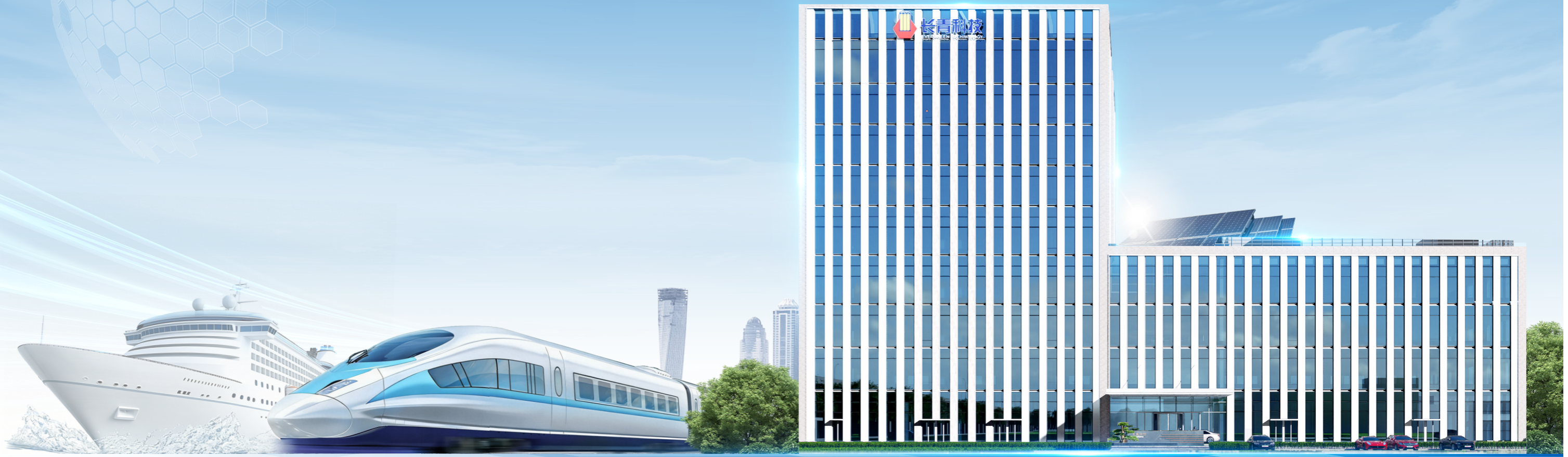


EVERGREEN FUTURE  
FUTURE EVERGREEN

ESG

EVERGREEN  
TECHNOLOGY



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# 2025 Environmental, Social and Governance Report

STOCK CODE: 001324



# About this Report

## Report Overview

This is the third Environmental, Social and Governance (ESG) Report issued by Changzhou Evergreen Technology Co., Ltd. ("CET", "the Company", or "we"). It outlines the Company's environmental, social and governance performance in 2025.

## Report Scope

This report covers Changzhou Evergreen Technology Co., Ltd. and all its wholly-owned and controlled subsidiaries. The scope of data in the social and governance section of the report is consistent with the annual report. Unless otherwise stated, environmental data covers the Company's headquarters and its wholly-owned subsidiary JED.

Unless otherwise specified, the data covers the period from January 1 to December 31, 2025. For continuity and comparability, some information may refer to periods outside the reporting year. All currency amounts are in RMB unless otherwise stated.

Abbreviations for subsidiaries:

JED	Refers to	Jiangsu Evergreen Decorating Material Co.,Ltd.
TrainFX (Anhui)	Refers to	TrainFX Technology (Anhui) Co.,Ltd.
TrainFX	Refers to	TRAINEX Limited

## Compilation Basis

This report is prepared in accordance with the *Self-Regulatory Guidelines No. 17 for Listed Companies of the Shenzhen Stock Exchange - Sustainability Report (Trial)*. It also refers to the ISO 26000 Guidance on Social Responsibility, the GRI Standards (2021), and the United Nations Sustainable Development Goals (SDGs), to systematically present the Company's sustainability practices and achievements across environmental, social and governance dimensions.

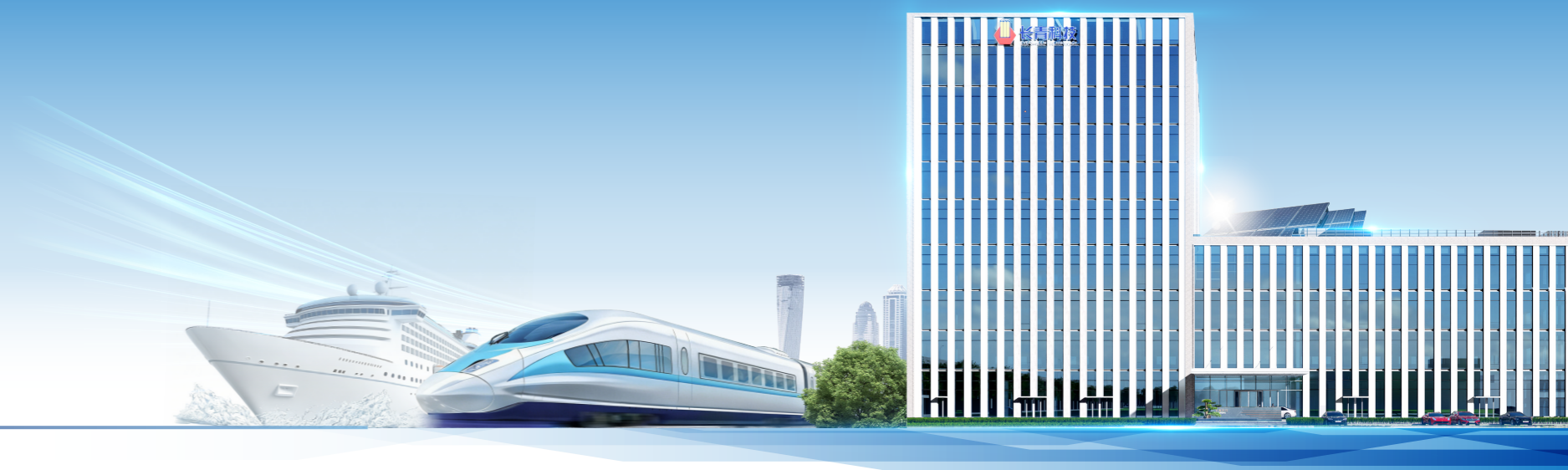
## Report Access

The electronic version of this report is available on the Company's website: <https://www.cetrail.com>. For more information, you may also refer to the Company's annual reports or visit the official website.

## Contact Information

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# Statement of the President



## By deepening product innovation, we consolidated the foundation for development

As a high-tech enterprise focusing on lightweight sandwich composite materials for rolling stock and architectural decoration, we continued to drive product iteration and expand our business landscape in 2025. Leveraging advantages of light weight, environmental sustainability, and recyclability, our products are well aligned with the evolving needs of rolling stock and green architecture sectors.

## By advancing low-carbon practices, we demonstrated our green commitment

Guided by the principles of "Green, Intelligent, and Safe", we embedded low-carbon concepts across the entire production lifecycle, optimized manufacturing processes, promoted energy conservation and emission reduction, dedicated in R&D of lightweight eco-friendly composite materials, improved environmental management systems and strictly controlled pollutant emissions. We took concrete actions to protect the ecosystem and contributed to the carbon peaking and carbon neutrality goals.

## By putting people first, we gathered strength for growth

We always regard our employees as our most valuable asset, continuously enhancing systems for employee rights protection and occupational health and safety, while improving the working environment. By establishing comprehensive training and career development platforms, we aligned employee growth with corporate development and fostered industry collaboration to drive shared progress.

## By upholding integrity and innovation, we reinforced governance excellence

Sound corporate governance underpins sustainable development. In 2025, we remained committed to our core values of "Integrity, Innovation, Perseverance", improved governance structure, clarified responsibilities at all levels, and integrated ESG management into daily operations and risk management, thereby enhancing transparency and compliance.

As time goes by, a new chapter unfolds. In 2025, amid evolving global economic dynamics and accelerating industry transformation, we remained steadfast in our core business philosophy, integrated sustainability into every aspect of operations, and forged ahead through industrial upgrading and responsible practices. We continued to uphold our corporate commitment and fulfilled our corporate responsibilities.

Going forward, we will move ahead with stronger determination, more pragmatic efforts, and greater innovation. United in purpose and driven by action, we will continue to write new chapters for CET, meet society's expectations with responsibility, and build a brighter and more sustainable future.

# Changzhou Evergreen Technology

## Company Profile

Changzhou Evergreen Technology is a high-tech enterprise specializing in the development and application of lightweight sandwich composite materials. The Company possesses strong technical research and development capabilities, sophisticated production techniques, advanced testing equipment, scientific management systems, and prompt service capabilities. Since establishment, we have accumulated numerous high-quality customer resources and extensive project experience, earning a strong reputation and brand image in the industry.

CET has established a comprehensive product system in two major fields: rail transportation and architectural decoration, with a prominent market position. In the field of rail transportation, we provide interior decoration products for rolling stock, maintenance services, spare parts and on-board passenger information systems. In the architectural decoration business, we offer interior and exterior decoration products. We will always adhere to the research and application of lightweight composite materials with sandwich structures and continuously expand the application of products into more sectors.

### Domestic Partners



### International Partners



## Evergreen's Business Global Footprint



## Corporate Culture



### Core Values

- Integrity
- Innovation
- Perseverance



### CET Culture

- Loyalty
- Diligence
- Dedication
- Caring



### Vision

- To become a global leading manufacturer of high-quality lightweight sandwich composite materials

## 2025 ESG Highlights

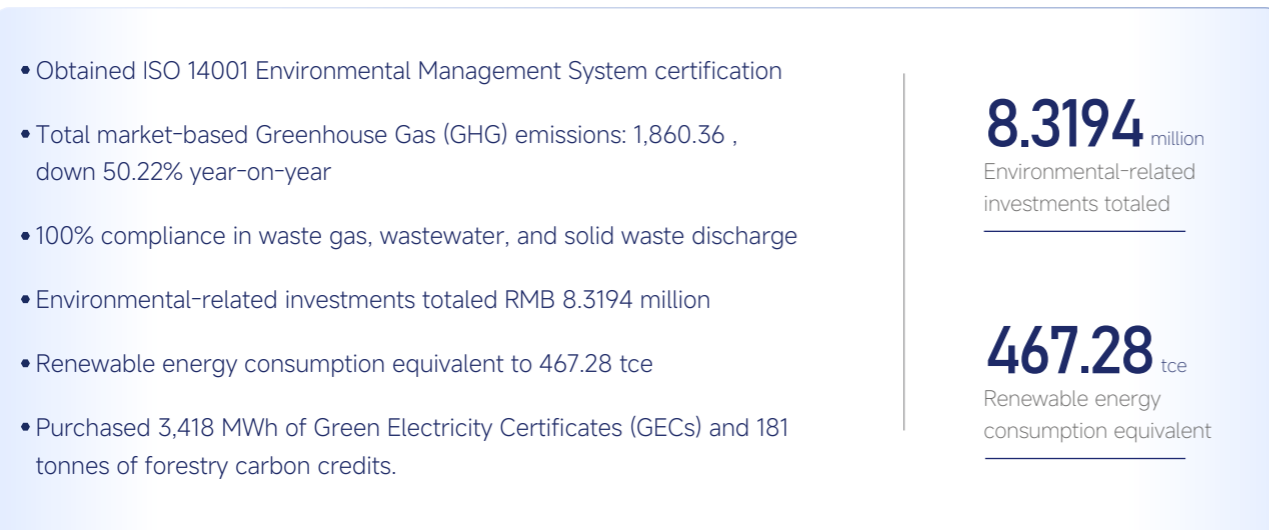
### Financial Performance



### Governance Performance



### Environmental Performance



### Social Performance

- Obtained EN 17460 Bonding Quality Management System Certification (upgraded from DIN 6701)
- Obtained ISO 9001 Quality Management System Certification
- Obtained IRIS ISO 22163 International Railway Industry Management System Standard Certification
- Obtained EN 15085 Railway Vehicles and Components Welding Standard System Certification
- Obtained ISO 45001 Occupational Health and Safety Management System Certification
- Obtained GB/T 29490:2023 Intellectual Property Management System Certification
- Cumulative total of 17 software copyrights and 156 valid patents, including 27 invention patents and 129 utility model patents
- Customer satisfaction rate: 97.36%
- Female employees accounted for 21.97% of total staff
- Total employee training hours reached 12,765, with an average of 15 hours per employee
- Public welfare investment totaled RMB 1.015 million

**97.36** %  
Customer satisfaction rate

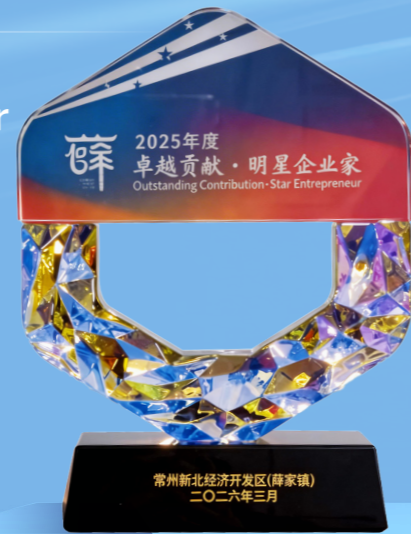
**21.97** %  
Female employees accounted of total employees

**1.015** million  
Public welfare investment totaled RMB

# CET Honors

Xuejia Town

Outstanding Contribution · Star Entrepreneur



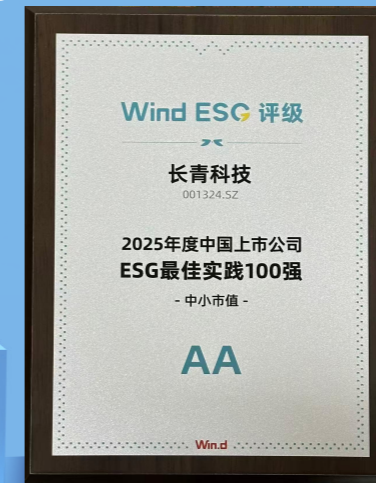
The 3rd China News Cup · ESG

Golden Bull Award



Wind ESG Best Practices

Top 100



CCO Talent Pool of Changzhou High-tech Zone

Member Unit



Shanghai Curtain Wall Shared Design

Innovation Award



Consistently awarded the IRIS Silver Medal



2025 Changzhou Near-Zero-Carbon Factory

2025年常州市近零碳工厂公示名单	
序号	企业名称
1	常州腾龙汽车零部件股份有限公司
2	江苏威德电子仪表有限公司
3	江苏雁华纺织染整有限公司
4	常州神力电机股份有限公司
5	常州长青科技股份有限公司
6	特瑞斯能源装备股份有限公司
7	江苏常宝钢管股份有限公司

National Green Factory

附件1 2025年度绿色工厂名单		
序号	地区	工厂名称
1	北京	北京理想汽车有限公司
561	江苏	常州长青科技股份有限公司

2025 Changzhou Models of Smart Workshop

附件2 2025年常州市智能工厂名单			
序号	企业名称	工厂名称	备注
1	常州腾龙汽车零部件股份有限公司	常州腾龙汽车零部件股份有限公司	
2	江苏威德电子仪表有限公司	江苏威德电子仪表有限公司	
3	江苏雁华纺织染整有限公司	江苏雁华纺织染整有限公司	
4	常州神力电机股份有限公司	常州神力电机股份有限公司	
5	常州长青科技股份有限公司	常州长青科技股份有限公司	
6	特瑞斯能源装备股份有限公司	特瑞斯能源装备股份有限公司	
7	江苏常宝钢管股份有限公司	江苏常宝钢管股份有限公司	



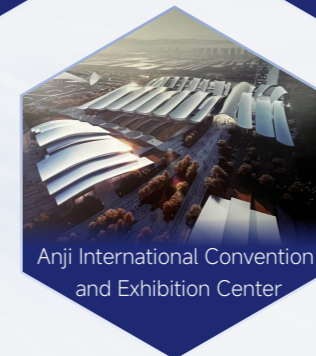
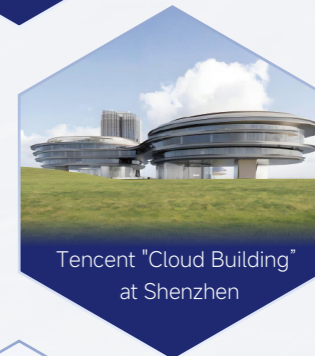
## Enhancing Customer Value, Driving High-Quality Development through Innovation

Driven by the carbon peaking and carbon neutrality goals and the growingly adopted green development principles, low-carbon transition of the rail transit and construction sectors has become a key pillar of corporate ESG practices. As a high-tech enterprise specializing in the development and application of lightweight sandwich composite materials, CET leverages core products such as aluminum honeycomb panels and ultra-thin stone honeycomb panels to embed the principles of "Green, Energy-Efficient, Integrated, Prefabricated, Recyclable, and Sustainable" throughout the entire lifecycle of product R&D, manufacturing, and application. In the rail transit sector, the Company's products are widely applied in the interior systems and key structural components of high-speed trains and metro vehicles. Lightweight design effectively reduces energy consumption and supports full-lifecycle low-carbon operations. In the construction sector, the Company's products have contributed to the development of numerous landmark projects, where technological innovation drives the industry's green transformation, setting a benchmark for coordinated development of environmental responsibility and industrial value.

### In the Rail Transit Sector



### In the Architectural Decoration Sector



# 01 Evergreen Leads, Steady and Sustainable Development

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(3) Upholding Integrity Principles	26



## Key topics

- ESG Management
- Compliance Management
- Business Ethics
- Anti-Corruption
- Anti-Monopoly and Fair Competition

## Highlight Performance/Major Strategies

- Prioritized material ESG topics based on financial and impact materiality
- Valued board diversity, with women accounting for 44.44% of directors
- Conducted a total of 811 hours of anti-corruption training, covering 100% of employees
- Established diverse reporting channels and implemented strict measures to protect whistle-blowers



# Sustainability Governance

## 1. ESG Management

CET has established the *Working Rules of the Strategy Committee*, explicitly elevating ESG management to the board level of decision-making. The Strategy Committee oversees ESG affairs, supported by an ESG Management Team for coordination and an ESG Working Team responsible for implementation.

### ESG Management Structure

<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Review and approve the Company's sustainable development strategies, goals and significant matters related to social responsibility;</li> <li>Regularly receive ESG work reports and receive updated information on ESG risks and opportunities at least once a year.</li> </ul>
<b>Strategic Committee</b>	<ul style="list-style-type: none"> <li>Coordinate and manage ESG-related matters (including but not limited to climate change, water conservation, biodiversity protection, human rights management, occupational health and safety, community welfare and social participation, etc.);</li> <li>Review the Company's annual ESG report, supervising and inspecting the Company's ESG target planning, organization and implementation, information disclosure and other related matters.</li> </ul>
<b>ESG Management Team</b>	<ul style="list-style-type: none"> <li>Establish ESG implementation mechanisms and evaluate ESG management methods;</li> <li>Responsible for key communication and coordination of ESG affairs.</li> </ul>
<b>ESG Working Group</b>	<ul style="list-style-type: none"> <li>Implement and promote ESG management matters;</li> <li>Actively respond to stakeholders' opinions and inquiries regarding the Company's ESG affairs.</li> </ul>

CET integrates ESG management principles into its corporate development strategy. We have formulated clear strategic plans centered on core areas such as product technology innovation and R&D, market expansion, talent development, ESG governance and digitalization, ensuring that the direction of ESG development is fully aligned with the company's long-term strategic vision.

At the same time, the Company has closely linked executive compensation to key ESG issues such as occupational safety and health, product quality and safety, and R&D innovation. This includes multi-dimensional ESG core performance targets such as the "Zero Grade 8 Injury Rate", "Quality Compliance Rate" and "Customer Satisfaction". This further clarifies the core responsibilities of executives in ESG management, fully demonstrating the Company's high priority and firm commitment to ESG management, and providing a robust institutional safeguard for the solid implementation of all ESG objectives.

## 2. Stakeholder Engagement

The Company maintains open and transparent communication with shareholders, investors, government, customers, employees, suppliers, partners and communities. Through general meetings, investor briefings, customer seminars, surveys and on-site visits, we listen to demands and incorporate feedback into ESG improvement.

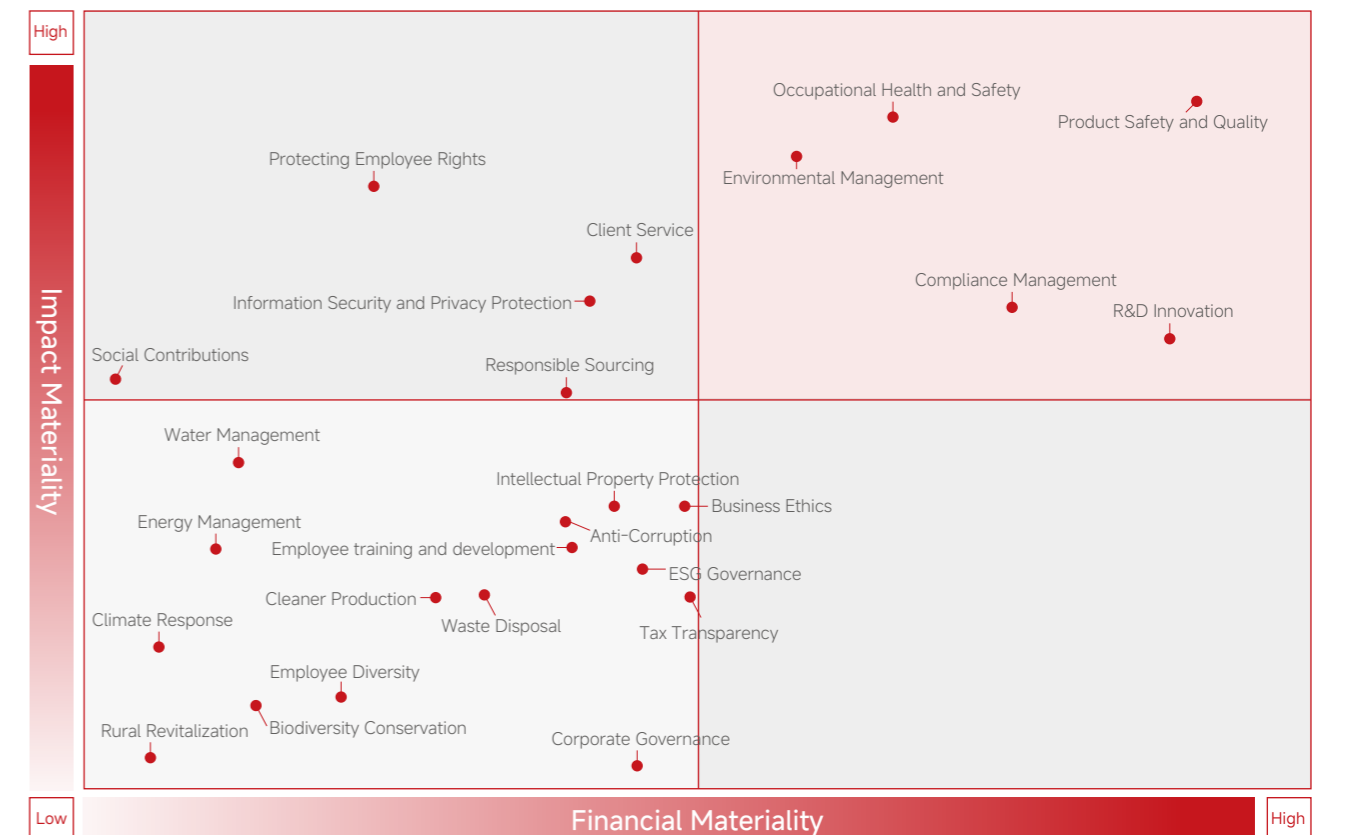
Stakeholder	Expectations and Demands	Response and Communication Approach
 Shareholders/ Investors	<ul style="list-style-type: none"> <li>Continuous growth of business performance</li> <li>Open and transparent corporate information</li> <li>Protecting shareholders' rights and interests</li> <li>Standardise corporate governance</li> <li>Risk Prevention</li> </ul>	<ul style="list-style-type: none"> <li>Holds General Meeting of Shareholders</li> <li>Publishes company announcements and periodic reports</li> <li>Organizes performance briefing sessions</li> <li>Investor service hotline</li> <li>Investor on-site research</li> </ul>
 Government and regulators	<ul style="list-style-type: none"> <li>Paying taxes in accordance with the law</li> <li>Drive employment</li> <li>Comply with the business</li> <li>Promote economic development</li> <li>Undertake social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of Information</li> <li>Daily communication and reporting</li> <li>Co-operation with regulatory bodies for verification</li> <li>Participation in government research activities</li> <li>Policy Implementation</li> <li>Visits and Research</li> <li>Issuance of compliance certificates</li> </ul>

Stakeholder	Expectations and Demands	Response and Communication Approach
Customers	<ul style="list-style-type: none"> <li>Maintain long-term good co-operation</li> <li>Provide high quality product service</li> <li>Honest transaction</li> <li>Protect the legitimate rights and interests of customers</li> <li>Product quality and service management</li> </ul>	<ul style="list-style-type: none"> <li>Customer Enquiry and Complaint Hotline</li> <li>Customer satisfaction survey and complaint return visit</li> <li>Visit and research</li> <li>Product quality management system</li> <li>Company official website and other media</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Protecting Employee Rights and Benefits</li> <li>Sound career development channels</li> <li>Open communication channels</li> <li>Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Improve compensation and benefit system</li> <li>Hold annual company meeting</li> <li>Holds labour union activities and staff cultural and sports activities</li> <li>Employee Congress</li> <li>Employee satisfaction survey</li> <li>Conducting diversified employee training</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Maintain long-term good co-operation</li> <li>Procurement is fair and transparent</li> <li>Procurement with integrity</li> <li>Compliance with business ethics</li> </ul>	<ul style="list-style-type: none"> <li>Developing procurement management practices</li> <li>Open and fair bidding</li> <li>Supplier vetting</li> <li>Daily communication</li> <li>Visit and research</li> </ul>
Industry Partners	<ul style="list-style-type: none"> <li>Mutually Beneficial and Win-Win</li> <li>Open communication channels</li> <li>Promote the development of the industry</li> </ul>	<ul style="list-style-type: none"> <li>Active association activities</li> <li>Participation in industry conferences</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Focus on and support for community development</li> </ul>	<ul style="list-style-type: none"> <li>Charitable Giving</li> <li>Participate in Voluntary Community Service</li> </ul>

### 3. Double Materiality Assessment

CET addresses key industry issues and conducts regular ESG double materiality assessments. In strict adherence to the principles of materiality, completeness, and stakeholder engagement, the Company developed two sets of questionnaires addressing financial materiality and impact materiality, and invited participation from a wide range of stakeholders, including shareholders and investors, employees, customers, suppliers, business partners, industry associations, media, and government representatives. Based on the feedback collected, the Company carried out a comprehensive assessment of material topics, prioritizing them across the two dimensions of "Financial Materiality" and "Impact Materiality". This process enabled the construction of a core materiality matrix, clearly defining the priority areas for ESG management.

During the reporting year, the Company identified 25 material ESG topics across the three dimensions of Environment, Social, and Governance, forming a comprehensive list of key ESG topics, which are disclosed as a focus of this report.



Product Safety and Quality	Intellectual Property Protection	Environmental Management	Employee Diversity
Client Service	Business Ethics	Employee training and development	Biodiversity Conservation
R&D Innovation	Responsible Sourcing	Energy Management	Rural Revitalization
Information Security and Privacy Protection	Tax Transparency	Waste Disposal	Social Contributions
Protecting Employee Rights	Anti-Corruption	Cleaner Production	
Compliance Management	Corporate Governance	ESG Governance	
Occupational Health and Safety	Water Management	Climate Response	

## 4. ESG Risk Management

CET has fully integrated ESG risk management into the Company's overall risk management process. The Company ensures that ESG concepts are carried through the entire process of strategy formulation and execution by strengthening the risk management awareness of ESG decision-making and management. The audit department, as the supervisory department of ESG risk management, conducts systematic audits on employee management, quality management, environmental management and safety management on a regular basis every year. Each functional department actively cooperates with the audit process, fostering a collaborative framework that integrates efforts across all levels to ensure the comprehensiveness and effectiveness of ESG risk management.

CET incorporated ESG practices into its daily operations, enabling comprehensive identification, assessment, and management of ESG-related risks, thereby effectively reducing the likelihood of potential risks. Focusing on five topics of high "Dual Materiality", the Company systematically consolidated key elements — including "Strategy", "Impacts, Risks and Opportunities", "Indicators and Targets" — to advance ESG risk management in a targeted manner and strengthen risk prevention and control in priority areas.

Topic	Strategy	Impacts, Risks and Opportunities	Indicators and Targets	Chapter
<b>Product Safety and Quality</b>	The Company adheres to the quality policy of "Pursue Excellence, Quality as the Top Priority; Fulfill Promises, Customers in the Core Mindset", and establishes a perfect product quality management system.	Quality problems can affect customer satisfaction, and serious problems may lead to a decline in the company's market share. Through the whole process of quality risk control, we can improve the quality of our products and win a better reputation.	<ul style="list-style-type: none"> <li>• Customer Satisfaction <math>\geq 95\%</math></li> <li>• No more than 5 customer complaints per month</li> <li>• The rate of products passing the first inspection <math>\geq 98\%</math></li> </ul>	Evergreen Tech Innovation, Empowering Growth
<b>Occupational Health and Safety</b>	The Company adheres to the safety production principle of "Prioritize Safety, Emphasize Prevention, Integrate Management."	Hazardous substance exposure and noise may affect the physical and mental health of employees. By strengthening safety control, we can achieve a win-win situation for both employees and the Company.	<ul style="list-style-type: none"> <li>• Zero fire incidents</li> <li>• Zero pressure vessel explosion incidents</li> <li>• Zero serious injuries or fatalities</li> <li>• 100% rectification rate of identified safety hazards</li> <li>• 100% participation and pass rate in safety education and training</li> <li>• 100% certification rate for special equipment operators</li> <li>• 100% registration rate of special equipment</li> <li>• 100% operational integrity rate of major equipment</li> </ul>	Evergreen Talent, Harmonious Workplace

Topic	Strategy	Impacts, Risks and Opportunities	Indicators and Targets	Chapter
<b>R&amp;D Innovation</b>	The Company increases investment in R&D to enhance independent innovation capability; deepens cooperation among industries, universities and research institutes to accelerate the transformation of technological achievements; and strengthens the protection of intellectual property rights to enhance the core competitiveness of the enterprise.	<p>With the accelerating pace of technological innovation, failure to meet product performance and reliability standards—or misjudging market demand—will result in lower-than-expected returns on R&amp;D investments.</p> <p>As a supplier of lightweight sandwich composite materials, the Company faces intense competition in both domestic and international markets and must sustain continuous innovation to maintain its competitive edge.</p>	<ul style="list-style-type: none"> <li>• Adhere to a market-oriented approach to technological innovation, ensuring alignment between R&amp;D and market demand</li> <li>• Deepen collaboration with core customers; Expand into emerging sectors such as shipbuilding and cruise vessels, and special-purpose vehicles, to build a strong reputation and reinforce market position</li> </ul>	Evergreen Tech Innovation, Empowering Growth
<b>Compliance Management</b>	The Company has established a systematic and multi-dimensional risk management system to ensure its compliant operation through sound control procedures and special supervision mechanisms.	The company's primary compliance risks include constantly evolving laws and regulations, as well as the complexities of cross-border operations. Operating in compliance with regulations helps secure government support and build a positive brand image.	<ul style="list-style-type: none"> <li>• No violation of laws and regulations</li> </ul>	Evergreen Leads, Steady and Sustainable Development
<b>Environmental Management</b>	Strengthen environmental protection and realize green development. Implement energy-saving and emission reduction measures, promote environmentally friendly technologies and products, and reduce environmental pollution in the production process.	Environmental non-compliance may face penalty notification. Through sound environmental management, companies can avoid fines and gain recognition from stakeholders.	<ul style="list-style-type: none"> <li>• Compliant Operations: Ensure all operations consistently comply with national and local environmental laws and regulations, with zero major environmental violations</li> <li>• Risk Control Rate: Achieved 100% implementation of control measures for identified major environmental risk points (e.g., hazardous waste storage, emission outlets), with 100% digital tracking coverage</li> <li>• System Certification: Continuously review and maintain the effectiveness of the environmental management system</li> <li>• Capacity Building: Deliver annual professional training to 100% of personnel in key environmental positions, alongside company-wide environmental awareness training</li> </ul>	Evergreen Ecology, Green and Low-Carbon Development

# Strengthening Corporate Governance

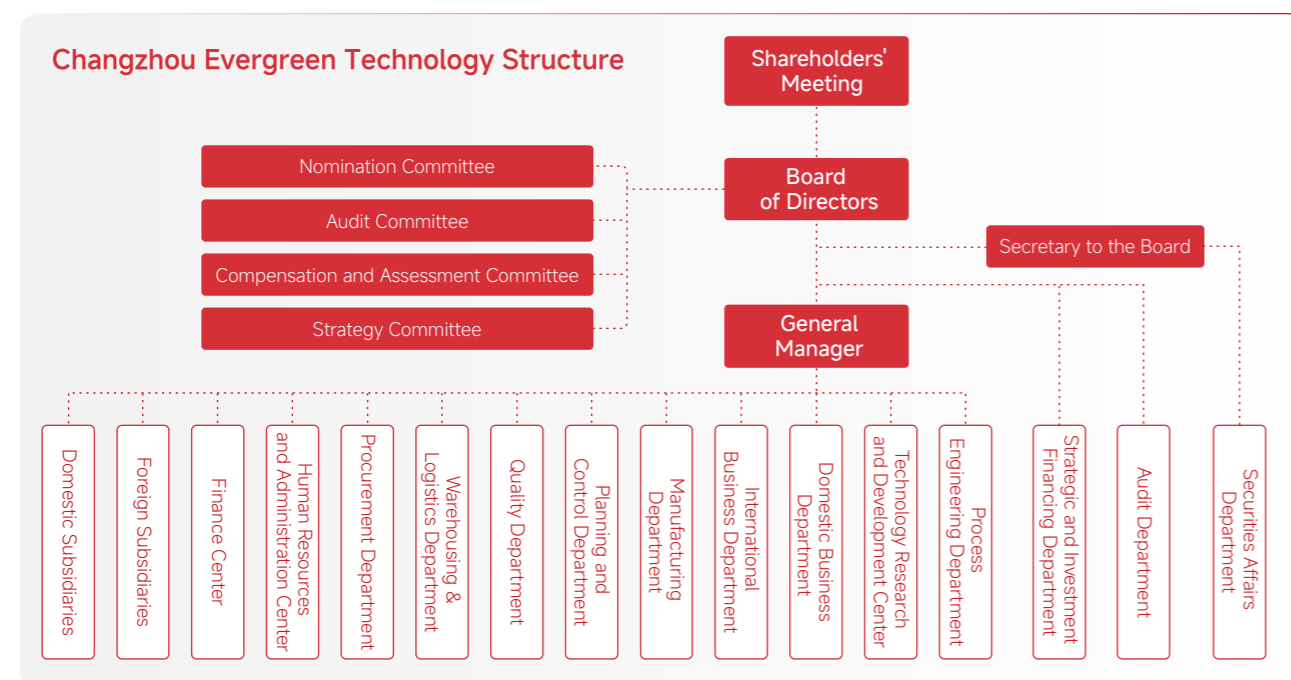
## 1. Corporate Governance

Based on the company's own development situation, CET is committed to compliant operation and sustainable development, continuously improves its governance structure, optimizes governance processes, and enhances governance effectiveness to create long-term value for shareholders and stakeholders.

### Governance Structure

CET continuously optimizes its corporate governance and has revised fundamental policies such as the *Changzhou Evergreen Technology Articles of Association*. We have built an efficient and transparent governance system centered on the shareholders' meeting, the board of directors, and the management team, complemented by a refined internal control system to build a solid foundation for the Company's long-term stable development. In 2025, to further improve governance levels and management efficiency, optimize organizational structure, and streamline management processes, CET specifically issued the *Management SOP for the Departure of Directors and Senior Management* and revised systems including the *Management for the Compensation of Directors and Senior Management* and the *Work Details of the Audit Committee of the Board of Directors*, providing solid support for the efficient operation of the Board of Directors and the standardized management of senior executives.

The Board of Directors has established four specialized committees: the Nomination Committee, the Audit Committee, the Compensation and Assessment Committee, and the Strategy Committee. By improving systems and standards, the Company continuously enhances the rationality and effectiveness of daily operations management and decision-making on major issues. The management team, with the General Manager at its core, strictly follows the resolutions of the Board of Directors, leading the implementation of annual business goals. Through lean management and industrial structure optimization, they continuously improve the Company's operational efficiency and market competitiveness.



### Board Diversity

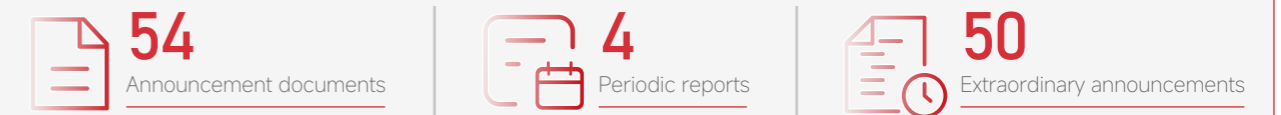
The Company maintains high diversity of the Board of Directors to enhance decision-making effectiveness, strengthen competitive advantages, and support the Company's sustainable development. During the selection process for Board candidates, we comprehensively consider multiple dimensions such as professional competence, gender, and age, striving to build a Board that possesses both representativeness and professional quality. As of the end of the reporting period, the Chairperson of the Company is female. Among the 9 members of the Board of Directors, there are 4 female directors (accounting for 44.44%) and 3 independent directors (accounting for 33.33%), effectively ensuring the independence, impartiality, and diversified perspectives of Board decisions.

### Investor Communication

The Company has formulated the *Information Disclosure Management System* and the *Investor Relations Management System*, clearly defining the scope of information disclosure, external information submission processes, and confidentiality management requirements. These measures effectively ensure the authenticity, accuracy, completeness, and timeliness of information disclosure, providing reliable information support for investors. During the reporting period, the Company disclosed a total of 54 announcement documents, including 4 periodic reports and 50 extraordinary announcements.

To establish smooth communication channels with investors and potential investors, the Company has set up an Investor Relations management column on its official website and promptly receives and responds to investors' inquiries and suggestions via email and the Easy IR platform. In addition, the Company has established a dedicated investor consultation hotline to provide convenient communication methods, effectively safeguarding the legitimate rights and interests of investors and enhancing trust and cooperation between the Company and investors. During the reporting period, CET held 1 investor reception day, receiving 3 investor visits; organized 2 investor briefing; and responded to 31 investor questions through the investor interactive platform, with a 100% response rate.

### During the reporting period, the Company disclosed



On April 29, 2025, the company's 2024 Annual General Meeting of Shareholders approved the *Proposal on the 2024 Annual Profit Distribution Plan*: Based on the total share capital on the record date for equity distribution, after deducting 545,600 repurchased shares, a cash dividend of RMB 0.727514 (pre-tax) per 10 shares was distributed to all shareholders, totaling RMB 10 million (pre-tax). No capital reserve was converted into share capital, and no bonus shares were issued. The record date for this equity distribution was May 29, 2025, and the ex-dividend date was May 30, 2025. The plan has been fully implemented.

On September 8, 2025, the company's First Extraordinary General Meeting of Shareholders for 2025 approved the *Proposal on the 2025 Semi-Annual Profit Distribution Plan*: Based on 137,454,400 shares (total share capital of 138 million shares minus 545,600 repurchased shares held in the special repurchase account), a cash dividend of RMB 0.60 (pre-tax) per 10 shares was distributed to all shareholders. No capital conversion or bonus shares were issued. Between the announcement of this plan and its implementation, due to the non-transferable transfer of reserved shares under the employee stock ownership plan, 220,000 shares were reduced from the repurchase account, resulting in an actual cash distribution of RMB 8.2605 million. The record date for this equity distribution was September 29, 2025, and the ex-dividend date was September 30, 2025. The plan has been fully implemented.

## 2. Risk Management

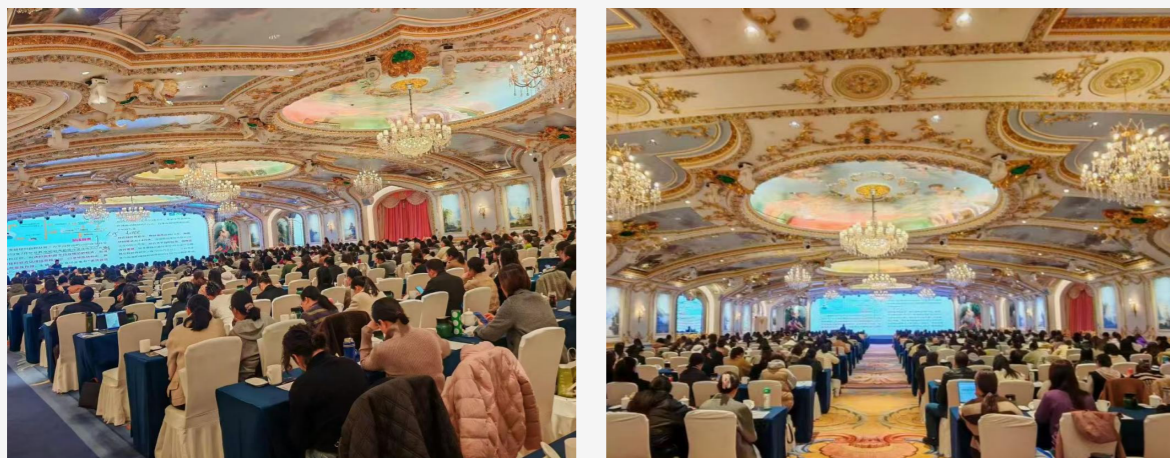
CET has established a systematic and multi-dimensional risk management system, ensuring compliant operations through refined control procedures and specialized supervision mechanisms. The Company's risk management is overseen by the Audit Committee, with the Audit Department serving as the primary execution department to coordinate risk assessment, management, and mitigation efforts, building a solid risk defense line for the Company's business development.

In the risk identification and early warning stages, the Company systematically identifies and assesses potential risks by collecting inspection materials through checklists; comprehensively enhances employees' risk awareness through training, interviews, and communication; monitors risk dynamics in real-time; effectively prevents potential risks by formulating contingency plans and emergency response protocols; and promptly discovers and addresses hidden risks through on-site inspections and patrols. Through continuous improvement plans and follow-up implementation mechanisms, the Company ensures the dynamic optimization and long-term effectiveness of risk management measures.

To ensure risk management measures take root and internal control systems are effectively executed, the Company has built a systematic, multi-level training system. It conducts practical training on core documents such as the revised *Internal Control Management Manual*, providing detailed interpretations of key revision points to optimize their design and execution effectiveness. This ensures that management personnel across all departments deeply understand and strictly implement the requirements of the internal control system, promoting the detailed and effective implementation of risk management work.

### Case Empowering Finance and Taxation through Training, Safeguarding against Risks through Strategy — Typical Case of Special Training on Financial and Tax Risks

In November 2025, to strengthen the Company's financial and tax compliance management and prevent various potential risks in the financial and tax fields, the Company organized the finance department to participate in the special course "360° Review and Comprehensive Solution Strategies for Financial and Tax Risks" conducted by Dacheng Fanglue. The training focused on personnel in finance, auditing, and other relevant core positions. This training effectively improved the professional quality and risk prevention capabilities of the participants, helping the Company comprehensively identify weak links in financial and tax management and refine its risk control strategies, thereby providing strong support for preventing financial and tax compliance risks.



"360° Review and Comprehensive Solution Strategies for Financial and Tax Risks" Course On-site

## 3. Enhancing Compliance Management

### Governance

The Company attaches great importance to compliant operations, always focusing on improving the system framework and standardizing process controls. It continuously strengthens compliance management and consolidates the compliance management system. During the reporting period, the Company revised 20 core management systems, including the *Work System for Independent Directors Regarding Annual Reports*, the *Registration System for Insiders of Inside Information*, the *Accountability System for Major Errors in Annual Report Information Disclosure*, and the *Work System for the Audit Committee Regarding Annual Reports*, further standardizing controls across various business links and ensuring the Company's compliant and efficient operation.

During the reporting period, the Company optimized and upgraded its organizational structure, and the online approval process on "XINFU-TONG" app was simultaneously updated and implemented. Meanwhile, the Company will take the opportunity of the ERP upgrade and launch to uniformly review and revise existing internal control procedures and management manuals, further promoting compliance control toward full coverage, process-orientation, and standardization, effectively safeguarding the Company's compliant and efficient operations.

### Strategy

As a core competitiveness of the enterprise, compliance management serves as the top-level planning for supporting compliant operations and preventing systemic risks. CET integrates compliance requirements into strategic goals and the entire business process, establishes an independent compliance inspection department, and incorporates compliance performance into the assessments of parent-subsidiary companies and departments. By strengthening compliance organizational responsibilities and systems, eliminating hidden compliance hazards, and building a robust compliance culture, prevention mechanisms, and information systems, the Company has formed a compliance management system with Evergreen characteristics to support its sustainable development.

### Management of Impacts, Risks, and Opportunities

To ensure the effectiveness of the compliance management strategy, build a solid defense line for compliant operations, and prevent various potential compliance risks, the Company, in light of its business management situation, focuses on key links of compliance management and has formulated systematic and targeted control measures for potential compliance hazards in different fields.

#### Compliance Risk Control Measures

##### Safety and Compliant Production Risk Control

Strictly implement control measures such as orientation training for new employees, regular safety meetings, third-party maintenance services, and on-site hazard inspections to prevent compliance risks in the production process.

##### Financial and Tax Compliance Risk Control

Clearly define requirements for fund management, invoice/document management, and inventory taking; strengthen compliance checks on vouchers to ensure that financial and tax work is conducted in a compliant and orderly manner.

<b>Data and Information Security Compliance Risk Control</b>	Timely adjust permissions on data and information work platforms (e.g., online work groups, approval platforms, and email permissions) when personnel changes occur. The addition, reduction, or change of permissions is audited according to Company regulations. Meanwhile, strengthen data and information security control through information systems such as ERP.
<b>Labor and Employment Compliance Risk Control</b>	Standardize procedures for employee entry, transfer, reassignment, and departure, as well as background checks and training requirements; sign non-compete agreements and confidentiality agreements with relevant employees; and require marketing personnel to sign integrity commitments.
<b>Official Seal and Stamping Risk Control</b>	The Legal Department is responsible for the custody of official seals and the review of stamping. Control requirements are strengthened to specify that all stamped contracts and documents must state the signing time, and key terms such as price and delivery time must not be left blank. No seals will be affixed to documents that do not meet the requirements.
<b>Supplier Access Risk Control</b>	Standardize the use of forms such as Supplier Requirement Application Forms and Supplier Recommendation Forms; clarify form signing and approval requirements; optimize and improve the template for procurement framework contracts to standardize the signing process; and define supplier evaluation and assessment standards through the <i>Procurement Control Procedure and the Supplier Evaluation Control Procedure</i> .

The Company attaches great importance to the cultivation of compliance awareness among all employees. In line with the compliance performance needs of various positions, the Company conveys compliance concepts and popularizes basic compliance requirements to all employees through targeted compliance training and regular publicity. This continuously strengthens employees' compliance cognition and sense of responsibility, providing a solid personnel guarantee for the effective implementation of the Company's compliance management system.

**Case Promoting Compliance through Learning, Strengthening Foundations through Training — Typical Case of Special Training on Compliance Management**

In December 2025, to further consolidate the foundation of the Company's compliance management and strengthen the compliance awareness of all staff, the Company's Audit Department conducted "Special Training on Compliance Management" for key personnel. The training content was closely aligned with the actual needs of the Company's compliance management, covering the framework of the corporate compliance management system, compliance risks in key areas, and prevention and control measures. This effectively strengthened the professional compliance capabilities of all staff and key personnel, promoting the in-depth implementation of the Company's compliance management work.



"Special Training on Compliance Management" On-site

### Metrics and Targets

Targets	2025 Progress
<ul style="list-style-type: none"> <li>Eliminate serious safety accidents and implement preventive measures;</li> <li>Zero major non-conforming products;</li> <li>Improve equipment reliability, optimize site management, and cost control;</li> <li>Eliminate government penalties and ensure standardized and efficient key management links.</li> </ul>	<ul style="list-style-type: none"> <li>No major safety accidents</li> <li>No major non-conforming products</li> <li>No government penalties</li> </ul>

## Upholding Integrity Principles

### 1. Anti-corruption

CET integrates the concept of integrity into the entire process of corporate operations, earnestly practicing social responsibility and business ethics. The Company clearly stipulates anti-corruption provisions in the *Employee Handbook* and has formulated systems such as the *Code of Business Conduct* and the *Supplier Integrity Agreement*. These further strengthened work standards for fair trade and integrity compliance, defined clear boundaries and providing explicit norms and guidelines for the professional conduct of all personnel and supply chain partners, thereby built a solid institutional foundation for integrity within the workforce and the supply chain. The Company has established an Integrity Supervision Group composed of the Administration Department, the Finance Center, and the Audit Department. As the core executing agency for system implementation, it is fully responsible for the supervision and execution of integrity management, strengthening the rigid constraints of the integrity management system and ensuring that integrity culture construction and various management systems are integrated throughout the entire process of corporate operations and effectively implemented.

The Company actively carries out anti-corruption training, covering the importance of anti-corruption, laws, regulations and ethical standards, the responsibility positioning of senior management and employees, and the application of internal auditing. The Company strictly publicizes laws, regulations, and internal systems related to corruption and bribery, emphasizing the exemplary role of senior management in anti-corruption, requiring them to lead by example, promote the implementation of integrity culture, and build a strong anti-corruption defense line. During the reporting period, CET's total anti-corruption training hours amounted to 811 hours, covering 100% of employees.

As of the end of the reporting period, CET has not experienced any incidents of penalties resulting from violations of relevant laws and regulations in the social and economic fields, fully reflecting the Company's remarkable achievements in integrity management. During the reporting period, the number of major corruption litigation cases was zero.

**Case Empowering Integrity to Strengthen Foundations, Safeguarding Original Intent through Training — Special Training on Anti-corruption and Integrity Promotion**

In December 2025, the Company's Audit Department organized special training on anti-corruption and integrity promotion. The content covered core points such as anti-corruption laws and regulations, identification and prevention of integrity risks, and integrity reporting channels. All departments appointed representatives to participate. This training effectively strengthened the awareness of all staff in performing their duties with integrity, promoted the rooting and transmission of integrity concepts across all departments, and further improved the Company's anti-corruption publicity and education system.



Anti-corruption and Integrity Promotion Special Training On-site

## 2. Anti-Monopoly and Fair Competition

The Company strictly complies with the relevant policy requirements of the *Anti-monopoly Law of the People's Republic of China* and the *Anti-unfair Competition Law of the People's Republic of China*, clearly incorporating compliance requirements into the *Employee Handbook* and integrating anti-monopoly and fair competition regulations into the Company's code of conduct.

CET periodically organizes employees to participate in anti-monopoly law and regulation training to enhance the compliance awareness of all staff. During the reporting period, the Company conducted training on anti-monopoly and anti-unfair competition for members of the Board of Directors and senior management, with a total training duration of 7.5 hours and 15 person-times of participation.

**Case Building a Defense Line through Training, Safeguarding Fairness through Law — Case of Special Training on Anti-monopoly and Anti-unfair Competition**

In 2025, the Company conducted special training on anti-monopoly and anti-unfair competition for Board members and all senior management. The training interpreted core legal clauses and analyzed key violations in light of typical industry cases, guiding the core management team to clarify compliance boundaries. This training strengthened the compliance awareness and risk prevention capabilities of the senior management, promoted the integration of compliance concepts into top-level decision-making, and built a solid legal guarantee for the Company's high-quality development.



Anti-monopoly and Anti-unfair Competition Special Training On-site

## 3. Whistleblower Protection Measures

CET has formulated the *Whistleblowing and Supervision Management Regulations*, establishing a smooth and efficient supervision and reporting system with diversified channels, aiming to prevent and curb various illegal crimes, behaviors that damage corporate interests, and violations of Company management systems. The Company clarifies that employees enjoy the right of supervision and encourages all employees and external stakeholders to report behaviors that violate laws, regulations, Company systems, and ethical codes.

Regarding violations such as bribery, the Company handles them strictly in accordance with relevant regulations. It orders violators to return improper benefits and bear corresponding economic compensation. Depending on the severity of the violation, sanctions such as warning talks, position adjustments, and demotion or dismissal are imposed, along with deductions from performance salaries. Confirmed violations are punished severely, and whistleblowers are given material rewards. Cases suspected of involving crimes are transferred to judicial authorities in accordance with the law.

The Company resolutely prohibits any form of retaliation against whistleblowers for legitimate reports. Personnel handling reports strictly maintain the confidentiality of the whistleblower's name, organization, contact information, and other personal details, ensuring that investigations are conducted in a standardized manner without revealing the whistleblower's identity. During the reporting period, the Company did not experience any reporting cases.

<b>Reporting Channels</b>	Reporting Hotline	Email	<b>In-person reporting is accepted</b>
	<b>0519-68867972</b>	<b>wyf@cearail.com</b> <b>zhaiyy@cearail.com</b>	



# 02 Evergreen Tech Innovation, Empowering Growth

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## Key Topics

- Product Quality
- R&D and Innovation

## Highlight Performance/Major Strategies

- Obtained ISO 9001 Quality Management System Certification since 2005
- Obtained EN 17460 Bonding Quality Management System Certification (upgraded version of DIN 6701) in 2025
- Obtained IRIS ISO 22163 International Railway Industry Management System Standard Certification
- Obtained EN 15085 Railway Vehicles and Components Welding Standard System Certification
- Obtained GB/T 29490:2023 Intellectual Property Management System Certification
- Cumulative total of 17 software copyrights and 156 valid patents, including 27 invention patents and 129 utility model patents
- Customer satisfaction rate reached 97.36%, up 1.5% year-on-year



# Delivering Excellence in Quality

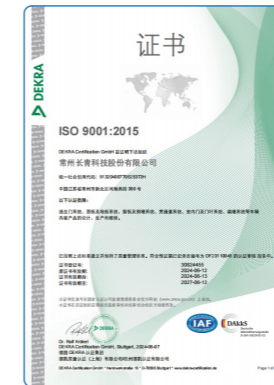
## 1. Governance

CET strictly complies with the laws and regulations of the countries and regions where its products operate throughout their entire life cycle. We have formulated a series of standardized documents, such as the *Quality Manual*, the *Quality Assurance Measures for Suppliers*, the *Outsourcing Control Procedures*, and built a product quality control framework based on international quality management system standards like ISO. Under the overall deployment of the Board of Directors and the direct leadership of the General Manager, the Company's Quality Department, as the core department for product quality control, has established a professional and comprehensive quality control team system to build a solid barrier for product quality.

### Company Quality Management Organizational Structure

Department/Position	Main Responsibilities
Board of Directors	<ul style="list-style-type: none"> <li>Coordinates the deployment of product quality control-related work and provides top-level guidance for quality management.</li> </ul>
General Manager	<ul style="list-style-type: none"> <li>Directly leads the product quality control work, implements relevant deployments of the Board, and coordinates the execution of various quality control tasks.</li> </ul>
Quality Department	<ul style="list-style-type: none"> <li>Serves as the core department for product quality control, coordinating the entire quality management process.</li> <li>It consists of three functional teams—Testing Center, Supplier Management, and Process Control—and is equipped with both domestic and international quality teams to ensure products meet relevant quality standards and compliance requirements at home and abroad.</li> </ul>

In 2025, the Company obtained the EN 17460 Bonding Quality Management System Certification, which is the upgraded version of DIN 6701. From 2024 to 2025, the Company continuously achieved the IRIS system silver performance level. As of the end of the reporting period, the Company has obtained ISO 9001 Quality Management System Certification, IRIS ISO 22163 International Railway Industry Management System Standard Certification, and EN 15085 Railway Vehicles and Components Welding Standard System Certification, maintaining the effective operation of these quality systems.



ISO 9001:2015 Quality Management System Certification



IRIS ISO 22163 International Railway Industry Management System Standard Certification



EN 17460 Bonding Quality Management System Certification



EN 15085 Railway Vehicles and Components Welding Standard System Certification

## 2. Strategy

CET adheres to the quality commitment of "Pursue Excellence, Quality as the Top Priority; Fulfill Promises, Customers in the Core Mindset", and has established a comprehensive product quality management system. Following the mature application of lightweight sandwich composite products in rolling stock and architecture, CET continues to expand into more application fields. We actively discuss with universities on the opportunities of combining high-performance materials with digital and intelligent applications to continuously innovate to build product diversification.

## 3. Management of Impacts, Risks, and Opportunities

### Improving Product Quality

To improve product quality, CET focuses on full-process control and has built a comprehensive quality improvement system covering institutional guarantees, testing, and technological empowerment. Based on internal regulations such as the *Process Discipline Inspection and Incentive Management System*, the *Continuous Improvement Control Procedures*, and the *Risk and Opportunity Control Procedures*, dedicated personnel are assigned to conduct regular process discipline inspections. For issues identified during inspections, a *Process Discipline Inspection PDCA Form* is issued to clarify rectification responsibilities. Performance incentives are implemented based on the implementation rate of process discipline and the degree of issue rectification, consolidating the institutional foundation for quality improvement.

#### Product Quality Inspection



CET has built a complete and transparent quality inspection and control system equipped with professional testing laboratories. We carry out comprehensive testing focusing on aspects such as mechanical and physical properties, electrical performance, system structure, and full-life-cycle simulation monitoring. At the same time, the Company strengthens product quality re-inspection through third-party testing institutions and professional resources. Through this dual (internal and external) testing and screening process, we ensure that the performance indicators of every batch of products leaving the factory strictly comply with national/international standards, industry standards, and internal control requirements, which safeguard product quality.

### Employee Training



To further strengthen the effectiveness of quality control and continuously improve the quality awareness and capabilities of all staff, CET has established a hierarchical, categorized, accurate, and efficient quality training system. Specialized external training is provided for production team leaders and middle management each function to enhance their overall quality control capabilities. Meanwhile, internal training on quality management and product quality control is organized regularly. Quality issues are analyzed and summarized periodically to formulate and implement precise improvement measures, comprehensively improving the quality competence and control level of all employees and solidifying the personnel foundation for quality improvement. In 2025, training hours related to product quality totaled 5,106 hours.

### Technology Empowered Manufacturing

The Company actively promotes the optimization and innovation of manufacturing processes, empowering the upgrade of full-life-cycle product quality management through intelligent manufacturing to continuously enhance the efficiency of the entire quality management process.

The Company integrates PLM software to support quality control in the R&D and design stages and uses Yonyou ERP software to achieve real-time tracking of material control throughout the production process, covering key aspects such as procurement and warehousing. By combining digital technology with core production equipment like CNC machine tools, CET implements integrated control over all stages of the product lifecycle, including R&D, production planning, procurement, manufacturing, and warehousing. We strive to create a fully intelligent production environment where hardware equipment is networked and production data is synchronized in real-time. This builds an efficient, transparent, and controllable intelligent workshop, promoting the quality and efficiency of control in all steps and supporting the effective implementation of full-life-cycle quality management. CET was recognized as a "2024 Changzhou Intelligent Manufacturing Workshop" and was further recognized as "2025 Changzhou Rolemodel Smart Workshop".

#### CET Intelligent Workshop Highlights:

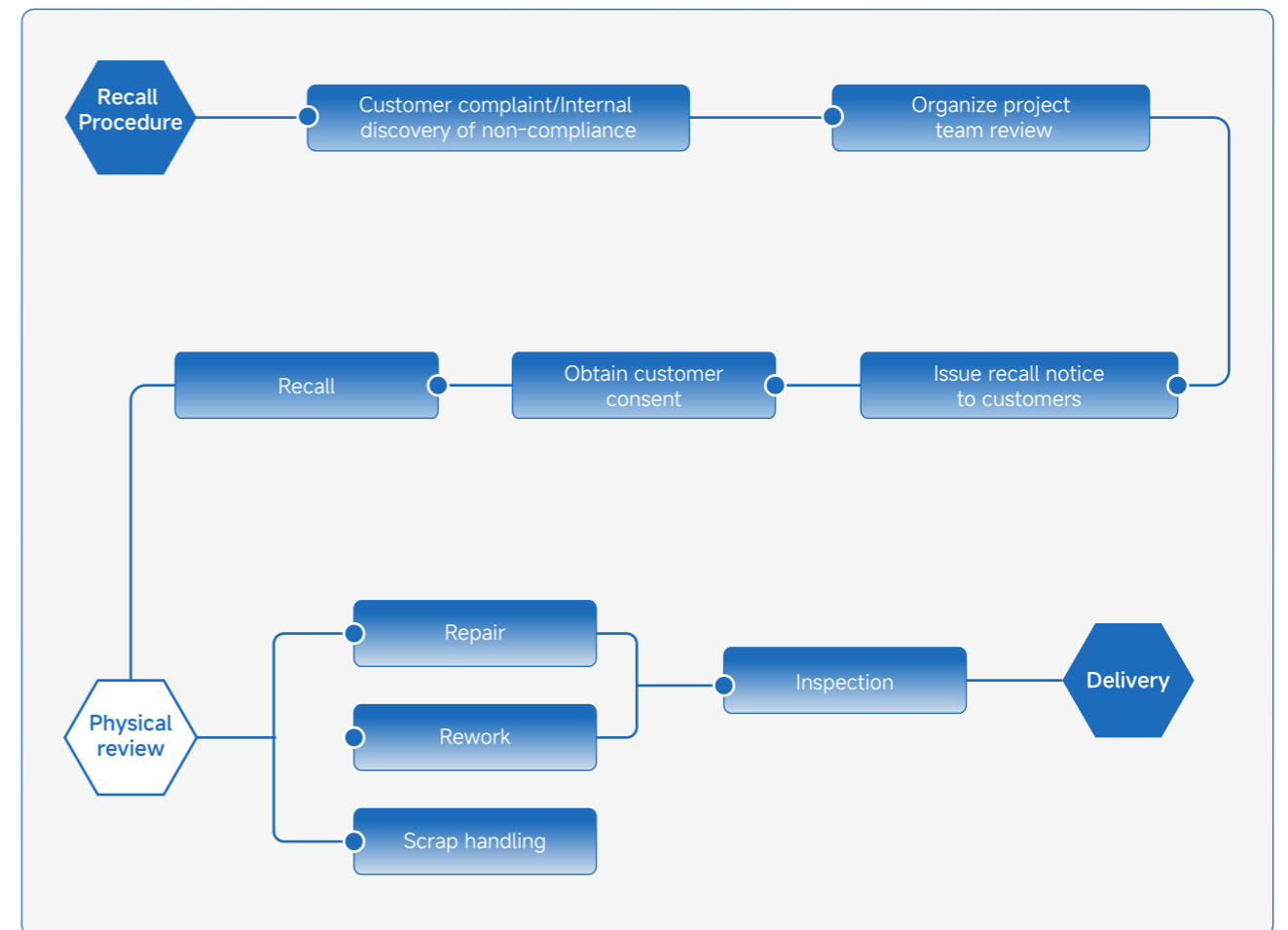
- Intelligent Manufacturing Capability Maturity Level: Grade 2
- Level of integration of dualization: Grade III
- Industrial Information Security Diagnosis: Grade II
- Recognized as 2024 Changzhou Intelligent Manufacturing Workshop
- Recognized as 2025 Changzhou Rolemodel Smart Workshop



### Product Recall

CET has formulated the *Non-conforming Products Control Program* to strictly prevent defective products from entering the market, effectively building brand reputation and supporting steady business development. The Company specifies that all departments have an obligation to identify non-conforming products and provide timely feedback to the Quality Department. Meanwhile, non-conforming products are categorized and managed based on safety, environmental protection, flame retardant requirements, quality hazards, and product structure, with targeted handling measures such as return, rework, or scrapping. During the reporting period, no product recall events occurred.

#### Changzhou Evergreen Technology Product Recall Process



To achieve full-process traceability and strengthen the quality control loop, the Company has established a product traceability system and formulated the *Labeling and Traceability Control Procedure*, to follow the standardized product identification management. By applying standardized labels to products, the Company prevents the mixing or misuse of different batches and statuses, ensuring that the entire process from production and inspection to delivery can be accurately traced during quality audits or troubleshooting.

The Company specifies that identification methods include material identification cards, tags, and engraving. Labels must contain key information such as the Company name or logo and part number/model. Chemicals like glue and paint must additionally be marked with production dates and expiration dates, providing support for full-life-cycle traceability and completing the quality control loop.

## Metrics and Targets

Targets	2025 Progress
Customer Satisfaction $\geq 95\%$	Achieved
No more than 5 customer complaints per month	Achieved
The rate of products passing the first inspection $\geq 98\%$	Achieved

# Driving Innovation

## 1. Governance

CET attaches great importance to R&D and innovation, as the driving forces for development. We have formulated systems such as the *Research and Development Innovation Project Management System* and *Research and Development Project Initiation Approval Procedures*, as well as the *Implementation and Incentive Management System for Achievement Transformation*. We have implemented a "Monthly Star" award policy and, in principle, holds an annual science and technology conference. By providing hierarchical rewards, it motivates employees for innovation and provides a solid guarantee for an orderly R&D progress.

To ensure the implementation of R&D systems and the efficient progress of R&D work, the Technology Department, as the core R&D department, comprehensively coordinates the planning and promotion of various R&D tasks and intellectual property protection-related work, building an R&D management system with clear responsibilities and high-level synergy.

As of the end of the reporting period, CET has been successfully recognized as a "National High-tech Enterprise", "Provincial Technology Center", "Provincial Specialized and Specialized New Enterprise", and the "Assembled Decoration Engineering Technology Innovation Center of Jiangsu Provincial Department of Housing and Urban-Rural Development".

## 2. Strategy

Based on the accumulated mature applications of the Company's lightweight sandwich composite products in rail transit, construction, and other fields, linked to long-term development strategies, CET actively expands technical application boundaries and taps into the potential of emerging tracks. We actively collaborate with universities to conduct industry-university-research synergistic research, exploring the integrated R&D of high-performance recyclable materials and digital/intelligent applications. Simultaneously, guided by market demands, we continue to explore diversified innovation directions for our products, solidifying the strategic foundation for multi-field technical layout.

## 3. Management of Impacts, Risks, and Opportunities

### Intellectual Property Protection

CET attaches great importance to intellectual property (IP) protection and has formulated institutional documents such as the *Intellectual Property Compliance Management Manual* and the *Compendium of Intellectual Property Procedures and Systems*, clarifying responsibilities, processes, and requirements for IP protection. In 2025, the Company successfully completed the recertification of the GB/T 29490:2023 Intellectual Property Management System, strictly following the requirements of the new standard. Dedicated personnel are assigned to handle patent applications and maintenance. Furthermore, confidentiality agreements are signed with core employees to comprehensively safeguard the security of the Company's core technologies, providing a strong support for the orderly conduct of R&D activities.

To enhance the IP awareness and professional capabilities of all staff, the Company conducts IP-related training for relevant personnel, popularizing IP protection knowledge and standardizing IP management processes to promote the regular and standardized implementation of IP protection work.



CET GB/T 29490:2023 Intellectual Property Management System Certification

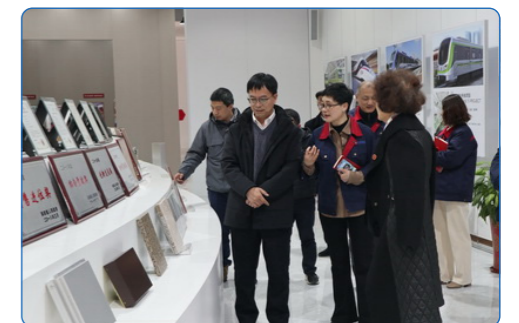


CET Intellectual Property Training On-site

### Industry-University-Research Collaboration

CET continues to solidify the foundation and deepen the effectiveness of collaboration. We have formulated the *Management System of Industry-University-Research Cooperation* and are fully equipped with various R&D equipment and talents. We have established a long-term and stable strategic partnership with Hehai University to achieve complementary advantages and synergistic innovation.

In 2025, CET further expanded the boundaries of industry-university-research collaboration. The project "Research and Development on the Safety of the Cab Partition Wall System" jointly conducted with Chengdu University has been successfully implemented. An exchange and matchmaking meeting was held with the "Jiangsu Advanced Biological and Chemical Manufacturing" Collaborative Innovation Center to find cooperation points in cost-effectiveness, lightweight, and light-emitting/heat-generating materials, advancing the Company's R&D and innovation capabilities across multiple dimensions.



Visit by the "Jiangsu Advanced Bio- and Chemical Manufacturing" Collaborative Innovation Center

## New Business Directions

CET adheres to the business goal of "Based on Sandwich Composite Innovation, Aiming for Cross-Industry Application.". We actively respond to national industrial policies such as energy conservation, environmental protection, green and low-carbon development, lightweight, and prefabrication, practicing the concept of sustainable development. At the technical R&D level, the Company focuses on new processes and products for lightweight sandwich composite materials, exploring modular, integrated, and prefabricated innovation paths to solidify core technical barriers. At the market expansion level, while consolidating advantages in existing core markets, the Company is actively extending into new application fields such as cruise ships and special vehicles, while simultaneously exploring international markets to strive to become a world-leading manufacturer of high-quality lightweight sandwich composite products.

### R&D of New Products during the Reporting Period

#### High-safety and Reliable Escape Door Lock

Suitable for subway vehicles with escape doors; features strong adaptability to extreme environments, reliability during emergencies and power outages, and cost optimization for both new and old models.

#### High-durability Panic Bars

Made of 0Cr18Ni9 material, high-quality surface treatment, precision durability, and excellent fire resistance.

#### Modular Heated Floors

Uses a modular structure combining a heating system with sandwich composites to achieve lightweight, high-efficiency, and intelligent flooring with high thermal efficiency, low energy consumption, and easy assembly/disassembly for maintenance.

#### Electric Folding Seats with Anti-pinch Function and Unified Vehicle Control

Features a unified vehicle control design, anti-pinch feedback mechanism, and modular structure. Integrated with subway vehicle terminals, it enables unified folding/unfolding, passenger protection, and convenient maintenance.

#### Side Walls with Integrated Wireless Charging

Uses a replaceable unit design for easy maintenance and a simple, reliable structure. It offers fireproofing, sound insulation, and a long service life, while the integrated wireless charging enhances passenger comfort.

#### Stainless Steel Seat Forming Technology

Uses stamping, integrated welding, and welding-bonding composite processes to independently develop double-sided embossed stainless steel integrated seats, which meet both aesthetic and functional needs while optimizing structure for strength and appearance.

#### Interior Ceiling Assembly Technology

Adopts integrated and modular modes to develop standardized and functional assembly technology, efficient production lines and quality control systems to achieve high-precision manufacturing.

## 4. Metrics and Targets

Targets	2025 Progress
<ul style="list-style-type: none"> <li>2024-2025: Innovate and develop new products based on existing leading products to stabilize growth points.</li> <li>2026-2027: Deepen domestic market presence and expand international markets; product R&amp;D should keep pace with modern needs and lead the sub-industry.</li> <li>2028-2029: Further embed digitalization and AI into design, R&amp;D, manufacturing, maintenance services, supply chain management, and products to support sustainable development.</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D Investment: RMB 30.1321 million, accounting for 6.24% of main business revenue.</li> <li>R&amp;D Personnel: 118 people, accounting for 13.87% of total employees.</li> <li>Added 12 new patents, bringing the total number of valid patents to 156, including 27 invention patents and 129 utility model patents</li> <li>Accumulated a total of 17 software copyrights</li> </ul>

# Creating Customer Value

## 1. Customer Service System

CET's customer base spans multiple countries worldwide and all regions in China. To ensure service quality and satisfy customers' needs, CET has formulated standardized institutional documents such as *After-sales Control Procedure* and *Customer Satisfaction Control Program*. CET has also established a regular feedback mechanism, from receiving requests through dedicated account managers, online channels, to regular return visits. This forms a "Receipt - Registration - Processing - Feedback - Review" closed-loop, comprehensively safeguarding service levels. In 2025, the Company's customer satisfaction reached 97.36%, up 1.5% year-on-year, and the complaint resolution rate reached 100%, winning customer recognition through proven capability.

Domestic Partners

International Partners

Phase	Actions
Pre-sales	<ul style="list-style-type: none"> <li>Continuously develop and upgrade new products according to the most cutting-edge market information, so that the Company's technology and products can be adapted to the latest needs of users, and improve customer stability and adhesion.</li> <li>Customer credit evaluation management, realizing the prediction and assessment of credit risk.</li> </ul>
During delivery	<ul style="list-style-type: none"> <li>Timely response to customer needs, solve the use of difficult problems.</li> <li>Credit operations management.</li> <li>Develop the <i>Customer Complaint Statistics Form</i> and resolve customer complaints according to regulations.</li> </ul>
After-sales	<ul style="list-style-type: none"> <li>Customer satisfaction surveys and development of corrective and preventive measures based on comments and suggestions made by customers.</li> <li>Accounts Receivable Monitoring.</li> </ul>

In 2025, with refined service system, high product quality, and efficient response capabilities, CET received letters of appreciation from several partners. These letters highly praised our technology and professional and attentive full-process service, fully affirming the efficient synergy and successful outcomes achieved during cooperation.

Selected Letters of Appreciation:

Shentong ALSTOM  
Appreciation Letter

ALSTOM  
Appreciation Letter

Sifang ALSTOM  
Appreciation Letter

CAF  
Appreciation Letter

CRRC Hangzhou Vehicle  
Appreciation Letter

CRRC Suzhou Vehicle  
Appreciation Letter

Chengdu Wucheng Decoration  
Engineering Co., Ltd  
Appreciation Letter

China Railway Construction  
Engineering Group Co., Ltd  
Appreciation Letter

Tianhao Construction  
Group Co. LTD  
Appreciation Letter

China State Decoration  
Group Company Limited  
Appreciation Letter

## 2. Responsible Marketing

CET upholds its commitment to responsible marketing. Centering on customer rights and interests, CET has formulated the *Labeling and Traceability Control Procedure*. Through multiple identification methods, we ensures that information for every product, including core parameters and batch info. is clearly traceable. This ensures that clients and end-customers can easily access key information such as safety, environmental compliance, and material identification. Furthermore, key social and environmental performance metrics are clearly presented in the ESG report to help customers make informed purchasing choices.

### 3. Information Security Management

CET attaches great importance to information security management and is committed to managing confidential information responsibly as a vital part of corporate governance and sustainable development. The Company has formulated the *IT Management System and the Network Emergency Response Plan*, establishing a comprehensive information security management system to ensure the security and stability of information systems. A Computer Information System Security Protection Working Group has been established to handle network emergencies, ensuring rapid response and effective measures during security incidents. By defining processes for the acquisition, allocation, maintenance, and scrapping of IT assets, the Company standardizes the management of hardware and software assets, ensuring the rational use and protection of information.

#### Emergency Measures for Network Incidents:

##### Website Management and Security Measures

Websites are equipped with information auditors and security managers

Strict implementation of computer network security management system

Standardized management of internet access locations such as office and computer room

Dedicated personnel and log retention for internet-connected computers

##### Data Backup and Disaster Recovery

Established sound mechanisms for timely backup of important data and disaster recovery

##### Security Measures for Computer Network Equipment

Ensure effective fire, theft, lightning, and unauthorized access prevention for computer network equipment

All confidential computers are strictly prohibited from accessing the international internet, following the principles of dedicated networks, machines, personnel, and usage, and being physically isolated

Computers connected to the international internet must not store files involving state secrets, work secrets, or trade secrets

##### Prevention and Handling of Harmful Information and Malicious Attacks

Information Analyst in each department acts as the first line of defense, promptly deleting harmful information after preserving original data

The IT department serves as the second line of defense, responsible for monitoring and auditing all information, promptly handling harmful information



# 03 Evergreen Ecology, Green and Low-Carbon Development



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## Key Topics

- Environmental Management
- Energy Management
- Water Management
- Waste Disposal
- Climate Response

## Highlight Performance/Major Strategies

- Obtained ISO 14001 Environmental Management System and ISO 50001 Energy Management System Certifications
- Purchased 3,418 MWh of GECs and 181 tonnes of forestry carbon credits
- Used renewable energy equivalent to 467.28 tce
- Total GHG emissions (market-based) reached 1,860.36 tCO<sub>2</sub>e, down 50.22% year-on-year



# Enhancing Environmental Management

## 1. Governance

CET consistently adheres to the concept of green development, strictly complies with laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, and has formulated internal documents such as the *Environmental Occupational Health and Safety Management Manual*. The Company implements a General Manager responsibility system, where the General Manager clarifies management responsibilities across all departments and provides necessary resources for environmental and occupational health and safety operations. The Company has passed GB/T 24001-2016 Environmental Management Systems and ISO 14001 Environmental Management System Certifications. In 2025, through third-party auditing, CET was certified compliant with the GB/T 24001-2016 system. CET was awarded the 2025 "National Green Factory".



ISO 14001 Environmental Management System Certification

## 2. Strategy

CET regards environmental management as a vital pillar of sustainable development, striving to achieve harmonious coexistence with nature in its operations. We commit to complying with all environmental regulations, and aim to continuously reduce our environmental footprint by establishing a comprehensive and forward-looking environmental management system. We pursue the maximization of resource efficiency and ecological benefits to create long-term environmental value for our stakeholders. During the reporting period, the Company's total environmental protection investment amounted to RMB 8.3194 million.

## 3. Management of Impacts, Risks, and Opportunities

### Environmental Risk Identification

CET regularly conducts environmental risk assessments and implements corresponding prevention and control measures for identified risks, continuously improving the Company's environmental risk management. The Company has established a comprehensive accountability system for hazard identification and rectification, extending from the primary person in charge to every operator. We organize the formulation and implementation of monitoring responsibilities for all staff, creating a mechanism where everyone participates in identifying environmental hazards. We supervise and inspect environmental safety work to eliminate accident hazards in a timely manner.

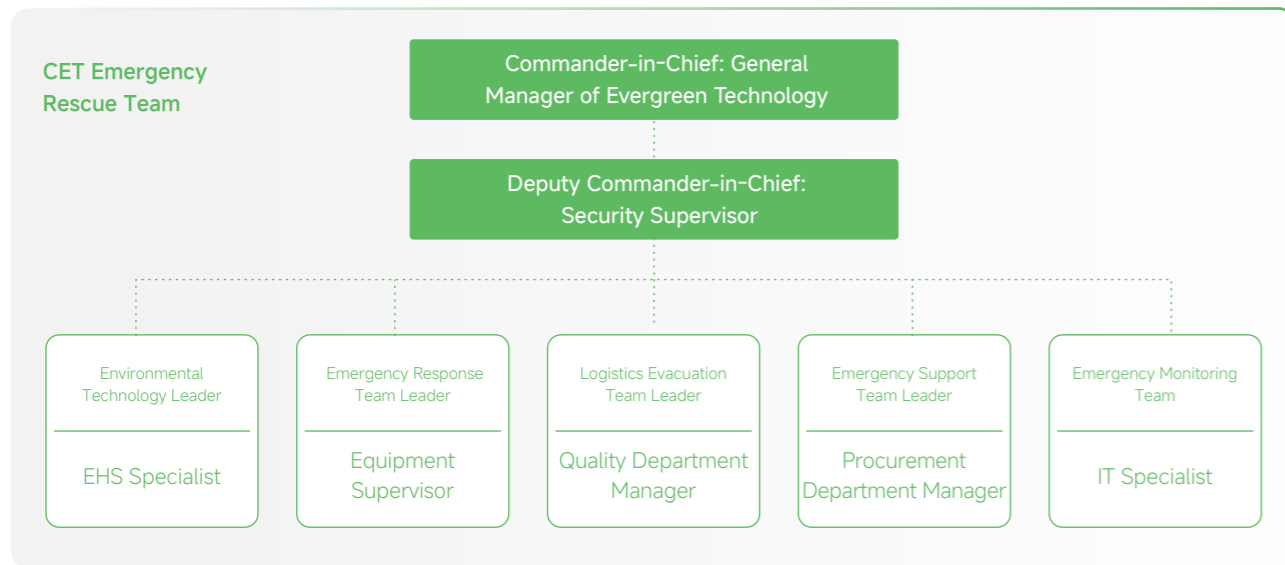
Risk Type	Existing Risk Prevention, Control, and Emergency Measures
Fire and Explosion	<ul style="list-style-type: none"> <li>Workshops, warehouses, and office areas are equipped with fire extinguishers, indoor fire hydrants, emergency lighting, fire alarms, and emergency pumps. Main workshops are equipped with lightning protection and anti-static facilities.</li> <li>The factory area has outdoor fire hydrants.</li> <li>The hazardous waste storage area is equipped with fire extinguishers, sandboxes, collection trenches, and monitoring cameras.</li> </ul>
Leakage	<ul style="list-style-type: none"> <li>Rainwater outlets have been established.</li> <li>An emergency accident pool of approximately 270m<sup>3</sup> has been set up in all factories.</li> <li>Exhaust gas treatment facilities and sewage treatment stations have been installed.</li> </ul>

CET has established a responsibility system for hazard identification and rectification, combining annual, routine, and special inspections to promptly discover and rectify environmental hazards. In 2025, the Company completed its hazard identification and rectification work and will continue to improve hazardous waste management, facility maintenance, and employee training, striving to reduce environmental risks and ensure operational and environmental safety.

To integrate environmental protection into all operational activities, the Company formulated the *Environmental Protection Objectives and All-Staff Responsibility Statement*. Through systematic management and full participation, environmental goals are broken down to each department and position. All employees are required to strictly abide by environmental regulations in their daily work and actively participate in training and improvement activities to achieve continuous enhancement of environmental performance, striving to become an industry leading example for resource conservation and environmental friendliness.

### Environmental Emergency Management

To prevent and reduce the occurrence of emergent environmental incidents and mitigate their consequences, CET formulated the *Emergency Plan for Environmental Incidents*, further improving the procedures for emergent environmental pollution events. The Company established a "three-tier structure" emergency rescue team, and clarified the responsibilities of each tier. Based on the implementation of the plan, the Company evaluates the effectiveness of the emergency plan at least every three years. During the reporting period, no major environmental incidents occurred at CET.



CET regularly organizes training, public announcements, and drills to improve the environmental incident handling capabilities of the emergency rescue team, the public, and all employees. Through various media and formats, the Company widely publicizes the emergency plan and related environmental laws and regulations to the public (neighboring enterprises, communities, populated areas, etc.). The Company organizes one practical drill annually to test, evaluate, and maintain emergency response capabilities.

**Case CET Conducts Hazardous Waste Leakage Emergency Drill**

In 2025, CET organized an emergency drill for environmental incidents. The drill simulated a leakage of waste tank liquid in the hazardous waste warehouse, covering the entire process of accident reporting, emergency response, on-site disposal, and hazardous waste collection. Through practical operations, the feasibility of the emergency plan and the collaboration of the emergency team were effectively tested. Employee awareness and response capabilities for emergent environmental incidents were enhanced. This drill further strengthened the Company's environmental risk prevention and control capabilities, and laid a practical foundation for continuously improving environmental management levels.



Emergency Drill Photos

**Cleaner Production**

CET has established a regular internal environmental audit mechanism to systematically identify resource consumption nodes and environmental impact links throughout the product life cycle. We have formulated a Green Factory implementation plan to continuously promote improvements in cleaner production.

**Pro-Environmental Culture Training**

To comprehensively improve the environmental awareness and professional capabilities of all staff, CET has systematically built a normalized pro-environmental training system. By regularly conducting special training on environmental laws and regulations combined with on-site practical drills, we ensure that employees deeply understand environmental requirements, master their environmental responsibilities, and cultivate habits of active participation in environmental management, creating a positive atmosphere for all employees to jointly build a green enterprise.

**Case CET Conducts Environmental Training**

CET conducted a special training session themed "Environmental Regulations and Pollution Prevention". On-site, trainers systematically explained the latest national and local environmental protection laws and regulations, corporate environmental responsibility requirements, and key points for identifying and controlling common pollutants using vivid graphic materials. This training effectively improved the environmental legal awareness and practical operation capabilities of all staff, laying a solid knowledge foundation for building a green production system and continuously improving the Company's environmental performance.



**4. Metrics and Targets**

Metrics and Targets	2025 Progress
Compliant Operations: Ensure all operational activities continuously comply with national and local environmental laws and regulations; zero major environmental violations.	Achieved
Risk Control Rate: 100% implementation rate of control measures for identified major environmental risk points (e.g., hazardous waste storage, exhaust outlets), with 100% digital tracking.	Achieved
Certification: Continuously review the effectiveness of the environmental management system.	Achieved
Capacity Building: Complete professional training for 100% of personnel in key environmental positions annually, and conduct basic environmental awareness training for all staff.	Achieved

# Advancing Green Operations

## 1. Green Products

CET takes the "Driving Green Innovation, Designing for the Future" mindset and promotes green design throughout the entire product life cycle, covering five key stages: green design, eco-friendly materials, green production, recyclable packaging, and product usage and recycling, striving to implement environment-friendly strategies at every stage of product development.

### Product Design

In terms of product design, CET prioritizes environmental attributes, considering performance, quality, cost, economic practicality, functionality, and aesthetics to ensure products are both environment-friendly and customer-satisfactory. The Company advocates for green and lightweight design, simplifies product structures and processing flows to achieve noise reduction and heat insulation and retention, further reducing energy consumption. Additionally, the Company focuses on extending the product lifetime, reducing environmental impacts during the usage through design optimization. For example, the closed shaft hole design used in revolving doors significantly extends the shaft's service life, reducing replacement frequency and resource waste.

### Eco-friendly Materials

Priority is given to materials that are environment-friendly, recyclable, and highly compatible with the environment. All raw materials must pass RoHS, REACH, and other standard tests, and meet international fire safety codes such as EN45545-2/3 and NFPA130.

### Green Production

Through multiple initiatives such as LED lighting renovation, distributed photovoltaic (PV) power stations, solar powered street lamps, and equipment electrification, CET continuously reduces energy dependence and carbon emissions in production. Through intelligent manufacturing, high efficiency of material utilization is achieved—implementing nesting for irregular parts has increased the utilization rate of aluminum plates and profiles from 85% to 96%.

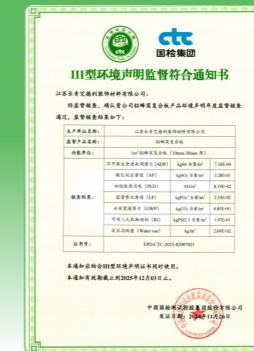
### Recyclable Packaging

In the packaging stage, principles of resource optimization are followed. Reusable steel turnover boxes are used instead of disposable wooden packaging, reducing wood consumption and transportation costs. The Company uses the ERP system for full-process statistics and cost analysis of packaging materials and optimizes tooling designs—such as using projector to aid to draw lines on composite boards—to improve material efficiency and drive the packaging system toward a circular model.

### Product Usage and Recycling

The products consume no energy during use, and cleaning methods are simple and environment friendly. Damaged parts can be repaired on-site to reduce resource waste. After scrapping, we maximize material reuse through disassembly and classified recycling. Non-recyclable parts are treated in an environment friendly manner according to solid waste disposal procedures.

CET's aluminum honeycomb composite panels successfully passed annual surveillance audits for Environmental Product Declarations and Carbon Footprint certifications, and keep improving carbon transparency and market competitiveness.



Annual Surveillance Audit for Environmental Product Declarations and Product Carbon Footprint of Aluminum Honeycomb Composite Panels

### Case Green Products — PET Floors and PET Heated Floors

PET floors and PET heated floors use recyclable PET materials as raw materials. The PET core material utilizes r-PET technology, manufactured from 100% recycled PET. Upon decommissioning, these products are 100% recyclable, ensuring circular sustainability.



## 2. Energy Management

CET continuously optimizes its energy management system, strictly complies with laws and regulations such as the *Energy Conservation Law of the People's Republic of China*, and has formulated internal systems like the *Resource and Energy Management Regulations* and the *Management Procedures for Reducing Energy Consumption and Greenhouse Gas Emissions*. We solidly promote energy conservation and emission reduction to effectively reduce the environmental impact of production and operation. The Company implements a three-tier management system—company, workshop, and team. An Energy Management Leading Group and its part-time management body have been established; relevant departments have set up energy management groups; and workshops have designated energy administrators, forming a company-wide energy management network. CET has passed ISO 50001 Energy Management System certification.

To achieve sustainable operations and support the overall emission reduction strategy, CET has set clear energy efficiency improvement targets. We are committed to systematically reducing energy consumption per unit of output value and have established a clear energy intensity optimization goal<sup>1</sup>: by 2028, we plan to achieve a 4.1% reduction in energy consumption intensity compared to the base year. In 2025, the energy consumption intensity met the annual target, laying a solid foundation for overall energy efficiency improvement.

CET is promoting the construction of an Energy Management Center platform to achieve real-time collection and intelligent monitoring of electricity usage data for production and environmental protection equipment. By correlating and analyzing the energy consumption dynamics of key equipment, the system can automatically identify operational anomalies and trigger early warning mechanisms, providing data support for refined energy efficiency management. Under the guidance of sustainable development, CET continues to promote energy-saving technological innovation and the application of clean energy.

Through systematic measures such as introducing high-efficiency production equipment, implementing architecture energy-saving renovations, and constructing PV power generation projects, we continuously tap into the energy-saving potential across the entire process and systematically improve energy use efficiency. During the reporting period, CET generated approximately 4.3982 million kWh of PV electricity, with self-consumption reaching 2.4965 million kWh. The use of renewable energy was equivalent to 467.28 tce.



ISO 50001 Energy Management System Certification

Energy Saving Measures	
<b>Energy-saving Lighting:</b>	All factory street lamps were replaced with solar street lamps, and internal lighting was completely upgraded to energy-saving equipment, achieved a 100% configuration rate of energy-saving lamps.
<b>Green Power Usage:</b>	PV projects were constructed in phases to provide a clean power supply for the factory.
<b>Production Equipment Energy Substitution:</b>	Diesel forklifts were fully replaced with electric vehicles.
<b>Waste Heat Recovery and Utilization:</b>	Waste heat generated during production is recovered through closed insulation design and intelligent temperature control systems to improve energy efficiency.

<sup>1</sup> Scope of goal setting: Headquarters and subsidiary JED.

CET Energy Consumption<sup>2</sup> Data for the Reporting Period:

Category	Unit	2025 Data
Gasoline	Tonnes	45.00
Diesel	Tonnes	7.20
Natural Gas	10,000 m <sup>3</sup>	17.54
Purchased Electricity	MWh	5,869.11
Total Energy Consumption	tce	1,011.02
Energy Intensity	tce / RMB 10,000 Revenue	0.02

## 3. Water Resource Management

CET keeps improving water resource management system, integrating water saving into day-to-day refined management. We formulated the *Resource and Energy Management System*, specifying measures and responsibilities for water management to ensure continuous optimization.

The Company has posted "Save Water" signs at all water points and conducts regular inspections to eliminate dripping and ensure leaks are reported and repaired promptly. Water-saving sanitary fixtures—including ceramic core faucets, low-level tanks, and sensor faucets—are fully utilized to eliminate constant water flow. Additionally, the Company uses water pipes with smooth inner walls and low-resistance valves to reduce water loss and prevent leakage. As of the end of the reporting period, the Company had installed 66 water-saving appliances, and achieved a water-saving rate of over 20% compared to conventional faucets. By replacing appliances and optimizing cistern use, the Company has significantly reduced water consumption.

## 4. Biodiversity Protection

CET systematically promotes ecological protection through the *Management and Control System for Biodiversity Conservation*. The Company specifies requirements to avoid damaging ecosystems during production and living activities. We commit to ensuring that our operations do not negatively impact ecosystems and biodiversity. The General Manager is responsible for resource allocation, the HR and Administration Center manages internal publicity, and each department executes relevant tasks.

The Company protects the surrounding ecological environment through soil protection, atmospheric pollution control, energy conservation, emission reduction, and enhanced wastewater management. Within the factory area, CET cultivates a variety of flowers and plants to maintain a good environment. Through employee training, we guide employees to abide by laws and regulations, protect biodiversity, and prohibit the killing or eating of wild animals and the illegal felling of protected plants. We encourage employees to learn about environmental protection, understand the damage of invasive species, and participate in public welfare activities to contribute to the goal of harmony between humans and nature.

<sup>2</sup>Total Energy Consumption including Gasoline, Diesel, Natural Gas and Purchased Electricity.

# Addressing Climate Change

## 1. Greenhouse Gas Management

To systematically address climate change challenges and deeply integrate green, low-carbon development into strategy and operations, CET has established a top-level governance structure with clear responsibilities and high synergy. The Company formed an Energy Saving and Carbon Reduction Leading Group, with the General Manager as the group leader to lead climate actions and the sustainability development, and the Vice General Manager as the deputy leader. Core members include heads of major functional departments, ensuring full coverage and cross-functional collaboration of climate issues at the decision-making level.

The Company has passed ISO energy management system certification and established management mechanisms for reducing energy consumption and carbon emission. Data analyses are conducted regularly to enable timely correction, root cause analysis, and implementation of carbon reduction measures. Furthermore, a systematic internal audit system has been established to independently audit energy consumption and carbon emission data, ensuring authenticity and process effectiveness, thereby supporting the CET's green transformation goals.

## 2. Risk and Opportunity Identification

CET established a systematic risk assessment mechanism to monitor and identify the impact of climate change on business operations, supply chain management, and the market. Meanwhile, we take proactive measures, including optimizing energy structures, improving resource efficiency, and developing low-carbon products, to mitigate climate-related risks and seize transformation opportunities.

To systematically assess the potential impact of climate-related risks and opportunities on business development and strategy, we conducted multi-dimensional climate scenario analysis. This was done with reference to mainstream international and domestic climate information disclosure frameworks, combined with authoritative research models from NGFS (Network for Greening the Financial System) and IPCC (Intergovernmental Panel on Climate Change).

<b>Low-carbon Scenarios</b>	SSP1-1.9: CO <sub>2</sub> emissions reach net zero by 2050.NZE 2050. NZE 2050: A pathway to reduce global energy-related CO <sub>2</sub> emissions to net zero by 2050.
<b>High-carbon Scenarios</b>	SSP5-8.5: CO <sub>2</sub> emissions are projected to double from current levels by 2050. STEPS: Stated Policies Scenario (STEPS), including policies that have been formally proposed but not yet implemented, and other official strategic documents indicating future directions.

Type	Risk/ Opportunity	Risk Description	Impact Cycle	Impact Intensity	Countermeasures
<b>Physical Risks</b>	Acute Physical Risks	Extreme weather (floods, droughts, hurricanes, etc.) may directly damage production facilities, supply chains, and logistics.	Medium to Long-term	Medium	<ul style="list-style-type: none"> <li>Enhance the disaster resilience of infrastructure, such as reinforcing factory buildings and constructing flood control facilities;</li> <li>Develop contingency plans to ensure rapid resumption of production in the event of a disaster;</li> <li>Diversify supply chains to reduce reliance on a single region or supplier.</li> </ul>
	Chronic Physical Risks	Rising average temperatures and changing precipitation patterns may affect equipment efficiency, employee health, and energy consumption.	Medium to Long-term	Medium	<ul style="list-style-type: none"> <li>Implement an employee health management program and provide heatstroke prevention and cooling measures.</li> <li>Improve energy efficiency to reduce energy costs resulted from increased cooling demands.</li> </ul>
<b>Transition Risks</b>	Policy and Legal Risks	Changes in regulations (e.g., carbon taxes) may directly increase carbon emission costs.	Medium-term	Medium	<ul style="list-style-type: none"> <li>Conduct carbon footprint assessments to identify opportunities for emissions reductions;</li> <li>Invest in low-carbon technologies and clean energy, such as renewable energy and carbon capture and storage (CCS) technologies;</li> <li>Optimize production processes to improve energy efficiency.</li> </ul>
	Changes in Consumer Demand	Consumers favor low-carbon products; failure to provide them may lead to market share loss.	Medium-term	Medium	<ul style="list-style-type: none"> <li>Conduct life cycle assessments to identify a product's carbon footprint;</li> <li>Develop low-carbon products, such as those made from renewable or recyclable materials;</li> <li>Strengthen green marketing efforts to enhance the brand's eco-friendly image.</li> </ul>

Type	Risk/ Opportunity	Risk Description	Impact Cycle	Impact Intensity	Countermeasures
Opportunities	Technical Innovation Opportunities	Improving product environmental performance and energy efficiency through R&D of new materials and smart manufacturing.	Medium-term	Medium	<ul style="list-style-type: none"> <li>• Increase investment in the research and development of new technologies and materials;</li> <li>• Introduce advanced equipment to improve production efficiency;</li> <li>• Strengthen employee training and recruitment to foster a spirit of innovation among staff.</li> </ul>
	Reputation Opportunities	Building a positive corporate image through pro-environmental measures to gain trust and support.	Long-term	Low	<ul style="list-style-type: none"> <li>• Promote environmental protection concepts and enhance brand awareness and reputation;</li> <li>• Develop eco-friendly products and optimize production processes;</li> <li>• Strengthen communication with stakeholders and actively address their concerns;</li> <li>• Participate in industry collaborations and share experiences.</li> </ul>

### 3. GHG Reduction Actions

In promoting green development, CET always regards low-carbon transformation as a core strategy for sustainable development. We realize that achieving carbon neutrality is not only a national strategic requirement but also an internal need for the Company to face the future and build long-term competitiveness. To this end, we formulated the *Energy Consumption and Greenhouse Gas Emission Reduction Management System*, systematically planning and implementing a series of reduction initiatives. From production process optimization and product innovation to energy structure transformation and carbon management mechanism construction, we are gradually building a GHG management system covering the entire value chain. In 2025, CET was recognized as a municipal "Near-Zero-Carbon Factory".

Our emission reduction pathway evolves along four key routes:

#### Route 1 Energy-saving Renovation of Production Processes

- **Efficiency Upgrades:** Intelligent upgrades for core equipment to optimize functions and reduce failure rates; replacement with high-efficiency motors and equipment.
- **Waste Heat Recycle:** We upgraded the exhaust systems of painting lines, spray booths, and FRP production lines to recover heat.

#### Route 2 Eco-design for Product Life Cycle

- **Lightweight and Modular Design:** Reducing weight through material substitution and structural optimization; using modular design to improve material utilization.
- **Eco-friendly Materials:** Prioritizing non-toxic, recyclable raw materials; promoting green technologies to improve recyclability.
- **Local Procurement and Low-carbon Supply Chain:** Increasing the proportion of local procurement to reduce transport emissions; establishing a green supplier evaluation system.

#### Route 3 Energy Structure Transformation

- **Scale Application of Renewable Energy:** Constructing multi-phase PV power stations to maximize solar power use; installing solar street lamps.
- **Green Electricity Usage:** Actively purchasing green electricity.
- **Clean Energy Substitution:** Clean energy renovation for heating systems; fully replacing diesel forklifts with electric ones.

### Route 4 High-quality Carbon Offset Practices

- **Carbon Offset:** For residual emissions after voluntary reduction, CET offsets through GEC trading and purchasing forestry carbon credits. In 2025, the Company purchased 3,418 MWh of GECs and 181 tons of forestry carbon credits.

## 4. Metrics and Targets

CET actively responds to the national carbon peaking and carbon neutrality goals, incorporating green and low-carbon development into its core strategy and formulating clear, quantifiable, and phased GHG reduction targets. Through systematic management, technological innovation, and continuous investment, the Company promotes the low-carbon transformation of the entire value chain, striving to become a near-zero carbon benchmark in the field of rail transit interior materials.

In 2025, the Company's total GHG emissions (location-based) were 3,480.32 tCO<sub>2e</sub>; total GHG emissions (market-based) were 1,860.36 tCO<sub>2e</sub>, down 50.22% year-on-year. The emission details are as follows:

GHG Category	Unit	2025 Data
Scope 1 Emission	tCO <sub>2e</sub>	547.17
Scope 2 Emission (Location-based)	tCO <sub>2e</sub>	3,114.15
Scope 2 Emission (Market-based)	tCO <sub>2e</sub>	1,494.20
Carbon Offsets	tCO <sub>2e</sub>	181
<b>Total GHG (Location-based)</b>	tCO <sub>2e</sub>	<b>3,480.32</b>
<b>Total GHG (Market-based)</b>	tCO <sub>2e</sub>	<b>1,860.36</b>

# Upholding Compliance Standards

## 1. Waste Management

CET systematically promotes waste management through strict classification, compliant disposal, and source reduction. The Company strictly complies with standards such as *Standard for pollution control on the non-hazardous industrial solid waste storage and landfill* (GB 18599-2020) and *Standard for pollution control on hazardous waste storage* (GB 18597-2023). We formulated the Hazardous Waste Management System, clarifying storage, transportation, and disposal processes to avoid secondary pollution. Solid waste from production includes waste packaging, scraps, dust, welding slag, waste cutting fluid, tank residues, filter cotton, waste rags/gloves, activated carbon, waste drums, sludge, and domestic waste. General industrial solid waste (scraps, honeycomb panels, aluminum plates) is temporarily stored in dedicated warehouses and entrusted to a qualified organization for legal disposal. Hazardous waste (drums, tank liquids, activated carbon) is collected and stored in hazardous waste warehouses for compliant disposal by professional organizations.

The Company established the "Guidelines for Product Decomposition, Recovery, and Circular Reuse". Upon scrapped, products are disassembled and classified. For instance, usable aluminum panels are cleaned and polished for direct reuse, while profiles and accessories that cannot be directly reused are sold as recyclable scrap for comprehensive utilization.



— Packaging Material Recycling and Reuse —

During the reporting period, CET achieved 100% compliant discharge of waste. The total waste discharge was 136.8 tonnes, including 50 tonnes of domestic waste, 85 tonnes of general industrial solid waste generated (65 tonnes recycled), and 66.8 tonnes of hazardous waste.

## 2. Wastewater Management

CET strictly adheres to the principle of "Collect by Category, Treat by Quality" to systematically promote wastewater management. The Company's wastewater primarily consists of domestic sewage and industrial wastewater, with the latter including rinse water from surface treatment processes, floor cleaning wastewater, spray wash wastewater, boiler circulation water, and effluent from the purified water production system. During the reporting period, we utilized environmentally friendly pretreatment chemicals free of P and N to reduce pollutant emissions in wastewater.

CET's factory premises implement a separate storm and sanitary sewer system, and the separation of stormwater and wastewater within the facility has been fully implemented; stormwater is conveyed through stormwater pipes into the municipal stormwater network. Domestic wastewater and wastewater from floor cleaning are treated via on-site wastewater treatment facilities before being discharged into the municipal sewer system. Production wastewater, such as wastewater from product surface treatment and cleaning, as well as wastewater from exhaust gas scrubbing, is treated at the wastewater treatment plant. This production wastewater is combined with existing domestic sewage and treated to meet discharge standards before being discharged into the municipal sewer system, ultimately flowing to the Changzhou Riverside Wastewater Treatment Plant for centralized treatment. Production wastewater and domestic sewage are treated according to the principle of "Collect by Category, Treat by Quality". The company conducts regular wastewater testing to ensure compliance with discharge standards.

During the reporting period, the Company achieved 100% compliant discharge of wastewater. Total wastewater discharge was 8,090 tonnes, with COD emissions of 1.45 tonnes and ammonia nitrogen emissions of 0.16 tonnes.

## 3. Exhaust Gas Management

CET comprehensively reduces pollutant emissions from the production process through multi-level exhaust gas treatment measures. Currently, the Company owns 7 sets of exhaust treatment devices, including activated carbon adsorption units, catalytic oxidation equipment, filter cotton + sodium hypochlorite spray + water spray + activated carbon adsorption systems, bag filters, two-stage high-efficiency precision filters, two-stage activated carbon adsorption devices, and fume purifiers. These cover the treatment of welding fumes, organic waste gas, and other pollutants. The Company conducts regular exhaust gas testing to monitor emissions and ensure compliance.

The Company systematically promotes exhaust emission control based on the principle of "Emphasizing both Source Reduction and End-of-Pipe Treatment".

### CET Exhaust Reduction Measures:

#### Source Control

Actively optimizing production processes and promoting eco-friendly coatings; established water-based paint production lines for products unsuitable for powder coating, using low-volatility raw materials to replace traditional solvents.

#### End-of-pipe Treatment

Classified treatment based on exhaust characteristics.

- **Spraying Workshop:** Organic gas is treated by "filter cotton + sodium hypochlorite spray + water spray + activated carbon adsorption"; powder solidification gas uses catalytic oxidation; grinding gas is purified by "bag filters + activated carbon fiber adsorption".
- **FRP Workshop:** Adhesive process gas is collected and treated by activated carbon fiber adsorption.
- **Welding Workshop:** Welding fumes are collected and purified in real-time by mobile purifiers.
- **Combustion Equipment:** Burners and boilers use clean energy, with emissions monitored for compliance.

### 2025

JED renovated the grinding room so that dust can be sprayed with water before entering the filter press, thus solidifying the dust. Reducing the area of the composite workshop makes it easier to collect and centrally process volatile substances such as adhesives and acetone, thereby reducing air pollution.



During the reporting period, the company's exhaust emissions met 100% of the standards, with emissions of volatile organic compounds (VOCs) at 0.316 tons, sulfur oxides (SOx) at 0.035 tons, nitrogen oxides (NOx) at 0.327 tons, and particulate matter (PM) at 0.07 tons. Emissions of all these pollutants showed a downward trend, with SOx decreasing by 79.4% year-on-year, NOx decreasing by 53.29% year-on-year, and PM decreasing by 85.23% year-on-year.

# 04 Evergreen Talent, Harmonious Workplace



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### Key Topics

- Employee Rights and Benefits
- Employee Diversity
- Occupational Health and Safety
- Talent Attraction and Retention
- Talent Training and Development

### Highlight Performance/Major Strategies

- Formulated the Regulations on the Prohibition of Child Labor Use, clarifying key prevention and remediation measures
- Female employees account for 21.97% of the workforce
- The return-to-work rate and retention rate of employees on parental leave both reached 100%
- Total training duration reached 12,765 hours, with an average of 15 training hours per person
- Obtained ISO 45001 Occupational Health and Safety Management System Certification
- No instances of occupational hazard factors exceeding standards, and no major occupational health cases occurred

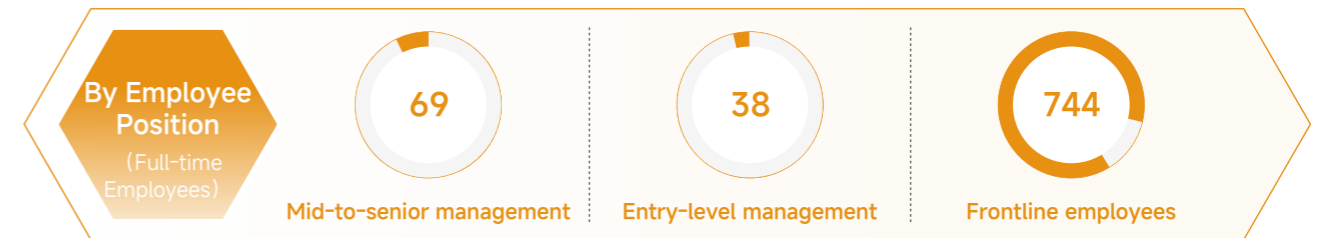
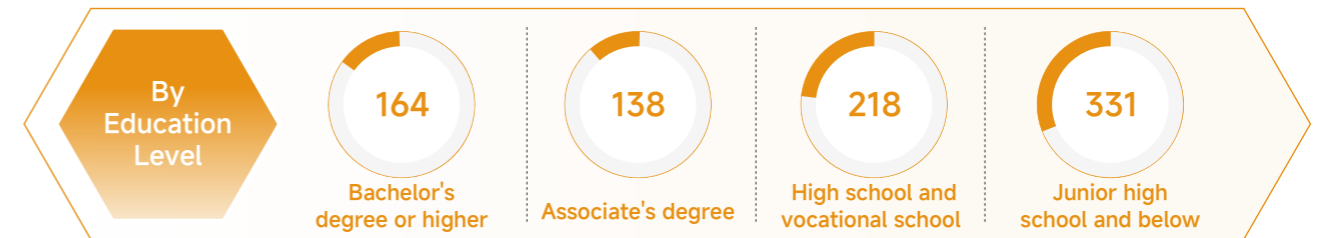
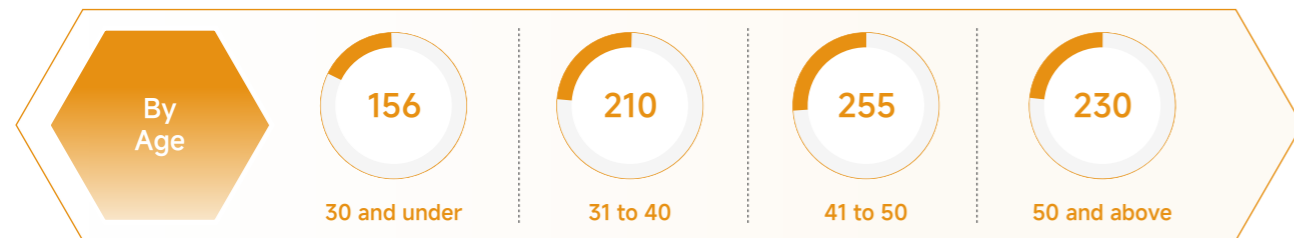


# Advancing Workforce Diversity

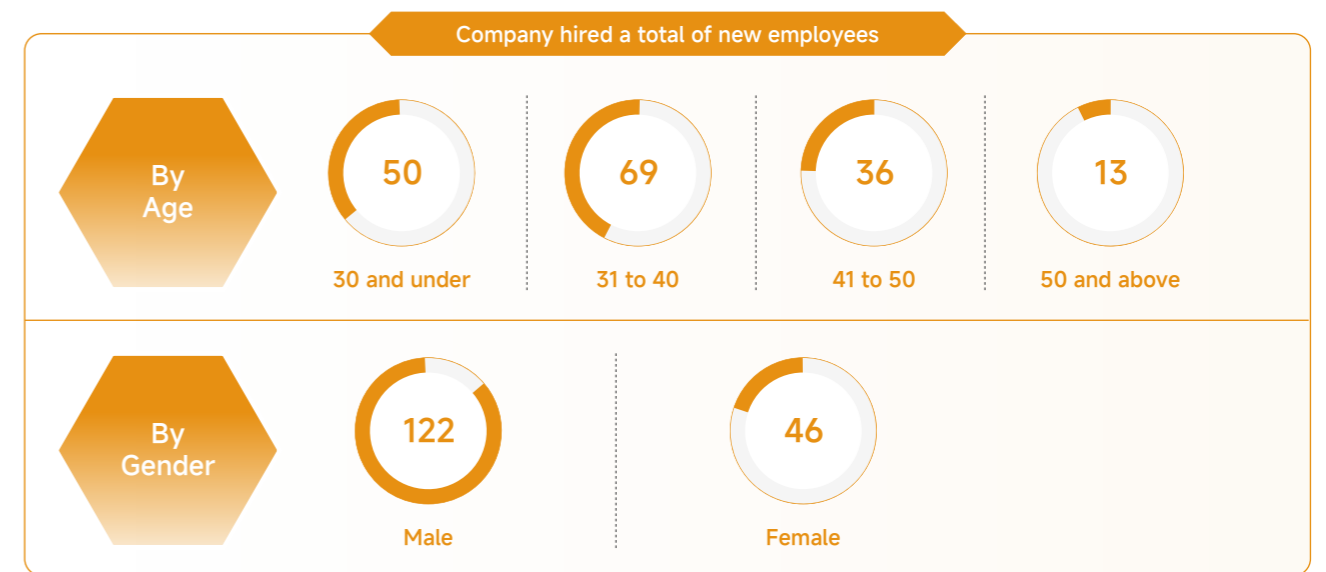
## 1. Labor Management

CET strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Law of the People's Republic of China*, and other relevant laws and regulations. We have formulated a series of human resource management systems, such as the *Recruitment Management Regulations and the Employee Handbook*. We sign labor contracts and pay social insurance in accordance with the law, prioritizing the legitimate demands and rights of our employees. Based on the internal and external requirements for the company's development, we scientifically predict and analyze the supply and demand of human resources amidst market changes. On this basis, we formulate the overall *Human Resource Management Plan and Program* covering job establishment, staffing, education and training, salary distribution, career development, and human resource investment, providing human resource guarantees and services for the company's overall development strategy. During the reporting period, no labor standard violations or administrative penalties related to labor arbitration occurred.

As of the end of the reporting period, the total number of formal employees at CET was 851, with 26.09% localized employees, 16 veterans in service, and 17 employees from poverty-alleviation areas. Data for all formal employees classified by ethnicity, age, gender, education, and function are as follows:



CET highly values attracting and retaining talent, and has formulated the *Recruitment Management Regulations and Talent Introduction Management Measures*. It attracts talent from diverse backgrounds through multiple channels, including on-site and online campus recruitment, social recruitment, and talent introduction programs. The company innovates and explores efficient recruitment methods, actively connects with recruitment resources, and strengthens its reserves of key positions and future talent. During the reporting period, the company hired a total of 168 new employees, broken down by gender and age as follows:



The Company implements comprehensive employee retention measures across three dimensions: protection of rights, growth empowerment, and cultural cohesion, effectively enhancing employees' sense of belonging. We have established the *Employee Resignation Management Regulations*, conducting thorough communication with employees intending to resign to understand their needs and continuously optimize management. The Company builds a sound human resource planning system to effectively safeguard all legal rights, reasonable compensation, and benefits for employees. We have established a robust talent training and career development system, customized training content aligned with job requirements and opened up internal promotion channels to provide ample space and resource support for career growth, to achieve mutual development of the enterprise and employees. During the reporting period, the Company's voluntary turnover rate was 16.5%.

## 2. Diversity and Empowerment

CET values employee diversity and equality, and is committed to ensuring that employees will not be discriminated against, bullied, or subjected to any unfair treatment based on gender, skin color, nationality, ethnicity, cultural background, religious belief, or family situation during recruitment, promotion, and daily work. The company pledges to resolutely resist the employment of child labor or forced labor. The company has formulated the "Management Regulations on Prohibiting the Use of Child Labor," which clearly outlines the corresponding measures taken to prohibit the use of child labor and requires all internal staff and potential external contractors/suppliers to refrain from using child labor in any position. Furthermore, the company has signed a "Commitment Letter on Prohibiting the Use of Child Labor" to prevent the employment of child labor as much as possible. During the reporting period, the company did not experience any incidents of employing child labor or engaging in gender discrimination that violated labor standards.

### Key Prevention and Remediation Measures for the Prohibition of Child Labor:

#### Prevention Measures

Conduct strict verification of applicants, checking ID cards, photos, household registrations, and other information.

Conduct a unified census of new employees within one month and random spot checks thereafter as necessary.

#### Remediation Measures

Immediately settle all wages for any mistakenly employed child labor.

Return the child labor to their place of residence and ensure they are received by parents or guardians.

Provide support depending on the circumstances to help the child continue their school education.

CET advocates for gender equality and strongly supports the personal development of female employees. We strictly implement regulations regarding maternity leave, maternity leave, and breastfeeding leave for female employees, encouraging their participation in dialogue, discussion, and decision-making, and creating more growth opportunities and possibilities for self-realization. In 2020, under the guidance and support of the Changzhou Xinbei District Women's Federation, the company established the "Evergreen Women's Federation." Through diverse activities and work, we further enhance the work capabilities, professional qualities, and quality of life of female employees, strengthen corporate cohesion, promote corporate culture, and contribute to improved corporate performance. During the reporting period, we conducted a questionnaire survey on sexual harassment of female employees to understand the healthy working environment of female employees and protect their rights. As of the end of the reporting period, the return-to-work rate and retention rate of employees on maternity leave were both 100%, and the proportion of female employees in the company reached 21.97%.



International Women's Day Activity

### Case Consolidating "SHE" Power, Leading Innovation and Fulfilling Mission

Under the guidance of the Provincial and Municipal Women's Federations, Ms. Zhou Yinmei, President of CET, shared the company's journey of upholding its commitment to industry, technological innovation, and global expansion with female representatives from new economic organizations nationwide during the "Voice of Magnolia" outreach event. She demonstrated the responsibility and commitment of female entrepreneurs to integrating personal ideals into national development and expressed her mission to build a world-class manufacturer that makes "Intelligent Manufacturing in China" shine internationally. This outreach event reflects CET's social responsibility practices in empowering female leadership, promoting entrepreneurial spirit, and proactively integrating into the national development strategy, showcasing the company's pursuit of sustainable development and comprehensive value.



"Voice of Magnolia" Lecture Activity

## Enhancing Employee Well-being

### 1. Compensation Management

CET has established a scientific, fair, and incentivizing compensation management system aimed at protecting employee rights, stimulating organizational vitality, and supporting sustainable development. Following the three principles of "Fairness, Incentive, Economy", the company has formulated systems such as the *Compensation Management System*, *Employee Incentive Management Regulations*, and *Performance Evaluation Management Regulations* covering all employees. We design differentiated salary structures for management, functional, and front-line positions to balance internal equity with external competitiveness.

Employee compensation is deeply linked to performance. Monthly and annual performance evaluation results determine fluctuations in performance pay and the distribution of excess incentives. A "reservoir" mechanism is also in place to link employee benefits closely with the company's long-term business goals. Additionally, the company offers a comprehensive welfare system including diverse employee activities and enhances employees' sense of belonging and cohesion through annual performance evaluations and other honor mechanisms.

CET conducts regular performance evaluations and maintains open feedback channels, providing positive or negative salary incentives based on evaluation results. Employees who have objections to the process or results of their evaluation have the right to appeal to the next higher-level supervisor or the HR and Administration Center during the evaluation period or within 5 working days after its conclusion. Relevant leaders and the HR Center will review the process or results with the appellant and their direct supervisor and provide a formal response. The HR Center archives the results and feedback. During the reporting period, performance evaluations were completed for all employees.

## 2. Employee Care

CET is committed to building a respectful, trusting, and supportive work environment. We not only focus on employee performance and career growth, but also value the physical and mental well-being and personal happiness of each employee. Through continuously improving our compensation and benefits system, providing diverse training and development opportunities, organizing rich team activities, and fostering an open and inclusive cultural atmosphere, we strive to ensure that every employee feels a sense of belonging, accomplishment, and happiness in their work. We firmly believe that employee satisfaction and growth are the core driving force for the company's sustainable development. CET will continue to listen to its employees, convey humanistic care, and work hand in hand with all employees to create a better future.

### Benefits System

- Statutory Benefits: Social insurance (Pension Insurance, Medical Insurance, Unemployment Insurance, Work Injury Insurance, and Maternity Insurance) + Housing Provident Fund.
- Subsidized Work Meals.
- Various holidays and employee birthday greetings.
- Diverse team-building activities.
- Honor Incentives: Monthly and annual excellence awards.



Marbled Silk Scarf Activity



Fragrant Tablet Making Activity



Employee Birthday Activity



Spring Outing Team-building Activity

We always care about the work and life of every employee, recognizing that each member is an indispensable part of our family. Whether facing challenges at work or difficulties in life, the company will provide warmth and support through organized visits and necessary assistance. During the reporting period, we provided assistance to four employees facing difficulties, investing a total of RMB 4,400.



员工探望

The Company held the third meeting of the 2024 Employee Stock Ownership Plan Management Committee on August 11, 2025, the fifth meeting of the Fourth Board of Directors' Remuneration and Appraisal Committee on August 21, 2025, and the 13th meeting of the Fourth Board of Directors on August 22, 2025. These meetings reviewed and approved the *Proposal on the Allocation of Reserved Shares under the Company's 2024 Employee Stock Ownership Plan*, authorizing the Company to allocate the reserved shares under the 2024 Employee Stock Ownership Plan. The Company plans to allocate 220,000 reserved shares (equivalent to 1.76 million units) to 24 eligible participants at a purchase price of RMB 8 per share, which is consistent with the initial grant price. None of the participants are directors or senior executives of the Company, and the source of funds is self-raised or personal funds of the employees. On September 22, 2025, the 220,000 shares of the company stock held in the repurchase special securities account were transferred to the 2024 employee stock ownership plan account on September 19, 2025 through a non-trading transfer.

## 3. Democratic Communication

The Company strictly complies with the *Trade Union Law of the People's Republic of China* and relevant regulations, formulating the *Constitution and Working Regulations of the Labor Union* and the *Rationalization Proposal Management Regulations* to protect employees' rights to join unions and engage in democratic communication. Our goal is to establish strong communication relationships with employees and union representatives. To ensure employee opinions and suggestions are effectively conveyed and to understand their needs, the Company has established diversified communication channels and mechanisms. Through the trade union, employee representative meetings, satisfaction surveys, and suggestion boxes, we encourage all staff to offer suggestions or appeals regarding individual performance, corporate management, benefits, and work environment. As of the end of the reporting period, the company's labor union covered 100% of its workforce.

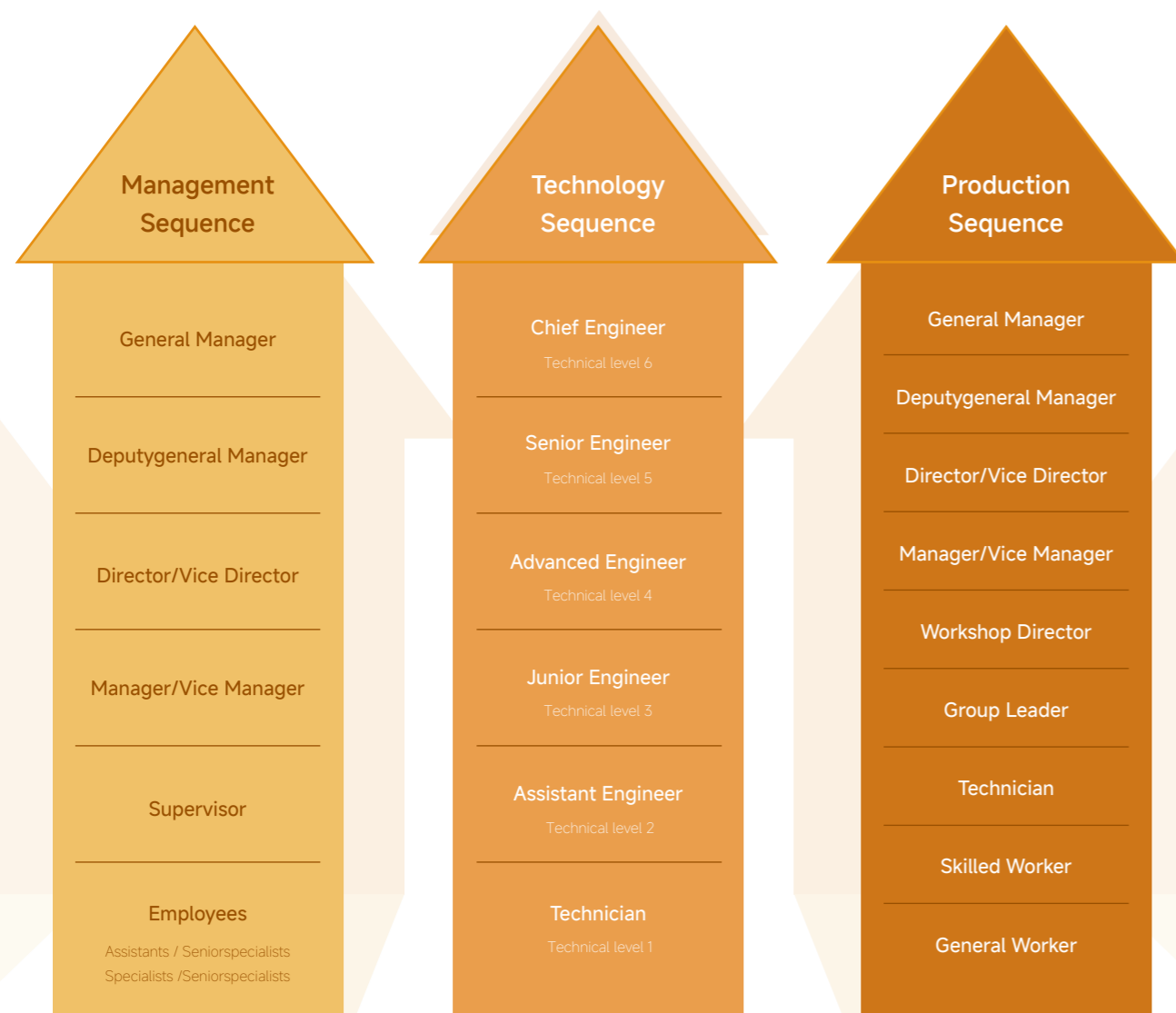
In 2025, we conducted an employee satisfaction survey, and the employee satisfaction rate is over 98%. The survey covers aspects such as departmental information, employees' identification with the company's mission and values, the physical environment of the workplace, team collaboration atmosphere, and the quality of food and service in the cafeteria, aiming to comprehensively understand the current job satisfaction of employees.

# Empowering Career Development

## 1. Employee Development

CET has built a systematic and diversified employee development system to provide every employee with a clear and sustainable career growth path. The company has established a "vertical development channel" and a "horizontal expansion platform" covering three major tracks: management, technology, and production, to support employees in achieving promotion or cross-domain transformation based on their own strengths and development aspirations. We not only define qualifications and review processes for each level through the *Promotion Management Regulations* to ensure fairness and rationality of promotion but also emphasize the organic integration of forward-looking talent recruitment and internal cultivation.

### Evergreen Technology Career Development Path:



Through the implementation of the "Talent Introduction Plan", we actively recruit high-level and innovative professionals, and offer competitive compensation, benefits, and special subsidies. Simultaneously, the company has systematically built an employee career development support system where department heads serve as mentors. Starting from the completion of the probation period, career development talks are held to help clarify directions. We also promote the establishment of career development files for all staff, and conduct annual assessments of individual strengths and skills, tracking progress in conjunction with the *Employee Career Development Plan*. We encourage continuous learning and skills ramp-up, closely linking performance results with promotions, salary adjustments, and training resources to foster a healthy development atmosphere where "Promote the Capable, Reward the Excellent". During the reporting period, the company achieved 100% coverage of employee career development files and 100% coverage of new employee development talks, continuously supporting the mutual growth of employees and the organization.

## 2. Employee Training

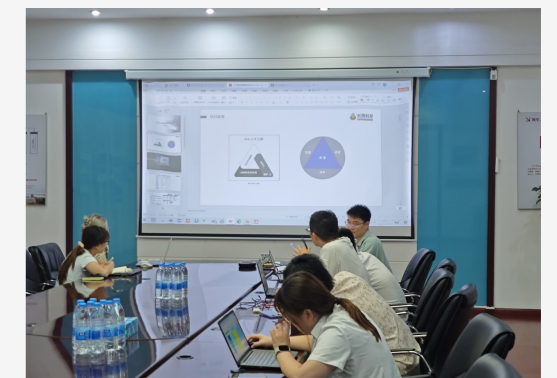
CET has established a systematic and institutionalized employee training system aimed at building high-quality management, technical, and skilled teams. We formulated the *Training Management Regulations* to build a system covering all staff and full processes. Targeted training plans are developed through annual training needs surveys, supported by an excellent team of internal lecturers and external experts. By developing internal knowledge-sharing systems like the "Quantum Platform", we actively carry out diverse internal and external training activities, including induction training, on-the-job improvement, skill certification, and management reserves, comprehensively promoting employee growth and organizational capability. Through systematic special training in project management, the Company provides management and key technical personnel with a knowledge system covering the entire project life cycle, enhancing leadership.

Training assessments take various forms, including written tests, work summaries, practical operations, and reports, with corresponding qualification standards and effectiveness evaluation mechanisms to ensure the validity of training. All training records are centrally archived by the HR and Administration Center and recorded in employees' personal training resumes, providing an important basis for probation completion, promotion, and job adjustments.

During the reporting period, the company's investment in employee training and development totaled RMB 113,100. The total training duration reached 12,765 hours, with an average of 15 hours per person and a 100% training coverage rate.

### Case CET Conducted "Leadership Training" Special Session

To systematically enhance project management capabilities, CET launched leadership training such as "Improving Project Management Capabilities". The program focuses on core modules like project planning, teamwork, risk control, and customer communication, utilizing case teaching and practical exercises based on real business scenarios. By introducing senior mentors and conducting internal case reviews, the program promotes the heritage of management experience and the implementation of strategies, providing solid talent support for undertaking major projects and driving business innovation, thereby continuously strengthening the organization's core competitiveness.



Training for Project Management Department

Case CET Conducted "Effective Communication and Conflict Resolution" Special Session

To help employees improve communication efficiency and conflict resolution skills, CET conducted a special session on "Effective Communication and Conflict Resolution". The training began with the classic "Paper Tearing Game", guiding employees to personally experience errors in information transmission during one-way communication, vividly revealing the importance of the "Encoding - Decoding - Feedback" closed loop. Combined with work realities, the course explained the roles of communication skills, cultural backgrounds, and emotional management in resolving workplace differences, enhancing team collaboration and problem-solving abilities.



Effective Communication and Conflict Resolution Training

Other Training Sessions (Selected):



International Logistics Knowledge Training



Safety Training for Resumption of Work and Production



Order Audit Training



PFMEA Training

# Safeguarding Employee Health

## 1. Governance

CET has obtained ISO 45001 Occupational Health and Safety Management System Certification and conducts regular maintenance and updates to ensure the system's continuous and effective operation. In daily operations, the Company builds a comprehensive safety protection network for employees based on these standards and the Company's actual conditions. During the reporting period, the Company was audited by a third party and found to be in compliance with the GB/T 45001-2020 standard.

At the beginning of each year, the General Manager signs *Safety Responsibility Agreements* with department heads, who in turn sign them with their staff, defining safety responsibilities, targets, and evaluation metrics for the year. We established the Occupational Health and Safety Production Committee (Safety Committee), which meets quarterly to make decisions on major safety issues. The EHS Supervisor is responsible for implementing the committee's decisions and exercising the Company's safety management and supervision functions. In 2025, the investment in production safety reached RMB 976,400.



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

## 2. Strategy

**Life is paramount, prevention is key**  
 Prioritize the protection of employee life, health, and safety in all production and business activities; insist on early intervention and strengthen source governance.

**Shared responsibility, leadership guidance**  
 Implement the safety production responsibility system from management to front-line staff; emphasize that leaders at all levels should lead by example and fulfill safety commitments through visible actions.

**Systematic management, technological empowerment**  
 Build and optimize a systematic risk management system; actively utilize digital and intelligent tools to improve management efficiency and predictive early warning capabilities.

**Continuous improvement, pursuit of excellence**  
 View workplace safety as a dynamic improvement process; achieve a spiral of improvement in safety performance through regular reviews, bench marking, and cultural promotion.

### 3. Management of Impacts, Risks, and Opportunities

#### Risk Identification and Management

To continuously improve the level of production safety, CET has built and operates a systematic and digital risk identification and control system aimed at minimizing operational risks and effectively safeguarding employee safety and production stability. Our management practice centers on "Systematic Identification and Hierarchical Control". Based on national regulations and industry standards, we conduct dynamic hazard identification and scientific risk assessments across all production stages and register them via the government's unified safety supervision platform.

The Company clearly distinguishes between "Major Risks" and "General Risks", and implements differentiated and refined hierarchical file management to ensure risks are controllable. For different risk levels, we designed closed-loop control mechanisms: monthly special inspections are conducted for major risk points, with QR code confirmation to ensure control is in place. We also implement a weekly inspection system led by management, where system records drive immediate rectification of hazards, translating management's safety commitments into daily supervisory actions.

In addition, CET keeps improving institutional guarantees and all-staff participation mechanisms, formulating regulations such as the *Workplace Safety Responsibility Management System* and the *Workplace Safety Whistleblower Policy*. Through quarterly safety meetings led by the General Manager, daily team inspections, and external training/supervision, a regular management loop is formed. The EHS department is specifically responsible for handling occupational health and safety issues reported by employees, ensuring timely feedback, rapid response, and closed-loop disposal of hazards.

Security Risks Identified by the Company:

Risk	Description	Mitigation Strategies
Exposure to Harmful Substances	Employees may be exposed to hazardous substances such as chemicals and biological agents, which can pose a risk to their health	<ul style="list-style-type: none"> <li>Install ventilation and containment systems in industrial facilities to reduce the concentration of hazardous substances</li> <li>Provide protective equipment, such as respirators, to exposed workers</li> <li>Regularly monitor the work environment</li> </ul>
Noise Damage	Long-term or high-intensity exposure to noisy environments can lead to hearing loss, tinnitus, or even permanent deafness. Additionally, noise can cause a range of physical and psychological issues, such as headaches, insomnia, and anxiety.	<ul style="list-style-type: none"> <li>Implement noise reduction measures at the source, such as installing mufflers or soundproof enclosures on machinery and applying sound-absorbing treatments to building structures</li> <li>Schedule work shifts appropriately to avoid prolonged continuous exposure to high-noise environments, and regularly monitor and assess noise levels in the workplace</li> <li>Provide personal protective equipment such as earplugs and earmuffs to personnel working in noisy environments, and train them on proper usage</li> <li>Organize regular hearing screenings for employees, establish hearing health records, and promptly identify and address cases of hearing loss</li> </ul>

CET has taken multiple health and safety measures. In equipment management, our equipment has high inherent safety, complete operating procedures, and standardized wiring, following the "One Machine, One Switch, One Leakage Protector" rule. The company conducts regular equipment inspections, and operators follow regulations without any violations. The company also provides regular equipment operation training to ensure employees can safely use and operate the equipment. Specialized equipment such as forklifts and freight elevators have valid annual inspections and are operating normally. In fire management, fire extinguishers and hydrants are fully equipped with inspection records. For third-party and special operations, we formulated the *Hazardous Operation Approval Management* for hot work, implementing environmental and safety management for contractors, including signing agreements, safety briefings, and monitoring acceptance. Additionally, control measures are promptly defined for new environmental factors and hazards arising from equipment or process changes.

During the reporting period, CET recorded 4 work-related injuries, resulting in 159 lost days. There were 0 work-related fatalities. The injury rate was 0.47%, and the injury rate per million work hours<sup>3</sup> was 2.37.

#### Safety Emergency Management

CET compiled the *Production Safety Accident Emergency Plan* and developed an annual safety training plan covering standardized equipment use, emergency drills, fire drills, special operation requirements, and daily management. We conducted activities such as fire emergency drills, hazardous chemical leak drills, and grinding dust explosion drills to ensure employees can respond quickly and effectively in emergencies. During the reporting period, total safety training duration reached 3,375 hours, with 920 participants.

#### Case CET Conducted Emergency Drills to Solidify Safety Defense

To improve capabilities in responding to emergencies, CET organized an aluminum grinding dust explosion emergency drill in the paint workshop. The drill simulated a dust explosion accident. Personnel immediately activated the emergency response: the evacuation group guided a systematic withdrawal, the medical group promptly treated the injured, and the fire-fighting group began initial disposal. All groups collaborated to complete the full process, including accident reporting, evacuation, medical aid, and fire suppression.

The drill effectively tested the feasibility of the emergency plan and the coordination between departments, further strengthening employees' safety awareness and practical skills, solidifying the defense line for production safety.



<sup>3</sup>Injury Rate per Million Work Hours = (Total Injuries \* 1,000,000) / Total Working Hours. Total Working Hours = Avg. Annual Work Days \* 8 Hours/Day \* Total Full-time Staff.

### Occupational Health

CET attaches great importance to occupational disease prevention, and has formulated the *Labor Protection Equipment Management System* and *Occupational Disease Prevention Management System*, etc. We rationally allocate, regularly distribute, and supervise the use of labor protection equipment, related emergency equipment, and emergency medicines. In accordance with relevant regulations, we engage professional third parties to regularly conduct workplace occupational hazard factor testing and occupational health examinations, and establish employee occupational health records to prevent, control, and eliminate occupational hazards. In addition, we have set up occupational hazard information boards and bulletin boards to promote various health knowledge and enhance employees' awareness of occupational health and safety during the production process. During the reporting period, the company did not experience any cases of excessive occupational hazard factors or major occupational health incidents.

### Chemicals Safety

CET strictly follows the *Chemicals Management System*, implementing full-life-cycle safety management for all chemicals. The purchase, storage, collection, and disposal of chemicals must comply with Material Safety Data Sheets (MSDS) to achieve source traceability and operational guidance. For high-frequency chemicals like acetone, the company implements a precise daily-distribution system to effectively control on-site temporary storage and reduce risks during storage and use. Besides, we organize regular chemicals safety training to improve employee awareness and emergency response, continuously reinforcing the integrated chemicals safety management system from institution to practice.

### Safety Culture Training

CET regards safety culture promotion as a systematic and regular core task, striving to create an atmosphere where "Everyone Speaks Safety, Everyone Skills Response". We regularly conduct occupational health and safety training. In 2025, the Company systematically carried out "Safety Month" themed training. By hanging safety slogan banners in prominent locations in workshops and continuously broadcasting programs from the National Safety Education Platform in public areas, we visualized and contextualized the safety mindset, and incorporated it into employees' daily work and life. In addition, we promoted the transformation of safety knowledge from "Cognition" to "Practice", strengthening risk prevention and emergency response. The Company continues to build a three-in-one safety culture system of "Awareness Guidance, Behavioral Standardization, Capability Enhancement", laying a solid foundation for employee life safety and stable operations. In 2025, production safety-related training totaled 4,255 hours.



Safety Slogans Posted in Production Workshop



National Safety Education Programs Broadcast in Cafeteria



Fire Safety Training Session

## 4. Metrics and Targets

Targets	2025 Progress
Zero fire accidents	Achieved
Zero pressure vessel explosion accidents	Achieved
Zero serious injuries or fatalities	Achieved
100% rectification rate of accident hazards	Achieved
100% participation and qualification rate for safety training	Achieved
100% certification rate for special equipment operators	Achieved
100% registration rate for special equipment	Achieved
100% intact rate for main equipment	Achieved

# 05 Evergreen Empowerment, Shared Success



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## Key Topics

- Responsible Sourcing
- Social Welfare

## Highlight Performance/Major Strategies

- Local procurement accounted for 66%
- The signing rate of *Supplier Integrity Agreement / Quality Agreement* by suppliers reached 95.1%
- Has become an official member of 31 ESG-related associations
- Public welfare investment totaled RMB 1.015 million



# Building a Responsible Supply Chain

## 1. Supply Chain Management

CET strictly complies with *The Bidding Law of the People's Republic of China* and has formulated management systems such as the *Procurement Control Procedure* and *Supplier Evaluation Control Procedure*. We standardize the full-process operations including supply chain audit, assessment, evaluation, communication, training, and exit, aiming to build a transparent, green, and sustainable win-win cooperation for supply chain network.

For prospective suppliers, the Company regards relevant licenses, qualifications, and certification documents as prerequisites for cooperation. We conduct investigations, verification, and risk assessments of their supply capacity, product quality, and management ability through multiple channels. Production-oriented suppliers are explicitly required to possess ISO 9001 Quality Management System certification or other valid certifications. On-site audits are conducted when necessary, and suppliers are included in the Approved Supplier List after approved.

For existing suppliers, the Company implements a hierarchical management system. Based on four core dimensions - supplier classification, order volume, qualification level, and annual assessment results - suppliers are classified into Level I (Key Suppliers), Level II (Important Suppliers), and Level III (Planned/Order-based Suppliers). Combined with the *Risk Assessment Form*, we evaluate risk levels and conduct quarterly performance monitoring and dynamic evaluations. Non-compliant suppliers are required to implement rectification measures to continuously optimize cooperation quality. At the same time, ESG performance will be included as an additional item in the supplier performance evaluation. Suppliers that fail to meet the standards will be given a deadline to rectify the issues, and those that still fail to meet the standards after rectification will be removed from the *Approved Supplier List*.

In 2025, the Company completed special audits of 19 suppliers and found one unqualified supplier, which has been added to the disqualified supplier list, to ensure the overall quality control of the supply chain.

### ESG indicators in the annual supplier audit include but are not limited to:

- Employee training and development
- Awareness education for employees on quality, environment, and occupational health and safety (OHS)
- Democratic communication and employee satisfaction surveys
- Employee personal protective equipment (PPE)
- Customer complaint handling and customer satisfaction enhancement
- Environmental protection, safety warnings, and sanitation facilities
- Emergency response measures related to environment and safety

As of the end of the reporting period, no confirmed major risk events occurred in the Company's supply chain. There were 545 suppliers in total, and the proportion of local procurement reached 66%.

## 2. Integrity Procurement

To build a solid defense line for integrity procurement, CET explicitly presents strict integrity requirements to suppliers, treating integrity and compliance as a prerequisite for partnership access and continuation. We have formulated the *Supplier Integrity Agreement*, requiring all partners to strictly abide by business ethics and eliminate any corruption, bribery, or illicit transfer of interests. During the reporting period, the signing rate of *Supplier Integrity Agreement / Quality Agreement* was 95.1%.

Suppliers showing tendencies toward violations or misconduct are ordered to rectify within a specified time frame. Those who remain unqualified after rectification or engage in illegal acts such as corruption are resolutely removed from the *Approved Supplier List*. Those with serious offenses will be held accountable according to laws and regulations to prevent the emergence of corruption risks.

To reduce the risk of corruption and fraud in the supply chain, the Company regularly organizes integrity training for procurement and subcontracting personnel, strengthening employees' awareness of ethical conduct and building a solid internal defense against corruption.



Green Procurement Training for Employees

## 3. Supplier Empowerment

Adhering to the concept of synergistic supply chain development, the Company focuses on supplier empowerment. In light of actual development needs and industry trends, we provide regular training and technical guidance on ESG management, product quality control, and compliant operations. We also share high-quality industry resources and advanced management experience to help suppliers enhance their core competitiveness and sustainability. This promotes the upgrading of upstream and downstream collaboration in the supply chain to achieve mutual benefits and further solidifies the foundation of a responsible supply chain. In 2025, the Company conducted a total of 19 quality-related training sessions for suppliers.

# Co-creating an Industrial Ecosystem

With openness and win-win cooperation as its core philosophy, CET proactively collaborates with upstream and downstream enterprises, industry associations, and research institutions to participate in building an industrial ecosystem. Through diverse initiatives such as industry exchanges, joint standard formulation, and resource sharing, we pool our efforts to promote industrial development, and help to build a healthy, orderly, efficient, and mutually beneficial industrial development.

## 1. Communication and Exchange

As a pioneer in the lightweight sandwich composite material industry, with a forward-looking vision and open attitude, CET explores technologies and exchanges experiences with global peers through forums, seminars, and industry exhibitions. We also disclose our patented technologies and corporate standards to the industry free of charge.

Currently, the Company has become an official member of 31 ESG-related associations. Some are listed below:

- |   |   |
|---|---|
| <div data-bbox="90 1040 695 1149"> <p><b>01</b> China Association of Women Entrepreneurs</p> </div>             | <div data-bbox="695 1040 1321 1149"> <p><b>04</b> Member of Changzhou Association for Production Safety</p> </div>        |
| <div data-bbox="90 1181 695 1290"> <p><b>02</b> Changzhou Charity Federation</p> </div>                         | <div data-bbox="695 1181 1321 1290"> <p><b>05</b> Changzhou Rail Transit Industry -Education-Research Alliance</p> </div> |
| <div data-bbox="90 1321 695 1433"> <p><b>03</b> High-Tech Enterprise Association of Xinbei Changzhou</p> </div> | <div data-bbox="695 1321 1321 1433"> <p><b>06</b> Jiangsu Provincial Listed Companies Association</p> </div>              |

### Case Empowering with Innovation, Leading the Future with Collaboration — 2025 CET Architecture Industry Seminar Concludes Successfully

In May 2025, CET hosted the 2025 Architecture Industry Seminar, gathering industry guests, experts, and representatives from relevant enterprises. The event showcased intelligent factories, core products, and landmark applications, and featured technical exchanges and project inspections to jointly explore high-quality development paths for architecture decoration.

This seminar highlighted CET's industry leading status in the field of lightweight sandwich composite materials. With innovation as a bond to link industry stakeholders, CET helped the architecture industry achieve breakthroughs and upgrades. By empowering high-quality industrial development with intelligent manufacturing, we continue to fulfill our ESG responsibility of co-creating an industrial ecosystem and leading the industry's future through innovation.



## 2. Participation in Standard Setting

CET actively participates in the formulation of industry standards and technical specifications, contributing enduring strength to promoting the healthy, orderly, and high-quality development of the industry. As of the end of the reporting period, the company had participated in the compilation of 9 standards.

### Standards Compilation CET Participated in:

- TCBDA 67 - 2023 Technical Regulations for Component Glass Curtain Wall Installation
- Technical Specification for Escalators for Metro Use - TCEA 301—2023
- Ultra-thin Natural Stone Composite Panels (JC/T1049-2007)
- Stone Honeycomb Composite Panels for Architecture Decoration (JG/T328-2011)
- Aluminum Honeycomb Composite Panels for Building Exterior Walls (JG/T334-2012)
- Technical Specifications for Artificial Panel Curtain Wall Engineering (JGJ336-2016)
- Aluminum Honeycomb Composite Panels for General Decoration (JC-T2113-2012)
- National Architectural Standard Design Atlas 06J505-1 Exterior Decoration
- Prefabricated Interior Decoration Components—Partition and Wall Systems

**Case** Standards as the Key, Empowering Transformation  
— CET Organized Industry Standard Review Meeting to Lead Standardized Development

In December 2025, the 5th Revision and Review Meeting of *Stone Honeycomb Composite Panels for Architecture Decoration* was held in Changzhou. During the meeting, CET President Ms. Zhou Yinmei emphasized the core significance of standardization for the healthy development of the industry and pledged that CET would lead by example in promoting the implementation of standards. Experts and scholars had in-depth discussions on the draft for approval to refine the standard's content. The revision process began in September 2024, taking 15 months and involving 5 special meetings to form the final draft for review. It will soon be submitted to relevant departments for approval, marking a new stage in the industry's standardization efforts.



Stone Honeycomb Composite Panels for Architecture Decoration Review Meeting

# Contributing to Public Welfare and Philanthropy

CET always keeps in mind that "the development of an enterprise cannot be separated from the support of society, and giving back to society and caring for vulnerable groups are the responsibilities that enterprises should fulfill." While balancing economic benefits with sustainable development, the Company consistently upholds the core philosophy of giving back to society. We actively engage in public welfare undertakings, with a focus on caring for the elderly and vulnerable groups in the community. Through practical actions, we contribute enduring strength to social progress and development, demonstrating the responsibility and compassion of a listed company. In 2025, in active response to the national rural revitalization strategy, all the potatoes we purchased were sourced from Ziyang County, Ankang City, Shaanxi Province. This procurement centered on "Production - Marketing Matchmaking", aiming to expand the sales of local agricultural products and help farmers increase their income, thereby practicing public welfare through agricultural support.

In 2025, adhering to its original intention of public welfare and practicing social responsibility, CET donated 1.015 million RMB to the Changzhou Charity Federation and the Glory Society Foundation, translating corporate commitment into tangible benefits for society.



Changzhou Glory Society Foundation Donation Certificate



Changzhou Glory Society Foundation Donation Ceremony

**Case** Love and Compassion Go Hand in Hand  
— CET Launches Charity Donation Initiative

In response to Changzhou's "One Day Charity Donation" and the "Charity for the People, Kindness in Jiangsu" online donation campaigns, CET initiated a public welfare donation proposal. We called on everyone to participate voluntarily and pledged that all funds would be used to assist vulnerable groups, with usage details disclosed promptly. This initiative called for uniting the love and care of all members and the community.



**Case** Great Love for the Disabled, Gathering Strength Together  
— CET Sponsored the 8th Changzhou Paralympic Games

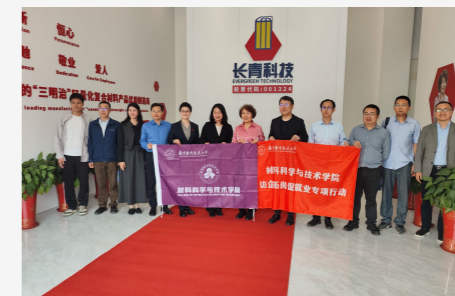
In August 2025, the 8th Changzhou Paralympic Games, themed "Technology Driving Power, Intelligence Leading Service", opened at the Changzhou Olympic Sports Center. As a dedicated sponsor of the event, CET supported the development of sports for the disabled and witnessed the perseverance of the athletes. The Company combines its technological advantages with its commitment to public welfare, echoes the core concept of the Paralympic Games, continues to focus on and support the cause of people with disabilities, uses the power of technology to spread warmth, and demonstrates the responsibility and compassion of a public company through practical actions.



8th Changzhou Paralympic Games

**Case** University — Enterprise Collaboration for Talent Development and Public Welfare Support: Nanjing University of Aeronautics and Astronautics' Special Action to Visit Enterprises, Expand Job Opportunities, and Promote Employment

On March 27, 2025, the College of Materials Science and Technology of Nanjing University of Aeronautics and Astronautics visited CET for the *Enterprise Visit to Expand Jobs* initiative. CET practiced public welfare through school-enterprise co-education, assisting in talent cultivation and demonstrating its social responsibility.



Nanjing University of Aeronautics and Astronautics Enterprise Visit to Expand Jobs Initiative

# Appendix

## (1) Key Performance Indicators Table

Category	Unit	2025	2024	2023
<b>Environmental<sup>4</sup></b>				
<b>Energy Consumption</b>				
Purchased Electricity	MWh	5,869.11	5,590.09	6,727.44
Natural Gas	10,000 m <sup>3</sup>	7.20	14.78	14.88
Diesel	Tonnes	17.54	6.01	10.46
Gasoline	Tonnes	45.00	38.84	24.48
Total Energy Consumption	tce	1,011.02	932.40	1,058.75
Energy Intensity	tce / RMB 10,000 Revenue	0.02	/	/
<b>GHG Emissions</b>				
Scope 1	tCO <sub>2</sub> e	547.17	463.75	435.54
Scope 2 (Location-based)	tCO <sub>2</sub> e	3,114.15	2,999.64	3,836.66
Scope 2 (Market-based)	tCO <sub>2</sub> e	1,494.20	/	/
Carbon Offsets	tCO <sub>2</sub> e	181	/	/
Total GHG (Location-based)	tCO <sub>2</sub> e	3,480.32	3,463.39	4,272.20
Total GHG (Market-based)	tCO <sub>2</sub> e	1,860.36	3,737.30	/

Category	Unit	2025	2024	2023
<b>Exhaust Gas Disposal</b>				
VOCs	Tonnes	0.316	0.333	0.329
SOx	Tonnes	0.035	0.17	0.164
NOx	Tonnes	0.327	0.7	0.68
PM	Tonnes	0.07	0.474	0.17
<b>Wastewater Disposal</b>				
Wastewater Discharge	Tonnes	8,090	8,010	7,980
COD	Tonnes	1.45	0.721	/
Ammonia Nitrogen	Tonnes	0.16	0.328	/
<b>Waste Disposal</b>				
Total Waste Discharge	Tonnes	136.8	144.32	/
Total Domestic Waste	Tonnes	50	55	/
General Industrial Solid Waste Generated	Tonnes	85	81.3	/
General Industrial Solid Waste Recycled	Tonnes	65	62	/
Hazardous Waste Generated	Tonnes	66.8	70.02	77.16
Waste Compliance Disposal Rate	/	100%	100%	100%

<sup>4</sup> Unless otherwise specified, the environmental data covers the headquarter of CET and its subsidiary JED. Due to changes in the scope of data collection, the figures for energy consumption and greenhouse gas emissions for 2023 and 2024 are subject to the information provided in this report.

## (1) Key Performance Indicators Table

Category		Unit	2025	2024	2023
<b>Social</b>					
Total Headcount		Person	851	790	755
<b>Employment</b>					
By Age	30 and under	Person	156	151	148
	31 to 40		210	220	224
	41 to 50		255	214	222
	50 and above		230	205	161
By Gender	Male	Person	664	630	601
	Female		187	160	154
By Education Level	Bachelor's degree or higher	Person	164	152	130
	Associate's degree		138	133	116
	High school and vocational school		218	184	201
	Junior high school and below		331	321	308
By Employee Position	Mid-to-senior management	Person	69	71	59
	Entry-level management		38	33	37
	Frontline employees		744	686	659

Category		Unit	2025	2024	2023
<b>Employee Onboarding and Turnover</b>					
Total Employee Turnover Rate		/	16.49%	21.00%	18.08%
Turnover Rate by Age	30 and under	/	5.55%	39.84%	31.80%
	31 to 40		7.50%	21.99%	21.13%
	41 to 50		4.06%	13.71%	13.28%
	50 and above		1.50%	6.39%	11.05%
Turnover Rate by Gender	Male	/	12.54%	20.15%	21.54%
	Female		5.13%	24.17%	10.47%
New Hires by Age	30 and under	Person	81	117	/
	31 to 40		53	76	/
	41 to 50		61	40	/
	50 and above		34	12	/
New Hires by Gender	Male	Person	175	206	/
	Female		54	39	/

## (1) Key Performance Indicators Table

Category		Unit	2025	2024	2023
<b>Socially Responsible Recruitment</b>					
Types of Socially Responsible Recruitment	Number of Veterans	Person	16	4	/
	Number of Localized Employees	Person	222	234	/
<b>Employee Training</b>					
Total Employee Training Hours		Hours	12,765	11,850	7,220
By Gender	Male	Hours	7,900	9,450	2,133
	Female		2,225	2,400	145
Product Quality Training	Total Training Hours	Hours	5,106	4,740	2,180
	Total Participants	Person-times	851	790	728
Competency Building Training	Total Training Hours	Hours	3,404	3,160	1,144
	Total Participants	Person	851	790	286
Production Safety Training	Total Training Hours	Hours	4,255	3,950	3,612
	Total Participants	Person	851	790	728

Category	Unit	2025	2024	2023
<b>Occupational Health and Safety</b>				
Occupational Disease Rate	/	0	0	/
Work-related injuries	Person	4	3	/
Work-related fatalities	Person	0	0	/
Workdays lost due to work-related injuries	Day	159	75	/
<b>Social welfare</b>				
Social welfare expenditures	RMB 10,000	101.5	102.5	102.5
<b>Targeted expenditures</b>				
Environmental protection expenditures	RMB 10,000	831.94	133.11	108.49
Safety expenditures	RMB 10,000	97.64	266.75	150.91
Employee training	RMB 10,000	11.31	30.43	41.5

## (2) Index

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## (3) Reader Feedback Form

Dear Reader,

Greetings!

We sincerely appreciate your review of the *Changzhou Evergreen Technology Co.,Ltd. 2025 Environmental, Social and Governance Report*. We would greatly appreciate your feedback and valuable comments on this report. Please use one of the following methods to share your thoughts with us.



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No. 300 Hehai West Road, Xinbei District,  
Changzhou City, Jiangsu Province

### Your information

Name \_\_\_\_\_ Organization \_\_\_\_\_

Contact number \_\_\_\_\_ Email \_\_\_\_\_

Feedback \_\_\_\_\_

1/ What is your overall evaluation of the Company's ESG report?  Good  Fairly good  Fair

2/ Do you think this report reflects the significant impact of the Company's ESG issues?  Yes  Average  Don't know

3/ How do you think about the clarity, accuracy and completeness of the information and data disclosed in this report?

High  Relatively high  Average  Relatively low  Low

4/ Which aspect of this report are you most satisfied with?

5/ What issues are you interested in?

6/ What additional information would you like to know more about?

7/ What suggestions do you have regarding the Company's ESG initiatives and this report?