



SUNMI

2025

ENVIRONMENTAL, SOCIAL,
AND GOVERNANCE REPORT

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About This Report

Preparation Instructions

ESG stands for Environmental, Social, and Governance, which represent the standards of corporate performance evaluation and business conduct distinct from financial indicators, with the core concept being sustainable development. The ESG report is a crucial component of non-financial information disclosure for listed companies and serves as a key reference for investors assessing corporate non-financial risks and sustainable development potential. This report aims to reflect the philosophy, important progress, and results of Shanghai Sunmi Technology Co., Ltd. (hereinafter referred to as "SUNMI Group" and "the company") in environmental, social, and governance (ESG) aspects in a related and fair way. This report will give priority to relevant areas during discussion, especially ESG matters which may exert a significant impact on the sustainable operation of SUNMI and are of concern to all stakeholders.

Criteria and Basis

This report is prepared in accordance with the following standards:

- Guidelines on Corporate Social Responsibility Reporting in China (CASS-ESG5.0), issued by Chinese Academy of Social Sciences
- Guidelines on Social Responsibility Reporting (GB/T36001-2015), issued by National Standards of People's Republic of China
- Sustainable Development Report Standards (GRI Standards), issued by Global Reporting Initiative (GRI)
- ISO 26000: Guidance on Social Responsibility (2010), issued by International Organization for Standardization
- Appendix C2 Environmental, Social and Governance Reporting Code to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, issued by Stock Exchange of Hong Kong Limited

Reporting Scope

Based on the composition of earnings in FY2025, we determine that this report covers SUNMI Group. It mainly covers Shanghai Sunmi Technology Co., Ltd. and its subsidiaries.

Compared to the previous reporting period, the organizational boundary in this reporting period has been significantly expanded. SUNMI Intelligent Technology (Zhejiang) Co., Ltd. (hereinafter referred to as "SUNMI Manufacturing Factory") in Jiashan County, Zhejiang Province was put into operation and is included within the scope of environmental and social performance statistics of this year's ESG report for the first time.

Reporting Period

This ESG report covers the period from January 1, 2025 to December 31, 2025.

Reporting Principles

During the preparation of this report, the content of this report and the way to present relevant information are determined based on the principles of materiality, quantification, balance, and consistency.

- **Materiality:** By maintaining close communication with shareholders and stakeholders and performing dynamic screening of material topics, the materiality of each sustainable development dimension is reviewed.
- **Quantification:** This report works to quantify ESG performance of the company and provide quantitative data disclosure results.
- **Balance:** This report presents detailed and consistent reporting methods for public review and comparison. The company has reported any change in the reporting scope to guarantee reporting consistency.
- **Consistency:** This report discloses both positive and negative performance and strives to demonstrate the sustainable development performance of SUNMI in a fair, reasonable, and balanced way.

Data Description

This report utilizes data from various sources, including our actual operational raw data, open government data, annual financial data, internal statistical reports, third-party surveys, and evaluations through third-party interviews. The financial data in this report is presented in Chinese Yuan. In case of any inconsistencies with financial reports, the data in the financial reports shall prevail.

Report Publication Format

This report is released in electronic format. You can download the electronic text of this report on the company's official website (<https://www.sunmi.com>).



Message from the Chairman

2025 is a crucial year for SUNMI to integrate sustainable development deeply into its corporate strategies and achieve high-quality development. In this year, we have made steady progress in our presence in the capital market. As the first one to submit a listing application to the Hong Kong Stock Exchange under the weighted voting right (WVR) structure this year, we will successfully go public on April 29, 2026 and become a public company. This indicates the company enters into a new stage of more standardized, transparent, and responsible corporate governance. Meanwhile, based on the first ESG report, we continue to improve our ESG management system and integrate the core ESG requirements fully into all our business operation links, so as to realize the in-depth fusion of sustainable development and business operation.

We always believe that technological innovation and sustainable development are not isolated from each other; instead, they serve as the dual engines to drive the long-term development of the company, and they are in sync with each other. In 2025, we continued to deepen the strategic blueprint for BioT. Relying on the integrated core capabilities in hardware, software, platform, and ecosystem, we have deepened our presence in the global commercial digital sector and integrated the philosophy of green development into the full lifecycle of product design, R&D, production, and delivery. As for the two new product families launched in the year, i.e., Cpad smart commercial tablet and FLEX 3 interactive screen, we always adhere to the design philosophy of "harmonious coexistence between products and the environment", and we have realized higher universality and reusability at the hardware level by strengthening the design of CBB common module. This has effectively extended the service life of our products and reduced the consumed resources and the generated electronic waste from the source, demonstrating our positive practice in green manufacturing. In addition, we have kept our promise to protect the environment by continuing to promote all-paper sustainable packaging and achieving 100% recycling and biodegradation, which further mitigates the environmental impact of the entire product chain.

In terms of fulfillment of social responsibilities, we always follow the concept of S.U.P.E.R., persist in creating long-term values for our customers, and stay true to our original intention of public welfare. We integrate the spirit of "altruism" into every social responsibility practice and advocate for a scientifically pragmatic and persistent approach to sustainable development. As of the end of 2025, 45 global branches of SUNMI have been fully covered by ESG compliance management, building a globally coordinated responsibility management system. We have worked with more than 66,000 ecosystem partners to create actionable, reproducible, and sustainable digital solutions in major sectors such as retail, catering, finance, healthcare, and services. Our products and services cover more than 200 countries and regions around the world. In this way, we fuel the sustainable development of the industry with technology and pass on accountability and care.

As a world-leading provider of BioT solutions, we know very well that a true industry leader should not just create excellence in commercial values; it should also reinforce the responsibility foundation through sound governance and work with ecosystem partners to advance sustainable development in a coordinated way. Sound progress in the listing of the company in 2025 represents not only the recognition of SUNMI's long-term values by the capital market but also an overall test and improvement of SUNMI's ESG control capabilities. This propels us to continuously improve our governance structure and strengthen internal control management, in order to build a more transparent, rigorous, and resilient governance system. We always use our standardized governance as the benchmark. In ecological cooperation, we convey a consensus on responsibility, share practical wisdom, and lead the BioT industry to evolve in a more standardized, greener, and more sustainable direction.

Looking back, "altruism" stands for the starting point and destination of all actions of SUNMI. Looking ahead, our

invariable mission is to accelerate the intelligent digital transformation of global business and build an always-connected intelligent business world. SUNMI would like to take this opportunity to extend sincere thanks to all our customers, partners, employees, and all walks of life. In the future, we will continue to uphold the concept of "altruism" to embark on a new journey. We will fulfill our ESG

commitments with more standard and effective measures to make steady progress along our road to Business 4.0. We look forward to working with global customers, partners, employees and all walks of life to build a more efficient, sustainable and human-centered BioT ecosystem, and create a new future of sustainable development with the power of technology.



Company Profile

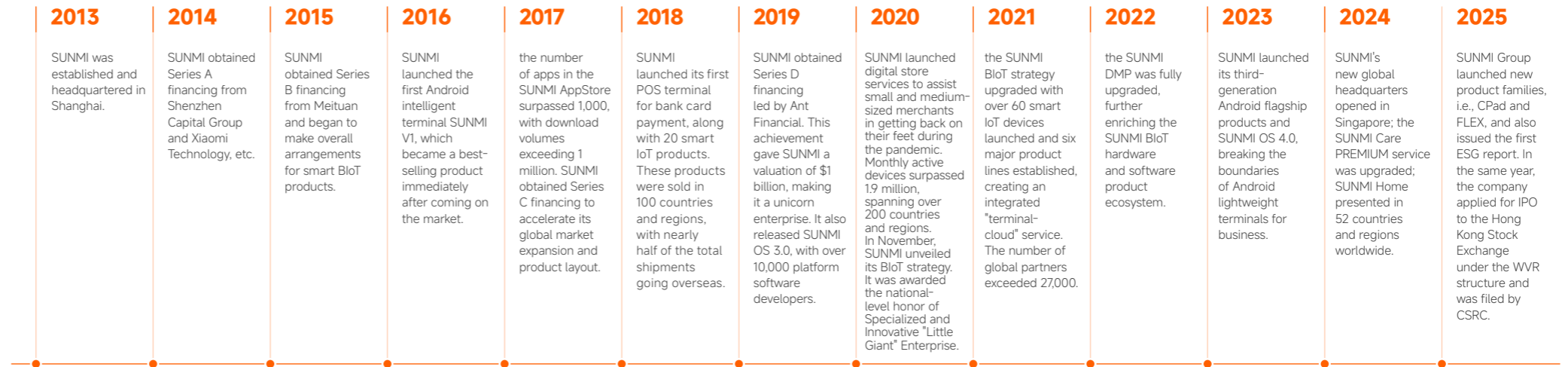
Overview

Shanghai Sunmi Technology Co., Ltd., established in December, 2013, is the world's largest provider of Android BioT solutions. SUNMI is committed to providing abundant and high-quality smart IoT hardware and integrated terminal-cloud digital solutions for the business sector, building an interconnected business world. SUNMI's disruptive solutions combine smart hardware, software, and data insights to enable digital transformation of various offline business scenarios, improving the effectiveness of core business operation processes.

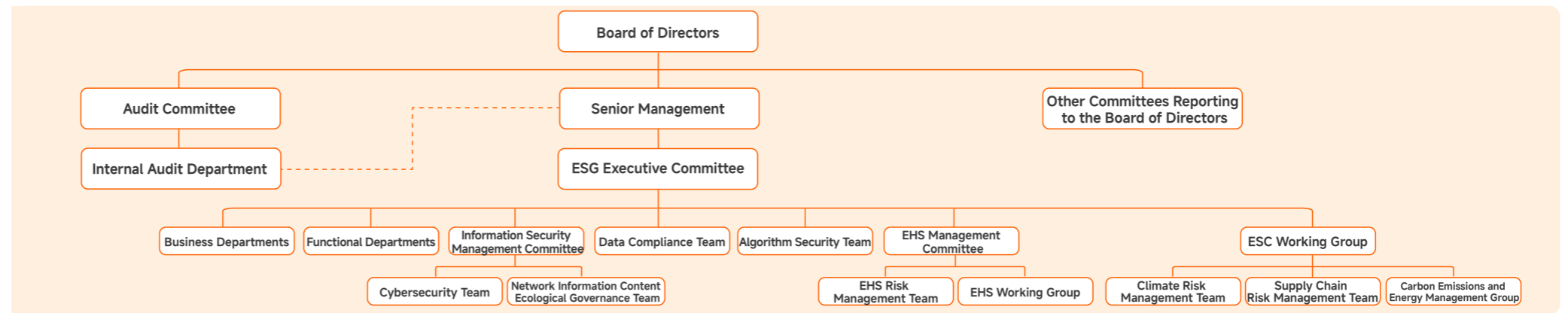


Development Milestones

Financing and development milestones of SUNMI:



Organizational Chart



Products

SUNMI Group specializes in delivering comprehensive smart hardware solutions for merchants. They offer a variety of smart POS systems, POS terminals, routers, self-service checkout devices, and other smart terminals and IoT devices. Additionally, they provide cloud platform services and an operating system known as "SUNMI OS." This system supports their smart hardware and offers cloud-based device management, software solutions, and payment technology integration services to merchants across diverse industries.

Business Overview

Shanghai Sunmi Technology Co., Ltd. has multiple branches worldwide, covering five key regions: Asia-Pacific, Europe, North America, Latin America, and the Middle East & Africa. We partner with over 66,000 ecosystem partners to develop digital solutions for industries like retail, food & beverage, finance, healthcare, and services. With our global reach and localized services, SUNMI Group effectively supports the digital transformation of brick-and-mortar businesses around the world. In 2025, we participated in ten major industry associations, notably including the Shanghai Industrial Technology and Innovation Association (SITIA) and the Shanghai Information Service Association (SISA) among other authoritative organizations.

Key Performance Indicators

Key Economic Performance	2023	2024	2025
Operating Revenue (100 million yuan)	30.71	34.56	38.12
Net Profit Attributable to Shareholders of the Parent Company (100 million yuan)	1.01	1.81	2.23
Key Environmental Performance	2024	2025	
Carbon Emissions (tCO2e) ¹	/	388677.23	
Share of Renewables Used (%)	N/A	0	
Environmental Pollution Accidents	N/A	0	

Key Social Performance	2024	2025
Total Number of Suppliers	648	686
Key Supplier Code of Conduct Signing Rate (%)	100%	100%
Total Number of Employees	1227	1311
Employee Turnover Rate (%)	23%	25%
Number of Valid Applied and Authorized Patents	806	886
R&D Investment (100 million yuan)	3.94	4.23

¹Due to changes in calculation boundaries and methodologies, the data of the previous year is not comparable with that of the current year. For detailed explanations, please refer to Section 4.2.1.

Company Culture

The founder of SUNMI Group, Lin Zhe (Jack), advocates for an "altruistic mindset" in conducting business and upholds the spirit of "altruism, friendliness, openness, and cooperation." He put forward SUNMI's six endeavors, i.e., customer-centric, innovative, remarkable, practical, accountable, and respectful. He combined these six endeavors with SUNMI's altruism, contributing to the healthy development of SUNMI and the creation of long-term values for customers.

SUNMI Group forges ahead by always adhering to the philosophy of "value our employees by treating them with respect, recognition and understanding. Contribute to the development of society". With this philosophy in mind, SUNMI Group carries a mission of advancing business progress and a vision of becoming the world's No.1 brand in IoT. It continuously conducts R&D and innovation in commercial hardware, collaborates with various resources to empower partners, and works with partners to provide rich industry solutions for the commercial consumer field. This approach seeks to reduce unnecessary waste in business, improve efficiency, and ultimately benefit consumers, creating a healthier and better business environment.



Honors Earned by SUNMI (2024-2025)

During the 2024-2025 period, SUNMI has successively been awarded the titles of Shanghai Independent Foreign Trade Brand Demonstration Enterprise, Digital Trade Innovation Enterprise in Shanghai, and Grade AAA (National). It was also selected into the Excellent Case for Enterprise Innovation in Shanghai Manufacturing Single-item Champion (2024), Top 20 Excellent Brands in Shanghai Manufacturing Single-item Champion, and Party Branch Construction Demonstration Site in Yangpu District (2025). All previously granted qualifications of the Company, including the Specialized, Sophisticated, Unique and New "Little Giant" Enterprise, National Model Enterprise of Single-Product Champion in Manufacturing, and State-level Industrial Design Center, remain valid. Relying on its outstanding comprehensive strength, technological innovation capability and brand influence, SUNMI keeps driving the digital transformation of the commercial sector.

<p>2022 Zhangjiang Star Leading Enterprise, Shanghai Shanghai Municipal Commission of Economy and Informatization</p>	<p>Shanghai Brand-Led Demonstration Enterprise Shanghai Municipal Commission of Economy and Informatization</p>	<p>National Model Enterprise of Single-Product Champion in Manufacturing (2023-2025) Ministry of Industry and Information Technology, PRC</p>	<p>上海商米科技集团股份有限公司设计中心 国家级工业设计中心 (2024-2027) 中华人民共和国工业和信息化部 二〇二三年</p>	<p>Shanghai Independent Foreign Trade Brand Demonstration Enterprise (2023-2024) Shanghai Chamber of Commerce for Import and Export</p>
<p>荣誉证书 CERTIFICATE OF HONOR 上海商米科技集团股份有限公司： 凭借卓越的创新能力和领先的市场地位及出众的品牌管理指数测评表现，入选2024年上海制造业单项冠军卓越品牌20强。</p>	<p>Shanghai Innovative Enterprise Headquarters Office of the Leading Group of Strategic Emerging Industries of Shanghai</p>	<p>Party Branch Construction Demonstration Site in Yangpu District (2025) Organization Department of Yangpu District CPC Committee of Shanghai Municipality</p>	<p>Top 20 Excellent Brands in Shanghai Manufacturing Single-item Champion (2024) Shanghai Federation of Industrial Economics, and Shanghai Federation of Economic Organizations</p>	<p>证书 制造业单项冠军示范企业 (2023年—2025年) 企业名称：上海商米科技集团股份有限公司 主营产品：智能商用终端</p>
<p>Shanghai Municipal Enterprise Technology Center Shanghai Municipal Commission of Economy and Informatization</p>	<p>Shanghai Quality Benchmark Shanghai Municipal Commission of Economy and Informatization</p>	<p>知名商标品牌评价证书 依据 T/CHTA 002-2025 知名商标品牌评价规范，经评价、核准，上海商米科技集团股份有限公司，以注册商标“SUNMI”注册号为 43147720，类别：9 为具体的商标品牌，符合知名商标品牌评价规范标准，达到 AAA 级，特此认证。</p>	<p>Excellent Case for Enterprise Innovation in Shanghai Manufacturing Single-item Champion (2024) Shanghai Federation of Industrial Economics, and Shanghai Federation of Economic Organizations</p>	<p>Grade AAA (National) Well-known Trademark Brand China Trademark Association</p>
<p>State-level Specialized, Sophisticated, Unique and New "Little Giant" Enterprise (2020-2026) (Second Batch Re-evaluation) Ministry of Industry and Information Technology, PRC</p>	<p>Shanghai Model Enterprise for Independent Foreign Trade Brands Shanghai Municipal Commission of Commerce</p>	<p>Digital Trade Innovation Enterprise in Shanghai (2025) Shanghai Digital Trade Association</p>	<p>荣誉证书 CERTIFICATE OF HONOR 上海商米科技集团股份有限公司： 凭借卓越的创新能力和领先的市场地位，入选2024年制造业单项冠军企业创新优秀案例。</p>	

Chapter 01

Spirit of Altruism Drives Sustainable Development and Governance

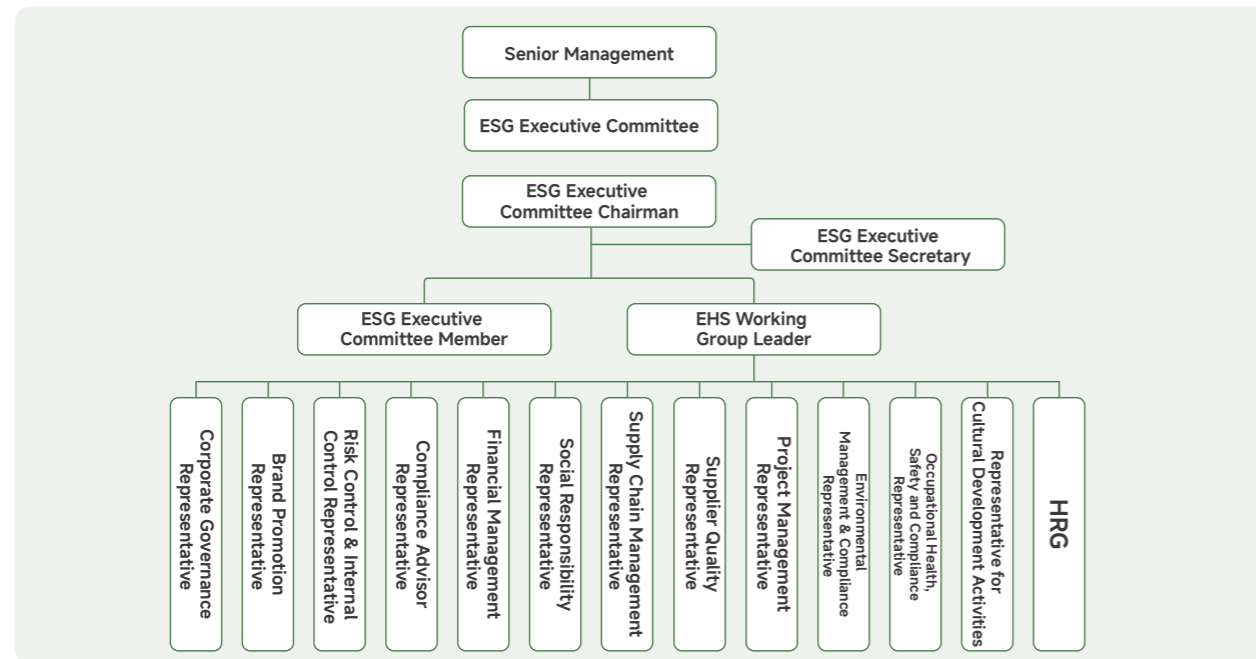
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SUNMI has established a systematic and standardized sustainable development and governance system step by step, and effectively facilitated the coordinated performance of various tasks by means of a clear management structure and well-defined assignment of responsibilities. Guided by a clear strategy, SUNMI has set its sustainable development goals tailored to major areas and continues to advance their implementation and achievement. At the same time, SUNMI pays great attention to communication and interaction with stakeholders, and identifies and responds to material topics in a dynamic way, achieving continuous improvement in its sustainable development management level and long-term value creation ability.

Structure

SUNMI Group always adheres to the good vision of "value our employees by treating them with respect, recognition and understanding. Contribute to the development of society." Throughout the history of SUNMI Group, the company utilizes cutting-edge technologies to fuel business practices, address social challenges, and adapt to environmental changes. The company always follows the international tendency of sustainable development and regards sustainable development as the core strategy for its long-term development. SUNMI is committed to becoming a company that is responsible to society, a company that serves human well-being, and a company that realizes coordinated development of humans and nature.

With such a sense of responsibility, SUNMI Group established the ESG Executive Committee in 2024, and this committee undertakes ESG governance responsibilities of the senior management. The ESG Executive Committee evaluates the business practices through the lenses of environmental protection, social responsibility, and corporate governance and based on the company's development strategy. It has determined ESG governance goals and made overall arrangements for policy-making, goal-setting, and practice promotion efforts in all ESG fields across the Group. In 2025, as SUNMI Manufacturing Factory was included in the operation blueprint of the company, SUNMI's sustainable development management system covered this factory. At present, the ESG Executive Committee has extended its management jurisdiction to SUNMI Manufacturing Factory. This ensures that new projects are subject to the unified ESG strategy and supervisory framework from the very beginning of their commissioning.



SUNMI's Sustainable Development and Governance Structure/ESG Governance Structure

Sustainable Development Strategies and Goals

SUNMI Group adheres to the core value of "altruism" and works with all stakeholders to create sustainable values. In 2025, the company has integrated S.U.P.E.R. deeply into product R&D and created the next-generation "super light terminal" and supporting solutions. They have driven the digital and green development of the business through modular, lightweight, and recyclable green design. In terms of sustainable development, SUNMI has continuously deepened the philosophy of S.U.P.E.R. SUNMI Group integrates the Spirit of Altruism into its ESG management policy. Externally, SUNMI focuses on growth and mutually beneficial partnerships with suppliers (Unity). Internally, it fosters scientific governance and stakeholder welfare with a pragmatic approach (Practicality). The company actively tackles climate and environmental challenges to balance social progress with green, low-carbon development (Environment). It prioritizes responsibility by putting people first, respecting employee rights, supporting the less fortunate, and encouraging acts of kindness (Responsibility). Based on the philosophy of S.U.P.E.R., the company has proposed sustainable development goals that agree with its own development path. It actively responds to the UN sustainable development goals (SDGs) closely related to the company, and pursues a harmonious win-win situation between business value and social value.



SDGs Related to SUNMI

Looking back on 2025, guided by the philosophy of sustainable development, SUNMI Group continued to improve the ESG governance structure, and the ESG Executive Committee made overall arrangements for optimization and implementation of ESG strategies, effectively advancing the achievement of the overall strategic SDGs of the company.

Relying on the in-depth fusion of smart hardware innovation and green production upgrades with social responsibility practices, we will propel sustainable development across the chain and realize high-quality business growth while continuing to reduce the environmental footprint and improving resource use efficiency, contributing to the achievement of 2050 carbon neutrality goals. Meanwhile, we will devote ourselves to the creation of long-term values for employees, communities, and ecosystem by building an environment-friendly, socially inclusive, and well-governed sustainable development model. This will foster a development pattern combining business values and ecological values.

In order to implement the overall strategic goals better, SUNMI Group has established 5 specific goals covering 5 sustainable development directions:

- Carbon emission: In 2026Q1, SUNMI will complete organizational carbon footprint verification, determine the emission baseline, and prepare a five-year roadmap for emission reduction. It will continue to advance low-carbon product design, energy conservation in plants and offices, and low-carbon transportation of employees to reduce the emissions in Scope 1, Scope 2, and Scope 3 in a systematic manner. The company strives to realize enterprise-wide carbon neutrality in 2050.
- Energy use: SUNMI will establish an energy management system, promote energy conservation facilities, and prepare energy conservation plans for new scenarios in advance. It is planned to reduce the total energy consumption density by 5% compared to the base period by 2030.
- Water resource utilization: SUNMI will popularize water-saving facilities in the factory and office areas, and give priority to new projects when drafting water conservation plans. It is planned to reduce the total water consumption density by 5% compared to the base period by 2030.
- Renewable resource utilization: SUNMI will give priority to recyclable materials and circular materials when designing its products, so as to promote the recycling of resources and reduce the dependency on primary resources.
- Waste treatment: The company will perform waste statistics and baseline verification, establish a five-year decrement goal, reinforce factory and office waste recycling and special control over hazardous waste, and reduce material waste.

Based on these five specific goals, the ESG Executive Committee will divide them into 11 specific strategic goals aligned with SDGs (see the table of 2026 Sustainable Development Goals of SUNMI Group). As of the release of this report, 6 of 11 strategic goals have been achieved. In 2025, the company has updated the strategic goals related to suppliers, energy use, and data security and privacy compliance, continuously elevating the comprehensiveness and advancement of these strategic goals.

In order to guarantee the in-depth fusion between sustainable development strategy and business management, in 2025, all departments of the company have set annual ESG goals aligned with the strategic goals in their strategic plans. The ESG Executive Committee has prepared the Departmental Sustainability Checklist to monitor the progress of ESG goals across various business sectors at regular intervals.

In order to foster the Group's ESG culture, SUNMI Group is committed to integrating the ESG philosophy with its business operations in an organic manner to create a cultural atmosphere where every member of the company takes an active part in ESG construction. In 2025, the company carried out a company-wide ESG theme month campaign and various ESG theme activities. At the same time, the company actively conducted ESG-related publicity activities at the headquarters, really enabling the ESG philosophy to take root among all employees.

Looking forward to 2026, SUNMI Group promises to throw itself into the sustainable development of the company and intensify efforts to advance the overall strategic SDGs. To achieve this goal, SUNMI Group, based on its performance in sustainable development in 2025, has decomposed and refined the overall strategic goal, so that the goal is traced and the results are quantified better.



▼ Sustainable Development Goals of SUNMI Group

Strategic Goal		Indicator	Progress in 2025	Quantitative Performance (For Quantifiable Indicator)	Quantitative Performance (For Quantifiable Indicator)
Sustainable Development and Governance	SDG 16 Peace, Justice and Strong Institutions	Achieve carbon neutrality in 2050, complete the first organizational carbon footprint verification in 2025 as planned, and determine the baseline year. Establish a five-year emission reduction goal based on the baseline year	The first organizational carbon footprint verification has been launched	(For Quantifiable Indicator)	N/A
	SDG 12 Responsible Consumption and Production	Supervise suppliers to prevent serious accidents and negative cases in operation, product quality, customer service, information security, and other controlled aspects.	In 2025, SUNMI achieved the established goal, and its suppliers were not engaged in serious accidents and negative cases in operation, product quality, customer service, information security, and other controlled aspects.	100%	N/A
Unity	SDG 17 Partnerships for the Goals	<ul style="list-style-type: none"> Complete ESG compliance audit of 30% of TOP50 suppliers. Complete a round of ESG compliance audit of TOP50 suppliers by the end of 2026, and establish the reference values. Set a three-year goal according to the baseline. 	In 2025, a total of 38 suppliers underwent ESG compliance audit. We are establishing the responsibilities of the supplier ESG audit in 2026. An initial three-year goal has been established.	76%	<ul style="list-style-type: none"> Short-term (2025-2027): Complete ESG compliance audit of TOP100 suppliers (number of existing suppliers: 628), establish the audit standards, issue detailed rules for basic assessment, and provide suppliers with specific suggestions on ESG improvement. Medium-term (2028-2030): Expand the scope of ESG audit to cover TOP200 suppliers, and guide the unqualified suppliers on rectification, with a rectification completion rate of no less than 80%. Long-term (2031-2035): Build an ESG sharing platform for suppliers, provide ESG training sessions for other small and medium-sized suppliers, and gradually output replicable management experience.

Practicality	SDG 16 Peace, Justice and Strong Institutions	<ul style="list-style-type: none"> No poor credit record Not engaged in a commercial bribery case or subject to corresponding economic or non-economic penalties 	In 2025, SUNMI achieved the established goals, and it was not involved in any poor credit record or commercial bribery case.	100%	N/A
		In 2025, the Company plans to further improve the governance system for data security and privacy compliance. It will continuously strengthen the development of capabilities covering full life cycle data management, personal information protection, AI data compliance and overseas data compliance, so as to support the compliant operation of SUNMI's global business, SUNMATRIX business and relevant products and services.	In 2025, the Company has initially completed the development of its governance system for data security and privacy compliance. It has continuously strengthened capabilities in full life cycle data management, personal information protection, AI data compliance and overseas data compliance, and supported the compliant operation relating to SUNMI's global business, SUNMAX's overseas expansion of its European business, and relevant products and services of SUNMATRIX's business.	100%	<ul style="list-style-type: none"> Short-term (2025-2027): Improve the governance system for data security and privacy compliance, increase data compliance support for businesses of SUNMI and SUNMATRIX, complete the data compliance preparations for SUNMAX's businesses in Europe, and elevate the coverage rate of employee data security awareness training to about 60%. Medium-term (2028-2030): Establish a compliance access process for suppliers engaged in digital business, enhance data control in key posts, and guarantee continuous implementation and compliance with EU's GDPR and DORA, with a rate of pass of spot check of no less than 95%. Long-term (2031-2035): Form a well-developed data security compliance management mode, share practical experience with industry peers, and advance the improvement of industrial data

✔ Sustainable Development Goals of SUNMI Group

Strategic Goal		Indicator	Progress in 2025	Quantitative Performance (For Quantifiable Indicator)	Quantitative Performance (For Quantifiable Indicator)
Environment	SDG 12 Responsible Consumption and Production	No serious accidents and negative cases in operation, product quality, customer service, information security, or other controlled aspects	In 2025, SUNMI achieved the established goal, and there were no serious accidents and negative cases in operation, product quality, customer service, information security, and other controlled aspects.	100%	N/A
	SDG 13 Climate Action	Achieve carbon neutrality in 2050, complete the first organizational carbon footprint verification in 2025 as planned, and determine the baseline year. Establish a five-year emission reduction goal based on the baseline year.	The first organizational carbon footprint verification has been launched.	10%	<ul style="list-style-type: none"> Short-term (2025-2027): Issue policies for recruitment and retention of female employees, and strive to elevate the percentage of women in middle management positions to 6.5% and the percentage of female employees to 37%. Long-term (2028-2030): Elevate the promotion ratio for female employees, guide TOP50 core suppliers to pay close attention to gender equality, and ensure that the coverage of relevant policies reaches more than 50%. Long-term (2031-2035): Build a gender equality benchmark, elevate the percentages of women in senior and middle management positions to 7% and 9%, and share practical experience with industry peers.
	SDG 13 Climate Action	Hold ESG awareness training sessions, with planned coverage of 30% of all employees.	In 2025, relevant ESG training sessions were fully held and received 2606 trainees. These training sessions amounted to a total training duration of 3911 hours and covered more than 30% of employees.	100%	N/A

Responsibility	SDG 5 Gender Equality	Persist in the way of development with equality, and continue to elevate the percentages of female managers and female employees. <ul style="list-style-type: none"> Percentage of women in senior management positions (EO and above) should be no less than 3% Elevate the percentage of women in middle management positions (P4-P7/M2-M5) to 7% (6% in 2024) Elevate the percentage of female employees to 38% (35.8% in 2024) 	In 2025, the percentage of women in senior management positions (EO and above) reached 5%, meeting the preset goal. However, the goals for the percentage of women in middle management positions and the percentage of female employees haven't been met. This issue has been submitted to the ESG Executive Committee for discussion, and it is planned to issue corresponding policies to advance the recruitment and retention of female employees.	33.3%	<ul style="list-style-type: none"> Short-term (2025-2027): Issue policies for recruitment and retention of female employees, and strive to elevate the percentage of women in middle management positions to 6.5% and the percentage of female employees to 37%. Long-term (2028-2030): Elevate the promotion ratio for female employees, guide TOP50 core suppliers to pay close attention to gender equality, and ensure that the coverage of relevant policies reaches more than 50%. Long-term (2031-2035): Build a gender equality benchmark, elevate the percentages of women in senior and middle management positions to 7% and 9%, and share practical experience with industry peers.
	SDG 5 Gender Equality	Elevate the promotion ratio for middle managers (job level: M2/P4-M5/P7) to 9%	The promotion ratio for middle managers (job level: M2/P4-M5/P7) reached 9.3%	100%	N/A
	SDG 11 Sustainable Cities and Communities	<ul style="list-style-type: none"> Establish an ESG campaign month and cooperate with external public welfare organizations. Complete at least 6 public welfare initiatives annually, 3 of which should have annual continuity. 	In 2025, the first ESG campaign month program was launched and received positive feedback. Meanwhile, a total of 8 public welfare activities were carried out in 2025, among which 3 are sustainable on an annual basis.	100%	<ul style="list-style-type: none"> Short-term (2025-2027): Launch ESG campaign month every year, gradually increase the number of initiatives held during the campaign month, ensure that there are at least 6 public welfare initiatives and at least 3 continuing initiatives every year and the number of initiatives sees a gradual increase, and build a basic employee volunteer team. Medium-term (2028-2030): Engage with a small number of core suppliers to carry out joint public welfare initiatives, create a basic ESG IP image formed by the company, and ensure that at least 800 persons are covered by annual public welfare initiatives. Long-term (2031-2035): Promote industry-wide public welfare collaboration, take the lead in establishing a simple public welfare cooperation mechanism, and form a replicable basic practice model for public welfare.

Communication with Stakeholders and Material Topics

SUNMI Group fully respects the legitimate rights and interests of its stakeholders, consistently prioritizing their expectations and needs to achieve mutual benefit and win-win outcomes. Therefore, SUNMI Group has identified and summarized 36 related topics by referencing relevant global standards for sustainable information disclosure. This process is based on regular and continuous communication with stakeholders and is combined with national policies and the concerns of domestic and foreign rating agencies, such as MSCI, Wind, and SynTao Green Finance, regarding the industry, as well as social development priorities.

According to the principle of "double materiality", SUNMI Group incorporates the "severity of impact" (scale, scope, and irreparability of the impact) and "likelihood of impact" at the impact materiality level, as well as the "likelihood of impact occurrence" and "degree of financial impact" at the financial materiality level into materiality analysis for consideration. A total of 24 stakeholder material topics were eventually determined and will be highlighted in this year's ESG report.

Analysis Process for SUNMI's Topics of Double Materiality

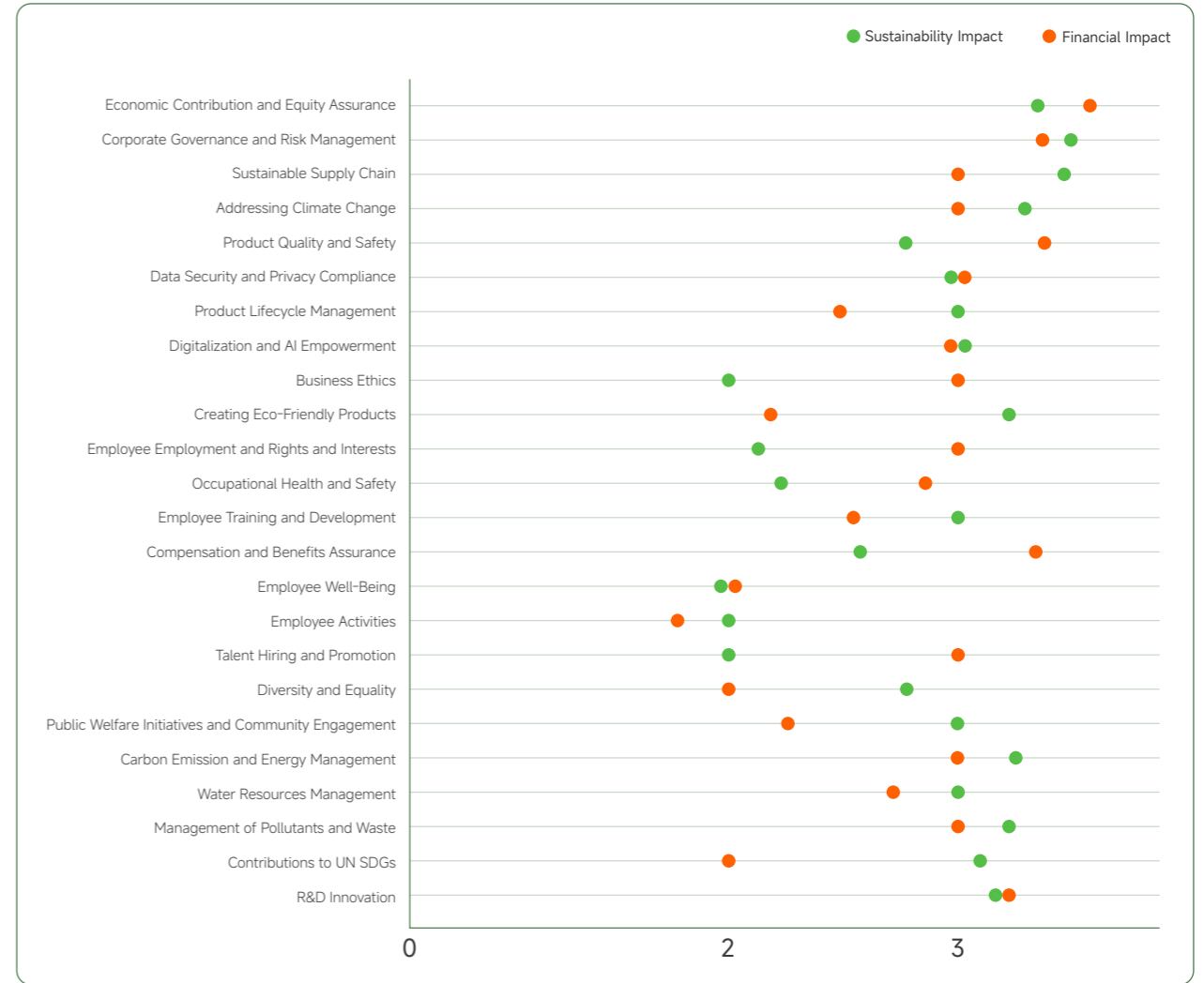
- Gain an insight into national policies, industry conditions, and social development priorities: By analyzing national policies, domestic and overseas standards for sustainable information disclosure, concerns of domestic and foreign rating agencies about the industry, and social development priorities, gain an insight into the sustainable development context of the industry where the company operates, and identify and understand the affected stakeholders.
- Establish a list of topics of SUNMI Group: Tailored to the company's value chain, development reality, and daily continuous communication with stakeholders, perform initial identification and screening of relevant sustainable development topics, and analyze the actual and potential impacts, risks, and opportunities related to sustainable development topics.
- Validate the topic materiality assessment:
 - Score and assess the identified topics based on two dimensions, i.e., the "severity of impact" (scale, scope, and irreparability of the impact) and "likelihood of impact", and output impact materiality assessment results by reference to opinions of internal and external experts.
 - Score and assess the topics based on two dimensions, i.e., the "likelihood of impact occurrence" and "degree of financial impact", and output financial materiality assessment results by reference to opinions of internal and external experts.
 - Summary of double materiality results: Perform normalization and calculation of the impact materiality matrix and the financial materiality matrix to form a double materiality matrix.
- Topic validation and topic report approval: Once the Board of Directors audits and validates the topics, topics with higher materiality in 2025 will be highlighted in the ESG report for disclosure.

Material Topics Identified

Material topics of stakeholders of SUNMI Group:

Stakeholders	Key Topics of Stakeholders	Communications and Exchanges with Stakeholders
Shareholders/investors	<ul style="list-style-type: none"> · Economic Contribution and Equity Assurance · Corporate Governance and Risk Management · Sustainable Supply Chain · Addressing Climate Change · Product Quality and Safety · Data Security and Privacy Compliance · R&D Innovation · Digitalization and AI Empowerment · Business Ethics 	<ul style="list-style-type: none"> · Corporate Annual Reports, Interim Reports, and Announcements · Shareholders' Meeting · Performance Briefing · Investors' Meeting · Hotline, Email, Website Feedback Platforms
Merchants and Enterprises	<ul style="list-style-type: none"> · Product Quality and Safety · Data Security and Privacy Compliance · Sustainable Supply Chain · Product Lifecycle Management · Digitalization and AI Empowerment · Business Ethics 	<ul style="list-style-type: none"> · Major Customer Relations · Customer Satisfaction Survey · Global Service Network · Exhibitions, Forums, Summits, and Other Events · Websites and Social Media
Developers/Distributors/Suppliers/Contractors	<ul style="list-style-type: none"> · Sustainable Supply Chain · Business Ethics · Addressing Climate Change · Product Quality and Safety · Product Lifecycle Management · Digitalization and AI Empowerment · Creating Eco-Friendly Products 	<ul style="list-style-type: none"> · Procurement Activities · Websites and Social Media · Partners' Meeting · Co-creation and Empowerment · Training and Evaluation
Employees	<ul style="list-style-type: none"> · Employee Employment and Rights and Interests · Occupational Health and Safety · Employee Training and Development · Compensation and Benefits Assurance · Employee Well-Being · Employee Activities · Talent Hiring and Promotion · Diversity and Equality 	<ul style="list-style-type: none"> · General Membership Meeting/Congress of Workers and Staff · Induction Training for New Employees. · Regular Communication and Training · Organizational Vitality Survey · SUNMI Community (Internal Communication Platform) · CEO Suggestion Box, Internal Complaint Email, Hotline

Stakeholders	Key Topics of Stakeholders	Communications and Exchanges with Stakeholders
Government/Regulatory Agencies	<ul style="list-style-type: none"> Public Welfare Initiatives and Community Engagement Corporate Governance and Risk Management Carbon Emission and Energy Management Water Resources Management Management of Pollutants and Waste 	<ul style="list-style-type: none"> Daily Communication and Reporting Special Surveys and On-site Meetings Exchanges via Meetings and Forums Formulation of Standards and Policies, and Feedback Websites and Social Media
NGOs/International Organizations/Specialist Agencies	<ul style="list-style-type: none"> Contributions to UN SDGs 	<ul style="list-style-type: none"> Forum/Summit Events Sustainable Development Cooperation Projects Visits and Interviews
Communities	<ul style="list-style-type: none"> Public Welfare Initiatives and Community Engagement Business Ethics 	<ul style="list-style-type: none"> Visits and On-site Surveys Feedback Internet and Social Media
Media/KOL/Industry Association	<ul style="list-style-type: none"> Business Ethics R&D Innovation 	<ul style="list-style-type: none"> Forum/Summit Events Visits and Interviews Websites and Social Media
Environmental Groups	<ul style="list-style-type: none"> Addressing Climate Change Carbon Emission and Energy Management Water Resources Management Management of Pollutants and Waste 	<ul style="list-style-type: none"> Low-Carbon Promotion Ecological and Environmental Protection Volunteer Activities Disclosure of Environment-related Operational Data



2025 Material Topic Matrix



Chapter 02

Unity

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SUNMI Group is committed to developing a sustainable supply chain based on its environmental, social, and governance principles and to establishing a long-term and reciprocal partnership with its suppliers for the purpose of unity. For this end, SUNMI Group has implemented a series of management systems and procedures, such as the Supplier Evaluation Control Procedure, to uphold high standards for supplier conduct regarding labor rights and environmental responsibilities. We oversee the entire supplier lifecycle through three phases: development and admission, tiered management, and evaluation audits.



Supplier Compliance Risk Management

Management Standards and Processes for New Supplier Development and Admission

SUNMI Group gives priority to transparency and high resilience of the supply chain and follows the philosophy of UN SDGs, fully reflecting the principle of "unity". The company actively collaborates with its business partners and advances ethical and sustainable practices in its operations.

SUNMI Group rigorously controls the criteria for admitting new suppliers, prioritizing high-quality candidates and fostering a fair competitive environment. Through continuous communication and collaboration, the company effectively protects the legal rights and interests of both suppliers and customers. Prospective suppliers are required by the company to obtain one of the following third-party quality system certifications: ISO9001, IATF16949, TL9000, or equivalent.

When introducing a new supplier, sourcing engineers classify new suppliers into tier-1 suppliers and component suppliers in accordance with the Specifications for Supplier Classification and Relation Management. Component suppliers are categorized into formal suppliers and temporary suppliers. Sourcing engineers proactively perform supplier development, gather information on potential candidates, and conduct due diligence and preliminary assessment on them, thus completing the collection of relevant information on suppliers. When a supplier meets the requirements for admission audit, sourcing engineers coordinate with quality assurance and R&D teams to thoroughly audit the supplier's product quality, delivery capability, price, service ability, R&D strength, management systems, and sustainability performance according to the Supplier Audit Form. Suppliers passing the audit will be deemed qualified. Then, resource development engineers sign the Framework Agreement and annexes with these qualified suppliers, while supplier quality management engineers are responsible for signing the Quality Agreement and related documents.

During the reporting period, SUNMI Group further reinforced the sustainable development management of suppliers, and actively promoted the signing of the Supplier Social Responsibility Agreement and the EHS Notification Agreement for Stakeholders, so as to enhance the compliance awareness and responsibility fulfillment ability of the supply chain in terms of environmental protection, occupational health and safety, and social responsibilities.



Standards and Processes for Tiered Supplier Management

SUNMI Group classifies procurement materials into the following three categories according to the responsibilities assigned in the technical standards set by the IoT R&D platform and based on their impact on subsequent processes and outputs:

Category	Definition	Examples
Main Materials (Category A)	These materials have a significant impact on the core functionality of the final product, greatly influence product costs, and have strict procurement conditions with long lead times (requiring advance preparation).	Finished products, screens, PCBA, cameras, chipsets
Main Materials (Category B)	These materials are not critical to the key parts of the final product. They either directly affect product quality or have a minor impact, which can be corrected with appropriate measures.	Casings, hardware components
Main Materials (Category C)	These materials serve a supportive role and are not directly used in the product itself.	General packaging materials

Suppliers are categorized into three types based on the importance of Terminal Quality Management (TQM):

Category 1: A supplier who supplies services, components, or parts that are not critical to the compliance of the product with TQM requirements.

Category 2: A supplier who supplies services, components, or parts that may have an impact on the compliance of the product with TQM requirements, e.g., a supplier of critical components or a supplier who purchases critical components under their control.

Category 3: A supplier who supplies services, components, or parts that are critical to the compliance of the product with the TQM requirements, e.g., a supplier who carries out design, validation testing, manufacturing testing, and other critical processes.

Suppliers in Category 2 and Category 3, who provide Category A and Category B materials, should undergo an on-site review annually in principle, with evaluations conducted using the Supplier Audit Form.

Corporate Management Standards and Processes for Supplier Assessment Audit

SUNMI conducts an annual audit for all critical component suppliers, generally through on-site reviews. The evaluation covers product quality, delivery capability, price, service ability, R&D strength, management systems, and sustainable development. According to the audit results, suppliers are categorized into three levels: A, B, and C, from highest to lowest.

- Suppliers with an A rating maintain their qualified status.
- Suppliers with a B rating require guidance for improvement and reevaluation.
- Suppliers with a C rating will have their qualified supplier status revoked.

During the reporting period, the classification of SUNMI Group's core suppliers is shown in the following table.

Indicator	Unit	2025
Total Number of Core Suppliers	Nos.	45
Total Number of Core Suppliers Due for Audit	Nos.	45
Of which, ODM & OEM Suppliers	Nos.	5
Of which, Buy-Sell Component Suppliers	Nos.	40
Of which, Other Core Suppliers	Nos.	0

Digital Supply Chain Management

Digital transformation is a key strategy for an enterprise to adapt to the modern market environment and realize sustainable development. In 2025, SUNMI Group continued to advance the in-depth application of digital technologies in the field of supply chain management. Centered around key links such as supplier admission, sourcing & pricing, contract management, order collaboration, delivery & warehousing, account check and settlement, quality management, collaborative planning, performance assessment, and environmental compliance, the company continuously improved the Supplier Relation Management (SRM) System. This effort drives the upgrade of supply chain management from the traditional face-to-face communication and decentralized form management to an online, standard, visual, and traceable process. By integrating the SRM System with SAP, OA, MDS, and other internal systems, as well as external services like electronic signature & seal and logistics synergy, the business data links of various departments engaged in procurement, suppliers, warehousing, quality, and finance have been connected, forming a digital collaboration platform covering the entire lifecycle of suppliers. This provides strong support for enhanced supply chain operational capability, increased process transparency, and improved sustainable supply chain management capability. As of the end of the reporting period, the SRM System has achieved an average monthly efficiency improvement of 880 hours.

As of the end of 2025, the company has included the core supply chain workflows into the SRM System for unified management. This system has covered 4059 suppliers (including parts, finished products and indirect procurement suppliers) and the online collaborative

coverage for core suppliers has reached 92.64%. Among them, the system utilization rate for component suppliers is 93.56%, and for finished product suppliers, it is 88.7%. Relying on the unified platform, the company has enabled centralized management and online flow of key data such as supplier information, procurement requirements, price records, contracts, order execution, delivery records, account check & settlement, quality improvement measures, and compliance documents. This has reduced repeated communication and manual entry and enhanced the supply chain operational efficiency, data accuracy, and management standard ability.

In terms of management mechanism, the SRM System has established a relatively well-developed digital control system centered around the lifecycle of suppliers. This system allows for supplier registration & admission, qualification audit, on-site inspection, performance assessment, rectification & closed-loop management, and tiered management. Moreover, it can differentiate the management requirements based on different procurement organizations, business types, and cooperation stages, making supplier management refined and dynamic. In terms of procurement execution, this system allows for inquiry, bidding, tendering, competitive negotiation, and other sourcing modes. Moreover, it can perform unified management of historical quotes, price validity period, pricing approval, and contract signing, and can improve the execution efficiency and transparency of procurement processes by the following means: automatic synchronization of purchase orders, online creation of delivery notes, QR code-based delivery taking, application for account check, invoice verification, and payment process connection. Meanwhile,

this system is also able to perform dynamic monitoring and early warning for supplier qualification status, delivery performance, quality abnormalities, contract expiration, data failure, business differences, and other information.

On this basis, SUNMI Group officially launched an environmental protection control module in the SRM System in 2025, and made environmental compliance management across the supply chain standardized, information-based, and traceable by building a digital control system that covers supplier training, material environmental management, conflict mineral tracing, and other links. This system can be tailored to RoHS, REACH, and other international laws and regulations on environmental protection, as well as regulatory requirements for conflict minerals, and assist the company in continuously improving its supply chain transparency, risk identification capability, and sustainable management level.

Relying on the environmental protection control module in the SRM System, SUNMI has implemented the centralized, structured, and traceable management of environmental protection data across the supply chain. Centered around the environmental compliance requirements across the product lifecycle, this system has established a relatively complete environmental data management mechanism for materials. It has performed unified filing and management of information submitted by suppliers, including environmental protection statements (SDS/MSDS), third-party test reports (e.g., RoHS and REACH test reports), lists of homogeneous materials, and non-use declarations of prohibited substances, enabling the digital management mode in which a file is created for a material. This module allows for sorted storage and retrieval according to material number and supplier and supports data inquiry, download, export, and other functions, significantly improving the standard ability and efficiency of environmental data management. In the meantime, this system can automatically identify the validity periods of test reports and relevant qualifications, give early warnings and prompts for soon-to-expire or expired data, and urge suppliers to perform timely environmental data updates to ensure that the environmental protection information of the supply chain always remains in a valid state, thus mitigating environmental compliance risks.

In terms of environmental compliance management, this module is linked to supplier information, material data, test reports, and audit

records, enabling full-process traceability of the environmental information of a material. This module allows relevant business personnel to perform a quick search of the source vendor, environmental data, and compliance status of a material by entering the material number, and it supports various business scenarios, including R&D selection, production compliance verification, and customer audit. This effort provides reliable data support for SUNMI to design green products and make decisions on supply chain management. At the same time, based on internal data regarding interpretation of environmental laws and regulations and operation training, this module assists suppliers in continuously improving their awareness and management capabilities in environmental compliance, so as to reinforce the overall environmental management level across the supply chain.

Furthermore, the company has established a special control feature for conflict minerals in this module, and it has conducted supply chain due diligence for tantalum, tin, tungsten, and gold (3TG minerals) in line with relevant requirements in the EU Conflict Minerals Regulations, the U.S.A. Dodd-Frank Act and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals. This system allows for initiation of standard questionnaires to suppliers, online collection of information about mineral sources and due diligence, and audit, tracking, and filing management of submissions. For suppliers or mineral sources with potential risks, this system can identify risk levels and issue early warnings and prompts, assisting the company in identifying and controlling the compliance risks of conflict minerals in a timely manner.

Through continuous operation and functional iteration of the environmental protection control module in the SRM System, the company has gradually realized online management and process standardization of environmental protection information across the supply chain. This has significantly enhanced the environmental compliance management efficiency and risk control capability. In the future, SUNMI Group will continue to advance the in-depth integration of digitalization and sustainable development management, further improve the application of the SRM System in such aspects as green procurement, supplier empowerment, risk early warning, and data analysis, and continuously build a transparent, credible, and resilient green supply chain system to lay a sound foundation for achievement of the long-term SDGs.



Enhancing Supplier Capability

To facilitate the improvement in the sustainable development capability and risk prevention level of the supply chain, SUNMI Group actively organizes its suppliers to participate in ESG capability building initiatives, including ESG training and experience sharing & exchange. During the reporting period, SUNMI Group has organized a total of 87 ESG-related training sessions for suppliers. These training sessions involve the introduction and usage of the environmental protection control module in the SRM System launched in 2025. The duration of training sessions for suppliers reached 261 hours, a remarkable increase of 40 hours compared to the previous year. This embodies continuous input in building the sustainable development capability of suppliers.



SUNMI Group Organizes a ESG Training Session

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During the reporting period, SUNMI Group has organized a total of 87 ESG-related training sessions for suppliers.

In the meantime, the company continues to advance annual supplier audits and ESG audits and integrates sustainable development requirements into supplier management routines. In 2025, a total of 686 suppliers were subject to annual audits of the company, implying an increase compared to 648 in 2024. 38 of 45 core suppliers have completed annual audits, and the annual audit coverage for core suppliers has been elevated from 68.6% in 2024 to 84.4%. In terms of ESG audits, in 2025, 28 suppliers of the company underwent ESG audits, implying a further increase compared to 24 in 2024. Through the combination of training empowerment and audit management, the company continues to intensify efforts to identify and manage the ESG performance of suppliers, driving steady improvement in the sustainability management level of the supply chain.

Indicator	Unit	2024	2025
Total number of suppliers subject to annual audit	Nos.	648	686
Core Suppliers	Nos.	51	45
Number of core suppliers subject to annual audit	Nos.	35	38
Number of suppliers subject to ESG audit	Nos.	24	28

Optimizing Conflict Mineral Management

Conflict Mineral Management Policy of the company

SUNMI Group adheres to the requirements outlined in the SUNMI Conflict Mineral Management Regulations in a strict manner. We fully comply with the relevant standards and specifications set by international and industry organizations for conflict mineral management, and we are committed to neither accepting nor using "conflict minerals" from the Democratic Republic of the Congo and surrounding conflict-affected countries and regions. We also demand that suppliers trace minerals contained in their products and disclose relevant information, including the sources of gold (Au), tantalum (Ta), tin (Sn), tungsten (W) and other minerals.

Additionally, as required by us, all downstream suppliers must comply with laws, regulations, and compliance requirements related to conflict minerals and sign the No Conflict Mineral Use Declaration, so as to jointly advance responsible mineral procurement and mitigate potential environmental and social risks across the supply chain.



Practices and Processes of the company for Optimization of Conflict Mineral Management

In 2025, SUNMI Group, based on the original conflict mineral management measures, introduced the SRM System, improved the organizational structure for conflict mineral management, built a conflict mineral investigation module with a digital approach to assist the suppliers in conflict mineral investigation, and clearly defined the functional responsibilities of each department:

Responsible Department	Functions
R&D	The Mechanical Team and the Hardware R&D Team conduct material selection and perform preliminary conflict mineral risk assessments based on actual product needs.
Supply Chain - Components Sourcing Team	Select suitable suppliers based on material selection requirements communicated by the R&D team.
Product environmental engineer	Conduct annual conflict mineral surveys with material suppliers via the SRM system. Be responsible for the compliance review of the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT) completed by suppliers, and perform conflict minerals risk rating for suppliers.
Partner factories	Conduct investigations regarding the use and source of conflict minerals for all in-house materials supplied to the factories, using the latest version of the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) available on the official website. The results are promptly reported back to SUNMI.

During the reporting period, SUNMI Group launched conflict minerals surveys on a pilot basis with 112 suppliers, receiving valid responses from 97 suppliers, representing a response rate of 86%. Based on the evaluation of survey results, there are 9 high-risk suppliers, 34 medium-risk suppliers, and 54 low-risk suppliers identified.

Company Assessment on Supplier Conflict Minerals Management

In the area of conflict minerals management, the company has continuously advanced the development of its supply chain due diligence system and set phased targets for audit coverage. In 2025, the company set a target supplier audit coverage rate of 36.8% and achieved an actual rate of 36.9%, successfully meeting the established objective. Based on the actual cooperation status and participation of suppliers in 2024 and 2025, the company has conducted a prudent assessment and dynamic adjustment of subsequent targets, revising the original 77.3% coverage target planned for 2026 to 61%. This adjustment reflects the company's pragmatic approach and data-driven decision-making philosophy in advancing conflict minerals management. It ensures the attainability of targets while continuously enhancing supply chain compliance and transparency.

Supplier Conflict Minerals Risk Rating	Number	Remarks
High Risk	91	High Risk: Materials directly involve conflict mineral metals.
Medium Risk	179	Requires conflict mineral investigation (submission of the latest CMRT & EMRT required). Medium Risk: Materials may not directly involve conflict minerals, but elements or materials related to conflict minerals might be used in their manufacturing process.
Low Risk	33	No conflict mineral investigation needed (send a risk self-assessment form to suppliers for collection and archiving, with periodic sampling audits). Low Risk: Materials and their manufacturing processes do not involve conflict mineral metals.
Total	303	/

SUNMI Conflict Mineral Investigation Plan (for all current parts suppliers)			
Category/Year	2025	2026	2027
Supplier Audit Coverage in Conflict Mineral Field	36.9%	61%	100%
Among Which, Chinese Supplier Audit Coverage in Conflict Mineral Field	36.9%	61%	100%
Of Which, Overseas Supplier Audit Coverage in Conflict Mineral Field		Not applicable	
Supplier Qualification Rate in Conflict Mineral Field	36.8%	77.3%	100%
Of Which, Chinese Supplier Qualification Rate in Conflict Mineral Field	N/A	N/A	N/A
Of Which, Overseas Supplier Qualification Rate in Conflict Mineral Field		N/A	
Remarks	N/A	N/A	N/A

Supply Chain Continuity Risk Management

Against the backdrop of an increasingly complex global supply chain landscape, factors including raw material supply volatility, logistics disruptions, natural disasters, and public emergencies may all affect the stable operation of the company's supply chain. The company attaches great importance to supply chain continuity risk management. By establishing systematic management systems and emergency response mechanisms, it continuously enhances the stability and resilience of its supply chain, so as to ensure the continuity of production, operations and customer service.

Governance Mechanisms

The company has integrated supply chain continuity management into its overall enterprise risk management and operational management systems, and promotes the stable operation of the supply chain through institutionalized management, the company has established a cross-departmental collaboration mechanism, under which procurement, supply chain management, production operations, risk management and other relevant departments jointly participate in supply chain continuity management. Regular assessments and management reviews are conducted on the performance of the supply chain.

Critical Supply Chain Identification & Continuity Assessment

Through systematic assessment, the company identifies critical supply chain links that exert a significant impact on its production and operations, including key raw materials, core suppliers and major logistics nodes, and has established management lists for critical materials and key suppliers.

As of the end of the reporting period, the company has identified 27 types of critical materials, involving 27 key suppliers. With respect to critical supply chain links, the company conducts regular supply chain continuity assessments, focusing on such factors as stability of supply chain capacity, regional supply risks, and reliability of logistics and transportation. During the reporting period, the company conducted continuity assessments on 56% of its critical supply chain links and established corresponding risk monitoring mechanisms.



Supply Chain Continuity Risk Management Practices

Diversified Supply and Alternative Supply Mechanisms

To mitigate the risk of supply chain disruptions, the company has continuously advanced the diversification of supply sources for critical materials. By establishing an alternative supplier mechanism, it has reduced reliance on single supply sources. In the management of critical materials, the company has established an alternative supply list and conducts ongoing evaluation and maintenance of potential alternative supply channels.

As of the end of the reporting period, the company has established dual or multi-source supply mechanisms for 56% of its critical materials, and has developed alternative supply plans for 15 critical materials. In addition, the company continuously monitors the supply status of critical materials to ensure that alternative supply channels can be activated promptly in the event of supply disruptions.

Inventory Strategy and Operational Assurance

The company enhances supply chain resilience through science-based inventory management strategies. For critical production materials, the company formulates appropriate safety inventory levels based on production cycles, procurement lead times and market supply conditions, so as to mitigate the impact of short-term supply fluctuations on production and operations.

As of the end of the reporting period, all critical materials of the company have reached their average safety inventory levels. Through the coordination of inventory management and procurement planning, the company is able to maintain the continuity of production and operations in the event of short-term supply disruptions.

Emergency Response Mechanism for Supply Chain Disruptions

To respond to unexpected supply chain disruption incidents, emergency measures include activating alternative suppliers, adjusting inventory allocation, optimizing logistics and transportation plans, and coordinating production schedules. In the event of supply chain disruption risks, the company can promptly activate its emergency response mechanism, with relevant functional departments carrying out emergency response in a coordinated manner to minimize impacts on production operations and customer delivery.

Digital Monitoring and Continuous Improvement

The company continuously monitors key supply chain links through information-based systems, dynamically tracks procurement order execution, inventory levels and supplier delivery performance, and identifies potential supply disruption risks through data analysis. During the reporting period, the company has implemented digital monitoring for 51.8% of critical materials in terms of supply status. With digital management tools, the company is able to identify potential supply chain fluctuations in a more timely manner and take responsive measures, thereby improving the efficiency of supply chain management.

Going forward, the company will continue to improve its supply chain continuity management system, strengthen the risk monitoring capability for critical materials, further optimize the supply source structure and inventory strategy, and enhance supply chain risk early warning capability through digital tools. Meanwhile, the company will further improve its supply chain emergency management mechanism, continuously enhance supply chain stability and resilience, and safeguard the long-term stability of the enterprise's production and operations.



Chapter 03

Practicality

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Governance constitutes a core pillar of ESG. The company adheres to the governance principles of standardization, transparency, and checks and balances of powers and responsibilities. It improves its corporate governance and comprehensive risk management system, and continuously optimizes internal control mechanisms to effectively prevent operational risks. The company upholds responsibility throughout the full product life cycle and enhances its core competitiveness through R&D and innovation. It abides by business ethics and anti-corruption compliance to uphold the bottom line of integrity-based operations. Furthermore, the company has established an information security management and data security & privacy protection system to fully implement compliance requirements. With modern governance capabilities, it safeguards the high-quality and sustainable development of the enterprise.

Corporate Governance

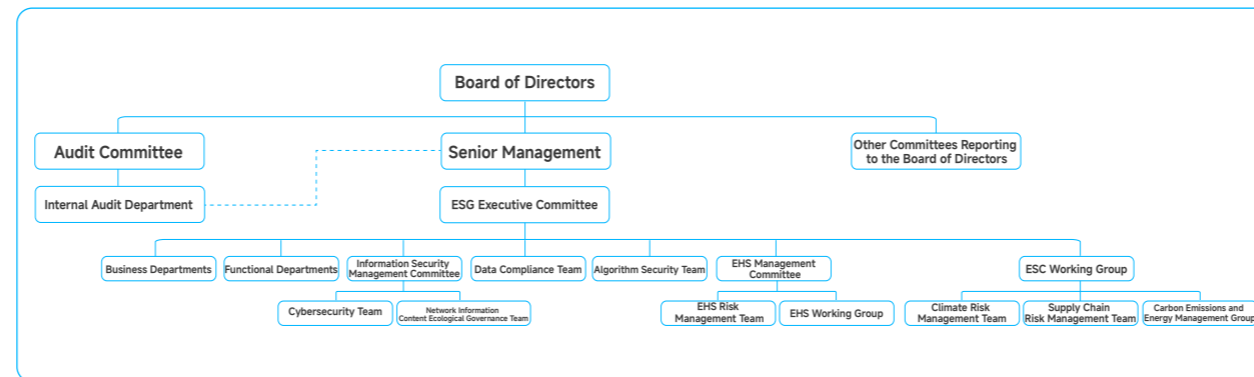
SUNMI Group is dedicated to promoting the establishment and improvement of a modern corporate system and governance structure. The company complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and other relevant laws and regulations, and has internally formulated the Articles of Association, the Rules of Procedure for the Board of Directors and other governing documents. At present, SUNMI Group has established a corporate governance structure composed of the shareholders' meeting, the Board of Directors and the management team, forming a scientific, standardized, well-defined, mutually check-and-balanced and efficient governance system, which continuously improves the transparency and effectiveness of corporate governance.

The company attaches great importance to the effective implementation and operability of its governance regulatory documents. During the reporting period, in accordance with relevant laws, regulations and supervisory requirements, and in light of the company's actual conditions, it revised and updated its internal policies to further elevate its corporate governance standards. In May 2025, in accordance with the relevant provisions of the Company Law and other laws and regulations, the shareholders' meeting of the company resolved to abolish the Board of Supervisors. The functions and powers of the Board of Supervisors shall be exercised by the Audit Committee of the Board of Directors, and the Rules of Procedure for the Board of Supervisors of the company shall be repealed accordingly.

The shareholders' meeting is the supreme authority of the company. The company convenes and holds shareholders' meetings in strict accordance with the Rules of Shareholders' Meetings for Listed Companies, the Articles of Association, the Rules of Procedure for Shareholders' Meetings and other relevant provisions, so as to ensure that shareholders exercise their rights lawfully, that all shareholders are treated equally, and that convenience is provided to the greatest extent possible for shareholders to attend shareholders' meetings and fully exercise their shareholder rights. In 2025, the company convened a total of four shareholders' meetings, during which shareholders made prudent decisions on various proposals and adopted 36 proposals upon deliberation.

The Board of Directors earnestly implements all resolutions adopted by the shareholders' meeting, performs its duties and obligations with diligence and responsibility, maintains the sustained, sound and stable development of the company, promotes its standardized operation, and safeguards the legitimate rights and interests of the company and public shareholders. The Board of Directors has established under it an Audit Committee, a Nomination Committee, a Compensation and Assessment Committee, as well as the senior management. With well-defined powers and responsibilities, each body performs its respective duties, supporting independent operation, effective checks and balances, and coordinated functioning, thus driving efficient, scientific and standardized operation of the company's production and business activities.

SUNMI Group's Board of Directors is structured with full consideration for diversity, and the company continues to enrich the professional backgrounds of its directors to enhance the Board's competence and overall governance. The Board currently consists of 9 directors, all with profound industry expertise or extensive experience in corporate management. The company has two female directors, accounting for 22% of the total Board of Directors membership.



Organizational Chart of SUNMI

Risk Control

Risk Management System of the company

SUNMI Group attaches great importance to risk management. By establishing a sound risk identification and control system, the company ensures steady development amid the ever-changing market environment. The company regularly identifies and assesses various risks that may affect its operations, financial position and strategic objectives, and adopts effective measures to address them. Such risks include, but are not limited to, market risk, financial risk, operational risk and compliance risk.

The company employs a multi-level risk management framework to ensure that all risks are promptly identified, assessed and controlled. Specifically, the company not only focuses on traditional financial and operational risks, but also integrates emerging risks arising from environmental, health and safety (EHS), climate change, as well as data security and privacy compliance into its risk management system, ensuring that relevant challenges are fully identified and addressed.

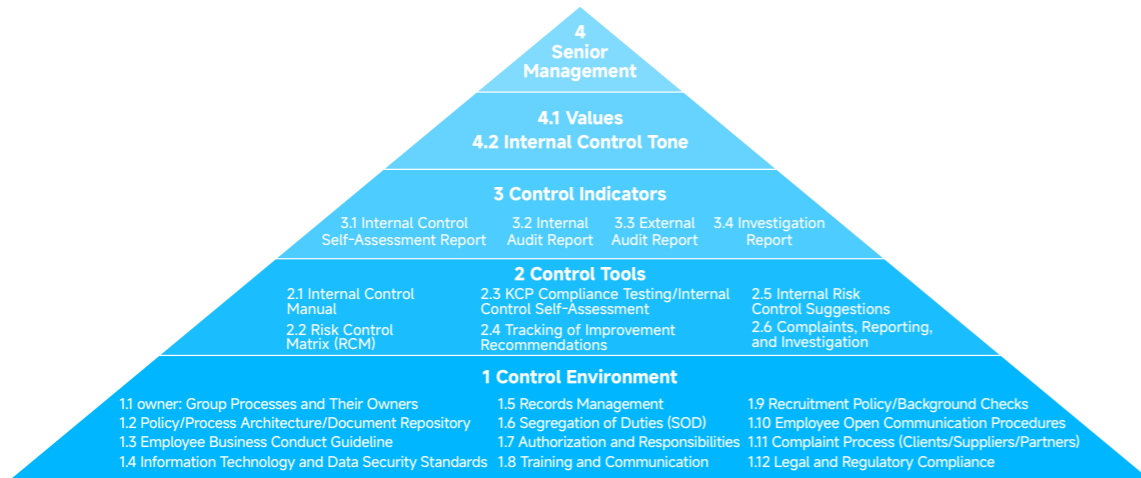
Internal Risk Control System

SUNMI Group continues to advance the development of its internal risk control system and steadily enhances the maturity of its internal control management. This safeguards the steady implementation of the Group's strategies, sound operations, and integrity and compliance, effectively protects the legitimate rights and interests of investors, and fulfills the company's corporate governance objectives. In accordance with the Basic Norms of Enterprise Internal Control and sound industry practices, and in light of the Group's internal control management characteristics, the company continuously implements the SUNMI Group Internal Control White Paper. No material changes were made to the relevant systems and management framework during the reporting period, and the overall operation remained effective.

The Group maintains an internal control responsibility system with two main lines: internal control construction and independent evaluation. Internal control construction is the responsibility of business managers, process owners, and internal control business partners. Independent evaluation is managed by the Internal Audit Department and external institutions hired by the Group. The Internal Audit Department evaluates the effectiveness of internal controls over various business processes, while external audit institutions primarily conduct audits on the legality and compliance of the financial statements.

As the Group's dedicated internal audit body, the Internal Audit Department continuously improves its multi-level, multi-functional internal audit system, regularly reports internal audit evaluation results to the management, and submits annual audit findings to the Board of Directors for deliberation. Through independent supervision, evaluation and advisory services on the Group's internal control practices, the Internal Audit Department promotes the effective implementation of the Group's strategies and the continuous enhancement of its risk prevention and control capabilities.

Meanwhile, SUNMI Group consistently conducts internal control management in accordance with its established internal control framework. This framework includes four major components—control environment, control tools, control indicators, and senior management—comprising a total of 24 elements. During the reporting period, the framework operated steadily, providing strong support for the standardized and systematic functioning of the Group’s internal control system. Detailed explanations of the framework and each element are illustrated in the chart below:



SUNMI Group attaches great importance to and continuously enhances employees’ awareness of internal control and their performance competence. The Human Resources Department, various levels of management, process owners and internal control business partners promote employees’ full understanding of the Group’s internal control philosophy, tone and management direction through communication, training and other initiatives, fostering an internal control culture with full employee participation.

Meanwhile, SUNMI Group maintains active and open communication and cooperation with its customers and partners, proactively communicates its internal control philosophy and practical requirements, emphasizes integrity and compliance in operations, and requires partners to abide by the Supplier Integrity Commitment and other relevant provisions. The Group publicly discloses multiple integrity reporting channels on its official website, providing sufficient information sources and smooth communication mechanisms for internal control management.

Any employee or third party may file complaints and reports regarding violations of the Employee Business Conduct Guideline through the Group’s public integrity reporting channels. Business supervisors must also promptly report allegations or clues involving employee financial irregularities via the same public reporting channels. Upon receiving complaints and reports, the Group conducts an independent investigation following the SUNMI Fraud Reporting and Investigation System and holds responsible parties accountable based on the findings. Acts suspected of violating laws are transferred to judicial authorities for handling in accordance with the law. During the investigation and handling process, the Group keeps whistleblower information strictly confidential and effectively protects the legitimate rights and interests of whistleblowers.

Business Ethics

Anti-Fraud Measures

The company maintains a zero-tolerance attitude toward fraudulent acts and is committed to fostering a work environment of integrity, honesty, probity and self-discipline. SUNMI Group has formulated the SUNMI Fraud Reporting and Investigation System. An Audit Committee has been established under the Board of Directors, which takes overall responsibility for the integrity development of the Group’s various business systems. This includes overseeing and implementing the company’s internal audit system, as well as formulating guidelines for the company’s integrity and clean governance initiatives.

The company strictly abides by the Criminal Law of the People’s Republic of China, the Company Law and other relevant laws and regulations, and actively builds an anti-corruption prevention system. Internally, it has formulated institutional documents including the SUNMI Fraud Reporting and Investigation System and the SUNMI Employee Business Conduct Guideline, ensuring that anti-corruption efforts are carried out in accordance with clear rules and procedures.

The company requires all employees to sign the SUNMI Employee Business Conduct Guideline. This guideline mandates that employees adhere to business ethics and applicable laws in all business activities, whether in procurement, sales, or other areas. SUNMI has relationships with various organizations, entities, or individuals, including clients, authorized business partners, ODM manufacturers, and government departments. Regardless of the nature of these relationships, employees must maintain business ethics in all external dealings.

Meanwhile, SUNMI Group has established efficient, unimpeded, open and transparent reporting and appeal channels. Whistleblowers may report or appeal against violations of business ethics through various means. Once a report is accepted, the Internal Audit Department must determine the investigation team members and scope, then submit an investigation proposal to the Audit Committee. Upon approval, the investigation and evidence collection proceed. The Internal Audit

- **Dedicated Reporting Website:**

- Domestic: <https://www.sunmi.com/jubao>

- Overseas: <https://www.sunmi.com/en/jubao/>

- **Email: daode@sunmi.com**

- **QR Code:**



Domestic



Overseas

- **Phone: 021-61480326**

- **Mailing Address:** Building 7, KIC, 388 Songhu Road, Yangpu District, Shanghai, China, 200433

Promotion and Training of Business Ethics

SUNMI Group continues to advance the development of a culture of integrity and compliance, integrating business ethics and anti-corruption requirements into corporate governance and daily operations. Through policy promotion, warning education, special training and the development of supervision mechanisms, the Group strengthens the awareness of integrity among all employees, prevents fraud and corruption risks, and fosters an honest and transparent business environment.



2025 SUNMI Internal Control & Anti-Corruption Month

During the reporting period, the company launched a series of publicity and education activities focusing on integrity in practice and compliance management, promoting the implementation of business ethics requirements among all employees. In terms of warning education, the company organized integrity warning education sessions for management and key position personnel. Through visits to the Shanghai Yangpu District Detention Center and other activities, it enhanced their intuitive understanding of the consequences of violations of laws and regulations, and strengthened their awareness of bottom-line principles and compliance.



Visiting Shanghai Yangpu District Detention Center

In terms of training and publicity, the company provides anti-fraud and business ethics training courses through its online learning platform and organizes integrity knowledge tests to improve employees' understanding and implementation capabilities regarding the company's policies and compliance requirements. During the reporting period, a total of 930 employees had completed the relevant training and examinations. In the meantime, the company issued risk alerts and conducted warning education based on typical cases, enhancing employees' ability to identify integrity risks.



Anti-fraud and Business Ethics Training with Integrity Knowledge Exam

In terms of supervision and commitment mechanisms, the company continues to promote the signing of the Integrity and Self-Discipline Commitment Letter by all employees. A total of 1,153 signings were completed during the reporting period, strengthening employees' sense of responsibility for integrity in practice. SUNMI Group conducted targeted integrity and compliance promotion for key partners including suppliers and distributors via dedicated email communications. In 2025, the integrity promotion for partners covered a total of 1,514 direct and indirect procurement suppliers, as well as 163 domestic city partners and overseas distributors. Meanwhile, the company promoted the integrity reporting mechanism through multiple channels, clarified the reporting procedures and protection measures, and encouraged employees and stakeholders to supervise and report violations.

Integrity and Self-Discipline Commitment Letter

Fully recognizing the company's corporate culture, I voluntarily sign this Integrity and Self-Discipline Commitment Letter, committing to self-disciplined and ethical conduct during my employment at Sunmi. Integrity builds our foundation, while wisdom and innovation shape our future.

Hereby, I solemnly commit to the following:

- During employment, I shall not accept or solicit any gifts from suppliers, factories, traders, or other cooperative partners in the name of the company or myself, including but not limited to directly or indirectly demanding or accepting money, articles, securities, or gratuities in any form (e.g., cash, checks, gift cards). Any accepted monetary gifts or physical items must be declared via the designated Gift Giving & Receiving Process and surrendered to the company within one week. Food items or other small gifts received on occasions such as traditional festivals, weddings, funerals, or birthdays from entities or their personnel having business or cooperative relationships with the company must comply with relevant provisions of the "Employee Code of Conduct" and other company policies.
- During employment, I shall not accept bribes or demand kickbacks from cooperative partners under any pretext.
- During employment, I shall not exploit my power or position to accept entertainment, meals, travel, fitness activities, or entertainment that is inconsistent with commercial practices and may compromise impartial judgment. Normal business hospitality from cooperative partners must comply with the "Employee Code of Business Conduct", and I will proactively avoid frequent or high-value activities.
- During employment, I shall not borrow items, money, or obtain loans below market rates from cooperative partners having business or official dealings with the company for the purpose of obtaining improper benefits.
- I shall not appropriate or privately distribute discount fees, intermediary fees, rebates, commissions, or monetary gifts derived from the company's economic interactions.

SUNMI Campaign for Signing the Integrity and Self-Discipline Commitment Letter

共建廉洁商业环境 携手共创美好未来

商米集团廉洁合作告知函

尊敬的合作伙伴，

商米集团始终秉持合法合规的经营理念，致力于构建公平透明的商业环境。我们对于任何形式的贪污腐败、行贿受贿、滥用职权等行为实行零容忍政策，无论涉及内部员工或合作伙伴。我们坚信，商业伦理不仅违反市场公平原则，破坏行业秩序，更将增加双方运营成本，损害可持续发展根基。期待与各位伙伴共同维护诚信、健康、互惠的合作生态。

合作方严禁行为

为维护公平、透明、诚信的合作环境，保障双方合法权益，合作方在与商米集团及其员工进行商业往来时，**严禁**出现以下行为：

- 严禁任何形式的贿赂
- 禁止以任何形式向商米员工及其利益相关人（如家属）提供或承诺提供贿赂、回扣、佣金、礼金（包括但不限于现金、支票、银行卡、购物卡、有价证券等）。
- 严禁非物质性利益输送
- 禁止向商米员工及其利益相关人提供不符合商业惯例的宴请、旅游、健身、娱乐活动等非物质性利益。

在此，商米集团恳请各合作伙伴发出如下倡议：

01 电话: 021-61400326
02 邮箱: daoche@sunmi.com
03 专用二维码
04 官网地址: https://www.sunmi.com/jubaof/ (国内) / https://www.sunmi.com/en/jubaof/ (海外)

Integrity Promotion Materials for Partners

In addition, the company promotes the regular development of an integrity culture through displays in office spaces, posting of compliance policies on notice boards, and special publicity campaigns,

integrating business ethics into daily corporate operations and employee conduct standards.



SUNMI Anti-Corruption & Integrity Culture - Displayed On-Site

SUNMI Group continuously improves its long-term mechanism for anti-corruption and compliance management, enhances employees' professional ethics and risk prevention capabilities, and provides strong support for the steady operation and sustainable development of the company.

R&D Innovation

SUNMI Group regards technological innovation as the core driving force for high-quality development and sustainable value creation, and continuously improves its market-oriented, innovation-supported R&D system. The company systematically advances innovation in products, technologies and solutions in line with the trends of digitalization, intelligence and green low-carbon development. It continuously enhances product performance, safety, reliability and environmental friendliness to meet customer and societal demands for high-quality technological products.

SUNMI Group currently has a total R&D team of 644 employees, among whom 106 hold a postgraduate degree or higher. The R&D team comprises 84 top industry experts, accounting for 14.5% of the total R&D staff. Among them is one internationally renowned expert who has received 17 Red Dot Awards and 14 IF Design Awards. Several other senior experts specialize in communications, algorithms, radio frequency, structural design and other fields. The company continuously optimizes the allocation of R&D resources and incentive mechanisms. Through patent incentives, rewards for the commercialization of technological achievements, and a multi-tiered talent development system, it stimulates innovation vitality and builds sustainable technological competitive advantages.

Indicator	Data
Annual R&D Expenditure (in 100 Million Yuan)	4.23
Percentage of Revenue (%)	11.09%

Indicator	Data	Unit
Number of R&D Team	644	Persons
Of which, Female Members	149	Persons
Of which, Male Members	495	Persons
Of which, Personnel with Postgraduate Education or Higher	106	Persons
Of which, Senior Industry Experts	84	Persons

At the governance level, the company has established a research and innovation management mechanism overseen by the Board of Directors and senior management, which provides oversight and guidance on ESG-related innovation topics. The Board of Directors adopts a dedicated working mechanism to regularly review the R&D strategy and the progress of major innovation projects, clarifies the division of responsibilities among various departments, and aligns innovation outcomes with the company's sustainable development goals, with a key focus on critical issues including green product design, energy efficiency improvement, supply chain sustainability, and data security.

In its R&D management process, the company integrates the concept of sustainable development into its full product life cycle management. During the design phase, the company promotes energy conservation and consumption reduction, material optimization, and recyclability assessment to minimize the environmental impact of its products. In the production and application phases, it continuously improves product quality and safety standards while enhancing product durability and stability. At the product end-of-life stage, the company explores pathways for circular utilization and resource recovery to drive the efficient use of resources. Meanwhile, the company leverages

cross-departmental collaborative innovation mechanisms to facilitate information sharing and coordination among R&D, quality, supply chain and marketing teams, accelerating the translation of innovation outcomes into commercial and social value.

During the reporting period, SUNMI Group filed a total of 1,015 patent applications, of which 665 were granted, including 146 invention patents, 304 utility model patents, and 215 design patents, placing the Group among the industry leaders.

Year	Number of Invention Patents	Number of Utility Model Patents	Number of Design Patents
2023	138	160	215
2024	227	270	304
2025	72	121	146

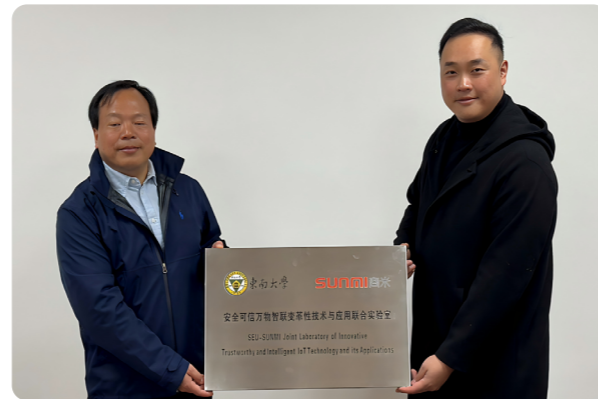
In addition, the company actively encourages innovation and has established a comprehensive patent incentive system. In October 2025, SUNMI Group revised and issued the Patent Incentive System V1.1. Building on its existing incentive framework, the Group introduced a patent classification mechanism to establish a tiered incentive system covering the entire process of patent application, grant, and value realization. This system implements tiered rewards based on each patent's technological value and application potential, strengthening targeted support for high-quality innovation outcomes. In addition to regular patent cash incentives, the company has also established an annual points-based incentive scheme and a special incentive mechanism for core patents, forming a multi-dimensional incentive portfolio. For inventors with outstanding annual innovation performance, the company grants special rewards of up to 15,000 yuan to the top five ranked individuals based on their points. For achievements recognized as core patents, differentiated

rewards are provided according to their respective ratings, continuously encouraging breakthroughs in key technologies and the development of high-value patents. In the meantime, the company has continued to refine its diversified patent incentive distribution mechanism, and adopted transitional arrangements to ensure the smooth implementation and effective alignment of the system. During the reporting period, the company's patent incentives covered approximately 200 employee instances. In total, over 230,000 yuan in basic patent rewards and around 70,000 yuan in core patent rewards were granted. Through systematic and differentiated incentive mechanisms, the company continuously strengthens its innovation-driven development strategy and promotes the efficient translation of technological achievements into practical applications and business value.



SUNMI Patent Incentive System

The company also advances open innovation, engaging in technological cooperation and joint R&D with universities, research institutes and industrial partners to jointly drive breakthroughs in key technologies and foster the development of industrial ecosystems. The company also attaches great importance to intellectual property protection and compliance management. Through patent layout and the formulation of technical standards, it enhances the protection and application of innovative achievements. In terms of R&D and innovation, the company continues to deepen industry-university-research cooperation, promoting the integrated development of cutting-edge technologies and industrial applications. During the reporting period, SUNMI Group and Southeast University jointly established the "SEU-SUNMI Joint Laboratory for Innovative Secure and Trusted AIoT Technologies and Their Application" (hereinafter referred to as the "Joint Laboratory"). Leveraging the research strengths of the Future Network Research Center at Southeast University and the industrialization capabilities of the company's R&D team, the Laboratory conducts technological research in key areas including cyber security, Internet of Things, artificial intelligence, space-ground integrated network and big data. It is committed to driving the innovation and practical application of secure and trusted AIoT technologies. The Joint Laboratory is headed by Professor Yang Peng of Southeast University as its Director, Academician Li Youping as its Technical Advisor, and a Vice President of SUNMI Group as its Deputy Director. By building a high-level collaborative innovation platform, the company has further enhanced its core technological R&D capabilities, providing strong support for product innovation and the digital transformation of the industry.



SUNMI and Southeast University Jointly Establish a Joint Laboratory

Looking ahead, the company will continue to increase investment in R&D, refine its innovation governance system, and deepen the integrated application of green and digital technologies. It will upgrade its products and services to be more efficient, secure and sustainable, creating long-term value for customers, the industry and society.

Product Liability

SUNMI Group always adheres to a user-centric approach and is committed to providing customers with safe, high-quality products and services. To implement full life cycle safety management for its products, the company has continuously improved its product quality management systems, defined procedures for product quality identification and recalls, and established and improved a sound customer complaint handling and response mechanism, steadily enhancing its capability to ensure product and service quality. Meanwhile, the company strictly upholds the bottom line of data privacy protection, continuously strengthens data security management measures, effectively safeguards user privacy and information security, and protects the legitimate rights and interests of customers.

Intellectual Property Management Throughout the Product Life Cycle

SUNMI Group attaches great importance to the creation, application and protection of intellectual property rights. It has established a full-life-cycle IPR management system covering "creation – application – protection – exploitation – compliance", supported by systematic policies and procedures to drive the commercialization of innovations and prevent risks. The company has formulated and continuously implemented a series of internal policies, including the Intellectual Property Management Standard, Trade Secret Management System, Trademark Application, Maintenance and Usage Standard, Patent Application Management Standard, Patent Incentive System, Software Copyright Registration Application System, and Compliance Management System. These policies clarify the ownership definition, application and review procedures, hierarchical management, licensed use, and benefit distribution mechanisms for patents, trademarks, copyrights, and trade secrets, facilitating the legally compliant transformation of R&D achievements into core competitiveness.

In terms of intellectual property risk management, the company integrates IP management into the entire process of research and development and business operations. During R&D project initiation, design reviews and product launches, the company conducts patent searches, technical route comparisons and infringement risk checks to mitigate potential legal risks. In external cooperation, procurement and supply chain management, it strengthens the review and restriction of intellectual property clauses, clarifying the ownership and scope of use of technological achievements. Meanwhile, through the signing of employee confidentiality agreements, hierarchical access management and regular training and promotion, the company enhances the awareness of intellectual property protection and compliance capabilities of all employees.

For its independent intellectual property rights, the company has established a continuous monitoring and rights protection mechanism. It regularly monitors and issues early warnings for trademarks, patents and domain names, and takes evidence preservation, administrative complaints, civil lawsuits and other measures in accordance with the law against suspected infringement or unfair competition practices, effectively safeguarding the legitimate rights and interests as well as brand value of the company and its partners. Meanwhile, the company actively promotes the rational application of intellectual property achievements, enhancing the value of intangible assets through technology licensing, achievement commercialization, brand building and other means, so as to enable innovative outcomes to drive business development.

In addition, the company fully respects and protects third-party intellectual property rights. When introducing or using external technologies, software and relevant materials, it strictly verifies ownership and licensing scope, conducts compliance reviews and authorization confirmations, and promotes cooperation and application on the premise of legality and compliance, so as to guard against potential infringement and compliance risks. Through the above measures, the company has continuously enhanced its intellectual property management capabilities and innovation protection standards, providing solid support for technological innovation, product upgrading and sustainable corporate development.

Product Quality Inspection

The company has always regarded product quality as a vital foundation for its sustainable development. By establishing a sound quality management system and strict quality inspection procedures, it carries out whole-process management and continuous monitoring of product quality to ensure that products comply with applicable laws and regulations, industry standards, and customer requirements. The company continues to advance the development of its quality management system. Through standardized quality inspection procedures and a continuous improvement mechanism, it steadily enhances the stability and reliability of product quality.

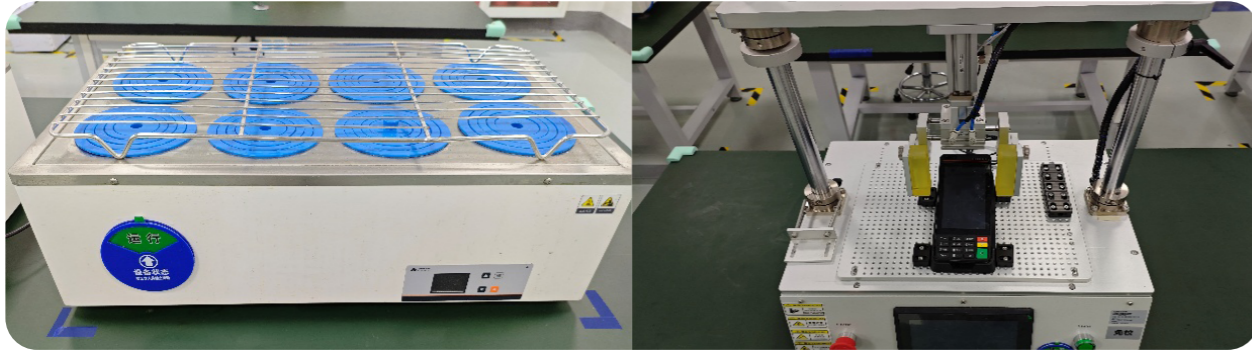
During the reporting period, the company established and implemented a number of quality management system documents, including the Quality Management System, Product Quality Inspection Management Measures, Incoming Inspection Management Rules, Production Process Quality Control Specifications, Finished Product Inspection Management System, and Non-Conforming Product Management Measures. Through institutionalized management, it clarified the division of responsibilities, inspection procedures, inspection standards, and problem-handling mechanisms for product quality verification. Meanwhile, the company conducts regular evaluations and continuous improvements on the operation of its quality management system through internal audits and management reviews, so as to ensure the system's effectiveness and sustainability. By the end of the reporting period, the company's quality management system covered 100% of its production operations.

In terms of product quality testing, the company has established a full-life cycle quality testing and control mechanism, implementing multi-level quality inspections on key links including raw material procurement, production and manufacturing, and finished product delivery. In the raw material procurement phase, the company conducts incoming inspections on critical raw materials and external components to ensure they comply with quality standards and technical specifications. During the reporting period, the company conducted quality inspections on 100% of its critical raw materials. In the production and manufacturing stage, the company has set up quality control points for key production processes and conducts real-time monitoring of the production process through sampling inspection, online testing and other methods, so as to ensure a stable and controllable production process. Prior to product delivery, the company conducts comprehensive testing on product performance, functionality and safety indicators to ensure compliance with national standards, industry standards and customer technical requirements. During the reporting period, the company's pre-delivery product inspections were conducted in accordance with the GRI AQL0.4 sampling standard, with a 100% sampling coverage rate.



Quality & Safety Inspection Procedures for SUNMI Manufacturing Plant – Displayed On-Site

To further enhance its product quality inspection capabilities, the company has continuously strengthened the development of its quality testing capacity by deploying professional testing equipment and nurturing skilled testing personnel, thereby improving the accuracy and reliability of product inspections. By the end of the reporting period, the company had established dedicated laboratories at its Shanghai headquarters and SUNMI manufacturing plant for product quality testing. The testing equipment equipped in the laboratories is generally at the international mainstream level, with some key testing instruments reaching internationally advanced standards. Meanwhile, in response to actual customer usage scenarios and product characteristics, the SUNMI Laboratory has developed specialized tests including frying resistance testing and base service life testing. SUNMI's testing scope covers key indicators such as product performance testing, safety inspection and functional verification, providing strong assurance for stable product quality.



🔹 Laboratory Equipment at SUNMI Manufacturing Plant (Frying Resistance Test on the Left, Base Service Life Test on the Right)

The company also continuously tracks and improves product quality through the monitoring and analysis of quality data. During the reporting period, the company's first-pass yield of products reached 99.84%. In response to issues raised by customer feedback, the company promptly conducts root cause investigations through its quality issue analysis and corrective mechanism, and continuously optimizes production techniques and quality management processes to steadily elevate product quality.

To further enhance employees' awareness of quality and safety and advance the development of a quality and safety culture, SUNMI Manufacturing Plant regularly organizes quality and safety-related activities and training sessions. Through diverse interactive formats, it strengthens employees' understanding of quality management and work safety requirements, and promotes the continuous integration of quality and safety principles among employees.



🔹 SUNMI Manufacturing Plant Quality & Safety Rapid Quiz Event



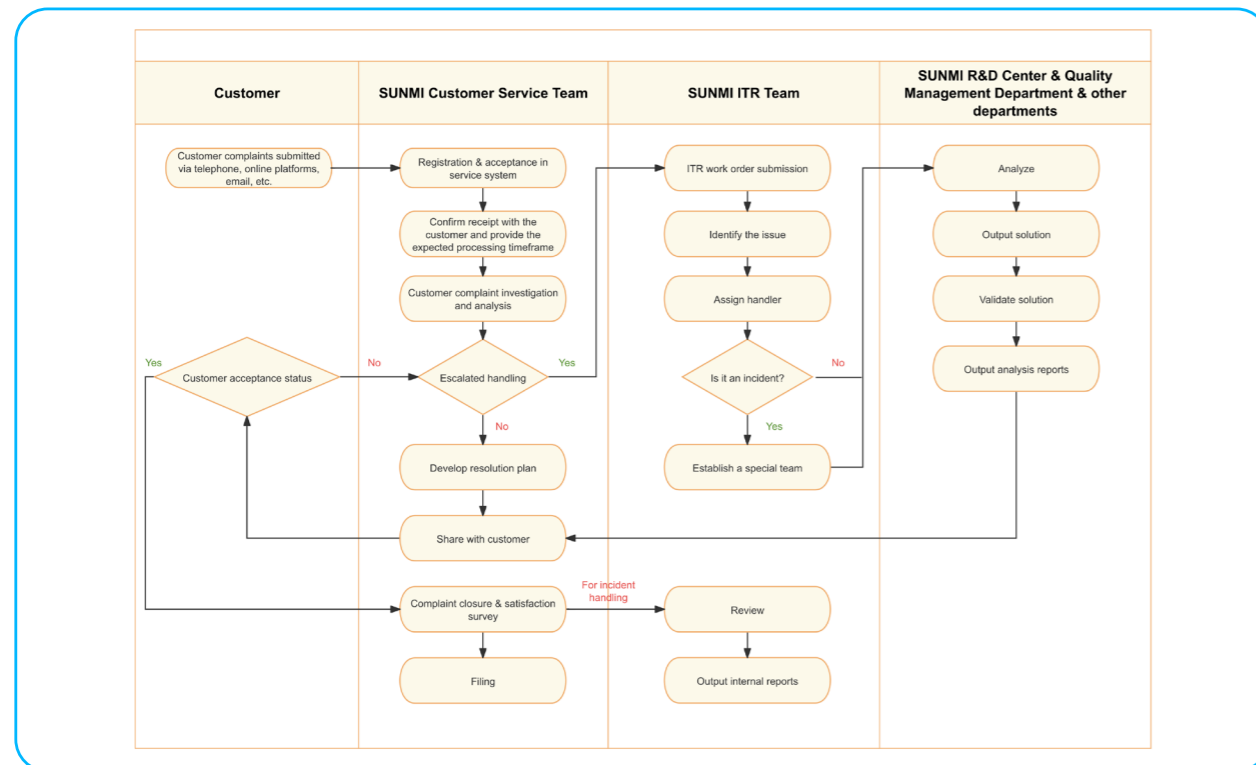
🔹 Manufacturing Plant Quality and Safety Training

Going forward, the company will continue to improve its product quality inspection system, further enhance quality testing capabilities and quality data management, and boost quality monitoring efficiency through digital quality management tools. It will advance quality management toward greater refinement and intelligence, thereby consistently providing customers with safe, reliable and high-quality products.

Approaches to Handling Product and Service Complaints

SUNMI Group has always been user-centric and has established a closed-loop customer complaint management system covering complaint acceptance, investigation and handling, rectification and improvement, as well as feedback. This ensures the continuous improvement of product and service quality and safeguards the legitimate rights and interests of customers.

The company has established a multi-channel complaint acceptance system, allowing customers to submit complaints and feedback regarding products and services through various channels, including service hotlines, official websites, email addresses, and service platforms. For issues involving product quality, safety, service experience, data privacy and other aspects, the company has established dedicated procedures for registration and categorized handling, with clear responsible departments and processing time limits to ensure timely response to complaints. The specific process for handling product and service complaints is shown in the figure below.



Product and Service Complaint Handling Process

During the complaint handling process, the company conducts investigations and root cause analyses in accordance with relevant policies, and initiates quality verification, technical assessment, or product recall procedures when necessary. For confirmed product defects or inadequate services, the company will implement corrective actions, including product repair or replacement, service improvement, process optimization, and risk prevention measures. It will also continuously follow up on the effectiveness of rectification to prevent recurrence of similar issues.

During the reporting period, the total number of customer-reported faults reached 305, representing a 21% decrease compared with the previous year. This year, the overdue rate for fault resolution has dropped from 14% in 2024 to 10.2%. While slightly above the original target of 10%, the rate remains within a controllable range. The company plans to reduce the fault resolution overdue rate to within 8% in 2026.

Product Quality Incident	2024	2025
Total Number of Fault Reports (cases)	388	305
Number of Faults Resolved on Time (cases)	334	274
Overdue Rate	14%	10.2%
Target Overdue Rate	15%	10%

Meanwhile, the company emphasizes systematic analysis of complaint information and takes customer feedback as an important basis for product improvement and service optimization. It promotes collaborative improvement among R&D, quality control, and operations departments to continuously enhance product safety and user experience. For complaints involving personal information and data security, the company conducts verification and handling in strict accordance with relevant policies on data security and privacy compliance, effectively safeguarding user privacy and information security.

By establishing a standardized, efficient and transparent complaint response mechanism, SUNMI Group continuously enhances customer satisfaction and trust, drives the ongoing improvement of product and service quality, and supports the long-term and steady development of the enterprise.

Digitalization and AI Empowerment

Digital Strategy and Governance

Against the backdrop of rapid development in the digital economy, SUNMI Group regards digital transformation and the application of artificial intelligence as key initiatives to enhance operational efficiency, strengthen risk management capabilities, and drive sustainable development. The Group continues to promote the deep integration of digital technologies into business scenarios. Guided by the overall principle of "Business-Driven, Data-Empowered, Intelligent Decision-Making", the company has gradually established a digital governance system covering strategic planning, organizational support and implementation.

At the strategic level, SUNMI Group continuously strengthens the development of digital and AI capabilities, and further deepens the application of digital technologies across key areas including R&D, supply chain, production and operations, and customer service. Empowered by data and artificial intelligence, the company enhances business efficiency and upgrades management. It will also gradually refine its medium- and long-term digital development plan in light of business development needs. Meanwhile, the company continuously explores the application of AI technologies in product and customer scenarios, as well as in internal production, R&D and operation management, to promote intelligent business processes and scientific decision-making.

At the governance level, the company has established a digital governance structure led by senior management, which coordinates the implementation of digital strategies and resource allocation. By clarifying the division of responsibilities between business departments and technical departments, a cross-departmental collaboration mechanism has been formed to ensure the efficient implementation and continuous optimization of digital projects (for details, please refer to the Data Security and Privacy Compliance section). Meanwhile, the company has formulated and improved relevant management systems to enhance the standardization and controllability of digital development (for details, please refer to the Data Security and Privacy Compliance section).

In terms of data governance, the company gradually promotes data standardization and asset-based management, establishes a unified data management system, and improves data quality and usability. By establishing a full life cycle management mechanism for data collection, storage, processing and application, the company achieves centralized, structured and traceable management of key business data, laying a solid foundation for AI model training and business analysis.

In terms of risk management and security management, the company attaches great importance to information security and data privacy protection, and continuously improves data security and privacy compliance management, especially with regard to AI data compliance. Meanwhile, the company's data security and privacy compliance team continuously identifies and addresses potential risks in the digital transformation process, ensuring stable system operation and data security.

Looking ahead, the company will further deepen the integrated application of digital technologies and artificial intelligence, continuously improve its digital governance system, and enhance organizational digital capabilities and innovation. This will provide strong support for the company's high-quality development and the achievement of its sustainability goals.

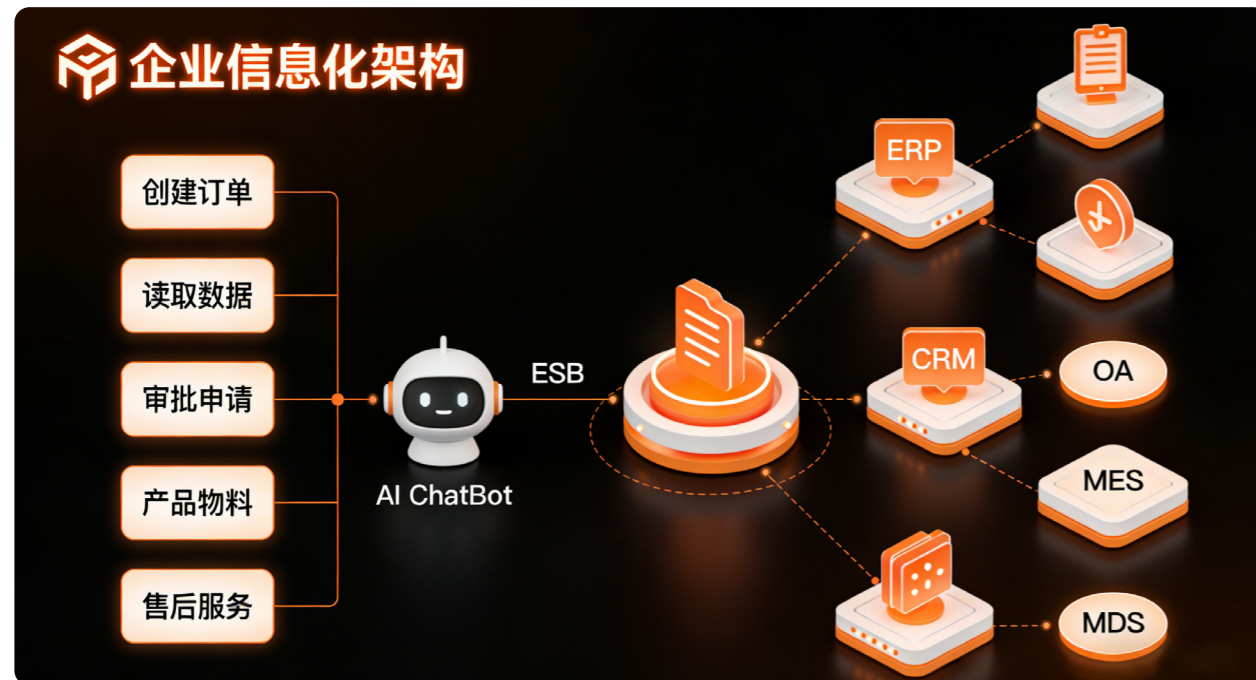
Digital Infrastructure and Technological Capabilities

To support the implementation of its digital strategy, SUNMI Group continues to enhance its digital infrastructure and platform capabilities, gradually forming a digital technology system centered on data, carried by platforms, and driven by business. By building a multi-level digital platform, the company provides end-to-end support spanning data collection, processing and analysis to business applications, improving overall operational efficiency and refined management.

Digital Platform Name	Role	Core / Highlight Technology
Product and Project Management Platform	<ol style="list-style-type: none"> 1. Integrate product and project R&D data to achieve unified data management and automated workflows. 2. Support product decision-making and improve project efficiency through data analysis on products and projects. 3. Provide real-time data feedback for timely business monitoring and management. 	<ol style="list-style-type: none"> 1. Big data technology and visualization technology 2. NLP semantic analysis 3. API and integration technology 4. Data security and privacy protection technology
Demand Management Platform	<ol style="list-style-type: none"> 1. Integrate internal and external demand information of SUNMI as well as data on the implementation process of demand fulfillment 2. Hierarchical demand data analysis 3. Execution efficiency monitoring for demand implementation process 4. Automated daily reports and notifications triggering 	<ol style="list-style-type: none"> 1. Big data technology and visualization technology 2. Automation technology 3. API and integration technology 4. Data security and privacy protection technology
Test Management Platform	<ol style="list-style-type: none"> 1. Integrate data including SUNMI's software testing tasks, test data and test reports 2. Automated test monitoring and retesting process 3. Real-time data analysis display and monitoring 	<ol style="list-style-type: none"> 1. Database technology 2. API and integration technology 3. Automation technology

AI-empowered Business Innovation

In 2025, SUNMI Group continued to promote the integrated application of artificial intelligence across its full business chain, gradually establishing an AI-empowered system covering "development, operation and maintenance, management and ecosystem". Focusing on the two core strategies of "empowering customers and ecosystem partners externally" and "improving internal efficiency in R&D, production and operation management", the Group drove the deep integration of AI technologies with real business scenarios. By integrating technologies such as speech recognition, computer vision, natural language processing and knowledge bases into product capabilities, platform services and internal digital systems, the company has continuously enhanced the intelligence level of its products and optimized customer interaction experience. Meanwhile, it has promoted quality improvement and efficiency enhancement in internal processes including R&D, operation and maintenance, knowledge management and business administration, injecting new momentum into the high-quality development and sustainable operation of the enterprise.



SUNMI AI Informatization Architecture Diagram

Innovative Applications of AI in Products and Customer Scenarios

SUNMI Group continues to integrate artificial intelligence technologies into its product capabilities. Focusing on offline commercial scenarios, the Group embeds speech recognition, computer vision, natural language processing and other technologies into its software and hardware products as well as digital solutions, continuously expanding AI applications in marketing and customer acquisition, shopping guidance, operation management, checkout verification, contactless interaction and other fields. By productizing, modularizing and platformizing its AI capabilities, the company continuously enhances the intelligence level of terminal devices, and provides customers and ecosystem partners with more efficient, convenient and secure digital tools. This helps them optimize operational processes, improve consumer experience and lower the threshold for digital application adoption.

In terms of business value, SUNMI's AI product applications have gradually formed a capability system covering the entire customer operation process. While improving efficiency and experience, the company continues to deliver sustainable development value in inclusive services, green operations, security and compliance.

Application	Typical Scenario	Main Value
Intelligent Marketing & Shopping Guidance	Advertisement putting, customer flow analysis, retail shopping guidance, F&B ordering, inquiry & navigation	Improve customer reach efficiency and service experience, assist in demand identification, and boost transaction conversion
Intelligent Operations & Settlement	Store operations, employee training, supermarket checkout, F&B settlement, identity verification	Shorten business processing time, reduce manual errors, and improve store operation efficiency and business continuity
Intelligent Interaction & Ecosystem Empowerment	Special environments such as back kitchens, hospitals and factories, as well as application development and customized scenarios for ecosystem partners	Provide safer, more convenient and inclusive interaction modes, lower the development threshold for partners, and promote the inclusive application of AI

Specifically, the company has applied a range of AI capabilities—including voice interaction, intelligent recommendation, facial attention detection, fruit and vegetable recognition, dish identification, barcode scanning, document verification, facial recognition and gesture interaction—to key links such as marketing and customer acquisition, shopping guidance, operation management, checkout verification and contactless interaction. This has driven the upgrading of commercial devices from single-function execution tools to intelligent service carriers. In terms of social value, AI voice services now cover approximately 50% of store operation processes, boosting operational efficiency by around 60% and reducing voice input time to under 5 seconds. This helps alleviate repetitive workloads for frontline employees and improves customer experience. Meanwhile, multilingual capabilities and diverse interaction modes such as voice and gesture control deliver a more user-friendly service experience for people of different linguistic backgrounds and operating habits, fostering inclusiveness and barrier-free services in commercial scenarios.

In addition to upgrading product capabilities for end customers, SUNMI continues to extend AI empowerment to ecosystem partners. The company

is developing low-code platforms integrated with AI capabilities, knowledge base services and standardized interface solutions to help partners lower barriers and improve efficiency in development, operations, global expansion and scenario innovation. For example, AI can assist developers in generating pages, logic and data services, support multilingual copy generation and translation, and help identify discrepancies between localized and mainline versions, thereby reducing the cost of international expansion. Meanwhile, the company is developing intelligent knowledge bases and Q&A services to improve the efficiency of merchant consultations and partner training. It also packages AI capabilities into standardized interfaces, enabling ecosystem developers to quickly integrate them into more industry scenarios and drive application innovation across vertical sectors.

In terms of environmental and governance value, SUNMI deploys more AI capabilities on the device side, reducing reliance on continuous network connectivity and intensive cloud resource usage. This ensures stable business operations while improving efficiency and lowering energy consumption. The application of digital and AI technologies has also effectively reduced resource consumption caused by paper forms, promotional materials, and repetitive manual data entry, promoting paperless office and green operations.

Meanwhile, the company remains committed to the secure, stable and compliant application of AI technologies. Through on-device recognition, offline operation, encrypted transmission and collaborative software-hardware optimization, it enhances intelligent experiences while ensuring data security and privacy protection. Going forward, SUNMI Group will further deepen the innovative application of AI focusing on multimodal interaction, vertical industry models, ecosystem collaboration and global compliance. It will continuously enhance the intelligence of its products and services to create greater value for customers, partners and society.



Efficiency Applications of AI in Internal Production, Development and Operation Management

In addition to product innovations for customers and ecosystem partners, SUNMI Group actively promotes the in-depth application of AI in internal R&D, digital office, operation and maintenance support, and business management, continuously improving organizational efficiency and collaboration capabilities. The company regards AI as a key tool for upgrading internal production, development and management. By integrating AI into scenarios such as code development, quality review, knowledge accumulation, troubleshooting and system collaboration, it continuously drives the enterprise to evolve from digital management to intelligent operations.

In R&D, the company has fully adopted AI Coding tools, achieving extensive coverage across software development roles. AI assists R&D personnel in code generation, code completion, logic optimization, performance improvement, and code review, helping shorten development cycles, reduce repetitive work, and enhance code quality and delivery efficiency. In terms of code quality management, the company has also explored applying AI to code review scenarios. By intelligently identifying code standard violations, structural issues and potential risks, AI helps R&D teams improve review efficiency and consistency, further enhancing the standardization of R&D processes.

In the digitalization of office operations and management, the company has continued to promote the application of AI in the development of internal tools and the optimization of management processes. Leveraging AI capabilities, the company has not only raised the level of automation for its internal systems and processes, but also reduced management costs that previously relied heavily on manual processing. Take the Quality and Safety Service Management Platform of the Quality and Safety Steering Committee (QSSC) as an example. In response to the needs of quality and safety culture development and employee incentive management, the company leveraged AI-assisted development capabilities to upgrade the originally manual nomination, evaluation, and recognition announcement processes into a unified, online, and automated management platform. This has effectively improved process efficiency, management transparency, and the operational effectiveness of incentive mechanisms, while also demonstrating the value of AI applications in internal governance and cultural operation scenarios.

Case: AI-empowered Development and Application of the QSSC Incentive Nomination Tool

To continuously advance the development of a quality and safety culture, the company has been refining its incentive and evaluation mechanism, with quality performance, work effectiveness, and innovative contributions incorporated as key criteria for incentives and assessments. The QSSC Quality and Safety Service Management Platform falls under the QSSC Quality and Safety Service Committee, a company-level virtual organization. It covers all employees across the group and supports the daily operation of the company's quality and safety incentive system. To date, the QSSC incentive system has recorded a total of 675 nominations and 632 incentives granted, establishing itself as a key instrument in advancing the company's internal quality and safety culture development.

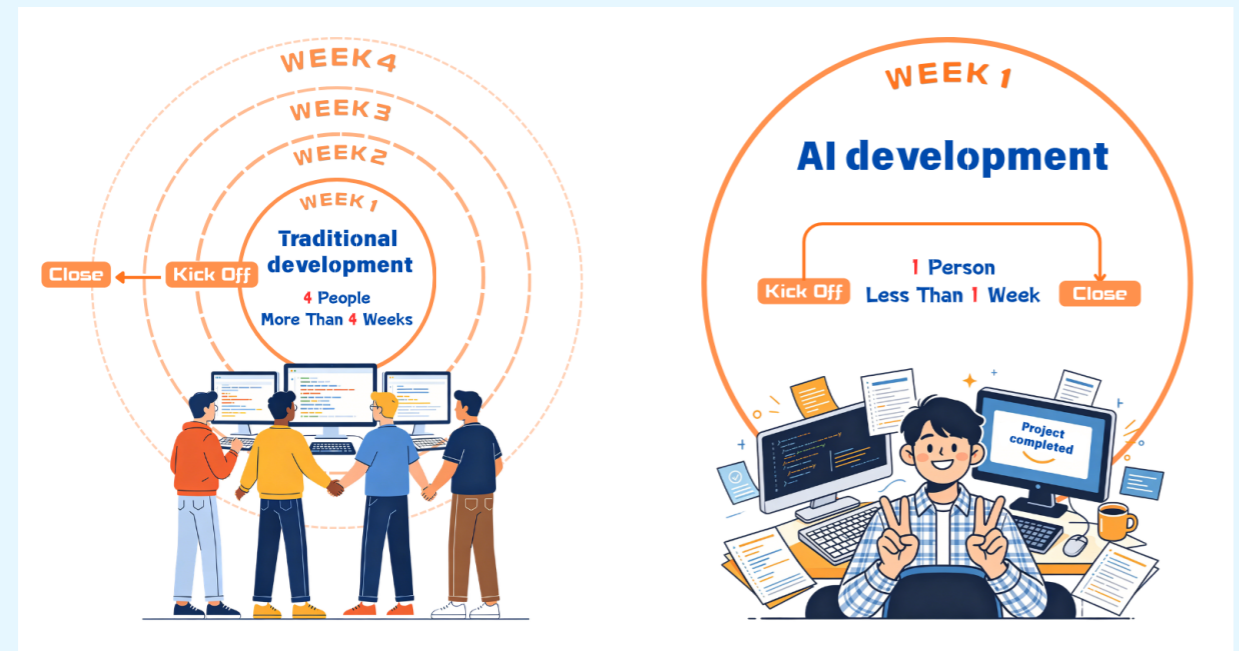


QSSC Milestones

Prior to the establishment of the platform, relevant incentive management was mainly conducted offline and via spreadsheets. For instance, nominations were initiated through DingTalk spreadsheets, employees were notified in group chats to access nomination links, and honor announcements and follow-up management were completed manually item by item. As coverage expanded and operational mechanisms continued to improve, limitations of the traditional approach gradually emerged in terms of nomination convenience, access control, process consistency, and sustained operational efficiency. There was an urgent need to enhance management efficiency and operational quality through digital tools.

In the process of promoting digital efficiency improvement internally, we have gradually developed capabilities of AI-assisted R&D platforms represented by DevHub. DevHub integrates AI capabilities into R&D processes such as requirement analysis, function development, code generation, debugging and optimization, and is equipped with relatively mature basic functions such as permission management, providing methodology and infrastructure support for the rapid construction of internal tools. Supported by such capabilities, we can advance the development of internal tools with lower manpower input and shorter development cycles, making projects that were previously difficult to launch due to limited resources feasible for implementation.

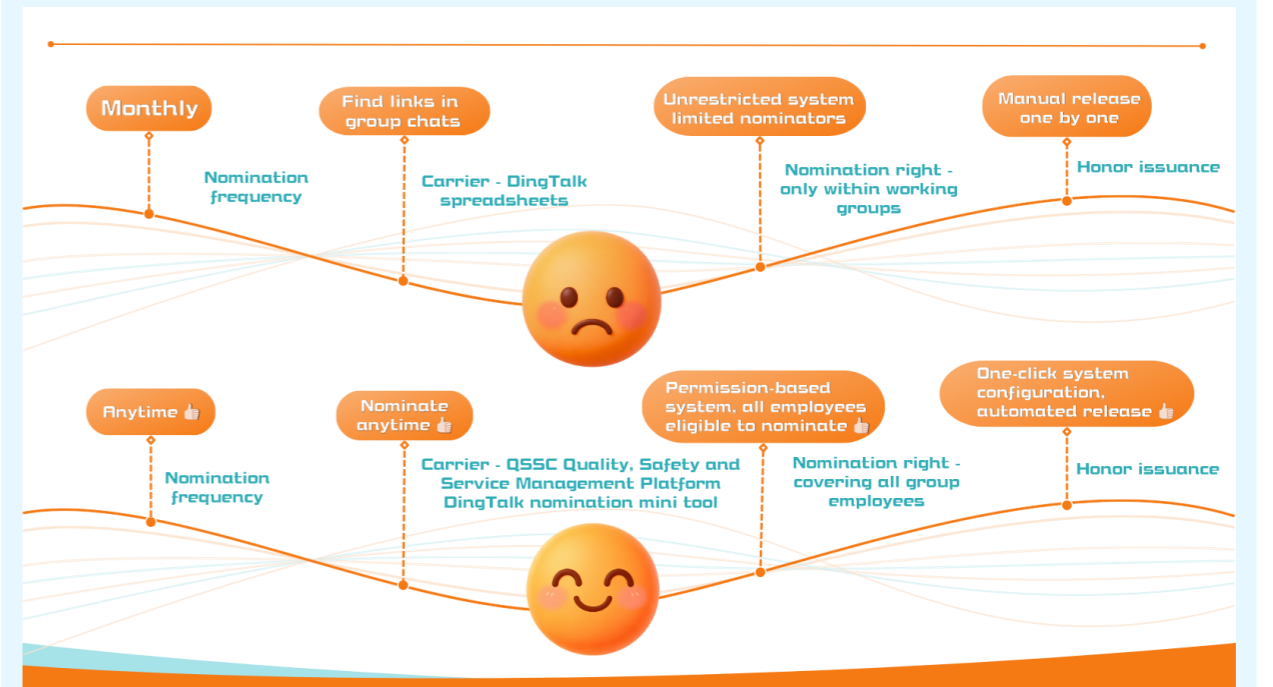
Against this background, we started the development of the QSSC Quality, Safety and Service Management Platform. Previously, developing a dedicated tool using traditional methods typically required a development cycle of approximately two months. With AI-assisted development, however, a single engineer completed core product development and self-testing within five days, reducing the project duration to 15.6% of the traditional model. Although the total project schedule spanned 16 working days, the actual total input was only five days, significantly lowering the labor and time costs of internal tool development.



Comparison of Efficiency Improvement between Traditional Development and AI Development

Comparison of Efficiency Improvement between Traditional Development and AI-driven Development, AI was deeply involved in multiple key links of the platform construction. Specifically, both the front-end code and mini-program code were completed with AI assistance, and approximately 95% of the back-end code was also AI-assisted. After the platform went live, it realized the upgrade from offline decentralized management to platform-

based, online and automated management. It supports functions such as company-wide nomination, permission management, result display, points and honor release, etc., effectively solving the problems of limited nomination, scattered management and manual operation dependence in the original process, and improving the standardization, transparency and execution efficiency of the quality and safety incentive mechanism.



Comparison of Advantages and Disadvantages Between Traditional Nomination and QSSC Incentive Nomination Tools

This case demonstrates that AI can not only improve R&D efficiency, but also further support the rapid implementation of internal governance tools and cultural operation platforms within the company, forming comprehensive value that extends from "R&D efficiency improvement" to "management efficiency improvement" and "cultural empowerment".

In terms of knowledge management and operation & maintenance support, we have also actively promoted the application of AI scenarios. We have continuously built an enterprise-level AI knowledge base to systematically accumulate product documents, technical materials, historical experience, frequently asked questions and solutions, and improve the efficiency of knowledge acquisition and reduce the cost of internal knowledge transfer through intelligent retrieval, Q&A and recommendation. Meanwhile, in terms of problem identification, we have introduced an AI troubleshooting robot. After receiving customer feedback, engineers can input log information and problem descriptions into the system, and AI will automatically analyze the problem and provide solutions. By effectively simplifying the multi-level communication chain of "customer feedback, customer service transfer, engineer handover, development analysis, and feedback processing" in the past, this approach has significantly improved the efficiency of problem identification and response.

In terms of the internal operation and maintenance system, we systematically introduced AI capabilities in 2025 and built a multi-level intelligent operation and maintenance system centered on "intelligent analysis". Through the deep integration of the intelligent agent "Xiao Wei" and the Dify platform, we have promoted the transformation of operation and maintenance from passive response to proactive insight. As of the reporting period, relevant AI applications have been implemented in nearly 10 key operation and maintenance scenarios, with cumulative calls exceeding 5,500 times, covering multiple dimensions such as alarm analysis, database anomaly detection, performance diagnosis, and service exception analysis, gradually forming an intelligent closed loop. Through automation substitution and efficiency improvement, we saved approximately 536 working hours throughout the year, which is equivalent to about 3.4 months of workload for a senior operation and maintenance engineer, and achieved an overall efficiency improvement ranging from 8 to 30 times. This has effectively freed up engineering resources to be invested in higher-value system optimization and stability construction. We have also shared these relevant practices in technical exchange activities, which demonstrates our continuous exploration capabilities and external output level in the field of AI empowerment.

In addition, we are exploring ways to optimize the user experience of internal systems through AI Agent, enterprise digital employees and other solutions. Leveraging the capabilities of relevant digital platforms, employees can access and invoke internal system functions in a more natural conversational manner, reducing the learning and operational costs caused by switching between different systems, and improving the efficiency of information acquisition, process execution and system utilization.

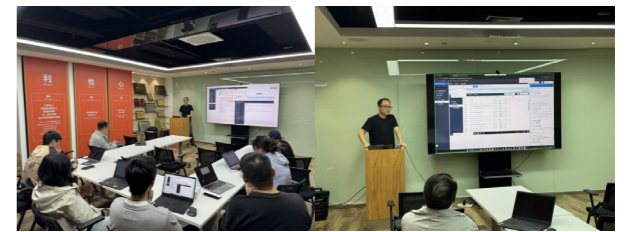


AI capability development and organizational empowerment

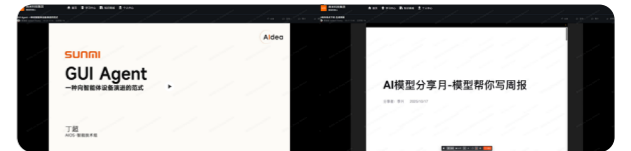
We attach great importance to the internal popularization of AI capability and talent development, and continuously promote the transformation of AI from a technical tool to an organizational capability. In 2025, the Company launched themed initiatives including the "Aldea SUNMI AI Popularization Month". Centering on large model applications, intelligent agent practices and typical business scenarios, it organized training sessions, sharing workshops, case exchanges and achievement demonstrations, helping employees continuously deepen their understanding of AI technologies and enhance practical application capabilities through learning and hands-on practice. During the reporting period, we delivered a number of specialized courses through a combination of online and offline formats.



Course	Method	Number of Participants
AI from Consultant to Assistant	Offline Course	22
GUI Agent: A Paradigm Evolving Towards Intelligent Agent Device	Online Course	114
AI Model Sharing Month: Models Help You Write Weekly Reports	Online Course	95



Offline Open Class: AI: From Consultant to Assistant



Online Open Class

Moreover, we have also carried out achievement selection and exhibitions around themes such as improving work efficiency with AI, encouraging employees to explore AI applications based on their own positions and business scenarios. Such activities have transformed tool usage experience, scenario innovation achievements and efficiency improvement cases into shareable and reusable organizational experience. By combining training, exchanges, selection and incentives, we have further enhanced employees' initiative to learn and apply AI technologies, and promoted the evolution of AI from an individual tool to a cross-team shared capability resource. These activities have not only deepened employees' understanding of AI tools and scenario-based applications, but also accelerated the implementation of AI in R&D, operation and maintenance, business operations, management and other links. They have continued to foster an open, communicative and innovation-friendly digital atmosphere, laying a solid foundation for us in promoting intelligent transformation and organizational capability development.



Achievement Selection Activity of SUNMI AI Science Popularization Month

Overall, AI is driving positive changes in SUNMI Group’s internal operation mode. From R&D efficiency improvement to quality management, from knowledge sharing to problem diagnosis, as well as the development of internal tools, intelligent operation and maintenance, and process optimization, AI has not only helped us reduce repetitive labor and communication costs, but also made management processes more intelligent, agile and efficient. Going forward, SUNMI Group will continue to deepen the application of AI in R&D, operation and maintenance, office work and business management, promote the intelligent upgrading of more scenarios, continuously enhance organizational resilience and innovation efficiency, and provide strong support for the long-term sustainable development of the enterprise.

Digitization drives sustainable development

SUNMI Group gives full play to the critical role of digital technologies in optimizing resource allocation and enhancing risk identification and management. By deeply integrating digital capabilities into all sustainable development practices, we promote the coordinated improvement of environmental management, employee development and corporate governance. Through the establishment of a unified digital platform and an intelligent tool system, we continuously enhance the systematicity, transparency and implementation efficiency of sustainable development management.

In specific practices, we take the digital platform as a carrier to integrate and analyze environmental, business and management data, improving the visibility and traceability of information related to sustainable development. For instance, in the field of supply chain management, relying on the SRM environmental management module, we have systematically collected and dynamically analyzed suppliers’ environmental compliance data, realizing the proactive identification and continuous monitoring of environmental risks. Such digital capabilities not only elevate the green management level of the supply chain, but also provide important data support for our overall risk control.

Moreover, we focus on enhancing organizational capacity and employee development through digital means. By carrying out multi-level digital skills training and tool application promotion, we have continuously strengthened employees’ understanding and application capabilities of digital technologies, embedded the digital mindset into all business links, and facilitated business process optimization and

collaborative efficiency improvement. The application of digital tools has also created a more efficient and convenient working environment for employees, further improving the quality of organizational operations.

In terms of enterprise operation and governance, we continue to apply digital tools to compliance management and risk control. By establishing a digital risk monitoring platform, we are able to track and issue early warnings for key business indicators and potential risks in real time, which has improved the timeliness of risk identification

and strengthens management response capabilities. Furthermore, we have been gradually improving our digital compliance management system, promoting the standardization and transparency of compliance management processes, and enhancing the effectiveness and executability of internal control.

As we continue to accumulate data assets and deepen our digital capabilities, our data support and refined management capabilities in sustainable development have also improved accordingly, laying a more solid foundation for our long-term sustainable development.



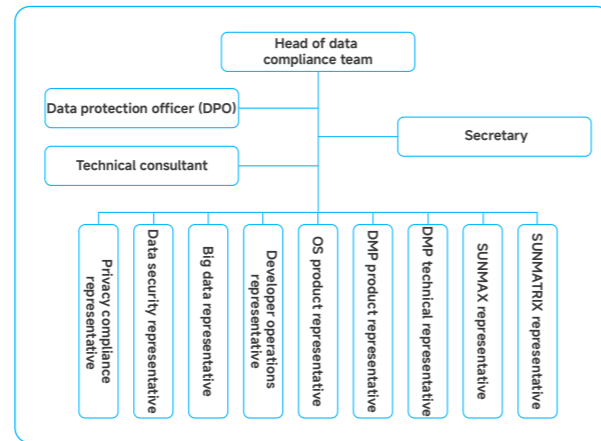
Data Security and Privacy Compliance

SUNMI Group has always attached great importance to data security and privacy protection, regarding them as a vital foundation for our sound operation and sustainable development. We adhere to the principle: "Respect Customer Data, Safeguard Privacy Compliance. With an Altruistic Heart, We Honor Every Trust from Our Customers." We keep improving our data governance mechanisms, institutional systems and compliance processes, and integrate requirements for data security and personal information protection into business operations, product design and global development. In this way, we effectively protect the legitimate rights and interests of customers, partners and employees, and uphold the trust of all parties through responsible governance practices.

Data security governance system

To ensure the security of data assets and compliance of data processing activities with laws and regulations, we have established a multi-level data security governance system. Through the collaborative operation of organizational structures, institutional documents and compliance processes, we systematically manage the entire data lifecycle.

On June 5, 2023, SUNMI Group established a data compliance team, responsible for overall planning and promotion of group-level data security, privacy compliance and personal information protection. As the business developed and organizational structures were adjusted, the Group further updated team members and division of responsibilities in 2024, strengthening the cross-departmental collaboration mechanism and continuously improving overall data governance capabilities. Focusing on key links across the Group such as data collection, usage, storage, sharing, transmission, destruction and cross-border flow, the team carries out institutional development, risk assessment, compliance sorting, rectification promotion and training advocacy. It promotes the formation of a closed-loop governance structure spanning management decision-making to business implementation and execution.



▲ Data Compliance Team Organization Chart

Governance level	Responsibilities
Senior Management	Formulate the overall strategy for data security and privacy protection.
Data Compliance Team	Coordinate data security management and risk assessment.
Business Departments	Responsible for the implementation of data compliance in specific business scenarios.
Technology and security team	Provide technical support for data security and risk monitoring.

▲ Data Security Governance Structure

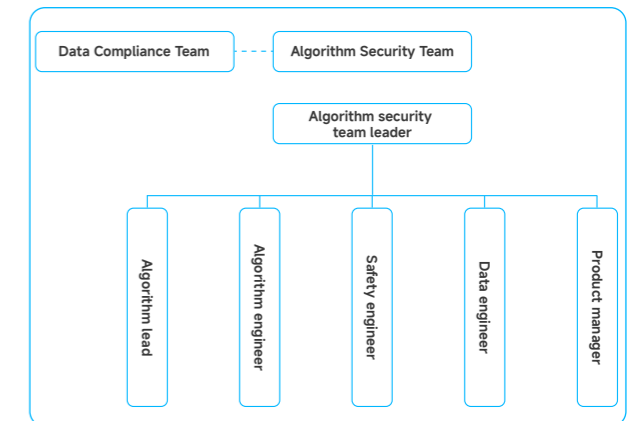
During the reporting period, we continued to improve the institutional system concerning data security and privacy protection, establishing a framework covering key areas including data governance, personal information protection, data security assessment, emergency response, data destruction, partner management, and audit oversight. In 2025, we updated and upgraded representative institutional documents such as the Global Data Management Manual, Data Security Management Specification, Personal Information Security Management System, and Personal Information Protection Impact Assessment System. We also improved relevant supporting management regulations, further strengthening requirements in information asset management, data lifecycle management, personal information protection, user rights response, and security incident handling. These efforts provide institutional support for us to carry out various data processing activities.

AI data compliance management

As artificial intelligence technologies continue to deepen in product development, content generation, algorithmic applications and business processes, SUNMI Group has been strengthening compliance governance in AI-related scenarios. We have integrated algorithm safety and AI compliance into our overall corporate data governance system, and continuously improved the security, compliance and sustainability of AI applications. We believe that while AI technologies enhance business efficiency and innovation capabilities, they also bring new requirements in areas such as algorithm safety, content compliance, data usage, risk identification and governance response. Therefore, we need to establish a matching governance system in terms of organizational mechanisms, institutional development and management processes, so as to promote the stable operation of AI applications within a compliant and controllable framework.

Governance mechanism development

To strengthen the security governance capabilities in artificial intelligence and algorithm application, SUNMI Group established the algorithm security team in 2025. The team is responsible for formulating algorithm security strategies, conducting risk assessments, providing technical enablement, and ensuring compliance implementation. It focuses on managing security reviews of artificial intelligence generated content (AIGC) algorithms throughout their R&D, deployment, and application. As a key executive body for algorithm security governance within the company, the team continues to advance the development of algorithm security policies, technical standards, and operational procedures. It identifies, assesses, and manages key risks including bias and discrimination, privacy leakage, security vulnerabilities, and lack of transparency and explainability. Meanwhile, the algorithm security team collaborates with the data security and privacy compliance team to align data usage requirements with algorithm processing requirements, which has enhanced coordination between artificial intelligence governance and business development.



▲ Algorithm Security Team Organization Chart

To establish a systematic algorithm security management mechanism, we issued a series of policies during the reporting period, including the System for Handling Illegal and Non-compliant Algorithms, Algorithm Security Monitoring System, Algorithm Security Self-Assessment System, and Emergency Response Plan for Algorithm Security Incidents. These documents have further clarified algorithm governance requirements, monitoring mechanisms, self-assessment procedures, and response channels for abnormal events, and provided a solid institutional basis for the development, launch, monitoring, and rectification of AI-related applications. Centering on the application of artificial intelligence, we have continued to promote collaborative review across multiple departments including technology, compliance

AIGC Risk Control

In the management of AIGC-related applications, we focus on controlling risks in content generation, functional application and scenario deployment, and adopt differentiated management requirements for internal employee usage and external product application scenarios. For employees' internal use of AI tools, we mainly rely on standardized guidance and risk reminders. We focus on identifying risks such as the input of personal information, trade secrets or undisclosed business data, as well as the generation of false, infringing or improperly used content. Through training, internal alerts and usage guidelines, we strengthen employees' risk awareness and clarify basic requirements: avoiding the input of sensitive information, using generated content with caution, and not directly applying AI output to external official documents or critical decision-making. This further reinforces employees' compliance responsibilities in the use of AI.

For scenarios where we develop and apply AIGC products, we continuously strengthen risk control across institutional specifications, review mechanisms, data management, content security, and product

design. In terms of management requirements, we have defined clear compliance boundaries for each stage of AIGC product R&D, access, launch, and operation. In terms of review mechanisms, we have focused on model origin, filing status, data processing methods, and output content risks. In terms of data management, we have verified the legality of sources, authorization status, and personal information processing requirements for training data, knowledge base data, and input/output data. In terms of content security, we have enhanced risk control over generated content through content security detection, risk identification, and non-compliant content disposal. In terms of product design, we have embedded requirements for user prompts, disclaimers, complaint and reporting channels, and legal documents such as the Privacy Policy and User Agreement into the product design and development process, further safeguarding users' right to know and other relevant rights.

In addition, we have continued to enhance the organization's ability to identify and respond to AIGC risks through training and awareness initiatives. During the reporting period, we conducted three special training sessions on the compliance requirements and application standards for AIGC products, covering the AIGC product compliance framework and key compliance points in application scenarios. These efforts further strengthened employees' awareness of AI compliance and their risk identification capabilities. Going forward, SUNMI Group will continue to follow the development trends of artificial intelligence technologies and changes in regulatory requirements, further improve the AI data compliance management system, and steadily enhance the standardization, controllability, and sustainable development of AI applications.



Data security and privacy compliance

To improve the efficiency and standardization of data compliance efforts, we continue to embed compliance requirements into products, platforms, employee management and global business operations. We promote the evolution of data security and privacy protection from institutional development to scenario-based, routine and closed-loop management.

Product and platform compliance management

We continue to promote the standardization of data compliance. By sorting out high-frequency daily compliance matters, we translate common requirements into standardized processes and template tools, and shift data compliance from case-by-case response to institutionalized and process-based management. In 2025, we achieved templated and process-based management for multiple tasks including algorithm filing, data risk self-assessment, and responses to customer data compliance inquiries. This has effectively improved compliance execution efficiency and further reduced potential risks.

In product governance, we keep improving the dynamic update mechanism for privacy policies. By the end of the reporting period, we had updated and maintained a total of 18 product privacy policies to meet legal and regulatory requirements across different business types and regions, and continuously enhanced the transparency, completeness, and readability of privacy information disclosure. We have also optimized the display of privacy compliance information on our official website, making it easier for stakeholders to access privacy policies, data protection statements, and relevant legal documents, and strengthening the transparency and verifiability of our data governance practices.

Furthermore, regarding the governance of mini-programs and mobile applications, we have continuously integrated privacy security testing into our product governance system. We evaluate products through a privacy security testing mechanism and continuously optimize privacy design based on testing results, forming a closed-loop management of "testing, rectification, optimization, and review". This mechanism covers key processing links such as the collection, use, storage and sharing of personal information, which is able to promote consistency between product practices and privacy policy commitments, and continuously enhance the privacy and security level of products.

Globalization and employee personal information protection

As our international business continues to expand, we have strengthened our overseas data compliance capabilities. Focusing on key areas including data protection, digital accessibility, cybersecurity, and digital governance, we have established regular mechanisms for regulatory tracking, compliance assessment, and internal response. During the reporting period, in consideration of the regulatory requirements of different jurisdictions and key markets, we further improved our privacy policy, user notification, data processing instructions and internal compliance procedures for overseas business, and promoted the implementation of relevant compliance requirements in product services, customer support and business operations. Moreover, by sorting out data processing activities, optimizing information disclosures, and improving cross-departmental collaboration, we enhanced the transparency, verifiability, and response efficiency of data governance for our overseas business. In the future, we will continue to monitor changes in overseas regulatory environments, strengthen research on laws and regulations in key markets, and continuously improve our global compliance management capabilities to support the steady development of international business.

In terms of employee personal information protection, we have refined the relevant management system and embedded compliance requirements into the entire employee lifecycle, and ensured that all information processing activities adhere to the principles of lawfulness, fairness, and necessity. During the reporting period, we further revised and implemented system norms covering all stages of recruitment, employment and resignation. For recruitment management, we updated the personal information protection policies for the domestic recruitment system and advanced compliance for overseas recruitment. By establishing a hierarchical management mechanism for recruitment information, we strengthened compliance risk controls over cross-border data transfers. For employee relations management, we optimized employee personal information protection policies and supporting consent documents, clarified management

Training and capability developmen

We attach great importance to fostering data security and privacy protection awareness, and continuously enhance employees' compliance awareness and performance capabilities through internal training and publicity. In 2025, we conducted three internal training sessions on data compliance, covering more than 900 employees. The trainees included staff from the R&D Center, Sales Marketing and Service Center, Legal Department, and other departments. Training content covered fundamentals of network and data security, emergency response mechanisms for data security incidents, trade secret protection, and legal risks related to data security. These trainings further strengthened employees' awareness of data security, privacy protection, and risk prevention capabilities.

Through the continuous advancement of institutional development, product and platform governance, global compliance response, and training empowerment, SUNMI Group has steadily consolidated the foundation of data security and privacy compliance management. Looking into the future, we will continue to monitor global data protection and privacy regulatory requirements, deepen our capabilities in data security, personal information protection, and AI compliance governance, promote closer integration of compliance requirements with business development, and continuously elevate the professionalism, institutionalization, and internationalization of data governance. We will support the long-term and sustainable development of the company through sound, transparent, and credible data governance practices.

Information Security Management

Information security management system

SUNMI Group attaches great importance to the data security and privacy protection of customers, users, suppliers, employees and other stakeholders. We have established an information security management system featuring "top-level design, hierarchical implementation and dynamic optimization", covering all areas and the entire process of information security. It has provided a solid institutional guarantee for the implementation of various work. Core policies include the General Rules on Information Security Management, Access Control Management Regulations, Emergency Response Plan, Code of Practice for Employees on Information Security and others. Meanwhile, we have set up a dynamic optimization mechanism for its policies. In light of updates to laws and regulations, advances in industry technologies and changes in business scenarios, we regularly review and revise existing policies to ensure their compliance, applicability and forward-looking nature.

Document Name	Content
General Rules on Information Security Management	The Company clarifies the strategic goals, organizational structure and departmental responsibilities for information security, and formulates the management policy of "strictly controlling risks, optimizing preventive measures and safeguarding information security".
Emergency Response Plan	It specifies the classification criteria, response procedures, responsibility division and post-incident handling mechanisms for information security incidents, ensuring rapid and effective disposal of various security incidents to minimize losses.

Key Documents Introduction

To enhance the information security management capabilities, we actively pursue various authoritative certifications and verify the compliance and effectiveness of our management system through third-party audits, providing trust assurance for business operations and customer partnerships. During the reporting period, we obtained a number of core certifications, including:

- ISO 27001 Information Security Management System Certification
- Information Security Grading Protection Certification
- UnionPay Security Certification



UnionPay Security Certification



ISO 27001 Information Security Management System Certification

Information Security Grading Protection Certification

The acquisition of the above certifications demonstrates that our information security management system, technical protection capabilities and risk control measures have met industry-standard requirements.

In the meantime, we continue to increase investment in information security technologies and have established a multi-level security protection system covering key areas including network security, data security, application security and endpoint security. Through continuous monitoring, vulnerability management, security audit and risk assessment, we promptly identify and address potential security threats and reduce the risk of information security incidents. In addition, we have established an information security incident emergency response mechanism that defines the emergency organization structure, response procedures and disposal measures, ensuring that the emergency plan can be activated quickly in the event of a security incident to minimize impacts on business operations and customer rights and interests.

Information security capability development

Employees are a critical link in the information security protection system. We have established a full-cycle training system featuring "regular training + special drills + assessment and evaluation", and continuously improved employees' information security awareness and professional skills to strengthen the "first line of defense" for corporate information security.

SUNMI Group includes information security training in its employee onboarding and annual training plans, and provides tiered and categorized training based on different job roles:

- New employee training focuses on information security management systems, employee codes of conduct, and basic protection skills to ensure new employee quickly grasp fundamental information security requirements (coverage rate: 100%).
- Annual training for existing employees covers network security, data security, personal information protection, phishing email identification, and emergency response procedures. It is delivered through a mix of online courses and targeted briefings (annual training attendance: 582 person-times).
- The information security department regularly publishes security reminders, typical cases and threat updates via internal platforms, fostering a corporate culture where "everyone understands security and everyone abides by security".

Meanwhile, in order to test the feasibility of emergency plans and cross-departmental collaboration capabilities, we regularly organize information security emergency drills simulating typical security incidents such as virus outbreaks, data breaches and cyberattacks. During the reporting period, we conducted 2 emergency drills covering ransomware infection and customer data leakage scenarios. These drills enabled us to optimize emergency response procedures, improve disposal efficiency and strengthen inter-departmental coordination.

Following each drill, a special summary report was produced. Based on identified issues, we improved protection measures and emergency plans to continuously enhance our overall security management capabilities.

To further ensure information security, we have established an information security training and assessment mechanism, and integrated training effectiveness into performance management. Following each training session and drill, evaluations are conducted through online examinations, scenario simulations and other

methods. Employees who fail to meet the standards are subject to supplementary training and re-assessment. During the reporting period, the average score of employees' information security knowledge assessments increased from 82 to 91, and the pass rate for emergency response skills assessments reached 100%.

Going forward, we will continue to improve our information security governance and training systems. Combining with new technology

application scenarios such as cloud computing, big data and artificial intelligence, we will carry out specialized security capability development, continuously enhance information security management and risk response capabilities, and advance information security management toward systematization, refinement and forward-looking development.



Chapter 04

Environment

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Green development lies at the core of our sustainable operations. This chapter fully presents our management practices and achievements in environmental responsibility. We adhere to a green and low-carbon development strategy, focus on the R&D of eco-friendly products, continuously refine management of carbon emissions and energy use, and steadily implement whole-process control and resource utilization of exhaust, wastewater and waste. Through a systematic environmental management system, we promote the coordinated development of business operations and ecological protection, and earnestly fulfill our corporate environmental responsibilities.



Creating Eco-Friendly Products

Hazardous substance control

In developing green products, SUNMI Group takes hazardous substance control as the core of product environmental management. We have formulated and strictly implemented the Hazardous Substance Control Procedure and SUNMI Standards for the Restriction of Toxic and Harmful Substances, integrating relevant requirements throughout the entire process of product design, raw material selection, production and manufacturing, and supply chain management. The Group has established a full-process hazardous substance management system covering materials, semi-finished products, finished products and manufacturing processes to systematically identify and strictly control the use of restricted or prohibited substances. This ensures products comply with applicable laws and regulations, international environmental directives and customer requirements, and minimizes potential impacts on the ecological environment and human health from the source.

To further safeguard the environmental safety of green products, the Group regularly entrusts qualified third-party testing institutions to conduct environmental compliance tests on key finished products, providing independent verification of restricted substance content to ensure products meet environmental access requirements of target markets. Test results are uniformly included in product environmental compliance files, serving as important evidence for product launch, customer audits and market access, continuously enhancing the credibility and environmental compliance level of green products.

analysis, it enables dynamic monitoring of suppliers' environmental performance and material compliance status, effectively improving the ability to identify and prevent hazardous substance risks and ensuring product environmental performance from the source.

By the end of 2025, the Group had completed environmental compliance training and system onboarding for 87 major suppliers, covering approximately 97% of core supplier base, and achieved 100% collection and audit of annual product environmental documentation. Meanwhile, the Group encouraged suppliers to sign the Agreement on the Restriction of the Use of Toxic and Hazardous Substances of SUNMI and continuously strengthened supply chain environmental management through audits and capability-building support. Through the coordinated implementation of product-level control, third-party verification and digital supply chain management, the Group has gradually built a safe, environmentally friendly and sustainable green product system, contributing to the realization of the dual goals of ecological environment protection and sustainable enterprise development.

design, the Group has improved transport loading efficiency while reducing packaging material usage, thereby lowering transport-related carbon emissions and resource waste.

As the current packaging solution has met the established environmental and protective performance requirements, no major structural adjustments were made during the reporting period. The Group will continue to monitor trends in renewable material application, packaging reduction and recyclable design, and timely advance the research and upgrade of a new-generation green packaging solution in line with product iterations and market demand, so as to further improve resource utilization efficiency and reduce the environmental footprint throughout the product life cycle.

Meanwhile, SUNMI Group has systematically reviewed and calculated the application of renewable materials across all 35 major procurement categories, among which 3 categories have achieved actual use of renewable materials, with no application yet in the remaining categories. Overall, we remain in the continuous promotion stage regarding the application of renewable materials. In the future, we will gradually expand the scope of renewable material application based on business needs and supply chain maturity, and explore more innovative eco-friendly materials and application solutions, so as to improve overall resource utilization efficiency and sustainability performance.



Environmental Compliance Test Certificate

In 2025, the Group focused on digitalizing environmental management. By establishing an SRM environmental management module. We achieved full-process online, standardized and traceable management of supply chain environmental documentation, which had become an important supporting measure for green product management during the year. The system embeds environmental compliance requirements into critical processes including supplier qualification, material approval, procurement execution and product delivery. Through data integration and intelligent

Material management

In terms of product packaging and material usage, SUNMI Group continues to promote green design and the application of renewable materials. During the reporting period, the Group maintained its previously launched third-generation paper-based environmental packaging solution and steadily adopted recyclable material casing designs for main products. This packaging solution replaces traditional plastic foam inserts with paper structures, while color boxes and outer cartons are made of recyclable materials, which helps to reduce the use of single-use plastics and the environmental impact of packaging waste. Product casings are marked with recycling labels to facilitate sorted recycling and proper disposal at the end of the product life cycle.

Compared with traditional packaging solutions, the current paper-based packaging not only meets product protection requirements but also helps reduce resource consumption and environmental impact during transportation. By optimizing packaging structure and volume

Table: Overview of the Total Quantity of Various Parts Purchased by the company and the Proportion of Renewable Materials Purchased During the Reporting Period.

Category of Parts & Components	Purchased Quantity (pcs)	Quantity of Renewable Materials Used (pcs)	Proportion of Renewable Materials Used
Packaging Materials	1309533	1309533	100%
Metal Parts	21768	21768	100%
Plastic Parts	391656	310800	79%

Carbon Emissions and Energy Management

During the reporting period, all products of the SUNMI Group were manufactured by ODM and OEM. This report only covers energy consumption and greenhouse gas emission data of the Shanghai headquarters of Shanghai Sunmi Technology Co., Ltd. and the SUNMI manufacturing plant.

Emissions management

The SUNMI Group entrusted Hangzhou DEKRA Certification Co., Ltd. (DEKRA) to conduct a cradle-to-gate product carbon footprint verification for two of its products, T3 PRO and V3 PLUS, and obtained the product carbon footprint verification statements.



Carbon Footprint Verification Statement of T3 PRO Product



Carbon Footprint Verification Statement of V3 PLUS Product

SUNMI Group calculates and discloses greenhouse gas emission data and greenhouse gas emission intensity for Scope 1, Scope 2 and Scope 3 within its operational control boundary for the period from 2023 to 2025, namely SUNMI office premises and the SUNMI manufacturing plant.

SUNMI Greenhouse Gas Emissions Data (Historically Comparable Standard)	2023	2024	2025
Scope 1 GHG Emissions (tCO ₂ e)	N/A	N/A	N/A
Scope 2 GHG Emissions (tCO ₂ e)	621.25	672.42	1479.96
Scope 3 GHG Emissions (tCO ₂ e)	446.67	753.22	1037.81
GHG Emission Intensity (tCO ₂ e/million yuan)	0.20	0.19	0.66

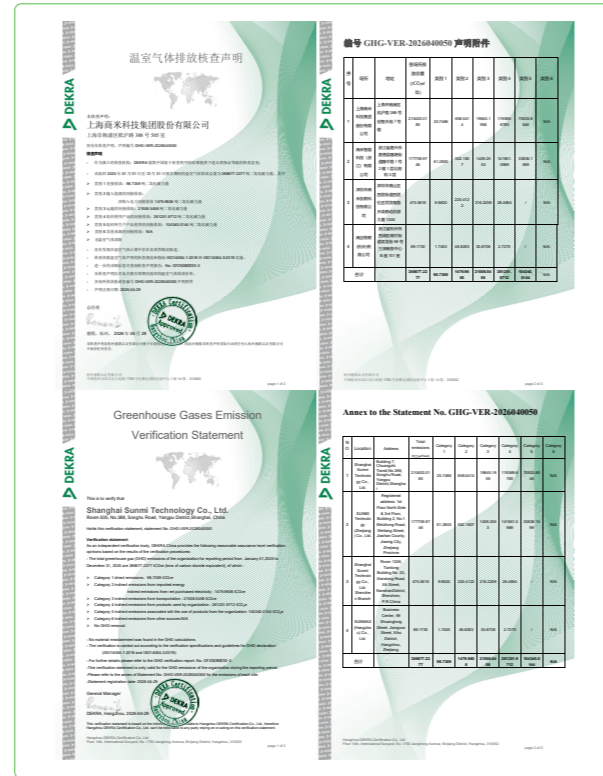
From the perspective of greenhouse gas emissions data on a historically comparable standard, our total greenhouse gas emissions in 2025 increased compared with 2023 and 2024. This was mainly due to the official inclusion of the SUNMI manufacturing plant in the statistical scope during the reporting period, with operational activities such as production electricity consumption driving higher Scope 2 emissions. Under this standard, we have no Scope 1 emissions. Scope 2 emissions mainly come from purchased electricity, while Scope 3 emissions are primarily from limited categories such as employee business travel. Affected by the expansion of operational boundaries, the inclusion of energy consumption for production in statistics, changes in business activities and other factors, the greenhouse gas emission intensity in 2025 increased compared with the previous two years. In response, the Company will further strengthen the management of energy consumption and emission sources, continue to implement energy conservation and emission reduction measures across office operations and manufacturing processes, and progressively enhance the low-carbon operational performance per unit of output. In the future, we will continue to optimize our energy management and carbon accounting systems, improve the completeness and comparability of emission data, and provide a more solid data foundation for subsequent emission reduction management.

To further enhance the completeness and accuracy of greenhouse gas emission accounting, while continuing to disclose historical data based on existing standards, we introduced the ISO 14064 standard in 2025 for more detailed accounting. This enables a more comprehensive

identification of emission sources and provides data support for subsequent carbon footprint management. Compared with the original standard adopted in Table 1, the new standard expands the scope of emission sources as follows: For Scope 1, we have incorporated fugitive emission sources such as air conditioning equipment, fire extinguishers and septic tanks, thereby identifying Scope 1 emissions. For Scope 2, we have calculated emissions by applying location-specific power generation emission factors to electricity consumption in Hangzhou, Shenzhen, Shanghai, Jiaxing and other locations. For Scope 3, in addition to the emission sources covered by the original standard, we have further included categories such as upstream raw material transportation and manufacturing, employee commuting, high-speed rail travel for business trips, product sales and transportation, as well as emissions from capital goods and product use stages. Due to differences in accounting boundaries, scope of emission sources and selection of emission factors between the two methods, the results are not directly comparable. Therefore, we will separately disclose greenhouse gas emission data for 2025 calculated under the ISO 14064 standard below, which will serve as a reference foundation for improving our carbon footprint management in the future.

SUNMI Greenhouse Gas Emissions Data (ISO 14064 Accounting Standard)	2025
Scope 1 GHG Emissions (tCO ₂ e)	98.74
Scope 2 GHG Emissions (tCO ₂ e)	147996
Scope 3 GHG Emissions (tCO ₂ e)	387098.53
GHG Emission Intensity (tCO ₂ e/million yuan)	101.96

SUNMI Manufacturing Plant Greenhouse Gas Emissions Data (ISO 14064 Accounting Standard)	2025
Scope 1 GHG Emissions (tCO ₂ e)	61.28
Scope 2 GHG Emissions (tCO ₂ e)	552.18
Scope 3 GHG Emissions (tCO ₂ e)	177096.51
GHG Emission Intensity (tCO ₂ e/million yuan)	46.62



ISO 14064 Greenhouse Gas Emissions Verification Statement
 In order to reduce greenhouse gas emissions during operations, SUNMI Group has promoted energy conservation and emission reduction measures across both office operations and manufacturing. At the office level, we advocate low-carbon office practices and green commuting. By improving online collaboration mechanisms, we reduce unnecessary business travel and prioritize video conferencing for business communications to lower transport emissions from trips. Moreover, we encourage employees to choose low-carbon commuting options such as public transport, company shuttles or carpooling. We are also gradually optimizing energy management at office facilities to foster a resource-efficient and low-emission working environment.

节能减排
 践行利他，绿色出行

- 1990年，国务院确立全国节能宣传周，至今已成为推动绿色发展的重要平台。2025年节能周时间为6月23-29日，主题为“节能增效，焕‘新’引领”。
- 节能减排就是节约能源、降低能源消耗、减少污染物排放。低碳生活，是一种以低能耗、低排放、低污染为基础的生活方式。
- 6月25日全国低碳日，商米发起“践行利他，绿色出行”活动，邀请大家共同参与。

ESG Activity Month - "Practice Altruism, Choose Green Travel" Environmental Protection Activity

Green Travel, Eco-Friendly Parent-Child Outing

Choose Metro Travel to Save Energy and Reduce Emissions

Metro travel saves energy, reduces emissions, practices altruism, and promotes green travel. Lucid waters and lush mountains are invaluable assets. Energy efficiency and renewal lead the way.

SUNMI Group's "Practice Altruism, Choose Green Travel" Activity
 In the production and manufacturing process, the company has continuously advanced energy-saving technological transformation and gradually introduced advanced production equipment with higher energy efficiency and automated processes, so as to improve production efficiency and reduce energy consumption per unit product. These measures help reduce energy consumption and carbon emission intensity in the production process, and support the Group in achieving energy conservation and emission reduction goals in the manufacturing sector.

Energy Management

The main energy consumption of SUNMI Group is office electricity and production electricity. The company disclosed electricity usage for the years 2023 to 2025 and calculated electricity intensity over these three years based on operating revenue distribution.

The table below lists the quantitative data regarding the company's energy and resource usage for the years 2023, 2024, and up to December 31, 2025:

SUNMI Electricity Data	2023	2024	2025
Electricity Consumption (MWh)	1001.85	1083.68	2854.96
Office Electricity	1001.85	1083.68	1744.83
Production Electricity	N/A	N/A	1110.13
Total Energy Usage Density (MWh/million yuan)	0.33	0.31	0.75

In 2025, the company's total electricity consumption was 2,854.96 MWh, an increase compared to 1,083.68 MWh in 2024. Of this, office electricity was 1,744.83 MWh and production electricity was 1,110.13 MWh. The increase in total electricity consumption during the reporting period was mainly attributable to the inclusion of production electricity in the statistical scope and changes in business operations. In 2025, the total energy intensity was higher than the 2024 level of 0.31 MWh/million yuan, reflecting fluctuations in energy consumption per unit of output against the backdrop of an expanding energy use boundary and changes in the Company's operational activities.

The company actively practices the vision of green development, and regards energy conservation and consumption reduction as an important initiative to enhance operational efficiency and fulfill environmental responsibilities. By continuously implementing energy-saving measures across office operations and production

& manufacturing processes, the company steadily reduces energy consumption and improves resource utilization efficiency.

In office premises management, the company adopted multiple measures to enhance energy efficiency in daily operations. Energy-saving lamps and LED lighting equipment were used in all office areas to reduce lighting power demand and extend equipment service life. Meanwhile, the company promoted the rational use of air conditioning equipment. On the premise of ensuring employee comfort, unnecessary air conditioning energy consumption was reduced by setting reasonable temperature ranges, strengthening air conditioning usage management, and encouraging natural ventilation under favorable weather conditions. In addition, the company continuously carried out energy-saving publicity and employee engagement activities. Through internal notices, promotional posters, and energy-saving initiatives, the company raised and encouraged employee awareness of energy conservation, and motivated employees to practice electricity-saving behaviors in daily office work, such as turning off lights when leaving and powering off idle equipment, thereby jointly creating a green and low-carbon office environment.



Energy-saving Publicity in Office Premises

In terms of production and operation, the company continuously optimized production facilities and energy structure, reducing energy consumption in the production process through technological upgrades and equipment modification. During the reporting period, the roof of SUNMI manufacturing plant was equipped with solar photovoltaic panels from the industrial park, providing partial power support for the production and operation of the plant. Meanwhile, when upgrading equipment and production technologies, the company prioritized low-energy & high-efficiency production equipment to improve production efficiency and reduce energy consumption per unit product. In addition, the company has gradually upgraded lighting equipment in production and warehousing areas of the plant to LED energy-saving lamps, further reducing energy consumption by improving lighting energy efficiency.



Solar Photovoltaic Panels on the Roof of SUNMI Manufacturing Plant



Energy-saving Publicity on Electricity Use at SUNMI Manufacturing Plant

SUNMI Group continued to improve energy management capabilities, driving office operations and production activities toward a greener, more efficient and low-carbon direction. In the future, the company will continue to explore more energy conservation and emission reduction measures, further improving energy utilization efficiency and contributing to the achievement of sustainable development goals.

Water Resources Management

SUNMI Group disclosed the water consumption for headquarters building and the SUNMI manufacturing plant from 2023 to 2025:

SUNMI Water Consumption Data	2023	2024	2025
Water Consumption (tons)	1454	1337	5371.7
Office Water Consumption (tons)	1454	1337	1558
Production Water Consumption (tons)	N/A	N/A	3813.7
Number of Employees	1073	1227	1311
Office Area (m ²)	14426.59	15370.85	20059.56
Production Area (m ²)	N/A	N/A	7427.53

During the reporting period, the company's total water consumption was 5,371.7 tons, an increase compared to previous years. This change was mainly attributable to the expansion of the company's reporting scope in 2025 to include the newly operational SUNMI manufacturing plant, which added 3,813.7 tons of production water consumption. Office water consumption for the year was 1,558 tons, which was generally consistent with the growth in the number of employees and the increase in office area. Overall, the increase in water consumption this year was mainly attributable to the inclusion of production operations in the statistical scope and the expansion of business scale, making year-on-year comparisons not meaningful.

The company attaches importance to the rational use of water resources and continuously focuses on water conservation management in daily operations and production activities. By strengthening water usage management and enhancing employee awareness of water conservation, the company gradually promotes the efficient use of water resources.

In office premises, the company reduced unnecessary water resource consumption by strengthening daily water usage management and advocating water conservation awareness among employees. Through internal publicity and daily reminders, the company encouraged employees to form water-saving habits in daily office work, such as using handwashing facilities responsibly and turning off taps promptly, so as to reduce water consumption in office operations.



Water Conservation Publicity in Office Premises

In terms of production and operation, the company continuously monitored water usage in the production process and reduced water waste by optimizing production processes and strengthening equipment maintenance management. Meanwhile, the company conducted regular inspections and maintenance of water facilities in the plant area, promptly repairing leaks to ensure stable operation of the water system and reduce unnecessary water loss.

In the future, the company will continue to focus on water conservation management and gradually explore more water-saving measures based on business development and production operation needs to continuously improve water resource utilization efficiency.

Exhaust, Wastewater, and Waste Management

SUNMI Group complies with laws and regulations including the Regulations on the Administration of Domestic Waste Classification in Shanghai Municipality, the Regulations on the Administration of Domestic Waste Classification in Zhejiang Province, the Regulations on the Administration of Domestic Waste Classification in Jiaying City, the Administrative Measures for the Transfer of Hazardous Waste, the Administrative Measures for the Prevention and Control of Environmental Pollution by Electronic Waste, the Standard for Pollution Control on Hazardous Waste Storage, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, and the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution.

SUNMI Group actively established a management system for the three types of wastes (wastewater, waste gas and solid waste). Internally, we formulated the Environmental Factor Control Procedure, Environmental Operation Control Procedure and Environmental and Safety Monitoring Control Procedure. Through environmental impact assessment, production process analysis and sorting of raw and auxiliary material lists, the Group systematically identified the generation links and types of various wastes. Based on the National Catalogue of Hazardous Wastes, we classified and evaluated wastes to establish management lists for hazardous waste and general industrial waste. The Group provides specialized training to relevant waste-generating departments, thus standardizing management processes at the stages of waste generation, on-site storage, transfer, and warehousing to ensure that all operations comply with applicable laws, regulations, and internal management systems.

In terms of waste disposal, SUNMI Group selects qualified third-party entities for collection, transfer and disposal. We monitor the compliance through contractual agreements and irregular inspections to ensure wastes are properly disposed of in accordance with regulatory requirements, thereby reducing environmental risks.

In terms of exhaust and wastewater disposal, SUNMI Group does not engage in direct exhaust emissions. The wastewater generated

primarily consists of domestic sewage from office locations, all of which meets discharge standards.

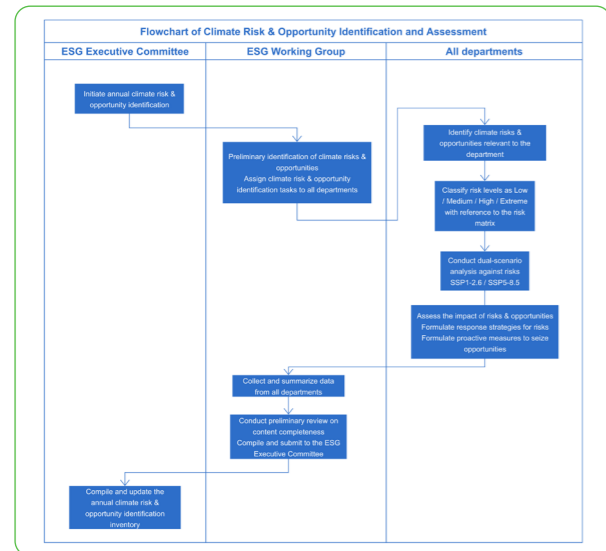
In addition, the Group conducts daily environmental management in strict accordance with pollutant discharge permit requirements. Through multi-level supervision mechanism (including law enforcement inspections by government authorities, internal and external audits, customer audits, EHS special inspections and self-inspections by responsible departments), we continuously improve our compliance management level. All production bases of the Group implement corresponding waste management measures to standardize the classified collection, storage and disposal of wastes and reduce potential environmental impacts.



Climate Risk Identification and Management

The company's Proactive Attitude Toward Addressing Climate Change

SUNMI Group is consistently committed to managing climate-related risks and seizing related opportunities to ensure long-term business resilience and sustainable development. In 2025, the company further optimized the top-down management mechanism, improved the ESG management structure, ensured efficient coordination of climate change-related decision-making and implementation, and promoted the achievement of climate goals. Meanwhile, the company established a systematic management process for climate-related risks and opportunities, and formulated the Management Specification for Identification and Assessment of Climate Risks and Opportunities (covering identification, assessment, prioritization, monitoring and other key segments), thereby enhancing resilience in the face of climate-related risks while unlocking potential value and opportunities in our business.



SUNMI Group's Climate Change Management Process

SUNMI Group continuously strengthens the ability to identify and manage climate-related risks and opportunities, and incorporates climate-related risks into the existing risk management process. In 2025, the Group conducted scenario analysis to assess physical risks, transition risks, and opportunities that could affect SUNMI Group's assets, business operations and value chain. In this process, the company adopted the Shared Socioeconomic Pathways (SSP) scenarios developed by the Intergovernmental Panel on Climate Change (IPCC) to evaluate impacts in the short-to-medium term (up to 2030) and the medium-to-long term (up to 2050).

Table: Scenarios and Time Frames Used in SUNMI Group's 2025 Climate Scenario Analysis

Time Frame	2030 to 2050		
IPCC Scenario	SSP1-2.6 Scenario	SSP5-8.5 Scenario	
Emission Pathway	Low-emission pathway, consistent with the 2° C goal set by Paris Agreement	Very high-emission pathway, featuring fossil fuel-led development	
Scenario Description	Through coordinated and effective carbon neutrality actions, global greenhouse gas emissions are rapidly reduced, making it possible to limit global temperature rise to below 2° C, with efforts made to strive for the 1.5° C target. This significantly slows down the pace and magnitude of climate change, greatly reducing the frequency and intensity of extreme weather events and limiting disruptions to the global climate system to a relatively low level.	Due to continued dependence on fossil fuels, high energy-consumption growth, and lack of substantive global climate policies, greenhouse gas emissions are extremely high. This drives unprecedented and severe climate warming, triggers more frequent and intense extreme weather events, and brings about profound and potentially irreversible changes in the global climate system.	

The company's Climate Risk Assessment Results

In 2025, SUNMI Group identified a total of 13 climate-related risks and opportunities, including 4 physical risks, 4 transition risks, and 5 opportunities. Based on the assessment results, the company has formulated corresponding measures and continuously tracked their implementation effects to ensure the effectiveness and progress of the measures. For the identified climate-related physical risks and transition risks, the company has incorporated them into the existing risk management process and adopted appropriate measures for management.

Opportunity Type	Opportunity Description	Potential Business Impact	Potential Financial Impact	Measures to Seize the Opportunity
Policy opportunity	National and local carbon emission reduction support policies, low-carbon project support, and green certification incentives are continuously introduced.	This helps improve project implementation conditions, optimize fund use structure, enhance green image, and strengthen customer confidence.	It is expected to obtain subsidies, tax incentives, and lower financing costs, shortening the payback period for related projects.	Assign dedicated personnel to track policy developments, establish information update mechanisms, and promptly organize applications for eligible projects.
Market opportunity	With the continuous recovery of the retail and catering industries in Europe and the United States, demand for the renewal of commercial POS machines and intelligent terminals is steadily increasing. Meanwhile, driven by stricter EU energy efficiency regulatory requirements and sustainable procurement policies of US companies, the market demand for low-power and low-carbon commercial equipment is growing.	This is conducive to expanding green product market, optimizing customer structure, enhancing differentiated competitive advantages, and expanding overseas business.	The revenue and gross margin of green products are expected to increase; the contribution from overseas and high-quality customers will grow.	Regard green products as a key direction, increase R&D investment, improve promotion plans, and expand overseas sales and service networks.
Technology opportunity	Low-power chips, solar power supply, digital energy consumption management, and full-lifecycle carbon management have application potential.	This helps build low-carbon technology advantages, improve product added value, and strengthen market competitiveness.	Green technology patents, product premiums and process energy consumption reduction may contribute to revenue growth and cost optimization.	Increase the budget for green technology R&D, improve the allocation of professional talents, and collaborate with universities and institutions.
Operational opportunity	Photovoltaic applications, green supply chains, equipment recycling and reuse, and emergency supply chain construction can enhance operational resilience.	This helps improve energy utilization efficiency, reduce supply disruption risks, optimize resource utilization, and enhance risk resistance capacity.	It is expected to save electricity, logistics and raw material procurement costs, and reduce emergency expenditures.	Study and promote the application of photovoltaic systems, establish green supplier standards, explore recycling and reuse mechanisms, and improve safety inventory management.
Brand opportunity	Low-carbon development, standardized ESG disclosure, green public welfare initiatives and green certifications help shape the image of a green technology enterprise.	This helps enhance brand value, increase customer loyalty, improve financing environment, and attract outstanding talents.	It is expected to increase product premiums, lower financing and marketing costs, and reduce talent recruitment and training expenses.	Develop a green brand building plan, continuously carry out ESG disclosure, public welfare participation and brand communication, and improve the green certification system.

Table for Identification & Capture Measures of 2025 Sunmi Climate Opportunities

Type	Risk Rating	Risk Description	Affected Parts of the compan		Potential Business Impact		Potential Financial Impact		Data Sources	Company Response Strategy		
			SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5		Short-to-Medium Term	Medium-to-Long Term	
Physical risk	Acute risk	High Risk	Extreme rainstorm	Traffic disruption may affect employee commuting; leakage and water logging may occur in office areas, causing damage to equipment and office assets.	Increased frequency of rainstorms raises the risk of traffic disruption and site damage, and increases the probability of equipment and asset losses.	Project progress, production arrangement and order delivery may be temporarily delayed, affecting customer experience.	The risk of project delays and delivery fluctuations rises, putting pressure on supply chain stability and customer satisfaction.	Emergency disposal, repair and temporary shutdown costs may increase.	Expenditures for repair, shutdown, compensation and facility renovation may increase significantly, with some impact on revenue.	China Meteorological Administration: China Climate Bulletin and Blue Book on Climate Change in China; WMO: State of the Global Climate and Greenhouse Gas Bulletin	Formulate rainstorm emergency response plans, improve drainage and material reserves, strengthen employee emergency training, and collaborate with suppliers to ensure transportation.	Optimize site selection and production layout based on risk changes, enhance disaster resistance of facilities, explore backup production capacity and strengthen remote collaboration.
		Extremely high risk	Typhoon	Typhoons may cause partial damage to buildings, short-term power outages, water damage to equipment, and disruption to employee commuting and logistics transportation.	The increased frequency and intensity of typhoon impacts will further raise the risks of extended power outages and shutdowns, equipment damage, and material delays.	Project progress and order delivery may be temporarily delayed, affecting customer satisfaction.	The risk of declining delivery stability rises, and supply chain fluctuations intensify, putting significant on customer satisfaction.	Costs related to repairs, emergency procurement, emergency logistics, and work stoppages may increase.	Expenditures for repair, shutdown, compensation, inventory protection, and facility renovation may increase significantly, with an impact on business operations.	China Meteorological Administration Typhoon Network, China Weather Typhoon Network, Wenzhou Typhoon Network	Activate typhoon prevention measures based on typhoon warnings, reinforce factory doors and windows, stock waterproof and emergency power supplies, and maintain reasonable inventory	Optimize the layout of bases and warehouses based on long-term typhoon trends, improve supply chain warning mechanisms, and diversify logistics and inventory risks.
		Medium Risk	High humidity during plum rain season	High humidity may increase equipment failure rates, raise the risk of moisture damage to materials such as PCBs, and drive up maintenance costs.	Prolonged plum rain seasons will increase the risks of equipment moisture damage, data security issues, defective raw materials, and rework.	Office efficiency and product stability may be affected, with increased moisture-proofing and repair costs.	Risks of extended shutdowns, raw material quality fluctuations, and order delays will rise, further increasing the risk of customer churn.	Expenditures for equipment repairs, raw material loss, and moisture-proofing supplies may increase.	Costs for equipment replacement, moisture-proofing investments, operation, and employee health management may further increase.	Shanghai Meteorological Service: Shanghai Climate Bulletin	Strengthen moisture-proofing management, equipment inspections, ventilation and dehumidification, optimize raw material packaging and storage, and adjust production plans.	Improve constant temperature/humidity and moisture-proofing systems, upgrade warehousing and monitoring/early warning capabilities, and enhance the long-term adaptability of facilities.
	Chronic risk	Extremely high risk	Continuous high temperature	Continuous high temperature may increase equipment heat dissipation pressure and energy consumption, reduce operational efficiency, and elevate health risks for employees.	An increase in the number of high-temperature days will drive up cooling and equipment loads, affect raw material storage conditions, and increase the risk of production limitation.	Product pass rate may fluctuate slightly, and health risks for employees working in high temperatures will increase.	Office and production efficiency may drop significantly, effective production days decrease, and the risk of customer complaints rises.	Relevant expenditures for energy consumption, shutdown losses, and high-temperature protection may increase.	Energy consumption, equipment maintenance and employee welfare expenses may continue to rise, affecting production stability.	China Meteorological Administration: China Climate Bulletin and Blue Book on Climate Change in China; WMO: State of the Global Climate and Greenhouse Gas Bulletin	Implement heatstroke prevention and cooling measures, optimize air conditioning and ventilation systems, and establish high-temperature warning and production adjustment mechanisms.	Promote photovoltaic and intelligent temperature control facilities, introduce heat-resistant equipment, optimize processes, and improve employee health protection systems.

Type	Risk Rating	Risk Description	Affected Parts of the compan		Potential Business Impact		Potential Financial Impact		Data Sources	Company Response Strategy		
			SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5		Short-to-Medium Term	Medium-to-Long Term	
Transition risk	Technology risk	High Risk	Rapid iteration of low-carbon technologies	Energy-saving transformation, low-carbon R&D and green facility construction require substantial investment; new technologies have an adaptation period with existing equipment.	As low-carbon standards continue to be tightened, early transformed equipment may face replacement pressure, increasing capital demand.	Technical transformation investments may occupy R&D and production capacity resources, which may affect the new product launch timeline.	Insufficient low-carbon technology reserves may weaken competitiveness, and heavy capital investment will constrain operational flexibility.	Expenditures related to energy-saving technological transformation, R&D adaptation, and production capacity adjustments may increase.	Costs for equipment replacement, low-carbon R&D and potential asset impairment may continue to rise.	UNEP Industrial Energy Efficiency and Decarbonization Cost Analysis; relevant reports on China industrial energy conservation and green development	Implement energy-saving transformation in phases, prioritize projects with better input-output performance, establish a technology assessment mechanism and seek policy support.	Build a low-carbon technology R&D platform, promote flexible production, and establish a green technology input-output assessment mechanism.
	Policy and regulatory risk	High Risk	Tightening carbon emission reduction policies	Higher carbon management requirements are imposed on factories, and export products may face compliance requirements such as the EU CBAM	With continuous upgrading of carbon control standards, existing facilities and supply chains will be under pressure for renovation and management improvement.	Product costs and export compliance pressure may rise, along with challenges to market competitiveness.	There will be increasing pressure to adjust high-carbon products and processes, and market access and corporate image may be affected.	Carbon costs, export compliance costs, and facility renovation investments may increase.	Carbon costs, equipment replacement, and supply chain upgrading investments may continue to rise.	National "dual carbon" policy documents; Shanghai carbon trading market rules; EU CBAM Regulation	Gradually establish a carbon emissions accounting system, monitor policy changes, optimize business strategies, and advance R&D of low-carbon products.	Accelerate the construction of green factories and green supply chains, continue to increase investment in low-carbon technologies, and enhance long-term compliance capabilities.
	Reputation risk	Medium Risk	Lagging climate action	Insufficient climate disclosure or weak low-carbon supply chain management may raise concerns among customers, investors and the public.	High-carbon production and product structures may face continued external examination, putting pressure on brand and partnership opportunities.	It may have an adverse impact on customer cooperation, project bidding and market image.	Weakened green brand image brings greater challenges to high-end market expansion and capital cooperation.	Expenditures related to brand maintenance, customer retention, and bidding may increase.	Costs for public opinion response, brand repair, and financing may rise, with some impact on revenue.	The RepTrak Company; Global RepTrak 100	Disclose climate action and carbon emission information as required, participate in green certifications and industry events, and establish public opinion monitoring mechanisms.	Strengthen green brand building and full-chain low-carbon management, actively participate in the formulation of industry standards, and enhance external recognition.
	Market risk	Extremely high risk	Intensifying green consumption trend	Demand for high-energy-consumption commercial equipment may decline; customers raise requirements for the disclosure of carbon footprint and other related information.	The rising market share of low-carbon and environment-friendly products will intensify the substitution risks of traditional products and green competition.	The inventory turnover of traditional products and expansion into mid-to-high-end markets will face pressure, and the risk of customer loss will increase.	Market share and profit margin of traditional products may shrink; R&D progress will affect market position.	It may increase inventory impairment risk and green R&D investment, thereby putting pressure on revenue.	Risks including traditional facility impairment, increased R&D spending and reduced revenue from traditional products will rise.	Relevant UNEP reports; China Green Consumption Development Report	Accelerate R&D and green promotion of low-power products, and provide carbon footprint information support to key customers.	Promote low-carbon transformation of product structure, explore full lifecycle management and recycling, and improve green industry layout.

Table for Identification & Response Strategies of 2025 Sunmi Climate Risks



Chapter 05

Responsibility

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Employees are the company's most valuable asset, and responsibility is an important pillar of the company's sustainable development. This chapter systematically presents the company's people-oriented management philosophy and practical achievements, covering aspects such as employee rights protection, compensation and benefits, occupational health and safety, talent recruitment and promotion, diversity and equality, talent development, employee activities and well-being enhancement. The company consistently adheres to fair employment, equal development and compliant labor management practices, continuously improves the compensation & benefit system and career development paths, actively carries out employee care and cultural activities, and strives to enhance employee well-being and sense of belonging. We make every effort to create a safe, healthy, inclusive and progressive workplace environment, driving the joint development of the enterprise and society through employee growth.

Protection of Rights and Interests

Employee Rights and Interests Policy and Management Control System

SUNMI Group consistently upholds the core value of "altruism", respecting and protecting the human rights of all employees, regardless of race, skin color, religion, gender, sexual orientation, age, disability, nationality or other personal characteristics. The company consistently respects and protects the legitimate rights and interests of all employees, strictly adheres to applicable laws and regulations in each operating location, and conducts labor management with reference to international labor standards. In labor practices, the Group follows relevant laws, regulations and international standards, including the Universal Declaration of Human Rights, International Labour Organization Convention, The UN Guiding Principles on Business and Human Rights, Labour Contract Law of People's Republic of China, Labour Law of People's Republic of China, and Rules of Shanghai Labor Contract, continuously improving the labor rights protection system and promoting a standardized, fair and compliant employment environment.

To establish a systematic mechanism for labor rights, the Group has developed and implemented multiple policy documents, including the SUNMI Employee Handbook, Recruitment and Hiring Policy, Prohibition of Forced Labor and Freedom of Choice Controls, Prohibition of Child Labor and Child Labor Rescue Controls, Work Attendance Policy, Protection of Freedom of Association and Collective Rights Controls, Anti-Discrimination, Harassment and Bullying Procedure, and Chinese Employee Welfare System. These documents standardize employee recruitment, hiring, working conditions, compensation and benefits, and professional conduct, explicitly prohibiting forced labor and child labor, preventing discrimination, harassment and improper behavior, ensuring reasonable working hours for employees, and legally paying compensation including overtime pay. Also, the Group respects employees' rights to freedom of association and collective bargaining that employees are entitled to under the law, building an equal and inclusive working environment.

The Group regularly publishes and updates relevant regulations and policies through channels such as the company intranet to enhance employees' right to information and participation, strengthen management transparency, and demonstrate the company's commitment to protecting labor rights. In addition, the Group extends labor rights management to the supply chain, regularly conducting CSR risk assessments and audits of suppliers to identify and prevent potential labor risks, and encouraging supply chain partners to jointly adhere to relevant labor standards.

In terms of operations management, the Group adheres to the legal requirements regarding the shortest notification period for operational changes, fully protecting the legitimate rights and interests of employees and other stakeholders. As of the end of the reporting period, the Group had not experienced any matters requiring the issuance of major notification to stakeholders under relevant provisions.



Labor and Human Rights Protection Measures

To protect employees' rights and interests and create a safe, respectful and compliant working environment, SUNMI Group has developed and implemented multiple labor and human rights protection measures, covering anti-harassment, anti-discrimination, occupational health and safety, and working hour management.

Anti-Sexual Harassment

The company strictly prohibits any form of sexual harassment in the workplace, including sexual coercion, threats, insults, and any inappropriate language, gestures, or physical contact. A dedicated complaints mailbox has been set up to receive reports of harassment. Upon receiving a complaint, the Human Resources Department will conduct investigations to verify the allegations. If the allegations are substantiated, the harasser will be educated for minor infractions, allowing them to recognize their error. For severe cases, criminal liability will be pursued against the offenders.

Anti-Abuse

The company strictly prohibits any form of abuse in the workplace, including physical punishments, verbal insults, psychological mistreatment, and other behaviors of a similar nature. A dedicated complaints mailbox has been set up for individuals to report incidents of abuse. Upon receiving a complaint, the Human Resources Department will conduct thorough investigations to verify the claims. If the allegations are substantiated, the relevant offenders will be held accountable according to the severity of the circumstances.

Preventing Child Labor

The company carefully verifies the authenticity of identification documents provided by individuals. If there is any doubt about the documents presented, the applicant may be asked to provide other sufficient identification documents that can prove their identity and age. If the company discovers any child labor, the following rescue control procedures will be adhered to: 1. Upon discovery of any employee under the age of 16 (child labor) falsifying their true age, their work shall be immediately suspended, and the child shall be arranged for a health examination at a hospital within three days, with the local Human Resources and Social Security Bureau being notified simultaneously. 2. If the child laborer is found to be in good health, upon approval from the labor authorities, arrangements will be made for a designated individual to escort the child directly home, with all associated expenses covered by the company. If the child laborer is diagnosed with an illness, the company shall arrange treatment until full recovery, with all medical expenses borne by the company. 3. The company will conduct an investigation into the family circumstances of the child laborer. If the average income of the child's family is below the local minimum standard of living, the company will provide sufficient economic assistance to the child laborer to ensure they receive education until reaching the age of 16. In addition, opportunities for employment will be extended to members of the child's family to improve their living conditions if necessary. When the child laborer reaches the legal age and voluntarily wishes to return to the company, the company will unconditionally accept their return. 4. Investigate the reasons for the mistaken hiring of underage workers and take effective corrective actions to prevent such incidents from happening again.

Non-Discrimination

The company's policies and codes shall be formulated in accordance with national laws and must not contain discriminatory content or behavior. During the recruitment process, the company shall not discriminate based on ethnicity, race, social class, gender, region, nationality, political affiliation, etc. For specific guidelines, please refer to the Recruitment and Hiring Policy. In the event of complaints filed by individuals, the Human Resources Department will investigate the situation, and if the allegations are substantiated, the responsible parties will be held accountable based on the severity of the circumstances.

Occupational Health and Safety

The company has implemented the following risk control measures to identify, assess, and minimize potential health and safety risks as much as possible: a) Eliminate hazards or risks where possible, such as replacing all hazardous materials with safer alternatives. b) Where risks cannot be eliminated, efforts should be made to reduce them, such as using low-voltage electrical appliances. c) Enhance control measures through engineering controls and leverage technological advancements. d) Post warning signs and labels. e) Personal protective equipment is used as a final measure after considering all other control options.

Prohibition of Forced Labor

The company prohibits any form of forced labor. Before employment, the company ensures that the recruitment process is transparent and truthful, and prohibits any act of deceiving employees through false promises. After employment, any acts that forces employees to provide involuntary labor or work against their will, or extends working hours by means of threats, punishment, debt bondage, seizure of identity documents, physical restraint or other coercive means are strictly prohibited. Meanwhile, the company clearly incorporates these requirements into internal rules and regulations, regularly assesses the risk of forced labor in operations and supply chain, and provides training to employees. The company has also established a grievance mechanism to fully protect employees' freedom of labor.

Freedom of Association and Collective Bargaining

Employees are free to establish, join, or withdraw from labor unions or similar lawful organizations, and can elect representatives to negotiate with management regarding working conditions, wages, and other relevant policies. The company respects employees' lawful rights to freely associate and engage in collective bargaining, including the right to either join or not join any association.

Working Hours

The company generally adopts a standard workweek system of 8 hours per day and 40 hours per week. For employees under special work schedules, the terms of their signed employment contracts shall prevail. The company implements an attendance system. Employees on the standard work schedule should clock in and out at the beginning and end of each workday. The methods for time-attendance include clocking in and out via the mobile OA app or using the employee badge to tap at the access control. The daily attendance calculation period is from 04:00 a.m. on the current day to 03:59 a.m. on the next day. The company generally does not arrange overtime work for employees, who should plan their tasks in advance and complete them within regular working hours. If overtime is necessary, employees must get approval from their line manager beforehand. Non-statutory holiday overtime and extended working hours during regular days require approval from both the line manager and the head of team of the applicant; and overtime during statutory holidays is only effective after getting approval from the line manager, the head of the team, and the Human Resources Department.

Overtime Compensation

1. Weekday Overtime: If work is extended on weekdays due to work requirements, employees should be given priority to adjust their rest days. With the approval of their line managers, they can adjust their working hours for the next day, and neither day will be counted as overtime. 2. Overtime on Weekends: Overtime worked on weekends and non-statutory holidays is converted to time off in lieu at a rate of 1:1. Employees must first complete the Weekend/Holiday Overtime Application process. Once the process is approved, the overtime hours will automatically be converted into time off. Time off in lieu is valid for two years from the date of the overtime worked. Employees should use it within the validity period; otherwise, any unused hours will be considered automatically forfeited. 3. Statutory Holiday Overtime: If employees are required to work during statutory holidays, they will be compensated with overtime pay, which is 300% of their daily wage on the day of the overtime. The standard for calculating overtime pay during statutory holidays is based on the approval of the applicant's line manager, the head of team, and the Human Resources Department through the Weekend/Holiday Overtime Application workflow in OA system.

Personal Data Privacy

Upon employment with SUNMI, SUNMI processes employee personal information for HR management and other purposes. This includes collecting, using, storing, and, in some cases, sharing your personal information. To clarify how employee information is managed, SUNMI has formulated the Employee Information Protection Policy (hereafter referred to as the "Policy"). SUNMI undertakes to strictly adhere to the Policy in processing employees' personal information, encompassing how it is collected and used, how it is stored, as well as how it is entrusted for processing, shared, transferred, or publicly disclosed.



Compensation and Benefits Assurance

SUNMI Group attaches great importance to protecting employee rights and interests, and is committed to building a fair, standardized and market-competitive compensation and benefits system. Through institutionalized management and continuous optimization mechanisms, the Group enhances employees' sense of fulfillment, sense of belonging and organizational cohesion, thus providing solid talent support for the company's steady operation and sustainable development.

Salaries and Wages

The company continually refines the compensation management system by establishing a compensation structure based on job value, individual capability, performance and market benchmarks, providing employees with market-competitive salaries. Upholding the principle of "equal pay for equal work" (on the premise of not falling below the statutory minimum wage standards in each operational location), the company regularly conducts industry compensation surveys to ensure that the overall compensation level remains in the upper-middle range of the industry.

During the reporting period, the company has consistently advanced the scientific and standardized implementation of compensation adjustment mechanism. Based on employee performance, job changes and market compensation trends, the company conducted compensation assessments and adjustments from the perspectives of internal equity and external competitiveness, strengthening incentives and retention for key positions and core talents. Also, the company improved the transparency of the compensation system through compensation policy promotion and communication, helping employees better understand and recognize the compensation system.

Performance Evaluation

The company has established a performance management system that covers all employees. This evaluation system is designed based on principles of openness and trust, practicality, pursuit of excellence and differentiated distribution. For different job categories, comprehensive evaluations are conducted from three dimensions: performance outcomes, management achievements, and core values, to form semi-annual or annual performance results. The evaluation process incorporates multiple rounds of calibration and audit mechanisms to ensure the objectivity, fairness and consistency of evaluation results. The evaluation results serve as an important basis for compensation adjustments, promotion & development, and training plans. During the reporting period, SUNMI Group achieved a 100% performance evaluation coverage rate.

The compensation of the company's senior executive is directly linked to performance evaluation results and aligned with the company's long-term strategic objectives. During the reporting period, the senior executive performance review mechanism incorporated climate targets and ESG-related indicators into the core evaluation range, which strengthens the management's accountability for sustainable development. Compensation is paid based on final performance results, reflecting the alignment of accountability and incentives and promoting long-term value creation for the company.

The performance of the company's senior executives is linked to the company's financial performance, organizational development, and ESG indicators. Key ESG evaluation indicators are specified as follows:

ESG Pillar	Key Performance Evaluation Indicators
Environmental	Advancing the company's 2050 carbon neutrality goal and implementing energy conservation and emission reduction measures
Social	Promoting diversified and inclusive development and continuously increasing the proportion of female managers and female employees
	Providing equal training and career development opportunities for employees
	Strengthening sustainable supply chain management and achieving a 100% pass rate for ESG compliance audits of TOP 50 suppliers
Governance	Actively fulfilling corporate responsibilities
	Strengthening compliance management and anti-commercial bribery efforts
	Continuously improving data security and privacy compliance levels

By integrating ESG indicators into performance evaluation, the company embeds sustainable development requirements into operational management and talent incentive systems, thus advancing the coordination of responsibility goals and business development.

Employee Benefit

The company cares about employees' career development and life well-being, and continuously improves the benefits system, so as to build a stable, healthy and warm working environment for employees. In addition to providing employees with statutory benefits as required by law (such as pension, medical, unemployment, work-related injury and maternity insurance, as well as paid leave), the company also provides employees with supplementary commercial insurance, annual health check-up and various care benefits, including monetary wedding gifts, monetary childbirth gifts, bereavement allowances and holiday care.

Meanwhile, through employee care programs and diversified welfare measures, the company focuses on employees' needs at different life stages, helps them achieve work-life balance, and continuously enhances employee satisfaction and well-being.

Indicator	Data
Supplementary commercial insurance coverage rate (%)	94 ¹
Annual health check-up coverage rate (%)	87 ²
Employee benefits satisfaction (%)	81.8

¹The commercial insurance coverage rate for permanent employees is 100%. Other non-permanent employees such as part-time staff are covered by the employer liability insurance.

²The annual health check-up is only applicable to permanent employees at home.

Overtime Management

The company strictly abides by applicable labor laws and regulations, standardizes the overtime management system, prohibits mandatory overtime, and advocates the principle of reasonable work hour arrangement and voluntary overtime. The company implements a strict approval process and work hour control for overtime, ensuring that statutory maximums are not exceeded, and provides overtime compensation or time off in lieu in accordance with the law, effectively protecting employees' right to rest and health.

Furthermore, the company reduces unnecessary overtime by optimizing working processes and improving digital office efficiency, so as to promote an efficient and sustainable working style and continuously advance compliant labor management.

Indicator	Data
Overtime approval compliance rate (%)	100%
excessive overtime violations (cases)	0

Employee Well-Being

Employee Well-being Survey

SUNMI Group always pays high attention to employees' needs, and is committed to offering market-competitive compensation and continuously improving a diversified welfare system. The Group also values employees' sense of fulfillment and well-being, striving to create a warm, harmonious, and positive working environment. This has always been SUNMI's consistent philosophy of "Value our employees by treating them with respect, recognition and understanding", thereby inspiring organizational vitality and contributing to social progress and development.

The company continuously conducts employee well-being surveys to systematically monitor employees' sense of fulfillment and satisfaction in both material and spiritual dimensions across multiple aspects. The following table presents the data collection results of the 2024 well-being survey [Data from the employee well-being survey is disclosed on a one-year lag basis. This allows the company to fully conduct problem analysis, collect feedback on suggestions, and implement corrective measures after the survey is completed, and to disclose the survey results and improvement measures together in the next reporting period.].

2024 Employee Requests and Satisfaction Survey Table		
Type	Data	Unit
Company-wide common problems	8	/
Case resolution rate	100	%
Responses of the Survey	625	/

⁵Data from the employee well-being survey is disclosed on a one-year lag basis. This allows the company to fully conduct problem analysis, collect feedback on suggestions, and implement corrective measures after the survey is completed, and to disclose the survey results and improvement measures together in the next reporting period.

Based on the analysis of questionnaire results, employees raised 8 company-wide common problems in areas such as process efficiency, employee feedback and appraisal & incentives during the

reporting period. These problems have been highly prioritized and addressed in the work of 2025. Compared with the data of 2023, employees' well-being related to workplace atmosphere building improved significantly, indicating that the company's relevant measures in process and organizational efficiency, collaboration and project management, communication and information management as well as employee care and feedback mechanisms have achieved positive results. In the future, the company will continue to advance these measures and dynamically optimize them based on employee feedback and improvement outcomes, so as to further enhance the overall well-being of all employees.

During the reporting period, the company took the 2024 employee feedback as an important entry point to systematically promote organizational efficiency optimization



Aspect	Description	Solutions
Process and organizational efficiency	Issues such as cumbersome processes and unclear definition of responsibilities reported by employees	The company issued the Process Management System and Authorization System, clarifying accountable entities and approval authorities for each process, and continuously optimized OA processes, thus effectively improving internal operational efficiency.
Collaboration and project management	Issues such as high costs in cross-departmental communication and unreasonable resource allocation	The company improved departmental responsibility descriptions, optimized virtual organization and horizontal collaboration mechanisms, and introduced project management tools such as IPD to enhance collaboration efficiency and project execution capability.
Communication and information management	Issues such as low meeting efficiency, fragmented information and insufficient knowledge accumulation	The company strengthened the application of digital office tools and promoted the construction of knowledge platforms to improve the efficiency of information sharing and retention.
	Ineffective employee feedback channels	The company established diversified opinion feedback and rapid response mechanisms to ensure timely collection of employee voices and standardized closed-loop management.

Through the above measures, the company, starting from the actual needs of employees, has continuously optimized organizational operation mechanisms, and effectively improved employee work experience and organizational vitality. In the 2025 Employee Well-being Survey, 667 valid questionnaires have been recovered. The analysis of common and individual employee feedback as well as targeted follow-up actions are being implemented in an orderly manner.

Overall Strategic Approach to Improving Employee Well-being

Harmonious Workplace

The company is committed to creating a harmonious and inclusive working environment, establishing diverse communication channels, encouraging employees to actively express their opinions and concerns, and assigning dedicated personnel to follow up and address issues promptly to ensure the effective operation of the communication mechanism. Additionally, the company regularly conducts employee satisfaction surveys to fully understand employees' evaluations and expectations regarding the work environment and company management, and formulates targeted improvement measures based on the results, thus effectively assisting employees in resolving practical problems encountered at work and in daily life, and continuously enhancing employees' sense of belonging and satisfaction.

Employee Communication

The company respects and protects employees' rights to engage in equal consultation, collective bargaining, and free association, continuously improves employee communication mechanisms, and establishes smooth and effective communication channels. At the company level, the company has established diversified online and offline communication platforms and feedback methods, listening to employees' opinions and concerns through multiple channels and dimensions, further promoting benign interaction and information transparency between the management and employees.

Communication Channels

WeChat Official Account, TikTok Official Account, Employee Forum, SUNMI Official Website.

Employee Satisfaction

The company regularly conducts satisfaction surveys for all employees. In 2025, the company advanced the survey work using a combination of online questionnaires and offline interviews, with designated personnel from each department organizing employee interviews. A total of 667 valid questionnaires were collected, achieving a questionnaire response rate of 50.88%. Based on the survey results, the company is systematically reviewing the findings and promoting feasible improvement measures, continuously optimizing employee management and support mechanisms, and steadily enhancing employee satisfaction.

Employee Honor Wall

The company has established an Employee Honor Wall with the theme "Thanks for Your Efforts to Achieve Business 4.0", publicly recognizing outstanding employees who contribute significantly to the company's development. Employees who have received an "S" rating in their performance evaluations during the reporting period will be nominated for the end-of-year recognition list to participate in subsequent selection processes. By establishing a standardized honor and incentive mechanism, the company continuously reinforces value orientation, encourages employees to strive for excellence, and enhances organizational cohesion and employees' sense of belonging.



Shangmi 12th Anniversary Group Photo



2025 SUNMI Employee Honor Wall

Employee Activities

Leisure Activities

The company adheres to a people-oriented approach, regarding employees' professional identity, physical and mental health, and global perspective as important foundations for sustainable development, and continuously builds a positive, healthy, and cohesive workplace environment. In 2025, the company carried out diverse employee activities centered on cultural inheritance, healthy living, psychological care, and global collaboration, continuously enhancing organizational cohesion, helping employees achieve work-life balance, and jointly advancing towards the development vision of "ONE 2 FUTURE".



Cultural Inheritance and Vision Co-Creation: Building Consensus on Development

On the occasion of the company's 12th anniversary, the company held a Kick-off Meeting and Anniversary Celebration themed "ONE 2 FUTURE", deepening employees' understanding of corporate culture and strategic direction through multi-level interactive activities.



SUNMI 2025 Kick-off Meeting

Emotional Connection Activity: During the Mid-Autumn Festival and National Day holidays, a photo collection activity themed "Together" was conducted. Employees shared moments of daily life and family time, enabling cross-regional emotional exchange and creating a warm and inclusive organizational atmosphere.



Mid-Autumn Festival and National Day Photo Collection Activity

10/24 SUNMI Engineer Appreciation Day



Continuing the long-standing tradition, we held the "1024 Sunmi Engineer Appreciation Day" during the reporting period to express gratitude and care to the engineering team. As a signature event dedicated to engineers at SUNMI, we offered complimentary coffee as a festive gesture, acknowledging their professional contributions to the company's growth. In addition, we introduced a new activity - Baduanjin exercise, encouraging employees to prioritize physical and mental well-being and develop healthy habits outside of work. By combining festive care with health promotion, we have continued to diversify employee engagement activities, enabling them to feel greater warmth and support in their daily work and further fostering a positive and healthy workplace culture.

"1024 Sunmi Engineer Appreciation Day" is a special event dedicated to all engineers at SUNMI, expressing gratitude for each engineer's contributions to the company.

Extra Surprise

All coffee expenses for this event was covered by the company. SUNMI Street Coffee Shop donated all proceeds at double the cost to support future Orange Shine Public Welfare initiatives, ensuring employee care while promoting the spirit of kindness.



SUNMI
Aldea
兑换券

SUNMI
Aldea
兑换券
商米1024工程师感谢日限定福利
兑换权益：
凭券可在商米咖啡兑换指定饮品
美式/原糖气泡水/青柠气泡水/橙汁/椰子水，任选一杯
兑换时间：
截至本年度11月30日前兑换有效

Healthy and Energetic Workplace: Advocating an Active Lifestyle

The company advocates the philosophy of "work happily, live healthily", and promotes employees' active participation in physical exercise through brand activities such as "SUNMI Sports Month", thereby shaping a vibrant workplace culture.

The company has established interest clubs for badminton, basketball, table tennis, billiards, running and more in Shanghai, Hangzhou, Shenzhen, Jiashan, etc., regularly organizing friendly matches and exchange activities to promote cross-departmental communication and collaboration among employees.

In addition, the company has set up individual challenge events during the Challenge Month, such as jump rope, hula hoop, plank and sit-up competitions, encouraging employees to break through their limits, enhance physical fitness, and build confidence.

俱乐部比赛回顾（上海）

驾驶俱乐部 (第一周)



乒乓球俱乐部 (第二周)



桌球俱乐部 (第三周)



俱乐部比赛回顾（杭州）

羽毛球俱乐部



俱乐部比赛回顾（嘉善）

篮球俱乐部



▲ Diverse Interest Clubs

个人挑战赛赛回顾（上海）

跳绳挑战



挑战成功: 1分钟 80个

(第二周) 平板支撑挑战



挑战成功: 坚持 1分 15秒

(第三周)



呼啦圈挑战



挑战成功: 1分钟 30个

仰卧起坐挑战



挑战成功: 1分钟 40个

▲ Individual Challenge Events

Psychological Care and Humanistic Support: Protecting Physical and Mental Health

The company attaches great importance to employees' mental health, and continuously explores innovative forms of care to help employees enhance their psychological resilience and overall well-being.

The "Altruism Practice Space" experience activity provides employees with a place to relax both body and mind, allowing them to regulate emotions without performance pressure. The company introduces professional guidance and organizes midday relaxation and meditation activities to help employees ease anxiety and stress and improve concentration and emotional stability, reflecting the company's long-term attention to employees' physical and mental health.



Global Cultural Integration: Building a Diverse and Inclusive Team

As a global enterprise, the company is committed to promoting communication and integration among employees from different countries and regions, thus building an open and inclusive international team. During the "Cross Mountains and Seas · Christmas Month" activity, employees across the globe participated in interactions through holiday decorations, traditional food sharing and cultural displays, which advanced cross-cultural understanding and collaboration. These diverse cultural exchange activities effectively enhanced overseas employees' sense of participation and belonging, and further strengthened the cohesion and collaboration of the global team.



跨越山海 · 圣诞同频

当国内的圣诞氛围悄然退散
海外同事的圣诞时光一定藏着别样精彩
为了让全球商米人的心靠得更近
我们于12月22日
发起「海外同事的圣诞时光」分享活动
并收到以下9组圣诞瞬间

No.1 Christmas with the family!!

From Alfonso Turell

No.2 在家装扮下圣诞树, 装扮下狗子

From Sabrina YOU

No.3 雪山的冬至、雪站偶遇P3H

From Bihui Ou

No.4 Christmas

From Cecile Shen

No.5 Joyeux Noel

From Peyton

No.6 Hand made Christmas TreeTreeTree

From 陆登浩

👉 Cross Mountains and Seas · Christmas Month

Through systematic and multi-level employee activities, the company continuously enhances employees' well-being, sense of belonging, and personal growth experience, creating an open, healthy and dynamic workplace ecosystem. In the future, the company will continue to improve employee care and cultural development mechanisms to support employees and the company in growing together and jointly achieve long-term sustainable development goals.

Public Welfare Initiatives:

SUNMI Group actively encourages employees to participate in social welfare initiatives. We integrate volunteer services with corporate responsibility practices, and continuously build the public welfare brand "Orange Shine". The Group encourages employees to give back to society and spread warmth through practical actions. In 2025, the company conducted a series of employee-led public welfare activities focusing on community care, green and environmental protection and educational support, integrating ESG concepts into corporate development and employees' daily lives.

Genuine tech for good lies not in grand narratives, but in translating altruism into tangible and accessible acts of care. As SUNMI turns its public welfare spirit into systematic initiatives, and as SUNMI employees internalize social responsibility as a core value, we achieve mutual prosperity and win-win outcomes for the enterprise, our employees, and society in the process of empowering others.



Community Care: Saluting City Guardians

The company pays attention to the practical needs of outdoor workers and organizes employees to carry out various care initiatives, providing support within the capability to frontline urban workers.

Caring Supply Action: The company has set up "Caring Corners" to provide free drinking water and heatstroke prevention supplies for outdoor workers including sanitation workers, couriers and delivery riders, building "warm shelters" for rest and replenishment for those engaged in high-intensity labor.



▲ Caring Supply Action

Summer Cooling Action: During extreme summer heat, employee volunteers carried out the "Orange Shine Cooling Action" to distribute ice water, cold drinks and other heat-relief supplies to outdoor workers in high-temperature periods. Through practical actions, they paid tribute to city guardians who remain at their posts, conveying social care.



▲ Summer Cooling Action

Green and Environmental Protection: Promoting Sustainable Lifestyles

The company integrates the vision of green development into employee activities, raises environmental awareness through engaging public welfare practices, and advocates a low-carbon lifestyle.

Environmental Advocacy Activity: During World Environment Day, the company organized a plant adoption activity, encouraging employees to pay attention to ecological protection through planting and caring for plants and to raise their awareness of energy conservation, emission reduction and resource recycling.



▲ Environmental Advocacy Activity

Educational Support: Delivering Knowledge and Hope

In partnership with Huochai Public Welfare, the company continuously focuses on educational development in remote areas, and promotes educational equity through resource donation and capacity support.

Idle Materials Donation: Employees voluntarily donate books, stationery, and learning supplies to targeted schools in remote areas, helping improve local learning conditions.



Idle Materials Donation

Teacher Empowerment Training: The company collaborates with public welfare organizations to carry out professional training for teachers. Training programs cover teaching methods, mental health education and digital tool application, aiming to enhance the comprehensive capabilities of rural teachers.



Teacher Empowerment Training

Care for Children Action: The company hosts birthday care activities for children in mountainous areas, sending birthday cakes and blessings to help them feel the care and warmth from society.

Through the "Orange Shine Public Welfare" series of actions, SUNMI Group continuously expands the breadth and depth of employee participation in responsibility practices, and closely integrates corporate development with social needs. In the future, the company will further improve the employee public welfare system, promote the normalization and professionalization of public welfare actions, fulfill corporate citizenship responsibilities with practical actions, and create more positive value for society.



**商米橙光公益联合火柴公益
为当月过生日的山区小朋友们赠送生日蛋糕**

大手拉小手，我们一起过生日
即使相隔数里，橙光行动也将努力传递温暖

真正的科技向善不在于宏大的叙事，而在于将利他心转化为可触达的温暖实践。
商米人始终坚信心怀利他，行则久远~

Care for Children Activity

Talent Hiring and Promotion

Recruitment

SUNMI Group adheres to the talent philosophy of fairness, impartiality, transparency, and strategic planning. We actively seek and employ outstanding talents who resonate with our company culture and values and who meet the requirements of the respective positions to continuously optimize the talent structure, thus consolidating the talent foundation for the company's sustainable development. The company strictly follows compliant recruitment processes and standards to ensure transparent and standardized recruitment procedures and equal opportunities, providing fair employment opportunities for talents from all backgrounds.

The company is committed to fostering an equitable and diverse workforce and actively creating an inclusive workplace environment. In talent selection and appointment, we adhere to competence and job compatibility as the core criteria, reject any form of discrimination, and ensure equal development opportunities for employees regardless of gender, age, region, educational background, etc., so as to promote multicultural integration and teamwork.

In terms of talent reserve, the company remains dedicated to campus recruitment, and has launched the "Campus Talent Reserve" program targeting both Chinese and international recent graduates. This includes diverse formats such as online promotional events and live broadcasts, specialized on-site recruitment fairs and university-enterprise cooperation activities, reaching multiple universities both in China and other countries, and attracting thousands of outstanding graduates to submit their resumes. During the reporting period, 15 graduates joined the company through systematic selection, injecting youthful vitality and innovative impetus into the enterprise.



▲ SUNMI Campus Recruitment

Statistics of the Employed Staff in 2025		
Gender	Quantity	Unit
Male employees	856	Persons
Female employees	455	Persons
Age		
Employees aged 25 and under	74	Persons
Employees aged 25-29	247	Persons
Employees aged 30-34	378	Persons
Employees aged 35-39	324	Persons
Employees aged 40 and above	288	Persons
Region (Chinese Mainland)		
Shanghai	745	Persons
Shenzhen	155	Persons
Hangzhou	67	Persons
Beijing	6	Persons
Other cities	338	Persons
Other		
Full-time employees	1311	Persons
Part-time employees	0	Persons

During the reporting period, with the official commissioning of SUNMI manufacturing plant in Jiashan, Zhejiang Province, the company created significant employment opportunities for the local area. As of

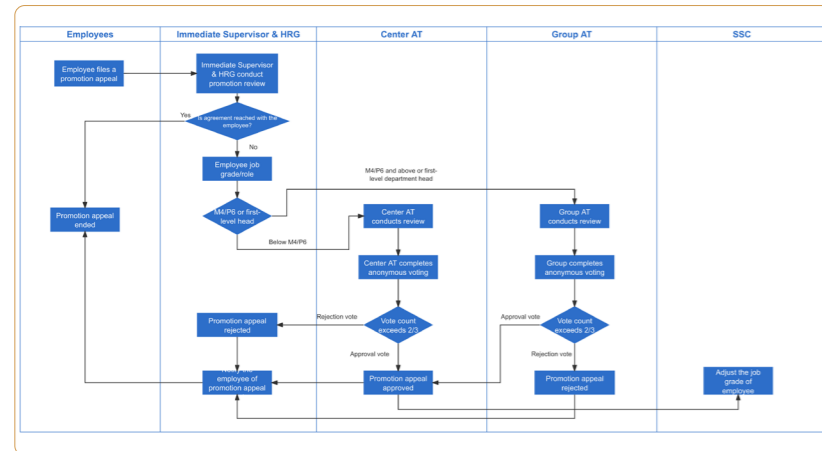
the end of the reporting period, the plant had a total workforce of 110 persons (regular employees only). In the talent recruitment process, SUNMI actively implemented a local employment strategy, with local employees (whose registered residence or permanent residence is in the city where the plant is located) accounting for 99%, effectively promoting stable employment and income growth for residents in surrounding communities. The commissioning of the new plant not only expanded the company's production capacity layout but also became a new driving force for regional economic development.

SUNMI Manufacturing Plant Employee Statistics		
Category	Quantity	Unit
Gender		
Female employees	68	Persons
Male employees	42	Persons
Age		
Employees aged 25 and under	35	Persons
Employees aged 25-29	29	Persons
Employees aged 30-34	24	Persons
Employees aged 35-39	18	Persons
Employees aged 40 and above	4	Persons
Other		
Regular employees	110	Persons
Outsourced labor	0	Persons
Dispatched labor	0	Persons

Promotion

In terms of employee development, the company provides employees with clearly defined career development paths, and establishes a dual-track career development system for both management and professional roles, enabling employees to select a suitable career development path in accordance with their personal abilities and career aspirations. The company continuously improves promotion system and mechanisms, and fully stimulates employee motivation and organizational identity based on fairness, impartiality and rational allocation of personnel, helping employees achieve long-term career growth.

The company has established a transparent and standardized promotion process for all employees, with clearly defined promotion criteria and evaluation mechanisms to ensure open promotion opportunities and impartial results. The promotion system follows four major principles: competency orientation, performance orientation, values orientation and job requirement orientation. We comprehensively assess employees' professional competence, work performance, leadership potential and cultural fit, striving to create a scientific, reasonable and sustainable talent development and promotion mechanism, and further promoting the mutual growth of employees and the company.



SUNMI Promotion Process Flowchart

During the reporting period, the promotion ratio for senior managers (Grade: E) was 0%; and the promotion ratio for middle managers (Grades: M2/P4–M5/P7) was 9.3%.

Diversity and Equality

SUNMI Group firmly believes that diversity, equality and inclusiveness are the cornerstones of the company's long-term development. The company is committed to building a workplace that respects every employee's background and differences, and promoting a non-discriminatory and unbiased working environment to achieve fair opportunities and treatment. In all links including recruitment, training and career development, the company consistently upholds the principles of equality, impartiality and inclusiveness, ensuring all employees can demonstrate their talents and potential on an equal basis.

The company resolutely rejects all forms of discrimination and always adheres to the philosophy that "diversity is an advantage". We welcome employees from different cultures, genders, races, religions, and sexual orientations to join SUNMI Group. During recruitment, the company pays special attention to eliminating any possible biases, striving to provide equal opportunities for all candidates. Through a series of measures, we ensure that diversity and inclusiveness are not only reflected in the recruitment phase but also consistently upheld and developed in the workplace over the long term.

The company pays special attention to vulnerable groups among employees. SUNMI Group always believes that an inclusive and supportive working environment helps these employees better integrate into the SUNMI family and fully realize their potential. The company provides barrier-free workspace and reasonable support measures for employees with disabilities, ensuring they enjoy equal opportunities and treatment at work.

As of 2025, the company has 11 employees with disabilities, with 5 new joiners. The company has provided customized workplace support to help them better adapt to and integrate into the work environment. These measures reflect SUNMI Group's commitment to responsibility and demonstrate the company's ongoing efforts in advancing diversity.

In terms of gender equality, SUNMI Group consistently focuses on and promotes the career development and growth of female employees. By 2025, the total number of female employees reached 455, accounting for 35% of the company's total workforce. Among them, there are 38 female managers, fully reflecting the company's efforts in promoting gender diversity and empowerment. Through flexible work arrangements, career development opportunities and supportive training, the company encourages female employees to leverage leadership capabilities and break through career development constraints.

SUNMI Group will continue to build a more diverse, inclusive and equitable working environment, ensuring that every employee, regardless of background, can realize their personal value at SUNMI and contribute to the company's development.



Photo Showing SUNMI's Diversity

Talent Development

Employee Training System

Talent is the core resource for high-quality and sustainable development of an enterprise. SUNMI Group adheres to the philosophy of "talent-driven development", regarding employee growth as an important source of long-term competitiveness, and continuously improving the talent development system covering the entire career cycle of employees. Through systematic training, ability enhancement programs, and leadership development plans, the company helps employees continuously improve their professional abilities and comprehensive qualities, thus achieving collaborative progress of personal value and corporate development, and building a learning-oriented and innovative organization.

During the reporting period, the company, centering on the philosophy of "systematic cultivation, tiered and categorized development, and continuous ability enhancement", constructed a scientific and reasonable talent development framework, and provided multi-level, multi-form and customized training courses and development programs to promote employees' professional ability improvement and leadership growth, thereby helping employees achieve comprehensive, long-term and sustainable development.

Following the principles of effectiveness, practicality, relevance, and follow-up, the company has established a clearly-structured and well-layered talent training system, which is implemented according to employee development stages and job requirements, thus ensuring that training resources are precisely matched to business and individual development needs.

Training Description	Training Content
By employee type	
Onboarding training	Helps new employees quickly integrate into the organization and master basic skills
Job-specific training	Strengthens professional skills and job competence
Company-wide training	Enhances general capabilities and safety awareness
By training delivery method	
Internal training	Delivered by internal instructors or external experts, covering professional courses and management courses
External training	Organizes employees to participate in external professional training, industry exchanges and professional certification programs

In addition, the company continuously promotes training digitization and learning platform construction, gradually forming a learning model integrating online and offline learning to meet employees' diverse learning needs.

Onboarding Training: Laying a Solid Foundation and Accelerating Integration

The company provides systematic and standardized onboarding training programs for new employees, helping them fully understand the company's strategy, business system and corporate culture, and accelerating their role transition and team integration.

Training content includes:

- Company development history and strategic planning
- Corporate culture and values
- Management systems and compliance requirements
- Fundamental product and technology courses (hardware and software products)
- Information security and data protection
- Core business process systems such as IPD/ITR

Case Study: New Employee Onboarding Program

To facilitate the rapid growth of reserve cadres and new employees, the company conducts intensive onboarding training. Through special lectures, interactive exchanges and practical sharing, the training team systematically introduces the company's business, culture and policies, enabling new employees to fully understand the company's operating model and job responsibilities, enhancing their sense of belonging and professional identity, and laying a solid foundation for future development.



Onboarding Training

Job-specific Training: Strengthening Professional Competence and Leadership

The company provides specialized and progressive training programs focused on job responsibilities and career development needs, helping employees continuously enhance job competence and professional competitiveness.

Training content includes:

- Job responsibilities and work processes
- Professional knowledge and skill upgrading
- Industry trends and technological innovation
- Project management and cross-departmental collaboration abilities
- Leadership and management ability courses

Case Study: Job Skill Upgrading Program

The company provides employees with various skill enhancement training programs and encourages employees to participate in external professional certification programs. During the reporting period, the company conducted special skill training for key positions, combining theoretical and practical approaches to help employees improve their professional levels. Also, the company supported employees in participating in professional skill level recognition, providing support for their career development.



Job-specific Training

Company-wide Training: Building Safety and Compliance Awareness

The company provides general capability and safety training for all employees to enhance the organization's overall risk prevention and control capability and standardized management level.

Training content includes:

- Management systems and compliance requirements
- Information security and data protection awareness
- Fire safety and emergency response
- First aid and health knowledge
- Professional ethics and code of conduct

Through regular training and emergency drills, the company continuously strengthens employees' safety awareness and sense of responsibility, creating a safe, stable and sustainable working environment.

Leadership and Talent Pipeline Development

The company attaches great importance to management talent cultivation and reserve talent pipeline development. By combining leadership courses, management practice, and mentor guidance, we cultivate managers with strategic vision and organizational abilities, reserving key talents for the company's long-term development.

Continuously Optimized Talent Development Mechanisms

SUNMI Group continuously improves training evaluation and feedback mechanisms, tracking and refining training effectiveness to enhance training quality and practical outcomes. Meanwhile, the company encourages employees to take the initiative in learning and self-improvement, fostering a positive learning atmosphere, so that talent development becomes an important driving force for corporate innovation and growth.

Through a systematic and multi-level talent development system, the company has gradually formed a virtuous cycle of "learning promotes growth, growth drives innovation, and innovation powers development". In the future, SUNMI Group will continue to increase investment in talent cultivation, improve our digital learning platform and personalized development paths, and help employees and the company move together toward a sustainable future.

2025 Training Overview		
Total Expenditure on Employee Training	266	10,000 yuan
Total Training Hours	17327	h
Of which: Senior Management	253	h
Of which: Middle Management	7203	h
Of which: Frontline Employees	9871	h
Number of Trainees	1234	Persons

Typical Training Topics			
Type	Duration (h)	Number of Trainees (Persons)	Attendance (Times)
Internal Control & Anti-Corruption Promotion	1	1234	1234
New Employee Onboarding Training	16	352	352

Type	Duration (h)	Number of Trainees (Persons)	Attendance (Times)
Information Security Awareness Training	1	220	220
Network Data Security Compliance Training	1	198	198
Data Security Incident Emergency Response Mechanism	1	164	164
Effective Communication	1	161	161
GUI Agent – A Paradigm for the Evolution to Intelligent Agent Devices	1	115	115
How AI Makes Classes Interesting	1	108	108
Fundamentals of Slide Design	1	104	104
How to Improve Work Efficiency with AI	8	100	100
AI Helps You Leave Work on Time – Generating Weekly Reports	1	99	99
Intellectual Property Class: The Three Characteristics of Patents	1	86	86
Altruism Cultivation	16	87	87
High-Quality Communication Skills and Conflict Management	8	51	51
Project Management Practice	8	50	50
Resilience and Emotional Leadership	8	50	50
Storytelling Competence Development	8	50	50
Poetic Sentiment – Su Dongpo in My Eyes	2	41	41
AI: from Consultant to Assistant	1	30	30

Occupational Health and Safety

Occupational Health and Safety Management System

SUNMI Group has always regarded occupational health and safety as an important cornerstone of the company's sustainable development. Adhering to the management policy of "compliance with laws and consumption reduction, pollution prevention and safety assurance, and continuous improvement", the company is committed to providing a healthy, safe, and environmentally friendly working environment for our employees. The company integrally environmental, health and safety (EHS) management into all daily operations, ensuring all business activities are carried out in compliance with occupational health and safety requirements, thus minimizing safety risks, and safeguarding employees' life safety and physical and mental health.

The company has established a systematic EHS management system at the group level and formed an EHS Management Committee to oversee EHS matters within SUNMI. We strictly adhere to relevant laws and regulations, such as the Law of the People's Republic of China on Work Safety and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and have developed and implemented various operational procedures, including the EHS Monitoring and Measurement Control Procedure, EHS Operational Control Procedure, EHS Emergency Preparedness and Response Control Procedure, and Identification of Environmental Factors and Hazard Sources with Risk Assessment Procedures. We monitor compliance across all departments and manage specific details.



▲ Organizational Chart of EHS Management Committee

The company's EHS management system has been continuously promoted and implemented across our subsidiaries, driving the formation of unified management standards covering R&D, manufacturing, supply chain and office scenarios. The company has dispatched a dedicated EHS (Environment, Health and Safety) management team to the SUNMI manufacturing plant. This team reports directly to the corporate EHS department and is responsible for environmental compliance, occupational health monitoring, and safety management at the new plant. It is necessary to ensure that the new plant adheres to the same high-standard EHS management system as SUNMI Group from its first day of operation. The company also actively extends EHS management requirements to the supply chain, strengthening suppliers' safety and environmental protection responsibilities by signing EHS agreements. At present, the EHS agreement signing rate for parts suppliers has reached 80.7%, and the coverage for indirect procurement suppliers has reached 11.8%. This effort will continue, with aim of gradually building an occupational health and safety responsibility system covering both upstream and downstream.

Occupational Health and Safety Management System Practices

At the governance level, the company has established an occupational health and safety management structure with supervision by the Board of Directors, overall coordination by the management, implementation by professional departments, and participation of all employees. The Board of Directors is responsible for overseeing the EHS strategy and supervising its implementation; Senior Management is responsible for system development and continuous improvement; the Occupational Health and Safety Management Committee is responsible for daily supervision and emergency management; and all business departments are responsible for implementing specific measures, ensuring that safety management responsibilities are fulfilled at every level. Committee members include employee representatives, safeguarding employees' rights to participate in and supervise occupational health and safety management, thereby improving management transparency and implementation effectiveness.

Through regular inspections, hazard identification and risk assessment mechanisms, the company continuously identifies and eliminates potential safety hazards, and has established an emergency response system for unexpected incidents to improve risk response capabilities. In addition, the company continuously conducts occupational health and safety training and promotion activities to enhance employees' safety awareness and self-protection abilities. During the reporting period, the coverage rate of occupational health and safety training remained high, with all employees in key positions receiving special safety training, further strengthening the foundation of safety management.

In terms of occupational health protection, the company provides employees with occupational health examinations and health management services, pays attention to employees' physical and mental health, and reduces occupational risks by improving office and production environments and increasing investment in safety facilities. During the reporting period, the company had no major work

safety accidents, and overall safety management remained stable and controllable.

The Internal Audit Department and Quality & Safety Department of the company continuously track updates to occupational health and safety laws and regulations, and converts them into internal management standards to ensure that the company's operations comply with regulatory requirements. To improve management efficiency, the company relies on a digital office platform to centrally manage EHS-related documents, data and statements, achieving an information-based, standardized and traceable safety management model.

In the future, SUNMI Group will continue to improve the occupational health and safety management system, increase safety investment and training efforts, and promote the development of a safety culture, striving to achieve the goal of "zero major accidents and zero serious injuries". The company will create a safer, healthier and more sustainable working environment for employees to support the long-term steady development.

SUNMI Group regards risk identification and control as an important measure for ensuring work safety and environmental management, and continuously builds a risk prevention and control system covering all processes and all elements. Following the management approach of "risk pre-control, hazard management, and continuous improvement", the company systematically advances risk identification, graded control, hazard investigation, and emergency management, so as to strengthen the defense line for work safety and environmental protection and ensure that all business activities operate under safe and controllable conditions.

In terms of risk management strategy, the company focuses on full-chain risk control, establishes a sound dual-prevention mechanism, comprehensively conducts safety risk identification and graded control in production areas, systematically assesses potential risks,

and formulates targeted control measures, thus achieving dynamic elimination of major risks. Meanwhile, the company carries out regular hazard investigation and management, and strictly implements a closed-loop management mechanism for rectification. During the reporting period, the rectification rate of potential safety hazards reached 98%, effectively enhancing risk prevention and control capabilities and forming a dual defense line of "graded risk control and hazard investigation and management".

In terms of prevention & control and daily inspections, the company builds on the graded risk control list to continuously improve operating procedures and safety control measures, and reduces operational risks at the source by posting operation prompts, strengthening hazard notification, and providing sufficient personal protective equipment. The company also establishes a regular safety inspection mechanism to comprehensively check production operations and employee health on a regular basis, promptly identify and correct violations and potential hazards, and ensure that safety management covers all aspects with no blind spots.

In terms of employee safety ability building, the company adheres to the principles of full participation and ability matching to systematically provide comprehensive safety training and special skills training, enabling employees to master job-specific safety knowledge and risk response methods proficiently. The company also innovates training formats through safety culture activities to enhance employee engagement and safety awareness, foster a good atmosphere where "everyone cares about safety and everyone participates in safety", and continuously strengthen employees' self-protection abilities.

In terms of emergency management capacity building, the company has established a closed-loop management system of "drill – evaluation – improvement". Combined with actual production conditions, we regularly organize comprehensive evacuation drills and carry out targeted emergency drills for different risk scenarios, ensuring that employees master basic escape skills and emergency response methods, thereby enhancing their ability to handle emergencies. After each drill, the emergency management team, together with relevant departments, conducts a review and assessment to identify deficiencies and continuously optimize emergency plans, thereby minimizing potential personal injuries and property losses caused by emergencies.

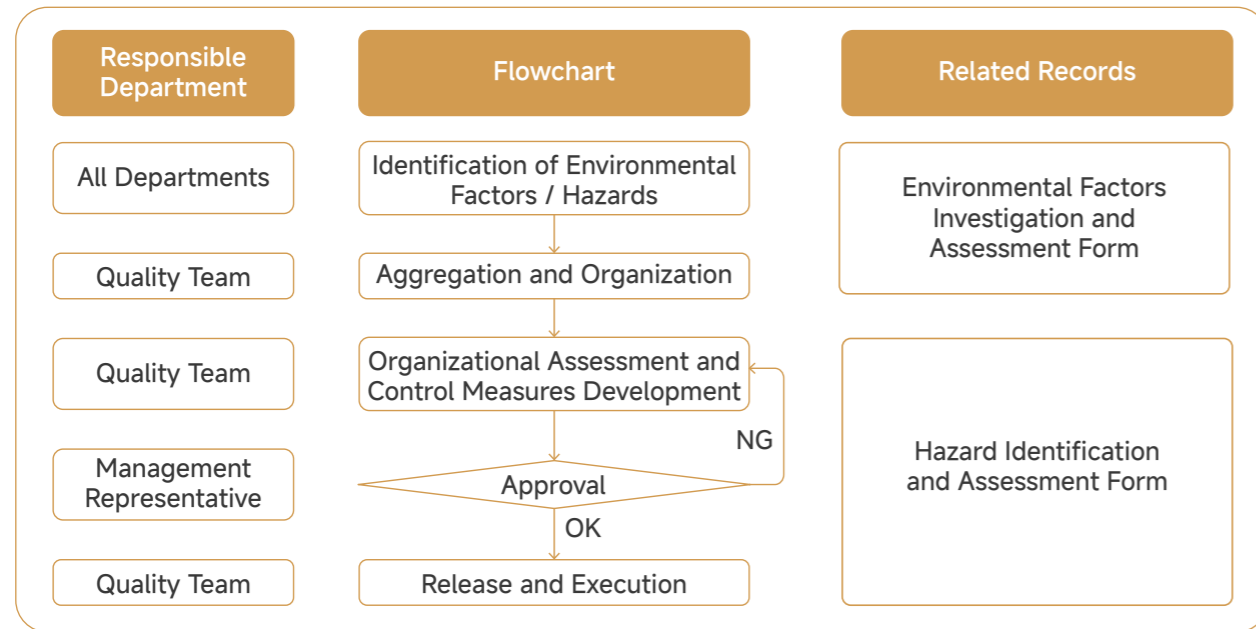


Red Cross First Aiders Among Employees



Fire Drill at SUNMI Manufacturing Plant

In terms of incident management, the company has established a standardized EHS incident management process that clarifies responsibilities at each stage and reporting mechanisms. When an incident occurs, on-site personnel must report the incident promptly in accordance with emergency plans. Relevant departments conduct investigations based on the nature and impact of the incident, and cooperate with relevant government authorities in investigation and handling when necessary, with investigation results and records properly retained. The company analyzes the causes of all incidents, assesses environmental impacts, personal injuries and property losses, defines responsibilities, and formulates corrective and preventive measures. Adhering to the principle of emphasizing both education and improvement in incident handling, the company communicates the findings internally and reviews emergency plans, so as to prevent recurrence of similar incidents.



⬆ EHS Incident Management Process

In terms of work-related injury and occupational health incident management, the company has established relevant policies for work-related injury handling and emergency response, including the Work Injury Handling Procedures and the EHS Emergency Preparedness and Response Control Procedures, to standardize the handling processes. In the event that an employee suffers an accident or is diagnosed with an occupational disease, the company will promptly report to the relevant competent authorities in accordance with the law and initiate the work-related injury certification procedure to ensure that the employee's rights and interests are protected. At the same time, the company will reduce the possibility of similar risks recurring through case analysis and improvement measures.

In terms of EHS training, the company provides differentiated training for employees at different levels. For regular employees, the company conducts occupational health and safety training sessions regularly through a combination of online and offline methods to enhance company-wide risk awareness and protective capabilities. For management, the company provides training on EHS management capabilities to strengthen leadership's risk control awareness and decision-making ability, thereby continuously improving the company's overall EHS management level.

During the reporting period, a total of 4 work-related injury incidents occurred at the company, a significant decrease year-on-year. All related incidents occurred during employee activities and were minor accidents, causing no serious personal injuries or major safety accidents. The company attaches great importance to this and has further improved the safety management mechanism for employee activities. We plan to uniformly provide special insurance coverage for subsequent activities to effectively reduce potential risks and continuously enhance the level of employee safety and health protection.

Through systematic risk identification and control mechanisms, SUNMI Group continuously improves our safety management capabilities and risk prevention levels. In the future, the company will continue to refine the risk management system, strengthen digital and refined management methods, and promote the development of a safety culture, striving to achieve the goals of controllable risks, preventable hazards and avoidable accidents, thus further providing a solid guarantee for the company's stable operation and employee safety.

Table 1: 2025 EHS Compliance Status of Suppliers

Number of Supplier Audits Completed	35	Suppliers
Number of Unannounced Inspections Conducted	0	Times
Total Rectifications Supervised	16	Items

Table 2: 2025 Employee Health Status

Work Injuries	4	Times
Year-over-Year Decrease	-400	%

Table 3: 2025 EHS Training Status

Training Hours	1602	h
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Key Performance Indicators

Social Performance Table

Indicator	Unit	2025	2024
GRI 2-6 Activities, Value Chain and Other Business Relationships			
Total number of suppliers onboarded	Suppliers	686	648
Suppliers outside of China	Suppliers	24	18
Suppliers in China	Suppliers	662	630
GRI 2-7 Employees			
Total number of employees	Persons	1311	1227
Gender			
Male employees	Persons	856	788
Female employees	Persons	455	439
Age			
Employees aged 25 and under	Persons	74	103
Employees aged 25-29	Persons	247	289
Employees aged 30-34		378	325
Employees aged 35-39	Persons	324	281
Employees aged 40 and above	Persons	288	229
Region			
Shanghai	Persons	745	817
Shenzhen	Persons	155	155
Hangzhou	Persons	67	64

Indicator	Unit	2025	2024
Beijing	Persons	6	7
Other cities	Persons	338	184
Others			
Full-time employees	Persons	1311	1159
Part-time employees	Persons	0	68
GRI 2-28 Membership Association			
Total number of important associations	Nos.	10	10
GRI 201-1 Direct Economic Value Generated and Distributed			
Operating revenue amount	100 million yuan	38.12	34.56
Operating revenue growth rate compared to last year	%	10.28%	12.56%
GRI 201-2 Financial Implications and Other Risks and Opportunities Due to Climate Change			
Investment in energy conservation and emissions reduction	10,000 yuan	/	/
Energy conservation and emissions reduction target for 2024	10,000 yuan	/	/
Amount insured for all-risk property insurance (i.e., insurance compensation amount)	10,000 yuan	/	/
Annual insurance premium for all-risk property	10,000 yuan	69.64	81.43
GRI 205-1 Operations Assessed for Risks Related to Corruption			

Indicator	Unit	2025	2024
Percentage of subsidiaries that conducted internal risk assessments for integrity/anti-corruption this year	%	100%	100%
GRI 205-2 Communication and Training about Anti-Corruption Policies and Procedures			
Number of employees signing integrity commitments or receiving integrity communication letters	Persons	1263	1227
Number of members of governance bodies signing integrity commitments or receiving integrity communication letters	Persons	5	7
Chinese Mainland	%	100%	100%
Hong Kong, Macau, and Taiwan	%	100%	100%
Outside Chinese Mainland, Hong Kong, Macau, and Taiwan	%	100%	100%
Number of suppliers signing the Supplier Integrity Commitment	Suppliers	236	256
Service suppliers	%	100%	100%
Raw material suppliers	%	100%	100%
Total number of employees trained in anti-corruption	Persons	964	1227
Number of governance body members trained in anti-corruption	Persons	5	7
Total anti-corruption training attendance	Times	964	1227
Total hours of anti-corruption training	h	465	1227

Indicator	Unit	2025	2024
GRI 205-3 Confirmed Incidents of Corruption and Actions Taken			
Number of corruption reports received	/	3	3
Total number of confirmed corruption incidents	/	3	3
Total number of incidents involving employee dismissal or disciplinary action	/	3	3
Total number of incidents involving termination or non-renewal of contracts with business partners	/	0	0
Confirmed legal proceedings involving the company and employee corruption	/	1	1
Completed anti-corruption lawsuits involving the company and employees	/	0	0
Compensation amount for completed anti-corruption lawsuits involving the company and employees	Yuan	0	0
GRI 206-1 Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices			
Identified lawsuits for unfair competition, antitrust, and antimonopoly law violations	/	0	0
Completed lawsuits involving the company for anti-unfair competition behavior, antitrust, and antimonopoly law violations	/	0	0

Indicator	Unit	2025	2024
Compensation amount for completed lawsuits involving the company for anti-unfair competition behavior, antitrust, and antimonopoly law violations	Yuan	0	0
GRI 401-1 New Employee Hires and Employee Turnover			
Employee turnover rate (including resignations, dismissals, and terminations)	%	25%	23%
GRI 401-3 Parental Leave			
Number of male employees eligible for parental leave	Persons	96	85
Number of male employees actually taking parental leave	Persons	96	85
Number of female employees eligible for parental leave	Persons	53	33
Number of female employees actually taking parental leave	Persons	53	33
GRI 403-5 Worker Training on Occupational Health and Safety			
Total hours of EHS training	Hours	2628	2454
Total number of people trained in EHS	Persons	1311	1227
Total EHS training attendance	Times	1311	1227
Total hours of EHS training for leadership	Hours	112	112
Total number of leadership trained in EHS	Persons	7	7
Total EHS training attendance for leadership	Times	14	14
GRI 403-8 Workers Covered by Occupational Health and Safety Management Systems			

Indicator	Unit	2025	2024
The number of employees covered by operational sites with established occupational health and safety management systems	Persons	1311	1227
Percentage of employees covered by operational sites with established occupational health and safety management systems	%	100%	100%
Number of employees covered by operational sites with occupational health and safety management systems that passed internal audits	Persons	1311	1227
Percentage of employees covered by operational sites with occupational health and safety management systems that passed internal audits	%	100%	100%
Number of employees covered by operational sites with occupational health and safety management systems that passed external audits	Persons	1311	1227
Percentage of employees covered by operational sites with occupational health and safety management systems that passed external audits	%	100%	100%
GRI 403-9 Work-related Injuries			
GRI 403-10 Work-Related Ill Health			
Total work hours	Hours	2606976	2463816
Number of employee deaths from work-related injuries	Persons	0	0
Number of employee deaths per hour from work-related injuries	Person/ Hour	0	0
Number of employee serious injuries from work-related incidents	Times	0	0

Indicator	Unit	2025	2024
Serious injuries per hour from work-related incidents	Time/Hour	0	0
Number of other employee injuries (excluding deaths and serious injuries)	Times	0	0
Total recordable employee injury occurrences	Times	4	0
Recordable employee injuries per hour	Time/Hour	0	0
GRI 404-1 Average Hours of Training per Year per Employee			
Total training hours for employees	Hours	17327	17011.5
Total training hours for male employees	Hours	11626	10925.1
Total training hours for female employees	Hours	5701	6086.4
Average training hours per employee	Hours	14	13.9
Total training attendance	Times	10489	10294
GRI 404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs			
Total training expenditure	10,000 yuan	266	660
GRI 404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews			
Percentage of indirect employees receiving regular performance and career development evaluations	%	100%	100%
GRI 405-1 Diversity of Governance Bodies and Employees			
Total number of governance body members	Persons	5	7
Male	%	80%	71%

Indicator	Unit	2025	2024
Female	%	20%	29%
Total number of employees	Persons	1311	1227
Male	%	65%	64%
Female	%	35%	36%
Employees with disabilities	%	1%	1%
GRI 308-1 New Suppliers That Were Screened Using Environmental Criteria			
GRI 308-2 Negative Environmental Impacts in the Supply Chain and Actions Taken			
GRI 414-1 New Suppliers That Were Screened Using Social Criteria			
GRI 414-2 Negative Social Impacts in the Supply Chain and Actions Taken			
Total number of new suppliers	Suppliers	31	51
Percentage of new suppliers undergone CSR audits	%	100%	100%
Number of suppliers completing CSR audits for 2024	Suppliers	31	51
Among which, number of suppliers completing on-site audits	Suppliers	31	51
Number of suppliers determined to have significant actual and potential negative environmental and social impacts	Suppliers	0	0
Percentage of suppliers agreeing to improvements after assessment	%	100%	100%
Percentage of suppliers with terminated relationships after assessment	%	0	0
GRI 418-1 Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data			
Confirmed complaints regarding customer privacy violations or loss of customer data	/	0	0

Environmental Performance Table

Indicator	Unit	2025	2024
GRI 302-1 Energy Consumption Within the Organization			
Non-renewable energy usage	MWh	2854.96	760.68
Gasoline	MWh	/	/
Diesel	MWh	/	/
Liquefied petroleum gas	MWh	/	/
Natural gas	MWh	/	/
Renewable energy usage	MWh	/	/
Biomass energy (ethanol gasoline)	MWh	/	/
On-site photovoltaic power generation	MWh	/	/
Purchased municipal electricity	MWh	2854.96	1083.68
Total photovoltaic power generation	MWh	/	/
Purchased green electricity	MWh	/	/
Purchased green certificates	MWh	/	320
Purchased thermal energy	MWh	/	/
Purchased cooling energy	MWh	/	/
Purchased steam energy	MWh	/	/
Photovoltaic power sold	MWh	/	/
Total energy consumption	MWh	2854.96	1083.68

Indicator	Unit	2025	2024
GRI 302-3 Energy Intensity			
Energy consumption intensity per revenue	kWh/million yuan	748.94	221
Electricity consumption intensity per revenue	kWh/million yuan	748.94	221
GRI 302-4 Reduction of Energy Consumption			
Annual electricity savings	MWh	/	/
Total installed photovoltaic capacity	MW	/	/
GRI 303-3 Water Withdrawal			
Total water withdrawal	t	5371.7	1337
Surface water	t	/	/
Groundwater (renewable)	t	/	/
Groundwater (non-renewable)	t	/	/
Seawater	t	/	/
Water extracted/entrained/produced water	t	/	/
Third-party water sources	t	5371.7	1337
Total water withdrawal in stressed areas	t	5371.7	1337
GRI 303-4 Water Discharge			
Total discharge volume	t	/	/

Indicator	Unit	2025	2024
Total surface water discharge	t	/	/
Total groundwater discharge	t	/	/
Total seawater discharge	t	/	/
Total discharge to third parties	t	/	/
Total industrial wastewater	t	/	/
Total domestic sewage discharge	t	/	/
Total discharge volume in stressed areas	t	/	/
Number of administrative penalties for sewage discharge	Times	0	0
GRI 303-5 Water Consumption			
Total water consumption	t	/	/
Total water consumption in stressed areas	t	/	/
GRI 305-1 Direct (Scope 1) GHG Emissions¹			
Total Scope 1 greenhouse gas emissions	tCO ₂ e	98.74	/
GRI 305-2 Energy Indirect (Scope 2) GHG Emissions¹			
Scope 2 greenhouse gas emissions	tCO ₂ e	147996	/
GRI 305-3 Other indirect (Scope 3) GHG emissions¹			
Scope 3 greenhouse gas emissions	tCO ₂ e	387098.53	/

Indicator	Unit	2025	2024
GRI 305-4 GHG Emissions Intensity¹			
Total greenhouse gas emissions	tCO ₂ e	38867723	/
Total greenhouse gas emissions intensity	tCO ₂ e / million yuan	101.96	/
GRI 305-5 Reduction of GHG Emissions			
Total greenhouse gas reductions	tCO ₂ e	/	/
GRI 306-3 Waste Generated²			
Total waste generated	t	/	/
Total non-hazardous waste generated	t	/	/
Total municipal waste generated	t	/	/
Total hazardous waste generated	t	0.01188	0.01140
GRI 306-4 Waste Diverted From Disposal			
Total waste recycled	t	/	/
Total hazardous waste recycled	t	/	/
Hazardous waste sent for recycling	t	/	/
Hazardous waste sent to other recycling activities	t	/	/
Total non-hazardous waste recycled	t	/	/

¹Due to changes in calculation boundaries and methodologies, the data of the previous year is not comparable with that of the current year. For detailed explanations, please refer to Section 4.2.1.

²Due to comparability deviations between historical and current year data, specific weight data for non-hazardous waste and municipal solid waste are not disclosed in this report. The Company is optimizing data collection and statistical methods to improve the accuracy and comparability of environmental performance information.

Indicator	Unit	2025	2024
Non-hazardous waste sent for reuse	t	/	/
Non-hazardous waste sent for recycling	t	/	/
Non-hazardous waste sent to other recycling activities	t	/	/
Total municipal waste recycled	t	/	/
Municipal waste sent for reuse	t	/	/
Municipal waste sent for recycling	t	/	/
Municipal waste sent to other recycling activities	t	/	/
GRI 306-5 Waste Directed to Disposal			
Total amount of waste sent for disposal (including transfer)	t	/	/
Total amount of hazardous waste disposed	t	/	/
Amount of hazardous waste sent for incineration (with energy recovery)	t	/	/
Amount of hazardous waste sent for incineration (without energy recovery)	t	/	/
Amount of hazardous waste sent for landfill	t	/	/
Amount of hazardous waste disposed by other methods	t	/	/
Amount of non-hazardous waste disposed	t	/	/

Indicator	Unit	2025	2024
Amount of non-hazardous waste sent for incineration (with energy recovery)	t	/	/
Amount of non-hazardous waste sent for incineration (without energy recovery)	t	/	/
Amount of non-hazardous waste sent for landfill	t	/	/
Amount of non-hazardous waste disposed by other methods	t	/	/
Amount of municipal waste disposed	t	/	/
Amount of municipal waste sent for incineration (with energy recovery)	t	/	/
Amount of municipal waste sent for incineration (without energy recovery)	t	/	/
Amount of municipal waste sent for landfill	t	/	/
Amount of municipal waste disposed by other methods	t	/	/

GRI Indicator Index

Usage Instructions: This report is prepared by Shanghai Sunmi Technology Co., Ltd. for the period from January 1, 2025 to December 31, 2025, in accordance with GRI standards.

Adopted GRI 1: Foundation 2021

GRI Standard and Disclosure	Location	Omission	Reason	Explanation
GRI 2: General Disclosures 2021				
2-1 Organizational details	Company Profile			
2-2 Entities included in the organization's sustainability reporting	About This Report			
2-3 Reporting period, frequency and contact point	About This Report			
2-4 Restatements of information	Sustainable Development Strategies and Goals			
2-5 External assurance		2-5-a 2-5-b	Lack of information	No external assurance has been conducted.
2-6 Activities, value chain and other business relationships	Company Profile			
2-7 Employees: Employment and Retention	Talent Acquisition and Promotion			
2-8 Workers who are not employees				
2-9 Governance structure and composition	Corporate Governance			
2-10 Nomination and selection of the highest governance body	Corporate Governance			
2-11 Chair of the highest governance body	Corporate Governance			
2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance			
2-13 Delegation of responsibility for managing impacts	Corporate Governance			
2-14 Role of the highest governance body in sustainability reporting	Structure			
2-15 Conflicts of interest	Corporate Governance Risk Management			
2-16 Communication of critical concerns	Communication with Stakeholders and Material Topics			
2-17 Collective knowledge of the highest governance body	Sustainable Development Strategies and Goals			
2-18 Evaluation of the performance of the highest governance body	Corporate Governance Risk Management Compensation and Benefits Assurance			
2-19 Remuneration policies	Compensation and Benefits Assurance			
2-20 Process to determine remuneration	Compensation and Benefits Assurance			
2-21 Annual total compensation ratio		2-21-a 2-21-b 2-21-c	Confidentiality restrictions	To protect employee privacy, some information are disclosed in a summarized manner.
2-22 Statement on sustainable development strategy	Sustainable Development Strategies and Goals			
2-23 Policy commitments	Sustainable Development Strategies and Goals Business Ethics Protection of Rights and Interests			
2-24 Embedding policy commitments	Sustainable Development Strategies and Goals Business Ethics Protection of Rights and Interests			
2-25 Processes to remediate negative impacts	Risk Control Business Ethics Product Liability Information Security Management Data Security and Privacy Compliance Climate Risk Identification and Management Occupational Health and Safety			

GRI Standard and Disclosure	Location	Omission	Reason	Explanation
2-26 Mechanisms for seeking advice and raising concerns	Communication with Stakeholders and Material Topics Business Ethics			
2-27 Compliance with laws and regulations	Refer to the relevant topic sections in the report.			
2-28 Membership associations	Company Profile			
2-29 Approach to stakeholder engagement	Communication with Stakeholders and Material Topics			
2-30 Collective bargaining agreements		2-30-a 2-30-b	Lack of information	The company safeguards the legitimate rights and interests of our employees; and due to challenges in accurately compiling data, complete disclosure cannot be provided.
GRI 3: Material Topics 2021				
Process to determine material topics	Communication with Stakeholders and Material Topics			
3-2 List of material topics	Communication with Stakeholders and Material Topics			
GRI 201: Economic Performance 2016				

GRI Standard and Disclosure	Location	Omission	Reason	Explanation
3-3 Management of material topics	Sustainable Development Strategies and Goals Compensation and Benefits Assurance			
201-1 Direct economic value generated and distributed	Key Performance Indicators			
201-2 Financial implications and other risks and opportunities due to climate change	Creating Eco-Friendly Products Climate Risk Identification and Management			
201-3 Defined benefit plan obligations and other retirement plans	Protection of Rights and Interests Compensation and Benefits Assurance			
201-4 Financial assistance received from government		201-4-a 201-4-b 201-4-c	Confidentiality restrictions	Due to information confidentiality restrictions, it is not disclosed at this time.
GRI 202: Market Presence 2016				
3-3 Management of material topics	Sustainable Development Strategies and Goals Supply Chain Continuity Risk Management			
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Protection of Rights and Interests Compensation and Benefits Assurance			

GRI Standard and Disclosure	Location	Omission	Reason	Explanation
202-2 Proportion of senior management hired from the local community	Talent Recruitment and Promotion			
GRI 205: Anti-corruption 2016				
3-3 Management of material topics	Business Ethics			
205-1 Operations assessed for risks related to corruption	Business Ethics			
205-2 Communication and training about anti-corruption policies and procedures	Business Ethics			
205-3 Confirmed incidents of corruption and actions taken	Business Ethics			
GRI 206: Anti-competitive Behavior 2016				
3-3 Management of material topics	Risk Management			
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Social Performance Table			
GRI 302: Energy 2016				
3-3 Management of material topics	Sustainable Development Strategies and Goals Carbon Emissions and Energy Management Climate Risk Identification and Management			

GRI Standard and Disclosure	Location	Omission	Reason	Explanation
302-1 Energy consumption within the organization	Carbon Emissions and Energy Management			
302-2 Energy consumption outside of the organization		302-2-a 302-2-b 302-2-c	Lack of information	The estimation methods are not yet fully developed, making accurate disclosure impossible.
302-3 Energy intensity	Carbon Emissions and Energy Management			
302-4 Reduction of energy consumption	Carbon Emissions and Energy Management			
302-5 Reductions in energy requirements of products and services	Carbon Emission and Energy Management			
GRI 303: Water and Effluents 2018				
3-3 Management of material topics; Water Resource Management	Sustainable Development Strategies and Goals Carbon Emissions and Energy Management			
303-1 Interactions with water as a shared resource	Water Resources Management			
303-2 Management of water discharge-related impacts	Water Resources Management			
303-3 Water withdrawal	Environmental Performance Table			
303-4 Water discharge	Environmental Performance Table			
303-5 Water consumption	Environmental Performance Table			

GRI Standard and Disclosure	Location	Omission	Reason	Explanation
GRI 305: Emissions 2016				
3-3 Management of material topics	Sustainable Development Strategies and Goals Carbon Emissions and Energy Management Exhaust, Wastewater, and Waste Management			
305-1 Direct (Scope 1) GHG emissions	Carbon Emissions and Energy Management			
305-2 Energy indirect (Scope 2) GHG emissions	Carbon Emissions and Energy Management			
305-3 Other indirect (Scope 3) GHG emissions	Carbon Emissions and Energy Management			
305-4 GHG emissions intensity	Carbon Emissions and Energy Management			
305-5 Reduction of GHG emissions	Carbon Emissions and Energy Management			
305-6 Emission of ozone-depleting substances (ODS)	Carbon Emissions and Energy Management	305-6-a 305-6-b 305-6-c 305-6-d	Lack of information	The company does not have significant emissions of such gases, therefore no calculation has been performed.
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Exhaust, Wastewater, and Waste Management	305-7-a 305-7-b 305-7-c	Lack of information	The company does not have significant emissions of such gases, therefore no calculation has been performed.

GRI Standard and Disclosure	Location	Omission	Reason	Explanation
GRI 306: Waste 2020				
3-3 Management of material topics	Sustainable Development Strategies and Goals Exhaust, Wastewater, and Waste Management			
306-1 Waste generation and significant waste-related impacts	Exhaust, Wastewater, and Waste Management			
306-2 Management of significant waste-related impacts	Exhaust, Wastewater, and Waste Management			
306-3 Waste generated	Exhaust, Wastewater, and Waste Management			
306-4 Waste diverted from disposal	Exhaust, Wastewater, and Waste Management			
306-5 Waste directed to disposal	Exhaust, Wastewater, and Waste Management			
GRI 308: Supplier Environmental Assessment 2016				
3-3 Management of material topics	Supplier Compliance Risk Management Digital Supply Chain Management Enhancing Supplier Capability			
308-1 New suppliers that were screened using environmental criteria	Supplier Compliance Risk Management Digital Supply Chain Management Enhancing Supplier Capability			

GRI Standard and Disclosure	Location	Omission	Reason	Explanation
308-2 Negative environmental impacts in the supply chain and actions taken	Supplier Compliance Risk Management Enhancing Supplier Capability Optimizing Conflict Mineral Management Supply Chain Continuity Risk Management			
GRI 401: Employment 2016				
3-3 Management of material topics	Talent Acquisition and Promotion Compensation and Benefits Assurance			
401-1 New employee hires and employee turnover	Talent Acquisition and Promotion			
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits Assurance			
401-3 Parental leave	Compensation and Benefits Assurance			
GRI 402: Labor/Management Relations 2016				
3-3 Management of material topics	Protection of Rights and Interests Employee Well-Being			
403-1 Occupational health and safety management system	Occupational Health and Safety			
403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety			
403-3 Occupational health services	Occupational Health and Safety			

GRI Standard and Disclosure	Location	Omission	Reason	Explanation
403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety			
403-5 Worker training on occupational health and safety	Occupational Health and Safety			
403-6 Promotion of worker health	Occupational Health and Safety			
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety			
403-8 Workers covered by occupational health and safety management systems	Occupational Health and Safety			
403-9 Work Injuries	Occupational Health and Safety			
403-10 Work-related ill health	Occupational Health and Safety			
GRI 402: Labor/Management Relations 2016				
3-3 Management of material topics	See details in relevant sections.			
404-1 Average hours of training per year per employee	Talent Development			
404-2 Programs for upgrading employee skills and transition assistance programs	Talent Development			
404-3 Percentage of employees receiving regular performance and career development reviews	Talent Development			
GRI 405: Diversity and Equal Opportunity 2016				

GRI Standard and Disclosure	Location	Omission	Reason	Explanation
3-3 Management of material topics	Diversity and Equality			
405-1 Diversity of governance bodies and employees	Diversity and Equality			
405-2 Ratio of basic salary and remuneration of women to men				
GRI 406: Non-discrimination 2016				
3-3 Management of material topics	Diversity and Equality			
406-1 Incidents of discrimination and corrective actions taken	Diversity and Equality			
GRI 407: Freedom of Association and Collective Bargaining 2016				
3-3 Management of material topics	Protection of Rights and Interests			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Protection of Rights and Interests			
GRI 408: Child Labor 2016				
3-3 Management of material topics	Protection of Rights and Interests			
408-1 Operations and suppliers at significant risk for incidents of child labor	Protection of Rights and Interests			
GRI 409: Forced or Compulsory Labor 2016				
3-3 Management of material topics	Protection of Rights and Interests			

GRI Standard and Disclosure	Location	Omission	Reason	Explanation
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor Protection of Rights and Interests	Protection of Rights and Interests			
GRI 413: Local Communities 2016				
3-3 Management of material topics; Giving back to society	Sustainable Development Strategies and Goals Employee Activities			
413-1 Operations with local community engagement, impact assessments, and development programs	Employee Activities			
413-2 Operations with significant actual and potential negative impacts on local communities	Employee Activities			
GRI 414: Supplier Social Assessment 2016				
3-3 Management of material topics	Supplier Compliance Management Enhancing Supplier Capability Optimizing Conflict Mineral Management Supply Chain Continuity Risk Management			
414-1 New suppliers that were screened using social criteria	Supplier Compliance Risk Management Enhancing Supplier Capability Optimizing Conflict Mineral Management			

GRI Standard and Disclosure	Location	Omission	Reason	Explanation
414-2 Negative social impacts in the supply chain and actions taken	Supplier Compliance Risk Management Enhancing Supplier Capability Optimizing Conflict Mineral Management Supply Chain Continuity Risk Management			
GRI 416: Customer Health and Safety 2016				
3-3 Management of material topics	Creating Eco-Friendly Products Product Liability			
416-1 Assessment of the health and safety impacts of product and service categories	Creating Eco-Friendly Products Product Liability			
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Creating Eco-Friendly Products Product Liability			
GRI 418: Customer Privacy 2016				
3-3 Management of material topics	Sustainable Development Strategies and Goals Information Security Management Data Security and Privacy Compliance			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security Management Data Security and Privacy Compliance			

HKEX ESG Reporting Code Guidance Index

Provisions, Core Domains, Aspects, General Disclosures, and Key Performance Indicators		Disclosure Location or Remarks
Mandatory Disclosure Provisions		
Governance Structure	A statement issued by the board containing the following: 1) Disclosure of the board's oversight of ESG matters; 2) The board's ESG governance policies and strategies, including processes for assessing, prioritising and managing material ESG-related issues (including risks to the issuer's business); and 3) How the board reviews progress against ESG-related goals and explains their relevance to the issuer's business.	Structure Corporate Governance
Reporting Principles	Describe or explain the application of reporting principles (materiality, quantification and consistency) in preparing the ESG report.	About This Report
Reporting Scope	Explain the reporting boundary of the ESG report and describe the process for selecting entities or operations included. If there is a change in scope, the issuer shall explain the difference and reasons for the change.	About This Report
"Comply or Explain" Provisions		
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: 1) Policies relating to air emissions, discharges to water and land, and generation of hazardous and non-hazardous waste; and 2) Compliance with relevant laws and regulations having a significant impact on the issuer.	Creating Eco-Friendly Products Carbon Emission and Energy Management Exhaust, Wastewater, and Waste Management
Indicator A1.1	Types of emissions and related emission data.	Creating Eco-Friendly Products Carbon Emission and Energy Management Exhaust, Wastewater, and Waste Management

Provisions, Core Domains, Aspects, General Disclosures, and Key Performance Indicators		Disclosure Location or Remarks
KPI A1.3	Total hazardous waste generated (in tonnes) and, where applicable, intensity (e.g. per unit of production, per facility).	Creating Eco-Friendly Products
KPI A1.4	Total non-hazardous waste generated (in tonnes) and, where applicable, intensity (e.g. per unit of production, per facility).	Exhaust, Wastewater, and Waste Management
KPI A1.5	Description of emission targets set and steps taken to achieve them.	Sustainable Development Strategies and Goals Creating Eco-Friendly Products
KPI A1.6	Description of hazardous and non-hazardous waste handling methods, waste reduction targets set and steps taken to achieve them.	Sustainable Development Strategies and Goals Exhaust, Wastewater, and Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials.	Carbon Emission and Energy Management
KPI A2.1	Total direct and/or indirect energy consumption by type (e.g. electricity, gas, oil) (in thousands of kWh) and intensity (e.g. per unit of production, per facility).	Carbon Emission and Energy Management
KPI A2.2	Total water consumption and intensity (e.g. per unit of production, per facility).	Carbon Emission and Energy Management
KPI A2.3	Description of energy efficiency targets set and steps taken to achieve them.	Carbon Emission and Energy Management
KPI A2.4	Description of any issues in accessing suitable water sources, water efficiency targets set and steps taken to achieve them.	Carbon Emission and Energy Management
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, where applicable, per unit of production.	Creating Eco-Friendly Products

Provisions, Core Domains, Aspects, General Disclosures, and Key Performance Indicators		Disclosure Location or Remarks
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies to minimise the issuer's significant impacts on the environment and natural resources.	Optimizing Conflict Mineral Management
KPI A3.1	Description of significant impacts of business activities on the environment and natural resources and actions taken to manage such impacts.	Optimizing Conflict Mineral Management
Aspect A4: Climate Change		
General Disclosures	Policies to identify and address significant climate-related issues that have affected or may affect the issuer.	Climate Risk Identification and Management
KPI A4.1	Description of significant climate-related issues that have affected or may affect the issuer and response actions.	Climate Risk Identification and Management
B. Social		
Employment and Labor Practices		
Aspect B1: Employment		
General Disclosure	Information on: 1) Policies relating to compensation and dismissal, recruitment and promotion, working hours, leave, equal opportunity, diversity, anti-discrimination and other benefits and welfare; and 2) Compliance with relevant laws and regulations having a significant impact on the issuer.	Protection of Rights and Interests Talent Recruitment and Promotion Diversity and Equality Employee Well-Being
KPI B1.1	Total number of employees by gender, employment type (e.g. full-time, part-time), age group and region.	Talent Recruitment and Promotion
KPI B1.2	Employee turnover rate by gender, age group and region.	Talent Recruitment and Promotion
Aspect B2: Health and Safety		

Provisions, Core Domains, Aspects, General Disclosures, and Key Performance Indicators	Disclosure Location or Remarks
General Disclosure Information on: 1) Policies relating to providing a safe working environment and protecting employees from occupational hazards; and 2) Compliance with relevant laws and regulations having a significant impact on the issuer.	Occupational Health and Safety
KPI B2.1 Number and rate of work-related fatalities in the past three years (including the reporting year).	Occupational Health and Safety
KPI B2.2 Total number of working days lost due to work injuries.	Occupational Health and Safety
KPI B2.3 Description of occupational health and safety measures adopted, and relevant implementation and monitoring methods.	Occupational Health and Safety
Aspect B3: Development and Training	
General Disclosure Policies to enhance employees' knowledge and skills for performing duties. Description of training activities.	See relevant topic sections for details.
KPI B3.1 Percentage of trained employees by gender and employee category (e.g. senior management, middle management).	Talent Development
KPI B3.2 Average training hours completed per employee by gender and employee category.	Talent Development
Aspect B4: Labour Standards	
General Disclosures Information on: 1) Policies relating to prevention of child labour and forced labour; and 2) Compliance with relevant laws and regulations having a significant impact on the issuer.	Protection of Rights and Interests
KPI B4.1 Description of recruitment review measures to avoid child labour and forced labour.	Protection of Rights and Interests
KPI B4.2 Description of steps taken to eliminate violations when identified.	Protection of Rights and Interests
Operational Practices	
Aspect B5: Supply Chain Management	

Provisions, Core Domains, Aspects, General Disclosures, and Key Performance Indicators	Disclosure Location or Remarks
General Disclosure Policies for managing environmental and social risks in the supply chain.	Unity
KPI B5.1 Number of suppliers by region.	Supplier Compliance Risk Management
KPI B5.2 Description of supplier engagement practices, number of suppliers implementing such practices, and relevant implementation and monitoring methods.	Supplier Compliance Risk Management
KPI B5.3 Description of practices for identifying environmental and social risks in each supply chain segment, and relevant implementation and monitoring methods.	Supplier Compliance Risk Management Digital Supply Chain Management Optimizing Conflict Mineral Management Supply Chain Continuity Risk Management
KPI B5.4 Description of practices to promote the use of eco-friendly products and services in supplier selection, and relevant implementation and monitoring methods.	Supplier Compliance Risk Management Digital Supply Chain Management Enhancing Supplier Capability
Aspect B6: Product Responsibility	
General Disclosure Information on: 1) Policies relating to health and safety, advertising, labelling, privacy and remedies for products and services provided; and 2) Compliance with relevant laws and regulations having a significant impact on the issuer.	Product Liability
KPI B6.1 Percentage of total products sold or shipped that are recalled for safety and health reasons.	Product Liability
KPI B6.2 Number of complaints received about products and services and handling methods.	Product Liability
KPI B6.3 Description of practices for safeguarding intellectual property rights.	Product Liability
KPI B6.4 Description of quality assurance processes and product recall procedures.	Product Liability
KPI B6.5 Description of consumer data protection and privacy policies, and relevant implementation and monitoring methods.	Product Liability

Provisions, Core Domains, Aspects, General Disclosures, and Key Performance Indicators	Disclosure Location or Remarks
Aspect B7: Anti-corruption	
General Disclosure Information on: 1) Policies relating to prevention of bribery, extortion, fraud and money laundering; and 2) Compliance with relevant laws and regulations having a significant impact on the issuer.	Business Ethics Risk Control
KPI B7.1 Number and outcomes of concluded corruption-related legal cases against the issuer or its employees during the reporting period.	Business Ethics
KPI B7.2 Description of preventive measures and whistle-blowing procedures, and relevant implementation and monitoring methods.	Business Ethics
KPI B7.3 Description of anti-corruption training provided to directors and employees.	Business Ethics
Communities	
Aspect B8: Community Investment	
General Disclosure Focus contribution areas (e.g. education, environmental issues, labour needs, health, culture, sports).	Employee Activities
KPI B8.1 Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sports).	Employee Activities
KPI B8.2 Resources (e.g. money or time) deployed in focus areas.	Employee Activities
Part D. Climate Disclosure	
General Disclosure The issuer shall disclose climate-related information required by this section in the ESG report on the "comply or explain" principle.	Climate Risk Identification and Management

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