a hazardous waste management list, which clearly records waste categories, generation links, hazardous attributes, disposal units and treatment methods. All hazardous waste is entrusted to qualified third-party units for professional disposal or resource utilization.

Huaming's domestic garbage is collected by classification and uniformly transported and disposed of by the environmental sanitation department; general industrial solid waste (e.g., waste iron filings generated from steel plate cutting and mechanical processing) is transferred to qualified units for comprehensive utilization as a renewable resource.

### Waste Gas Management

Huaming strictly implements the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and relevant regulatory requirements, and conducts classified monitoring and treatment of waste gas generated in all links of the entire production process. Major waste gas pollutants in the production process are subject to real-time control by relying on on-line monitoring equipment to ensure up-to-standard emissions. During the reporting period, Huaming continued to promote production optimization and technological transformation, and constantly improved the level of ultra-low emission.

Huaming conducts daily inspections of the production site, regularly replaces the activated carbon of VOCs treatment facilities, and monitors online data in real time to ensure timely handling of abnormal situations. Huaming entrusts qualified third-party institutions to conduct regular environmental monitoring of waste gas, wastewater, noise and other indicators.

### Wastewater Management

Huaming strictly abides by the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Regulations on Urban Drainage and Sewage Treatment and other relevant laws and regulations. For various wastewater pollutants generated in the production process of different factory areas, Huaming adopts corresponding high-efficiency treatment processes to ensure the compliance of discharged water quality.

Huaming's sewage treatment station includes a comprehensive sewage treatment system and a dedicated cyanide-containing wastewater treatment system. The comprehensive system conducts systematic purification of sewage to ensure up-to-standard discharge; the cyanide-containing wastewater treatment system specifically removes harmful substances such as cyanide and promotes the recycling of treated water resources. Every year, Huaming entrusts qualified third-party environmental monitoring institutions to conduct regular monitoring and evaluation of the sewage discharge of all factory areas.

## Green Operations

Huaming has gradually improved a series of internal management systems such as the Green Office Policy, and advocates environmentally friendly behaviors such as power saving, paper saving and green commuting. At Fengxian Production Base, Huaming adopts plastic pallets to replace original wooden pallets, reusable plastic pallets feature extended service life and help avoid resource waste.



Replacement of Wooden Pallets with Plastic Pallets

#### Green Office Advocacy

Huaming encourages employees to issue documents (notices) through electronic means such as the collaboration network and QQ groups to avoid unnecessary paper printing. For non-important documents, employees shall print on the reverse side of waste paper; for important documents, double-sided printing is advocated to minimize paper waste. Unless necessary, all archive materials shall not be printed in principle to reduce paper consumption.

#### Power Saving Advocacy

Huaming has optimized and adjusted office lighting, changing the original double-lamp mode to single-lamp mode, and promoted the use of energy-saving LED lamps. For air conditioning use, it is stipulated that the air conditioning temperature shall not be lower than 26°C in summer and not higher than 18°C in winter, effectively reducing energy waste.

#### Green Transportation Advocacy

Huaming encourages employees to choose electric vehicles for business trips and overtime work outside the office, reducing the use of traditional fuel vehicles and further lowering carbon emissions from transportation.

#### Case

#### Building a New Benchmark for Green and Intelligent Warehousing - Shanghai Huaming High-Bay Warehouse Project

Huaming carried out an intelligent transformation of the high-bay warehouse at the Fengxian District production base, adopting an automated high-bay storage system, which has greatly improved the storage capacity and the overall storage volume. Through packaging standardization and the integration of WMS and ERP systems, unmanned operation has been realized, reducing energy consumption and pollution. After the project was put into operation, the warehousing operation efficiency, labor costs and inventory management accuracy have been significantly optimized.





# 03

## Safety Responsibility

Safety is the bottom line of our development and a solemn commitment to clients, partners and employees. Huaming strictly adheres to the bottom line of product safety and quality, strengthens supply chain collaboration and transparent management, safeguards data and information security, and builds a solid occupational health and safety protection system for production sites.

### Our Actions

- Strictly Control Product Safety
- Strengthen Supply Chain Management
- Protect Data Security
- Promote Work Safety and Occupational Health

### Supporting of the UN SDGs



# Product Safety

## Governance

Huaming has established a three-level quality management mechanism led by the general manager, with the quality management department as the primary responsible department and the quality inspection department as the implementation entity. Major topics related to product safety are included in the scope of regular review by the management to ensure the senior management effectively performs supervision duties. Huaming has built a sound quality control system, managed and implemented by the Quality Management Department. The system is subject to supervision and audit on an annual basis and certificate renewal review every three years to comply with the requirements of ISO 9001:2015 certification. In 2025, Huaming completed the annual system planning as scheduled to ensure the validity of system documents. All major subsidiaries and branch companies of Huaming have obtained ISO 9001 Quality Management System certification.

## Strategy

### Management Strategy

In 2025, Huaming promoted the upgrading of quality management from traditional quality control to a business strategy, and deeply integrated quality into the core competitiveness of the enterprise. Starting from the tenet of "Starting with clients, ending with clients", Huaming advanced the construction of a full staff-participated total quality management system and quality culture with the full support of the leadership. Huaming transformed our management thinking from post-inspection to whole-process prevention, moved quality control forward to the R&D and supply chain links, and pursued the goal of "zero defects". At the same time, we strengthened the closed-loop of after-sales feedback to drive continuous product improvement. By introducing advanced testing equipment, optimizing quality processes (such as weekly / monthly problem reports and the PDCA cycle), improving the management system, and combining market and competitor analysis, Huaming continuously enhanced product precision, stability and customer satisfaction, empowered sales, and built a sustainable quality advantage in the fierce competition.

### Quality Risk Analysis

Risk Type	Risk Description	Impact Timeframe	Potential Financial Impact	Response Measures
Personnel Quality Risk	Uneven professional quality of employees may lead to non-standard operations in the production process, directly affecting the stability of product quality.	Short-term, Medium-term	Increased costs, declining revenue	Boost employee motivation through performance appraisal; continuously introduce employees; pay attention to employees' reasonable needs to enhance a sense of belonging and operational standardization.
Supplier Quality Risk	Unstable quality of raw materials or components provided by suppliers will directly lead to production interruption or finished product quality defects of Huaming.	Short-term, Medium-term	Increased costs, declining revenue	Formulate scientific procurement strategies based on production plans; conduct annual review and performance appraisal of suppliers; implement dynamic supplier management and require timely rectification or replacement for problematic suppliers.
Risk of Rising Customer Quality Requirements	Clients' ever-increasing requirements for product quality, testing standards and consistency pose challenges to Huaming's existing quality control capabilities.	Short-term, Medium-term	Increased costs, declining revenue	Strengthen communication with clients to unify technical and inspection standards; enhance production process control to ensure products meet the latest customer requirements.

# Management of Impacts, Risks and Opportunities

## Quality Control Process

We have established a quality management system centered on procurement control and production process control. On the procurement side, standardized supplier selection procedures are implemented with strict material inspection; every batch of raw materials must be accompanied by quality documentation and pass qualification testing. In the production phase, the Quality Management Department conducts sampling inspections in compliance with established standards, while refining the supplier evaluation mechanism and implementing regular, systematic management to ensure stable and reliable product quality.

In 2025, We completed evaluations of multiple suppliers. Meanwhile, all subsidiaries have enforced rigorous quality control measures for suppliers in parallel. Guizhou Chenting conducts on-site audits on outsourced manufacturers and suppliers, and carries out on-site evaluations for newly added suppliers. We have put in place a supplier claim and accountability mechanism to reinforce quality accountability through economic measures. Shandong Fin CNC, another subsidiary, advances collaborative management by conducting regular visits to key suppliers, Huaming promptly interviewed suppliers with batch non-conformity problems, compiled monthly statistics on the non-conformity rate of components, and incorporated such data into performance appraisals. This forms a closed-loop management framework of "Evaluation – Feedback – Assessment – Improvement".

In our production processes, each production unit is staffed with dedicated inspection personnel. We implement full-process quality monitoring covering first article inspection, in-process patrol inspection, and pre-storage final inspection. Huaming is equipped with advanced testing and measuring instruments including large-scale bridge coordinate measuring machines, X-ray non-destructive testing facilities, spark direct reading spectrometers, so as to enhance the accuracy and efficiency of inspection activities.

## Product Quality Improvement

Huaming included the first inspection pass rate in the departmental performance appraisal, and the culture of "Everyone is a quality inspector" achieved initial results: all departments met the pass rate goals throughout the year, quality problems in finished product assembly were significantly reduced, and the risk of defective products flowing to clients was effectively lowered.

Huaming promoted automation and zero-point positioning fixtures in production processes, phasing out manual and simple mechanical tooling, which delivered continuous improvements in the qualified product yield. We also organized specialized skill training covering standard operating specifications for profile projectors, as well as daily maintenance and upkeep procedures for spectrometers and other equipment. All subsidiaries focused on capacity building with targeted resource allocation:

- In 2025, Guizhou Chenting carried out quality training and regular quality meetings, specially promoted the solution to a number of key quality problems, organized special seminars and conducted interviews with relevant suppliers. They simultaneously completed the revision of the Quality Manual and established a hierarchical management system of procedural documents.
- Shandong Fin CNC strived to improve testing accuracy and personnel capabilities, invested in the introduction of high-precision equipment such as Renishaw laser interferometers, ball bar testers and laser calibrators from the UK, entrusted the original factory to conduct special training for inspectors, and recruited high-level quality inspection employees.

## Quality Problem Control

Huaming has established a closed-loop mechanism linking customer complaints and quality improvement. For product quality issues and complaints, Huaming High Voltage adopts the 8D methodology to complete rectification through monthly cross-departmental meetings. Service-related issues are incorporated into performance appraisals: points will be deducted from responsible personnel with penalties imposed as appropriate. Employees making repeated errors will receive remedial training or be referred to the human resources department for further handling, ensuring effective control over product and service quality risks. In 2025, all customer quality complaints were addressed in a timely manner, and major quality issues were fully closed and resolved.

Guizhou Chenting formulates targeted rectification measures for all types of non-conformities and strengthens follow-up verification to ensure effective implementation and closed-loop resolution of improvements. We have built a full-chain quality control system covering suppliers to finished products, preventing non-conforming items from entering subsequent processes or being delivered to customers, so as to fully guarantee product quality and delivery reliability.

Shandong Fin CNC implements dynamic management for inventory and in-transit materials. Once non-conformities are identified, relevant batches are immediately frozen, and on-site materials are labeled and isolated to prevent misuse. For delivered products, product recall procedures are initiated, accompanied by root cause analysis and the issuance of non-conformity analysis reports. Meanwhile, a component traceability system has been built to realize one item, one code with full lifecycle traceability. We have also optimized supply modes to strengthen source traceability capabilities. In internal production processes, strict assessments are conducted on the first-pass inspection yield of each procedure, with full tracking and closed-loop management applied to all quality issues. Supplier performance is linked to the non-conformity rate of components, with quantitative assessment and integrated reward-and-penalty mechanisms implemented.

## Quality Culture Building

Huaming disseminates the quality philosophy of the "Four Three Principles" and twelve key implementation guidelines through daily morning meetings, special training sessions and team workshops, helping employees understand the impacts of quality-related issues and corresponding prevention methods.

We set up a monthly Quality Award and a Problem Feedback Award, and selects Quality Models every year to stimulate employees' active participation in quality improvement. In accordance with the Employee Handbook, Huaming implemented a quality loss claim and hierarchical accountability mechanism, which effectively promoted employees to reflect on and rectify problems, and the recurrence rate of similar problems decreased significantly.



Quality Training

## Indicators and Goals

Huaming has set two core quality management goals: customer satisfaction of not less than 95% (including an after-sales service quality assessment Goal of 98%); a 100% pass rate of finished products ex-factory. In 2025, all sub-Goals were completed on schedule.



### Overall Objectives

Goals	Actual Achievement
Customer Satisfaction Rate $\geq$ 95% (including 98% for after-sales service quality assessment)	100% achieved (Customer Satisfaction Rate 98%)
Finished Product Delivery Qualification Rate: 100%	100% achieved (Finished Product Delivery Qualification Rate 100%)



### Sub-objectives

Goals	Actual Achievement
Effectiveness of System Documents: 100%	100% achieved (Effectiveness of System Documents 100%)
Process Implementation Rate $\geq$ 95%	100% achieved (Process Implementation Rate 98.5%)
Procurement (Machining) Qualification Rate $\geq$ 90%	100% achieved (Procurement (Machining) Qualification Rate 91.74%)
Equipment in Good Condition Rate $\geq$ 95%	100% achieved (Equipment in Good Condition Rate 96%)
Finished Product First Pass Inspection Qualification Rate $\geq$ 90%	100% achieved (Finished Product First Pass Inspection Qualification Rate: 97.93%)
Calibration Qualification Rate of Monitoring and Measuring Equipment: 100%	100% achieved (Calibration Qualification Rate of Monitoring and Measuring Equipment 100%)

# Supply Chain Management

## Governance

Huaming has established a cross-departmental collaborative supplier governance mechanism. Led by the Procurement Department, a supplier management team composed of the Technology Department, Process Department and Quality Department conducts overall planning for the full lifecycle management of suppliers. By formulating institutional documents including the Supplier Management Policy, Procurement Control Procedure and Contract Management Procedure, we have clarified the division of responsibilities and standardized procedures covering supplier development, admission, assessment, evaluation, elimination and relationship maintenance.

All suppliers of major materials are incorporated into the unified management system and subject to regular document reviews and on-site evaluations, with assessment dimensions covering key factors such as quality, pricing and qualification. Evaluation results are directly applied to the dynamic update of the Qualified Supplier List. For non-compliant suppliers reviewed by the management team, the Application Form for Disqualification of Non-conforming Suppliers will be completed to suspend or terminate cooperation.

We implement a monthly performance appraisal mechanism. The Monthly Supplier Assessment Form is filled out based on indicators including the incoming inspection pass rate, on-time delivery rate, service quality and pricing level, so as to drive continuous improvement. Guizhou Chenting has further refined management requirements by formulating the Supplier Control Procedure, conducting annual on-site evaluations, and revoking the supply qualification of suppliers failing the evaluation, thereby strengthening the rigid enforcement of relevant regulations.

## Strategy

### ○ Supply Chain Risk Analysis

Risk Type	Risk Description	Impact Timeframe	Potential Financial Impact	Response Measures
Raw Material Price and Procurement Strategy Risk	A sharp rise in raw material costs due to violent fluctuations in bulk commodity prices (e.g., a rapid increase in copper prices), policy changes or logistics disruptions; signing large-volume procurement contracts to lock in prices may lead to inventory backlog and capital pressure.	Short-term, Medium-term	Increased costs	Implement hedging strategies such as "copper locking" to balance price and capital risks; Formulate scientific procurement plans based on production plans and raw material consumption rhythms to avoid blind large-volume stockpiling; Strengthen market intelligence collection and dynamically monitor changes in supply and demand and policies; Establish an information sharing mechanism with industry partners for early warning.

Risk Type	Risk Description	Impact Timeframe	Potential Financial Impact	Response Measures
Supplier Performance and Cooperation Relationship Risk	Delayed payments due to internal process or capital arrangement issues of Huaming damage business reputation, which may lead suppliers to lower supply priority, tighten credit terms or even terminate cooperation, thereby affecting the timely supply of materials.	Medium-term	Increased costs, declining profits	For contracts performed normally, make payment in full and on time in strict accordance with agreements; Establish a coordination mechanism between payment plans and cash flow to ensure performance credit; Regularly communicate with core suppliers on cooperation experience to maintain long-term trust relationships.
Supplier Quality Stability Risk	Fluctuations or insufficient consistency in supplier product quality lead to production interruption, increased rework or customer rejection of Huaming's products, which is more prominent in suppliers with weak technology or extensive management.	Medium-term, Long-term	Increased costs, declining profits	Conduct annual review and performance appraisal of suppliers covering quality, delivery, service and other dimensions; Implement dynamic management of the supplier list, conduct timely interviews with suppliers with quality problems, order rectification within a time limit or suspend cooperation; Implement the strategy of "at least two qualified suppliers for the same material" to reduce single-source dependence.

## Management of Impacts, Risks and Opportunities

### ○ Supplier Due Diligence

We have established a structured supplier selection process to ensure that suppliers meet our standards. Prior to adding new suppliers, our cross-functional supplier management team conducts initial assessments of potential suppliers' credentials, covering qualifications, certifications and background checks on integrity and dispute records. Qualified suppliers then undergo assessments of raw materials to be procured, under which we examine the quality of materials in accordance with our technical specifications and review the competitiveness of pricing. Upon finishing the assessments and obtaining internal approval, we arrange pilot production runs and conduct type or specific testing on key components, and only suppliers that pass these tests may enter the mass procurement stage.

We conduct periodic assessments of our existing suppliers pursuant to our supplier management framework. Through on-site inspections and off-site reviews comprehensive assessments are performed on indicators including incoming material inspection standards, delivery timeliness, service quality and pricing, to ensure suppliers continuously meet the management requirements.

## ○ Supplier Capacity Building

Huaming organizes suppliers to learn the ISO 9001 Quality Management System standards every year, formulates implementation plans and provides guidance and support. Huaming holds an annual Supplier Conference to strengthen the communication of quality requirements and two-way exchanges. During the reporting period, special quality training was provided to multiple suppliers.

Guizhou Chenting conducted special interviews and in-depth communication for quality problems, invited suppliers to observe production and application scenarios on site, and jointly optimized and improved products combined with on-site feedback, promoting suppliers to shift from "supplying according to drawings" to "understanding needs and taking the initiative to improve", which effectively improved the matching degree of supply quality.

## ○ Transparent Procurement

We determine suppliers and prices for materials used in our products through tendering procedures. Public bidding is implemented for bulk materials and large-scale infrastructure renovation projects. For procurement matters not covered by the tendering scope, inquiry information shall be sent to no fewer than two suppliers. Procurement activities may only be executed after comprehensive price comparison, verification and negotiation, followed by authorized approval.

Huaming requires all cooperating suppliers to sign the Integrity Commitment Letter, while procurement personnel shall receive dedicated training and sign commitments on professional integrity in their duties. We maintain multiple qualified suppliers for all key materials to diversify regional risks through cross-regional layout. For long-lead-time materials, advance stocking is arranged; during the product design phase, compatibility with alternative brands offering equivalent performance and quality is prioritized wherever possible.

## ○ Green Supply Chain



### Supplier Admission

Huaming stipulates that all purchased materials must comply with international, national and industrial environmental and quality standards. Cooperation will not be granted to suppliers without valid relevant qualifications, so as to control environmental compliance risks at the source.



### Packaging and Material Recycling

Huaming adheres to the principle of reusing original factory packaging materials directly whenever possible to avoid unnecessary consumption of new materials. Silica sol plastic drums are regularly returned to suppliers to realize closed-loop recycling of packaging materials. Mullite sand shell residues generated from precision casting are also returned to suppliers for reprocessing. Wooden cases, cardboard and other packaging materials for outsourced parts are sorted and recycled for equipment cabinet packaging, workshop transit or secondary packaging. Empty oil drums are modified and reused as production tools.

# Data Security

## Governance and Strategy

Huaming strictly complies with laws and regulations including the Cybersecurity Law of the People's Republic of China and the Data Security Law of the People's Republic of China, and have formulated internal institutional documents such as the Network and Information Security Management Policy and the Procedure for Reporting and Assisting in the Investigation of Cyber-related Illegal Cases. We have established a Leading Group for Network and Information Security, composed of the Information Security Office and heads of various departments. This group is responsible for approving and making decisions on major matters concerning the construction and implementation of the Company's cybersecurity system, conducting cybersecurity awareness education and security skills training for system operators, investigating security incidents, and maintaining records and reports of such incidents.

## ○ Data Security Risk Identification

Huaming and our subsidiaries conduct regular security audits and risk assessments. Through analysis and evaluation of the Company's network systems, potential security risks and vulnerabilities are identified, and timely measures are taken for remediation and optimization. Guizhou Chenting has deployed hardware firewalls and issues a daily Security Report for the Company's local area network, which is under the management of dedicated personnel. Corporate information and network security risks are identified on the basis of such reports. At the beginning of 2025, Shandong Fin CNC identified the risk of hardware and software failures in the local OA server, which may affect business continuity and data security. In view of the deficiencies of the local architecture in disaster recovery, operation and maintenance and security protection, We migrated the office automation system to the group's unified cloud platform and formulated a special upgrade and switchover plan. The new system was put into trial operation in early April and officially launched on May 1. On the basis of retaining core functions such as the original process approval and notice announcement, we added mobile approval capabilities, effectively reducing the risk of data interruption or loss caused by infrastructure failures. No network security incidents occurred in Huaming in 2025.

## Management of Impacts, Risks and Opportunities

## ○ Information Security Management Measures

Huaming continuously improves the network security architecture, strengthens the capabilities of firewalls, intrusion detection and prevention systems and security monitoring, and regularly carries out security equipment upgrades and vulnerability patching; we fully adopt encryption technology to protect the integrity and confidentiality of data during transmission and storage, and implements regular backup and recovery tests.

Huaming formulates and strictly implements the Network Security Management System, clarifying norms for network equipment management, data backup, and emergency response to security incidents; and regularly conducts network security audits and risk assessments to timely identify hidden dangers and optimize protection strategies.

Huaming organizes network security training on a regular basis and establishes an internal information sharing mechanism, clarifying sharing boundaries and responsibilities to prevent the leakage of sensitive information and intellectual property rights. During the reporting period, Huaming further refined and implemented the unified encryption management of all technical documents and drawings, deployed employee behavior management software to standardize operational behaviors, and promoted a unified work communication platform to achieve full traceability of communication content.

## ○ Informatization Construction

Huaming adopts an office collaboration system, with the group uniformly deploying a cloud OA system to support mobile approval. We also use the professional version of DingTalk Pro for daily operational activities such as human resource management, attendance, approval and work reporting, promoting the online of management processes and information traceability. Shandong Fin CNC launched the ERP system upgrade work, replacing the original on-premise system limited to the local area network with a cloud platform, aiming to integrate business functions such as finance, supply, procurement, marketing, manufacturing and internal collaboration.

## ○ Privacy Protection

- The General Manager's Office serves as the competent department for confidentiality work of Huaming, overall responsible for the supervision and inspection of encryption and decryption work. Huaming has formulated a number of systems including the Corporate Privacy Policy, Employee Privacy Protection Regulations, Customer Information Confidentiality System, Computer Use Management System and Privacy Protection Process Norms, clarifying the requirements for personal information management and establishing an emergency plan.
- We also implement encryption protection for all files stored in computers; file transmitted externally can only be sent after unified decryption by the Archives Room. All employees have signed confidentiality agreements. During the reporting period, Huaming further strengthened the control of computers for employees in sensitive positions such as the Sales Department and Customer Service Department, and deployed encryption software to enhance data protection.

# Work Safety and Occupational Health

## Governance

The Company strictly complies with laws and regulations including the Work Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, and continuously optimizes our occupational health and safety management system. As of the end of the reporting period, all production premises maintain valid ISO 45001:2018 certifications.

Huaming implements the general manager responsibility system, with the legal representative (General Manager) as the primary person responsible for work safety and occupational health. We have built a three-level management structure of Company - Department - Team, with the EHS Department performing overall management duties under the leadership of the General Manager. The management system covers four modules: goal setting, responsibility system, inspection and evaluation, and training and hidden danger rectification. Annual safety goals and measures are decomposed on a monthly basis, and the implementation is dynamically monitored through the 6S inspection and evaluation mechanism.

Huaming revised systems such as the Work Safety Responsibility System and the Provisions on the Extraction and Use of Work Safety Expenses, refined the safety responsibilities of all levels of positions, and all employees signed work safety responsibility letters. Huaming insists on conducting daily patrol inspections, organizes company-level comprehensive and special inspections throughout the year, systematically identifies hidden dangers and strictly urges rectification.

## Strategy

### ○ Work Safety Risk Analysis

Risk Type	Risk Description	Impact Timeframe	Potential Financial Impact	Response Measures
Management System Operation Risk	Huaming's management system is in the revision stage, and the rationality of the process is to be verified, which may lead to unclear safety responsibilities and inadequate implementation, resulting in operational instability.	Medium-term	Increased costs, declining profits	All departments operate in accordance with the prescribed management processes, and timely adjust non-conformities to maintain process operability. Huaming shall review the processes through meetings at an appropriate time to ensure their operability and compliance with Huaming's actual situation.
Insufficient Control of Major Hazard Sources Risk	The presence of operation points in the production site that may lead to major accidents may trigger safety accidents if not effectively identified, assessed or controlled.	Medium-term, Long-term	Increased costs, declining profits	Conduct a comprehensive assessment and hidden danger investigation of production sites, equipment and facilities, workplaces and operation links every year, set up safety control points and include them in the management of the List of Major Hazard Factors. Adopt the LEC (Job Hazard Analysis) method to conduct accident risk assessment and organize special hidden danger investigation work.
Insufficient Occupational Health Protection Risk	The presence of occupational hazard factors in the workplace, such as inadequate protective measures, employees' non-standard use of personal protective equipment, or lack of health monitoring, may lead to occupational health incidents.	Medium-term, Long-term	Increased costs, declining profits	Regularly organize occupational health examinations for employees in hazard-exposed positions, and establish and improve monitoring files. Provide personal protective equipment, facilities and tools that meet the requirements of occupational health protection. Evaluate the "occupational hazard risks" and publicize the corresponding evaluation materials (reports) to enable employees to fully understand and follow the implementation.

## Management of Impacts, Risks and Opportunities

### ○ Work Safety Management

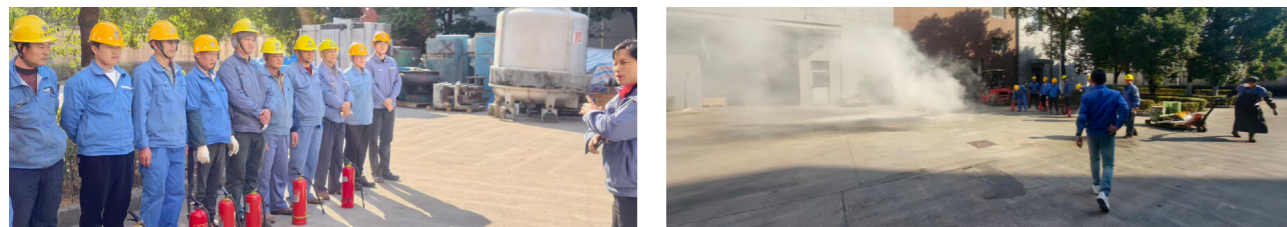
In 2025, Huaming conducted risk re-identification in light of our business layout and technological upgrading. Following the overall relocation of the steel casting workshop, the original high safety and environmental risks have been completely eliminated. After the commissioning of the new automated three-dimensional warehouse, we promptly identified newly added risk points and incorporated them into standardized management; their risk levels are significantly lower than those of the original steel casting operations.

We completed a comprehensive special renovation of on-site electrical compliance, effectively reducing the risks of fire and electric shock. A 3D sensor protection system equipped with robotic arms was installed on injection molding production lines to prevent mechanical injuries through technological means. Meanwhile, an intelligent mini-program for hidden danger inspection was launched to enhance risk visibility and improve the efficiency of closed-loop rectification. Huaming also carried out a full annual inspection of fire-fighting facilities to systematically assess the operational status of the fire protection system.

Huaming revised and issued the updated Work Safety Emergency Response Plan for Production Accidents, clarifying organizational responsibilities, response procedures and disposal measures. Grassroots emergency teams have been established for each workshop, greatly improving the speed of initial response and on-site disposal capacity. Based on actual production and operational conditions as well as risk distribution, diversified and targeted emergency drills are organized annually, including comprehensive fire safety and environmental drills, together with special drills for high-risk scenarios such as special equipment and confined spaces. These activities effectively verify the validity of emergency plans and strengthen employees' safety awareness and practical response capabilities.

### Case Huaming Conducts Fire and Explosion Emergency Drill in the Administrative Building

On November 24, 2025, Huaming organized all personnel in the administrative building to conduct a Level 1 and Level 3 fire and explosion emergency drill. The drill simulated a fire caused by spontaneous combustion of batteries in the warehouse, and carried out full-process practical operations such as alarm, initial fire fighting, hierarchical evacuation, on-site security, and docking with external fire support. All participants responded quickly and operated in an orderly manner during the drill, with no delay in personnel evacuation, and the drill was successfully completed. This drill improved the practical response capacity of Huaming's employees to sudden fires.



Fire and Explosion Emergency Drill in the Administrative Building

## Occupational Health Management

Huaming strictly abides by the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases and other laws and regulations, and formulates system documents such as the Occupational Health and Safety Operation Control Procedure and the Integrated Management Manual for Quality, Environment, Occupational Health and Safety to systematically standardize occupational health management work. All production sites are equipped with ventilation systems and dust and noise control facilities, and receive annual occupational hazard assessments conducted by certified third-party institutions. Regular occupational health examinations are provided for employees in high-risk positions, and complete health files are established to ensure early detection and intervention of potential health problems. Personal protective equipment, facilities and tools meeting standards are equipped according to post risks to effectively safeguard employees' occupational health rights and interests.

## Safety Education and Training

Huaming has established a systematic safety and occupational health training system, formulated and implemented an annual training plan, and strictly implemented three-level safety education. We also carry out special training around high-risk fields, and regularly disseminates new safety regulations and accident lessons through full-staff safety learning and examinations, case warnings at morning meetings and other means to comprehensively improve employees' safety awareness.



Work Safety Month Training

## Indicators and Goals

Huaming has set two overall work safety and health management goals: 1. a zero incidence of occupational diseases in hazardous types of work; 2. the elimination of major safety accidents and personal injury and death accidents. In 2025, all sub-Goals were completed on schedule.



### Overall Goals

1. Eliminate major personal injury and death accidents;
2. Zero incidence of occupational diseases in hazardous types of work.



### Sub-Goals

Goals	Actual Achievement	
Compliance Rate 100%	100% achieved	✓
Fire-fighting Facility Qualification Rate 100%	100% achieved	✓
Procurement Qualification Rate of PPE/Safety Materials 100%	100% achieved	✓
Warehouse Safety and Fire-fighting Qualification Rate 100%	100% achieved	✓
Safety Qualification Rate of Inspection and Test Devices 100%	100% achieved	✓
Correct Wearing Rate of PPE ≥ 98%	100% achieved	✓
Safety Device Qualification Rate ≥ 95%	100% achieved	✓
Certification Holding Rate for Special Types of Work 100%	100% achieved	✓
Timeliness Rate of Annual Occupational Disease Examinations 100%	100% achieved	✓



# 04

## Client Service

Huaming has always been client demand-oriented, focusing on improving service response efficiency and professional capabilities, continuously optimizing the client experience and consolidating long-term cooperative relationships. Meanwhile, we adhere to taking scientific and technological innovation as the core driving force, constantly increasing investment in technological R&D to drive product performance upgrading, and actively integrating into the development trend of digitalization and intellectualization, injecting sustained momentum into sustainable development.

### Our Actions

- Accelerate R&D and Innovation
- Optimize Client Service

### Supporting of the UN SDGs



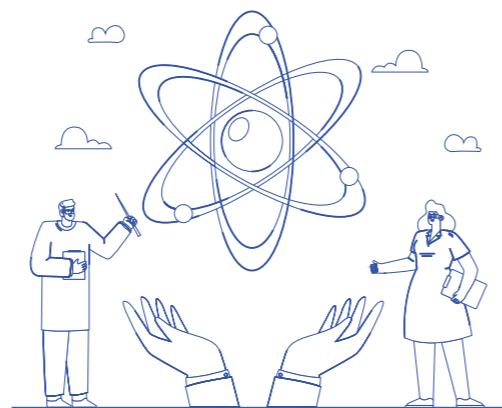
# R&D and Innovation

## Governance

Huaming has built the first domestic tap changer laboratory accredited by CNAS, whose test reports are internationally recognized and capable of independently completing full-item tests for new products before their launch. We have set up an R&D base in Shanghai and an industrial base in Zunyi City, with many of our subsidiaries rated as National High-Tech Enterprises; our subsidiary Shanghai Huaming has been successively awarded the title of Shanghai "Specialized, Refined, Unique and Innovative SME" and National-level "Little Giant Enterprise in Specialization, Refinement, Differentiation and Innovation". Huaming's R&D personnel have rich industry experience, with expertise covering machinery, high-voltage electrical appliances, mechatronics and other fields.

## Strategy

In 2025, Huaming successfully realized the mass commissioning of UHV tap changers, pushing domestic substitution into a brand-new stage. Relying on the manufacturing, testing and inspection advantages of the Shanghai production base, we have built a full-process control system for UHV products and deepened strategic cooperation with power grid companies, universities and other parties. In the future, Huaming will continue to increase R&D investment, focus on upgrading the core technologies and processes of tap changers, accelerate the import substitution of UHV and EHV products, and promote the application of self-developed technologies in high-end scenarios.



### R&D Risk Analysis

To support the effective implementation of the technology strategy, Huaming has systematically identified and evaluated key risks in the R&D link that may affect the innovation process and product competitiveness:

Risk Type	Risk Description	Impact Timeframe	Potential Financial Impact	Response Measures
Risk of Outdated Technical Equipment and Processes	Relatively obsolete existing production equipment and process technologies lead to low production efficiency, high manufacturing costs, and lack of market competitiveness of products in terms of performance or price.	Medium-term, Long-term	Increased costs, declining profits	Continuously carry out equipment technological transformation and research to eliminate operational hidden dangers and improve equipment efficiency; Optimize production processes, strengthen process control to ensure stable processes and improve product quality.

# Management of Impacts, Risks and Opportunities

## Scientific Research Management

Huaming has formulated the Administration Measures for the Approval of Scientific and Technological Projects, the Innovation Incentive and Reward Regulations and other policies, yielding fruitful achievements in scientific and technological innovation. The project "Key Technologies and Application of Intelligent Manufacturing for High-Speed Turnouts and Base Plates" undertaken by Shandong Fin CNC was awarded the Third Prize of the National Science and Technology Progress Award in the Machinery Industry. The ZVD Type Vacuum On-Load Tap-Changer independently developed by Guizhou Chenting has passed on-site appraisal, with its comprehensive performance reaching the international leading level. The SHZVII On-Load Voltage-Regulating Tap-Changer for Converter Transformers, jointly developed by Shanghai Huaming and China Southern Power Grid EHV Transmission Company, boasts key performance indicators up to the international leading level. These scientific and technological innovation achievements fully demonstrate the Company's robust independent innovation capability and our leading position in the industry.



Third Prize of Science and Technology Progress in the National Machinery Industry

### Case

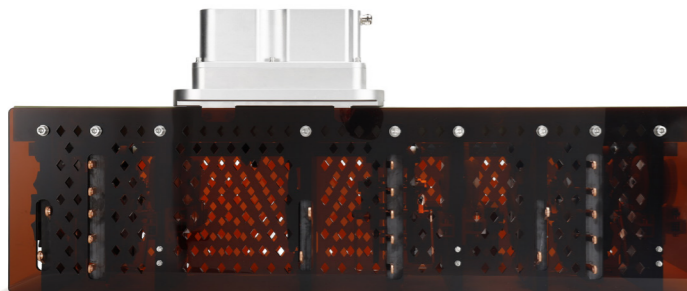
SHZVII On-load Tap Changer for Converter Transformers Passes Authoritative Product Appraisal, with Key Performance Reaching World-leading Level

On September 14, 2025, the "Product Appraisal Meeting for SHZVII On-load Tap Changer for Converter Transformers" organized by the China Machinery Industry Federation was held in Shanghai. After strict review by the expert group, the SHZVII on-load tap changer for converter transformers, jointly developed by China Southern Power Grid EHV Power Transmission Company and Shanghai Huaming, fully met the requirements of technical specifications in all performance indicators, and our key performance indicators reached the world-leading level, successfully passing the product appraisal.



### Case Huaming's Independently Developed 24kV Power Electronic On-load Tap Changer

During the voltage regulation process of on-load tap-changers, conventional oil-immersed arc-extinguishing tap-changers rely on insulating oil to quench electric arcs, which is prone to generating toxic and harmful gases. In 2025, we developed a 24kV power electronic on-load tap-changer. Leveraging power electronic technology, this product breaks the circuit at the zero-crossing point of the electric current, thereby achieving completely arcless switching operation.



DET Power Electronic On-load Tap Changer



SHZVII Oil-immersed Vacuum On-load Tap Changer

## Protection of Intellectual Property Rights

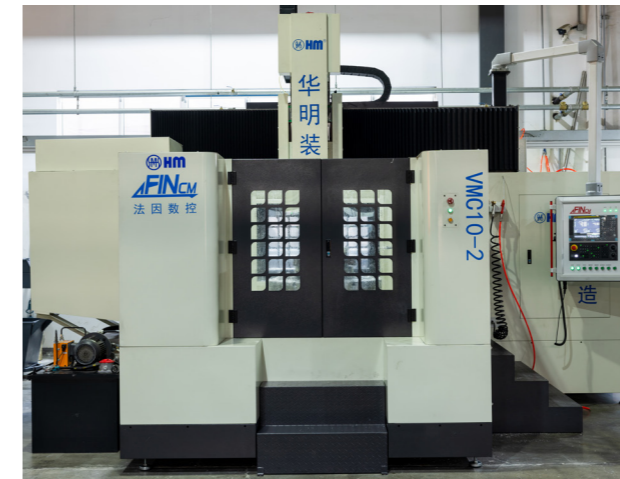
Huaming strictly abides by laws and regulations such as the Patent Law of the People's Republic of China and Copyright Law of the People's Republic of China, formulates and improves the Patent Management Policy, Intellectual Property Management Policy and Intellectual Property Emergency Plan to standardize the intellectual property management process.

Huaming protects independent R&D achievements by applying for patents, software copyrights and other means, and conducts technology novelty search at the new product project approval stage to avoid infringing on the intellectual property rights of others. Huaming implements technical encryption for R&D computers and network systems, and incorporates patent and software copyright registration into the control nodes of new product development. In 2025, Huaming was not involved in any major litigation procedures related to intellectual property rights, nor received any notices of major intellectual property infringement claims.

## Automation Upgrading

In 2025, Huaming continued to increase R&D resource investment in the field of automation, and built a full-chain automation innovation system covering tooling, processes and equipment. We also successfully launched the zero-point substrate supporting tooling system and hydraulic / pneumatic automated tooling, which efficiently solved the pain point of rapid model changeover in multi-variety production and realized precise positioning and stable clamping of workpieces; independently developed automated equipment for wire insulation wrapping, upgraded special equipment such as filament winding production lines, fully replacing traditional manual processes with high labor intensity; simultaneously built the Product Lifecycle Management System and EAMic Equipment Management System, opened up the data collaboration channel for the entire production process, and realized digital operation and maintenance control for the full lifecycle of equipment.

According to production needs, Huaming updated and added existing machining equipment, and completed the selection and acceptance of multiple sets of machining equipment.



VMC Series Vertical-Horizontal Combined Machining Center

To meet the requirements of part processing accuracy and consistency, Huaming developed a high-precision computer control system, realizing visual programming and precise regulation of parameters such as winding diameter, winding angle and winding speed. The newly added automatic glass fiber tension control and automatic glue scraping functions have solved the quality fluctuation problem caused by manual operation and significantly improved the stability of part production.



Winding Equipment

## Indicators and Goals

Driven by both quantitative indicators and qualitative goals, Huaming promotes the deep integration of technological innovation with production and operation, industrial upgrading, and continuously consolidates and strengthens our technological leading advantages in the Electric Power Equipment field.

## Key Performance Indicator

- | 195 R&D personnel
- | A total of 314 patents held
- | 38 new patent applications filed
- | 49 trademarks and written registration rights held



## Client Service

### Governance

Huaming has set up a Marketing and Service Center, under which the Sales Department and After-sales Service Department are established. The Sales Department divides our business by product line, and sales personnel focus on specific products to improve professional capabilities and demand matching efficiency; the After-sales Service Department has established a client complaint registration mechanism with full-time staff to ensure timely communication and closed-loop handling of problems.

Huaming has formulated the Control Procedure for Client-Related Processes to implement standardized management and control of the entire pre-sales, mid-sales and after-sales processes. We conduct a systematic review of service processes every year; each department holds a weekly problem review meeting and cross-departmental seminars every two weeks to continuously optimize the collaboration mechanism and work processes. In terms of service resource scheduling, Huaming divides three fixed service areas and implements a regional accountability system, and establishes a cross-regional linkage mechanism, which effectively improves response efficiency and reduces operating costs on the basis of ensuring service quality.

### Strategy

Huaming's overall development strategy is to improve client satisfaction, enhance client loyalty, optimize service experience and reduce client churn rate. We have systematically sorted out potential risks in all links of client service and conducted special assessments.

#### Client Service Risk Analysis

Risk Type	Risk Description	Impact Timeframe	Potential Financial Impact	Response Measures
After-sales Service Quality Risk	Delayed after-sales response and inadequate problem handling lead to an increase in client complaints and a decline in satisfaction, which in turn affects repurchase intention and brand reputation, and weakens sales conversion capability.	Medium-term	Declining profits	<ul style="list-style-type: none"> <li>• Strictly implement client requirements and standardize after-sales service processes;</li> <li>• Strengthen the training and assessment of service personnel to improve problem-solving capabilities;</li> <li>• Establish a rapid response and closed-loop mechanism for client complaints to ensure timely communication and effective handling;</li> <li>• Conduct regular client follow-ups, actively collect feedback, and continuously optimize the service experience.</li> </ul>

## Management of Impacts, Risks and Opportunities

### Client Demand Management

Huaming proactively collects client feedback through various channels such as client visits, market research, daily communication and telephone follow-ups. Shandong Fin CNC relies on sales and after-sales teams to embed a demand perception link in regular services, and conducts face-to-face technical exchanges for key clients; Guizhou Chenting actively organizes client visits and two-way exchange activities to strengthen communication and interaction. During the reporting period, Huaming held multiple training sessions for clients, including internal training that provides product theoretical and practical teaching for power supply companies and end users, and external training focusing on product principles and application explanations to help clients master the use of equipment proficiently. For overseas agents and internal engineers, the Overseas Department launched a number of bilingual special online training courses covering fault diagnosis, new technology application, safety specifications and other fields, and organized multiple cross-regional online seminars to complete re-certification training for service personnel in core regions such as Asia-Pacific, Europe and Africa, and the Americas, ensuring unified global service standards and improved professional capabilities, and enabling Huaming to accurately grasp the actual application needs.

Huaming specifies service time standards, with rapid responses to technical consultations. Upon receiving written on-site service requests from clients, relevant personnel will promptly arrive at the site. Even for remote areas with inconvenient transportation, on-site arrival will be completed within a reasonable time frame.

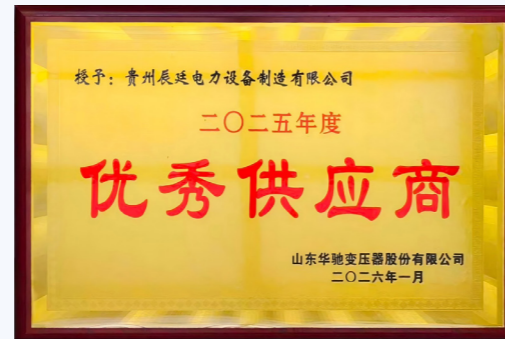
The client Service Department compiles frontline service information every month, analyzes common problems and potential needs, forms reports and pushes them to the technology, production and other relevant departments. Based on this, Huaming organizes special improvements, with the technology department taking the lead in formulating corrective and preventive measures to promote continuous optimization of products and services. At the same time, we implement differentiated management for different client groups, identify potential needs combined with feedback, and support product function innovation and user stickiness improvement.



"Inviting In and Going Out" Specialized Training



Shanghai Huaming has been awarded the title of "Top Ten Suppliers" by its client



Guizhou Chenting has been awarded the title of "Excellent Supplier" by its client

### Client Complaint and Handling

Huaming operates a 24-hour service hotline, and accepts client consulting and maintenance complaints around the clock through manual, fax, WeChat and other methods. All client letters, correspondence and calls are registered, and their demands are recorded in detail. Huaming carefully analyzes and handles every letter and correspondence received.

Huaming has established a targeted service mechanism for overseas clients, integrated scattered feedback channels and uniformly connected them to the upgraded Global Customer Service platform, which provides multilingual support, realizes automatic assignment of complaint work orders and full-process tracking, and shortens the average initial response time to within 4 hours. Huaming implements a hierarchical processing mechanism. According to the complexity and impact scope of problems, local teams, headquarters technology or cross-departmental groups intervene at different levels. Based on the monthly global complaint case review meeting, Huaming systematically identifies improvement opportunities in product design, installation guidance, maintenance documents and other links. In 2025, the overseas business team put forward a number of improvement suggestions to the R&D and production departments based on this, most of which were adopted, effectively reducing the recurrence rate of similar problems.

#### Case Guizhou Chenting Efficiently Solving the Packaging Adaptability Problem Based on Client Feedback

A client reported that the forklift could not access the base of the product packaging box. In response to this problem, Guizhou Chenting contacted the client immediately, assisted the client in selecting matching forklift specifications, and the client actively cooperated with Huaming's suggestions. The problem was successfully solved and recognized by the client.

### Responsible Marketing

Huaming strictly abides by relevant laws and regulations, and resolutely eliminates all forms of exaggerated or false publicity in the product marketing process. In business activities such as contract signing, product sales and brand promotion, Huaming strictly complies with various internal systems to ensure that all marketing behaviors are legal and compliant, and avoid any form of unfair competition.



#### Transparent Information Disclosure

Huaming strictly adheres to the use of standard product brochures and officially provided product parameter information for introduction and communication. In the event of any product changes, the Company will promptly issue official letters to inform customers.



Product Change Notice



#### Reasonable Expectation Management

Huaming fills in the technical specification sheet, which can only be put into production after review and approval. For content that cannot meet client needs, Huaming will clearly inform clients in written form to avoid disputes between the two parties. For client inquiries in communication, Huaming will also reply to clients in written form in a timely manner.

## Indicators and Goals

Every year, Huaming conducts a questionnaire survey on major clients covering product performance and safety, delivery time, price, service response and new product demand, and implements a one-on-one exclusive communication mechanism for key clients. In 2025, third-party survey results showed that the overall satisfaction of customers in key overseas markets rose compared with the previous year, and repurchase intentions increased accordingly.

#### Key Performance Indicator

Distributed and collected questionnaires to major domestic transformer manufacturers, achieving an overall satisfaction rate of **98.00%**.





# 05

## Social Responsibility

Huaming deeply understands the profound connotation of mutual prosperity between enterprises and employees, the industry and society, and regards it as the core driving force for the sustainable development. We have built a comprehensive and multi-level training system and career promotion channels, continuously increased R&D investment and deepened industry cooperation, actively fulfilled our responsibilities as a corporate citizen, integrated social responsibility into the corporate gene, and repaid social concerns with practical actions.

### Our Actions

- Employee Management
- Promoting Industry Development
- Public Welfare

### Supporting of the UN SDGs



# Employee Management

## Employee Recruitment and Employment

Huaming strictly abides by national laws and regulations and adheres to compliant and equal employment. We actively recruit outstanding talents from both domestic and global markets, and are committed to building a rigorous rights and interests protection system. We have formulated rules and regulations such as the Measures for Employee Recruitment and Admission, Regulations on Labor Contract Management, and Regulations on Employee Departure Management, establishing compliant guidelines for the entire process from onboarding to resignation.

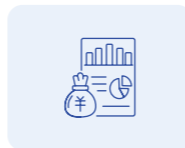
Huaming strictly prohibits the employment and use of child labor, and firmly opposes restricting employees' physical or mental freedom for any reason. We resolutely resist any form of forced labor against personal will, and have formulated the Protection of Female and Juvenile Workers to provide special rights protection for special groups. During the reporting period, we had no illegal acts such as child labor employment or forced labor, and safeguarded the dignity of workers with a zero-violation performance.



Huaming thoroughly implements the requirements of laws and regulations such as the Labour Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China, ensuring that job seekers and employees are not discriminated against on the basis of skin color, ethnicity, race, religious belief, gender, marital status, age or other factors in the recruitment and employment process. Huaming attaches great importance to the social integration and employment equity of persons with disabilities, and provides equal employment opportunities for special groups.



Huaming ensures that all part-time employees enjoy the same core rights and interests as regular employees in terms of remuneration, labor safety, working conditions, training opportunities and other aspects. A smooth regularization channel has been established, part-time employees who meet the standards of job competence, performance and cultural fit can apply for regularization without any quota restrictions.

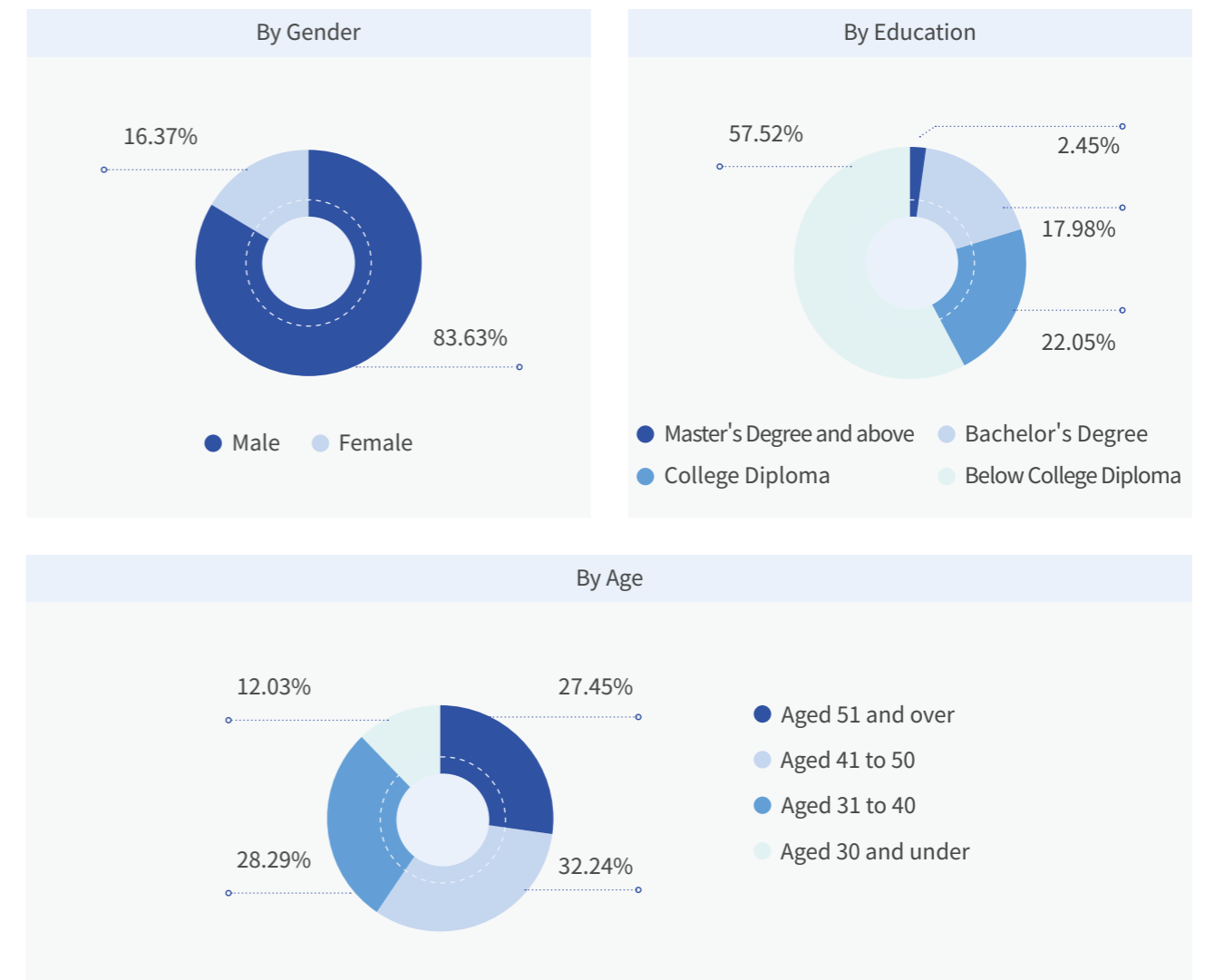


### Employee Introduction and Protection

Huaming actively expands diversified recruitment channels. While deepening cooperation with mainstream online recruitment platforms, we extensively use industry communities, employee referrals, campus recruitment, headhunting cooperation and other methods to enrich employee sources. Huaming has established long-term cooperative relations with many universities, actively participates in university graduate recruitment fairs, and deeply engages in municipal and district-level high-level employee recruitment fairs, effectively attracting a large number of outstanding fresh graduates and injecting new vitality into enterprise development.

Huaming attaches great importance to the scientificity of employee quality, and specially organizes interview skills training for senior management personnel to improve the interviewers' competency assessment level and ensure that the introduced employees are highly matched with Huaming's high-quality development needs.

## Employee Employment Profile as of the end of the reporting period



### Key Performance Indicator

- Total number of employees: **1,796** Person(s)
- Total number of managers: **150** Person(s)
- Female managers: **22** Person(s)
- Employees with disabilities: **21** Person(s)
- Major labor dispute incidents: **0**
- Labor contract signing rate: **100%**
- Social insurance coverage rate: **100%**
- Employee turnover rate: **10.7%**



## Remuneration and Communication

Huaming has formulated and implemented the Measures for Wage Calculation and Payment, the Provisions on Overtime Management, the Provisions on Attendance Management and the Trade Union Funds Management Measures, continuously improving the remuneration system and democratic management mechanism.

### ○ Remuneration and Performance

Combined with the functional characteristics of each factory, Huaming implements a broadband salary policy that highlights the core position of personal ability and performance in the remuneration system. Huaming strictly abides by the bottom line of timely and full wage payment, and pays social insurance and housing provident fund for employees in accordance with the law. Employee remuneration consists of basic salary, performance-based salary and annual bonus. When determining positions and salary levels, Huaming conducts a comprehensive evaluation of job responsibilities, personal ability and performance, and refers to industry salary levels to ensure that the remuneration system has both internal equity and market competitiveness.

In 2025, Huaming further deepened the goal responsibility assessment mechanism, fully transformed job responsibilities into a measurable indicator system. The assessment system focuses on core operational dimensions such as "delivery time, quality and cost", and decomposes the enterprise's strategic goals to various functional departments and key positions. By establishing a clear goal implementation path and evaluation model, Huaming has effectively stimulated employees' internal motivation to strive for excellence.

### ○ Democratic Communication

Huaming strictly abides by the Trade Union Law of the People's Republic of China, the Constitution of the Chinese Trade Unions, and the Regulations on the Grass-roots Trade Union Members' Congress, establishes a trade union in accordance with the law and improves management systems. We reviews democratic proposals through the Staff Representative Congress, effectively safeguarding employees' right to know, participate and supervise.

The Trade Union Committee is responsible for receiving employee letters and visits, reports and accusations, and mediating labor disputes; employees may file rights claims with the Labor Supervision Committee to ensure unimpeded channels for appealing demands. During the reporting period, Huaming signed a Collective Contract with employees in accordance with the law, and conducted equal consultations and reached agreements on terms such as working hours, wages, allowances, bonuses and welfare benefits.

## Training and Development

Huaming continues to explore and optimize employee training strategies, and comprehensively improve the comprehensive quality and professional skills of the employee team by building a comprehensive and multi-level training system.

### ○ Employee Cultivation

Huaming is committed to building a learning organization, and has formulated policies such as the Training Management Provisions and the Training Control Procedure to standardize the training process. We have built a multi-level training system covering new employee training, general quality training, environmental and safety training, on-the-job skill training and management capability training. Through the combination of "online + offline" channels and internal trainers with external training institutions, Huaming provides high-quality courses for employees and cultivates high-caliber employees.



**Key Performance Indicator**

- | A total of **64** internal and external training sessions held
- | Total number of trained employees: **1,346** Person(s)
- | Total training hours for employees: **20,556** hours



Safety Education Training



Fire Safety Training



On-site Motor Vehicle Safe Operation Training



Chemical Raw Material Leakage Emergency Disposal Drill

Huaming actively promotes the innovation of training models and introduces a standardized video teaching model. Key production processes, operating specifications and quality control points are recorded in high definition and structured to form a traceable and reusable digital training resource library. Employees can watch and learn independently on this platform repeatedly to ensure accurate understanding and standardized implementation of technical details, effectively avoiding problems such as incomplete mastery of employee skills and inconsistent process standards.

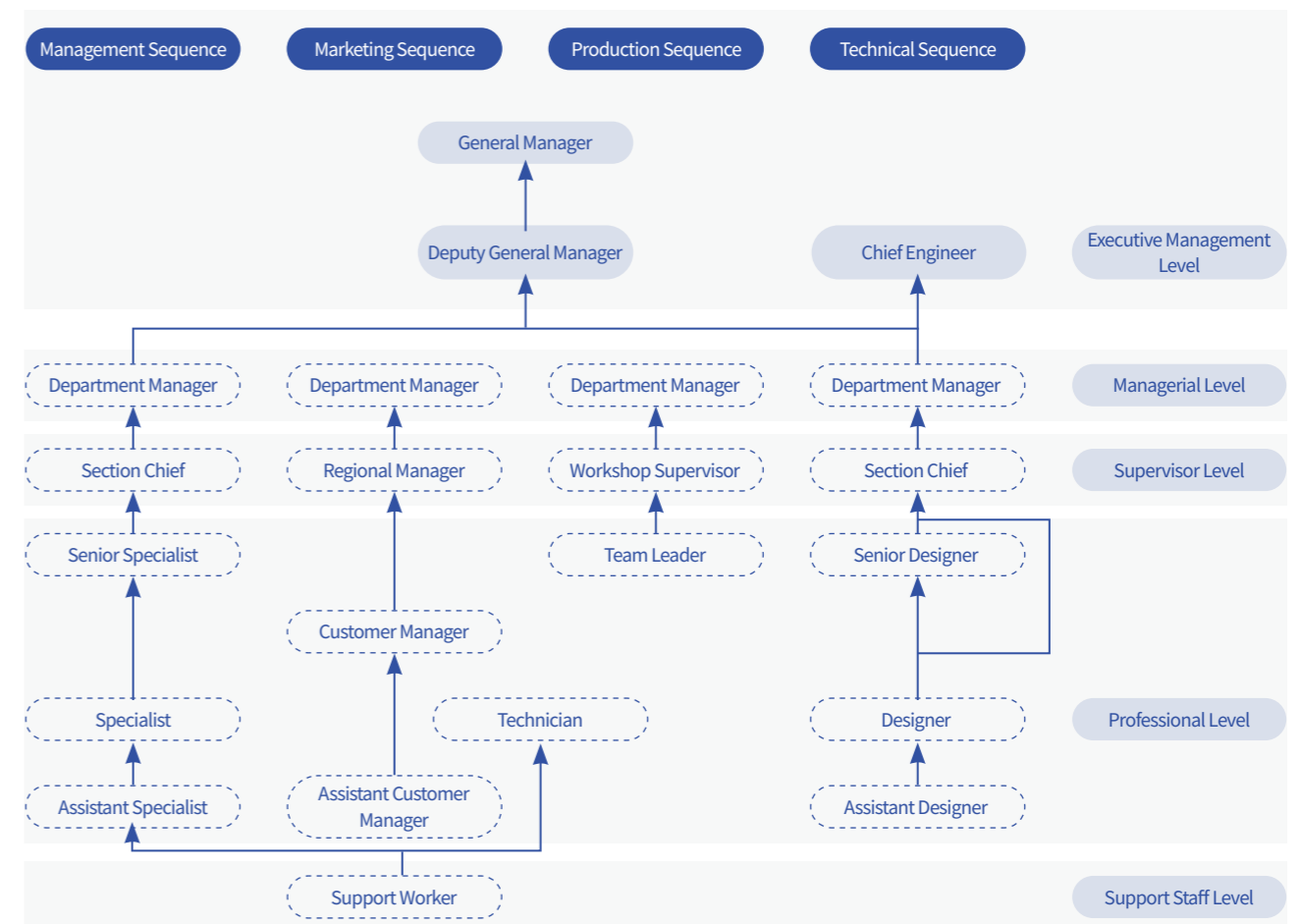
Huaming continues to promote the spirit of labor and the spirit of craftsmanship, and actively encourages and organizes employees to participate in various forms of labor and skills competitions in multiple fields. Huaming strengthens the professional capacity building of the employee team through practical training and continuously drives employees to improve their core competencies.

During the reporting period, Huaming sent two core technical employees to represent Huaming in the municipal-level Assembly Fitter Skills Competition sponsored by the Human Resources and Social Security Bureau of Minhang District, Shanghai. Huaming's employees successfully qualified for the final and ranked among the top 50 in the city after multiple selections, fully demonstrating the strong strength and high spirits of Huaming's technical team.

**Employee Development**

Huaming has established a well-defined employee echelon system and implemented a dual-track career development pathway for management and technical streams, supported by standardized promotion mechanisms. Through diversified approaches including training, assessment and promotion, as well as open internal job competitions, Huaming ensures every employee is granted development opportunities tailored to their personal potential. Meanwhile, We have rolled out a company-wide performance management mechanism to fully energize the workforce, alongside a comprehensive feedback system. Should employees disagree with performance appraisal results, employees may file complaints to the trade union via official appeal channels, or submit rights claims to the Labor Supervision Committee, so as to effectively safeguard employees' legitimate rights and interests.

To enhance employees' core competitiveness and advance the scientific management of employee, Huaming continues to empower employees' career development through diversified measures. During the reporting period, we actively integrated high-quality external educational resources, and supported employees in academic upgrading and professional further studies via university-enterprise cooperation, with a focus on key fields such as CNC technology and mechanical engineering. In addition, we have continuously optimized our employee evaluation system. By developing scientific job competency models, we conduct in-depth assessments of competency performance for core positions, helping employees accurately identify their skill gaps and set clear goals for career advancement.

**Employee Career Path**


## Welfare and Activities

Huaming has formulated systematic rules and regulations such as the Employee Welfare Management Measures and the Measures for the Implementation of Employee Paid Annual Leave, building a comprehensive and multi-level welfare security system. For employees in difficulty, Huaming has taken a number of targeted assistance measures to help employees overcome difficulties.

### Expanding Employee Welfare

In addition to strictly implementing the Five Social Insurances and Housing Fund and paid annual leave, Huaming also provides diversified benefits such as commercial insurance, festival condolences, annual health check-ups, staff dormitories and rental subsidies. In addition, Huaming actively carries out special training on endowment insurance, retirement policies and employee household registration, assigns special personnel to handle retirement and medical insurance benefit continuation, and assists employees in handling the relocation of collective household registration.

On International Women's Day, Huaming specially organizes health check-ups for female employees to safeguard their occupational health. During the high-temperature season, Huaming launches the Cool Care in Summer Campaign to provide heatstroke prevention and cooling supplies for front-line employees. Huaming holds regular employee birthday parties every month with sessions such as senior management messages, interactive games and food sharing, strengthening team cohesion through meticulous care.

Huaming actively builds a platform for employees' cultural and sports activities, and regularly organizes basketball matches, badminton matches, handcraft experience activities and staff galas, creating favorable conditions for employees to develop hobbies and enrich their spare time life.



### Statutory Benefits

#### Five Social Insurances and Housing Fund

Basic old-age insurance, work-related injury insurance, unemployment insurance, maternity insurance, basic medical insurance, housing provident fund



#### Paid Annual Leave

Statutory paid leave, statutory annual leave, marriage leave, maternity leave, bereavement leave, prenatal check-up leave, paternity leave, breastfeeding leave, etc.

### Company Exclusive Benefits

Festival Care	Health Protection	Life Services	Learning and Growth	Subsidies
<ul style="list-style-type: none"> <li>Birthday parties and birthday cards</li> <li>Festival benefits</li> </ul> 	<ul style="list-style-type: none"> <li>Regular health check-ups</li> <li>Cool Care in Summer campaign</li> <li>Commercial insurance</li> </ul> 	<ul style="list-style-type: none"> <li>Staff dormitories</li> <li>Points-based household registration</li> <li>Staff canteen</li> </ul> 	<ul style="list-style-type: none"> <li>On boarding professional training</li> <li>Vocational qualification training subsidies</li> <li>Professional title promotion expense subsidies</li> <li>Full reimbursement of academic advancement expenses for outstanding employees</li> </ul> 	<ul style="list-style-type: none"> <li>Rental subsidies</li> </ul>



Employee Birthday Parties



Cool Care in Summer Campaign

## ○ Caring for Employees in Difficulty

Huaming deeply participates in municipal and district-level Staff Mutual Aid Associations for Emergency Relief to ensure that employees enjoy mutual aid rights such as hospitalization subsidies. For employees with special difficulties, Huaming issues special relief funds and materials. We have applied for Trade Union Member Service Cards for all employees and uniformly purchased special basic protection for trade union members, enabling employees to obtain additional serious illness subsidies and hospitalization insurance benefits in case of major diseases or hospitalization. A regular condolence mechanism has been established by Huaming. Every Spring Festival, the trade union organizes the Warm Care in Spring Festival campaign to send condolence funds and sincere wishes to employees in difficulty. In special moments such as employees' illness or the death of immediate family members, Huaming and the trade union organize condolences at the first time to provide employees with spiritual support and material security.

During the reporting period, Huaming conducted an in-depth survey of employees in difficulty, sorted out and registered detailed information such as their family members, living conditions and causes of difficulty, and established special dynamic files in the trade union assistance management system. This ensures that assistance resources are accurately matched to employees' needs, realizing full coverage and effectiveness of assistance and relief.



Warm Care in Spring Festival Campaign



Employee Condolence Activities



## Promoting Industry Development

Huaming has established in-depth strategic cooperative relations with well-known enterprises, universities and research institutions, extensively carried out industry-university-research cooperation and industry exchanges. We also deeply participate in the formulation and revision of industry standards, leading technological changes in the industry.

### ○ Huaming's Strategic Cooperative Relations



Executive Director Unit, 9th Council, Transformer Branch of China Electrical Equipment Industry Association

### ○ Participation in the Formulation/Revision of Industry Standards

In 2025, Huaming deeply participated in the formulation of the Technical Requirements and Test Methods for Tap-Changer for Ultra High Voltage Transformers (GB/T 46131-2025). As a key field of the national energy strategy, the formulation of this standard is a milestone for improving the reliability and technical level of power equipment.



Huaming participates in the formulation of national power industry standards.

## Participation in Selected Industry Exchanges

### Case Huaming Debuted at EP Shanghai International Power Equipment Exhibition, Empowering Power Transformation with Innovative Technology

In November 2025, Huaming appeared at the 32nd China International Power Equipment Exhibition (EP Shanghai), showcasing a one-stop intelligent operation and maintenance solution centered on vacuum combined on-load tap changers. During the exhibition, Huaming's expert team conducted in-depth discussions with State Grid and well-known domestic and foreign manufacturers on cutting-edge topics such as vacuum interruption and predictive maintenance. This participation not only fully demonstrated Huaming's technical strength under the "dual carbon" goals, but also accurately empowered the reliable operation and digital upgrading of the global power system through efficient industry dialogue and market insight.



### Case Huaming Debuted at the Dubai Navigator Conference, Deeply Participating in the Global Sustainable Energy Dialogue

In April 2025, Huaming was invited to participate in the Transformer Magazine Industry Navigator Conference in Dubai. On this globally recognized platform in the high-voltage power field, Huaming discussed the industry's sustainable development strategy with world industry leaders. Through on-site forum speeches, Huaming shared cutting-edge technological achievements on key topics such as sustainable materials, environmentally friendly manufacturing and digital trends. This international exchange not only demonstrated Huaming's innovative strength in the field of green power equipment, but also explored future power grid solutions with global partners.

## Public Welfare

Huaming continues to focus on public welfare fields such as medical assistance, educational empowerment and rural revitalization, conveying corporate warmth and helping improve people's livelihood with pragmatic actions. In 2025, Huaming donated RMB 5 million to Ruijin Hospital Affiliated to Shanghai Jiao Tong University School of Medicine, Shanghai Children's Hospital and Shanghai Mental Health Center through the Education Development Foundation of Shanghai Jiao Tong University School of Medicine. We set up the Huaming Education Special Fund through the Shanghai Education Development Foundation, and donated RMB 400,000 to ChangZheng Middle School and ChangZheng Central Primary School in Putuo District to support the development of their educational undertakings. We donated RMB 500,000 to Shanghai Engineering and Technology Management School through Luye Education Development Foundation of Chongming District, Shanghai. We donated RMB 170,000 to the Love Under the Blue Sky charity initiative via Shanghai Charity Foundation, as well as RMB 42,000 to Mal Road Village, Fengxian District, Shanghai, and contributed RMB 150,000 to Guizhou Charity Federation.



Letter of Thanks from Ruijin Hospital, Shanghai Jiao Tong University School of Medicine



Letter of Thanks from Shanghai Children's Hospital

### Key Performance Indicator

Total public welfare donations: **6.90** million RMB



## Key Performance Indicators

### Governance Performance

Primary Indicator	Secondary Indicator	Tertiary Indicator	Unit	2025
Business Performance	Economic Indicators	Revenue	RMB 1 million	2,426.79
		Net profit	RMB 1 million	719.63
		Tax amount	RMB 1 million	298.03
		Total cash dividends (Including Tax)	RMB 1 million	546.55
Governance		Disclosed reports	/	155
		Board of Directors meetings	/	9
		Audit Committee meetings	/	6
		Nomination Committee meetings	/	2
		Remuneration and Assessment Committee meetings	/	4
		Independent Directors' Special meeting	/	2
		Board of Directors members	Person(s)	9
	By gender	Male directors	Person(s)	8
		Female directors	Person(s)	1
	By type	Independent directors	Person(s)	3
		Non-independent directors	Person(s)	6

### Environmental Performance

Primary Indicator	Secondary Indicator	Unit	2025
Energy Consumption	Diesel	L	72,995.67
	Gasoline	L	133,428.45
	Purchased electricity	kWh	18,347,493.31
Greenhouse Gas (GHG) Emissions	Total GHG emissions	tCO <sub>2</sub> e	11,166.70
	Direct GHG emissions (scope 1)	tCO <sub>2</sub> e	735.41
	Indirect GHG emissions (scope 2)	tCO <sub>2</sub> e	10,431.29
Gaseous Pollutant Emissions	Total Waste Gas Emissions	m <sup>3</sup>	276,153,324.66
	Particulate matter	kg	334.92
	Total Non-Methane Hydrocarbons (NMHC)	kg	1,274.44
	Nitrogen Oxides (NO <sub>x</sub> )	kg	0.00
	VOC emissions	kg	1,655.57
Water Resource Usage	Total water consumption	Ton(s)	102,629.00
Water Pollutant Emissions	Total wastewater discharged	Ton(s)	55,406.00
	Chemical Oxygen Demand (COD)	kg	22.88
	Biochemical Oxygen Demand/five-day (BOD <sub>5</sub> )	kg	7.68
	Suspended Solids (SS)	kg	2.06
	Ammonia Nitrogen (NH <sub>3</sub> -N)	kg	1.41
	Total Phosphorus (TP)	kg	1.06
	Total Nitrogen (TN)	kg	19.79

Primary Indicator	Secondary Indicator	Unit	2025
Waste Emissions	Total general solid waste	Ton(s)	860.90
	Total hazardous waste	Ton(s)	148.84
Packaging Materials	Total packaging material usage	Ton(s)	510.49
	Packaging material usage - Wood	Ton(s)	408.75
	Packaging material usage - Plastic	Ton(s)	26.87
	Packaging material usage - Paper	Ton(s)	73.95
	Packaging material usage - Others	Ton(s)	0.92
Environmental Protection	PV generation capacity	kWh	111,775,911.00

## Social Performance

Primary Indicator	Secondary Indicator	Tertiary Indicator	Unit	2025	
Employee Employment	Total number of employees		Person(s)	1,796	
	By gender	Male	Person(s)	1,502	
		Female	Person(s)	294	
	By age	51 years old and above		Person(s)	493
		41-50 years old		Person(s)	579
		31-40 years old		Person(s)	508
		30 years old and below		Person(s)	216
	By education background	Master and above		Person(s)	44
		Bachelor		Person(s)	323
		Junior college		Person(s)	396
		Junior college diploma and below		Person(s)	1,033
	By employee category	Total number of junior level		Person(s)	1,646
		Middle management		Person(s)	101
		Female employees in middle management		Person(s)	19
		Total number of senior Management		Person(s)	49
		Female employees in senior management		Person(s)	3
	By employee professional composition category	Production personnel		Person(s)	1,030
		Sales personnel		Person(s)	259
		Technical personnel		Person(s)	226
		Financial personnel		Person(s)	36
Administrative personnel		Person(s)	208		
Engineering personnel		Person(s)	9		
Procurement personnel		Person(s)	28		

Primary Indicator	Secondary Indicator	Tertiary Indicator	Unit	2025
Employee Turnover		Total departing employees	Person(s)	193
		Employee turnover rate	%	10.7
Employee Training		Total employees trained	Person(s)	1,346
	By gender	Male employees trained	Person(s)	1,141
		Female employees trained	Person(s)	205
	By employee category	Junior staff trained	Person(s)	1,281
		Middle management trained	Person(s)	54
		Senior management trained	Person(s)	11
		Total employee training hours	Hour(s)	20,556
		Average training hours per employee	Hour(s)	15.27
	By gender	Male employees training hours	Hour(s)	18,923
		Female employees training hours	Hour(s)	1,633
	By employee category	Junior staff training hours	Hour(s)	19,462
Middle management training hours		Hour(s)	732	
Senior management training hours		Hour(s)	362	
Occupational Health and Safety Production	Occupational health and safety	Workdays lost due to injuries	Day(s)	310
		Employee deaths due to work	Person(s)	0
		Employees in occupational hazard roles	Person(s)	364
		Employees undergoing occupational health checkups	Person(s)	362
		Occupational disease cases	Person(s)	0
	Safety incidents and personnel	Fatal work accidents(incidents)	Case	0
		Fatal work accidents(fatalities)	Person(s)	0
		Fatality rate per million work hours	%	0

Primary Indicator	Secondary Indicator	Tertiary Indicator	Unit	2025
Technological Innovation	R&D	R&D investment	RMB 1 million	88.47
	Intellectual property rights	Number of patents	/	314
		Number of copyrights	/	31
		Trademarks and tax registrations	/	49
		Software copyrights	/	27
		New patent applications annually	/	38
		New copyright applications annually	/	0
	Supplier	Total suppliers	/	1,814
Customer Service	Customer satisfaction	%	98	
Social Responsibility	Charitable donations	RMB 1 million	6.90	

# Index of Indicators

## GRI Content Index

Statement of Use	Huaming Power Equipment Co., Ltd. has reported the information cited in this GRI Content Index for the period January 1, 2025 to December 31, 2025 with reference to the GRI.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standards	Disclosure	Chapter Reference Chapter	Omission Description		
			Omission Required	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organization Details	About Huaming			
	2-2 Entities Included in the Organization's Sustainability Report	About This Report		Not Applicable	
	2-3 Reporting Period, Frequency and Contactpoint				
	2-4 Restatement of Information	Key Performance Indicators			
	2-5 External Assurance			Information Insufficient/ Incomplete	Huaming has not conducted external assurance on the ESG report
	2-6 Activities, Value Chains and Other Business Relationships	About This Report About Huaming Supply Chain Management Product Safety Client Service			
	2-7 Employees	Employee Management Key Performance Indicators			
	2-8 Workers who are not Employees	Employee Management			

GRI Standards	Disclosure	Chapter Reference Chapter	Omission Description		
			Omission Required	Reason	Explanation
GRI 2: General Disclosures 2021	2-9 Governance Structure and Composition	Our Governance			
	2-10 Nomination and Selection of the Highest Governance Body				
	2-11 Chair of the Highest Governance Body				
GRI 2: General Disclosures 2021	2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	Our Governance Risk Control and Compliance			
	2-13 Delegation of Responsibility for Managing Impacts	Our Governance			
	2-14 Role of the Highest Governance Body in the Sustainable Reporting	Message from the Chairman Our Governance			
	2-15 Conflicts of Interest	Business Ethics			
	2-16 Communications of CriticalConcerns	Our Governance			
	2-17 Collective Knowledge of the Highest Governance Body				
	2-18 Evaluation of the Performance of the Highest Governance Body	Omitted	2-18-a, 2-18-b, 2-18-c	Confidentiality Restrictions	Not disclosed to the public due to information confidentiality requirements
	2-19 Remuneration Policies	Our Governance Employee Management			
	2-20 Processes to Determining Remuneration	Employee Management			
	2-21 Annual Total Remuneration Ratio	Omitted	2-21-a, 2-21-b, 2-21-c	Confidentiality Restrictions	Not disclosed to the public due to information confidentiality requirements

GRI Standards	Disclosure	Chapter Reference Chapter	Omission Description		
			Omission Required	Reason	Explanation
GRI 2: General Disclosures 2021	2-22 Statement on Sustainable Development Strategy	Message from the Chairman Our Governance			
	2-23 Policy Commitments		Information Insufficient/ Incomplete		Huaming will disclose in a timely manner when appropriate
	2-24 Embedding Policy Commitments	Our Governance	Information Insufficient/ Incomplete		Huaming will disclose in a timely manner when appropriate
	2-25 Processes to Remediate Negative Impacts	Product Safety Data Security Employee Management			
	2-26 Mechanisms for Seeking Advice and Raising Concerns	Business Ethics Employee Management			
	2-27 Compliance with Laws and Regulations	See Relevant Chapters of the Report			
	2-28 Membership Associations	Promoting Industry Development			
	2-29 Approach to Stakeholder Engagement	Our Governance			
	2-30 Collective Bargaining Agreements	Employee Management			
	GRI 3: Material Topics 2021	3-1 Process to Determining Material Topics	ESG Governance		
3-2 List of Material Topics		ESG Governance			
3-3 Management of Material Topics		ESG Governance			

GRI Standards	Disclosure	Chapter Reference Chapter	Omission Description		
			Omission Required	Reason	Explanation
GRI 201: Economic Performance 2016	201-1 Direct Economic Value Generated and Distributed	See Annual Report			
	201-2 Financial implications and other risks and opportunities from Climate Change	Resource and Energy Management			
	201-3 Defined Benefit Plan Obligations and Other Retirement Plans	Omitted	201-3-a, 201-3-b, 201-3-c, 201-3-d, 201-3-e	Information Insufficient/ Incomplete	Huaming will disclose in a timely manner when appropriate
	201-4 Government Financial assistance received from government	Omitted	201-4-a, 201-4-b, 201-4-c	Information Insufficient/ Incomplete	Huaming will disclose in a timely manner when appropriate
GRI 202: Market Performance 2016	202-1 Ratio of Standard Entry-Level Wages by Gender to Local Minimum Wages			Information Insufficient/ Incomplete	Huaming will disclose in a timely manner when appropriate
	202-2 Proportion of Senior Management Hired from Local Communities			Information Insufficient/ Incomplete	Huaming will disclose in a timely manner when appropriate
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure Investments and Services Supported	Promoting Industry Development Public Welfare			
	203-2 Significant Indirect Economic Impacts	Promoting Industry Development Public Welfare			
GRI 204: Procurement Practices 2016	204-1 Proportion of Spending on Local Suppliers	Supply Chain Management Key Performance Indicators			

GRI Standards	Disclosure	Chapter Reference Chapter	Omission Description		
			Omission Required	Reason	Explanation
GRI 205: Anti-Corruption 2016	205-1 Operational Assessed for Risks Related to Corruption	Business Ethics			
	205-2 Communication and Training on Anti-Corruption Policies and Procedures	Risk Control and Compliance Business Ethics			
	205-3 Confirmed Incidents of Corruption and Actions Taken	Business Ethics			
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal Actions for Anti-Competitive Behavior, Anti-trust, and monopoly practices	Key Performance Indicators			
GRI 302: Energy 2016	302-1 Energy Consumed Within the Organization	Resource and Energy Management Key Performance Indicators			
	302-2 Energy Consumption within the Organization	Resource and Energy Management			
	302-3 Energy Intensity	Resource and Energy Management Key Performance Indicators			
	302-4 Reduction of Energy Consumption	Resource and Energy Management			
	302-5 Reductions in Energy Requirements of Products and Services	R&D and Innovation			
GRI 303: Water and Effluents 2018	303-1 Interaction with Water as A Shared Resource	Emissions and Waste			
	303-2 Management of Water discharge-Related impacts	Emissions and Waste			
	303-3 Water Withdrawal	Key Performance Indicators			

GRI Standards	Disclosure	Chapter Reference Chapter	Omission Description		
			Omission Required	Reason	Explanation
GRI 303: Water and Effluents 2018	303-4 Water Discharges	Key Performance Indicators			
	303-5 Water Consumption	Key Performance Indicators			
GRI 304: Biodiversity 2016	304-1 Operational Sites Owned, Leased, Managed in, or Adjacent to , Protected Areas and Areas of High Biodiversity Value Outside Protected Areas			Information Insufficient/ Incomplete	Huaming will disclose in a timely manner when appropriate
	304-2 Significant Impacts of Activities, Products and Services on Biodiversity		Yes	Information Insufficient/ Incomplete	Huaming will disclose in a timely manner when appropriate
	304-3 Habitats Protected or Restored		Yes	Information Insufficient/ Incomplete	Huaming will disclose in a timely manner when appropriate
	304-4 IUCN Red List Species and National Conservation List Species with Habitats in Areas Affected by Operations		Yes	Information Insufficient/ Incomplete	Huaming will disclose in a timely manner when appropriate
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	Resource and Energy Management Key Performance Indicators			
	305-2 Energy-Indirect (Scope 2) GHG Emissions	Resource and Energy Management Key Performance Indicators			
	305-3 Other Indirect (Scope 3) GHG Emissions			Information Insufficient/ Incomplete	Huaming will disclose in a timely manner when appropriate

GRI Standards	Disclosure	Chapter Reference Chapter	Omission Description		
			Omission Required	Reason	Explanation
GRI 305: Emissions 2016	305-4 GHG Emission Intensity	Key Performance Indicators			
	305-5 Reductions of GHG Emission	Resource and Energy Management			
	305-6 Emissions of Ozone-Depleting Substances (ODS)		Information Insufficient/ Incomplete		Huaming will disclose in a timely manner when appropriate
	305-7 Nitrogen Oxides(Nox),Sulfur Oxides,and other significant air emissions	Emissions and Waste Key Performance Indicators			
GRI 306: Waste 2020	306-1 Waste Generation and Significant Waste-RelatedImpacts	Emissions and Waste			
	306-2 Management of Significant Waste-relatedImpacts	Emissions and Waste			
	306-3 Waste Generated	Emissions and Waste Key Performance Indicators			
	306-4 Waste Diverted from Disposal	Emissions and Waste			
	306-5 Waste directed to Disposal	Emissions and Waste			
GRI 308: Supplier Environmental Assessment 2016	308-1 New Suppliers that were Screened Using Environmental Criteria	Supply Chain Management Key Performance Indicators			
	308-2 Negative Environmental Impacts in the Supply Chain and Actions taken	Supply Chain Management			
GRI 401: Employment 2016	401-1 New Employee Hires and Employee Turnover	Employee Management Key Performance Indicators			

GRI Standards	Disclosure	Chapter Reference Chapter	Omission Description		
			Omission Required	Reason	Explanation
GRI 401: Employment 2016	401-2 Benefits Provided to Full-time Employees that are not Provided to Temporary or Part-time Employees	Employee Management			
	401-3 Parental Leave	Employee Management			
GRI 402: Labour Relations	402-1 Minimum Notice Periods Refarding Operational Changes	Employee Management			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	Work Safety and Occupational Health			
	403-2 Hazard Identification, Risk Assessment and Incident Investigation	Work Safety and Occupational Health			
	403-3 Occupational Health Services	Work Safety and Occupational Health			
	403-4 Worker Participation ,Consultation, and Communication on Occupational Health and Safety	Work Safety and Occupational Health Employee Management			
	403-5 Worker Training on Occupational Health and Safety	Work Safety and Occupational Health Employee Management Key Performance Indicators			
	403-6 Promotion of Worker Health	Work Safety and Occupational Health Employee Management			

GRI Standards	Disclosure	Chapter Reference Chapter	Omission Description		
			Omission Required	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	Supply Chain Management			
	403-8 Workers Covered by an Occupational Health and Safety Management System	Work Safety and Occupational Health			
	403-9 Work-Related Injuries	Key Performance Indicators			
	403-10 Work-Related ill Issues	Work Safety and Occupational Health Key Performance Indicators			
GRI 404: Training and Education 2016	404-1 Average hours of Training per Year per Employee	Employee Management Key Performance Indicators			
	404-2 Programs for upgrading Employee Skills and Transition Assistance Programs	Employee Management Key Performance Indicators			
	404-3 Percentage of Employees Receiving regular Performance and Career Development Reviews	Employee Management Key Performance Indicators			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of the Governance Body and Employees	Our Governance Employee Management Key Performance Indicators			
	405-2 Ratio of Basic Salaries and Remuneration of Women and Men		Information Insufficient/ Incomplete	Huaming will disclose in a timely manner when appropriate	

GRI Standards	Disclosure	Chapter Reference Chapter	Omission Description		
			Omission Required	Reason	Explanation
GRI 406: Anti-Discrimination 2016	406-1 Incidents of Discrimination and Corrective Actions Taken	Employee Management			
GRI 407: Freedom of Association and Collective Bargaining Rights	407-1 Operations and Suppliers in Witch the Right to Freedom of Association and Collective bargaining May be at Risk	Employee Management		Information Insufficient/ Incomplete	Huaming will disclose in a timely manner when appropriate
GRI 408: Child Labour 2016	408-1 Operations and Suppliers at significant risk for incidents of Child Labour	Employee Management			
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labour	Employee Management			
GRI 413: Local Communities 2016	413-1 Operations with Local Community Engagement ,Impact Assessments ,and development programs	Social Welfare			
	413-2 Significant Actual and Potential Negative Impacts on Local Communities	Environmental Management			
GRI 414: Supplier Social Assessment 2016	414-1 New Suppliers that were Screened Using Social Criteria			Information Insufficient/ Incomplete	Huaming will disclose in a timely manner when appropriate
	414-2 Negative Social Impacts in the Supply Chain and Response Actions			Information Insufficient/ Incomplete	Huaming will disclose in a timely manner when appropriate

## Indices of Guidelines Topics in Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (Trial)

GRI Standards	Disclosure	Chapter Reference Chapter	Omission Description		
			Omission Required	Reason	Explanation
GRI 416: Customer Health and Safety 2016	416-1 Assessment of Health and Safety Impacts of Products and Services Categories	Product Safety			
	416-2 Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services	Product Safety			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for Product and Service Information and labelling	Client Service			
	417-2 Incidents of Non-Compliance Concerning Product and service Information and Labeling	Client Service			
	417-3 Incidents of Non-Compliance Concerning Marketing Communications	Client Service			
GRI 418: Customer Privacy 2016	418-1 Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Data Security			

Dimension	NO.	Topic	Chapter Reference
Environment	1	Address Climate Change	Resource and Energy Management Key Performance Indicators
	2	Pollutant Discharge	Emissions and Waste Key Performance Indicators
	3	Waste Disposal	Emissions and Waste Key Performance Indicators
	4	Ecosystem and Biodiversity Protection	Not Applicable
	5	Environmental Compliance Management	Environmental Management
	6	Energy Utilization	Resource and Energy Management Key Performance Indicators
	7	Water Resource Utilization	Emissions and Waste Key Performance Indicators
	8	Circular Economy	Green Operations
Society	9	Rural Revitalization	Not Applicable
	10	Social Contributions	Public Welfare Key Performance Indicators
	11	Innovation	R&D and Innovation Key Performance Indicators
	12	Ethics of Science and Technology	Not Applicable
	13	Supply Chain Security	Supply Chain Management Key Performance Indicators
	14	Equal Treatment of SMEs	Key Performance Indicators
	15	Product and Service Safety and Quality	Product Safety
Governance	16	Data Security and Customer Privacy	Data Security
	17	Employees	Employee Management Key Performance Indicators
	18	Due Diligence	ESG Governance
	19	Stakeholder Engagement	ESG Governance
	20	Anti-Commercial Bribery and Anti-Corruption	Business Ethics
	21	Fair Competition	Business Ethics

## Abbreviations

Glossary Term	Explanation
Huaming, We	Refers to Huaming Power Equipment Co., Ltd.
Huaming Manufacturing, Shanghai Huaming	Refers to Shanghai Huaming Electric Power Equipment Manufacturing Co., Ltd.
Guizhou Chenting	Refers to Guizhou Chenting Power Equipment Manufacturing Co., Ltd.
Shandong Fin CNC	Refers to Shandong Fin CNC Machine Co., Ltd.
Huaming High Voltage	Refers to Shanghai Huaming High Voltage Switchgear Manufacturing Co., Ltd.
UHV	Refers to ultra high voltage, alternating current voltage levels in power systems that are higher than or equal to 1000kV
EHV	Refers to extra high voltage, alternating current voltage levels in power systems that are higher than or equal to 330kV and lower than 1000kV
ESS	Refers to energy storage system
AIDC	Refers to artificial intelligence data center
R&D	Refers to research and development
OLTC	Refers to on-load tap-changer, a type of tap-changer that changes the tap connections of a winding and enables adjustment of a transformer's output voltage while the transformer remains energized and under load
CNC	Refers to computer numerical control, the automated control of machine tools by a computer; computer numerical control, the automated control of machine tools by a computer

## Feedback

Dear Readers,

Thank you for taking the time to read the 2025 ESG Report of Huaming. To provide you and other stakeholders with more valuable information and effectively promote Huaming's ability and level of fulfilling corporate social responsibility, we sincerely welcome your opinions and suggestions.

Multiple-Choice Questions (Please tick ✓ in the corresponding box)

1. What is your overall evaluation of this report?

Excellent     Good     Average     Poor     Very Poor

2. How would you rate the report's response and disclosure of issues concerned by stakeholders?

Excellent     Good     Average     Poor     Very Poor

3. How do you think Huaming performs in terms of economic responsibility?

Excellent     Good     Average     Poor     Very Poor

4. How do you think Huaming performs in terms of environmental responsibility?

Excellent     Good     Average     Poor     Very Poor

5. How do you think Huaming performs in terms of safety management?

Excellent     Good     Average     Poor     Very Poor

6. How do you think Huaming performs in terms of employee responsibility?

Excellent     Good     Average     Poor     Very Poor

7. How do you think Huaming performs in terms of community responsibility?

Excellent     Good     Average     Poor     Very Poor

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

Excellent     Good     Average     Poor     Very Poor

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

Yes     No

Open-Ended Question

1. Do you have any opinions or suggestions on Huaming's performance of social responsibility and this report?