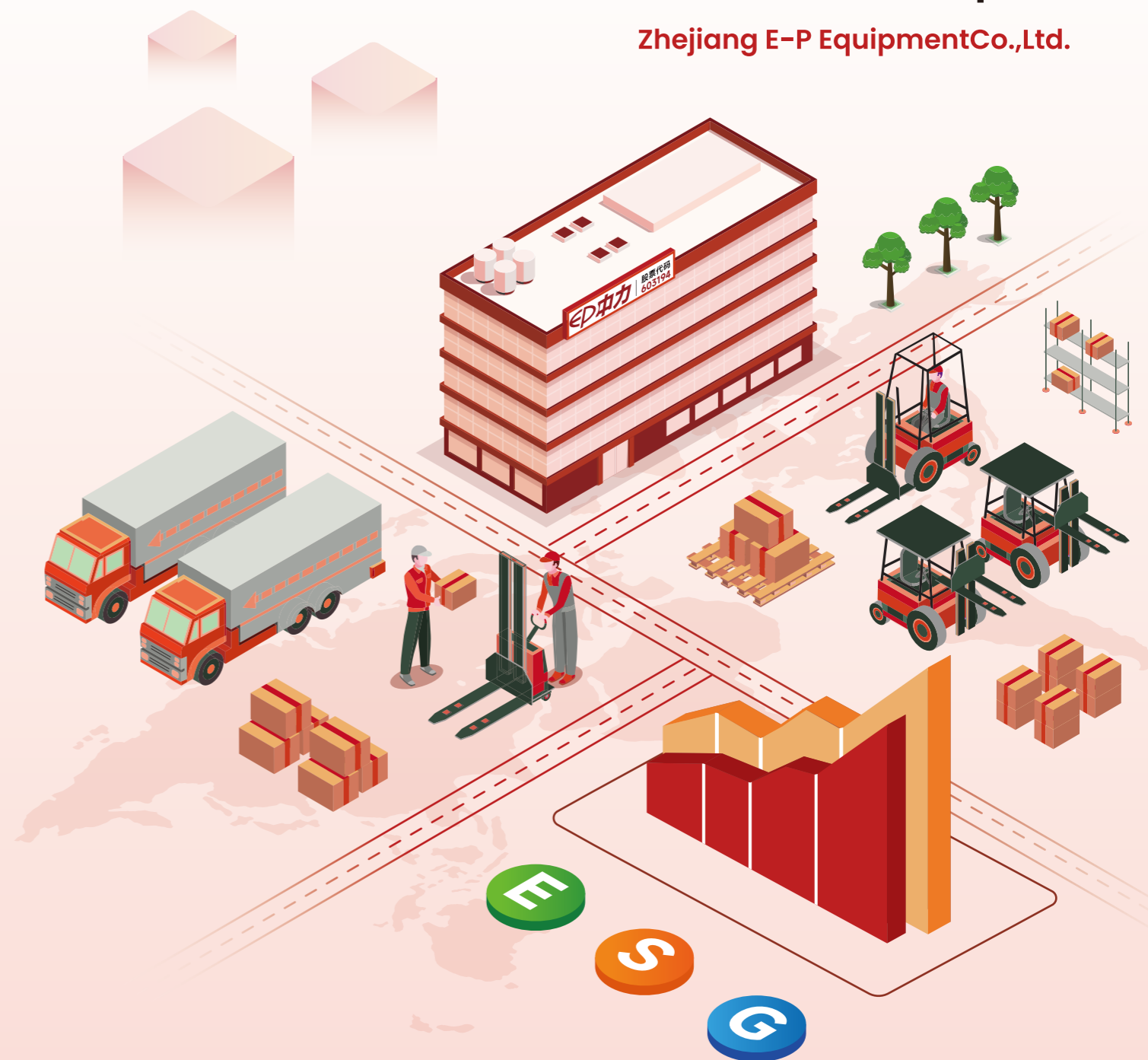


2025

Environmental, Social, and Governance Report

Zhejiang E-P Equipment Co., Ltd.



EP中力
搬运绿色, 提升未来

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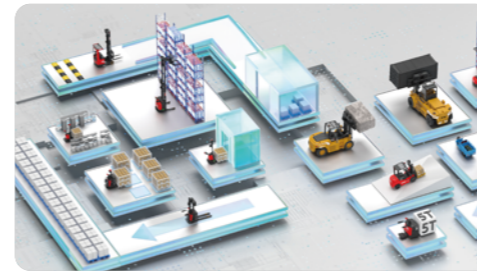
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About This Report

Report Overview

This report is the first ESG report published by Zhejiang E-P EquipmentCo.,Ltd. (hereinafter referred to as "EP," or "the Company"). Adhering to the principles of objectivity, standardization, transparency, and comprehensiveness, it provides a detailed disclosure of the specific measures, key practices, notable cases, and key performance related to actively fulfilling social responsibilities and promoting sustainable development in 2025. The report aims to strengthen communication and engagement with stakeholders and assist the Company in better fulfilling its social responsibilities.

Basis of Preparation

This report has been prepared in accordance with the relevant requirements of the *Shanghai Stock Exchange's Guideline No. 14 on Self-Regulatory Supervision of Listed Companies—Sustainability Reporting (Trial)*, with reference to the topics addressed in the *GRI Standards (2021 Edition)* published by the Global Reporting Initiative (GRI), and in conjunction with the *United Nations Sustainable Development Goals (SDGs)*. It focuses on disclosing the Company's practices and achievements in the areas of environment, social responsibility, and corporate governance. This report was prepared in accordance with the principles of materiality, quantification, balance, and consistency.

Scope of the Report

Organizational scope: Unless otherwise specified, the scope of information disclosed in this report covers Zhejiang E-P EquipmentCo.,Ltd. (Parent Company: Factory premises at Xiaquan Village, Tianhuangping North Road, Anji County; hereinafter the same) and its subsidiaries.

Time Scope of the Report: The data contained in this report covers the period from January 1, 2025, to December 31, 2025 (hereinafter referred to as the "Reporting Period"). To ensure the continuity of the report, certain content or data has been presented retrospectively or prospectively.

Obtaining the Report

You may obtain the English electronic version of this report from the Shanghai Stock Exchange website (www.sse.com.cn).

Sources of Data in This Report

All information and data in this report are derived from the Company's previously disclosed periodic reports or interim announcements, as well as environmental, social, and governance information compiled, aggregated, and reviewed by the Company. Unless otherwise noted, this report uses the Renminbi as its currency.

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Message from the Chairman

To our partners, investors, colleagues, and all friends who care about EP's development:

As you open this report, EP stands at a milestone-marking new starting point. In December 2024, the company listed on the Main Board of the Shanghai Stock Exchange. This not only affirms our decade-long journey of "product-driven development and innovation-led transformation," but also signifies a weighty responsibility—as a publicly listed company, we must respond to the expectations of all stakeholders with greater transparency. 2025 marks the concluding year of the 14th Five-Year Plan and represents EP's first comprehensive sustainability report since going public. Through this report, the company demonstrates to the world how the DNA of sustainable development is deeply embedded in its strategic fabric and transformed into concrete actions that drive growth and lead change.

Looking back on our journey, every milestone EP has achieved stems from our steadfast commitment to our founding mission: "Making material handling simpler and greener." In 2012, the launch of the "Little Golden Warrior" propelled the industry from manual handling into the electric era, freeing up millions of workers worldwide and becoming synonymous with electric material handling; In 2020, the company pioneered "internal combustion to electric" conversion technology, unifying the chassis of internal combustion and electric vehicles, making the transition of over 4 million existing internal combustion forklifts to electric power possible, and accelerating the greening process of the forklift industry in China and globally. It is precisely these innovations that have forged the solid foundation of the company's "Green, Intelligent, and Digital" strategy—the core of the company's competitiveness and the confidence to weather economic cycles and achieve steady, long-term progress. As we stand at the historic juncture marking the conclusion of the 14th Five-Year Plan, the seeds of innovation sown years ago have grown into a lush forest: in 2025, annual revenue reached RMB 7.254 billion, and the company has ranked first in China for the production and sales of electric warehouse forklifts for 12 consecutive years (Source: Industrial Vehicles Branch of the China Construction Machinery Industry Association; ranking as of December 31, 2024). This achievement not only responds to the national strategic call for a greener and smarter logistics industry but also embodies the company's solemn commitment to "becoming a Chinese enterprise respected worldwide."

In 2025, the company made solid progress across the three dimensions of environment, society, and governance. The company firmly believes that green development is not a cost but an investment—a vision for the future and a commitment to our founding principles.

Energy-saving transformation: making green the foundation of EP's development. From product design to production operations, the company integrates green principles into every stage of the process. In the circular economy sector, the company continues to advance "trade-in" programs and high-standard remanufacturing operations, giving new life to existing internal combustion forklifts through compliant remanufacturing and restoring value to resources through recycling. In terms of products, the company offers a full range of electric material handling vehicles from 0.6 to 35 tons. Its high-voltage lithium-ion battery solutions, which offer "the same price as diesel models but outperform internal combustion engines," meet the demands for zero emissions and long-range operation. Regarding energy applications, the company's installed photovoltaic capacity reaches 16.63 megawatts, generating 9.1 million kilowatt-hours annually; clean energy is becoming a vital force driving factory operations. New energy forklifts account for 100% of the fleet on-site, and the green logistics system is advancing steadily.

In operations, the company has implemented meticulous management throughout all processes. Regarding water resource management, 100% of wastewater meets discharge standards; the four painting lines have achieved tiered water reuse; and the total capacity of the rainwater collection system reaches 450 cubic meters, effectively reducing fresh water consumption. In terms of exhaust gas treatment, the painting workshop employs advanced processes to ensure full compliance with standards, while also exploring waste heat recovery models to minimize energy waste. From source to end, the company safeguards the environment through pragmatic actions.

Innovative talent, nurturing EP's future with wisdom and hard work. Guided by the principles of "precision, accuracy, rigor, and attention to detail," the company implements a "5-level" quality control system. Multiple electric material handling products have been awarded the "Zhejiang Province Manufacturing Single Champion" title, and the long-range, highly integrated electric material handling vehicle project received the "Zhejiang Province Special Equipment Science and Technology Award." The company will continue to increase investment in robotics to drive the transformation of material handling operations toward intelligent and unmanned operations.

Ultimately, a company's value lies in the growth and safety of its people. The company deeply understands that only by safeguarding every employee can we secure the future of the enterprise. In 2025, the company continued to strengthen its occupational health and safety management system, signed safety responsibility agreements at all levels, and invested RMB 32 million to advance automation upgrades, ensuring the safety of frontline employees through "separation of humans and machinery." Throughout the year, the company conducted 88 safety training sessions, reaching 5,739 participants. Coverage rates for on-site testing of occupational hazard factors and occupational health examinations both reached 100%, and the company achieved a record of safe production with no major work-related injuries. In terms of talent development, the company has established a comprehensive, full-cycle talent development system, conducting 517 training sessions of various types throughout the year; We have established a dual-track promotion mechanism for management and professional roles, publish an annual list of key personnel, and support employees in obtaining vocational skill certifications, ensuring that every hardworking individual can see a clear path for growth. Innovation cannot thrive without talent support. The company will continue to increase R&D investment, cultivate more high-level scientific and technological talent through platforms such as postdoctoral workstations and provincial-level enterprise research institutes, and refine an incentive system closely linked to project performance, ensuring that every innovative idea is respected and rewarded.

Corporate Governance: Making Compliance the Cornerstone of EP's Development. The company firmly believes that sound governance is the cornerstone for a company's steady and sustainable growth. In 2025, the company continued to optimize its governance structure—comprising the Board of Directors and its four subordinate committees—to ensure scientific decision-making and effective execution. The company adheres to the principles of truthful, accurate, complete, and timely information disclosure, maintaining effective communication with investors through various channels such as earnings briefings and investor hotlines. At the same time, the company deeply embodies its corporate culture of "working hard and staying on the right path," integrating compliance management and risk prevention into its systems and processes. We have established a closed-loop audit system covering the entire process from procurement to production, sales, and R&D, and have streamlined channels for integrity reporting and supervision via the Chairman's Hotline. Through transparent, standardized, and integrity-driven governance practices, we safeguard the company's high-quality development. The company will further refine its ESG governance framework, deeply integrate sustainable development into decision-making processes, launch a pilot program for supply chain carbon footprint management, and collaborate with partners to jointly build a green, transparent, and responsible industrial ecosystem.

For many years, EP has consistently embedded social responsibility into the very fabric of its corporate development. In the field of education, the company continues to support the development of the School of Mechanical Engineering at Southwest Jiaotong University, contributing to talent cultivation and technological innovation within the industry; In terms of local public welfare, the company has made ongoing donations to charitable associations in Anji, Hangzhou, Jiangyin, and other regions to support rural revitalization and community development; during emergencies, the company has responded immediately by donating epidemic prevention supplies to the front lines of the pandemic response, conveying EP's warmth through concrete actions. Drops of kindness converge into a river—this is the company's simple yet sincere practice of "taking from society and giving back to society."

Looking ahead, the industrial transformation from "material handling" to "intelligent mobility" is accelerating. The company will continue to advance its "fuel-to-electric" conversion and remanufactured vehicle initiatives, breathing new life into existing internal combustion forklifts through compliant remanufacturing. We will actively plan fuel-vehicle replacement solutions for overseas markets, extending EP's green practices globally, while exploring the application of energy storage technologies and a higher proportion of green electricity to further integrate clean energy into the fabric of production. In the field of intelligent solutions, the company is strategically deploying smart material handling across three levels: product, model, and system. Through the "Digital Intelligence Brain (DAS) + Full Range of Bama Robots," we are driving the evolution of smart material handling from isolated scenarios to end-to-end coverage. We are achieving a breakthrough from zero to one with "Digital Intelligence Flying Warehouses" in overseas markets, redefining the boundaries of efficiency in warehousing and logistics with Chinese ingenuity.

This report is the answer all EP employees give to the present, and a commitment to the future. EP is committed to working with all partners to fulfill our responsibilities through hard work and honor the trust placed in us through innovation, as we jointly write a green chapter in the new era of logistics!

Zhejiang E-P EquipmentCo.,Ltd.
Chairman: He Jinhui

About EP

Company Profile

EP is a global technology enterprise driven by product innovation and transformation, dedicated to building Industrial Logistics 4.0. The company specializes in the development, manufacturing, and servicing of electric warehouse forklifts, intelligent material handling robots, and forklifts, providing global users with green, intelligent, and digital material handling solutions.

In 2012, EP launched its compact electric material handling equipment—the EP Little Giant series—globally, winning the prestigious international awards “Red Dot Design Award” and “iF Design Award.” This milestone redefined product history, catalyzing a paradigm shift in the industry from manual to electric material handling. Since then, EP has expanded to operate production bases spanning over 1,000 acres globally (including Anji, Zhejiang; Jingjiang, Jiangsu; Fuyang, Hangzhou; Xiangyang, Hubei; and Wisconsin, USA). Leveraging its product excellence and the first-mover advantage of early global expansion, EP has established itself as an internationally competitive, advanced forklift brand.

EP will continue to uphold its founding vision of “making material handling simpler and greener for humanity” and remain committed to its mission of “becoming a Chinese enterprise respected worldwide.” Building on the foundation laid by the “Little Golden Warrior” in driving the industry’s transition from manual to electric material handling, we will fully promote the green upgrade from diesel to electric power. We will also implement a three-tiered strategy for intelligent material handling—at the product, model, and system levels—to bring intelligent solutions to thousands of enterprises and factories. Our goal is to create “Industrial Logistics 4.0” in the era of Industry 4.0, leading the way toward a future of green, intelligent, and digital operations—transforming material handling into smart mobility.

Corporate Culture



Core Values

EP’s rapid growth would not have been possible without the strong support of our global customers, employees, distributors, and suppliers. Our goal is to evolve together and grow together.



Leading the way toward a green, smart, and digital future—from material handling to intelligent mobility

EP’s Development Philosophy
Products Drive Development;
Innovation Leads Change

Major Events at EP in 2025

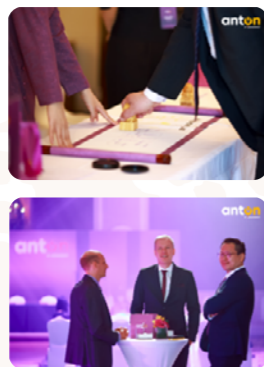
March 2025

EP Forklift's after-sales service launched its intelligent customer service system, getting a head start on the competition



May 2025

EP and Eternal Force have entered into a strategic partnership to jointly advance innovation and application in smart internal logistics technology



June 2025

EP Hosts the 7th Annual Innovation Conference on 629 and the 5th Forklift Safety Day



August 2025

EP Fully Supports the 2025 China University Students' Mechanical Engineering Innovation and Creativity Competition—Logistics Technology Innovation Contest



September 2025

EP Europe Robotics Marketing Center Opens, Accelerating Europe's Digital Transformation



September 2025

EP Investment invested in Xingyuan Intelligence Robotics, aiming to conquer the pinnacle of intelligent forklift robotics



November 2025

EP Hosts the 10th Global Double 11 Conference, Focusing on the Development of Robotics and Intelligent Material Handling Technologies to Promote Industry Exchange and Cooperation



December 2025

EP will vigorously advance its "Second-Generation Forklift Operator" talent development program, using digital and intelligent skills training combined with real-world market experience to inject new momentum into the digital and intelligent transformation of the material handling industry

March 2025

BIGJOE, the premium brand under EP, made a grand debut at ProMat 2025 with its high-quality warehouse equipment, full lineup of lithium-ion forklifts, and revolutionary smart material handling equipment



June 2025

EP's 7th Annual Innovation Launch Conference for 629 Concluded Successfully



June 2025

EP launched the "Second-Generation Forklift" Talent Development Program to jointly embrace a digital and intelligent future



September 2025

EP Makes a Grand Debut at the BICES Exhibition in Beijing, Driving the Digital and Intelligent Transformation of Global Logistics Through Technological Innovation



September 2025

EP and Chengdu Qingbaijiang have signed a cooperation agreement for the Unmanned Logistics Science and Technology Innovation Park project to promote the industrialization of smart logistics technologies and build an innovation ecosystem for the smart logistics industry



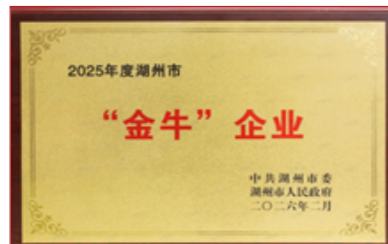
November 2025

EP Chairman's Hotline Launched: Listening to Every Voice with a Focus on Efficiency and Results

December 2025

EP Marks Its First Anniversary as a Publicly Traded Company

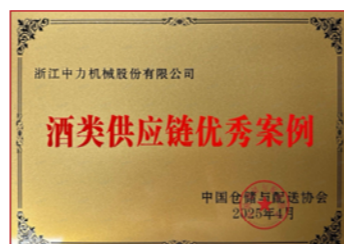
Annual Honors



Huzhou Golden Bull Enterprise Award



Laohekou City Award for Outstanding Contributions to Employment



Outstanding Case in the Alcohol Supply Chain



2025 Industry Influence Award



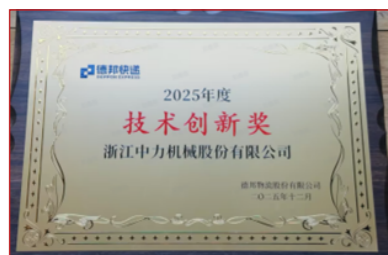
Outstanding Enterprise in the Survey of Large-Scale Private Enterprises



Ten Years of Glory · Mobile Robot Engineering Application Exemplar Award



2025 New Quality Productivity Digital and Intelligentization Leader Case Award



Deppon Express "2025 Technological Innovation Award"



Zhejiang Provincial Special Equipment Science and Technology Award



Zhejiang Export Brand



Hubei Brand Value Certificate



25th Annual Anji Charity One-Day Donation



Master of Intelligent Stacking Architecture



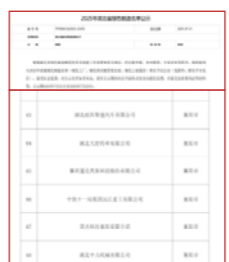
Excellence Leadership Award



Zhejiang Province Manufacturing Single-Champion Award



2025 Hubei Province Specialized, Refined, Unique, and Innovative SME



2025 Hubei Province Green Factory



2025 IFOY "Warehouse Truck of the Year" — EP Automated Guided Vehicle



2025 Model Service Award



2025 Anji County "Two Mountains" Eagle Enterprise



2024 Anji County Enterprise Listing Award



2024 Top Taxpayer Award

01

Sustainability Governance

Aligned with the United Nations Sustainable Development Goals



Key Issue

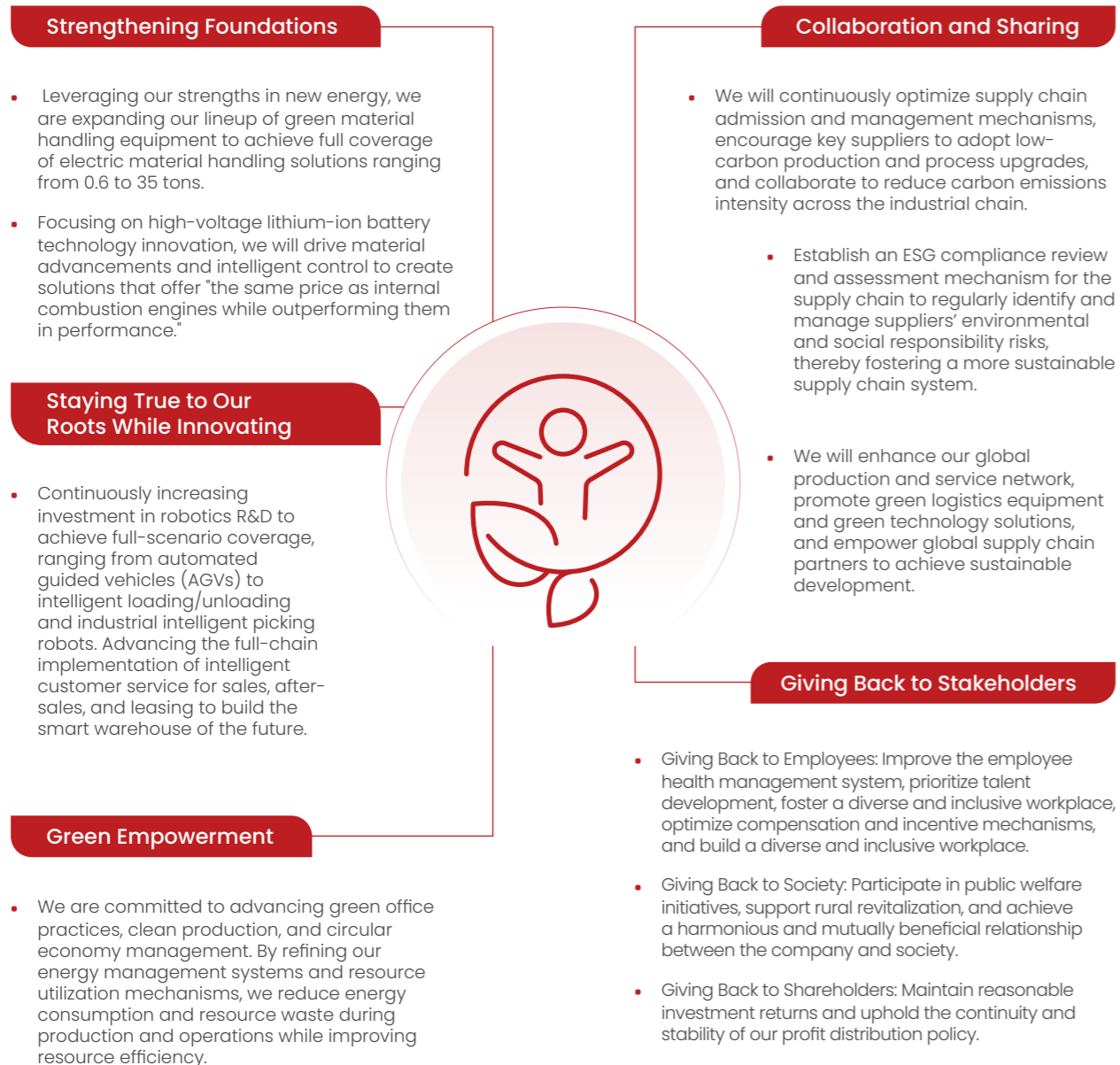
- Sustainable Development Management



Sustainable Development Strategy

Guided by the *National Economic and Social Development Plan Outline* and driven by its mission to “make material handling easier,” EP is fully advancing its strategy to make its products greener, smarter, and more digital. The company actively fulfills its social responsibilities, safeguards the environment, and is committed to creating sustainable value for its stakeholders while promoting high-quality development in the industry.

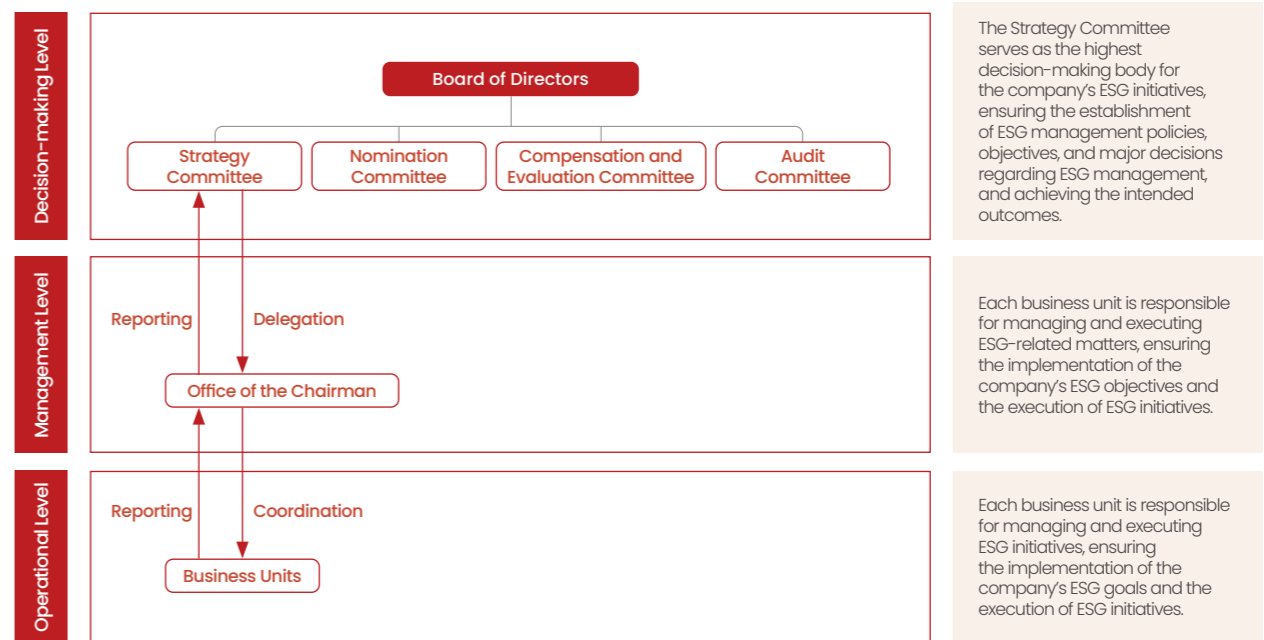
Sustainable Development Action Plan



EP ESG Management

ESG Governance

The company has established a three-tier ESG management framework, clearly defining the division of responsibilities at each level. By continuously advancing ESG management practices, we are constantly improving corporate governance standards and sustainable development performance.



To further strengthen the effectiveness of ESG governance, the company has established a mechanism linking ESG performance to executive compensation. Key performance indicators across the three dimensions of environment, society, and governance have been incorporated into the annual evaluation system for senior management, with these metrics accounting for 20%–30% of executive performance-based compensation. Through an incentive and accountability mechanism that “rewards excellence and penalizes underperformance,” the company encourages management to proactively integrate ESG considerations into decision-making, thereby forming a closed-loop ESG governance system characterized by “strategic leadership—organizational support—performance-driven evaluation.”

Environment 40%	Social 35%	Governance 25%
Carbon emission intensity, energy consumption intensity, pollution control compliance rate, environmental protection investment fulfillment rate, proportion of revenue from green products, number of penalties for environmental violations, and incidence rate of sudden environmental incidents.	Employee labor contract signing rate, social security contribution compliance rate, occupational health and safety incident rate, employee satisfaction, supply chain ESG compliance audit rate, product quality and safety compliance rate, data breach incident rate.	Board independence, effectiveness of ESG committee operations, internal control compliance, anti-corruption enforcement, timeliness and accuracy of information disclosure, and robustness of ESG risk management systems.

Mechanism Linking ESG Performance to Executive Compensation

Performance-Based Compensation Calculation	Linked to Mid-to-Long-Term Incentives	Veto Scenarios	Retroactive Adjustment Mechanism
<p>Achieve the challenge target¹: Evaluation coefficient 1.0-1.2, with an additional increase in ESG-linked compensation;</p> <p>Achieve the Challenge Target²: Evaluation coefficient 1.0, full payment of ESG-linked compensation;</p> <p>Achieve the benchmark value³: Evaluation coefficient 0.6-0.9; ESG-linked compensation paid proportionally;</p> <p>Failure to meet the baseline: Evaluation coefficient 0-0.5, with ESG-linked compensation reduced proportionally, down to a minimum of 0.</p>	<p>Unlocking conditions: ESG performance is a prerequisite for the unlocking or vesting of equity incentives and term-based incentives;</p> <p>Disqualification: If ESG performance fails to meet the benchmark for two consecutive years during the term, eligibility for the current mid-to-long-term incentive is revoked;</p> <p>Additional Rewards: If ESG performance remains consistently outstanding during the term, additional rewards will be granted upon exercise.</p>	<p>Major environmental pollution or ecological damage incidents resulting in administrative penalties or significant negative social impact;</p> <p>Major production safety or occupational health incidents resulting in casualties or significant property damage;</p> <p>Major labor disputes, supply chain ESG scandals, or product quality and safety incidents that trigger a public relations crisis or legal litigation;</p> <p>False, omitted, or misleading statements in ESG disclosures resulting in penalties from regulatory authorities;</p> <p>Major incidents of corruption, commercial bribery, or illegal business operations that harm the company's interests and reputation.</p>	<p>If falsification of prior-period ESG data or concealment of major risk incidents is discovered after the assessment year, retroactive deductions will be made from ESG-linked compensation already paid, and relevant executives will be held accountable to ensure the authenticity and rigor of the assessment.</p>

ESG Risk Management

The company has established an ESG risk management system covering the entire business chain, integrating environmental, social, and governance-related risks into the comprehensive risk management framework. A closed-loop management mechanism of "identification—assessment—response—monitoring—improvement" has been established to ensure that ESG risks are preventable, controllable, and traceable.

ESG Risk Management Mechanism

Risk Identification

- Based on industry characteristics and operational realities, the company has developed an ESG risk inventory covering the three dimensions of environment, society, and governance:**

 - Environmental Risks:** Focusing on carbon emissions exceeding limits, pollution discharge, resource consumption, environmental compliance penalties, and changes in climate policies
 - Social Risks:** Focusing on employee rights protection, labor issues in the supply chain, product safety, data privacy breaches, and community impact
 - Governance Risks:** Covering board independence, regulations on related-party transactions, anti-corruption failures, and violations of disclosure requirements
- Employ a variety of methods, including surveys, on-site inspections, and data monitoring, to identify ESG risks**
- Compile an annual "ESG Risk Identification List"**

01

¹Challenge Target: Exceed industry-leading targets. ²Target: Achieve the annual targets set. ³Baseline: Meet compliance and regulatory requirements.

Risk Assessment

- Conduct risk analysis combining qualitative and quantitative approaches based on the dimensions of likelihood of occurrence and severity of impact
- Determine risk levels using a risk matrix and an expert review mechanism
- Classify risks into three categories: material risks, significant risks, and general risks
- Produce the "ESG Risk Assessment Report"

02

Risk Response

- Implement differentiated management strategies based on risk levels:**

 - Major Risks:** Implement avoidance or mitigation strategies, and strengthen controls through environmental technology upgrades, improvements to supply chain codes of conduct, and the development of emergency response plans
 - Significant Risks:** Implement effective control strategies to reduce risk levels through regular monitoring, targeted corrective actions, and management optimization, ensuring risks remain within manageable limits
 - General Risks:** Establish monitoring plans to ensure risks remain manageable
- Fully integrate ESG requirements into key business processes such as procurement contracts, investment decisions, and project approvals**

03

Risk Monitoring and Early Warning

- Establish a tiered early warning mechanism and define key early warning indicators, such as carbon emission intensity, employee complaint rates, and supply chain compliance violation rates
- Implement dynamic monitoring based on three levels: red (major), orange (significant), and yellow (minor)
- Each business unit shall conduct routine self-inspections
- The lead department organizes a comprehensive assessment on a quarterly basis
- Conduct annual special audits to ensure timely responses to dynamic changes in risk

04

ESG Training

To continuously enhance ESG management capabilities, the company has established a tiered and categorized ESG training system covering the Board of Directors, management, and core business personnel, promoting the deep integration of ESG principles with business practices.



ESG Specialized Training

Senior management	training focuses on ESG strategic awareness and major risk management. Through expert lectures and policy briefings, it strengthens the executive team's understanding of ESG governance trends, regulatory requirements, and international standards, thereby enhancing the foresight and compliance of strategic decision-making.
Mid-level training	centers on risk identification, assessment, and response processes. By integrating the company's ESG management systems and utilizing case studies, it enhances the execution capabilities and collaborative efficiency of functional departments and business units in ESG management.
Frontline training	emphasizes job-specific ESG requirements and compliance procedures. Through various methods—including online courses, on-site guidance, and risk alert cards—it ensures that frontline employees understand their responsibilities regarding energy conservation, pollution prevention, workplace safety, and data protection, thereby driving the implementation of ESG requirements in daily operations.

Stakeholder Engagement

EP places great importance on regular communication with stakeholders. The company has established a multidimensional, two-way communication mechanism to continuously collect and integrate expectations and feedback from all parties through diverse channels, providing strong support for improving ESG management standards and sustainable development performance.

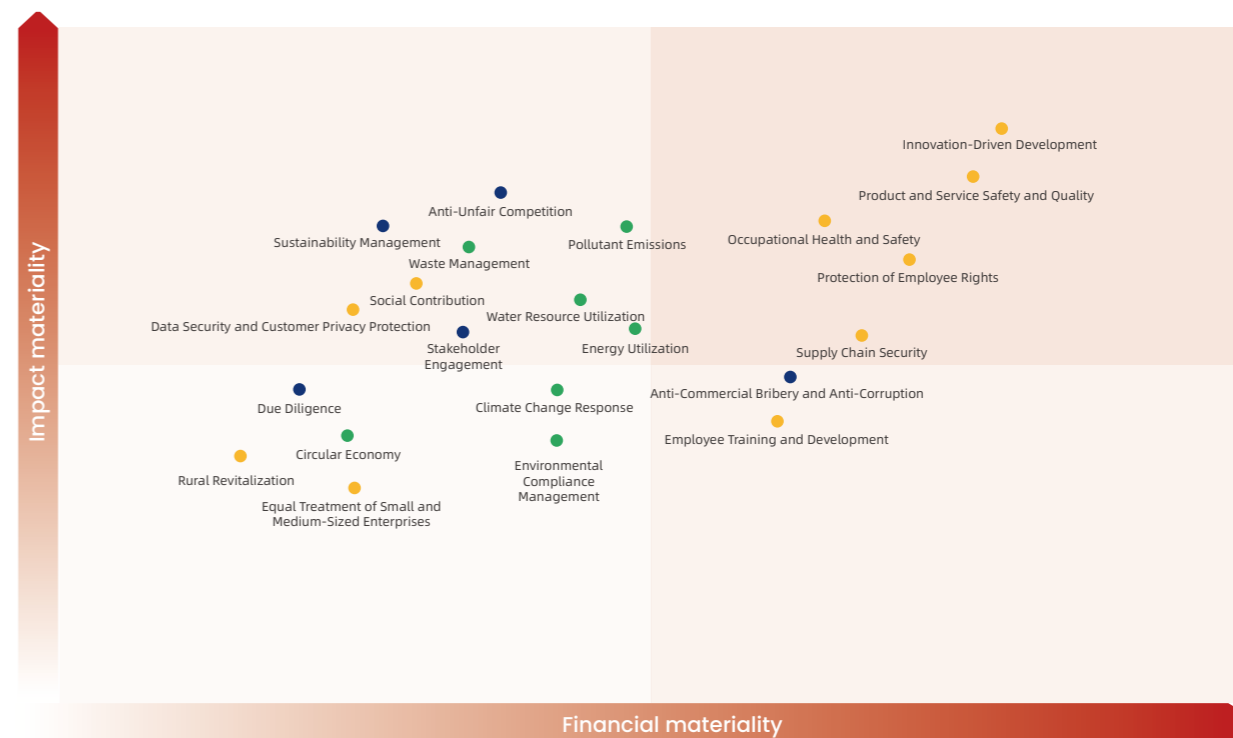
Stakeholders	Focus Areas	Communication Channels and Formats
<p>Government and Regulatory Authorities</p>	<ul style="list-style-type: none"> Compliance Anti-Corruption Environmental Management Waste Management 	<ul style="list-style-type: none"> Policy Implementation Qualification Review Disclosure Site Visits Compliant Discharge
<p>Employees</p>	<ul style="list-style-type: none"> Occupational Health and Safety Employee Training and Development Employee Care Protection of Employee Rights 	<ul style="list-style-type: none"> Workplace Safety Management Employee Training Employee Activities Labor Union and Employee Representative Assembly
<p>Customers</p>	<ul style="list-style-type: none"> Product Quality and Safety Customer Service Information Security and Privacy Protection 	<ul style="list-style-type: none"> Customer After-Sales Service Customer Satisfaction Survey Strengthening Product Quality Management
<p>Suppliers and Partners</p>	<ul style="list-style-type: none"> Responsible Supply Chain Raw Material Procurement Compliance Fulfilling Obligations in Accordance with the Law 	<ul style="list-style-type: none"> Supplier Audits Supplier Code of Conduct Industry Trade Shows University-Industry Collaboration
<p>Shareholders and Investors</p>	<ul style="list-style-type: none"> ESG Governance Financial Performance Compliance Anti-Corruption 	<ul style="list-style-type: none"> Investor Hotline SSE e-Interaction Regular Information Disclosure On-site Research Shareholders' Meeting Risk Management
<p>Media and Non-Governmental Organizations</p>	<ul style="list-style-type: none"> ESG Governance Product Quality and Safety 	<ul style="list-style-type: none"> Regular Communication and Reporting News Coverage Media Interviews
<p>Community and Public</p>	<ul style="list-style-type: none"> Rural Revitalization Social Welfare 	<ul style="list-style-type: none"> Volunteer Activities Charity and Philanthropy Rural Revitalization

Double materiality assessment⁴

EP identifies and organizes this year's material issues from multiple perspectives, taking into account disclosure standards, capital market concerns, and the characteristics of its industry and business operations.

Key Performance:

The results of the 2025 materiality assessment are presented in the matrix below. The assessment identified **5** issues that are both financially and non-financially material to the company, **2** issues that are only financially material, and **9** issues that are only non-financially material.



Environment	Society	Governance
<ul style="list-style-type: none"> Climate Change Response Waste Management Pollutant Emissions Environmental Compliance Management Energy Utilization Water Resource Utilization Circular Economy 	<ul style="list-style-type: none"> Rural Revitalization Social Contribution Innovation-Driven Development Equal Treatment of Small and Medium-Sized Enterprises Supply Chain Security Product and Service Safety and Quality Data Security and Customer Privacy Protection Protection of Employee Rights Employee Training and Development Occupational Health and Safety 	<ul style="list-style-type: none"> Due Diligence Stakeholder Engagement Anti-Commercial Bribery and Anti-Corruption Sustainability Management Anti-Unfair Competition

⁴ Explanation of Issues Not Identified 1. Ecosystems and Biodiversity: The Company's core business and production and operations do not involve nature reserves, ecological red line areas, or ecosystems of significant biodiversity. The Company's production and operations have no material impact on ecosystems and biodiversity, and risks related to the protection of ecosystems and biodiversity do not have a material impact on the Company's financial performance. Upon assessment, this issue is not financially material or materially impactful to the Company and is therefore not disclosed in this report. 2. Technology Ethics: The Company's core business and production and operational activities do not involve technological fields currently under intense scrutiny in technology ethics, such as artificial intelligence, algorithmic recommendations, big data analysis, or gene editing. Nor do they involve related risks such as animal ethics or information ethics. Upon assessment, this issue is neither financially material nor materially impactful to the Company and is therefore not disclosed in this report.

02

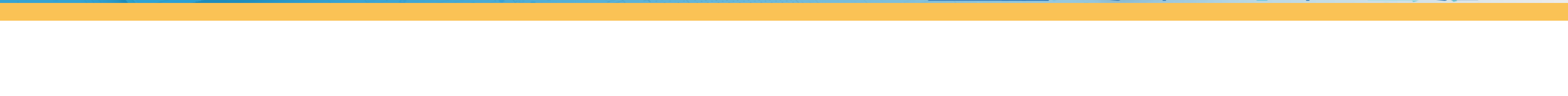
Lean Governance

Aligned with the United Nations Sustainable Development Goals



Key Issues

- Due Diligence
- Stakeholder Engagement
- Anti-Bribery and Anti-Corruption
- Anti-Unfair Competition
- Data Security and Customer Privacy Protection

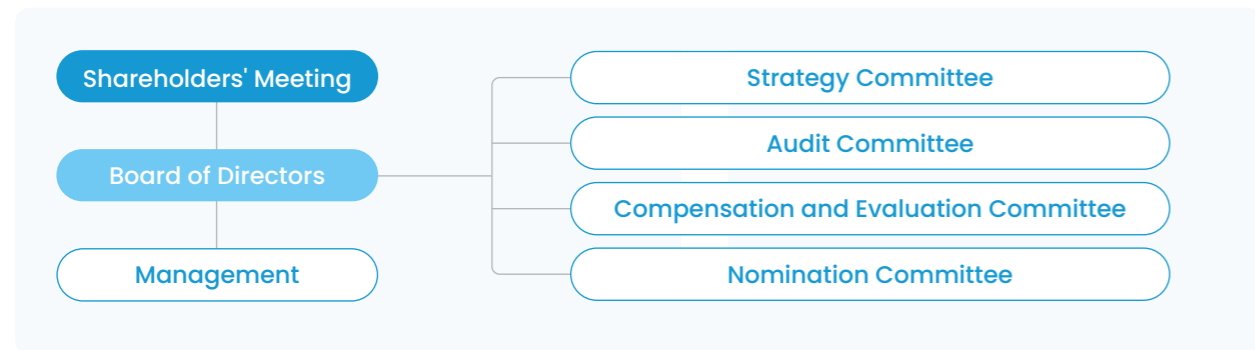


Corporate Governance

EP strictly adheres to the requirements of laws, regulations, and normative documents such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Guidelines for the Governance of Listed Companies*. The company has established a sound corporate governance system, clearly defining the boundaries of responsibilities and operational mechanisms for decision-making, execution, and supervision. These principles are institutionalized through the *Articles of Association* and various rules of procedure to ensure the company's operations are compliant, transparent, and efficient.

Corporate Governance Structure

- Shareholders' Meeting** Exercises decision-making authority on major corporate matters in accordance with the law.
- Board of Directors** Makes decisions regarding the company's overall development direction and major operational matters, and reports its work to the Shareholders' Meeting.
- Management** Responsible for implementing Board resolutions, organizing the execution of annual business plans and investment proposals, and ensuring the effective implementation of the company's strategy.



Corporate Governance Structure

Shareholders' Meeting

EP places a high priority on protecting the legitimate rights and interests of shareholders, ensuring that the decision-making process for major matters is transparent, standardized, and traceable. The company strictly convenes and holds shareholders' meetings in accordance with the *provisions of the Articles of Association* and the *Rules of Procedure for Shareholders' Meetings*, safeguarding the equal rights of all shareholders—especially small and medium-sized shareholders—and ensuring they fully exercise their voting rights. At the same time, the company offers a combination of in-person meetings and online voting to create favorable conditions for shareholders to conveniently participate and effectively exercise their rights.

Key Performance:

During the reporting period, the Company convened a total of **4** Shareholders' Meetings. The procedures for convening and holding the meetings, the eligibility of attendees, and the voting results were all lawful and valid, and the Company fulfilled its information disclosure obligations regarding the resolutions in a timely manner.

Board of Directors

EP strictly adheres to the provisions of the *Articles of Association*, *Rules of Procedure for Board Meetings*, *Regulations on the Work of Independent Directors*, and the *Code of Conduct for Directors and Senior Management* to establish and continuously improve a diversified management system for the Board of Directors, empowering the Company's sustainable development through diverse perspectives.

Board Composition and Diversity Initiatives

The Company's Board of Directors consists of eight directors, including three independent directors and one employee representative director. The number and composition of the Board comply with legal, regulatory, and supervisory requirements. In selecting directors, the Company emphasizes diversity in membership structure, systematically considering multi-dimensional factors such as gender, age, professional background, industry experience, and knowledge and skills. Currently, Board members possess diverse professional backgrounds in law, finance, management, and technology, providing rich perspectives and professional support for the Company's strategic decision-making. The company actively promotes gender diversity on the Board, is committed to providing long-term development opportunities for female employees, and continuously monitors and increases the proportion of female directors. Currently, there are two female directors, accounting for 25% of the Board members, which fully demonstrates the company's achievements and ongoing commitment to gender diversity.

Director Selection and Performance Safeguard Mechanisms

The company has established standardized and transparent director selection procedures and employs a multi-dimensional mechanism to ensure that directors can exercise their duties independently, professionally, and efficiently.

Organizational Support

A Board of Directors Office has been established, staffed with dedicated personnel, to provide professional support for directors in the performance of their duties.

Guarantees of Independence

Independent directors constitute more than one-third of the board; they recuse themselves from voting on related-party matters, thereby effectively serving as a check and balance.

Training Support

Regular specialized training on laws, regulations, and ESG topics is conducted to continuously enhance directors' performance capabilities.

Key Performance:

During the reporting period, EP held a total of **8** board meetings, deliberated and approved **47** resolutions, and no violations of board decision-making procedures occurred.

Board Effectiveness Assessment

The Company has established a scientific and systematic mechanism for evaluating Board effectiveness, continuously driving the Board's self-improvement and enhanced performance. The Board has established the Audit Committee, Strategy Committee, Nomination Committee, and Compensation and Evaluation Committee. Each specialized committee has formulated implementation rules that clearly define responsibilities, authorities, and deliberation procedures. During intervals between Board meetings, these committees fully leverage their professional expertise to provide preliminary review and professional support for decision-making, thereby forming a closed-loop governance system with effective checks and balances among decision-making, execution, and oversight.

Board Effectiveness Evaluation Mechanism



The Company conducts systematic evaluations of the Board's composition, meeting operations, strategic engagement, risk monitoring, and communication with management through methods such as questionnaires and interviews. The evaluation focuses on the timeliness of strategic discussions, director engagement, the constructiveness of debates, the effectiveness of interactions, and the impact of cultural behaviors.



Independent directors submit annual performance reports to the Annual General Meeting, detailing their attendance at Board and committee meetings, voting records, and matters of dissent throughout the year, thereby accepting shareholder oversight with transparency.

Key Performance:

During the reporting period, the Compensation and Evaluation Committee held **1** meeting.

Performance Evaluation of Directors and Senior Management

The Company has established and continuously improved performance evaluation and compensation management systems for directors and senior management, using scientific and transparent evaluation mechanisms to drive improvements in performance effectiveness. In accordance with regulations such as the *Implementation Rules of the Board's Compensation and Evaluation Committee*, the Company formulates evaluation criteria, reviews compensation policies, and organizes and implements evaluations. It integrates evaluation results with compensation incentives and appointments/removals from office to form an effective incentive and accountability mechanism, thereby strengthening directors' and senior executives' sense of diligence and responsibility as well as their long-term value orientation.



Protection of Investor Rights



Stakeholder Engagement

The Company continuously improves its investor relations management mechanisms. In accordance with the *Investor Relations Management System*, the Board Secretary serves as the head of investor relations management, while the Board Office coordinates daily communication matters. Through diverse channels such as the investor relations section on the Company's official website, the SSE e-Interaction platform, the investor hotline, and email, the Company promptly responds to investor inquiries, strengthens two-way communication, and is committed to building long-term, stable investor relationships.

Key Performance:

During the reporting period, the Company conducted a total of **16** investor engagement activities, hosted approximately **200** investors, and answered **58** investor questions on the SSE e-Interaction platform, achieving a **100%** response rate to investor inquiries.



Information Disclosure Management

The Company has established and implemented a series of regulations, including the *Information Disclosure Management System*, *Internal Reporting System for Material Information*, *Insider Information Registrant System*, and *Management System for Deferral and Exemption of Information Disclosure*. These regulations comprehensively cover all stages—from information generation, review, and disclosure to deferral, exemption, insider information registration, and accountability—ensuring the compliance and transparency of information disclosure. As the person in charge of information disclosure, the Board Secretary coordinates information disclosure matters and regulatory communications, establishing a disclosure management mechanism with clear responsibilities and standardized processes.

Key Performance:

During the reporting period, the Company issued **4** periodic disclosure reports and **62** interim announcements. No administrative penalties were imposed for violations related to information disclosure.

Compliant Operations

All employees at EP remain steadfast in their commitment to the Chairman's directive to "uphold the bottom line." By continuously improving the internal control system, strengthening risk management, and deepening the culture of compliance, the company has fostered a deep integration of regulatory enforcement and compliance awareness, thereby laying a solid foundation for the company's standardized operations and sustainable development.



Internal Control System

The Company has established a risk and internal control organizational structure with the Board of Directors as the highest decision-making body, the Audit Committee as the core supervisory body, and the Internal Audit Department as the executive body. In particular, the Audit Committee assumes supervisory responsibilities for risk management and internal control in accordance with the *Implementation Rules of the Board of Directors' Audit Committee* and serves as the Company's specialized committee responsible for risk management. Concurrently, the Company has formulated and implemented a series of regulations, including the *Internal Audit System* and the *Criteria for Identifying Internal Control Deficiencies*, to ensure that the internal control system covers core business areas such as procurement, production, sales, finance, and contracts, thereby establishing an internal control mechanism with clear responsibilities and efficient operations.

Risk and Internal Control Mechanism



Bears ultimate responsibility for the establishment, improvement, and effective implementation of the internal control system. It reviews the annual internal control evaluation report, urges management to implement corrective measures, and supervises major internal control deficiencies and improvement efforts to ensure that the company's decision-making on major matters complies with laws, regulations, and internal authorization management requirements.



As the specialized committee responsible for risk management, the Audit Committee supervises and inspects the operation of internal controls in accordance with the *Implementation Rules of the Board of Directors' Audit Committee*. It reviews financial reports and matters related to internal controls, receives work reports from the internal audit department, provides feedback on the results of internal control self-assessments, and reports relevant information to the Board of Directors, thereby fulfilling its professional oversight role.



In accordance with the annual audit plan, the department conducts internal audits and special inspections, supervising and evaluating key areas such as financial management, fund utilization, procurement and sales, and related-party transactions, and reports the audit results to the Audit Committee; it proposes corrective measures for identified issues and tracks their implementation, promoting the establishment of a closed-loop management mechanism of "inspection—feedback—correction."

Key Performance:

During the reporting period, the Audit Committee held **7** meetings to review the Company's financial information and disclosure matters, and to oversee internal and external audit work.



Risk Control Management

In accordance with the *Criteria for Identifying Internal Control Deficiencies*, the company distinguishes between internal controls over financial reporting and those over non-financial reporting, establishing separate quantitative and qualitative criteria for identifying deficiencies. Through a closed-loop process of identification, assessment, response, and monitoring, risk management is integrated into daily operations.

Risk Control Management



Key Areas

Focusing on core areas such as strategic decision-making, investment management, external guarantees, related-party transactions, contract management, cash flow activities, procurement and sales, and information disclosure, the company systematically identifies key risk points, control objectives, control measures, and responsible departments. This forms a comprehensive risk control matrix with clear responsibilities, ensuring risks are identifiable, manageable, and traceable.



Key Business Areas:

Based on the *EP Employee Bottom Line Management Manual*, clear management bottom lines are established covering dimensions such as operations, product quality and safety, production safety, and environmental protection. Risk management requirements are embedded into business processes to ensure that business operations comply with regulatory standards and the company's value orientation.

Key Performance:

During the reporting period, the Company completed risk identification and assessment in key areas such as procurement management, sales management, cash management, and contract management. No material or significant deficiencies were identified in internal controls over financial reporting or non-financial reporting.





Compliance Culture Development

Through various methods such as policy dissemination, case studies, and training programs, the company has deeply instilled a compliance mindset in every employee, fostering a positive atmosphere where "everyone emphasizes compliance and every action adheres to the rules."

Case Policy Briefing on General Administration of Customs Announcement No. 194 of 2025

Focusing on *General Administration of Customs Announcement No. 194 of 2025*, the company conducted a specialized training session titled "Interpretation of the Customs Voluntary Disclosure System and Latest Policies," systematically outlining key changes such as the conditions for voluntary disclosure, adjustments to the time limits for penalty waivers, optimizations to inspection and quarantine procedures, and extensions of validity periods. The training combined practical business scenarios to analyze the application of the "retroactive application of the more lenient provision" principle. Through typical case studies, it helped customs, documentation, and compliance personnel understand policy highlights, master operational procedures, and implement risk prevention measures, thereby further enhancing the level of import and export compliance management.



Case Policy Briefing on the Customs Administrative Penalty Discretionary Benchmarks (II)

The company organized a specialized training session on *Customs Administrative Penalty Discretionary Benchmarks and Compliance Responses*, providing a systematic interpretation of the revision background, core rules, and practical application of the "Customs Administrative Penalty Discretionary Benchmarks (II)." Through this training, customs, sales, and compliance management personnel gained a deeper understanding of customs administrative penalty discretionary rules, enhanced their ability to identify and address compliance risks in import and export operations, and provided a strong foundation for the company to conduct cross-border trade in a standardized manner.



Business Ethics



Anti-Commercial Bribery and Anti-Corruption

EP maintains a "zero-tolerance" stance toward commercial bribery and corruption. The company strictly adheres to laws and regulations such as the *Criminal Law of the People's Republic of China* and the *Anti-Unfair Competition Law*. It has established a comprehensive anti-fraud management system covering all employees and all business processes. By strengthening institutional controls, enhancing risk management, ensuring open reporting channels, and deepening a culture of integrity, the company continuously reinforces its integrity defenses, fostering a clean and upright business environment that supports the company's standardized operations and sustainable development.

Anti-Corruption Management System and Policies

The Company has established a comprehensive anti-corruption management system, designating the Board of Directors as the highest decision-making body for anti-fraud efforts, the Audit Committee as the body responsible for overseeing the implementation of anti-fraud systems, and the Internal Audit Department as the body responsible for the day-to-day execution of anti-fraud work. In accordance with the *Internal Audit System* and the *Criteria for Identifying Internal Control Deficiencies*, the Company treats anti-fraud as a key objective of internal control and focuses on identifying and examining potential fraudulent activities during internal audits. Through systematic institutional design and multi-tiered oversight mechanisms, the Company continuously strengthens integrity risk prevention and control to ensure the legality and compliance of its business and management activities.

Key Performance:

During the reporting period, EP did not face any litigation related to anti-corruption or business ethics.

Anti-Corruption Management Measures

Regulatory Constraints

- In accordance with the *EP Employee Conduct Guidelines* and relevant company management regulations, the Company has established clear boundaries for employee conduct and business operations. It strictly prohibits dereliction of duty, abuse of power, embezzlement, disclosure of confidential information, and soliciting or accepting bribes. The regulations explicitly stipulate that "amounts reaching RMB 5,000 or more" constitute significant harm;
- Illegal acts such as bribery, contract fraud, insider trading, and financial fraud are strictly prohibited.

Disciplinary Action

- For any conduct that crosses these boundaries, the company will unconditionally terminate the employment contract and reserve the right to pursue corresponding legal liability, thereby establishing a powerful institutional deterrent.

Audit Oversight

- Anti-fraud measures are incorporated as a priority in internal audits. During the audit process, potential fraudulent activities are systematically monitored and examined to ensure that fraud risks are promptly managed.



◆ Whistleblowing and Complaints

The company has established diverse and accessible reporting and complaint channels, encouraging employees, suppliers, and other partners to report suspected fraud, bribery, and other misconduct. The company places high priority on protecting the rights of whistleblowers. Throughout the process of receiving reports, conducting investigations, and providing feedback on outcomes, we strictly enforce confidentiality requirements to prevent whistleblowers from suffering adverse consequences as a result of their reports.

Reporting and Complaint Channels



Audit Office

- Hotline: 0571-28878696
- Supervision Email: epjd@ep-ep.com
- Mailing Address: Zhejiang EP Audit Office (Attn:), No. 121 Yonghua Street, Gongshu District, Hangzhou,
- Postal Code: 310000



Office of the Chairman

- Supervision Hotline: 15669917920
- Supervision Email: 12345@ep-ep.com

◆ Anti-Corruption and Anti-Bribery Training

The company integrates integrity principles into corporate culture development and employee training systems, continuously enhancing all employees' compliance awareness and integrity through multi-level, diverse training activities

Case

Training on the Implementation of the *Employee Handbook* and the *EP Employee Boundary Management Handbook*

The company organized a company-wide special training session on "Upholding the Bottom Line, Walking the Path of Compliance," focusing on the systematic dissemination of the core content of the *EP Employee Bottom Line Management Manual*. The training covered five key dimensions: employee conduct, business operations, product quality and safety, production safety, and environmental standards. Through case studies, scenario simulations, and interactive Q&A sessions, employees gained a deep understanding of the threshold that defines "significant harm" (i.e., amounts reaching RMB 5,000 or more) and learned specific methods for identifying and mitigating risks in their daily work.



Anti-Unfair Competition

The company strictly adheres to laws and regulations such as the *Anti-Monopoly Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, establishing an anti-unfair competition management system that covers all employees and all business operations. By improving institutional controls, strengthening risk management, and deepening compliance training, the company continuously standardizes market conduct, maintains a fair and competitive market order, and safeguards the company's sustainable development through honest and compliant business practices.

◆ Anti-Monopoly and Fair Competition Management System and Policies

The Company has established a comprehensive anti-unfair competition management system, designating the Board of Directors as the highest decision-making body for compliance management, the Audit Committee as the body responsible for overseeing the implementation of relevant systems, and each business department as the first line of defense for compliance management. The Company integrates anti-unfair competition requirements into core business processes such as procurement, sales, and marketing, and ensures the legality and compliance of market competition practices through institutionalized management and oversight mechanisms.

Antitrust and Fair Competition Management Measures



The counterfeiting of registered trademarks and patents is strictly prohibited;

The sale of goods bearing counterfeit registered trademarks is prohibited;

Do not infringe upon trade secrets or illegally obtain state secrets;

Damaging the commercial reputation or product reputation of others is prohibited;

It is prohibited to forge the seals of companies, enterprises, public institutions, or people's organizations.



Antitrust and Fair Competition Risk Management

The company systematically identifies key risk points in key areas such as pricing practices, market division, transaction conditions, and abuse of market dominance, and establishes targeted control measures to ensure that risks are identifiable, manageable, and traceable.

Antitrust and Fair Competition Risk Identification and Control Measures

Pricing Practices	Price Monopolization, Price Fraud, and Collusive Pricing	<ul style="list-style-type: none"> Strictly enforce pricing laws and regulations; product pricing is determined independently based on cost and market factors; Prohibit price-fixing alliances or bid-rigging with competitors.
Market Division	Market Division, Restriction of Sales Territories, or Customer Segments	<ul style="list-style-type: none"> Conduct sales activities in accordance with market principles; do not enter into agreements with competitors to divide markets or customers; Sales policies must be open and transparent to all customers.
Terms of Sale	Tying Sales or Imposing Unreasonable Transaction Conditions	<ul style="list-style-type: none"> Contract terms must be reviewed by the legal department or external counsel to ensure that transaction conditions are fair and reasonable; Do not use a dominant market position to force tie-in sales.
Intellectual Property	Counterfeiting Trademarks and Patents, Infringement of Trade Secrets	<ul style="list-style-type: none"> Strictly enforce intellectual property protection regulations and prohibit the counterfeiting of registered trademarks and patents; Sign confidentiality agreements with employees and partners to prevent the disclosure of trade secrets.
Commercial Defamation	Damaging the commercial reputation of competitors	<ul style="list-style-type: none"> Adhere to the principles of objectivity and truthfulness in marketing; do not fabricate or disseminate false information to damage the reputation of competitors.
Bidding and Tendering Practices	Bid-rigging and Bid-rigging Collusion	<ul style="list-style-type: none"> Strictly enforce bidding management regulations to ensure that the bidding process is open, fair, and impartial; Collusion with bidders or the disclosure of confidential information is strictly prohibited.

Antitrust and Fair Competition Training

The company integrates anti-unfair competition compliance principles into its employee training system. Through various methods, such as policy dissemination and case studies, we continuously enhance all employees' awareness of fair competition and compliance literacy.

Case Specialized Training on Antitrust and Fair Competition

In 2025, the Company's Legal Department organized specialized training on antitrust and fair competition for personnel from sales, procurement, marketing, and management. The training systematically reviewed the latest amendments to the *Antitrust Law* and the *Anti-Unfair Competition Law*. By integrating industry and business realities, it interpreted key provisions such as monopoly agreements and abuse of market dominance, and provided compliance risk warnings for high-risk scenarios including sales pricing, customer allocation, and bidding. Through regulatory briefings, case studies, and on-site Q&A sessions, the training enhanced participants' ability to identify antitrust risks and raised their awareness of fair competition. It reinforced their commitment to compliant business operations and contributed to the creation of a fair and transparent market competition environment.



Data Security and Customer Privacy Protection

EP strictly complies with laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*, as well as the *Information Security Management System Requirements (ISO/IEC 27001:2022)* standard. The company has established, implemented, and continuously improved its information security management system to ensure the confidentiality, integrity, and availability of information.

System Development

The Company has formulated and implemented the *Information Security Management Manual* along with relevant management systems and security policies, clearly defining the overall objectives and control requirements for information security management. To ensure the effective operation of the system, the Company has established an Information Security Task Force led by the General Manager and spearheaded by the Information Technology Department, with designated information security officers under its purview who are fully responsible for the development and daily operation of the information security management system.

Key Performance

During the reporting period, the Company successfully obtained ISO/IEC 27001:2022 Information Security Management System certification.



ISO/IEC 27001:2022 Information Security Management System Certification

Organizational Controls

- Define information security policies, roles, and responsibilities, and implement management accountability;
- Establish liaison mechanisms with relevant functional units and specific stakeholders;
- Conduct threat intelligence management and integrate information security requirements into project management;
- Establish an asset inventory and standardize asset classification, grading, and acceptable use.

Personnel Controls

- Conduct rigorous pre-employment screening and clearly define terms and conditions of employment;
- Conduct ongoing information security awareness, education, and training;
- Standardize procedures for handling violations and clarify responsibilities following termination or changes in employment;
- Enforce security agreements, strengthen remote work security management, and establish an information security incident reporting mechanism.

Physical Controls

- Establish physical security perimeters and enhance security protection for offices, rooms, and facilities;
- Implement physical security monitoring to guard against physical and environmental threats;
- Standardize storage media management, ensure proper equipment placement and maintenance, enforce desktop and screen cleanup requirements, and ensure the security of assets outside organizational premises.

Technical Controls

- Strengthen user endpoint device and privileged access controls to protect source code security;
- Implement capacity management, malware prevention, and technical vulnerability management;
- Standardize configuration management, data deletion, data de-identification, and anti-leakage measures;
- Establish information backup and log monitoring mechanisms to ensure the traceability of security incidents.

Risk Management

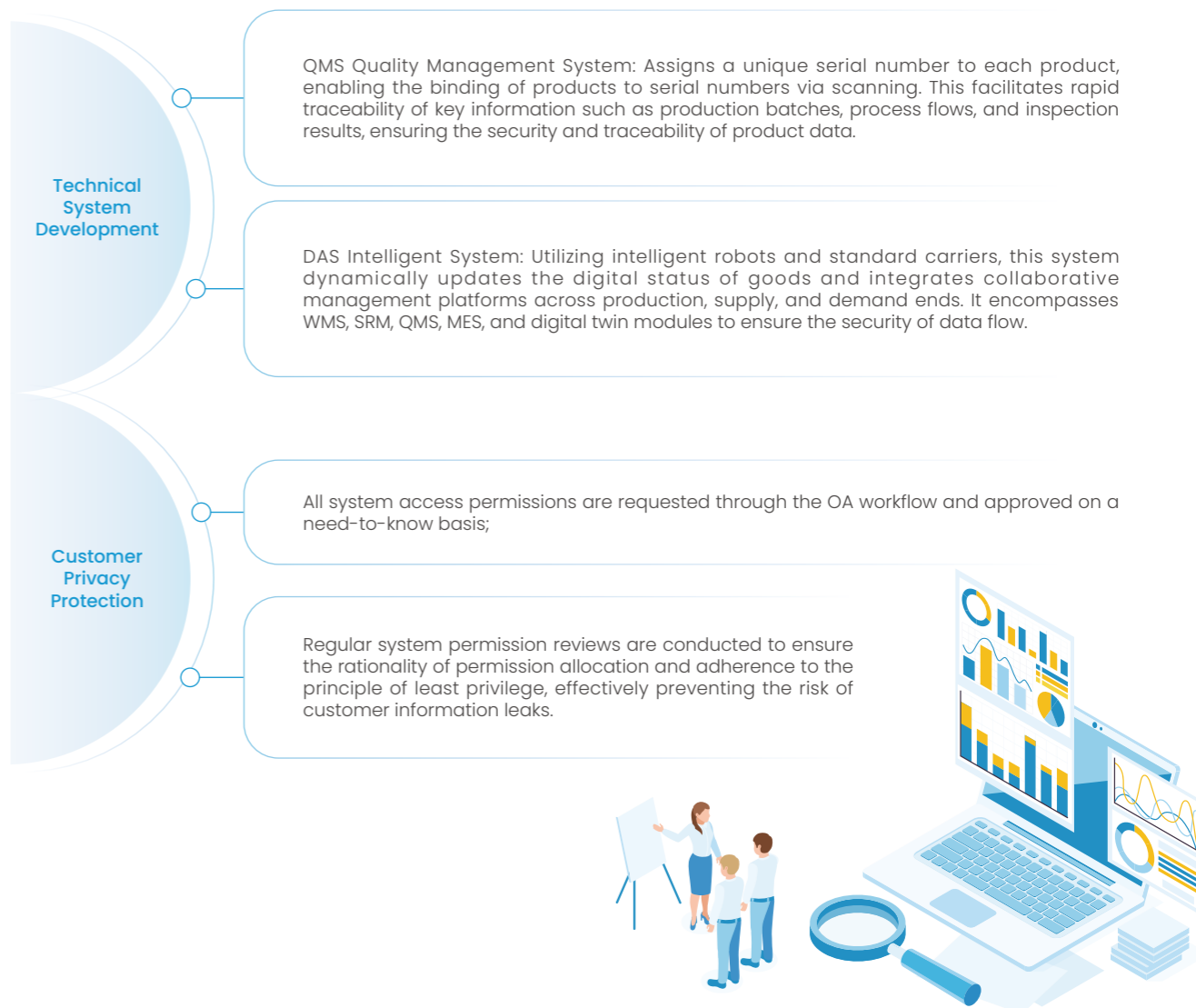
The company employs institutionalized and systematic control measures to conduct continuous screening and response regarding critical assets, system vulnerabilities, and external threats, ensuring that data security and customer privacy protection are integrated throughout the entire process of technical system development and access rights management.

Key Performance:

In 2025, the company identified a total of **191** critical assets. For high-risk items, the company formulated the *Information Security Risk Management Plan* and implemented security measures item by item; all risks have been reduced to an acceptable level;

During the reporting period, the company experienced no major information security incidents or significant data breaches.

Information Security Risk Management



03

Ecological Stewardship

Aligned with the United Nations Sustainable Development Goals



Key Issues

- Addressing Climate Change
- Environmental Compliance Management
- Energy Use
- Water Resource Utilization
- Waste Management
- Pollutant Emissions
- Circular Economy



Climate Change Response

Climate Change Management

The company has integrated climate risk management into its ESG organizational structure, continuously improving internal management mechanisms to enhance the effectiveness of climate governance. The company has incorporated greenhouse gas emission reduction targets into daily operations, focusing on optimizing the energy mix and improving energy efficiency, and is comprehensively advancing the implementation of emission reduction initiatives.

Climate Change Initiatives

Category	Initiative	Implementation Results
Clean Energy Application	Construction of distributed solar photovoltaic power plants on the roofs of park facilities	With an installed PV capacity of 16.63 MW and an annual total power generation of 9.1 million kWh, this initiative effectively reduces reliance on conventional power sources and cuts Scope 2 carbon emissions
Green Process Upgrades	Commissioned 4 powder coating lines, with the powder curing process utilizing a direct heating mode	This reduces energy waste associated with indirect heating and conserves natural gas consumption
Low-Carbon Collaboration in the Supply Chain	Signed a <i>Safety and Environmental Management Agreement</i> with key suppliers	Working Together to Build a Green, Low-Carbon Supply Chain Ecosystem and Promote Collaborative Emissions Reduction Across the Industry Chain

2025 Greenhouse Gas Emissions Data

Indicators	Unit	2025
Scope 1	tons of CO ₂ equivalent	2,954
Scope 2	tons of CO ₂ equivalent	5,767.62
Total greenhouse gas emissions	Scope 1 + Scope 2	8,721.62
Greenhouse gas emissions intensity	tons of CO ₂ equivalent per million in revenue	1.20

Note: The 2025 greenhouse gas emissions data includes only figures for the parent company of Zhejiang E-P EquipmentCo.,Ltd.

Climate Risk and Opportunity Management

EP employs a systematic risk management model to identify and assess climate risks and opportunities across the upstream, midstream, and downstream segments of the value chain, ensuring that potential environmental impacts are effectively addressed. For different risk types, the company conducts in-depth analyses of high-priority, distinctive climate risks and opportunities, and qualitatively evaluates the potential impact of climate factors on the company's operations across three time horizons: short-term (2026), medium-term (2030), and long-term (2050).

Risk and Opportunity Types	Risk Drivers	Key Impacts	Time Horizon	Impact Severity	Countermeasures
Physical Risks	Frequent extreme weather events (e.g., heavy rain, typhoons)	Production disruptions, facility damage, supply chain disruptions	Short-term	Medium	Improve the emergency response plan system, strengthen emergency drills and source control [See: Environmental Emergency Management section]
Transition Risks	Tighter carbon emission policies (e.g., carbon taxes, carbon trading)	Rising compliance costs and pressure from carbon quotas	Mid-term	High	Promoting clean energy substitution and green process transformation to reduce carbon intensity [See: Energy Utilization and Clean Production sections]
	Increased customer and market demand for low-carbon products	Declining product competitiveness, restricted market access	Medium term	High	Focus on lithium-ion battery technology innovation and green product design to develop zero-emission solutions [See: Clean Production and Circular Economy subsections]
Technological Opportunities	Development of clean energy technologies	Reducing energy costs and increasing energy self-sufficiency	Medium Term	High	Promote photovoltaic power generation and the purchase of green electricity, optimize the energy mix, and increase the share of clean energy [See: Energy Utilization section]
Market Opportunities	Growing market demand for green products	Expanding market share and increased brand premium	Long-term	High	Promote green product design and environmentally friendly, low-risk processes to meet market demand for low-carbon solutions [See: Clean Production and Circular Economy sections]
Policy Opportunities	Circular Economy Policy Support	Improved resource utilization efficiency and waste reduction	Short-term	Medium	Implement "reduce, reuse, and recycle" initiatives to promote resource recycling [See: Circular Economy section]



Environmental Compliance Management

EP strictly adheres to the *Environmental Protection Law of the People's Republic of China* and relevant laws and regulations. The company integrates environmental compliance management into the core of its corporate governance and, through an environmental protection target accountability system and performance evaluations, ensures that environmental strategies are effectively cascaded down to each business unit, guaranteeing the successful implementation of environmental protection objectives.

Environmental Management Policy

- Green Transportation, Beautifying the Environment:** Promote green transportation, reduce exhaust emissions, and beautify the human environment
- Compliant Operations and Continuous Improvement:** Adhere to laws and regulations, ensure environmental compliance, and continuously improve environmental performance

Environmental Management Objectives and Achievement Status

Indicators and Targets	Achievement Status
Compliant Discharge of Three Wastes	Completed
No administrative penalties for environmental violations	Completed
Rate of Rectification of Environmental Hazards ≥99%	Completed
Environmental emergency drills and training	Completed

Establishment of Environmental Management System

The company adheres to the ISO 14001:2015 standard, establishing and continuously improving its environmental management system. It has developed a comprehensive set of policies covering the *Environmental Management Regulations, Air Pollution Prevention and Control Management System, Noise Pollution Prevention and Control Management System, Solid Waste Management System, Water Pollution Prevention and Control Management System, Energy Conservation and Low-Carbon Management Regulations, and Environmental Baseline Management Guidelines*. These policies systematically integrate environmental management requirements into all business processes, ensuring standardized and institutionalized operations in environmental management.

Key Performance

As of the end of the reporting period, **100%** of the company's headquarters and finished product manufacturing subsidiaries have obtained ISO 14001 Environmental Management System certification.



ISO 14001 Environmental Management System Certification

Environmental Management Framework



Environmental Management Process





Environmental Emergency Management

EP strictly adheres to laws and regulations such as the *Law of the People's Republic of China on Responding to Emergencies*, integrating environmental risk management into daily operations and strategic decision-making. During the reporting period, the company did not experience any environmental violations or receive any administrative penalties related to environmental protection.

Improving the Institutional Framework and Strengthening the Management Foundation

The company has established the *Emergency Response Plan for Environmental Incidents*, which organizes and formulates contingency plans for potential emergencies and accidents. It clearly defines the complete process for information reporting, response grading, and on-site handling, and establishes the response principle of "control first, then treat; prioritize saving lives; minimize losses."

Dynamically Identifying Environmental Factors to Achieve Source Control

The company regularly identifies and evaluates environmental factors associated with its operations, products, and services, with particular consideration given to abnormal situations and reasonably foreseeable emergencies. Specialized contingency plans are developed for potential emergencies and accidents, clearly defining the complete processes for information reporting, response grading, and on-site handling.

Strengthen Plan Development and Drills to Enhance Emergency Response Capabilities

The company regularly conducts emergency response drills to strengthen safety and civilized production management, thereby enhancing employees' awareness and practical capabilities in handling sudden environmental incidents.

Case Environmental Pollution Incident Emergency Drill

In 2025, the company organized a specialized emergency drill for hazardous waste leaks, with over 20 participants from the Equipment and Environmental Protection Department and the Coating Business Division. The drill simulated a scenario where improper handling during the storage of waste mineral oil caused a drum to tip over, resulting in an oil spill. On-site personnel immediately reported the incident to the Emergency Command Center, which swiftly activated the emergency response plan. The emergency response team rushed to the scene, established a cordoned-off area, righted the overturned drums, and used sawdust to cover and absorb the spill. The oil-contaminated sawdust was properly stored in the hazardous waste warehouse following cleanup, and corresponding records were completed simultaneously. The drill demonstrated a rapid overall response and standardized procedures, effectively validating the feasibility of the emergency plan and the personnel's practical capabilities. Following the drill, the company organized a debriefing and evaluation. Addressing the coordination issues identified during the exercise, the company further clarified roles and responsibilities and continued to refine the emergency coordination mechanism.



Energy Utilization

EP has established an energy management organization led by the Equipment and Environmental Protection Department to coordinate the efficient use of energy across the company. Through the establishment of sound energy management systems, the implementation of energy-saving upgrades, and the promotion of clean energy applications, the company is continuously advancing the efficiency and low-carbon nature of its energy use.

Energy Consumption Data for 2025

Type	Unit	2025
Natural Gas	10,000 cubic meters	140
Purchased electricity	10,000,000 kWh	1,087
Solar power generation	10,000 kWh	910
Green electricity used	10,000 kWh	757

Note: The 2025 greenhouse gas emissions data includes only figures for the parent company of Zhejiang E-P EquipmentCo.,Ltd.



Energy Management System and Policies

The company has established an end-to-end energy management system that clarifies organizational structure and division of responsibilities to ensure the orderly advancement of energy conservation and low-carbon initiatives. A dedicated Energy Conservation and Low-Carbon Management Task Force has been formed, led by the General Manager, with heads of business units and functional departments serving as deputy leaders. The Equipment and Environmental Protection Department acts as the lead managing department, supported by full-time and part-time energy managers, thereby establishing a three-tier control system encompassing "decision-making, management, and execution."

Energy Management System

Policy Development



- The Company has formulated and implemented the *Energy Conservation and Low-Carbon Management Regulations* to systematically standardize energy usage practices across various dimensions, including planning management, procurement management, contract management, data management, equipment operation management, office area management, and production process management;
- Promote digital transformation by establishing an energy and carbon emissions data management platform to enable real-time monitoring and precise analysis of electricity, water, and gas consumption data, thereby providing data support for energy-saving decisions;
- Establish and improve an energy conservation and low-carbon incentive and accountability mechanism, linking the achievement of energy conservation targets to departmental and individual performance evaluations to strengthen accountability.

Supervision and Evaluation



- Implement a dual supervision mechanism combining routine inspections with special audits, conduct regular energy conservation and low-carbon audits, and perform follow-up evaluations on key processes and projects.
- Through a closed-loop management process involving problem analysis, the formulation of improvement measures, and effectiveness evaluation, continuously optimize the energy management system and drive the deepening of energy conservation efforts.

Energy Management Goals and Planning

Based on actual production and operational conditions and in line with industry trends, the company scientifically formulates annual energy management goals and implementation pathways to ensure that energy conservation and carbon reduction efforts are quantifiable and actionable.

2026 Energy Conservation Targets:

Using 2025 energy consumption data as a baseline, the company has set electricity consumption targets for key departments below the 2025 average, aiming for an overall reduction of **700,000 kWh** in electricity consumption and **50,000 cubic meters** in natural gas consumption.

Differentiated Electricity Consumption Control Targets for Key Departments

Department	2025 Average Electricity Consumption Target (RMB/unit)	2025 Average Energy Consumption Target (kWh/unit)	2026 Cost Control Target (RMB/unit)
Painting and Powder Coating	3.18	4.12	3.2

Department	25-Year Average Electricity Cost (RMB/unit)	25-Year Average Energy Consumption Target (kWh/unit)	Cost Control Target (RMB/unit)
Painting	20.70	28.23	21

Department	25-Year Average Electricity Cost (RMB/kWh)	25-Year Average Energy Consumption Target	Cost Control Target (RMB/kWh)
Lithium Battery Department	1.19	0.62	1.2

Department	Average Electricity Cost to Output Ratio for 2025	25-Year Average Energy Consumption (kWh/10,000 RMB)	Cost Control Target (Electricity Cost/Output Value Ratio)
Structural Department	0.587%	59.06	0.60%

Department	25-Year Average Electricity Cost (CNY/unit)	25-Year Average Energy Consumption (kWh/unit)	Cost Control Target (RMB/unit)
Electric Forklift Department	25.05	34.75	26

Note: The 2025 greenhouse gas emissions data includes only figures for the parent company of Zhejiang E-P EquipmentCo.,Ltd.

2026 Energy Conservation Implementation Plan

Key Areas	2026 Energy Conservation Plan
<p>Equipment Energy Efficiency Optimization</p>	<ul style="list-style-type: none"> Expand energy storage projects, adding 1,165 kWh of storage capacity in the South District and 3,495 kWh in the North District; finely adjust the charging and discharging schedules of energy storage systems to fully utilize solar power and off-peak electricity, thereby conserving power resources; Advance energy-saving retrofits for natural gas water heaters; plan to adopt methods such as heat recovery from air compressors to improve the utilization rates of natural gas and electricity.
<p>Digital Monitoring and Control</p>	<ul style="list-style-type: none"> Strengthen real-time electricity consumption monitoring, dynamically optimize capacity and demand management, increase patrols, adjust electricity usage strategies during holidays, and reduce unnecessary power consumption losses.

Energy Conservation Initiatives

The company continues to advance energy-saving and consumption-reduction projects across the entire organization, focusing on clean energy substitution, equipment energy optimization, process upgrades, and management improvements. Key progress and achievements in 2025 are as follows:

Progress on Key Energy-Saving Projects in 2025

Key Areas	Implementation Progress and Quantifiable Results
Clean Energy Substitution	<ul style="list-style-type: none"> Distributed solar photovoltaic power stations were constructed on the rooftops of factory buildings within the industrial park, vigorously promoting the application of green solar power. In 2025, the installed capacity of solar power generation reached 16.63 MW, with a total annual electricity generation of 9.1 million kWh, effectively reducing reliance on conventional power and lowering Scope 2 carbon emissions.
Green Process Upgrades	<ul style="list-style-type: none"> Actively promoting the green transformation of coating processes, four powder coating lines have been put into operation. The powder curing process adopts a direct heating mode, reducing energy waste from indirect heating stages, conserving natural gas consumption, and lowering carbon emissions during production.
Energy-Efficient Equipment Optimization	<ul style="list-style-type: none"> All general-purpose energy-consuming equipment complies with national energy efficiency standards. High-energy-consumption equipment is strictly configured to meet Class II energy efficiency standards or utilizes variable frequency control to ensure optimal operational efficiency.
Digital Monitoring and Control	<ul style="list-style-type: none"> We have established a mechanism for monitoring electricity consumption targets at key energy-consuming units, implementing real-time monitoring and dynamic analysis of energy consumption. Any anomalies are promptly investigated and rectified, empowering refined energy management through digital tools;
Emissions Reduction for Operational Vehicles	<ul style="list-style-type: none"> All on-site transport vehicles are 100% new energy forklifts; 90% of off-site transport vehicles meet National V emission standards or higher; Company shuttle buses use new energy electric buses, comprehensively advancing the development of a green logistics system.



Water Resource Utilization

EP strictly adheres to the requirements of the *Water Law of the People's Republic of China*, the *Regulations on Water Conservation*, and relevant local water resource management regulations, integrating water resource management into daily operational monitoring. During production and business operations, the company's primary water source is municipal water supply, with water usage covering production and manufacturing, employee living needs, and landscape irrigation. Key data on the company's water resource utilization for 2025 is as follows:

Water Consumption Data for 2025

Indicator	Unit	2025
Water Consumption	tons	87,068
Water Recycled	cubic meters	450
Water consumption intensity	tons/unit	0.33

Note: The 2025 greenhouse gas emissions data includes only figures for the parent company of Zhejiang E-P EquipmentCo.,Ltd.

Through a multi-faceted approach that includes public education, routine inspections, process optimization, and rainwater reuse, the company continuously improves water use efficiency, reduces fresh water consumption, and supports sustainable development.

Water Conservation Management Measures

Public Awareness and Education	Posting water-saving slogans and conducting water-saving awareness campaigns to foster a company-wide culture of water conservation.
Routine Inspections	Safety officers from each department and the Security Department inspect for issues such as water pipe abnormalities and promptly report and address them to prevent water waste.
Process Water Conservation	The coating water treatment process implements multi-stage reuse. Wastewater from the second process stage on all four coating lines is recirculated to the first process stage for reuse, reducing fresh water consumption and minimizing wastewater discharge.
Rainwater Collection	We have advanced a rainwater collection and utilization project, constructing a 500-cubic-meter fire protection water tank with a total rainwater collection capacity of approximately 450 cubic meters. The collected rainwater is used for landscape irrigation and firefighting purposes, effectively reducing the consumption of tap water.



Emissions and Waste

EP strictly adheres to national and local environmental laws and regulations, implementing standardized management throughout the entire process for exhaust gases, wastewater, and solid waste to ensure that all pollutants are discharged in compliance with standards and that waste is disposed of in accordance with regulations.

Air Emissions Management

The company systematically identifies and classifies air emissions generated during production activities. During the reporting period, air emissions primarily originated from particulate matter generated during shot blasting, grinding, and powder coating processes in the painting operations; volatile organic compounds (VOCs) released during powder curing; and pollutants generated by spray painting in the paint line.

Air Emission Management Measures

Pollution Sources	Primary Pollutants	Management Measures
Coating and Spraying	VOCs, Particulate Matter	Utilize various processes such as filter cotton, zeolite rotor adsorption, and catalytic combustion for harmless treatment
Sanding Process / Electrostatic Powder Coating	Particulate Matter	Filtered and adsorbed using high-efficiency membrane filter cartridges, then discharged at a height of 15 meters
Powder curing	VOCs	Treated via activated carbon adsorption and discharged from a height of 15 meters
New Construction/Expansion Projects	Various exhaust gases	Conduct environmental impact assessments in strict accordance with legal and regulatory requirements to ensure compliance

Compliance Status of Industrial Exhaust Emissions ⁵

Emission Point	Test Parameters	Emission Concentration	Unit	Compliant
RTO Treatment Outlet for Paint Exhaust	Benzene	0.007	mg/m ³	Yes
	Toluene	0.221	mg/m ³	Yes
	Ethyl acetate	0.008	mg/m ³	Yes
	Ethylbenzene	<0.006	mg/m ³	Yes
	o-xylene	<0.004	mg/m ³	Yes
	Total non-methane hydrocarbons	2.06	mg/m ³	Yes
	Styrene	<0.004	mg/m ³	Yes
Exhaust outlet for powder coating curing waste gas treatment	Sulfur dioxide	< 3	mg/m ³	Yes
	Nitrogen Oxides	< 27	mg/m ³	Yes
	Total non-methane hydrocarbons	1.18	mg/m ³	Yes

Note: The 2025 greenhouse gas emissions data includes only figures for the parent company of Zhejiang E-P EquipmentCo.,Ltd.

Key Performance

As of the end of the reporting period, the Company's exhaust gas emissions fully complied with national and local standards, with **100%** of emissions meeting regulatory requirements.

⁵ Data extracted from the 2025 Inspection Report of EP's Northern Region Plant

Wastewater Management

The Company's wastewater primarily consists of industrial wastewater and domestic sewage. The Company strictly adheres to national laws, regulations, and relevant standards, implementing classified collection and standardized disposal of all types of wastewater to ensure the entire wastewater treatment process is compliant and controllable.

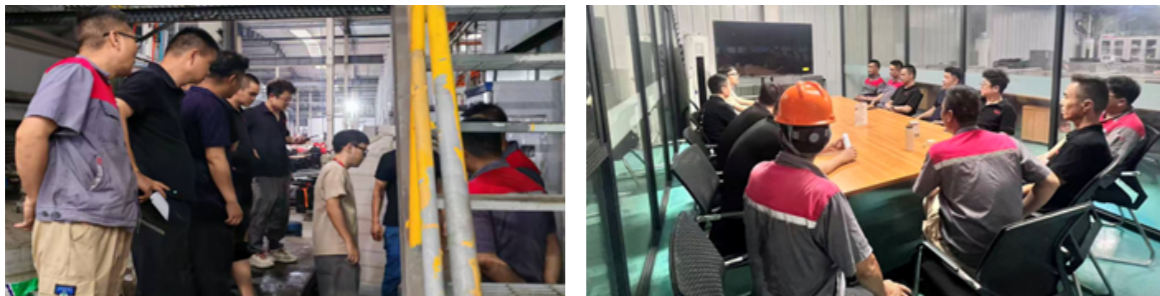
Key Performance

During the reporting period, **100%** of the company's wastewater met discharge standards.

Wastewater Treatment	<ul style="list-style-type: none"> Industrial wastewater is centrally treated at the industrial park's wastewater treatment plant before being discharged into the sewer system; Domestic sewage is treated through sedimentation in pretreatment facilities such as septic tanks and grease traps before being discharged into the municipal sewer system or reused for landscaping.
Process Optimization	<ul style="list-style-type: none"> We continuously optimize production processes and actively promote dry painting techniques to replace traditional wet painting, thereby reducing industrial wastewater generation at the source.
Emergency Management	<ul style="list-style-type: none"> Regular emergency response drills for wastewater leaks are conducted in accordance with the <i>Emergency Response Plan for Sudden Environmental Incidents</i>. In 2025, a specialized emergency drill will be organized to simulate abnormal wastewater discharge scenarios in the industrial park, promptly diverting hazardous substances into emergency retention ponds to prevent the spread of pollution.

Case Wastewater Emergency Response Drill

In September 2025, the company organized an emergency drill for wastewater treatment facility malfunctions in the coating wastewater tank area, with over 20 participants including safety and environmental personnel and key workshop operators. The drill simulated abnormal facility operations; on-site personnel immediately stopped drainage, opened emergency valves, and reported the incident to activate the response plan. The emergency response team swiftly contained the leak area, transferred the wastewater to a collection tank, and completed equipment repairs. The drill featured rapid response and standardized operations, effectively testing the feasibility of the emergency plan and enhancing employees' on-site emergency response capabilities. Following the drill, the company conducted an on-site debriefing and prepared a written evaluation report. Based on issues identified during the drill, the emergency plan was continuously optimized to further improve the environmental risk prevention and control system.



Solid Waste Management

The company strictly adheres to relevant laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and has formulated and implemented the *Solid Waste Management System*. It has established a comprehensive environmental pollution prevention and control accountability system covering general industrial solid waste, municipal solid waste, and hazardous waste.

Solid Waste Management Measures

General Industrial Solid Waste and Municipal Solid Waste	These are sorted and collected by the generating departments, then entrusted to qualified entities for compliant disposal, with useful resources being recycled.
Hazardous Waste	After collection in the hazardous waste storage facility, disposal is entrusted to qualified enterprises. The facility is inspected regularly to ensure the disposal process is conducted in a standardized and safe manner.

Waste Generation Volume in 2025

Indicator	Unit	2025
Non-hazardous Waste Generation	tons	567
Hazardous waste generated	tons	90.7

Note: The 2025 greenhouse gas emissions data includes only figures for the parent company of Zhejiang E-P EquipmentCo.,Ltd.

Circular Economy

The company strictly implements national laws and regulations related to the circular economy. By adhering to the principles of "reduction, reuse, and recycling," we enhance resource utilization, protect and improve the environment, and achieve sustainable development.

Circular Economy Initiatives

Reduction	Reuse	Resource Recovery
<p>Promoting green manufacturing processes and optimizing product design to reduce material consumption;</p> <p>Installing water storage tanks in the painting workshop to promote the recycling of water resources;</p> <p>Using standard pallets and tooling for repeated use to reduce packaging material consumption.</p>	<p>Scrap iron and offcuts are cast and processed into forklift counterweights;</p> <p>Purchase end-of-life forklifts, dismantle and refurbish them into new forklifts.</p>	<p>Implement waste sorting and recycling, and entrust disposal to qualified companies;</p> <p>Designated personnel collect recyclable materials such as wooden pallets, cardboard boxes, and plastics.</p>

Key Performance

During the reporting period, the company procured **4,161,990** kilograms of scrap steel and scrap materials for the production of counterweights, resulting in greenhouse gas emissions reductions of **20,838** metric tons of carbon dioxide equivalent.

Green Office Practices

EP has extended its green operations to daily office practices, promoting green office initiatives through measures such as water and electricity conservation and paperless operations, thereby continuously fostering a low-carbon, high-efficiency green office culture.

Green Office Initiatives

Electricity Conservation

Reasonable use of air conditioning (no lower than 26°C in summer and no higher than 20°C in winter), implementation of a "power off when unattended" policy for office equipment, promotion of LED energy-saving lighting, and full utilization of natural light.

Water Conservation

Turn off faucets promptly, conduct regular inspections of pipes, valves, toilets, and other facilities, and promote the use of water-saving fixtures.

Paperless Office

Implement paperless operations through systems such as OA, ERP, PLM, and ADS; collect and recycle used paper centrally.

Waste Sorting and Recycling

Set up separate recycling bins; sort recyclables such as paper, plastic, and metal for proper disposal; and collect hazardous waste such as used batteries and ink cartridges separately.

Eco-Friendly Commuting

Encourage commuting via public transportation, cycling, and walking; rationally schedule the use of official vehicles; and promote remote work and staggered commuting hours.

Green Meetings and Events

Adopt online meetings to reduce business travel; digitize meeting materials; minimize the use of single-use items during events; and promote eco-friendly catering.

Optimizing the Office Environment

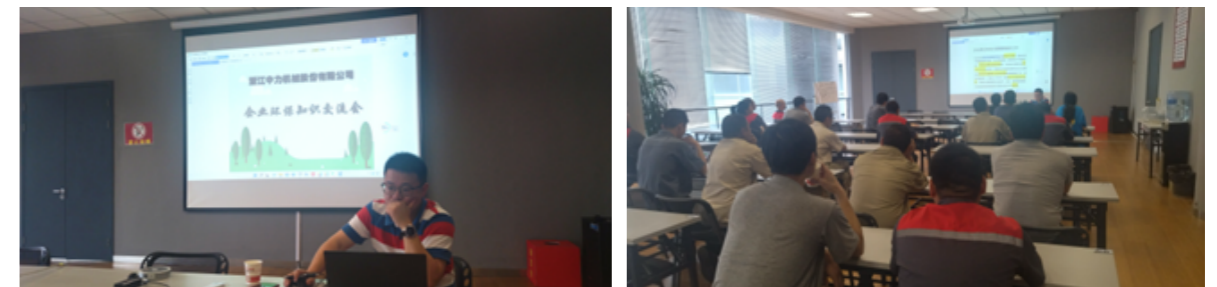
Use eco-friendly building materials, maintain indoor ventilation, incorporate more green plants, and prohibit smoking in office areas.

Energy Conservation Awareness and Training

Regularly conduct energy conservation awareness campaigns, organize green office training sessions, and share best practices and success stories in energy conservation.

Case Environmental Protection Training

In 2025, the company organized a specialized training session on environmental laws and regulations, featuring case studies and cautionary lessons. Participants included company management, heads of production workshops, safety and environmental protection specialists, and employees in key positions. The training covered interpretations of core environmental regulations such as the *Environmental Protection Law* and the *Law on the Prevention and Control of Environmental Pollution by Solid Waste*. By examining typical industry cases of environmental violations, the session provided an in-depth analysis of common illegal practices—including excessive emissions, the mixing of hazardous waste with non-hazardous waste during storage, and failure to promptly report malfunctions in environmental protection facilities—along with the corresponding legal liabilities. Through a combination of regulatory explanations and case studies, participants further strengthened their awareness of environmental red lines and their commitment to compliant operations, thereby enhancing the entire workforce's ability to prevent environmental risks.



Environmental Protection Specialized Training

Clean Production

The company comprehensively promotes clean production by systematically identifying and resolving environmental issues in the production process, aiming to reduce waste, lower energy consumption, improve resource utilization efficiency, and minimize environmental emissions.

Clean Production Initiatives



Green Product Design

Focusing on the innovative application of high-voltage lithium-ion battery technology, we are creating a new generation of material handling solutions that offer "the same price as diesel-powered vehicles but with performance surpassing internal combustion engines," meeting the demands for zero emissions, long range, and low maintenance.



Clean Energy and Raw Materials

The Foundry Plant employs advanced casting processes and energy-efficient equipment, prioritizing the use of clean energy.



Clean Production Processes

We adopt environmentally friendly, low-risk processes such as dry cutting and powder coating instead of liquid paint, reducing pollutant generation at the source.

04

Industrial Empowerment

Aligned with the United Nations Sustainable Development Goals

<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>17 PARTNERSHIPS FOR THE GOALS</p> 
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Key Issues

- Innovation-Driven
- Product and Service Safety and Quality
- Supply Chain Security
- Equal Treatment of Small and Medium-Sized Enterprises



Special Feature: Green Manufacturing, Crafting Premium Products

Adhering to the development philosophy of "Making Material Handling Simpler and Greener," EP drives product upgrades through technological innovation, advancing the electrification, greening, and intelligent development of logistics equipment.

Green Product System

Addressing diverse material handling needs across various scenarios, the company has established a product portfolio covering warehousing, manufacturing, ports, and aviation sectors. Currently, it offers a product matrix comprising hundreds of models and thousands of specifications to meet the material handling requirements of different customers.

Major Product Categories of EP

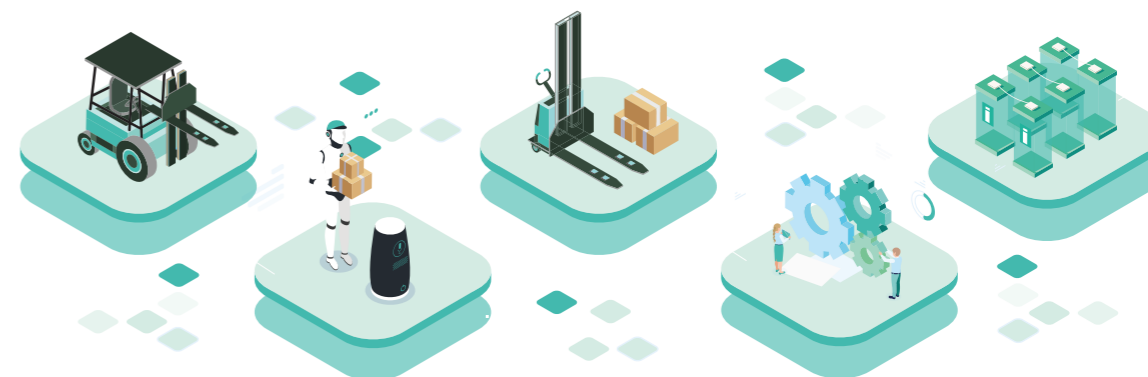
<p>Electric Pallet Trucks</p> <p>Warehouse and Logistics Handling</p>	<p>Electric Stacker</p> <p>Warehouse Stacking</p>
<p>Electric counterbalance forklift</p> <p>Industrial Manufacturing and Logistics</p>	<p>Reach Trucks</p> <p>High-Rack Storage</p>
<p>Electric Order Pickers</p> <p>E-commerce Warehousing</p>	<p>Electric tow tractor</p> <p>Logistics and Transportation</p>
<p>Reach stacker</p> <p>Port and Heavy-Duty Operations</p>	<p>Civil Aviation Equipment</p> <p>Airport Ground Support and Material Handling</p>

Diversified Brands and Business Portfolio

The company has established a product ecosystem comprising "Five Major Brands + Eight Business Lines" to provide customers with one-stop material handling solutions. Through a multi-brand collaborative strategy, we continuously expand product application areas and drive the logistics equipment industry toward intelligent and green upgrades.

EP Brand and Business Layout

<p>EP</p> <p>Electric warehouse equipment and forklifts</p>	<p>BIGJOE</p> <p>Heavy-duty industrial vehicles</p>	<p>EP OEM PARTS</p> <p>Industrial Parts Manufacturing</p>
<p>EP ENERGY</p> <p>Energy Storage Systems and Energy Solutions</p>	<p>X-Mover EP Digital Intelligence</p> <p>Intelligent Material Handling Robots</p>	



Product Innovation

Electrification Innovation

The company has launched the "xiaojingang," a lightweight electric pallet truck, driving the industry's transition from manual to electric material handling.



xiaojingang electric pallet truck

Intelligent Innovation

Through the EP Digital Intelligence Platform, the company is developing intelligent material handling solutions, driving intelligent upgrades at the product, operational model, and system levels. It is also creating smart factory and intelligent logistics applications through the DAS Digital Intelligence System and the "X-Mover."



X-Mover

Green Innovation

The company has introduced "internal combustion to electric" forklift technology, unifying internal combustion and electric forklifts on a single chassis platform. This provides a viable pathway for the electrification of the existing market of over 4 million internal combustion forklifts, accelerating the transition toward green operations in the forklift industry in China and globally. Simultaneously, the company has achieved the electrification upgrade of internal combustion forklifts and developed modular, combinable lithium-ion battery packs for forklifts along with supporting battery swap station systems, providing customers with greener and more efficient logistics equipment solutions.



EP Forklift Battery Swapping Station (top)
Modular Lithium-Ion Battery Pack Forklift (bottom)

Digital Innovation

Based on its self-developed Telematics platform, the company has established a digital operations system covering the entire equipment lifecycle, upgrading its business model from "equipment sales" to "equipment + data + services." By collecting and analyzing real-time data on fleet assets, energy consumption, utilization efficiency, and fault information, the platform provides multi-dimensional insights at both the fleet and individual vehicle levels. This helps customers optimize equipment utilization and charging strategies while reducing energy consumption and operational costs. Additionally, through remote diagnostics and a fault center, the platform enables online monitoring and early warning of equipment status, significantly improving after-sales response efficiency and service quality, and driving the transformation of logistics equipment operations toward intelligent, visualized, and refined management.



Telematics Platform

Remanufacturing Innovation

The company acquires end-of-life forklifts, which are then dismantled, refurbished, and remanufactured into compliant new vehicles. This initiative has achieved greenhouse gas emissions reductions of 20,838 metric tons of CO₂ equivalent



Remanufacturing Innovation Vehicles

Product Safety and Quality

The company consistently regards product safety and quality as the cornerstone of sustainable corporate development. We continuously improve our quality management systems and policies covering the entire product lifecycle to ensure that products fully comply with laws, regulations, industry standards, and the core needs of global customers.

Quality Management System and Accountability Mechanisms

With the ISO 9001 quality management system as its core framework, the company has established a standardized quality control system covering all dimensions of management, technology, and operations, tailored to industry characteristics and product application scenarios.

During the reporting period

The company continued to obtain multiple certifications under authoritative domestic and international standards, including:

Requirements for Quality Management Systems (ISO 9001:2015)

Quality Requirements for Fusion Welding of Metallic Materials (ISO 3834-2:2005)

Rules for the Licensing of Special Equipment Manufacturing and Filling Units (TSG 07-2019)

Regulations on the Management of Special Equipment for Civil Airports (CCAR-137CA-R5)

Inspection Measures for Civil Airport Special Equipment (AC-137-CA-2024-03)

Building on this foundation, the company has formulated and implemented specialized management systems such as the *QES Management Manual*, *Special Equipment Quality Assurance Manual*, and *Welding Quality Manual*, establishing a systematic quality management mechanism that covers the entire process from R&D, procurement, and manufacturing to delivery.

The successful attainment of ISO 9001 and ISO 3834-2:2005 international certifications signifies that the company's quality control system is fully aligned with top international standards.



ISO 9001 Quality Management System Certification

ISO 3834 Welding Quality Management System Certification

End-to-End Quality Control

With product quality control throughout the entire lifecycle at its core, the company focuses its efforts on every stage—from R&D and design to supply chain management, manufacturing, and market application—to build a quality control model that is controllable, traceable, and optimizable across the entire chain, comprehensively ensuring product safety, reliability, and compliance.

Comprehensive Supply Chain Quality Control

The company treats the supply chain as a core strategic resource for quality management. Upholding the principles of fairness, openness, and impartiality in cooperation, we have established a comprehensive mechanism for supplier onboarding and dynamic collaboration that covers the entire process. By organically integrating quality performance with value sharing, we continuously drive a coordinated leap in the overall quality level of the industrial chain, building a mutually beneficial supply chain ecosystem.

Multi-dimensional Quality Control Mechanism for the Supply Chain



Measures for End-to-End Quality Control and Product Liability Management

Raw Material Quality Control Conduct incoming inspections on critical raw materials and components;	Production Process Quality Control Implement a "five-tier quality control mechanism" and conduct in-process inspections at critical production stages;	Finished Product Quality Testing Conduct functional testing, safety performance testing, and operational stability verification on finished products;
Final Quality Inspection Conduct final confirmation of product quality through standardized pre-shipment inspection procedures;	Post-Sales Quality Tracking Continuously collect product operational data and customer feedback through the after-sales service system to achieve closed-loop quality data management and drive continuous product quality improvement;	Product Recall Management Mechanism Establish a mechanism for monitoring product quality issues and emergency response; if major quality and safety hazards are identified, promptly initiate product recall procedures and implement risk mitigation measures;
Continuous Product Quality Improvement Implement targeted quality improvements to meet the high aesthetic standards demanded by European and American customers, and continuously optimize product quality through the implementation of an AUDIT review mechanism;	Improving Product Accessibility By optimizing product design, extending the warranty periods for key components, and enhancing our after-sales service network, we will continue to improve product availability and ease of use;	Green Design and Environmentally Friendly Products Integrating energy-saving, eco-friendly, and resource-efficient concepts into the product design phase to continuously develop more energy-efficient and environmentally friendly material handling equipment.

Lean Quality Control in Manufacturing

The company adheres to the principles of lean manufacturing, with digital-driven quality transformation as its core strategy, and comprehensively advances intelligent quality control throughout the entire production process. By innovatively establishing the DAS Digital and Intelligent Quality Traceability System, the company has achieved online aggregation, real-time monitoring, intelligent early warning, and end-to-end closed-loop traceability of product quality data across the entire lifecycle. This enables seamless integration and efficient coordination of quality data throughout the entire process, establishing a new model of transparent quality management characterized by data traceability, process controllability, and result accountability.

Key Performance :

During the reporting period, the company experienced no quality or safety incidents, product recalls, or administrative penalties related to quality issues.



Quality Risk Management

Based on industry trends and the company's operational realities, the company has continuously strengthened its forward-looking quality control capabilities. By refining the end-to-end mechanisms for quality identification, early warning, and resolution, the company has systematically enhanced its product quality assurance standards. In response to the new industry landscape characterized by stringent compliance requirements in overseas markets, iterative upgrades of smart products, and the coordinated development of the industrial chain, the Company has made in-depth efforts across multiple dimensions—including source control in the supply chain, lean management throughout the entire production process, and innovation and upgrading of core technologies. This has enabled the establishment of a comprehensive, multi-tiered, and three-dimensional quality assurance system. By implementing high-standard quality control, the Company has solidified the foundation for sustainable development and provides high-quality, highly reliable products and services to global customers.

Quality Risk Management Measures



Supply Chain Quality and Compliance Management

We implement systematic quality and compliance management for suppliers, incorporating international certification requirements such as REACH and RoHS into supplier management and quality assessment metrics to enhance product quality and compliance levels from the source.



Quality Issue Classification and Control Mechanism

We have established an "ABC Issue Control Mechanism" to implement categorized management of quality issues at different levels. Through issue analysis and rectification mechanisms, we drive continuous quality improvement and reduce the probability of quality risks occurring.



Digital Quality Traceability System

Leveraging a digital quality middle platform to advance the digital transformation of quality management, we ensure end-to-end recording and traceability of product quality data. Mechanisms such as "four-tier inspections" are employed to enhance the accuracy and reliability of product quality testing.



Quality Risk Control for Remanufactured Products

Under the "trade-in" business model, we have established a product inspection process comprising "online preliminary review + on-site secondary review" to conduct rigorous quality assessments and inspections of remanufactured products, ensuring they meet new vehicle standards.



Quality Training and Capacity Building

The company continuously strengthens employees' quality awareness and operational skills through systematic training and skill-sharing initiatives, ensuring that quality management measures are effectively implemented across production, manufacturing, and after-sales service. The company conducts targeted training in key areas such as product quality management, equipment maintenance, and fault diagnosis. By combining online learning courses with in-person training, the company promotes knowledge sharing and the accumulation of experience, thereby continuously enhancing employees' quality management capabilities and technical proficiency.

Key Performance :

During the reporting period, EP released over **100** repair instructional videos for after-sales personnel to study and exchange ideas, continuously enhancing the team's professional capabilities through the sharing of technical expertise and case reviews.

Customer Service and Management

EP adheres to a customer-centric approach, continuously refining its full-lifecycle customer service system covering pre-sales, in-sales, and after-sales phases. By integrating digital service platforms with specialized service teams, the company consistently improves customer service quality and response efficiency.



Customer Service System Development

The company has formulated and implemented internal management systems such as the *Customer Service Management System* and the *After-Sales Service Management System* to standardize customer service processes. Through a customer screening mechanism, the company focuses on project types that are replicable, iterable, and scalable, prioritizing business models with high promotional value to enhance service efficiency and project management capabilities.

Digital Management Closed-Loop

We have optimized the after-sales management system to achieve full-process digitization of order tracking, parts logistics inquiries, and service evaluations, creating a closed-loop service system to improve customer interaction efficiency.

Digital and Intelligent Technical Support

Leveraging IoT remote systems to monitor the status and faults of overseas vehicles in real time, proactively pushing technical solutions, and integrating CARE work orders with the claims system to automate processes; establishing a multilingual system combining intelligent customer service with EPCARE-Quicksolution to provide global 24/7 intelligent self-service, backed by a technical support team to resolve complex issues.

Platform-Based Process Management

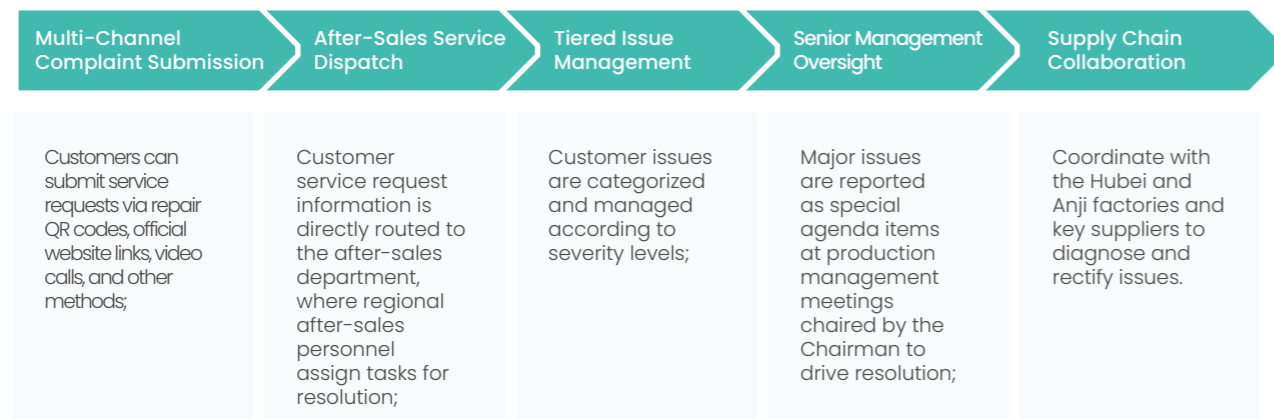
Use the after-sales management system to record technical cases and monitor service timeliness; after review, automatically populate the intelligent knowledge base. Leverage the EPCARE system (including the app) to provide customers with one-stop after-sales services, including claims processing, online searches, intelligent customer service, and parts ordering.

Intelligent Parts Rapid Response

Deploy the "Digital Flying Warehouse" intelligent parts storage system, establishing parts warehouses in key domestic and international regions to achieve 24-hour parts delivery, reduce customer downtime costs, and replace the traditional, high-cost multi-warehouse model.

Closed-Loop Management of Customer Complaints and Issues

The company standardizes customer feedback reception and handling processes through regulations such as the *Customer Complaint Management System* and *After-Sales Service Management System*. Through a multi-channel customer feedback system and standardized issue resolution mechanisms, we ensure that customer needs are promptly addressed and effectively resolved.



Key Performance :

During the reporting period, EP has properly addressed all valid customer complaints.

Customer Communication and Satisfaction Management

The company has established a comprehensive *Customer Satisfaction Management System* and an omnichannel customer feedback mechanism. It regularly conducts multi-dimensional customer satisfaction surveys covering five core areas: product quality, product delivery, after-sales service, information security, and technical support. Based on customer feedback, the company continuously optimizes product and service quality.

Key Performance :

During the reporting period, the company's customer satisfaction score reached **92.94**; all customer feedback received during the period was handled promptly, addressed accurately, and resolved with a closed-loop process.

Customer Service Team Capacity Building

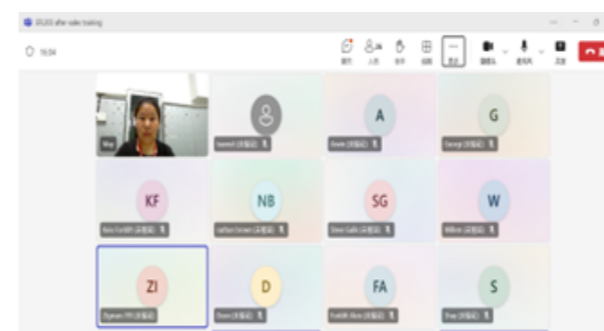
The company has formulated the *After-Sales Service Personnel Training Management System* and the *Technical Service Capability Enhancement Plan*. It has established a high-quality training curriculum system comprising multiple modules and all levels, and routinely organizes systematic professional training and skill-sharing activities. These efforts comprehensively enhance the professional competence and problem-solving capabilities of service personnel, providing a solid talent foundation for customer service quality.



Controller Training



Overseas Battery Training



Overseas Online Training



Robot Training Assessment

Key Performance :

During the reporting period, the company organized a total of **17** specialized after-sales skills training sessions, totaling **46** training hours and reaching **832** employees, thereby achieving a systematic enhancement of the after-sales service team's professional capabilities.



Innovation-Driven

With its Corporate Research Institute at the core and supported by R&D institutions such as MoFu Digital Intelligence, EP has established a collaborative innovation system across multiple technological fields. The company has also established a provincial-level corporate research institute, a provincial-level corporate technology center, and a provincial-level postdoctoral workstation, providing crucial support for the company's ongoing technological innovation and product development.

R&D and Innovation Management System and Policies

The company designates the Research Institute as the primary entity for technology R&D management, establishing a comprehensive R&D management system that covers the entire process—from project initiation and implementation to evaluation and commercialization of results. R&D activities are uniformly managed and standardized through institutional documents and management mechanisms.

Research Institute Project Incentive Management Measures

These measures clarify the performance evaluation and incentive methods for R&D projects. They provide a comprehensive assessment of project goal achievement, progress, and the application of results, and link project performance to team incentives to drive the efficient implementation of R&D projects.

Intellectual Property and Scientific and Technological Innovation Reward and Disciplinary System

Establishes a clear reward system for scientific and technological innovation activities, such as the submission of science and technology project proposals and patent applications, to motivate employees to actively engage in such activities.

R&D Project Management Mechanism

We implement a project-based R&D management model, utilizing project management software to track and manage R&D projects throughout their entire lifecycle. This standardizes and streamlines R&D processes, thereby enhancing the efficiency of R&D project management.



R&D and Innovation Management Objectives and Planning

The company drives product technology upgrades and industrial innovation through systematic R&D planning. Aligning with technological trends in the logistics equipment industry, we prioritize the development of electrification, green technology, and intelligent technology, continuously strengthening R&D in key technologies and product innovation.

Annual R&D Planning Mechanism

Each year, the company formulates an annual R&D plan in alignment with corporate development strategies and technological trends, clearly defining priority R&D directions and key technology R&D projects, while continuously monitoring and evaluating the implementation of these projects.

Market-Driven R&D Mechanism

Customer needs and product usage feedback are collected through sales channels and market research, serving as a crucial basis for product optimization and technical improvements.

Comprehensive Product Design Consideration Mechanism

During the product R&D and design process, we comprehensively consider factors such as product performance, operational efficiency, reliability, as well as environmental sustainability and recyclability.

R&D and Innovation Incentive Mechanism

The company employs a variety of incentive methods to encourage employees to actively participate in R&D and innovation activities, driving the R&D team to continuously pursue technological exploration and product innovation.

Project Performance Incentives

The R&D team is evaluated based on the achievement of project objectives, project progress, and the application of results, and R&D personnel are incentivized to actively participate in technological innovation through project bonuses and other means.

Innovation Project Incubation Mechanism

We implement an innovative model of "breaking down into smaller responsibility units," encouraging teams to conduct exploratory R&D around new technologies and products, allowing for reasonable trial and error, and continuously optimizing technical roadmaps through the summarization of experience.

Technical Collaboration and Collaborative Innovation

Actively engage in technical cooperation with industry partners in the fields of intelligent and digital technologies, driving breakthroughs in key technologies through technical exchanges and collaborative R&D.

Intellectual Property Protection

The company has established an intellectual property organizational structure coordinated by management and involving cross-departmental collaboration, and has set up a dedicated management department to systematically advance intellectual property strategic planning and daily management. At the same time, the company has formulated and implemented regulatory documents such as the *General Rules for Intellectual Property Management*, *Procedures for Intellectual Property Application Control*, and *Reward and Punishment System for Intellectual Property and Technological Innovation*, clarifying intellectual property management responsibilities and related processes. Through a combination of centralized management and departmental collaboration, the company promotes the standardized operation of intellectual property management.

Intellectual Property Management System

Intellectual Property Leading Group

Responsible for intellectual property strategic planning, decision-making on major matters, and the formulation of annual work plans.



Intellectual Property Management Department

Responsible for intellectual property application management, records management, and external affairs.

Intellectual Property Management Mechanism

Intellectual Property Management During the R&D Phase

In accordance with the *Design and Development Management Procedures*, patent planning and patent searches are conducted during the product concept design phase. Through patent information analysis, technical innovation points are identified and potential infringement risks are mitigated, providing technical references for product concept optimization.

Intellectual Property Application and Management

The R&D project team submits the *Intellectual Property Application Approval Form* and technical disclosure documents. Following procedures such as intellectual property searches and approval by the supervisor, the Intellectual Property Management Department is responsible for preparing application documents, liaising with agencies, and tracking applications to ensure a standardized and orderly intellectual property application process.

Intellectual Property Risk Management

Conduct intellectual property searches and risk analyses prior to new product R&D, technology import/export, and product sales. Strengthen the protection of the company's technological achievements and trade secrets through measures such as records management, confidentiality management, and contract management to mitigate intellectual property risks.

EP 2025 Intellectual Property Performance Table

Indicator Name	Unit	Performance
Total Number of Cumulative Patents Granted	units	280
Number of software copyrights	units	78
Valid patents per million in revenue	units	0.064
Number of software copyrights per million in revenue	units	0.018
Number of R&D employees	people	796
Percentage of R&D staff	%	17.34
R&D Expenditures	RMB 10,000	30,100.23
R&D Expenditures as a Percentage of Revenue	%	4.15

Responsible Supply Chain

EP continues to refine its end-to-end management mechanisms covering supplier onboarding, process control, performance evaluation, and collaborative development, thereby continuously enhancing the security, stability, and transparency of its supply chain.



Supply Chain Onboarding and Management Mechanisms

The company has established a comprehensive supplier development and onboarding system to ensure that suppliers meet quality, compliance, and management requirements from the outset. The onboarding of suppliers is led by the Supplier Management Department, which collaborates with the Quality Department, business divisions, and other departments to conduct on-site reviews and comprehensive evaluations. Approval and traceability management are achieved through a systematic process.

Supplier Management Measures



Establish supplier qualification standards, clearly defining requirements for qualification review, capability assessment, and scoring/grading;

Conduct supplier surveys and evaluations to generate supplier assessment reports;

Conduct multi-departmental joint reviews of suppliers' on-site management, process capabilities, and quality systems;

Implementing online approval and document retention for the entire supplier onboarding process via the OA system;

Sign quality assurance agreements, business ethics agreements, and environmental, health, and safety (EHS) agreements.

Key Performance

By 2025, EP will achieve a **100%** signing rate for supplier integrity agreements.



Supplier Empowerment and Collaborative Development

The company drives the overall enhancement of supply chain capabilities and sustainable development through policy communication, capacity building, and strategic collaboration. At the same time, the company actively promotes the extension of green development concepts to the supply chain, strengthens management requirements for suppliers in the areas of environment, compliance, and social responsibility, and fosters high-quality development across the entire supply chain.



EP 2025 Supplier Digital Intelligence Conference

Case 629 Innovation Conference

In June 2025, EP hosted the 7th Annual 629 Innovation Conference and the 5th "Forklift Safety Day" Hubei Sub-event at its Hubei Industrial Park. The event invited local government officials, industry associations, standardization bodies, media, and numerous industry partners to participate. Focusing on topics such as forklift safety, green transformation, intelligent upgrades, and digital-intelligent applications, the conference established an industry collaboration platform integrating new product launches, safety initiatives, technical exchanges, and hands-on demonstrations. During the event, the company showcased over 100 innovative products and intelligent solutions, including diesel-to-electric forklifts, high-voltage heavy-duty lithium-ion forklifts, battery swapping station solutions, smart warehouses, intelligent loading and unloading robots, intelligent picking robots, and EP's new services. Through full-scenario demonstrations and in-depth exchanges, the company shared its innovative achievements and practical experience in safety, green development, and digitalization with partners, helping them better grasp industry trends and expand into new markets and business areas.



629 Innovation Conference

Case The 10th Global Double 11 Gala

In November 2025, EP hosted the 10th Global Double 11 Gala, bringing together over a thousand government representatives, industry associations, and global partners. Centered on the development trends of green, intelligent, and digital technologies, the event established an industry collaboration platform integrating product exhibitions, technical exchanges, and practical scenario demonstrations. During the event, the company showcased innovative achievements such as high-voltage lithium-ion forklifts, intelligent material handling robots, intelligent loading and unloading robots, digital and intelligent flying warehouses, and the DAS digital system. Through full-scenario application demonstrations—including intelligent flying material handling, intelligent loading and unloading, and digital and intelligent warehousing—the company shared mature digital and intelligent solutions and practical experience with partners, driving their transition from traditional product collaboration to scenario co-creation and ecosystem synergy.



The 10th Global Double 11 Gala



05

Benefiting People's Livelihoods

Aligned with the United Nations Sustainable Development Goals



Key Issues

- Protecting Employee Rights
- Employee Training and Development
- Occupational Health and Safety
- Social Contribution
- Rural Revitalization



Employee Rights and Benefits

EP strictly complies with relevant laws and regulations, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Law on the Protection of Minors of the People's Republic of China*. The company has formulated and implemented policies such as the *Employee Handbook*, and continuously improves its systems for standardized employment practices, compensation and benefits, career development, and talent cultivation.

Fair Employment and Diversity & Inclusion

The company adheres to the principles of fairness, openness, and impartiality in employment, building a dynamic job-matching mechanism guided by business needs. For frontline production staff and non-frontline employees, the company implements differentiated recruitment strategies to enhance staffing efficiency. In expanding overseas operations, the company prioritizes local hiring and strengthens local operational capabilities and cross-regional collaboration through the "triangular team" model for key positions.

Recruitment and Employment Principles



Explicitly prohibits discrimination based on region or nationality, and maintains a globally open recruitment policy;

Establishing a fast-track recruitment process for special groups such as people with disabilities, veterans, and workers from low-income families;

We advocate for gender equality; job assignments are based on ability and performance, and employment opportunities are not influenced by gender differences;

Female employees are guaranteed equal employment and career development opportunities during pregnancy and breastfeeding;

We establish training and mentorship support mechanisms for new partners and overseas teams to strengthen collaboration within diverse teams.



EP Employee Data Table

Indicator Name	Unit	Employee Data
Total Number of Employees	people	4,591
Number of Veterans	people	85
Number of employees with disabilities	people	32
Number of employees from ethnic minority groups	people	232
Number of Employees by Gender		
Women	people	1,056
Male	people	3,535
Number of employees by job level		
Senior management	people	26
Middle Management	people	236
Frontline employees	people	4,329
Number of employees by age		
Under 30	people	1,240
30-50 years old	people	2,823
50 and older	people	528
By educational attainment		
Ph.D.	people	1
Master's	people	183
Bachelor's	people	1,192
Associate degree or below	people	3,215
Employee Turnover		
Number of new hires	people	1,120
Number of employees who left	people	687
Employee turnover rate	%	18.07
Gender distribution of departing employees		
Female	%	16.45
Male	%	83.55
Age distribution of departing employees		
Under 30 (excluding 30)	%	32.31
30-50 years old (inclusive of 30, exclusive of 50)	%	57.5
50 years and older (including 50)	%	10.19

Anti-Discrimination and Compliance in Labor Management

The company prioritizes the protection of employees' legal rights and interests, continuously strengthening anti-discrimination, anti-child labor, and standardized employment management. Through institutional frameworks, cultural promotion, and the establishment of grievance mechanisms, the company fosters a respectful, equal, and inclusive workplace environment. The company standardizes employment contracts, working hour systems, salary payments, and occupational safety arrangements to effectively safeguard employees' fundamental rights.

Anti-Discrimination and Compliance Employment Management Initiatives



Establishing anti-discrimination complaint channels, such as the Chairman's email and hotline;

Promoting fair, impartial, and transparent employment principles through corporate culture outreach and employee conduct training;

Strictly prohibit the use of child labor; there were no records of labor violations during the reporting period;

Collective agreements specify that wage standards shall not fall below the subsistence wage threshold;

Frontline and certain R&D and sales positions operate under a comprehensive time-based system or a flexible work schedule, while functional positions primarily follow a standard work schedule.

Compensation Incentives and Benefits

The company has formulated and implemented policies such as the *Annual Employee Pay Adjustment Rules* and the *Research Institute Employee Incentive System (Pilot)*, establishing a diversified incentive model centered on base pay, performance-based incentives, special benefits, and long-term incentives to enhance employee retention and motivation. The company has implemented differentiated incentive policies tailored to various positions and talent categories, gradually establishing a talent incentive framework that combines fixed and variable compensation with short-, medium-, and long-term incentives. Additionally, the *Employee Handbook* provides systematic guidelines on matters such as onboarding, compensation, benefits, and rewards and penalties, thereby strengthening the foundation for safeguarding employee rights.

Compensation Incentives and Welfare Initiatives



The "Chairman's Special Award" has been established to incentivize innovation and value creation.

R&D personnel receive project bonuses, commissions on new products, and intellectual property subsidies.

We encourage key employees to participate in long-term incentive programs and allocate original shares to them.

Distributing holiday benefits and regularly organizing team-building trips to enhance employees' sense of belonging.

Key Performance

During the reporting period, the company strictly adhered to labor laws and regulations, achieving a **100%** rate of signed employment contracts and **100%** social insurance coverage, thereby fully safeguarding employees' fundamental rights and interests.

Employee Care Management

The company has formulated and implemented employee care policies such as the *Interest-Free Home Purchase Loan Program* and the *Employee Rental Subsidy Management Regulations*, establishing a multi-dimensional employee care system focused on housing, medical care, and daily living support to continuously enhance employees' sense of fulfillment and belonging.

Employee Benefits



Providing basic benefits such as free shuttle buses and employee meals;

Providing rental subsidies to enhance talent attraction;

Implementing an interest-free home purchase loan program to alleviate housing pressures;

Implementing medical mutual aid policies to improve healthcare coverage;

Establishing a support mechanism for employees in need to address the needs of employees and their families.



Summer Care: Bringing Cool Relief to the Workshop



Warming Young Hearts: "Children's Day" Visit to Children of Employees in Need



Team Building: Strengthening Employee Cohesion



Festive Warmth: New Year Gift Packages Convey Care

Key Performance

During the reporting period, the company allocated a total of RMB **110,278.6** for employee welfare and medical assistance funds, used for hardship relief and daily care.

Employee Communication and Democratic Management

Relying on trade union organizations and internal communication mechanisms, the company regularly convenes employee representative conferences and has established processes for collecting employee feedback and providing corrective action updates. Additionally, by participating in performance feedback mediation, conducting employee satisfaction surveys, and continuously optimizing logistical support, the company promotes employee participation in corporate management. This has established institutionalized channels to ensure that employee opinions are effectively conveyed and issues are resolved in a closed-loop manner.

Key Performance

In 2025, EP launched a Chairman's email address as an employee feedback channel to further streamline communication mechanisms. Concurrently, the company conducted an employee satisfaction survey, achieving an **82%** satisfaction rate.

Employee Training and Development

Career Development and Talent Development System

Based on regulations such as the *Employee Handbook* and the *Research Institute Employee Incentive System (Trial)*, the company has established an integrated talent development system combining "career development and tiered training," creating a "dual-track" promotion mechanism that connects management and professional career paths. Through a tiered and categorized training model, the company links promotions with competency development, training outcomes, and project experience, forming a closed-loop "selection-training-promotion" mechanism to systematically empower employee growth.

Employee Career Development and Training System



Establish a dual-track promotion mechanism for management and professional tracks, clearly defining job grades and promotion criteria;

Annually publish a list of key employees and implement promotions and position optimization;

Build a tiered and categorized development system covering senior management, middle management, and frontline employees;

Implement youth talent development programs such as the "Young Talents Program" and "Spark Program" to accelerate the growth of future leaders.

Practical Training and Competency Development

The company emphasizes the integration of training and practical experience. Through project-based training, skill development, and specialized training programs, we foster continuous growth among employees in their daily work, thereby enhancing their job competence and overall capabilities.



精益生产培训



项目管理培训



行动学习培训



职业卫生培训



Skills Competition



Paramedic Training

Employee Skills Training

Key Performance

During the reporting period, EP conducted a total of **517** employee training sessions, reaching **12,014** participants. The total duration of online and offline training was **776.57** hours, with a **100%** completion rate of the training plan; training content covered multiple dimensions including operations, regulations, and products.

Occupational Health and Safety

EP strictly adheres to laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Occupational Disease Prevention and Control Law of the People's Republic of China*. The company has formulated and implemented internal systems such as the *Work Safety Management System* and *Occupational Health Operating Procedures* to systematically advance occupational health and safety management.

Safety Management System and Institutional Development

The company has established a comprehensive management system covering risk identification, process control, and incident management, continuously enhancing the standardization and enforcement of safety management to provide a solid institutional foundation for safe production. At the same time, the company dynamically optimizes its systems based on actual production conditions to ensure that all regulations effectively guide on-site operations and safety management practices.

Key Performance

During the reporting period, EP obtained certification for its Occupational Health and Safety Management System and achieved a **100%** signing rate for safety responsibility agreements. No major work safety violations occurred throughout the year, and the company received no administrative penalties related to work safety.



ISO 45001 Occupational Health and Safety Management System Certification

Safety Responsibility and Cultural Development

The company has established a "Four-All" safety management model—covering "all employees, the entire process, all aspects, and around the clock"—by breaking down safety objectives to managers at all levels and frontline employees, thereby forming a safety responsibility system where "everyone is accountable, and responsibility is assigned at every level." Through continuous promotion of safety culture, the company has integrated the "safety first" philosophy into daily management, gradually transforming it into employees' voluntary behavior.

Safety Responsibility Management System



Safety Risk Control and Hazard Identification

The company has formulated and implemented the *Hazard Identification and Risk Assessment System*, shifting risk control to the front end of the entire production process. By combining routine inspections, special inspections, and seasonal inspections, the company promptly identifies and eliminates safety hazards, continuously reducing the risk of safety incidents.

Key Performance

During the reporting period, EP conducted a total of **207** safety inspections, identified and rectified **256** potential hazards, achieved a **100%** rectification rate, and implemented closed-loop management of hazards.

Occupational Health Management and Protective Measures

In accordance with regulations such as the *Occupational Health Operating Procedures*, the company continuously advances occupational health management and systematically carries out the identification, testing, and protection against occupational hazard factors. To address risks at key workstations such as noise, welding fumes, and painting, the company regularly conducts testing for occupational hazard factors and formulates targeted protective measures. By distributing noise-reducing earplugs, strengthening supervision of their use, and optimizing the work environment, the company effectively reduces occupational health risks. At the same time, the company strictly enforces occupational health examinations for employees before they start work, during their employment, and upon leaving their positions, achieving full coverage of health management for key workstations and effectively safeguarding employees' occupational health rights.



Engineering Control Measures at25

Key Performance

During the reporting period, the parent company invested over RMB **30** million in safety technology upgrades, primarily for the construction of automated welding and stamping production lines to achieve separation of human and machinery operations. Throughout the year, there were zero employee fatalities, fires, explosions, or occupational disease incidents.

Safety Training and Capacity Building

The company has formulated and implemented the *Safety Education and Training Management System* to establish a safety training framework covering all employees. Tailored training programs are conducted based on job roles and risk types to enhance employees' safety awareness and operational capabilities. Training content focuses on the management of major hazard sources, accident prevention, and occupational health knowledge, thereby strengthening employees' ability to identify risks and respond to emergencies.



Safety Emergency Drill



Safety Training

Key Performance

In 2025, the parent company conducted a total of 88 safety training sessions, totaling 53 training hours and reaching 5,739 employees.

Social Contribution

Through the establishment of long-term, sustained charitable initiatives and employee participation mechanisms, EP channels corporate resources back into society, supporting regional educational development and community harmony, thereby continuously enhancing the company's social value and influence.

Case Anji County Seventh Primary School's "Home Visits at the Workplace" Initiative

The company and Anji County No. 7 Primary School jointly organized the "Home Visits at the Workplace" initiative, breaking through the spatial limitations of traditional home visits and innovating a collaborative education model to promote the establishment of a tripartite education mechanism involving schools, enterprises, and families. The initiative focused on the educational needs of employees' children, optimized the precise allocation of educational resources, and fostered a diverse and collaborative environment for their growth. This not only deepened the partnership between the school and the company but also effectively fulfilled social responsibilities, strengthened corporate cohesion, achieved a win-win-win outcome for the company, school, and families, and demonstrated the company's social commitment.



Anji County Seventh Primary School's "Home Visits at the Workplace" Activity

Case "Red Vest" Volunteer Service Initiative

The company organized employees to carry out the "Red Vest" volunteer service campaign, focusing on environmental sanitation improvements, community service, and visits to families in need. Volunteers went into communities and rural areas to provide practical assistance to vulnerable groups and actively improve the community environment. Through these services, employees' sense of social responsibility and team cohesion were strengthened, and positive interaction between the company and the community was promoted.



Red Vest Volunteer Service Initiative

Case Donations to University Education Foundations

EP regards "empowering future talent for the industry" as a strategic pillar of its corporate social responsibility. The company continues to make targeted donations to university education foundations, focusing on supporting educational projects at top institutions such as Southwest Jiaotong University and Tongji University, thereby contributing to talent development and technological advancement within the industry.



Donations to University Educational Foundations

Case EP's "Charity Day Donation" Campaign

EP is deeply integrated into local social development and actively participates in Anji County's "2025 One-Day Charity Donation" campaign. Dedicated donation funds are precisely allocated to four key areas of public welfare: support for the elderly, people with disabilities, medical care, and poverty alleviation. This initiative is part of the company's community investment strategy, aimed at responding directly and efficiently to the urgent needs of local vulnerable groups and fostering harmonious, mutually supportive community relationships.



EP's "Charity Day Donation" Campaign

Key Performance

During the reporting period, EP donated over RMB 600,000 to support charitable and educational causes, while also organizing volunteer activities.

Industry Development

Industry Standards and Regulation Development

The company actively participates in the formulation and revision of national, industry, and group standards, driving the development of technical specifications in the industrial vehicle sector. Leveraging platforms provided by industry associations and professional committees, the company focuses on areas such as industrial vehicle safety, stability, and sustainable development, continuously supporting the standardization and regulation of the industry.

Key Performance

In 2025, the company participated in the revision or formulation of **6** standards, including **3** new national standards, **1** revision to a national standard, **1** new industry standard, and **1** revision to an industry standard.

Standard Number	Standard Name
JB/T 14948-2025	High-Level Order Picking Vehicle
JB/T 3340-2025	Reach Forklift
GB/T 45561.1-2025	Industrial Vehicles – Sustainability – Part 1: Terminology
GB/T 45561.2-2025	Industrial vehicles—Sustainability—Part 2: Factors and reporting
GB/T 26949.3-2025	Industrial vehicles – Sustainability – Part 3: Forward-reach and reach-in forklift trucks
GB/T 35205.4-2025	Off-road forklift trucks—Safety requirements and verification—Part 4

Industry-Academia-Research Collaborative Innovation

The company continues to deepen collaborative innovation among industry, academia, and research, establishing long-term cooperative relationships with multiple universities to carry out practical cooperation in technology R&D and talent development.



University-Industry Collaboration: Company Visit Activity

Rural Revitalization

EP actively responds to the national rural revitalization strategy by aligning corporate development with regional economic growth. The company prioritizes hiring labor from surrounding townships, promoting local income growth for rural workers through stable employment and skills development. At the same time, leveraging its industrial strengths, the company drives the coordinated development of regional industrial chains, thereby boosting local economic vitality.

Case Targeted Assistance for Local Rural Areas in Zhuji, Zhejiang

Rooted in Zhuji, Zhejiang, EP employs a dual-drive approach of “giving back to the community through philanthropy and industrial expansion” to continuously empower the development of towns such as Zhaojia Town, systematically addressing shortcomings in public services such as education and healthcare. In the field of education, the company established the “Jinhui” Teacher Award Fund to provide targeted support to the Zhaojia Town Central School in Zhuji City, donating a cumulative total of RMB 1 million over five years to reward teachers and assist students in rural areas. In the healthcare sector, the company donated CT equipment worth RMB 2 million to the Zhaojia Town Health Center, effectively enhancing primary healthcare service capabilities. Regarding ecology and industry, the company adopted 50 ancient Chinese chestnut trees to support the development of eco-cultural tourism and implemented a RMB 100 million supporting industrial project. This initiative has driven local employment and industrial upgrading in its hometown, achieving synergistic progress in both social and economic benefits.



“Jinhui” Teacher Recognition Fund Project



Appendix to the Report



Key Performance Indicators

Economic Performance

Indicators	Unit	2025
Economic		
Tax Revenue	RMB 10,000	54,253.49
Annual Revenue	RMB 100 million	72.54

Governance Performance

Indicators	Unit	2025
Protection of Shareholder Rights		
Total Number of Shareholders' Meetings Held	Times	4
Board, Supervisory Board, and Senior Management		
Number of Board Members	persons	8
Number of Board Resolutions Passed	Items	47
Average term of office for board members ⁶	years	4.38
Percentage of independent directors	%	37.5
Number of Board Meetings Held	times	8
Board member attendance rate	%	100
Number of directors attending fewer than 75% of meetings	persons	0
Number of Audit Committee meetings	times	7
Number of Compensation Committee meetings	times	1
Number of Nomination Committee meetings	times	0
Number of female directors	persons	2
Percentage of female directors	%	25
Number of female senior executives	persons	0
Percentage of female senior executives	%	0

⁶ The term of office disclosed in this report refers to the continuous period during which a director has served in that capacity at the Company as of the end of the reporting period. For directors who previously served but had a break in service before being reappointed, the term is calculated from the date of their most recent reappointment.

Indicators	Unit	2025
Investor Relations Management		
Number of On-site Investor Visits	times	16
Number of investors hosted for on-site visits	people	Approx. 200
Number of investor questions answered	instances	58
Investor question response rate	%	100
Number of periodic reports disclosed	copies	4
Number of interim reports disclosed	copies	62

Environmental performance

Indicators	Unit	2025
Environmental Protection Expenditures		
Total Environmental Protection Expenditures	RMB 10,000	95.8
Total Environmental Protection Expenditures as a Percentage of Operating Revenue	%	0.01
Non-renewable energy consumption		
Natural gas	10,000 cubic meters	140
Purchased electricity	10,000 kWh	1,087
Total Energy Consumption	tons of standard coal	3,035.94
Energy consumption intensity	tons of standard coal per million in revenue	0.42
Renewable energy consumption		
Electricity Consumption from Photovoltaic Power Generation	10,000 kWh	910
Share of renewable energy consumption	%	36.84
Greenhouse gas		
Scope 1 greenhouse gas emission intensity	tons of CO ₂ equivalent perRMB 10 million	0.41
Scope 2 greenhouse gas emissions intensity	tons of CO ₂ equivalent perRMB 10 million	0.80
Total greenhouse gas emissions density (Scope 1 + Scope 2)	tons of CO ₂ equivalent perRMB 10 million	1.20
Waste		
Total waste generated	tons	657.7
Total Hazardous Waste Generated	tons	90.7
Total non-hazardous waste generated	tons	567

Indicators	Unit	2025
Waste		
Hazardous waste density	tons per RMB 10 million	0.01
Non-hazardous waste density	tons per RMB 10 million	0.07
Solid waste emissions		
Total hazardous waste generated	tons	90.70
Total General Solid Waste Generated	tons	567
Wastewater discharge		
Wastewater discharge volume	tons	9,900
Types of Wastewater Pollutants Discharge Status		
Chemical Oxygen Demand (COD)	tons	0.16
Five-Day Biochemical Oxygen Demand (BOD5)	tons	1.21
Suspended solids	tons	1.21
Ammonia nitrogen (NH ₃ -N)	tons	0.01
Total phosphorus (as P)	tons	0.03
Exhaust Gas Emissions		
Exhaust gas emissions	10,000 cubic meters	63,644.6
Emissions of Air Pollutants		
Nitrogen Oxides (NOx)	tons	0.76
Sulfur oxides (SOx)	tons	0.15
Volatile organic compounds (VOC)	tons	2.74
Hazardous Air Pollutants (HAP)	mg/m ³	Less than 1.5 × 10 ⁻³
Particulate Matter (PM)	tons	1.83
Water resources		
Freshwater consumption	tons	87,068
Water Reuse	cubic meters	450
Water consumption intensity	tons/unit	0.33
Material consumption		
Total packaging materials used	tons	3,562
Paper packaging materials	tons	70

Indicators	Unit	2025
Material consumption		
Plastic packaging materials	tons	60
Wooden crates	tons	3,432
Green Office		
Office paper consumption	Sheets	2,062,500
Total Office Electronic Waste	tons	0.3

◆ Social Performance

Indicator	Unit	2025	
Employment and Diversity			
Total Number of Employees	people	4,591	
By gender	Male	people	3,535
	Female	people	1,056
	Percentage of female employees	%	23%
By age	Under 30	people	1,240
	30-50 years old	people	2,823
	50 and older	people	528
By educational attainment	Ph.D.	People	1
	Graduate students and above	people	183
	Bachelor's degree	people	1,192
	Associate degree or below	people	3,215
Number of employees by job level	Senior management	people	26
	Middle Management	people	236
	Frontline employees	people	4,329
Recruitment with a focus on social responsibility	Number of Employees with Disabilities	people	32
	Number of employees from ethnic minority groups	people	232
	Number of veterans on staff	people	85

Indicator	Unit	2025
Employee recruitment and retention		
Total number of new hires	people	1,120
Number of employees who left	people	687
Employee turnover rate	%	18.07
Gender distribution of departing employees	Male	83.55
	Female	16.45
Age distribution of departing employees	Under 30 (excluding 30)	32.31
	30–50 years old (including 30, excluding 50)	57.50
	50 years and older (including 50)	10.19
Employee Benefits		
Employee Assistance and Welfare Funds	RMB 10,000	7.63
Number of Employees Receiving Assistance	people	75
Number of employees in need assisted per million in revenue	people	0.01
Labor contract signing rate	%	100
Social insurance coverage rate	%	100
Employee satisfaction		
Number of employees who participated in the employee satisfaction survey	people	893
Employee Satisfaction	%	82
Number of labor dispute cases	cases	3
Number of employee complaints received	instances	2
Occupational Health and Safety		
Amount Invested in Workplace Safety	RMB 10,000	3,392
Work Safety Investment as a Percentage of Operating Revenue	%	0.47
Number of employees trained in safety	person-times	5,739
Total duration of safety education and training	person-hours	2,919.5
Average safety training hours per person	hours	0.51
Safety education and training coverage rate	%	100

Indicator	Unit	2025
Occupational Health and Safety		
Safety risk prevention training coverage rate	%	100
Number of safety training sessions	sessions	88
Number of safety emergency drills	times	17
Occupational disease incidence rate	%	0
Coverage rate of occupational injury insurance for employees	%	100
Annual occupational health examination coverage rate for employees	%	100
Rate of hazard identification and rectification	%	100
Number of work-related injuries	people	15
Number of serious work-related injuries	people	0
Number of work-related fatalities	people	0
Injury rate per million work hours	incidents per million hours worked	1.63
Workdays lost due to work-related injuries per \$1 million in revenue	days	0.14
Workplace injury rate	%	0.33
Employee training		
Total Training Hours	hours	776.57
Number of Training Sessions	sessions	517
Total number of participants	people	12014
Research and Development ⁷		
Total Number of Patents Granted	units	280
Number of Software Copyrights	units	78
Valid Patents per Million in Revenue	units	0.064
Software Copyrights per Million in Revenue	units	0.018
R&D Expenses	RMB 10,000	30,100.23
R&D Expenditures as a Percentage of Main Business Revenue	%	4.15
Number of R&D Personnel	people	796
Percentage of R&D personnel out of total workforce	%	17.34
Certification of corporate innovation capability		
National High-Tech Enterprise	No.	1

⁷ The data on patents and software copyrights disclosed in this report pertains solely to the parent company of Zhongli Co., Ltd. and does not include intellectual property held by subsidiaries within the scope of the consolidated financial statements.

Indicator	Unit	2025
Charitable Donations		
Total Charitable Expenditures	RMB 10,000	65
Number of Volunteer Participants	person-times	42
Number of volunteer activities	times	5
Total volunteer hours	hours	20
Responsible marketing		
Number of Participants in Responsible Marketing Training	Participants	5,018
Total duration of responsible marketing training	hours	3,282.5
Number of Responsible Marketing Training Sessions	sessions	79
Green Office		
Office paper consumption	sheets	2,062,500
Total Office Electronic Waste	tons	0.3
Product responsibility		
Product Conformance Rate	%	92.91
Number of annual internal quality audits	times	2
Number of random inspections conducted by third-party agencies	times	2
Percentage of products subject to withdrawal and recall due to quality issues	%	0
Number of products subject to withdrawal and recall due to quality issues	units	0
Number of participants in quality culture training	People	1,012
Total duration of quality culture training	hours	61
Number of quality culture training sessions	sessions	121
Customer service		
Number of customer complaints	times	17
Number of resolved customer complaints	cases	17
Number of customers surveyed	people	17
Percentage of customers who participated in the survey	%	100
Number of participants in specialized training on customer complaint response	Participants	1624
Total duration of specialized training on customer complaint response	hours	4
Number of Customer Complaint Response Training Sessions	times	8

Indicator	Unit	2025
Data Security		
Number of relevant training sessions conducted	times	3
Number of participants in practical exercises and training	people	150
Number of information security and privacy protection violations during the reporting period	incidents	0
Customer privacy protection		
Number of customer information leaks	Incidents	0
Losses resulting from violations of relevant laws and regulations	RMB 10,000	0



Index Table

	Index Location	GRI Standard	SSE Guidelines
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	(2) Sustainable Development Action Plan		
	(3) EP ESG Management		
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Index Location	GRI Standard	SSE Guidelines
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Reader Feedback Form

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2025 Environmental, Social, and Governance Report." The company sincerely hopes you will evaluate this report and provide your valuable feedback. Your comments and suggestions serve as an important basis for the company to continuously improve the report. Please fill out the survey form below and submit your feedback to the company.

"Zhejiang E-P EquipmentCo.,Ltd. 2025 Environmental, Social, and Governance (ESG) Report Feedback Form"

Name _____

Position _____

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01 Your overall evaluation of this report is:
 Excellent Good Fair Poor Very Poor

02 How would you rate the accuracy, completeness, timeliness, and clarity of the information disclosed in this report?
 Excellent Good Fair Poor Very Poor

03 How would you rate the accuracy, completeness, timeliness, and clarity of the information disclosed in this report?
 Excellent Good Fair Poor Very Poor

04 How would you rate the accuracy, completeness, timeliness, and clarity of the information disclosed in this report?

05 How would you rate the accuracy, completeness, timeliness, and clarity of the information disclosed in this report?

06 How would you rate the accuracy, completeness, timeliness, and clarity of the information disclosed in this report?

