



GreatStar
巨星科技



2025

Environmental, Social and Governance Report

Hangzhou GreatStar Industrial Co., Ltd.

stock code:002444

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About This Report

Report Description

This Report is the third ESG report issued by Hangzhou GreatStar Industrial Co., Ltd. (hereinafter referred to as "GreatStar", the "Company" or "we"). It systematically presents the Company's practices and performance in the economic, environmental, social and governance fields in 2025. We expect to further enhance communication and build consensus with our stakeholders through this Sustainability Report, and jointly promote the Company's sustainable development process.

Basis of Preparation

Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) (hereinafter referred to as the "Guidelines")

Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange—Preparation of Sustainability Report (2026 Revised Version)

UN Sustainable Development Goals (SDGs)

GRI Sustainability Reporting Standards (GRI Standards) released by the Global Reporting Initiative (GRI)

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

Reporting Boundaries

This Report covers the period from January 1 to December 31, 2025, which is moderately extended backwards or forwards, as the case may be, to enhance the comparability and foreseeability of disclosures.

Sources of Data and Information

The information and data covered in this Report are sourced from the official internal documents, statistical reports and annual reports of GreatStar; the raw data from the Company's business operation; data disclosed by government agencies; annual financial data; internal statistical reports; third-party questionnaire surveys; third-party evaluation interviews, etc. The financial data in this Report are presented in RMB Yuan. In case of any inconsistencies with the annual financial report, the financial report shall prevail.

Designations

Abbreviation	Company Name
Lianhe Electrical	Hangzhou Lianhe Electrical Equipment Manufacturing Co., Ltd.
Hangzhou GreatStar Tools	Hangzhou GreatStar Tools Co., Ltd.
Zhejiang GreatStar Tools	Zhejiang GreatStar Tools Co., Ltd.
OLEI	Hangzhou OLE-Systems Co., Ltd.
Shiwanke	Zhejiang Shiwanke Electrical Appliance Co., Ltd.

Assurance of Report Reliability

The Company guarantees that the content of this Report is true, accurate and complete, without any false records, misleading statements or significant omissions, and is responsible for the authenticity, completeness and accuracy of its content.

Public Availability

This Report is available in electronic format for your reading. You may access or download it at the official website of Shenzhen Stock Exchange (www.szse.cn) or the Company's official website (www.greatstartools.com).

Message from the Management

2025 is a pivotal year for GreatStar as it deepens its presence in the tool industry and puts sustainable development concepts into practice. Leveraging its global footprint and full-industry-chain advantages, the Company has deeply integrated ESG concepts into the entire process of strategic planning, production operations, technological innovation, and supply chain management, achieving high-quality development while earnestly fulfilling its social responsibilities.

Governance as the Foundation: Enabling Steady and Long-Term Progress

At the corporate governance level, we adhere to the bottom line of compliant operations, continuously improve the governance structure, strengthen internal control management and business ethics, strictly safeguard data security and customer privacy, and protect the legitimate rights and interests of all shareholders and stakeholders through a transparent, standardized, and efficient governance system, thus consolidating the institutional foundation for the Company's steady and long-term progress.

Low-Carbon Leadership, Green Development

At the green development level, we actively respond to the national "dual-carbon" strategy, comprehensively advance environmental compliance management, pollutant control, efficient resource utilization, and circular economy practices. Through measures such as energy-saving retrofits, solar power construction, and low-carbon supply chain development, we have steadily promoted carbon reduction efforts and successfully obtained SBTi certification, protecting the ecological environment with concrete actions and co-drawing a blueprint for green development.

Joining Hands with All Parties to Build the Future Together

At the social responsibility level, we adhere to innovation-driven development, focus deeply on product quality and safety, and build a responsible and resilient sustainable supply chain. We always uphold the "people-oriented" philosophy, protecting employees' legitimate rights and interests, improving the career development system, safeguarding occupational health and safety, and enabling every employee to achieve value growth at GreatStar. At the same time, we actively engage in social welfare, fulfill our responsibilities as a corporate citizen, and join hands with communities and the industry to create and share development achievements.

Standing at a new starting point for development, global competition and industry transformation bring new opportunities and challenges. GreatStar will advance the construction of its ESG management system to higher standards, continuously deepen green transformation, strengthen innovation leadership, safeguard employee well-being, empower sustainable supply chain development, drive long-term corporate development with the power of responsibility, and contribute to industry progress and social prosperity through concrete actions and commitment.

About Us

Company Profile

Founded in 1993, Hangzhou GreatStar Industrial Co., Ltd. (Stock Code: 002444) was listed on the Shenzhen Stock Exchange in July 2010 and is a world-leading tool manufacturer. The Company's products cover hand tools, power tools, pneumatic fastening tools, laser measuring tools, laser radar, tool cabinets, industrial storage cabinets, industrial vacuum cleaners, etc. It owns a number of world-renowned long-established tool brands, including ARROW, PONY & JORGENSEN, Goldblatt, Lista, BeA, Shop-Vac and SK. The Company has 23 production bases globally, with a workforce of over 10,000 employees. The Company has 5 major R&D centers around the globe and possesses great R&D and design capabilities. It has been recognized as a National-Level Intellectual Property Demonstration Enterprise and a National-Level Industrial Design Center. The Company has set up sales channels covering the globe, directly serving large-scale chain supermarkets of building materials, hardware, general goods, auto parts, as well as various industrial consumers. It is a partner to many professional tool brands and, relying on domestic and foreign e-commerce platforms, directly offers high-quality full-range products to end users worldwide.

Corporate Culture

Mission

Lead technological advancement in tools, become the benchmark for industry innovation.

Vision

Build a century-old brand, achieve a century-old enterprise.

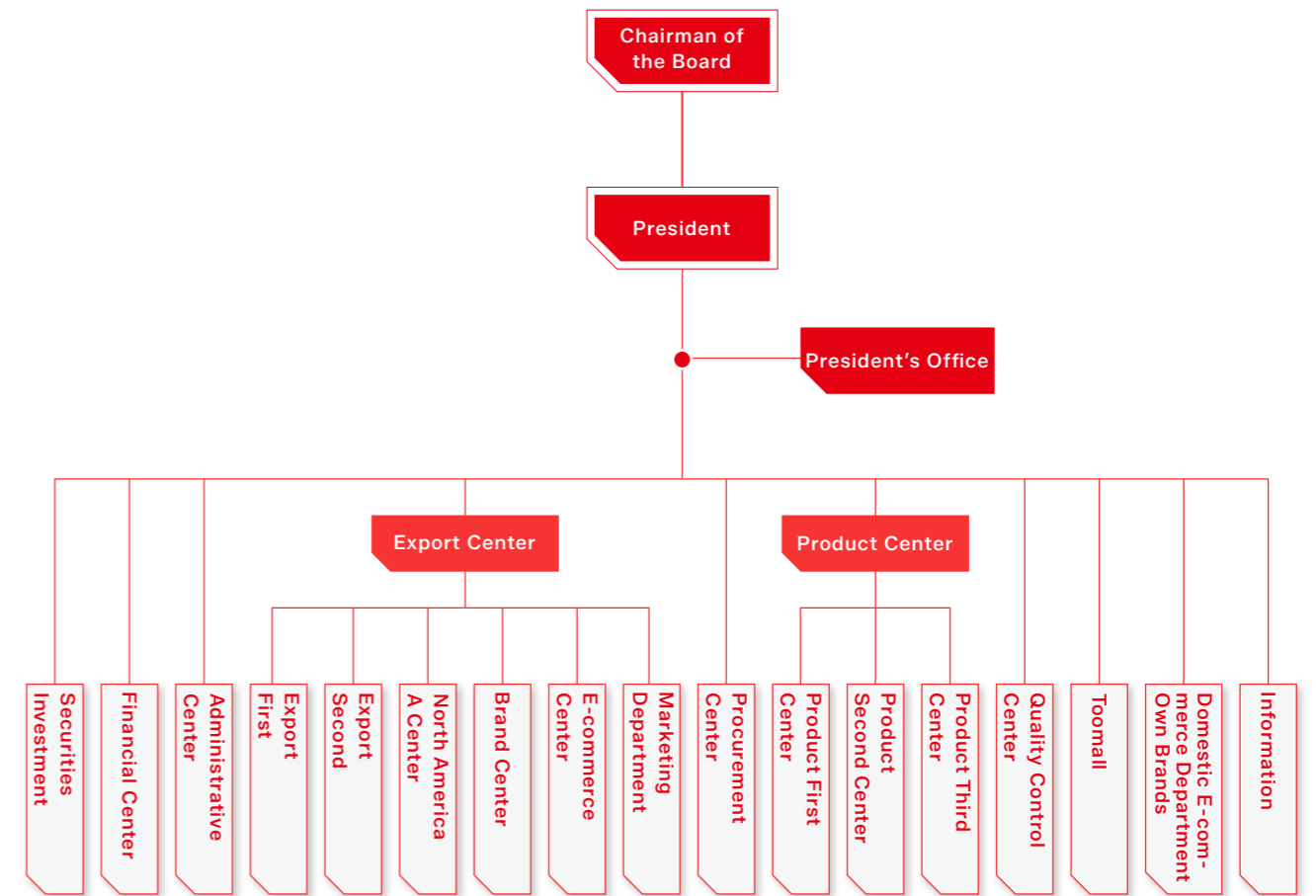
Value

Details determine success or failure.

Culture Philosophy

Customer First	Continuous Improvement
Team Collaboration	Innovation and Mutual Benefit

Organizational Structure



Hand/Mechanical Tools	Power/Pneumatic Tools	Laser Measurement/LiDAR
Cabinet & Storage Equipment	Professional Vacuum Equipment	Labor Protective Equipment

Company's Main Products

Industrial Layout

The Company has 23 manufacturing bases globally, spread across Europe, the United States, Southeast Asia and China, forming a global production capacity network covering major markets.



Development Strategy

Focus on core business

▶ continuously enhance competitiveness. Drive performance growth through both organic growth and external acquisitions.

Innovative Products

▶ Continuously research, develop and upgrade existing products, further expand the leading position in the industry, guide the development of the international tool industry, and gradually take over the industrial transfer in the current innovation economy era centered on creating customer needs from Europe and the United States in the future.

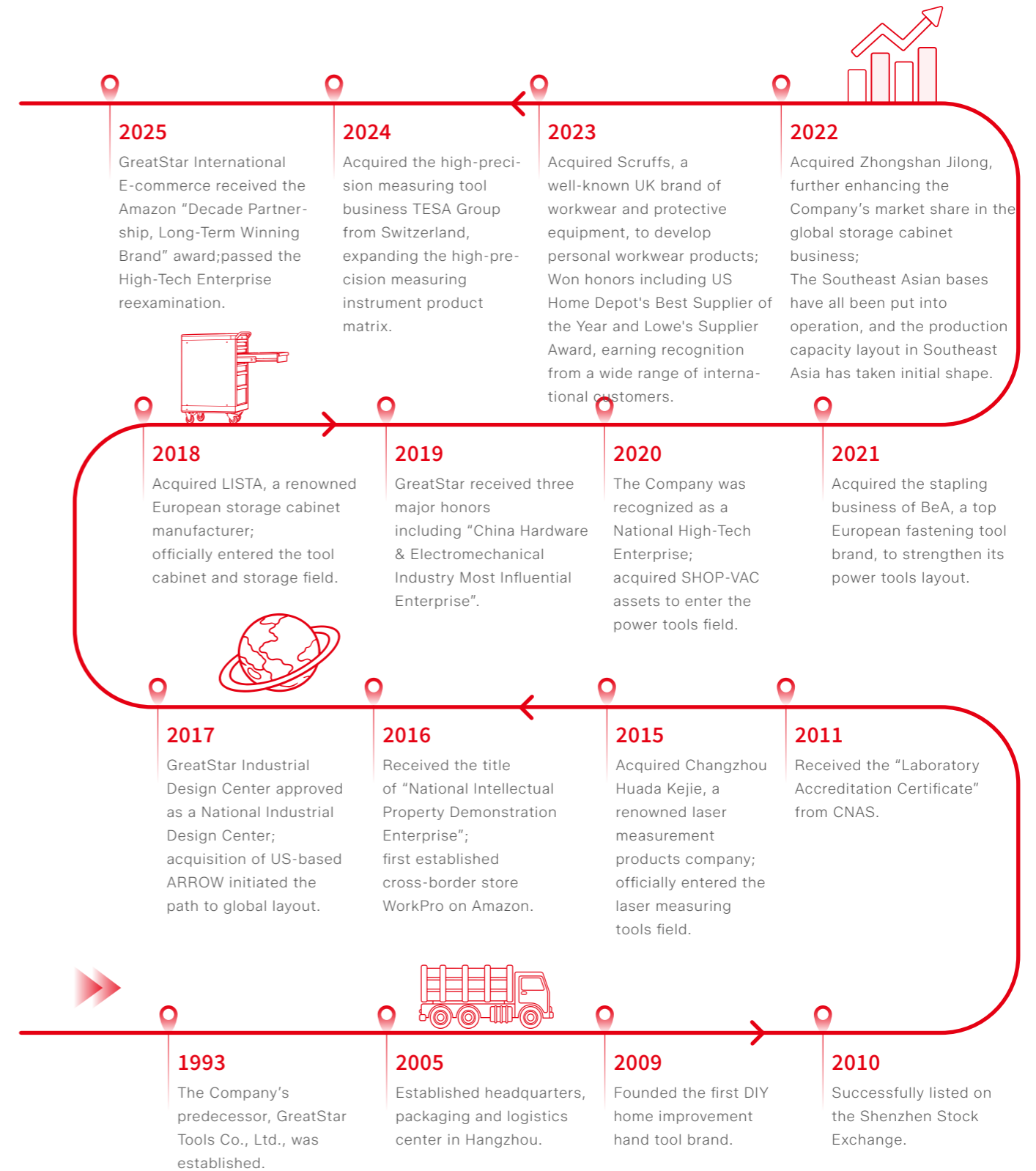
Operate Brands

▶ Continuously cultivate internationally renowned tool brands, simultaneously expand e-commerce brands for the new era, and strengthen the own-brand service system in Europe and America. Leveraging the stable cash flow characteristics of the durable consumer goods industry, the Company will plan its own-brand development path with a long-term perspective and steadily enhance brand value.

Global Layout

▶ Strategic Overseas Development. Focus on building own-brand service systems in Europe and America and capacity layout in Southeast Asia. Pursue both e-commerce growth and own-brand growth to steadily increase the proportion of direct-to-consumer revenue.

History



2025 Key Events

Selected as one of the third batch of "Eagle Enterprises" (Industry and Information Technology field) in Zhejiang Province, announced by Zhejiang Provincial Department of Economy and Information Technology

Received the "Decade Partnership, Long-Term Winning Brand" award at the 2025 Amazon Global Selling Cross-border Summit

Named to the 2025 Top 500 Private Enterprises in Invention Patents list published by the All-China Federation of Industry and Commerce

Receives Wind ESG Rating A

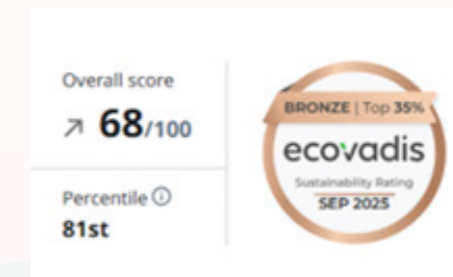
Named to the 2025 Top 500 National Zhejiang Entrepreneurs list published by Zhejiang Entrepreneurs Magazine

Receives EcoVadis Bronze Medal

Recognized as a "Pilot Enterprise" among Zhejiang Private Multinational Corporations for 2025, announced by Hangzhou Municipal Bureau of Commerce

Named to the 2025 Top 500 Chinese Private Enterprises in Internationaliza-

Recognized as a 2025 Zhejiang Provincial Economic Management Benchmark Enterprise



ESG Management

As one of the leading enterprises in the tool industry, GreatStar adheres as always to its original intention, focusing on expanding its core business and improving its professional and technological capabilities, continuously contributing to the progress of the industry. In pursuing high-quality development, the Company actively fulfills its social responsibilities and is committed to achieving the integration of economic and social value. At the governance level, the Company continuously improves its governance structure, integrating sustainable development concepts into strategic planning, risk management, and daily operations. In the environmental aspect, the Company actively promotes the R&D and application of energy-saving and environmental protection technologies, responding to the "dual-carbon goals" with practical actions. In the social field, the Company actively responds to national calls, leverages its professional capabilities to support cultural heritage and social welfare, integrates corporate growth with social development, and joins hands with all parties to create a sustainable future. In 2025, the Company received the EcoVadis Bronze Medal and a Wind ESG Rating A, demonstrating sound ESG management capabilities.

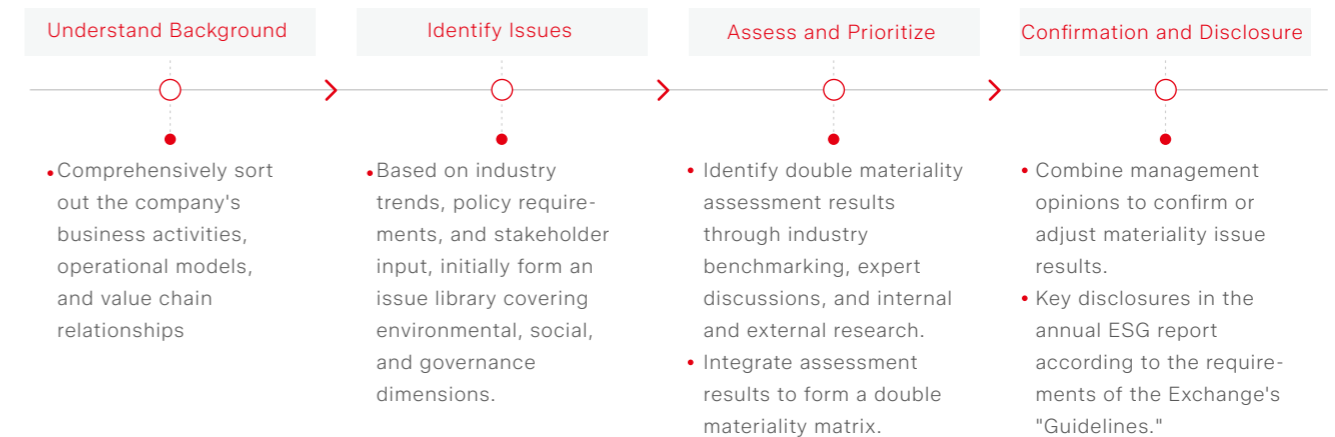
Communication with Stakeholders

GreatStar attaches great importance to communication and exchange with all internal and external stakeholders of the Company. By actively establishing a regular communication mechanism, it deeply understands the demands and expectations of various stakeholders, makes timely adjustments according to the communication results, strives for the trust and support of all parties, and promotes the continuous improvement of ESG management work.

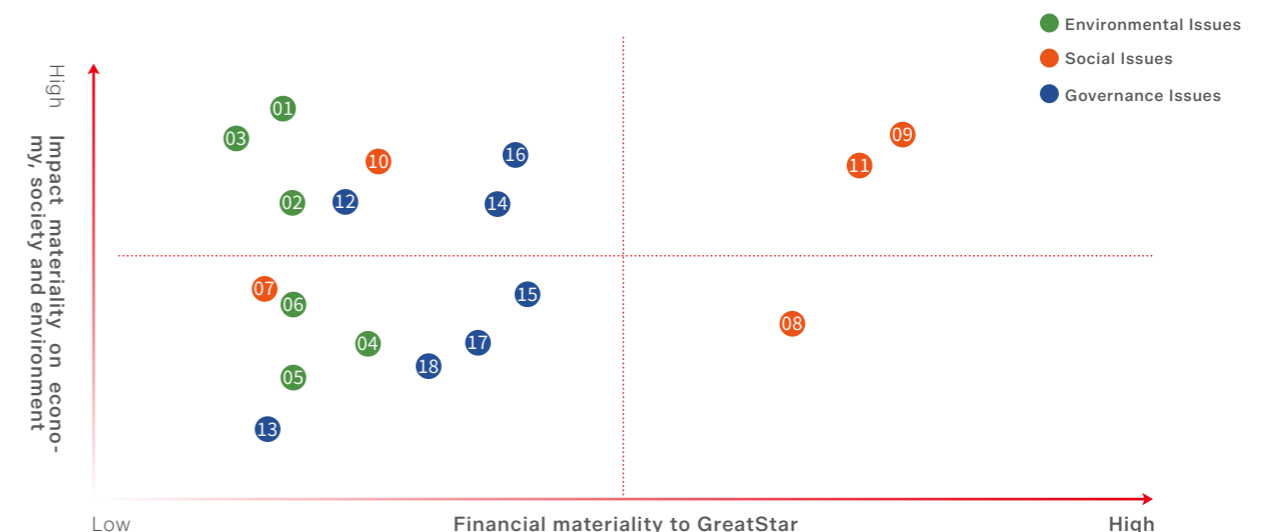
Stakeholders	Expectations and Demands	Communication and Responses
Shareholders and Senior Management	<ul style="list-style-type: none"> Economic Performance Corporate Governance Compliance Risk Control Protection of Shareholders' Rights and Interests 	<ul style="list-style-type: none"> General Meetings of Shareholders Performance Briefings Financial Reports Announcement Releases
Government and Regulatory Agencies	<ul style="list-style-type: none"> Promote Employment Respond to National Policies Environmental Management Comply with Laws and Regulations 	<ul style="list-style-type: none"> Regular Communication and Reporting Institutional Research Policy Implementation Assume Social Responsibilities
Partners and Suppliers	<ul style="list-style-type: none"> Innovation and R&D Mutual Benefit and Win-Win Supply Chain Accountable Management Fair and Just Procurement Business Ethics 	<ul style="list-style-type: none"> Comply with Contractual Agreements Industry Conferences Strategic Cooperation Supplier Training Advocate Green Supply Chain
Employees	<ul style="list-style-type: none"> Employee Rights and Benefits Employee Development and Training Occupational Health and 	<ul style="list-style-type: none"> Strengthen Democratic Management Employee Activities Employee Training Optimize Compensation and Benefits System
Customers	<ul style="list-style-type: none"> Innovation and R&D Product and Service Quality Assurance Customer Privacy and Data Security 	<ul style="list-style-type: none"> Strict Quality Management Product Safety Testing Increase R&D Investment Improve Customer Service System Customer Satisfaction Survey
Communities, Public and Media, etc.	<ul style="list-style-type: none"> Ecological and Environmental Protection Community Welfare Investor Relations Management Transparent Information Disclosure Strengthen Communication and Exchange 	<ul style="list-style-type: none"> Regular Information Disclosure Community Volunteer Activities Social Welfare Projects Promote Green Production and Green Office Establish GreatStar Foundation

Analysis of Double Materiality Topics

In order to more accurately respond to the expectations and demands of all parties and enhance the professionalism, relevance and materiality of the Report, the Company invited internal and external stakeholders to participate through industry benchmarking and expert group discussions, to identify and screen the core issues that have both "impact materiality" and "financial materiality" for the Company's environmental, social and governance (ESG) activities. This Report will focus on disclosing the relevant issues, thereby clarifying the direction and laying the foundation for the construction of the Company's sustainable development system.



Flow chart of issue materiality analysis



GreatStar Double Materiality Matrix

Environment	Society	Governance
<ul style="list-style-type: none"> 01 Addressing Climate Change 02 Pollutants and Waste Treatment 03 Environmental Compliance Management 04 Energy Utilization 05 Water Resources Utilization 06 Circular Economy 	<ul style="list-style-type: none"> 07 Contributing to Social Benefits 08 Innovation-Driven Growth 09 Supply Chain Security 10 Employees 11 Product and Service Safety and Quality 	<ul style="list-style-type: none"> 12 Data Security and Customer Privacy Protection 13 Equal Treatment of Small and Medium-Sized Enterprises 14 Anti-commercial Bribery and Anti-corruption 15 Corporate Governance 16 Communication with Stakeholders 17 Compliance Internal Control 18 ESG Management



01

Compliant Governance

Governance Empowerment, Consolidating the Foundation for Sustainability

The Company always strictly follows relevant laws, regulations and regulatory requirements, continuously improves its corporate governance system, adheres to the bottom line of compliant operation, and protects the legitimate rights and interests of all shareholders and various stakeholders through standardized, transparent, and robust governance operations. The Company carries out governance practices around core dimensions such as standardized governance, business ethics, and data security, continuously improving governance effectiveness and promoting long-term and stable development.

Our Actions

- Corporate Governance ☆
- Business Ethics ☆
- Data Security and Customer Privacy Protection ☆
- Equal Treatment of Small and Medium-sized Enterprises ☆



SDGs Alignment

Corporate Governance

GreatStar always adheres to standardized operation and robust governance, strictly following the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines on Corporate Governance of Listed Companies and relevant regulatory requirements. It continuously improves its corporate governance system, standardizes the operation of various governance bodies, improves information disclosure and investor relations management mechanisms, strengthens compliance internal control management, and ensures the Company's sustained and stable operation through standardized and transparent governance practices.

General Meeting of Shareholders, Board of Directors and Management

The Company has established a governance structure composed of the General Meeting of Shareholders, the Board of Directors and the Management, forming a tiered decision-making mechanism with clear rights and responsibilities, coordinated operation, and effective checks and balances. Each governance body performs its duties legally and compliantly within its respective scope of responsibilities, jointly ensuring the scientificity and transparency of the Company's decisions, and effectively safeguarding the legitimate rights and interests of shareholders and other stakeholders.

General Meeting of Shareholders

GreatStar continuously improves its corporate governance mechanism to effectively protect the legitimate rights and interests of shareholders. The Company affirms the legal status of the General Meeting of Shareholders as the highest decision-making body, exercising decision-making power on significant matters according to law. The Company convenes and holds meetings in strict accordance with the Company Law of the People's Republic of China, the Articles of Association, the Rules of Procedure for the General Meeting of Shareholders and other relevant regulations, ensuring that meeting procedures are legal and compliant, and resolutions are scientific and effective. In governance practice, the Company fully guarantees the equal status of all shareholders (especially minority shareholders), strictly implements shareholders' rights to know, participate and vote on major matters of the Company, and provides sufficient guarantees for them to exercise their legitimate rights.

Board of Directors

The Company's Board of Directors operates in strict accordance with the Company Law of the People's Republic of China, the Articles of Association, the Rules of Procedure for the Board of Directors and other relevant regulations, and diligently executes all resolutions of the General Meeting of Shareholders. It has established the Audit Committee, Nomination Committee, Remuneration and Assessment Committee, and Strategy and Development Committee. The specialized committees provide professional support for the Board's decision-making, ensuring the efficient operation of the governance structure. All directors perform their duties in strict accordance with relevant laws and regulations, attend Board and General Meeting sessions on time, diligently participate in decision-making on major Company matters, actively participate in training and learning organized by regulatory authorities and the Company, continuously familiarize themselves with relevant laws and regulations, and constantly improve their performance capabilities and professional competence.

Key Performance

During the reporting period, the Company held **2** General Meetings of Shareholders and **9** meetings of the Board of Directors, with **100%** attendance of Board members;
The Company convened **4** meetings of the Audit Committee, **2** meetings of the Nomination Committee, **1** meeting of the Remuneration and Assessment Committee, and **1** meeting of the Strategy and Development Committee.

Board Diversity

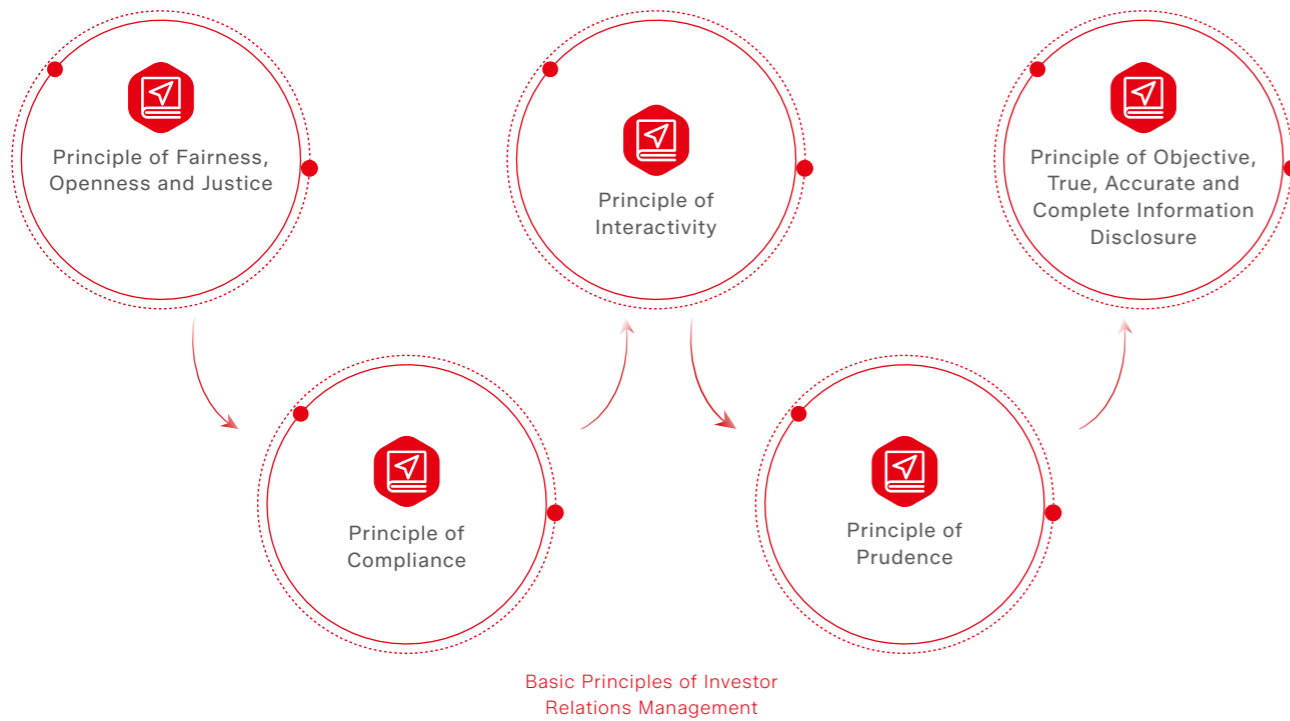
During the nomination and selection process for directors, the Company comprehensively considers multiple factors such as gender, age, professional background, industry experience, and performance capabilities, to build a Board team with diverse structure, complementary experience, and comprehensive professionalism. The diverse composition of the Board provides multi-dimensional professional perspectives and suggestions for the Company's decision-making, aiding the Board in scientific decision-making and ensuring the standardized and efficient operation of corporate governance.

Key Performance

During the reporting period, the Company's Board of Directors comprised **9** members, including **3** independent directors, accounting for **33.33%**; and **6** female directors, accounting for **66.67%**.

Investor Relations Management

The Company always attaches great importance to investor relations management, strictly implements the Information Disclosure Management Rules and the Investor Relations Management Rules, and continuously promotes the standardized development of related work. The Company is committed to providing investors with diverse communication channels, maintaining regular interactive communication with investors through means such as establishing investor hotlines, promptly answering questions on the Shenzhen Stock Exchange Interaction Easy Platform (irm.cninfo.com.cn), and regularly holding online performance briefings. The Company continuously strengthens two-way communication and the quality of information disclosure, strives to enhance investors' understanding of the Company's value and strategic recognition, and consistently improves the Company's credibility in the capital market.



Information Disclosure

GreatStar strictly follows the Securities Law of the People's Republic of China, the Measures for the Administration of Information Disclosure by Listed Companies, and relevant business rules of the Shenzhen Stock Exchange, and has established and continuously improved its information disclosure management system. The Company has formulated the Information Disclosure Management Rules, clarifying the basic principles, content standards, transaction management processes, and confidentiality requirements for information disclosure, ensuring the standardization of information disclosure work. The Company adheres to the information disclosure principle of being "true, accurate, complete, timely, and fair", ensuring equal access to information for all shareholders. The Company has established an information disclosure transaction management system with clear rights and responsibilities. The Chairman is the primary responsible person, the Board Secretary is the main responsible person, and the Board Office is responsible for the specific affairs of information disclosure.

The Company strictly implements the Insider Registration Management Rules, limiting the number of insiders to a minimum and requiring them to sign confidentiality responsibility letters. Before inside information is legally disclosed, no insider is allowed to disclose it or engage in insider trading.

Internal Control and Compliance

The Company continuously improves its compliance internal control system, strictly follows the Basic Norms of Enterprise Internal Control and its supporting guidelines, and combines the Company's internal control system and evaluation methods to conduct a comprehensive evaluation of its effectiveness based on daily supervision and special supervision of internal control.

The Company's internal control system covers key elements such as control environment, risk assessment, control activities, information and communication, and internal supervision. The Company's Audit Committee and independent directors continuously supervise the implementation of the internal control system through regular meetings and on-site inspections, ensuring the standardized and effective operation of the internal control system.

Control Environment	Risk Assessment	Control Activities	Information Communication	Internal Supervision
The Company focuses on integrity culture construction, improves governance participation mechanisms, scientifically sets up organizational structure and authorization systems, and ensures the separation of incompatible duties.	The Company has established a regular risk identification and response mechanism, continuously paying attention to the impact of changes in the operating environment on internal control.	The Company has formulated standardized control procedures for areas such as transaction authorization, division of duties, voucher recording, asset protection, independent auditing, and information system control, ensuring the legality, compliance and asset security of business management.	The Company has established an effective information system and management communication mechanism to ensure timely and accurate information transmission.	The Company has established an independent internal audit department, which regularly supervises and inspects the effectiveness of the design and operation of internal control, and reports to the Audit Committee.

Company's Internal Control Related Measures

Based on the internal control deficiency identification standards, the Company conducts a comprehensive evaluation of internal control over financial reporting and non-financial reporting. During the reporting period, the Company had no material or significant deficiencies in internal control over financial reporting, and no material or significant deficiencies in internal control over non-financial reporting were identified.

Case

Holding Online Performance Briefing to Build the Cornerstone of Investor Trust

In April 2025, the Company held the 2024 Annual Online Performance Briefing through an online platform. This event was open to all institutional and individual investors. The Company's management had in-depth exchanges with investors regarding the annual operating results and future development plans, and responded to market concerns. Through this performance briefing, the Company safeguarded investors' right to know and enhanced their trust in the Company's development.

Key Performance

During the reporting period, the Company held **2** online performance briefings, answered **99** questions on the Shenzhen Stock Exchange Interaction Easy Platform, and received over **500** investor hotline calls;

No incidents of punishment due to violations of information disclosure regulations occurred throughout the year.

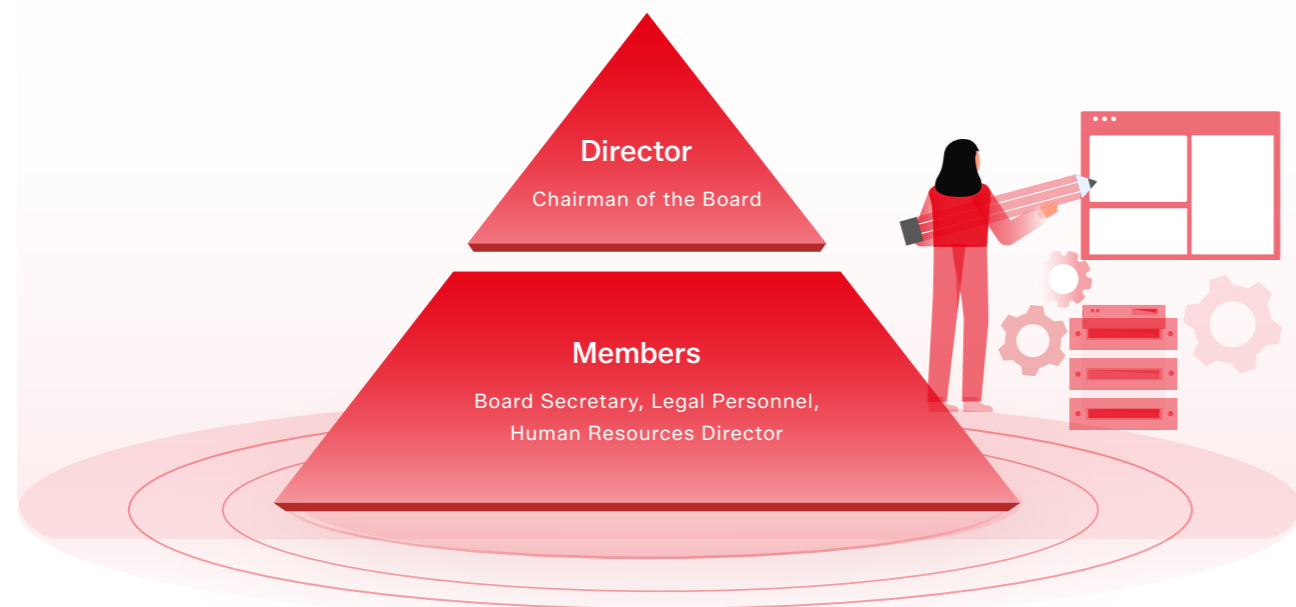
Business Ethics

GreatStar adheres to business ethics standards and compliance operational requirements, strictly abides by relevant domestic and international laws and regulations on anti-corruption and anti-unfair competition, continuously improves its integrity management system and supervision mechanism, standardizes full-chain business conduct, and promotes the construction of a fair and honest business environment.

Anti-corruption and Anti-commercial Bribery

The Company continuously improves its anti-corruption governance mechanism, building an integrity compliance management system from three aspects: system construction, internal supervision, and reporting channels. The Company has formulated and implemented internal management systems such as the Employee Integrity and Self-Discipline and Supplier Integrity Management Regulations, requiring employees in key positions such as procurement and administration to sign the Employee Integrity and Self-Discipline Commitment Letter, clearly prohibiting employees from using their positions to commit any corrupt acts or infringe upon Company property.

In terms of internal supervision, the Company conducts regular special audits based on the Internal Audit Rules and the Departure Audit Rules. For cases of corruption, fraud, and commercial bribery discovered during audits, corresponding measures such as confiscation of illegal gains, dismissal, and internal notification are taken based on the amount involved. Cases with serious circumstances are transferred to judicial authorities for handling in accordance with the law.



Anti-corruption Committee Organizational Structure

Whistleblower Protection

The Company has established smooth and convenient complaint and reporting channels in accordance with the Employee Appeal Handling Procedure. Employees who actively use the reporting channels are rewarded with a certain percentage of the corruption amount. The Company strictly implements the whistleblower protection system, promising not to disclose whistleblower information to any third party other than the recipient, effectively ensuring the security and effectiveness of the reporting channels.

Key Performance

During the reporting period, the Company had **no incidents** of corruption.

A total of **4** anti-commercial bribery and anti-corruption training sessions were conducted, covering all directors and management employees. All employees have signed integrity commitment letters.

Anti-unfair Competition

The Company attaches great importance to the fairness and compliance of market competition, continuously conducts anti-unfair competition related training to enhance employees' legal awareness and compliance literacy. The Company organizes special training on topics such as domestic and international anti-unfair competition, criminal legal risks of executives' duty-related crimes, and prevention of criminal legal risks in procurement and sales activities. At the same time, considering the characteristics of business in the Southeast Asia region, the Company organized key training programs on executive duty-related crimes at its two major bases in Vietnam and Thailand, helping overseas management personnel understand and comply with local laws and regulations. Through the above training, the Company is committed to creating a fair and honest market competition environment, ensuring that domestic and international business activities comply with relevant regulatory requirements.

Key Performance

During the reporting period, the Company had **no incidents** of unfair competition.

Data Security and Customer Privacy Protection

The Company continuously builds a security management system covering the entire data lifecycle, implementing various measures for data security and customer privacy protection from multiple dimensions such as system construction, technical protection, risk management, and personnel training, effectively ensuring the security of the Company's business data and the legitimate rights and interests of customers, and supporting sustained and stable business operations.



Core Responsibilities of the Company's Data Security Team



The Company continuously builds a security management system covering the entire data lifecycle, systematically enhancing data security risk prevention capabilities through regular, periodic special actions and inspection mechanisms. The Company regularly organizes 5 large-scale information security special actions covering all employees each year, combined with more than 2 small-scale security actions or special inspections per month, forming a regular risk investigation mechanism. In terms of data leak prevention, the Company conducts data leak prevention inspections quarterly, focusing on monitoring the external transmission and sharing of sensitive data; and organizes an access rights cleanup action semi-annually to promptly clean up redundant or abnormal access rights, preventing unauthorized data access.

To further verify the effectiveness of security protection, the Company conducts 2 simulated attack drills throughout the year, simulating data breach or cyber attack scenarios to test emergency response capabilities. At the same time, the Company organizes 2 cross-departmental joint reviews throughout the year, conducting collaborative inspections on the implementation of data protection measures for core business systems. Through the above multi-level, high-frequency data security risk management actions, the Company continuously strengthens its data asset protection capabilities, ensuring the continuity and security of business operations.

Key Performance

During the reporting period, the Company had **no confirmed** data security incidents or confirmed customer privacy breaches.

The external threat penetration rate decreased by **68%**; successfully prevented **5** potential data leak risks; internal compliance audit coverage reached **92%**.

Data Security Protection Measures

During the reporting period, the Company ensured business and customer data security through the following series of measures. In the future, the Company will continue to optimize security strategies, enhance automation and intelligent protection capabilities, and respond to various network security challenges.

Management Dimension	Core Implementation Measures	2025 Implementation Results
Strengthen Network Protection	<ul style="list-style-type: none"> Built a multi-layered network protection system to strengthen internal risk control; Established a system for regular updates and patching to ensure all systems and applications run the latest security patches and versions, and perform automated vulnerability scans weekly; Implement 7×24 network threat monitoring, enhancing security control capabilities around the four core security risk elements: assets, vulnerabilities, threats, and incidents. 	<ul style="list-style-type: none"> Attack identification rate increased by 50%, network downtime reduced by 65% year-on-year; No major network failure cases during the reporting period, effectively intercepted 4 high-risk virus threats including new variants like "Silver Fox"; After the update and iteration of the network prevention and control system, actively analyzed 53,019 external website attack logs using the big data platform in a single week, and blocked 8,219 hacker attacks through the cloud firewall.
Enhance Boundary Security	<ul style="list-style-type: none"> Implemented network isolation and fine-grained permission management; Formulated terminal device security policies, requiring all terminal devices accessing the network to meet security verification requirements; Conducted full data flow monitoring. 	<ul style="list-style-type: none"> External threat penetration rate decreased by 68%.

Management Dimension	Core Implementation Measures	2025 Implementation Results
Data Classification, Grading and Encryption	<ul style="list-style-type: none"> Established a data classification and grading management system, setting corresponding access permissions for different data categories, based on departmental and business sensitivity and compliance requirements, and conducting regular audits; Implemented end-to-end encryption for sensitive data during storage and transmission; Established a regular multi-version data backup mechanism and set up an off-site disaster recovery center. 	<ul style="list-style-type: none"> Data breach incidents reduced by 48%; Data classification and grading coverage reached 100%, data encryption implementation rate exceeded 82%.
Process Approval and Access Management	<ul style="list-style-type: none"> Introduced Security Development Lifecycle (SDL), embedding security approval processes into the entire product development and change process; Followed the principle of separation of duties and least privilege, strictly controlling approval processes for highly sensitive operations, and regularly cleaning up unnecessary access permissions. 	<ul style="list-style-type: none"> Access rights review cycle shortened by 78%; Approval process automation rate reached 92%, effectively reducing human errors.
Information Security Testing and Pre-launch Security Review for New Systems	<ul style="list-style-type: none"> Established a security testing mechanism for new systems before launch, conducting at least 3 rounds of security tests for each new system; Invited external information security institutions to conduct independent and comprehensive security assessments of key systems; Conducted stress tests simulating high-traffic, high-concurrency scenarios to evaluate system stability and security; Established a closed-loop mechanism for vulnerability remediation and retesting. 	<ul style="list-style-type: none"> Average vulnerability remediation time shortened by 55%; Security issues in newly launched systems decreased by 40% during the reporting period.

2025 Company Data Security Protection Measures

Case Conducting External Email Security Training to Enhance Company-wide Risk Prevention Awareness

During the reporting period, the Company's Information Center organized a special training on external email security. The training focused on common fraud techniques such as phishing emails, malware infection, and identity theft, and conducted case analyses combined with typical scenarios such as impersonating well-known institutions, using reward baits, and intimidation and pressure tactics. By explaining key points such as sender information verification, risk identification of attachments and links, and personal information protection, the training helped employees master basic protective measures. The training also demonstrated practical work scenarios such as compromised supplier email accounts and fake order inquiries, enhancing employees' risk alertness in daily business interactions.

Equal Treatment of Small and Medium-sized Enterprises

GreatStar adheres to standardized operation in its business process and strictly fulfills its payment obligations to suppliers. During the reporting period, the balance of the Company's accounts payable (including notes payable) was maintained at a reasonable level. The Company attaches great importance to win-win cooperation with small and medium-sized enterprises. During the year, there were no overdue payments owed to SMEs, nor was any related adverse information publicly available on the National Enterprise Credit Information Publicity System. By continuously optimizing payment processes and fund management, the Company protects the legitimate rights and interests of upstream and downstream supply chain partners, especially SMEs, and is committed to building a fair, honest, and sustainable business ecosystem.





Environmental Management

Low-Carbon Leadership, Co-Drawing a Green Blueprint

GreatStar deeply recognizes that responsible environmental management is the cornerstone of corporate sustainable development and a significant commitment to future generations. The Company always places environmental protection at the core of its operational strategy, strictly follows national laws and regulations, and actively builds a systematic and forward-looking environmental management system. It has carried out a series of management practices in key areas such as environmental compliance, pollutant treatment, resource utilization, circular economy, and addressing climate change, demonstrating our firm determination to respond to the “dual-carbon goals” with practical actions, promote green operations, and achieve a harmonious unity of economic and environmental benefits.

Our Actions

- Environmental Compliance Management ☆
- Pollutant Emissions and Waste Treatment ☆
- Energy Utilization ☆
- Water Resources Utilization ☆
- Circular Economy ☆
- Addressing Climate Change ☆



Environmental Compliance Management

GreatStar strictly follows national laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and has established the Responsibility System for the Prevention and Control of Environmental Pollution by Hazardous Waste, clarifying the work policy of "prevention first, combining prevention with control" for environmental protection. In addition, the Company prevents and controls pollution at the source by strictly implementing the "Three Simultaneities" system for environmental protection in new projects, and continuously drives the improvement of the environmental management system and compliance performance by establishing environmental protection files and implementing energy-saving, emission reduction assessment and reward/punishment mechanisms.

The Company has established a Pollution Prevention and Control Work Leading Group headed by the Company's responsible person, and has built a three-tier pollution prevention and control management structure with clear rights and responsibilities to ensure accountability is assigned to individuals:



Environmental Management System Certification

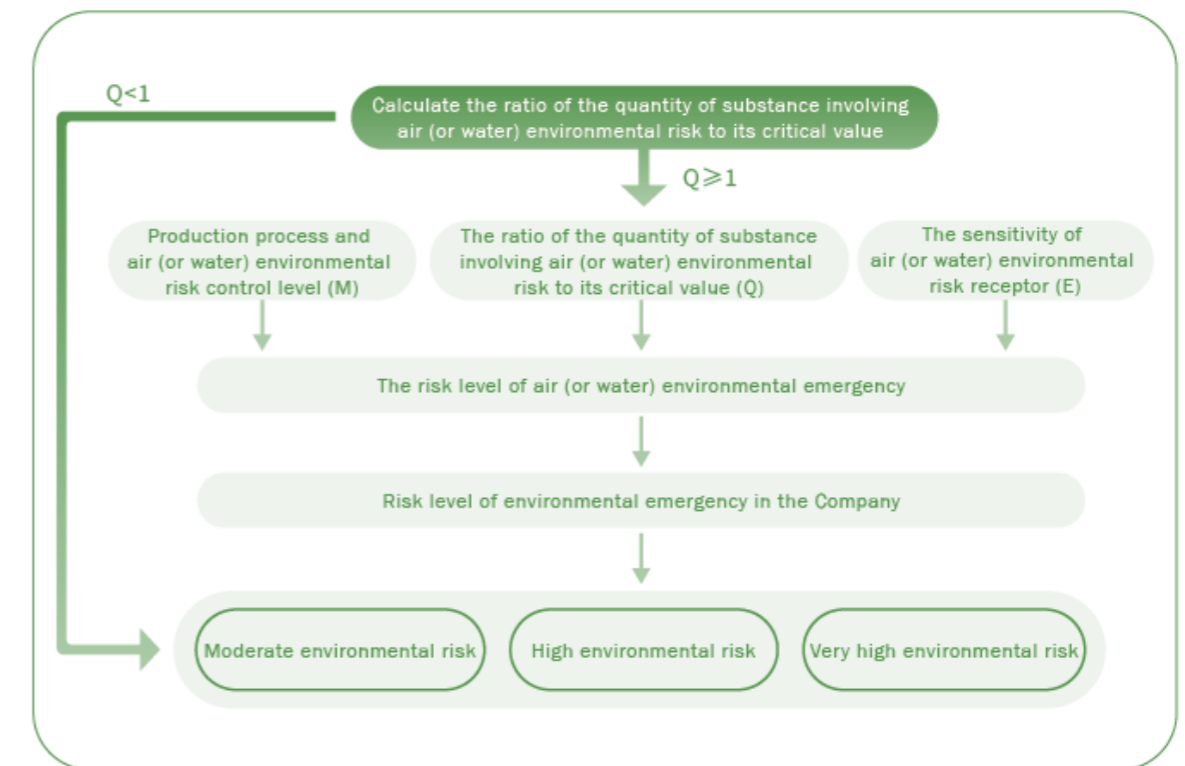
The Company actively promotes environmental management system certification. As of the end of the reporting period, a total of 6 subsidiaries of the Company have passed the certification and obtained certificates.



GreatStar Environmental Management System Certification Certificate

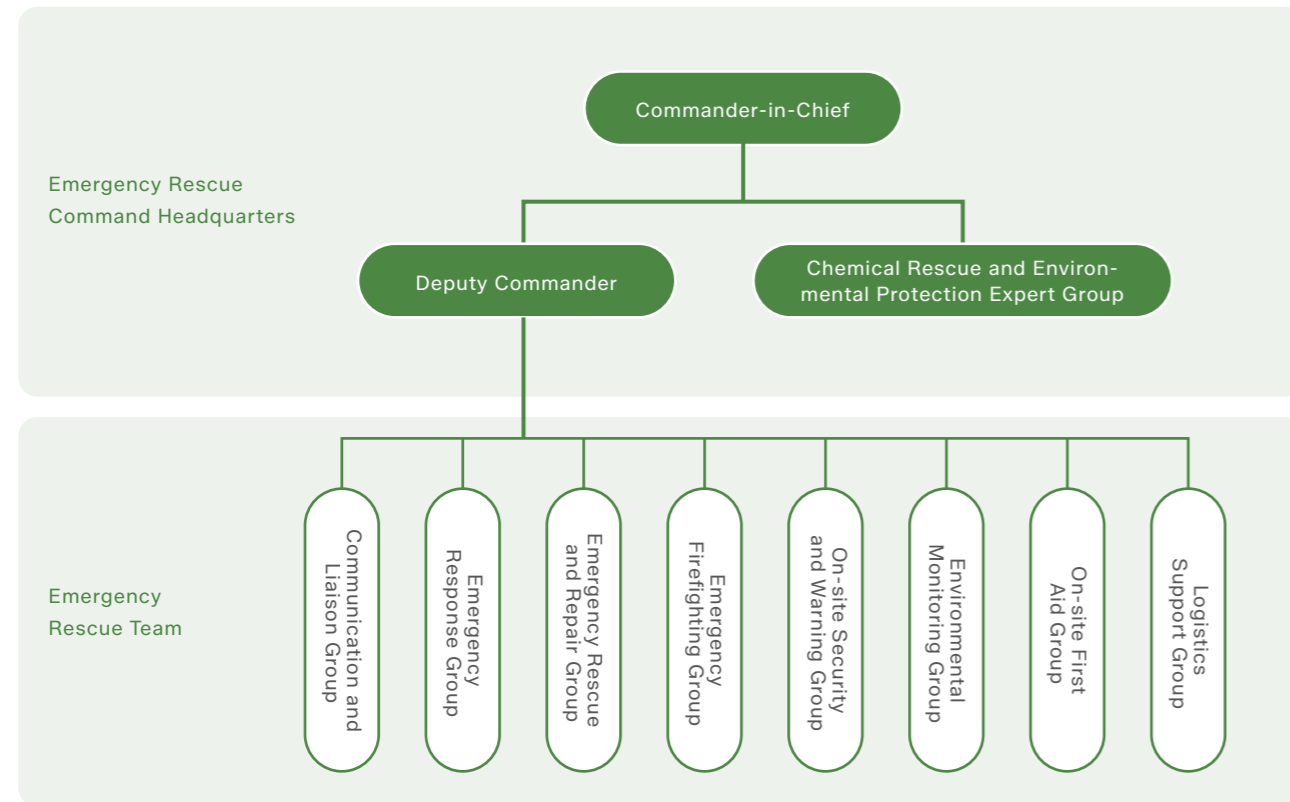
Environmental Risk Management

The Company has established a systematic environmental risk identification, assessment, and graded control system, strictly follows national and local regulatory requirements such as the Classification method for environmental accident risk of enterprise (HJ 941-2018), and formulates and regularly updates the Environmental Risk Assessment Report and the Emergency Response Plan for Sudden Environmental Incidents.



GreatStar Sudden Environmental Incident Risk Assessment Process

To effectively prevent and mitigate the risks of sudden environmental incidents, the Company has built an emergency management system with the emergency rescue command organization at its core, clearly defining the responsibilities of personnel at all levels and various professional response teams. It has established a complete emergency plan system covering comprehensive emergency plans, special emergency plans for atmospheric, water, and hazardous waste pollution, and on-site response plans for key positions. The Company is fully equipped with various emergency supplies and has established robust record-keeping and usage management systems. At the same time, it regularly conducts environmental safety training and emergency drills for sudden environmental incidents, continuously improving the emergency response and on-site handling capabilities of all employees, ensuring rapid response and efficient handling when emergencies occur.



Emergency Rescue Command Organizational Structure



Case Conducting Hazardous Chemicals Safety Training to Strengthen Employee Emergency Response Capabilities

In May 2025, the Company organized a special safety training on hazardous chemicals for relevant key position personnel. This training focused on four aspects: analysis of the Company's current hazardous chemicals usage, interpretation of Material Safety Data Sheets (MSDS), regulations for hazardous chemicals management and use, and personal protection and emergency measures, aiming to effectively convey hazardous chemicals safety management requirements to the frontline operational level. By strengthening employees' theoretical knowledge and practical skills, the training further consolidates the Company's emergency management capabilities, providing strong support for accident prevention and ensuring personnel and environmental safety.



Hazardous Chemicals Safety Training

Pollutant Emissions and Waste Treatment

GreatStar places environmental protection in a significant position in its business operations. Strictly based on national laws and regulations, it has established a whole-process control system covering wastewater, exhaust gas, and solid waste, clarifying the full-process specifications from pollution source control and process management to final safe disposal. By strengthening the standardized management of the "three wastes," it ensures all types of pollutants are disposed of compliantly and properly, ultimately achieving full compliance with discharge standards by 2025, effectively ensuring the safety of the surrounding environment.

Wastewater Management

The Company strictly follows laws and regulations such as *Law of the People's Republic of China on Prevention and Control of Water Pollution*, and has established a standardized wastewater management system, and set goals and measures for water pollution control management.

Item	Goals and Indicators	Management Measures
Water Pollution Control	<p>Goal: Meet wastewater discharge standards, achieved</p> <p>Indicator: Integrated Wastewater Discharge Standard (GB 8978-1996)</p>	<ol style="list-style-type: none"> Grinding and cleaning wastewater is collected uniformly, discharged to the wastewater treatment station for unified treatment, and discharged after meeting standards. Use environmentally friendly floor scrubber cleaning solution to ensure the water quality after floor cleaning meets discharge standards. Require qualified environmental monitoring departments to conduct effluent monitoring annually.

Water Pollution Control Management Goals and Measures

Furthermore, the Company implements source classification and whole-process control of wastewater generated from production activities, distinguishing it based on its nature and source (e.g., production wastewater, domestic sewage), and has established dedicated wastewater treatment facilities to ensure all wastewater is effectively treated before discharge to meet national and local discharge standards. It regularly monitors wastewater quality, completely records and preserves monitoring data, forming a traceable management archive. It actively promotes water-saving measures, strictly controls wastewater generation through process optimization and management enhancement, ultimately achieving compliant sewage discharge in 2025.

Indicator	Unit	2025
Total Wastewater Discharge	10,000 m ³	2.87
Of which: Total Industrial Wastewater	10,000 m ³	0.18
Of which: Total Domestic Sewage	10,000 m ³	2.69
Chemical Oxygen Demand (COD)	Ton	4.59
Biochemical Oxygen Demand (BOD)	Ton	3.88
Ammonia Nitrogen Content (NH ₃ -N)	Ton	0.58
Total Nitrogen Content (TN)	Ton	0.74
Total Phosphorus Content (TP)	Ton	0.095
Suspended Solids Content in Wastewater	Kilogram	3,502

2025 Water Pollutant Discharge Performance¹

Exhaust Gas Management

The Company has set an annual management goal of 100% compliance with the emission limits of its pollutant discharge permit and has built a full-chain control system covering generation, collection, treatment, and monitoring. First, it reduces exhaust gas generation at the source through technical evaluation and modification of equipment and production processes that generate exhaust gas. It is equipped with efficient exhaust gas collection systems and treatment facilities to ensure exhaust gas is effectively captured, purified, and discharged compliantly. Finally, it establishes regular monitoring and maintenance mechanisms to monitor and evaluate the operational status and treatment effectiveness of exhaust gas emission points and treatment facilities.

¹ The data statistics scope is Zhejiang GreatStar Tools Co., Ltd.

-  Exhaust gas from printing ink is collected using hoods, discharged at high altitude, and measured regularly;
-  Exhaust gas from painting lines and oiling, small in quantity, is treated with activated carbon adsorption, and tested regularly;
-  Exhaust gas from polishing lines is collected using hoods, treated by a cyclone + water spray dust removal system, discharged at high altitude, and tested regularly;
-  Exhaust gas from shot blasting lines is collected using enclosed equipment, treated by baghouse dust collection, discharged at high altitude, and inspected regularly;
-  Canteen oil fume treatment is maintained regularly, management is strengthened, and discharge is reasonable;
-  Exhaust gas from mesh belt furnace quenching is directly combusted, then collected and discharged at high altitude; tempering exhaust gas is collected by hoods, treated by high-voltage electrostatic oil removal equipment, discharged at high altitude, and tested regularly.

Exhaust Gas Management Measures

Indicator	Unit	2025
Total Exhaust Gas Emission	10,000 m ³	3,350
Volatile Organic Compounds (VOCs) Emission	Kilogram	141
Particulate Matter Emission	Kilogram	34.7

Air Pollutant Management Performance²

Solid Waste Management

The Company implements strict classification, collection, storage, and disposal management for solid waste, particularly prioritizing hazardous waste as the most critical aspect of environmental risk prevention and control. Based on the National List of Hazardous Wastes and identification standards, it accurately identifies and classifies waste generated from production operations, ensuring hazardous waste is managed separately from general industrial solid waste, domestic garbage, etc.

For hazardous waste, the Company implements internal control requirements that are higher than regulatory standards and has formulated a series of systems such as the Hazardous Waste Management System and the Hazardous Chemicals Management System.

² The data statistics scope is Zhejiang GreatStar Tools Co., Ltd.

Item	Goal	Management Measures
Hazardous Solid Waste Disposal	100% classified storage and disposal by qualified units, achieved	<ul style="list-style-type: none"> Use dedicated, intact containers for collection and clearly label waste information; Store in dedicated sites meeting safety and environmental requirements, avoid mixing incompatible wastes, and pre-treat waste cutting fluid, waste emulsion, etc.; Entrust the final disposal of all hazardous waste to professional institutions with legal qualifications, strictly implement the transfer manifest system, and achieve traceable supervision of the entire process from generation to disposal; Maintain and repair hazardous waste storage rooms as required to prevent pollution from leaks. Additionally, the Company actively explores resource utilization pathways for solid waste and promotes the recycling of recoverable materials.
Chemical Leakage	Annual chemical leakage accidents: 0, achieved	<ul style="list-style-type: none"> Conduct publicity and guidance to strengthen employee safety awareness; Check daily, ensure isolation from ordinary materials, strengthen anti-theft and leak prevention management; Check the effectiveness of fire extinguishers and fire sand; update chemical inventory, post MSDS sheets; Organize and conduct chemical leakage emergency drills.

2025 Hazardous Waste Management Goals and Measures

Noise Pollution

In terms of noise control, the Company pays attention to the noise impact generated by the operation of mechanical equipment, adopts comprehensive prevention and control measures, starting with selecting low-noise equipment, optimizing workshop layout and building sound insulation, and installing soundproof covers, implementing noise reduction and vibration damping treatments for high-noise equipment, effectively reducing noise emissions through whole-process management, creating a healthy and quiet working environment for employees.

Item	Goal	Management Measures
Noise Pollution Control	Meet Class II standard of the "Industrial Enterprise Noise Emission Standard" GB 12348-90, achieved	<ol style="list-style-type: none"> Entrust qualified testing units for noise detection annually. Post warning signs in high-noise areas such as grinding machines and lathes, requiring on-site operating employees to wear earplugs.

2025 Noise Pollution Management Goals and Measures



Energy Utilization

To actively respond to national energy conservation and emission reduction policies, the Company has formulated an annual special energy management plan to improve energy utilization efficiency and reduce operating costs. By implementing a series of energy-saving renovations and management optimization measures, it continuously reduces energy consumption and rewards teams and individuals with outstanding performance in energy conservation and emission reduction work.

2025 Energy Management Goal

Achieve a **3%** year-on-year reduction in electricity consumption in 2025.

Currently, the Company's energy management system operates effectively, meeting the requirements of the GB/T 23331-2020/ISO 50001:2018 Energy Management Systems standard, providing assurance for sustainable development.

Risk and Opportunity Management	<ul style="list-style-type: none"> Identify and assess internal and external energy risks and opportunities through the "Risk and Opportunity Control Procedure," and develop response measures integrated into the management system; Use the "Operational Control Procedure" to ensure effective implementation of measures and stable system operation.
Goal and Indicator Planning	<ul style="list-style-type: none"> Establish quantitative goals and indicators at all levels according to the "Management Procedure for Energy Goals, Indicators, and Management Programs"; Formulate specific management plans, clarify responsibilities, methods, and schedules, implement after approval, and regularly review and update.
Energy Performance Indicators and Baseline	<ul style="list-style-type: none"> Implement the "Management Procedure for Energy Baseline and Energy Performance Indicators," identify and monitor energy performance indicators covering the enterprise and each energy-using link, establish an audited energy baseline for performance comparative analysis and evaluation.
Energy Data Collection	<ul style="list-style-type: none"> Implement the data collection plan according to the "Energy Monitoring and Measurement Control Procedure," continuously monitor, measure, and analyze key characteristics affecting energy performance, ensure data accuracy and reliability, and review and update the plan annually.
Energy Review	<ul style="list-style-type: none"> Conduct regular reviews following the "Energy Review Control Procedure"; Use data analysis tools to identify major energy-consuming areas and improvement opportunities, document review results, and provide a basis for management decisions.

Energy Management System

Packaging Workshop Cooling System Upgrade

- Comprehensively modify the cooling system of the packaging workshop, introducing a highly energy-efficient industrial air conditioning localized cooling system to significantly reduce the energy consumption of the system.

Workshop Motor Energy-saving Replacement

- Gradually carry out energy-saving modifications on motors in the workshop, including adopting high-efficiency energy-saving motors, applying variable frequency speed regulation technology, and strengthening regular maintenance to ensure motors are in optimal operating condition, thereby reducing energy consumption.

Strengthen Electricity Management in Office Areas

- By formulating detailed electricity management systems, clarifying job responsibilities, strengthening employee energy-saving awareness training, and conducting regular electricity usage inspections, we aim to eliminate energy waste in the workplace and ensure that electricity is turned off when not in use.

Regular Tracking

- The Company regularly monitors and analyzes energy usage, and makes timely adjustments and improvements.

Main Energy Saving and Consumption Reduction Measures in 2025

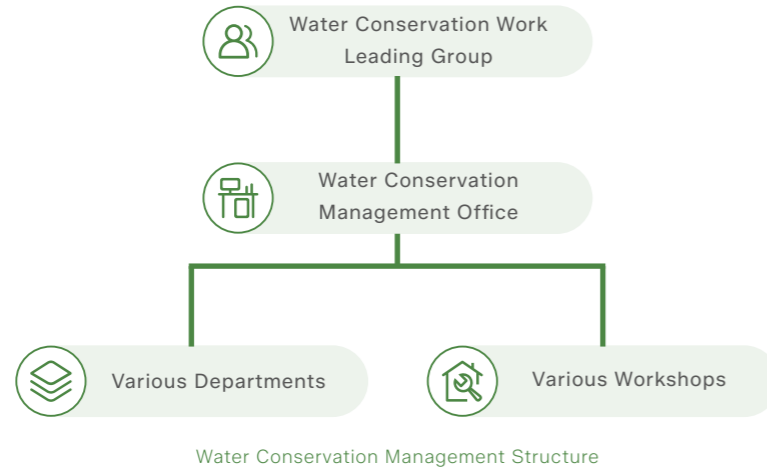
Indicator	Unit	2025
Comprehensive Energy Consumption	Tons of Coal Equivalent (TCE)	904.41
Direct Energy Consumption	Tons of Coal Equivalent (TCE)	34.66
Of which: Gasoline	Liter	10,114
Of which: Diesel	Liter	18,837
Indirect Energy Consumption	Tons of Coal Equivalent (TCE)	869.75
Of which: Electricity	MWh	7,076.92
Total Amount of Purchased Electricity	MWh	7,076.92
Total Self-generated Electricity Consumption	MWh	3,670.56
Clean Energy Consumption	MWh	3,670.56
Of which: Solar	MWh	3,670.56

2025 Energy Usage³

³ The data statistics scope is Zhejiang GreatStar Tools Co., Ltd.

Water Resources Utilization

The Company has formulated the Water Conservation Management Rules and established a three-tier water conservation management structure led by the Water Conservation Work Leading Group, creating a whole-process management system covering goal setting, process control, and effectiveness evaluation. Through regular water conservation self-assessments, it deeply analyzes water use efficiency, the application of water-saving technologies, and the effectiveness of management measures, continuously optimizing water resource management strategies based on this analysis, and promoting the standardized implementation of water conservation work.



Water Conservation in Project Construction

- New construction, renovation, and expansion projects adopt water-saving processes, equipment, and appliances. Water-saving facilities strictly follow the "Three Simultaneities" principle, i.e., designed, constructed, and put into use simultaneously with the main project, and must pass acceptance inspection before use.

Inspection and Assessment

- The Water Conservation Management Office is responsible for the management, inspection, assessment, and promotion of water-related facilities and water conservation status.



Water Resource Management System

Daily Operation Water Conservation

- Main production departments implement planned water management, with the Enterprise Management Office formulating assessment indicators such as water consumption per ton of product.
- Various water-using departments should strengthen the management of water circulation facilities, actively carry out water-saving renovations, implement graded and cascade water use, strengthen daily water management, eliminate "leaks, spills, drips, and seepage," and promote and correctly use water-saving devices.

2025 Water Resource Management Goal

In 2025, achieve a **3%** year-on-year reduction in annual water consumption.

Optimize Workshop Flushing and Equipment Cleaning

- Promote the use of manual methods such as mops and cloths in cleaning operations to reduce direct flushing; use floor scrubbers for floor cleaning; for processes that require flushing, use low-pressure or intermittent flushing to reduce water usage intensity.
- Ground cleaning uses a scrubber;
- For parts that require flushing, use low-pressure or intermittent flushing methods to reduce water intensity.

Strengthen Water Management and Publicity

- System Construction: Formulate and improve water management systems, clarify water conservation responsibilities for each department and position, and establish water conservation assessment and reward mechanisms.
- Training and Publicity: Regularly organize water conservation knowledge lectures and skills training, use various channels such as bulletin boards and internal newsletters for extensive publicity, enhance company-wide water conservation awareness and operational skills, and encourage employees to submit water-saving suggestions.

Key Measures for Water Resource Management in 2025



Water Conservation Publicity Sign

Indicator	Unit	2025
Total Water Consumption	Ton	28,713

2025 Water Usage⁴

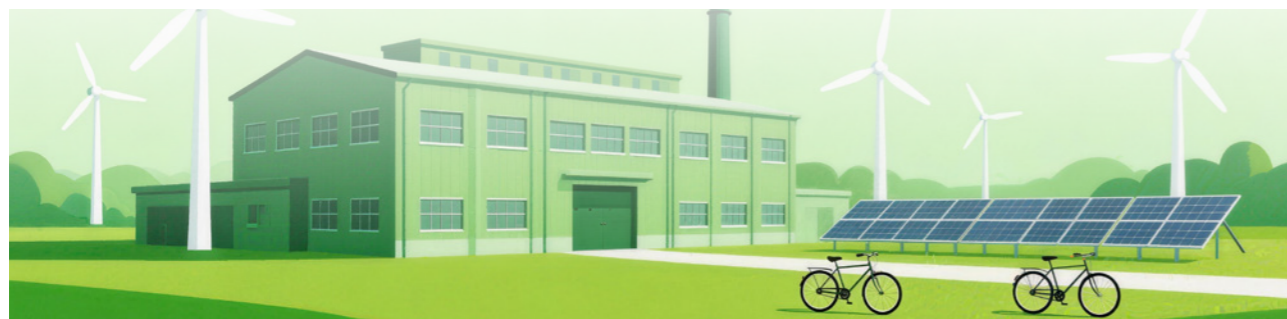
⁴ The data statistics scope is Zhejiang GreatStar Tools Co., Ltd.

Circular Economy

The Company actively responds to green development requirements, fully integrating environmental protection concepts into all aspects of its operations, and building a green and low-carbon operation model through a series of resource circulation and efficiency improvement measures.

Measure Type	Specific Measures
Process Modification	Upgraded the grinding wheel dressing process, introduced advanced electrical discharge machining (EDM) dressing technology, effectively reducing the waste of green silicon carbide grinding wheels and achieving more rational resource utilization.
Packaging Material Upgrade	Using new calcium-plastic returnable containers to replace some traditional corrugated cardboard returnable containers, significantly improving the reuse rate of packaging materials. Replacing product packaging blister shells from PVC material to PET material, which is easier to recycle and reuse, reducing environmental pollution from plastic waste.
Waste Recycling	Implemented refined treatment of injection molding machine nozzle material, runner material, and non-conforming products, adopting crushing and reuse methods, effectively reducing waste generation and improving material use efficiency. In 2025, the emission of waste plastic was reduced by approximately 108 tons, strongly promoting the factory's sustainable development. Repaired and reused waste wooden pallets within the factory area. This environmental action is expected to save approximately 10 tons of new wooden pallet usage annually.
Office Resource Optimization	Promoting double-sided printing and actively advancing paperless office work, with some processes being digitized, reducing paper usage while also reducing energy consumption and environmental pollution caused by paper production, achieving efficient use and greening of office resources.

Green Operation Measures



Addressing Climate Change

The Company is not only committed to reducing its own operational carbon footprint but also integrates climate action into its corporate governance, strategic planning, and risk management processes. It has carried out a series of practices in climate governance, strategic positioning, risk and opportunity identification and management, carbon accounting, and emission reduction actions, while disclosing quantitative emission reduction targets and performance. This demonstrates our commitment and proactive approach to managing climate issues scientifically and transparently, and actively transitioning towards a low-carbon future.

Governance

The Company's climate action management is led by the Chairman and coordinated by the Sustainable Development Management Committee, systematically planning green and low-carbon development paths at the operational level and building a full-chain carbon management system. The Company has specially established a Green and Low-Carbon Factory Management Leading Group, formulated the Carbon Emission Management Rules and the 2023-2028 Green and Low-Carbon Factory Construction Implementation Goals, and actively participates in CDP disclosure and SBTi science-based carbon target setting, ensuring that carbon reduction work is continuously advanced, standardized, and credible through institutionalized and scientific management.

Strategy

The Company has established a process for identifying, assessing, and managing environmental (climate) risks and opportunities, covering impacts, risks, and opportunities throughout its direct operations, as well as upstream and downstream value chains. The assessment is conducted qualitatively once a year and has been integrated into the Company's company-wide, multi-disciplinary risk management process.



Risk/Opportunity Type	Risk/Opportunity Description	Likelihood of Occurrence	Impact Period ⁵	Response Measures
Acute Physical Risk	Extreme weather (such as strong winds, heavy rain) may cause direct damage to factory buildings, elevated equipment, and stored goods, and lead to damage to production equipment due to flooding; increase operational risks, triggering safety incidents such as slips and falling objects; cause production interruptions and supply chain disruptions, preventing the Company from delivering products on time. This not only affects order fulfillment but also has a sustained negative impact on the Company's reputation and long-term operations.	Medium	Short-Medium-Long Term	Establish typhoon early warning mechanisms; reinforce factory facilities and upgrade drainage systems; modify production lines with modular design for easier relocation; purchase property insurance and business interruption insurance; sign post-disaster mutual aid agreements with upstream and downstream enterprises; set aside emergency funds.
Transition Risk	If the industry introduces disruptive low-carbon production processes and the Company fails to keep pace in a timely manner, existing production lines and equipment may face the risk of premature obsolescence.	Low	Long Term	Actively invest in process modification and automation upgrade projects.
Policy Compliance Opportunity	In the context of global carbon pricing policies (such as the EU CBAM), using renewable energy (such as green electricity, solar power) can reduce policy compliance costs and decrease product carbon footprints.	High	Short-Medium-Long Term	The Company plans to significantly increase the proportion of renewable materials used in its products and improve product design to enhance reusability.
Market Opportunity	Growing market demand for low-carbon products; using renewable/recyclable materials can reduce carbon emissions, enhance brand image, and meet customer preferences.	Medium	Short-Medium-Long Term	The Company plans to significantly increase the proportion of renewable materials used in its products and improve product design to enhance reusability.

⁵Short term: 3 years; Medium term: 3-8 years; Long term: Over 8 years.

Risk and Opportunity Management

Regarding the identification and assessment of climate-related risks and opportunities, the Company currently primarily uses qualitative assessment methods and conducts a systematic assessment once a year on a regular basis. This specialized climate management process has been deeply integrated into the Company's multi-disciplinary, organization-wide risk management process, ensuring the synergy of climate issues with the Company's overall strategy and operational risk management. At the same time, the Company has set quantitative "materiality" determination criteria for screening risks and opportunities that require focused attention:

- Material Risk: Refers to an event where the probability of causing an 11% to 20% increase in the Company's direct operating costs exceeds 50%.
- Material Opportunity: Refers to an event where the probability of causing an 11% to 20% decrease in the Company's direct operating costs exceeds 50%.




Carbon Emission Management

In 2025, the Company conducted greenhouse gas (GHG) inventories for several of its subsidiaries, systematically accounting for Scope 1, 2, and 3 GHG emissions. Among them, Zhejiang GreatStar Tools prepared the GHG Inventory Report in accordance with the ISO 14064-1 standard and passed the verification and certification by a third-party institution, providing data support for scientifically formulating emission reduction strategies. In addition, the Company also conducted product carbon footprint/C-BAM calculations for more than ten of its main products.



Zhejiang GreatStar Tools Greenhouse Gas Verification Statement

In 2025, by coordinating various subsidiaries, the Company advanced a series of multi-dimensional emission reduction projects covering the entire chain of operations. As of the end of the reporting period, the Company had achieved a cumulative carbon dioxide emission reduction of 22,711 tons, laying the foundation for the Company's sustainable development and green transformation.

Category	Main Measures	Key Content
Equipment Upgrading and Modification	Workshop Air Conditioning System Modification	Upgraded the cooling system of its packaging workshop, estimated to save approximately 355.2 MWh of electricity annually, reducing emissions by about 205 tons of CO2 equivalent.  Workshop Cooling System
	Injection Molding Machine Energy-saving Modification	Carried out insulation and energy-saving modifications on its injection molding machines, estimated to save approximately 408 MWh of electricity annually, reducing emissions by about 236 tons of CO2 equivalent.
Energy Structure Transformation	Solar Power Generation	Continuously built rooftop solar power projects in factories across multiple global locations. In 2025, solar power generation reached 7,802.96 MWh, reducing emissions by approximately 4,292 tons of CO2 equivalent.  Rooftop Solar Power Project
	Procurement of Biomass Fuel	Procured biomass fuel for heating steam; its combustion does not increase the net carbon content of the atmosphere.
	Procurement of New Energy Vehicles	Procured 7 all-electric lithium battery pallet trucks and forklifts, replacing fuel oil with electric drive, achieving zero tailpipe emissions during operation and reducing fossil fuel consumption.  Lithium Battery Pallet Trucks and Forklifts
	Low-Carbon Supply Chain	Procurement of Renewable Steel

GreatStar 2025 Emission Reduction Highlight Projects

Indicators and Targets

To standardize the management of greenhouse gas emissions, the Company has formulated the 2023-2028 Green and Low-Carbon Factory Construction Implementation Goals. In addition, Zhejiang GreatStar Tools obtained SBTi certification in 2025, committing to reduce absolute Scope 1, 2, and 3 GHG emissions by 54.6% by 2033 from a 2023 base year, a target aligned with the 1.5°C temperature control pathway.

Indicator	Unit	2023	2025	2028
Comprehensive Energy Consumption per Unit of Product	tce/10,000 units	0.0661	0.063	0.059

2023-2028 Green and Low-Carbon Factory Construction Implementation Goals



GreatStar SBTi Certification Certificate

Indicator	Unit	2025
Scope 1 Emissions	Tons of CO2	290.45
Scope 2 Emissions	Tons of CO2 equivalent	4,852.34
Greenhouse Gas Emission Reduction	equivalent	22,711

GreatStar 2025 Greenhouse Gas Emissions⁶

⁶ The data statistics scope is Zhejiang GreatStar Tools Co., Ltd.



03

Social Development

Social Inclusivity, Co-creating Value

GreatStar firmly believes that innovation-driven growth is the core engine leading the Company's development, product quality is the foundation for winning market trust, supply chain security is the solid cornerstone supporting stable operations, working hand in hand with employees is the vibrant source of continuous growth, and giving back to society is a key measure of the Company fulfilling its responsibilities. The Company systematically integrates and synergizes these five elements, striving to build an efficient, resilient, and sustainable industrial ecosystem. This injects lasting momentum into its own long-term development and actively contributes to promoting the overall progress of the industry.

Our Actions

- Innovation-Driven Growth
- Product and Service Safety and Quality
- Sustainable Supply Chain
- Employees
- Contributing to Social Benefits



SDGs Alignment

Innovation-Driven Growth (Financial Materiality Topics)

GreatStar adheres to driving corporate sustainable development through innovation, internalizing the innovation concept as a development gene, and leading industry trends through technological change. By continuously building systematic innovation capabilities, the Company constantly strengthens the foundation of power for steady progress, maintaining long-term success in market competition.

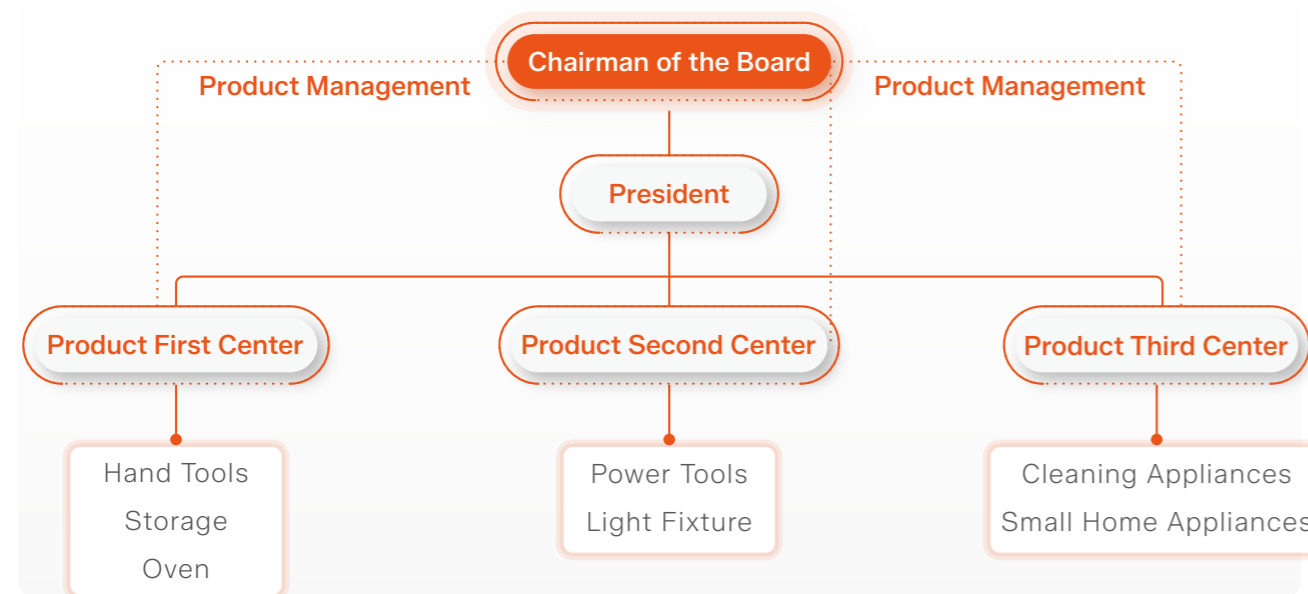
Governance

The Company has established an R&D and innovation organizational structure led by the Chairman, achieving a systematic layout for technology R&D in its two core areas: hand tools and power tools. This ensures a high degree of alignment between R&D work and the Company's overall development goals.

In terms of institutional guarantees, the Company has formulated and implemented the New Product Development Project Management and Assessment Rules, which standardize the management of the entire project process, orderly advance development work, and ensure delivery quality. At the same time, relying on the R&D Innovation Incentive Plan, the Company uses a scientific and fair incentive system to stimulate the innovation potential of the R&D team, injecting strong technological momentum into sustainable development.

As an enterprise that received the National Intellectual Property Demonstration Enterprise honor relatively early, the Company unwaveringly advances its intellectual property system, strictly implements the Patent Management Measures, has completed intellectual property management system certification for 10 consecutive years, and has successively carried out patent navigation and high-value patent incubation work, providing solid institutional support for the protection and value realization of innovative achievements. During the reporting period, the Company successfully passed the level assessment for Innovation and Intellectual Property Management Capability based on ISO 56005 and obtained a Level 4 certificate, marking that the Company's innovation and intellectual property management capabilities have reached international advanced levels.

In the future, the Company will continue to deepen the implementation of international and national standards, promote the deep integration of technological innovation and intellectual property management, fully leverage the Company's globalization advantages, enhance the international competitiveness of its industrial and supply chains, and accelerate the construction of a globally competitive, world-class enterprise.



R&D and Innovation Organizational Structure



Company's Innovation and Intellectual Property Management Capability Level Certificate (Level 4) based on ISO 56005

Strategy

Based on a comprehensive assessment of market dynamics, technology frontiers, and policy guidance, combined with its own business realities, the Company regularly reviews risks and opportunities related to innovation-driven issues, deeply analyzing their potential impacts to ensure the scientificity and effectiveness of response strategies.

Risk Type	Risk Description	Likelihood of Occurrence	Impact Period
Core Technology R&D Lag Risk	Relative deficiencies in product performance and R&D efficiency may bring risks such as market share loss, delayed new product launches, and reduced brand competitiveness.	Low	Long Term
Intellectual Property Infringement Litigation Risk	Intellectual property infringement may lead to legal disputes and administrative penalties, as well as product removal from shelves and supply interruptions, adversely affecting brand reputation and partner relationships.	Medium	Short Term
Core R&D Talent Turnover Risk	The loss of key R&D personnel may lead to project delays or interruptions, leakage of core technical expertise, and adversely impact the team's innovation capability, the stability of the R&D system, and project delivery capacity.	Low	Medium Term

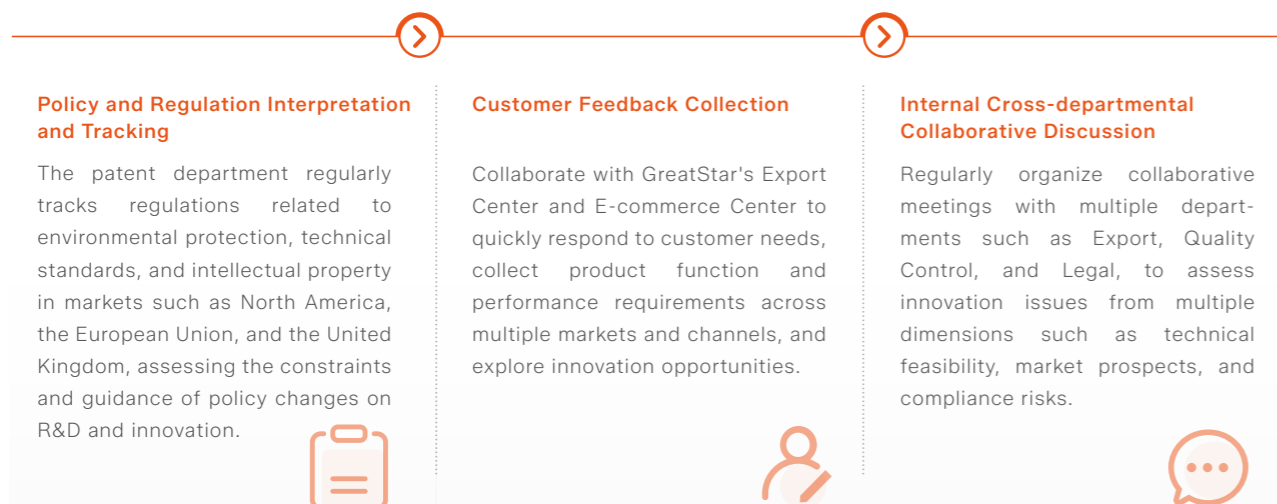
Innovation-Driven Issue Risk List

Opportunity type	Opportunity Description	Likelihood of Occurrence	Impact Period
Power Tool Technology Upgrade Opportunity	Aligns with the electrification trend, promoting the transformation of product structure towards high-end; drives synergistic upgrades in the supply chain, enhancing the brand's comprehensive competitiveness in overseas markets.	High	Long Term
Diversified Market Demand Growth Opportunity	Introduce new products for different markets, enrich the product matrix, optimize global market layout; drive capacity release, enhancing business resilience.	High	Long Term
Policy-driven Green Manufacturing Technology R&D and Application Opportunity	Follow the direction of EU environmental policies, accelerate the R&D and application of green manufacturing technologies, reduce energy consumption and pollutant emissions in R&D and production processes, and enhance market competitive advantage.	High	Long Term

Innovation-Driven Issue Opportunity List

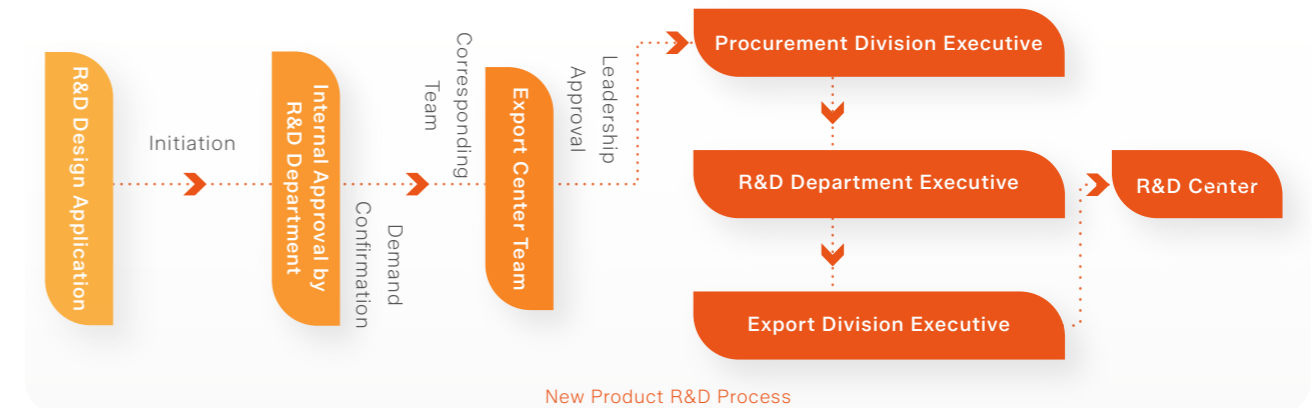
Management of Impacts, Risks, and Opportunities

The Company uses a systematic approach to identify impacts, risks, and opportunities under innovation-driven issues, covering dimensions such as regulatory policy interpretation, customer feedback collection, and cross-departmental collaborative discussions, comprehensively grasping internal and external environmental changes.



Risk and Opportunity Identification Methods

At the same time, the Company has established a standardized new product R&D process to ensure efficient and orderly innovation work.



New Product R&D Process

In response to risks and opportunities under innovation-driven issues, the Company precisely formulates response measures, implements dynamic management, ensures that various measures are effectively embedded into operational processes, and continuously enhances the resilience of the innovation system.

Risk Type	Response Measures
Core Technology R&D Lag Risk	Establish a technology research and tracking mechanism with a global perspective, build R&D platforms in collaboration with universities; guarantee R&D investment as a proportion of revenue, promote project-based management to accelerate technology transfer.
Intellectual Property Infringement Litigation Risk	The Company's internal patent and legal departments cooperate with external global professional law firms to conduct full-process infringement searches; establish an intellectual property pre-review mechanism before product project initiation, retaining the chain of evidence for the R&D process.
Core R&D Talent Turnover Risk	Continuously optimize the compensation and incentive system; build skill training and career development paths, establish a mechanism for sharing R&D achievements, enhancing talent's sense of belonging.

Innovation-Driven Issue Risk Response Measures

Opportunity Type	Response Measures
Power Tool Technology Upgrade Opportunity	Align with the electrification trend, enhance innovation self-motivation, focus on R&D of core electric technologies, accelerate the electrification upgrade of product lines, and enrich the own-brand product matrix.
Diversified Market Demand Growth Opportunity	Through customer needs and market demand research, mobilize R&D and supply chain advantages to respond quickly and iterate products rapidly.
Policy-driven Green Manufacturing Technology R&D and Application Opportunity	Develop environmentally friendly materials and energy-saving production processes; introduce a life cycle assessment system throughout the entire product R&D process; apply for relevant green technology qualifications and certifications; replicate and promote environmentally friendly manufacturing technologies developed under the EU framework to other mature markets such as North America.

Innovation-Driven Issue Opportunity Response Measures

Case Conducting ISO 56005 Special Training to Solidify Innovation Management Foundation

In August 2025, the Company's R&D Department organized a special training on ISO 56005 "Innovation Management - Intellectual Property Management Guidelines," with active participation and learning from relevant personnel in the R&D department. As an international standard for intellectual property management spearheaded by China, the systematic introduction of ISO 56005 has received strong promotion at the national level, and Zhejiang Province has also taken the lead in carrying out pilot implementation work. This training helped the R&D team deeply understand the cutting-edge innovation and intellectual property management framework, laying a solid foundation for the Company to subsequently benchmark high standards and build a systematic innovation management system.



Company Conducts ISO 56005 Special Training



De-plasticization Packaging

Facing increasingly stringent environmental policies in overseas markets and urgent customer demand for green packaging, GreatStar focused on industry pain points of traditional blister packaging (not environmentally friendly, difficult to recycle, not easy to open) and successfully developed a pure paper packaging solution for hand tools. This packaging significantly enhances product accessibility while maintaining a novel design aesthetic. All cardboard materials comply with the same recycling standards, reducing plastic usage from the source and effectively lowering the difficulty of recycling processes in downstream stages. This innovative achievement not only won widespread praise from overseas supermarket customers but also practiced environmental concepts through green design, achieving an organic unity of ecological benefits and user experience.



Low-Noise Vacuum Cleaner

The Company has deeply engaged in industry-university-research collaboration with the University, successfully developing a new vacuum cleaner that combines high-efficiency dust collection with low-noise operation. This product optimizes the airflow path and structural design, setting up a diversion structure at the air intake duct to effectively guide dust-laden airflow downward, avoiding the formation of turbulent flow in the air outlet area, thereby significantly improving dust collection efficiency, reducing energy consumption, and reducing the risk of large particle debris blocking the filter cartridge. At the same time, this design also prevents the accumulation of sound energy at the air inlet, achieving noise reduction at the source.

R&D Innovation Achievements

Indicators and Targets

The indicators and targets for the Company's innovation-driven issues are as follows:

Key Performance

During the reporting period, the Company's R&D expenditure was RMB **403.0645** million, the proportion of total R&D expenditure to operating revenue was **2.75%**, and the proportion of R&D personnel was **8.49%**;
The Company added **332** new patents during the year;
It held a total of **4,359** patents, including **484** invention patents; held **6** copyrights and **2,111** trademarks.

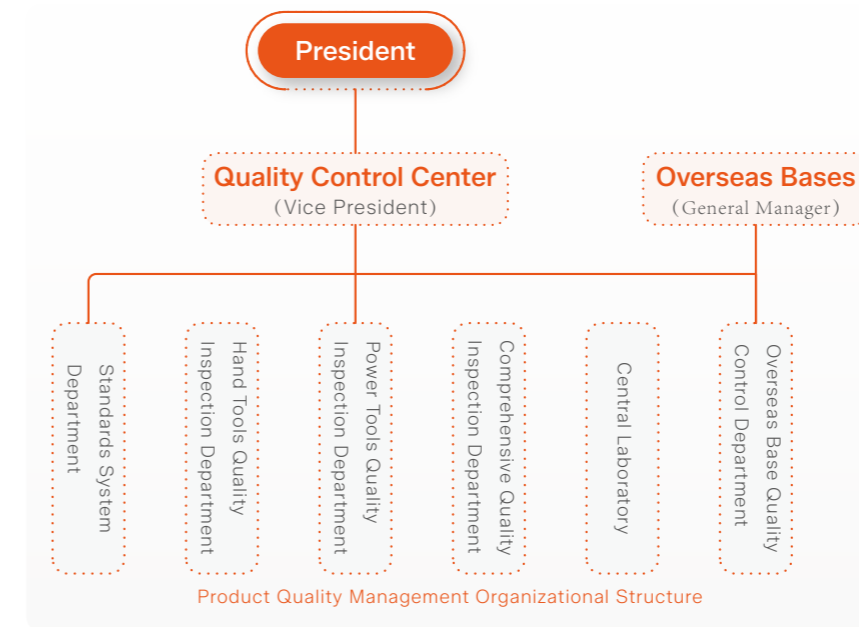
Product and Service Safety and Quality

GreatStar implements its quality management policy of "Striving for Excellence, Pursuing Quality and Innovation" with practical actions. The Company adheres to a customer-centric approach, continuously improves its quality management system, strengthens whole-process quality assurance capabilities, and transforms quality advantages into customer trust advantages through precise insights and continuous optimization of product and service experiences, continuously building brand value through long-term cooperation.

Governance

The Company continuously improves its quality management organizational structure, clearly designating the President as the highest person in charge of quality management work, responsible for leading the construction and operation of the Company's quality system. The Quality Control Center, as the competent department for domestic product quality management, has subordinate departments including the Standards System Department, Tools Quality Inspection Department, Power Tools Quality Inspection Department, Comprehensive Quality Inspection Department, and Central Laboratory, covering all quality control links of all product lines. At the same time, the Company has set up a dedicated quality control department at its overseas bases to strengthen the quality assurance capability for overseas production bases.

At the same time, the Company strictly implements quality management systems such as the Product Evaluation Management Measures, Product Inspection and Testing Control Procedure, Quality Improvement and Cost Reduction Improvement Project Reward System, Product Recall Procedure, and Emergency Plan Management System, ensuring that all aspects of quality management are standardized and effective, guaranteeing production continuity, and continuously improving product quality.



Company's Quality Management System Certification

In terms of customer service, the Company continuously focuses its efforts on two major areas: customer complaint handling and responsible marketing. For complaint handling, the Company strictly implements the Customer Complaint Handling Regulations, establishing a closed-loop management mechanism to ensure customer demands are resolved promptly and effectively, continuously improving customer satisfaction. In the marketing process, the Company regulates the behavior of marketing personnel through the Code of Professional Conduct and Business Assessment Regulations for Export Sales Staff, strengthening integrity and compliance awareness, and effectively protecting customer rights and interests.

Strategy

The Company adheres to its product quality strategy as a guide, combining internal management practices with external environmental changes, systematically identifying and assessing risks and opportunities related to product and service safety and quality, deeply analyzing their potential financial impact on the Company, and providing decision-making basis for continuously optimizing the quality management system.



Company Product Quality Strategy

Deeply cultivate hand tools, continuously develop power tools and laser measuring tools, strengthen own brands, expand product categories, and lead the development of the international tool industry.

Risk Type	Risk Description	Likelihood of Occurrence	Impact Period
Product Quality and Supply Chain Collaboration Risk	In large-scale production, if product defects or inconsistencies arise due to differences in raw materials, processes, equipment precision, or supplier standards, it may lead to returns, rework, or repairs, and adversely affect order fulfillment, customer satisfaction, and brand reputation.	Medium	Medium Term Long Term
Product Safety, Compliance, and Sustainable Development Risk	If products have design defects, insufficient safety protection, or fail to follow regulatory standards, they may cause harm to users, or trigger recalls and sales bans due to increasingly stringent environmental and compliance requirements.	Low to Medium	Long Term

Product and Service Safety and Quality Issue Risk List

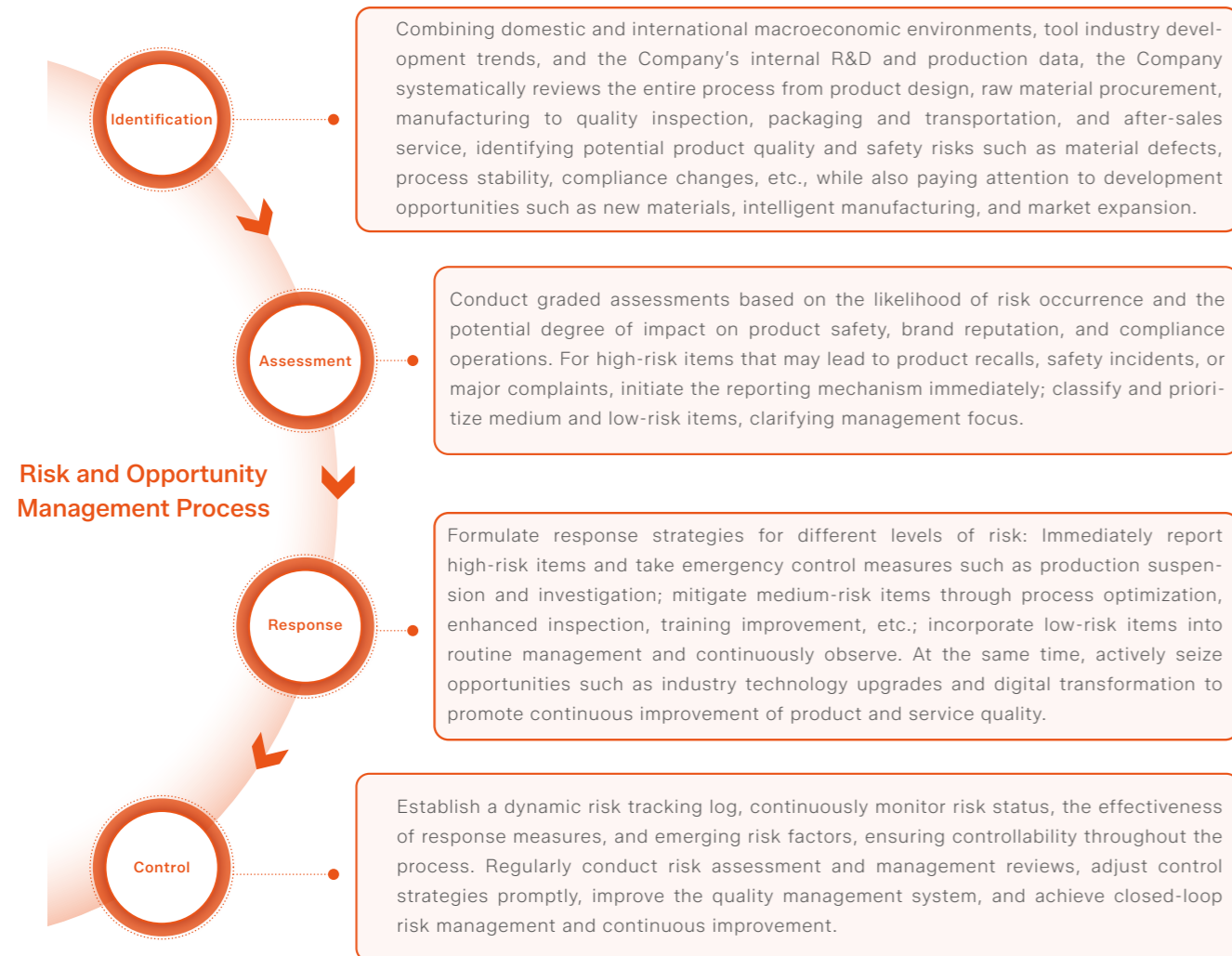
Risk Type	Risk Description	Likelihood of Occurrence	Impact Period
Green Trade Barriers and Carbon Tariff Risk	In the context of increasingly stringent global green trade policies and low-carbon consumption trends, products with high carbon footprints or non-compliance with green manufacturing standards may face trade barriers such as additional tariffs and market access restrictions, leading to order losses. The use of traditional processes or high-carbon suppliers will exacerbate such risks.	Medium	Long Term

Opportunity Category	Opportunity Description	Likelihood of Occurrence	Impact Period
Market Expansion Opportunity	Top customers in major global markets regard suppliers' quality systems, safety certifications, and stable quality control as core cooperation thresholds. Relying on its mature system, full-category product lines, and continuous improvement of supplier quality, the Company fully guarantees delivery stability, meets customers' high requirements for quality consistency, and strengthens strategic customer ties. The Company responds to sustainable development needs with green manufacturing and energy-saving/carbon reduction practices, enhancing comprehensive competitiveness.	High	Long Term
Compliance Image Shaping Opportunity	Increased consumer safety awareness and willingness to pay a premium for products meeting stringent safety standards allow the Company to transform "safety compliance" from a cost into a core brand value, effectively improving customer experience, enhancing brand trust through corporate ethics and integrity building, and making its own brands stand out.	High	Long Term

Product and Service Safety and Quality Issue Opportunity List

Management of Impacts, Risks, and Opportunities

The Company has established a risk and opportunity management process covering four major stages: identification, assessment, response, and control. Through the close connection and strict control of each stage, it provides strong guarantees for the Company's stable operation and strategic decision-making.



The Company has taken targeted response measures to continuously improve product quality stability and safety, ensuring effective risk prevention while fully grasping the development opportunities brought by quality advantages.

Risk Type	Response Measures
Product Quality and Supply Chain Collaboration Risk	Utilize new technologies to achieve process monitoring and quality prediction, while extending management to suppliers and implementing collaborative quality control; Incorporate ethical integrity, green manufacturing, and energy-saving and carbon reduction requirements into supplier management; Establish a response channel from customer to production, formulate emergency plans for major quality issues, and organize regular drills.
Product Safety, Compliance, and Sustainable Development Risk	Continuously track global safety, environmental, and carbon regulation laws, embedding compliance and green manufacturing requirements into the new product development process; Formulate safety emergency plans, establish a response process including recall, communication, and public reassurance, with regular drills to ensure rapid response capability.
Green Trade Barriers and Carbon Tariff Risk	Integrate product carbon footprint and green manufacturing requirements into supplier quality evaluation; Apply new technologies to optimize production processes, reducing energy consumption and emissions per unit of product; Formulate emergency plans for green trade barriers, covering cost calculation when carbon tariffs are triggered, price adjustment strategies, and customer communication plans; establish a cross-departmental rapid response mechanism to ensure timely adjustment of production and export strategies when policies change; enhance green value perception in customer experience through product environmental labeling and carbon footprint transparency; conduct regular emergency drills simulating responses to carbon tariff audits or green trade disputes to enhance organizational response capabilities.

Product and Service Safety and Quality Risk Response Measures

Opportunity Type	Response Measures
Market Expansion Opportunity	Build a full-chain digital quality control and safety management system to achieve real-time data traceability and transparency, meeting high-end customers' requirements for quality transparency; Implement special energy-saving and carbon reduction initiatives, upgrade process equipment, and incorporate environmental standards into supplier management to build a sustainable supply chain; Establish a customer service mechanism and formulate emergency plans to ensure order stability, enhance customer experience and cooperation stickiness.
Compliance Image Shaping Opportunity	Establish safety and compliance standards at the front end of R&D to develop safe, reliable, high-value-added products and build technical barriers; Set up a forward-looking compliance early warning system and participate in standard setting; Embed ethical and integrity standards into supplier codes of conduct, leverage technology to ensure verifiable compliance, conduct regular full-chain emergency drills, and improve the rapid response mechanism from monitoring to communication to safeguard brand reputation.

Product and Service Safety and Quality Opportunity Response Measures

Case Focusing on Product Failure Prevention to Promote Quality Source Control

In 2025, the Company organized a special training on QC product quality problem detection and prevention. This training focused on key stages such as product design, manufacturing, use, and maintenance. By analyzing the causes of failures through real cross-industry case studies, it guided the Company to systematically identify weak links in the product lifecycle and form preventive improvement strategies. This training enhanced the failure analysis and prevention capabilities of the Company's quality personnel, laying the foundation for subsequently promoting a reduction in the failure rate of key components and optimizing quality cost control.



Special Training on QC Product Quality Problem Detection and Prevention

Case Conducting EU Compliance Training to Solidify the Foundation of Export Markets

In 2025, the Company organized a special training on EU compliance requirements for quality control. This training addressed the implementation requirements of new EU regulations such as the General Product Safety Regulation (GPSR). It systematically interpreted core regulations like GPSR, GDPR, and EPR, focusing on key aspects such as EU authorized representative designation, product labeling and traceability, extended producer responsibility, and data protection mechanisms. Through expert explanations and case studies, it helped compliance, product, and export business personnel master specific implementation paths. Through this learning, the Company further constructed a systematic EU market compliance management system, effectively enhancing its ability to prevent risks such as incomplete labeling and data non-compliance, laying a solid foundation for stable expansion in the EU market.



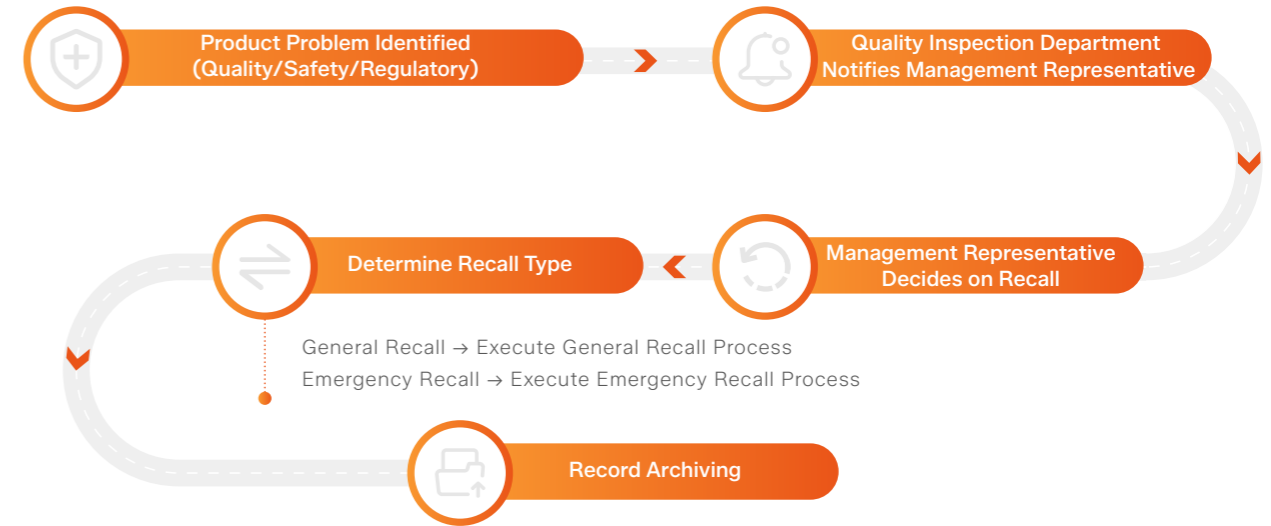
Special Training on EU Compliance Requirements

Quality Management System Internal Audit

During the reporting period, to ensure the effective operation of the quality management system, the Company organized and carried out internal audit work. This internal audit, based on the requirements of GB/T 19001-2016 and GB/T 24001-2016 standards, the Company's management manual and procedure documents, comprehensively covered changes in the Company's internal and external environment and related measures for addressing risks and opportunities. It aimed to systematically evaluate the conformity, suitability, and effectiveness of the system, track and verify the implementation of corrective actions for issues identified in the previous internal audit, and identify opportunities for improvement for the continuous optimization of the system.

Quality Emergency Management

The Company has established an emergency plan management system covering multiple types of emergencies such as natural disasters, equipment failures, and supply chain disruptions, specifying various emergency measures, response time limits, and responsible departments, making every effort to ensure product supply to customers in emergency situations. At the same time, the Company has formulated and continuously optimizes its product recall procedure, distinguishing between general and emergency recall situations, standardizing the entire process from initiation and notification to recovery and handling, and organizes relevant drills annually to effectively respond to major quality or safety hazards.



Product Recall Handling Process

Product Quality Improvement and Cost Reduction

During the reporting period, relying on the Quality Improvement and Cost Reduction Improvement Project Management System, the Company orderly organized and implemented several quality improvement and cost reduction projects, successfully completing all predetermined goals. By guiding various subsidiaries to carry out special improvements focusing on urgent problems in production and operation, the Company achieved effective improvement in product quality and reasonable control of quality costs, further enhancing the Company's comprehensive competitiveness in the market.

Project Goal	Achievement Status
Product A production efficiency increased by more than 5 times	✔ Achieved
Reduced Product B quality return rate from 1.03% to within 0.50%	✔ Achieved
Product C go gauge non-conforming rate reduced from 35.7% to below 5%	✔ Achieved
Product D appearance non-conforming rate reduced from 14.46% to 2.7%.	✔ Achieved

Ensuring Customer Satisfaction

Relying on customer complaint handling regulations, the Company systematically carries out the acceptance, analysis, and corrective action for customer complaints, promotes cause investigation, implementation of corrective measures, and effectiveness verification, and incorporates relevant records into the quality prevention and continuous improvement mechanism, effectively protecting customer rights and interests.

Case Conducting Customer After-sales Handling Training to Improve Service Quality

In 2025, the Company's E-commerce Center organized a special training on customer after-sales handling. The training focused on core after-sales metrics on e-commerce platforms (Order Defect Rate, Return Performance, Customer Service Score), systematically explaining practical content such as rating and review handling, internal message handling, and return report analysis, combined with analysis of positive and negative cases, strengthening participants' understanding of platform policies, communication taboos, and customer service principles. Through this training, the e-commerce team further mastered compliant and efficient after-sales handling methods, improved its ability to respond to and solve customer problems, laying a solid foundation for reducing account risks, improving customer experience, and maintaining brand reputation.



E-commerce Center Customer After-sales Handling Special Training

Industry Standard Formulation

While continuously improving the safety and quality management level of the Company's products and services, the Company actively transforms practical experience into industry contributions, deeply participates in the discussion and formulation of technical standards in related fields, empowers the standardized development of the industry with its own practice, and further enhances the Company's industry influence.

- GB/T 46126-2025
Technical specification for machine-operated socket wrenches

- GB/T 46127-2025
Transmission accessories for machine-operated socket wrenches

- GB/T 46128-2025
Machine-operated socket wrenches – Non-impact sockets

- QB/T 2208-2024
Electrician's knife

- QB/T 2443-2024
Steel measuring tape

National and Industry Standards the Company Participated in Formulating

Indicators and Targets

The indicators and targets for the Company's product and service safety and quality issues are as follows:

Key Performance

The Company conducted a total of **13** quality management training sessions, covering **434** participants;

The Company's customer feedback response rate was **100%**, with **0** customer complaints.

Goal	2025 Achievement Status
No major quality accidents, continuously improving QC and QA capabilities	✔ Achieved
QC sample submission timeliness rate above 94%, QA report review timeliness rate above 97%	✔ Achieved
Subsidiaries' first-time pass rate for deliveries not less than 98%	✔ Achieved
Complete no less than 9 quality improvement projects	✔ Achieved



Key Honors

During the reporting period, relying on excellent market reputation and solid product quality, the Company received multiple industry honors and authoritative recognitions, strongly validating its brand influence.



GreatStar WORKPRO Receives
Three Awards at the 2025 Pro Tool Innovation Awards



Company Receives
eBay - YuanShi·elite China Elite Brand Seller



GreatStar WORKPRO Receives
Amazon "Decade Partnership, Long-Term Winning Brand" Award

Sustainable Supply Chain (Double Materiality Topics)

GreatStar systematically builds a green, transparent, and responsible supply chain management system, comprehensively strengthens full-process risk identification and control mechanisms, collaboratively advances capacity building and green transformation, and continuously improves the supply chain's resilience and sustainable development level in complex environments.

Governance

The Procurement Department is the responsible department for the Company's supply chain management, fully accountable for supplier lifecycle management and implementing coordinated control over risks in the entire supply chain process. At the same time, the Procurement Department strictly implements systems such as the Procurement Business Code, Product Procurement Business Regulations, Procurement Center New Product Development Management Regulations, and Supplier Integrity Management Regulations. Using institutional constraints and daily supervision as levers, it continuously promotes transparency and controllability in all aspects of the supply chain, ensuring that suppliers align with the Company's strategic goals in terms of product quality, delivery capability, and green operations.

Strategy

Based on a comprehensive assessment of supplier market dynamics and the Company's domestic and international production layout, the Company continuously identifies, assesses, and dynamically updates the list of risks and opportunities related to the sustainable supply chain.

Risk Type	Risk Description	Likelihood of Occurrence	Impact Period
Global Procurement Risk	<p>The technical levels of local overseas suppliers are uneven; some raw materials and components rely on imports from China, creating certain supply chain vulnerabilities.</p> <p>The production standards of some suppliers are not fully aligned with the mature domestic systems, requiring strengthened quality supervision and development throughout the process;</p> <p>Cross-cultural communication barriers may affect management efficiency, and building multinational supply chain teams takes time.</p>	High	Long Term
Procurement Price Volatility Risk	<p>The prices of the Company's main raw materials fluctuate significantly, causing the Company's production costs to fluctuate as well.</p>	Low	Short Term

Sustainable Supply Chain Issue Risk List

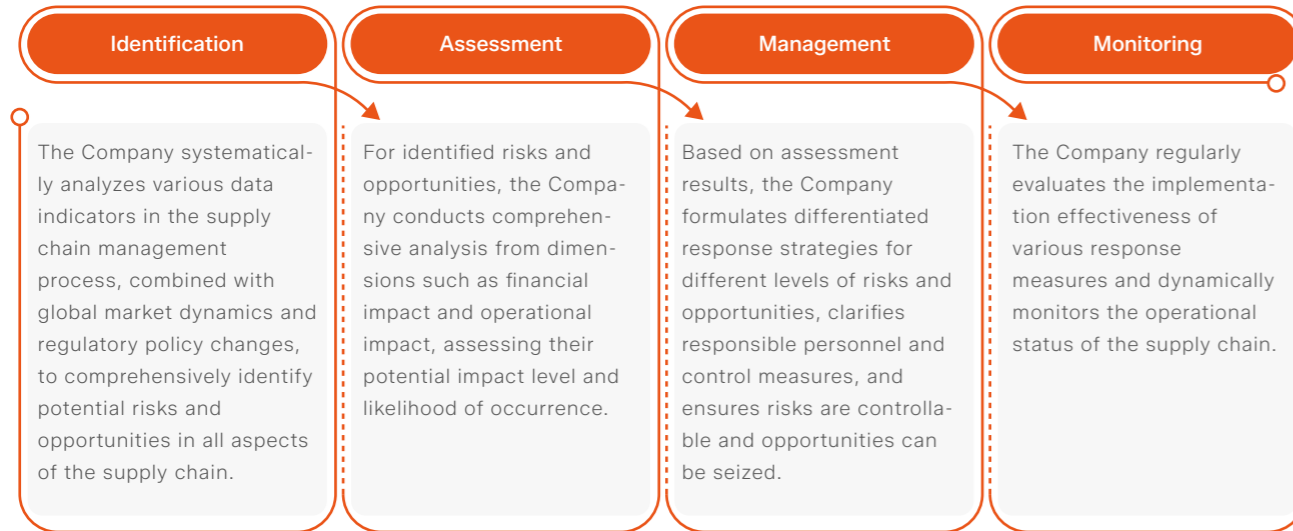
Opportunity Type	Opportunity Description	Likelihood of Occurrence	Impact Period
Overseas Procurement Cost Opportunity	Overseas bases have advantages in labor, warehousing, and logistics costs.	High	Long Term
Green Supply Chain Construction Opportunity	A green and sustainable supply chain is the future of supply chain management. Increasingly stringent compliance requirements for supply chain access in markets such as the EU help promote the digital upgrade of the Company's supply chain, align with low-carbon trends, and reduce obsolete inventory and waste.	Medium	Medium Term
Global Market Expansion Opportunity	During the expansion of the overseas supply chain, establish sales companies and regional centers as needed, build visibility locally through talent acquisition and brand operations, and further expand markets in Europe, Southeast Asia, and other regions.	High	Long Term

Table: Sustainable Supply Chain Issue Opportunity List



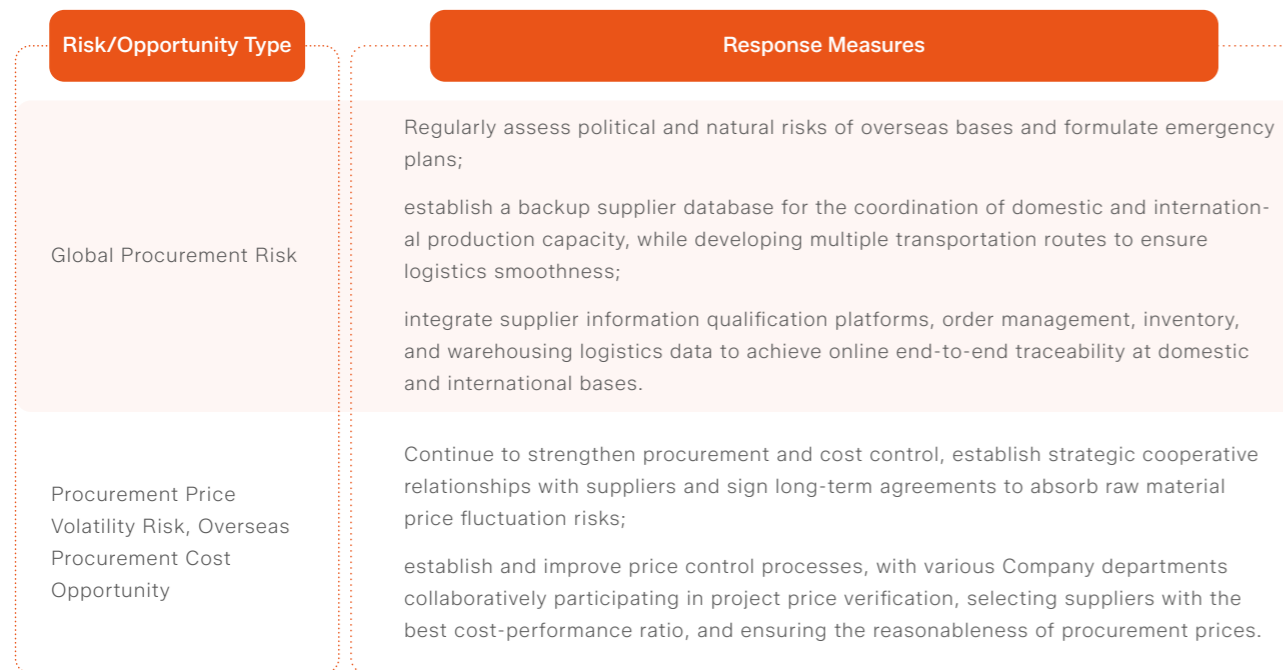
Management of Impacts, Risks, and Opportunities

In response to potential risks and opportunities in the supply chain, the Company has established a full-process dynamic control mechanism covering identification, assessment, management, and monitoring.



Sustainable Supply Chain Issue Risk and Opportunity Management Process

To effectively respond to various risks and opportunities in supply chain management, the Company formulates and implements differentiated response measures, embedding various requirements into daily operational processes.



Sustainable Supply Chain Issue Risk and Opportunity Response Measures

Supplier Full Lifecycle Management

The Company has established a supplier full lifecycle management mechanism covering the entire process of supplier admission, maintenance, and exit, implementing systematic and dynamic control over cooperative relationships.

Supplier Admission

- Assessment content is benchmarked against customer and third-party audit requirements, covering three core modules: product quality system, anti-terrorism security (mainly for the US market), and social responsibility (including human rights protection, environmental protection, fire safety, and site compliance).
- Supplier factory audit standards are formulated by the Company's quality control system, and on-site factory audits are conducted accordingly.
- Procurement or QA/QC departments assign personnel to conduct on-site assessments and issue written reports.
- The on-site assessment focuses on verifying factory fire safety capabilities, employee social security and housing fund contributions, temporary worker management, and compliance with child labor prohibitions.
- The company conducts financial reviews to verify tax compliance grades and business scope legitimacy, combines quality assessment reports issued by the quality control department, and makes comprehensive evaluations before incorporating suppliers into the procurement system;
- The Company has established an SRM procurement collaboration platform, which is effectively operated in various subsidiaries, achieving full-process and group-wide management of the supplier development process.
- Based on comprehensive assessment results, the Company classifies supplier product quality into three levels: A, C, and E.

Supplier Maintenance

- The Procurement Department, as the main management department for product suppliers, is primarily responsible for assessing supplier on-time delivery rates.
- The quality control department signs quality agreements with suppliers regarding product quality pass rates, clearly setting pass rate targets of 96% or 98%.
- For common quality problems occurring in suppliers' production processes, the QA department jointly carries out on-site guidance and special improvement with the Procurement Department, promoting continuous and stable product quality.
- For suppliers involving special processes such as heat treatment and cold working, the Company's research institute provides professional support, promoting win-win cooperation.

Supplier Exit (Elimination)

- The company conducts an annual comprehensive performance evaluation of suppliers. For the bottom 50 suppliers, priority is given to implementing support and improvement strategies. The company leverages its own technical and managerial expertise to assist these suppliers in resolving issues and enhancing their capabilities.
- The Company's quality control system regularly conducts on-site surveys and assessments of downstream factories and second-tier suppliers to comprehensively understand supply chain quality performance.
- For suppliers requiring improvement actions, the company mandates the submission of 8D corrective action reports and requires regular progress updates to the QA department, ensuring that the corrective process for non-conformities is traceable and the results are verifiable.

Full Lifecycle Management Mechanism

Responsible Sourcing

The Company's own business does not involve conflict minerals. On this basis, the Company continuously advances responsible sourcing practices, clearly requiring suppliers to commit to not using conflict minerals and implementing compliance controls on the sources of materials such as tin. For special materials such as wood, suppliers must provide relevant certifications like FSC Forest Certification to ensure the sustainability of raw material sources. In procurement framework agreements, the Company sets clear requirements on environmental indicators such as heavy metal content, detailing the rights and obligations of both parties. At the same time, the Legal Department, considering potential risks in actual supply chain operations, requires suppliers to sign written commitments to ensure that procurement activities are traceable and risks controllable throughout the process.

Supplier ESG Management

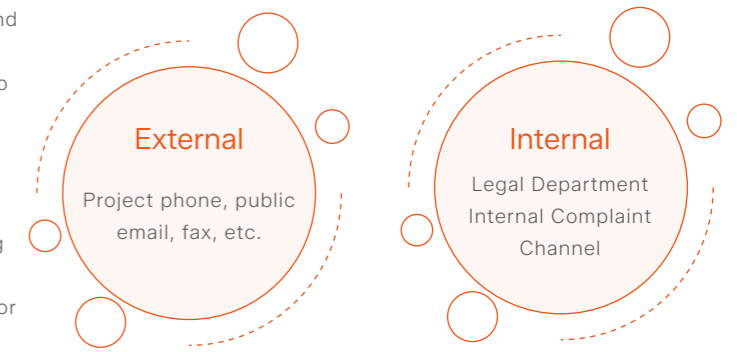
The Company strictly implements environmental and safety management requirements for suppliers. During the supplier admission stage, the Company focuses on reviewing their environmental certificates and operating qualifications to ensure they possess legal and compliant operating conditions. Focusing on key aspects such as wastewater discharge, electrical safety, dust control, work safety, and noise control, the Company verifies one by one whether suppliers' environmental impact assessment approvals and pollutant discharges comply with local environmental protection department requirements, and conducts on-site assessments of their pollutant treatment facility configurations to ensure production processes meet environmental and safety standards.

In terms of product environmental control, relying on the Quality Control Center Laboratory, the Company conducts heavy metal content testing on procured products to ensure relevant indicators meet standards, and implements unannounced spot checks in subsequent cooperation to continuously reduce the content of substances harmful to human health (such as phosphorus powder). Through a combination of testing and supervision, the Company ensures the environmental friendliness and safety of procured products at the source.

To further solidify the responsibilities of both parties, the Company signs documents with suppliers such as the Supplier/Processor Environmental Safety Protection Agreement, the Supplier Social Responsibility Commitment Letter, and the CTPAT Security Control Agreement, clarifying environmental, safety, and social responsibility requirements in contractual form, promoting compliant operation of all aspects of the supply chain.

Supplier Integrity Building

The Company is committed to building a transparent and open procurement system. When establishing cooperative relationships with new suppliers, it requires them to sign the Letter of Commitment on Integrity. The commitment letter clearly defines behavioral red lines, prohibiting any form of commercial bribery, improper acceptance of high-consumption entertainment activities, and other inappropriate conduct. The signing rate for this commitment letter is 100%, ensuring integrity requirements are effectively communicated. For suppliers who violate relevant prohibitive regulations, the Company will immediately cancel their cooperation qualifications, using strict constraints to maintain the fairness and seriousness of procurement activities.



Complaint and Reporting Channels

Indicators and Targets

The Company's sustainable supply chain related indicators and targets are as follows:

Key Performance

During the reporting period, the Company's supplier assessment coverage rate was **100%**.

The signing rate of the Letter of Commitment on Integrity for new suppliers was **100%**.



Employees

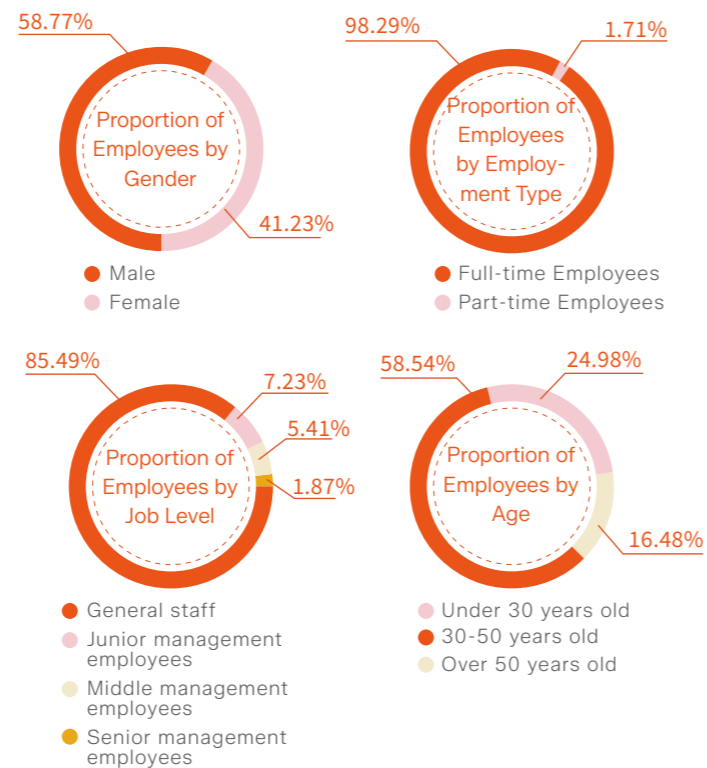
GreatStar always adheres to the "people-oriented" management philosophy, building a fair, safe, inclusive working environment full of growth opportunities. It actively practices in areas such as employee rights protection, training and development, compensation incentives, and employee care. By respecting, empowering, and caring for every employee, it stimulates their potential and creativity, achieving the synchronization of personal value and corporate development, and jointly moving towards an excellent future.

Employee Rights and Interests Protection

The Company strictly follows national labor laws and regulations, applying the principles of fairness, justice, and non-discrimination throughout the entire process of employment, compensation, performance management, and democratic management. It not only provides employees with competitive compensation and benefits and clear career development paths but also ensures employees' demands are heard and responded to by establishing smooth communication and feedback mechanisms.

Employee Employment

The Company strictly follows national laws and regulations such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, establishing and implementing a market-oriented, standardized selection and employment mechanism. It explicitly prohibits the employment of child labor, forced labor, and any form of discrimination, building and maintaining fair, legal, and healthy employment relationships. By formulating and implementing the Recruitment Management Measures, and clarifying employment standards and procedures in the Employee Handbook, it continuously optimizes the human resources management system, ensuring relevant systems are effectively implemented in all aspects of recruitment and employee management. In addition, the Employee Handbook also specifies internal complaint procedures for labor disputes (escalating to department heads, the Human Resources Department, and the labor union) and external arbitration channels.



Company Employee Composition

Case Launching Campus Recruitment Program to Cultivate Young Elite Talents

In September 2025, the Company officially launched the "Global Sunrise Program" campus recruitment plan, recruiting 2026 master's graduates from globally renowned universities. This program fully empowers graduate growth through cross-departmental rotational learning, one-on-one mentoring by director-level supervisors, and integrated systematic training from GreatStar Academy's "553 Talent Program" and "Star-Moon Program." The project is committed to cultivating versatile elite talents for the Company who possess professional depth, practical experience, and a holistic perspective, while providing them with clear career development paths.



Global Sunrise Program Recruitment Plan

Case Holding Annual HR Co-creation Conference to Drive Organizational Upgrade

In 2025, the Company held the Human Resources Team Co-creation Conference. The conference, themed "Co-create · Empower · Upgrade," featured two days of in-depth discussion and learning, summarizing past experiences and clarifying the direction for the new year. It included benchmarking study tours, immersive visits and team co-creation focused on corporate culture building, and in-depth discussions on the application of artificial intelligence in recruitment, training, culture, and other scenarios. This conference enhanced the strategic collaboration and professional capabilities of the HR team, laying a solid organizational and talent foundation to support the Company's high-quality development.



HR Annual Co-creation Conference

Key Performance

In 2025, the Company's total number of employees was **13,632**;

The Company had **no** confirmed incidents of discrimination, forced labor, or child labor.

Compensation and Performance

The Company has established a comprehensive compensation and benefits system that effectively plays an incentive role while protecting employees' legitimate rights and interests. It strictly implements the overtime approval system and pays overtime wages in full according to law, ensuring employees receive reasonable compensation for their extra work.



The Company implements company-wide performance assessment based on the Performance Assessment Management Rules, ensuring the process is fair, just, and transparent. Assessment content combines multiple factors such as management requirements, business development needs, job responsibilities, and employee capabilities. Assessment results serve as an important basis for determining performance pay, job adjustments, and awarding honors. At the same time, the Company has established corresponding reward mechanisms, giving appropriate recognition, commendation, and rewards to outstanding teams or individuals.



Case Holding Annual HR Co-creation Conference to Drive Organizational Upgrade

In the 2025 Spring Festival, the Company rewarded outstanding teams: Export Fifth Department with a trip to Northern Europe, and Export Sixth Department with an incentive trip to Australia and New Zealand. During the National Day holiday, the Company again organized trips to Norway and Iceland. The teams not only gained unforgettable memories but also deepened their bonds through collaboration and exploration. This journey was the Company's practical reward for the spirit of "going all out and surpassing oneself." While broadening employees' horizons and allowing them to experience foreign cultures, it also transformed the Company's recognition and care into motivation for continuous striving, forming a positive cycle of "effort - reward - outstanding performance."



Outstanding Team Northern Europe Trip

Democratic Management

When formulating and revising rules and regulations involving employees' basic rights and interests, the Company strictly follows democratic procedures and fulfills its disclosure obligations. Relevant systems require approval from the labor union, more than two-thirds of employee representatives, or more than two-thirds of the involved employees, and must be publicly disclosed or notified according to law before taking effect. If rules and regulations are publicly disclosed and implemented without following the aforementioned democratic procedures, employees have the right to submit written objections to the Company's office within three working days after promulgation. If the number of employees submitting written objections exceeds one-fifth of all employees, the system must be re-discussed and approved by the labor union or employees to have legal effect.

Employee Feedback Channel

To continuously improve democratic management mechanisms and broaden channels for employee opinions, the Company has established an Employee Suggestion Box. Employees can use this channel to submit reasonable suggestions or feedback regarding company management, work environment, system procedures, culture building, and other related matters.



Employee Suggestion Box

Employee Training and Development

The Company has established a talent cultivation and reserve system that supports the Company's sustainable development. In terms of talent cultivation, the Company adheres to the principle of "relying on internal training with external introduction as a supplement." By formulating the Training Management Measures and establishing GreatStar Academy in 2019, it has gradually built a professional team of internal trainers, providing systematic learning and development support for all employees.

At the same time, the Company has established a talent development mechanism combining "361 Comprehensive Performance Management" with dual career development paths (Professional - Management). It implements multi-level training programs centered on the "Star Program, Moon Program, Eagle Program, Integration Program, and Sunrise Program," focusing on reserve cadre selection, leadership enhancement, business skill strengthening, team integration, and specialized training for fresh graduates, gradually building a structured and tiered talent reserve.





Multi-level Training Programs



In 2025, the Company held 2 Young Eagle Training Camps, 1 Elite Eagle Training Camp, and 7 sessions of the GreatStar Academy New Employee Integration Program.

Case GreatStar Academy "North Heaven Gate Project" Integration Activity, Forging High-Potential Talent Teams

In 2025, the GreatStar Academy Elite Eagle Training Camp held the "North Heaven Gate Project" large-scale experiential integration activity, with over 30 "Elite Eagle Phase III" participants. The activity, themed around interstellar adventure, comprehensively trained strategic decision-making, collaboration, and self-breakthrough capabilities through six team challenge projects in a practical setting. This activity not only strengthened trust and rapport among participants but also deeply embedded the fighting spirit of "Breaking the Heaven Gate, guarding the sky, jointly forging GreatStar's glory," injecting stronger team cohesion and practical momentum into the Company's cultivation of high-potential business backbones under the "Eagle Program."



2025 Elite Eagle Training Camp

Occupational Health and Work Safety

The Company has built a comprehensive, multi-level humanistic care system, effectively enhancing employees' sense of belonging and happiness through institutionalized welfare guarantees and rich cultural activities. In terms of welfare guarantees, the Company provides comprehensive rights and interests support for employees according to law. In addition to various insurances and holidays stipulated by the state, it also provides diversified supplementary benefits. In terms of employee care and corporate culture building, the Company has created a diversified interactive platform.

Welfare Guarantees

- Statutory Benefits
- Birthday Benefits
- Holiday Greetings and Gifts
- Family Care for Expatriate Employees
- Inpatient Medical Mutual Assistance
- Female Employee Care: Paid maternity leave, breastfeeding leave, mother and baby room, parental leave, etc.
- Talent Apartment
- Housing Allowance
- Transportation Allowance or Commuter Shuttle

Cultural Building

- Internal cultural publications: "GreatStar Style Newspaper," "Health and Wellness Weekly," "Corporate Culture Home"
- Club Activities
- Annual Cultural Festival
- Team Building Activities
- Festivals and Special Group Care: Including activities for International Women's Day, social events for single employees, retirement condolences, etc.
- GreatStar Foundation

Humanistic Care System



GreatStar Style Newspaper



Pickleball Club



Team Building Activities



Annual Cultural Festival Activities

Key Performance

In 2025, the GreatStar Foundation provided assistance to **2** employees, with a total aid amount of RMB **100,000**.

Case Emergency Relief for Disaster-Affected Employees, Conveying Corporate Warmth and Responsibility

In October 2025, in the face of severe flooding and landslides caused by Typhoon "Matmo," the management of the Company's Vietnam base attached great importance and carried out a special relief activity, distributing relief funds and living supplies to 55 employees whose families were affected by the disaster. This action not only provided timely and substantial support to employees, alleviating their living difficulties, but also profoundly reflected the Company's core value of "people-oriented" and its sense of social responsibility in multinational operations, gathered team strength at a critical moment, and promoted a corporate culture of care and mutual assistance.



Relief Activity Site

Case Conducting "March 8th" Women's Day Series Care Activities, Empowering "Her" Power from Multiple Dimensions

During the 2025 "March 8th" International Women's Day, the Company carried out a series of employee care activities themed "Saluting the Shining Her," presenting holiday gifts such as oil painting green plants to all female employees and conveying best wishes. It also conducted seasonal wellness lectures and provided one-on-one consultation services. The activities enriched the spiritual and cultural life of female employees and fully reflected the Company's respect and care for them. This was a practical initiative by the Company to create a warm and inclusive corporate culture, unite and empower "Her Power."



"March 8th" Women's Day Activity

Case Holding "Happy Growth Camp," Deepening Employee Family Care with Colorful Summer Activities

During the 2025 summer vacation, multiple bases under the Company simultaneously launched "Happy Growth Camp" activities. They organized children to visit police stations and fire stations to enhance safety awareness and legal concepts; conducted intangible cultural heritage shadow puppet making courses to experience the charm of traditional culture; set up woodworking classes to exercise hands-on and logical thinking skills; and held warm group birthday parties for children with summer birthdays. Since its inception in 2012, the "Happy Growth Camp" has greatly alleviated the summer childcare challenges for employees' children and enhanced employees' sense of belonging and happiness.



Happy Growth Camp Activities

Occupational Health and Work Safety

GreatStar always adheres to the principles of "work safety, prevention first, comprehensive management," continuously promoting the construction of its occupational health and safety management system. The Company strictly follows the overall requirements of "deepening, implementation, standardization, long-term effectiveness," continuously improves relevant management mechanisms, and has successfully passed the ISO 45001 Occupational Health and Safety Management System certification. To strengthen the coordination of work safety, the Company has established a Work Safety Committee, fully responsible for the organization, leadership, and accountability of work safety.

The Company has formulated and implemented a series of internal rules and regulations, such as the Work Safety Inspection System, Occupational Disease Prevention Management System, Female and Minor Employee Protection Management System, Emergency Rescue Management System, and Work Safety Accident Emergency Response Plan, detailing work responsibilities, clarifying task assignments, and ensuring the implementation of various safety measures. Through continuous optimization of the management system and strict implementation of standards, the Company is committed to creating a safe and healthy working environment for all employees, effectively protecting their life and property safety.



Occupational Health and Safety Management System Certification Certificate

Work Safety Targets	2025 Achievement Status
Zero major work safety accidents	✔ Achieved
Zero major traffic accidents with company responsibility	✔ Achieved
Zero major equipment accidents with company responsibility	✔ Achieved
Zero major fire accidents with company responsibility	✔ Achieved
Zero major personal injury accidents	✔ Achieved
Zero major environmental pollution accidents	✔ Achieved
Zero incidence of occupational diseases among employees	✔ Achieved
Annual injury rate within 3% per 100 employees	✔ Achieved
100% certification rate for special operation personnel after training	✔ Achieved
100% three-level safety education rate	✔ Achieved
100% pass rate for safety education and training	✔ Achieved
Hazard rectification rate above 98%	✔ Achieved
Pass the three-level standard re-evaluation for enterprise safety standardization	✔ Achieved

2025 Work Safety Target Completion Status

Risk Identification

GreatStar continuously advances the construction of its occupational health and safety risk identification and control system, systematically identifying potential hazards in all aspects of production and operation, and formulating targeted control measures. During the reporting period, the Company carried out company-wide hazard identification work focusing on locations such as power distribution rooms, canteens, laboratories, quality control centers, management departments, garages, dormitories, and security infrastructure. The identification scope covered multiple dimensions such as personnel operations, equipment operation, working environment, and management processes, with particular focus on risk scenarios like operating without a license, non-compliant operations, equipment aging, natural gas leakage, food poisoning, chemical testing, working at heights, and temporary electricity use. The Company uses the LEC evaluation method for risk assessment of hazards, determining control priorities based on risk levels, and clarifying responsible departments and control requirements.

For identified major hazards, the Company formulates and implements corresponding control measures by category. In quality control and laboratory processes, strictly implement the Laboratory Safety and Housekeeping Management Procedure, standardizing operations such as withstand voltage testing, tool use, and lithium battery charging/discharging, and regularly conduct equipment inspections and certification management for personnel. In canteen management, based on the Food Poisoning Emergency Response Plan and the Natural Gas Leakage Accident Emergency Response Plan, strengthen procurement traceability, sanitation and disinfection, ventilation and smoke exhaust, and combustible gas alarm detection. For construction scenarios such as working at heights and temporary electricity use, implement safety protection devices and electrical safety management systems. At the same time, the Company equips positions exposed to occupational hazards with protective masks, installs ventilation and exhaust devices, and organizes regular occupational health examinations. The Company continuously improves the accuracy of risk identification and the effectiveness of control measures, safeguarding employee health and production safety.

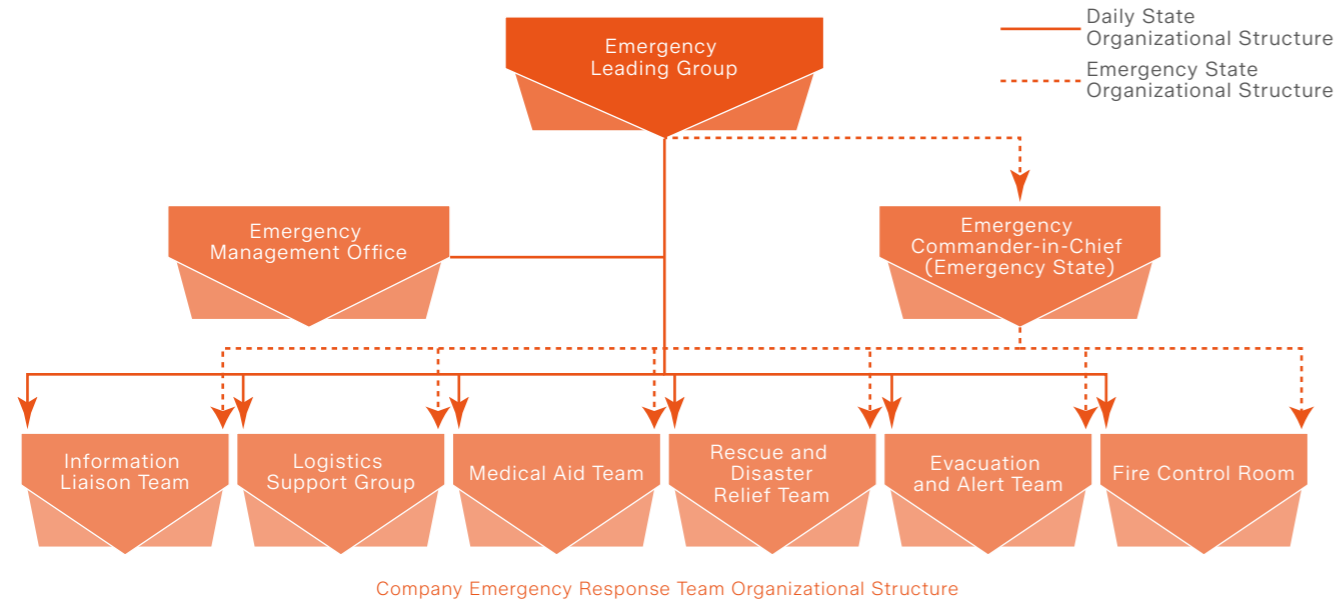
Work Safety Emergency Management

The Company continuously advances the construction of its work safety emergency management system. Based on the Work Safety Accident Emergency Response Regulations, the Measures for the Administration of Contingency Plans for Work Safety Incidents, and relevant standards, combined with actual production and operation conditions, it has formulated and implemented the Work Safety Accident Emergency Response Plan. This plan system includes the comprehensive emergency plan and special emergency plans for fire and explosion, hazardous chemical accidents, natural disasters, sudden occupational diseases, food poisoning, special equipment accidents, anti-terrorism, and poisoning/asphyxiation in confined space operations, forming an emergency response framework covering major risk scenarios.

The Company has established a graded response emergency mechanism. Based on the development stage and hazard level of the accident, emergency response is divided into Level 3 (site team level), Level 2 (company level), and Level 1 (societal level), clarifying the activation conditions and handling procedures for each level.

The Company has established an emergency organizational structure consisting of an Emergency Leading Group, an Emergency Management Office, and professional teams for rescue and disaster relief, medical aid, evacuation and security, logistics support, and information liaison, ensuring smooth transmission of emergency instructions and efficient resource allocation. On-site emergency teams are established in each area, with on-site managers acting as commanders responsible for immediate intervention and handling.





In terms of emergency support, the Company has a full-time emergency response team and regularly organizes drills for comprehensive plans, special plans, and on-site response plans. At the company level, at least one comprehensive or special drill is organized annually; each department organizes one on-site response plan drill every six months. The Company stocks emergency supplies and establishes a log, clarifying storage locations and inspection/maintenance requirements to ensure emergency resources are always available. At the same time, the Company establishes liaison mechanisms with external medical institutions and professional rescue forces, clarifying emergency contact lists and support channels to ensure smooth information flow and resource coordination during emergency response.

Case Multi-base Joint Realistic Fire Drill

In May 2025, GreatStar's Qiantang Base and Haining Base respectively organized fire emergency drills, covering nearly 800 employees in total. The Qiantang Base conducted evacuation drills and fire extinguishing practice in the plant, canteen, and dormitory areas. The Haining Base used a "surprise" method to simulate a real fire scene, involving three key areas: office buildings, workshops, and dormitories, testing employees' emergency response and collaboration capabilities during a sudden fire. The drill covered alarm, evacuation, initial fire suppression, and casualty rescue, helping employees master the use of fire equipment and escape skills, enhancing company-wide fire prevention awareness and self-rescue and mutual rescue capabilities.



Production Base Conducting Fire Safety Drill

Health and Safety Management Measures

The Company strictly implements over 30 internal regulations, including the Work Safety Inspection System, Occupational Safety and Health Education System, Occupational Disease Prevention Management System, and Labor Protective Equipment Management System, covering key aspects such as education and training, special equipment, stakeholder management, hazard investigation, and emergency rescue. The Company signs work safety target responsibility letters at each level annually, clarifying safety responsibilities for each department and position, and incorporates target completion into performance assessment.

In terms of occupational health, the Company regularly organizes occupational health examinations for employees in positions with occupational hazard factors, establishes "one person, one file" health records, and continuously conducts testing for dust, toxic substances, and physical factors in the workplace. For female and minor employees, the Company strictly implements special labor protection regulations. At the same time, the Company regularly conducts three-level safety education, special operation personnel training, and company-wide safety publicity activities, organizes emergency rescue drills, and strengthens the risk identification and emergency response capabilities of frontline personnel. Through system improvement, responsibility implementation, and regular training and drills, the Company continuously improves its safety management level, effectively ensuring employee health and production safety.

Case Conducting First Aid Skills Training, Strengthening Employee Life Safety Defense

In April 2025, the Company organized first aid training for employees, popularizing knowledge on cardiopulmonary resuscitation (CPR), automated external defibrillator (AED) use, and trauma first aid through a combination of theoretical explanation and practical drills. The training site simulated a sudden scenario of a person collapsing. Participating employees quickly divided tasks and collaborated, orderly completing steps such as calling for emergency help and on-site rescue, effectively testing employees' mastery of first aid skills and emergency response capabilities. This type of training helps enhance employees' awareness of self-rescue and mutual rescue in work and daily life, supporting the construction of a safe and healthy working environment.



First Aid Training Site



Case Strengthening Work Injury Prevention Awareness, Solidifying the Foundation of Work Safety

In October 2025, Zhongshan Jilong specially invited experts from the Guangdong Provincial Safety Association to conduct a special training on work injury prevention for nearly 120 managers and employees from production, engineering, warehouse, and other departments. The course integrates practical manufacturing scenarios, focusing on common risks such as mechanical injuries, falls from height, and electric shocks. Through regulatory interpretation, case analysis, and interactive Q&A, it systematically explains preventive measures and emergency response methods. Participants passed assessments to test learning effectiveness, further strengthening their awareness of safe operation and proactive prevention. This training helps promote the transformation of employees from "requiring me to be safe" to "wanting to be safe," laying the foundation for building a "people-oriented" safety culture.



Work Injury Prevention Special Training

Mental Health

GreatStar has established a mental health support mechanism covering employee onboarding adaptation, daily communication, and cultural building. The Company has established a new employee coaching plan and a symposium system to help new employees adapt to the work environment as quickly as possible. Organize quarterly employee satisfaction forums and special forums for employees living in dormitories to collect various opinions and suggestions raised by employees regarding their work and daily life, and promote the timely implementation and feedback of related issues. In addition, the Company irregularly organizes cultural activities to enrich employees' spare time and alleviate work pressure.

Contributing to Social Benefits

GreatStar continuously pays attention to social welfare, actively giving back to society while promoting corporate development. In 2025, the Company continued to carry out employee care and community assistance work through the "GreatStar Foundation," providing financial aid when employees or their family members encounter major difficulties. In terms of educational welfare, the Company continuously supports the development of local education, assisting talent cultivation through scholarships and donations. In the future, the Company will continue to uphold the concept of giving back to society, closely integrating corporate development with social responsibility, and contributing to community development and educational progress.

Key Performance

During the reporting period, the Company's total investment in work safety was RMB **8,600,000**. It conducted **7** safety drills and **29** safety inspections.

The total training hours for occupational health and work safety were **3,120** hours.

The Company's work-related injury insurance premium paid was RMB **6,650,000**, with **100%** coverage for employees.

The incidence rate of occupational diseases among employees was **0%**, the work-related injury rate was **0%**, and the number of work-related deaths was **0**.

Key Performance

During the reporting period, the Company's investment in social welfare was RMB **1,252,900**.

ESG Performance Data Sheet

Economic Performance

Indicator	Unit	2025
Total Operating Revenue	RMB 100 million	146.66
Total Assets	RMB 100 million	236.25

Governance Performance

Corporate Governance

Indicator	Unit	2025
Total Number of Board Members	Person	9
Of Which: Number of Female Directors	Person	6
Of Which: Number of Independent Directors	Person	3
Proportion of Female Directors	%	66.67
Proportion of Independent Directors	%	33.33
Number of Board of Directors Meetings	Time(s)	9
Attendance Rate of Board Members	%	100
Number of Audit Committee Meetings	Time(s)	4
Number of Nomination Committee Meetings	Time(s)	2
Number of Remuneration and Assessment Committee Meetings	Time(s)	1
Number of Strategy and Development Committee Meetings	Time(s)	1
Number of General Meetings of Shareholders Held	Time(s)	2

Business Ethics

Indicator	Unit	2025
Number of Anti-commercial Bribery and Anti-corruption Training Sessions	Time(s)	4
Proportion of Directors Covered by Anti-commercial Bribery and Anti-corruption Training	%	100
Proportion of Management Covered by Anti-commercial Bribery and Anti-corruption Training	%	100
Proportion of Employees Covered by Anti-commercial Bribery and Anti-corruption Training	%	60
Proportion of Employees Who Have Signed Integrity Commitment Letters	%	100
Proportion of Suppliers Who Have Signed Integrity Commitment Letters	%	100
Total Number of Corruption Incidents	Case(s)	0
Total Number of Unfair Competition Lawsuits/Administrative Penalty Incidents	Case(s)	0
Total Fines for Violating Unfair Competition Laws	RMB 10,000	0

Data Security and Customer Privacy

Indicator	Unit	2025
Number of Data Security Incidents	Time(s)	0
Number of Confirmed Customer Privacy Breach Incidents	Time(s)	0
Number of Data Security and Customer Privacy Protection Training Sessions	Time(s)	4
Number of Emergency Drills Related to Data Security and Customer Privacy Protection	Time(s)	3

Environmental Performance¹

Environmental Management

Indicator	Unit	2025
Number of Violations of Environmental Laws and Regulations	Case(s)	0
Amount of Major Administrative Penalties Imposed by Ecological Environment and Other Relevant Authorities Due to Environmental Incidents	RMB 10,000	0

Energy Utilization

Indicator	Unit	2025
Comprehensive Energy Consumption	Tons of Coal Equivalent (TCE)	904.41
Direct Energy Consumption	Tons of Coal Equivalent (TCE)	34.66
Of Which: Gasoline	Liter	10,114
Of Which: Diesel	Liter	18,837
Indirect Energy Consumption	Tons of Coal Equivalent (TCE)	869.75
Of Which: Electricity	MWh	7,076.92
Total Amount of Purchased Electricity	MWh	7,076.92
Self-consumed Renewable Electricity Generated	MWh	3,670.56
Clean Energy Consumption	MWh	3,670.56
Of Which: Solar	MWh	3,670.56
Of Which: Proportion of Solar	%	100

¹The statistical scope of 2025 Energy Utilization, Greenhouse Gas Emissions, Exhaust Gas Emissions, Wastewater Discharge, Waste Discharge, Water Resources Utilization is Zhejiang GreatStar Tools Co., Ltd.

Greenhouse Gas Emissions

Indicator	Unit	2025
Total Greenhouse Gas (GHG) Emissions (Scope 1 + Scope 2)	Tons of CO2 equivalent (tCO _{2e})	5,142.79
Scope 1 GHG Emissions	Tons of CO2 equivalent (tCO _{2e})	290.45
Scope 2 GHG Emissions	Tons of CO2 equivalent (tCO _{2e})	4,852.34
Greenhouse Gas Emission Reduction	Tons of CO2 equivalent (tCO _{2e})	22,711

Exhaust Gas Emissions

Indicator	Unit	2025
Total Exhaust Gas Emissions	10,000 m ³	3,350
Particulate Matter (PM) Emissions	Kilogram	34.7
Nitrogen Oxides (NO _x) Emissions	Kilogram	0
Sulfur Oxides (SO _x) Emissions	Kilogram	0
Volatile Organic Compounds (VOCs) Emissions	Kilogram	141

Wastewater Discharge

Indicator	Unit	2025
Total Wastewater Discharge	10,000 m ³	2.87
Of Which: Total Industrial Wastewater	10,000 m ³	0.18
Of Which: Total Domestic Sewage	10,000 m ³	2.69
Chemical Oxygen Demand (COD)	Ton	4.59
Biochemical Oxygen Demand (BOD)	Ton	3.88
Ammonia Nitrogen Content (NH ₃ -N)	Ton	0.58
Total Nitrogen Content (TN)	Ton	0.74
Total Phosphorus Content (TP)	Ton	0.095
Suspended Solids Content in Wastewater	Kilogram	3,502

Waste Discharge

Indicator	Unit	2025
Total Waste Generated	Ton	15.75
Of Which: Total Hazardous Waste	Ton	15.75

Water Resources Utilization

Indicator	Unit	2025
Total Water Consumption	Ton	28,713
Total Net Fresh Water Consumption	Cubic Meter	28,713
Water Withdrawal by Source: Municipal Water Supply	Cubic Meter	28,713

Social Performance

Product Quality and Customer Service

Indicator	Unit	2025
Amount Involved in Damages from Annual Major Liability Accidents Related to Product and Service Safety and Quality	RMB 10,000	0
Customer Feedback Response Speed	Day(s)	1
Customer Feedback Response Rate	%	100
Customer Complaints	Time(s)	0

Supplier Management

Indicator	Unit	2025
Signing Rate of the Letter of Commitment on Integrity for New Suppliers	%	100

R&D, Innovation and Intellectual Property Management

Indicator	Unit	2025
R&D Investment	RMB 10,000	40,306.45
Number of Patents Held	Case(s)	4,359
Of Which: Invention Patents	Case(s)	484
Number of Software Copyrights Held	Case(s)	1
Number of Copyrights Held	Case(s)	6
Number of New Patents Granted During the Year	Case(s)	332
Number of Trademarks Held	Case(s)	2,111

Social Contribution

Indicator	Unit	2025
Amount Invested in Social Welfare	RMB 10,000	125.29

Employee Employment

Indicator	Unit	2025	
Total Number of Employees	Person	13,632	
Number of New Employees	Newly Hired Employees	Person	3,265
	Of Which: Full-time Employees	Person	3,265
Number of Employees by Gender	Female	Person	5,621
	Male	Person	8,011

Indicator		Unit	2025
Number of Employees by Employment Type	Full-time Employees	Person	13,399
	Part-time Employees	Person	233
Number of Employees by Age	Employees Under 30 Years Old	Person	3,405
	Employees Aged 30-50	Person	7,980
	Employees Over 50 Years Old	Person	2,247
Number of Employees by Job Level	Senior Management	Person	255
	Middle Management	Person	738
	Junior Management	Person	985
	General Staff	Person	11,654
R&D Department Personnel	Total Number of R&D Personnel	Person	1,157
Employee Departures and Turnover Rate	Number of Employee Departures	Person	2,985
	Employee Turnover/Departure Rate	%	21.90

Employee Rights and Interests Protection

Indicator	Unit	2025
Employee Social Insurance Coverage Rate	%	100
Confirmed Incidents of Discrimination	Case(s)	0
Confirmed Incidents of Forced Labor	Case(s)	0
Confirmed Incidents of Child Labor	Case(s)	0

Employee Training and Development

Indicator	Unit	2025
Total Training Hours	Hour(s)	9,545.5
Total Training Hours for Female Employees	Hour(s)	3,955

Indicator	Unit	2025
Total Training Hours for Male Employees	Hour(s)	5,590.5
Total Training Hours for Senior Management	Hour(s)	946
Total Number of Training Sessions Throughout the Year	Time(s)	165
Annual Training Expenditure	RMB 10,000	741.73
Number of Employees Trained	Person	4,508

Occupational Health and Safety

Indicator	Unit	2025	
Health and Safety Training and Drills	Total Training Hours for Occupational Health and Work Safety	Hour(s)	3,120
	Number of Safety Drills (Fire, Toxic Gas Leakage, etc.)	Time(s)	7
Work Safety Investment	Total Work Safety Investment	RMB 10,000	860
	Employee Work-related Injury Insurance Contribution	RMB 10,000	665
	Employee Work-related Injury Insurance Coverage Rate	%	100
Work-related Injuries	Employee Work Safety Liability Insurance Contribution	RMB 10,000	91
	Number of Work-related Fatalities	Person	0
	Number of Work-related Injuries (Minor Injuries and Above)	Person	0
	Number of Work Days Lost Due to Work-related Injuries	Day(s)	0
Supplier Safety	Incidence Rate of Occupational Diseases	%	0
	Number of Supplier Work-related Injuries (Minor Injuries and Above)	Person	0

Indicator Index Table

Report Framework	Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) ¹
About This Report	
Message from the Chairman	
About Us	
ESG Management	
Compliant Governance: Governance Empowerment, Consolidating the Foundation for Sustainability	
Corporate Governance	Article 52
Business Ethics	Articles 55 and 56
Data Security and Customer Privacy Protection	Article 48
Equal Treatment of Small and Medium-sized Enterprises	Article 46
Environmental Management: Low-Carbon Leadership, Co-Drawing a Green Blueprint	
Environmental Compliance Management	Article 33
Pollutant Emissions and Waste Treatment	Articles 30 and 31
Energy Utilization	Article 35
Water Resources Utilization	Article 36
Circular Economy	Article 37
Addressing Climate Change	Articles 22, 23 and 24

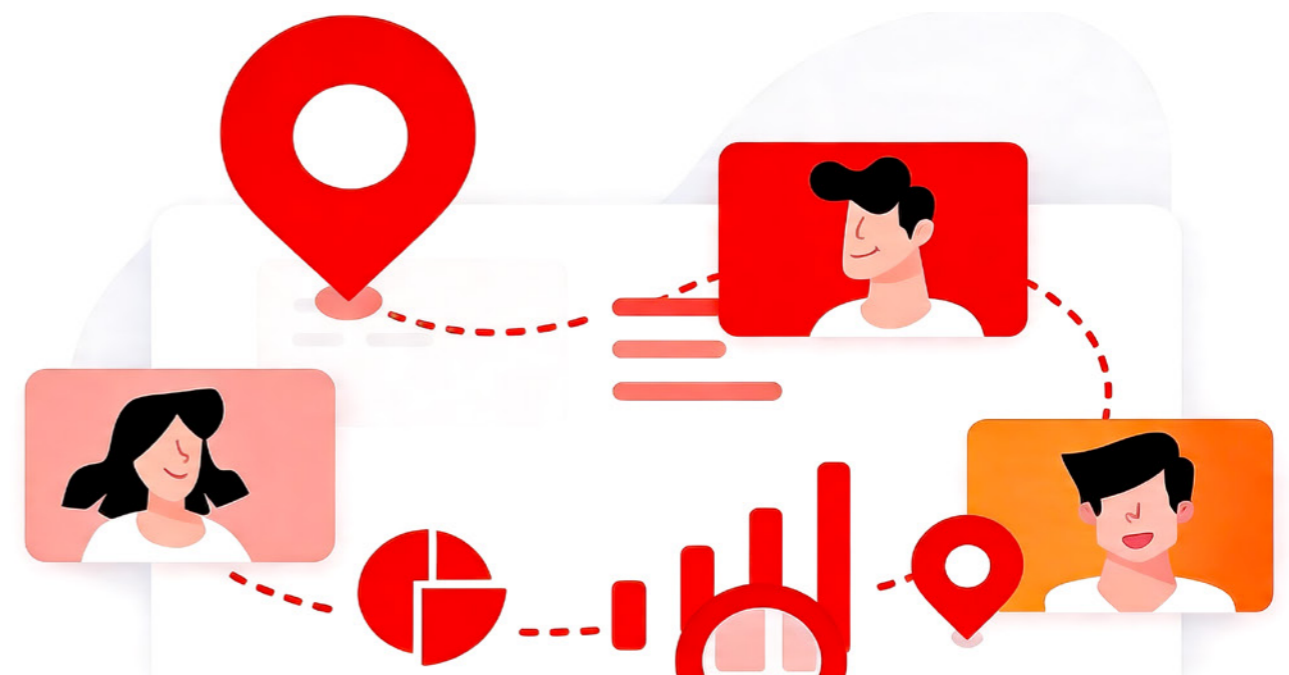
¹Addressing Climate Change: The Company's business activities have not caused material adverse impacts on the climate. According to the requirements of the SZSE Guidelines, the "Addressing Climate Change" issue is not material to the Company and is therefore not disclosed as a material issue.

Biodiversity Protection: The Company's business activities have not caused material adverse impacts on biodiversity and endangered species. According to the requirements of the SZSE Guidelines, the "Ecosystem and Biodiversity Protection" issue is not material to the Company and is therefore not disclosed as a material issue.

Rural Revitalization: During the reporting period, the Company did not carry out any work related to rural revitalization.

Technology Ethics: The Company is not directly involved in scientific research, technology development, or other activities in technology ethics-sensitive fields such as life sciences or artificial intelligence. Therefore, the basic information on the Company's compliance with technology ethics during the reporting period is not disclosed in this Report.

Report Framework	Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) ¹
Social Development: Social Inclusivity, Co-creating Value	
Innovation-Driven Growth	Article 42
Product and Service Safety and Quality	Article 47
Sustainable Supply Chain	Article 45
Employees	Article 50
Social Contribution	Article 40
Appendixes	
Key Performance Data Sheet	
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Reader's Feedback Form	



Reader's Feedback Form

Dear Reader:

Hello!

Thank you for taking the valuable time to read the Company's 2025 Environmental, Social and Governance Report. To provide you and other stakeholders with more comprehensive, professional, and valuable ESG information, continuously improve our ESG work, and enhance our ESG management capabilities and levels, we sincerely invite you to assist us by completing the relevant questions in the feedback form. We welcome your valuable comments and suggestions.

(Please put a 'V' in the appropriate place)

1. Are you satisfied with your overall impression of this Report?

Yes Average No

2. Do you think this Report reflects GreatStar's material impacts on ESG?

Yes Average No

3. Do you think the analysis of identified stakeholders and their relationships with GreatStar in this Report is accurate and comprehensive?

Yes Average No

4. Do you think the information provided in this Report is comprehensive?

Yes Average No

5. Do you think the information provided in this Report is readable?

Yes Average No

6. Are you satisfied with the overall design of this Report?

Yes Average No

7. We welcome any other comments and suggestions you may have regarding the GreatStar 2025 Environmental, Social and Governance Report.





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