



Wuxi Lead Intelligent Equipment Co., Ltd.

2024 Environmental, Social and Governance (ESG) Report





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About this Report



Overview

This report is the fifth Social Responsibility or Environmental, Social and Governance (hereinafter referred to as "ESG") report issued by Wuxi Lead Intelligent Equipment Co., Ltd. (hereinafter referred to as "LEAD" or "the Company"), reflecting the practices and achievements of the Company and its affiliates in ESG. This report was reviewed and approved at the 11th meeting of the 5th Board of Directors on April 28, 2025.



Reporting Entity

Unless otherwise specified, the scope of this report covers LEAD and its subsidiaries and branches, the same as the scope of the consolidated financial statement.



Reporting Period

January 1, 2024 to December 31, 2024 (hereinafter referred to as the "reporting period"). In order to enhance the comparative and forward-looking nature of this report, some of the contents may contain retrospective information or forward-looking descriptions as appropriate.



Basis of the Report

This report is based on the *Self-Regulatory Guidelines No. 2 for Companies Listed on Shenzhen Stock Exchange--Standardized Operation of Companies Listed on the ChiNext Market (December 2023 Revision)* and Annex 1 "Disclosure Requirements for Social Responsibility Reports of Listed Companies" of the *Self-Regulatory Guidelines No. 1 for Companies Listed on the ChiNext Market of Shenzhen Stock Exchange--Business Handling (2024 Revision)*, and references the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange--Sustainability Report (For Trial Implementation)*, the *Self-Regulatory Guidance No. 3 for Companies Listed on the ChiNext Market of Shenzhen Stock Exchange--Preparation of Sustainability Report*, the *Corporate Sustainability Disclosure Standards--Basic Standards (For Trial Implementation)* issued by the Ministry of Finance of the P.R.C., the GRI Standards of the Global Sustainability Standards Board (GSSB), the UN Sustainable Development Goals (SDGs), and key concerns of domestic and international major ESG ratings.



Data Source and Reliability

The financial data in this report comes from the audited financial report of the Company. If there is any discrepancy between the financial data and the annual report, the annual report shall prevail. Other data come from the data provided by relevant departments of the Company. Unless otherwise specified, the currency types and amounts involved in this report are denominated in RMB. This report is published in simplified Chinese and English. In case of any discrepancy, the simplified Chinese version shall prevail.



Form of the Report

This report is published in electronic version. If you need to obtain it, please download the electronic version of this report on www.leadintelligent.com or www.cninfo.com.cn.



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Chairman Message



Wuxi Lead Intelligent Equipment Co., Ltd.
YANQING WANG
 Chairman

The year of 2024 marks a year of continuous advancement in the ESG field for LEAD. On the 20th anniversary of the proposal of the ESG concept by the United Nations Global Compact (UNGC), the global ESG policy system has entered a substantive and in-depth stage. The Baku Climate Unity Pact reached at the 29th UN Climate Change Conference in Azerbaijan clearly defines the climate funding goals and financing arrangements after 2025. The three major securities exchanges in China have also issued guidelines for the sustainability reporting of listed companies. All of these have raised higher requirements for ESG information disclosure and management of enterprises.

In the context of profound changes in the global economic landscape and social environment, sustainable development has become the theme of our time. As a world-leading new energy intelligent manufacturing solution provider, LEAD is well aware of the responsibility and mission the age has entrusted on us. We are well aware that ESG governance has gone beyond the scope of corporate responsibility and has become a key element in measuring the future core competitiveness and sustainable

operational capability of companies. Therefore, LEAD has incorporated ESG governance into our development strategy, aiming to drive global energy transition with technological innovation.

LEAD has contributed to the global energy transition with the power of intelligent manufacturing in 2024. According to Frost & Sullivan, LEAD is the world's largest provider of new energy intelligent equipment and solutions in terms of the 2024 order value, with a market share of 9.1%, an increase of 3.3% from 2023. Among them, intelligent equipment for Li-ion battery accounted for 22.4% of the global market share, while smart logistics equipment for Li-ion battery, 23.8%. In addition, LEAD's XBC ultra-high speed stringer for photovoltaic module manufacturing ranked first among global photovoltaic intelligent equipment providers in terms of shipment volume. Our self-developed MEAR2R assembly line Generation 4 can be used for fuel cell and electrolyzer membrane manufacturing, effectively promoting the industrialization of hydrogen energy and fuel cells.

In terms of carbon neutrality, LEAD has released its carbon neutrality blueprint, committing to achieve carbon peaking at core operations by 2030, and achieve carbon neutrality at core operations by 2035 in Scope 1 and 2. This makes LEAD become the first Chinese enterprise engaging in new energy intelligent equipment to publish a clear timetable in the respect. This commitment is based on a clear strategic path: First, we will continue to increase investment in green technology R&D and launch low-carbon and intelligent equipment solutions to help customers reduce production energy consumption and carbon footprint. Second, we will accelerate the digital and intelligent management of energy consumption and carbon emissions by upgrading the planning and design of the energy management system, the carbon management system, and the carbon management platform. Furthermore, we will further collaborate with upstream and downstream partners to build a green supply chain so as to promote the building of a low-carbon supply chain system while providing customers with low-carbon intelligent manufacturing solutions.

In terms of social responsibility, LEAD has always upheld the concept of "Intelligence for Good" and been actively fulfilling its social responsibilities. We have established a long-term assistance mechanism with 12 underprivileged children in Yan'an City, Shaanxi Province, to help them complete their studies, kindling hopes through education. The LEAD Volunteer Service Association was established to concentrate our public service efforts, and to encourage more employees to participate in public good undertakings. We observe laws and regulations during operations and pay taxes as required. LEAD ranked seventh in the 2024 Top 100 Taxpayers in Wuxi, providing strong support for economic and social development. As a member of

the UNGC, we have always adhered to the core conventions of the International Labor Organization (ILO) and have built a diverse employee care system that extends from occupational health and safety management to cultural activities, aiming to make every employee be respected and realize their value in their work.

Multiple commendations have honored LEAD's achievements and progress in 2024. We have released our Social Responsibility/ESG report for the fifth consecutive year. Our CDP Climate Change and Water Security ratings have both improved to a B level. We have also obtained an S&P Global ESG score of 41, the highest A rating for six years in a row in the information disclosure evaluation by the Shenzhen Stock Exchange (SZSE). These achievements showcase our outstanding performance in the ESG field. Additionally, we have obtained the certification for ISO 37001 Anti-bribery management system and the Level 3 certificate for ISO 56005 Innovation and Intellectual Property Management Capability, demonstrating our commitment to compliance operations and our pursuit of high-standard governance.

The road ahead is long and arduous, but with determined steps, we will reach our destination. In the ESG journey concerning the fate of all humanity, the new energy equipment manufacturing companies will exert unparalleled power. Going forward, LEAD will always uphold the mission of promoting global energy transition through intelligent manufacturing. Driven by technological innovation and based on intelligent manufacturing, we will work hand in hand with upstream and downstream partners to contribute wisdom and strength to the future of global new energy and the sustainable development for mankind.



ABOUT LEAD

About Lead

Introduction

Established in 2002, Wuxi Lead Intelligent Equipment Co., Ltd was listed on the ChiNext market of SZSE in 2015 with stock code 300450. The Company has grown into the world's leading turnkey solution provider of new energy intelligent manufacturing, covering intelligent Li-ion battery equipment, intelligent photovoltaic equipment, intelligent 3C equipment, intelligent logistics, automobile production line, intelligent hydrogen equipment, laser precision machining and other fields. By the end of the reporting period, LEAD has 15,025 employees, including more than 4,512 R&D engineers. LEAD is committed to providing customers with one-stop overall solutions from consultation, design, manufacturing, installation, commissioning, training and subsequent upgrades, and continuously improving the customer experience.

Founded in

2002

Stock code

300450

Number of employees

15,025

Number of R&D engineers

4,512



Vision

To be a world leading intelligent equipment manufacturer



Core Values

Customer-centric, devotion and diligence, integrity and pragmatism, selflessness and responsibility, innovation
Focus, perfection, reputation, efficiency



Mission

Create value for customers, Seek wellbeing for employees

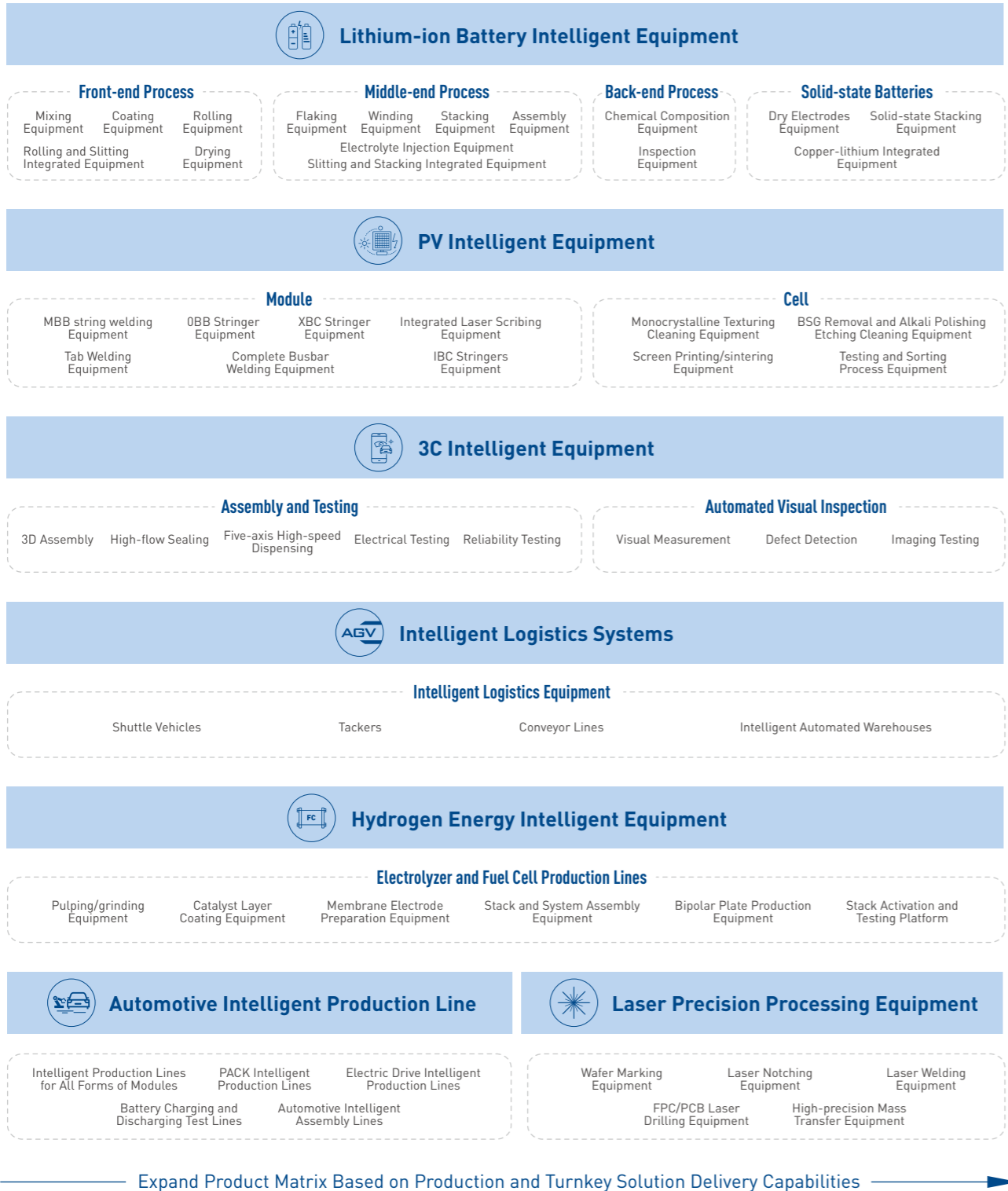
Development History



Business Layout

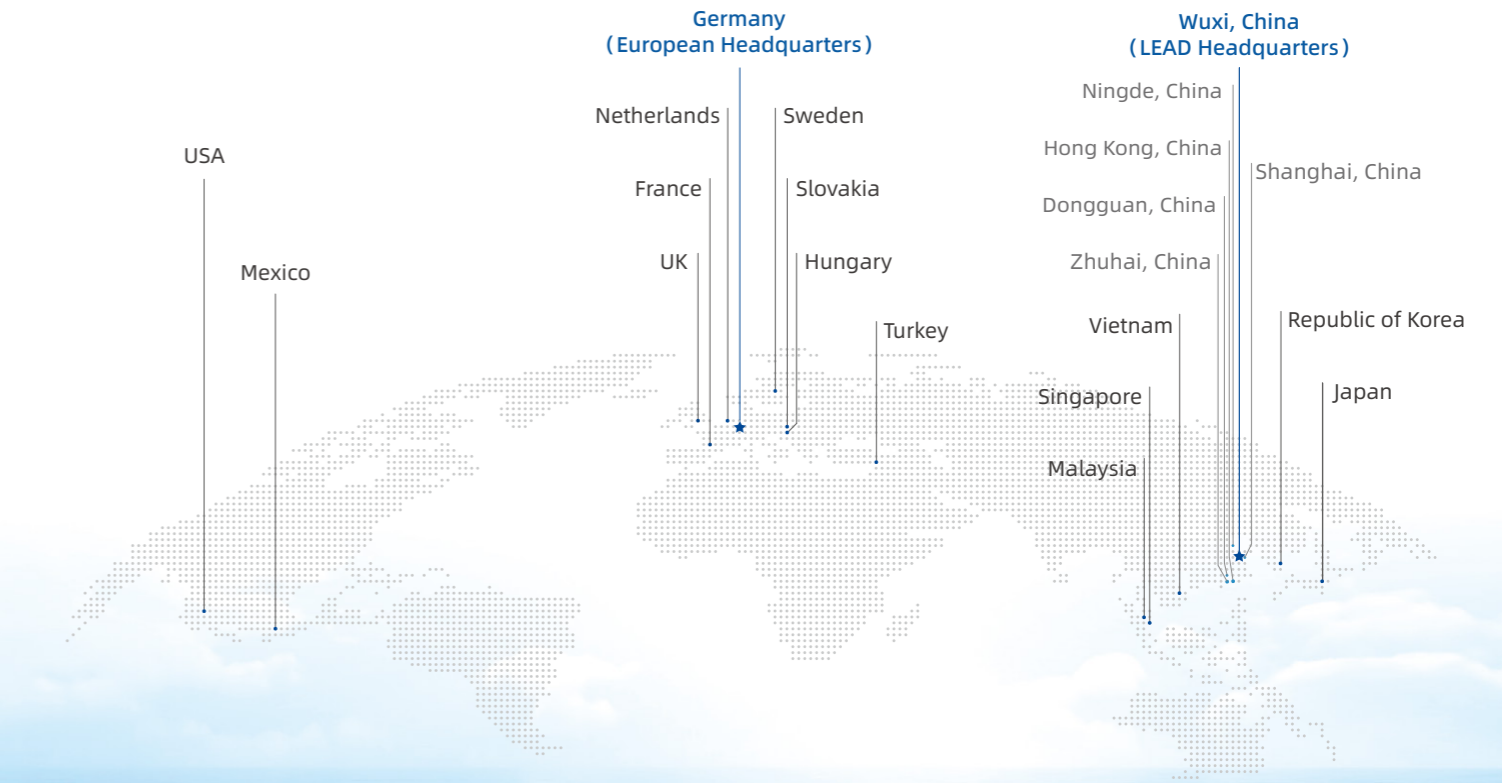
Focusing on "New Energy + High-end Equipment," LEAD is committed to providing customers with turnkey intelligent manufacturing solutions.

Platform Based Approach to Expand into Diverse Business Sectors



Global Layout

With continuous upgrading of the market and customer needs in mind, LEAD is firmly committed to the internationalization strategy, integrating resources, setting up offices and branches worldwide, and always keeping ahead of the curve. At present, LEAD products have been exported to many countries and regions, such as USA, Germany, France, Japan, Korea, India, Sweden, Turkey, Vietnam, etc. We have set up several branches and subsidiaries worldwide, using globalized technology to serve global customers, thus gaining global support.



Strategic Direction



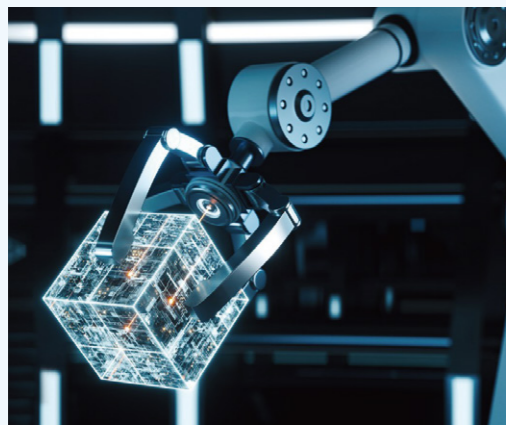
Excellent Operation

"Excellent operation" is to enhance competitiveness by ensuring product excellence, efficient operation of the value chain, and deep optimization of the cost structure. Meanwhile, with a strong focus on customer core value and satisfaction of their needs, we aim to achieve a triple leadership in technological advancement, cost efficiency, and delivery speed, with integrated product development system as the core.



Steady Growth

"Steady growth" is the cornerstone of the sustained development and consolidation of a company's competitive edge. Strengthening core competitiveness is the source of this process. The Company needs to clarify its business layout and dedicate itself to the overall quality and service improvement. Based on this, LEAD adheres to the principles of market-oriented demand, efficient resource sharing and collaboration, and steady and orderly progress. We prudently carry out diversified expansion in order to effectively reduce operational risks, broaden revenue channels, and achieve sustainable development.



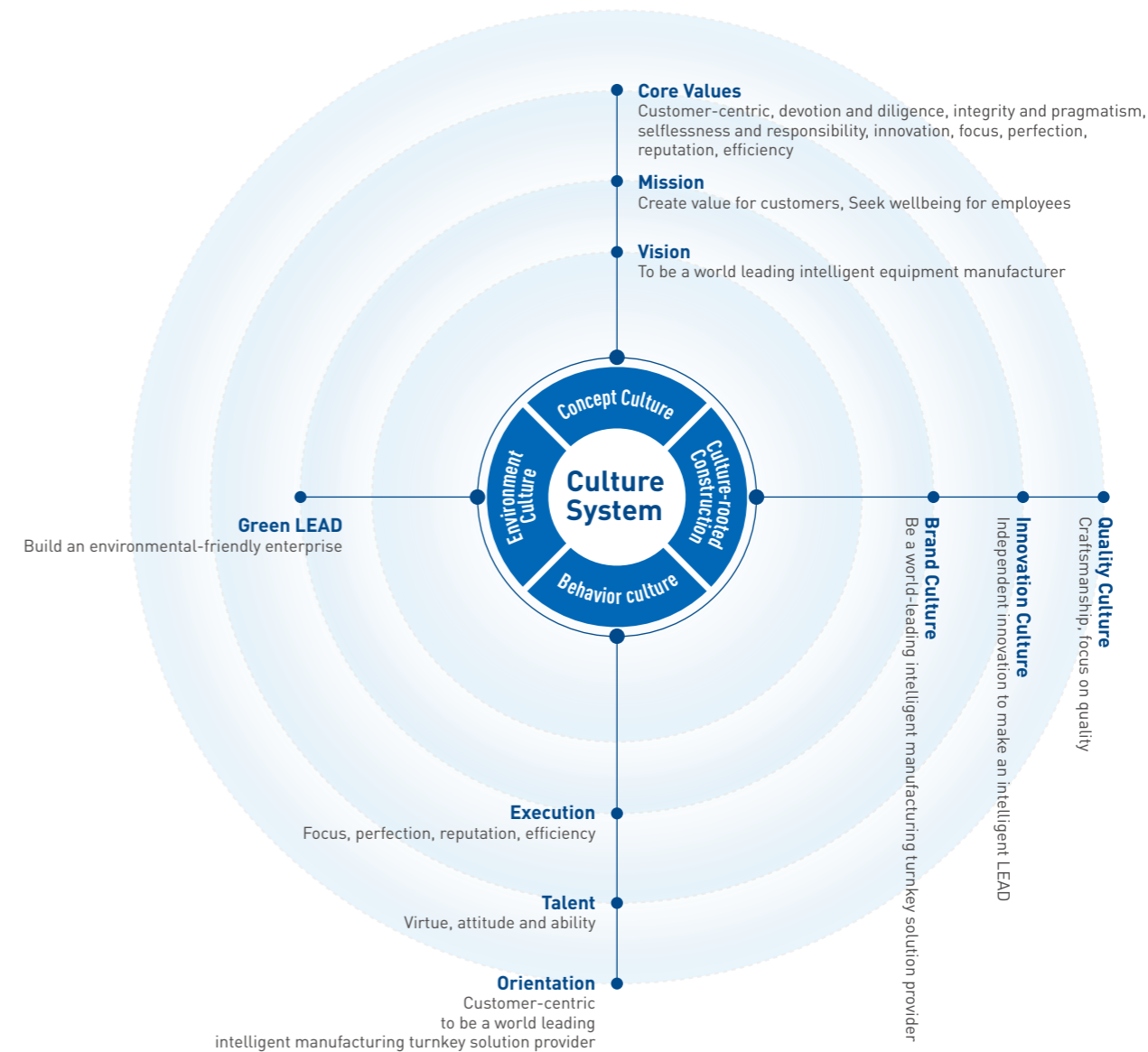
Agile Innovation

High-tech and high-value-added products are the essential path for driving business leapfrog development. LEAD is committed to advancing new technologies, new businesses, and new markets in a forward-looking manner to gain a competitive advantage. With an efficient and professional team that quickly responds to the market, we focus on breakthrough strategies in our core areas. Driven by innovation, we strive to build our core competitiveness, enhance our products and services, and innovate all-round practices. Currently, we have achieved a leading position globally in many fields including Li-ion batteries, photovoltaics, hydrogen energy, and more.

Corporate Culture

Since its inception, LEAD has always regarded corporate culture as a driving force for development, mobilizing all employees to incorporate the culture in thinking, discussion, and practice, and constantly upgrading, enriching, and extending the concept of our corporate culture. Employees actively practice cultural values, and participate in activities such as Chairman quotes study, exemplary story promotion, cultural concept refining, and cultural theme months, demonstrating the charm of LEAD corporate culture, and building a unique corporate culture system.

In order to promote corporate culture effectively, we have established performance-oriented employee management and leader appointment systems. In addition, multi-level and multi-form training helps employees gain a deep understanding of the essence of corporate culture. The Chairman personally revised the "LEAD Corporate Culture Manual," further clarifying the connotation and requirements of corporate culture. It is disseminated through various channels such as company website, wall posters, department signboards, and name badges to create a strong cultural atmosphere. This allows the corporate culture to deeply resonate with employees and become a shared value and a behavioral guideline for all staff.



Annual Rating and Award

General Performance

Title	Issuing Authority
2024 Top 500 Machinery Industrial Enterprises in China	China Machinery Enterprise Management Association
Postdoctoral Research Station	Department of Human Resources and Social Security of Jiangsu Province
2024 Top 500 Private Manufacturers in China	All-China Federation of Industry and Commerce
2024 Forbes China Go-International Brands Top 30	Forbes China
2024 Fortune China Top 50 Techs	Fortune
Pioneering Manufacturers of Jiangsu Province	Industry and Information Technology Department of Jiangsu
The first set of major equipment recognition in Jiangsu Province — LHCCM480CA/A high-end complete set equipment for precision coating of hydrogen fuel cell membrane electrode	Industry and Information Technology Department of Jiangsu
Information Disclosure Evaluation result A of ChiNext Listed Companies in 2023-2024	Shenzhen Stock Exchange
Listed Company Golden Bull Award — Golden Information Disclosure Award	China Securities Journal
Award for Investor Relations Management of Chinese Listed Companies	Securities Times
Excellent New Quality Productivity Award	Stock Star
ESG Innovation Award of Guancha 2024 ESG Exemplary Enterprise	Guancha Net
Green Supply Chain Management Award of the 2nd China Corporate Carbon Neutrality Performance Ranking	Yicai
2024 Top 30 Best Employers in China	Zhilian Recruitment

ESG Rating

In 2024, LEAD continues to maintain an excellent ESG rating level by the following ESG rating agencies:

CDP	S&P Global
Climate change 2024 B Water safety 2024 B	ESG score: 41 CSA score: 39 Included in S&P Global's 2025 Sustainability Yearbook (China)
Wind ESG rating	EcoVadis
	



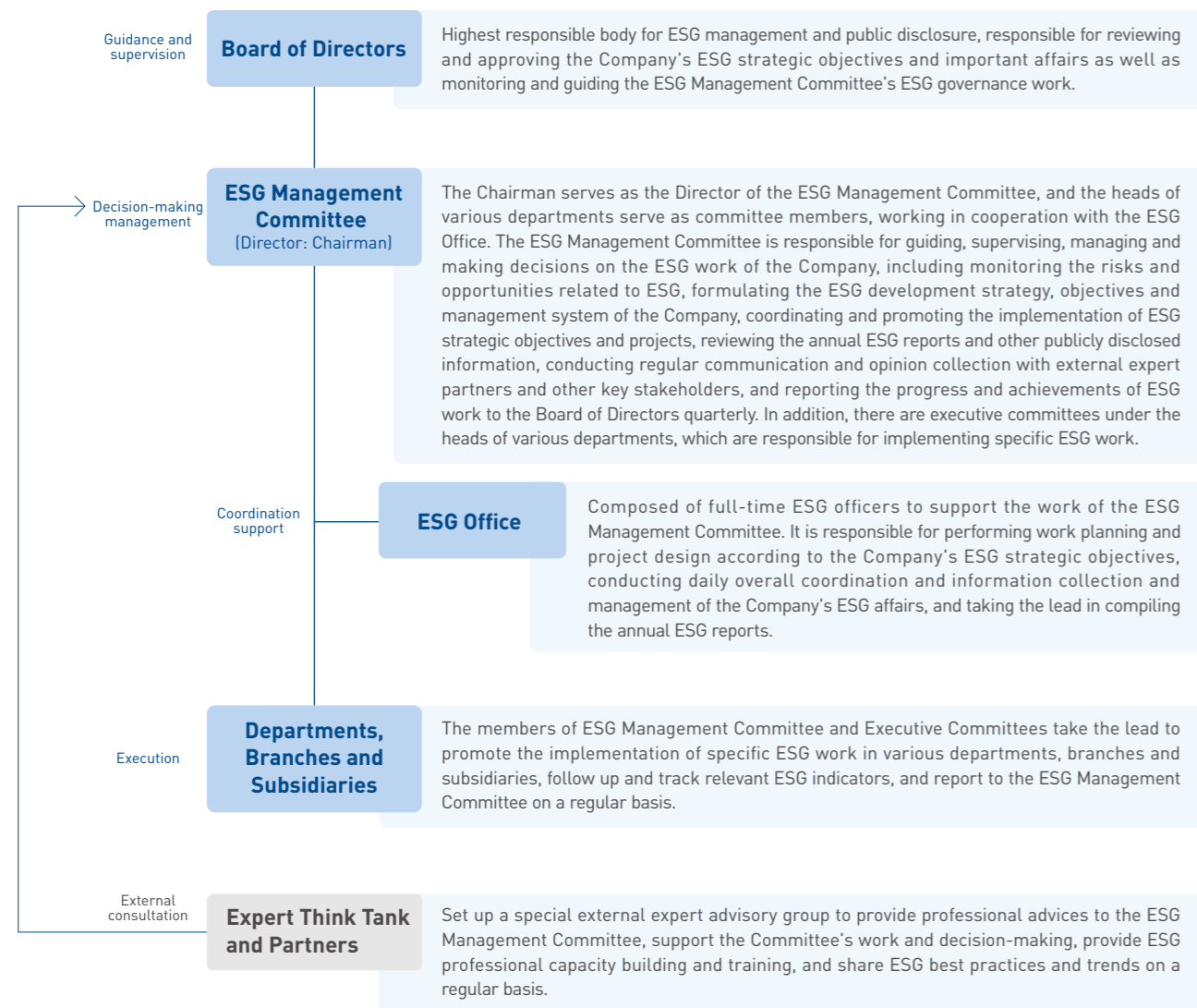


SUSTAINABILITY MANAGEMENT SYSTEM

Sustainability Management System

ESG Governance Structure

Based on the actual situation of the Company, LEAD has established an ESG governance system with the Chairman as the principal responsible person, which provides a solid organizational foundation and institutional guarantee for the formulation of sustainable development goals, progress tracking and related risk management. At the same time, the Company links ESG-related performance with the salary performance appraisal system of relevant management, continuously improves the corporate governance level and follows up the key concerns of stakeholders, so as to promote the steady operation and sustainable development of the business and realize the vision of "becoming a world leading intelligent equipment manufacturer."



Sustainable Development Strategy

LEAD takes "Promoting Global Green Energy Transition Through Intelligent Manufacturing" as the core of its sustainable development strategy, establishes five ESG value creation and risk management modules, namely, "creating value for customers," "seeking well-being for employees," "achieving mutual benefits for partners," "driving transformation for society," and "paving the way for a long-lasting future," and joins hands with stakeholders to support the realization of the United Nations Sustainable Development Goals and contribute to a better future for mankind. LEAD is committed to: meeting the needs of our customers through high-quality innovative products and services; growing with our employees through a comprehensive employee compensation and benefit system and development and promotion channel; bringing win-win opportunities to upstream and downstream partners through the promotion of intelligent industry transformation and sustainable value chain management; sharing the fruits of development with our shareholders by realizing our own sustained and healthy growth; helping build a greener, more inclusive, and more affordable world by investing in clean technology and public welfare and charity; paving the way for the everlasting development of the Company by building a well-established and efficient governance system.



Response to the United Nations Sustainable Development Goals

As a member of the UNGC, LEAD supports the UNGC's ten principles in the areas of human rights, labor, environment and anti-corruption, and continues to invest in addressing environmental challenges, developing and promoting environmentally friendly technologies, eliminating occupational discrimination, and combating corruption, in order to promote the achievement of the UN 2030 SDGs and contribute to the global sustainable development process.



LEAD Actions

Community Responsibility

LEAD has joined hands with Xinwu District Charity Association to establish the "Warm Light Public Welfare Fund," aiming to bring warmth to more people in need. In response to the national strategies of "rural revitalization" and "leading country in education," the Company has established long-term assistance projects for left-behind and underprivileged children in Yichuan County, Yan'an City, to help them complete their studies. It has also set up the "Wang Yanqing Scholarship" in six universities to provide financial support to students with potential.

Labor and Human Rights

LEAD is dedicated to providing equal, safe, and decent jobs for people of different genders, ages, nationalities, and races. We adhere to the principle of equal pay for equal work, ensuring that our employees enjoy fair and reasonable income, better working conditions, welfare benefits, and growth opportunities. Simultaneously, we promote the establishment of a diverse, equitable, and inclusive culture and support the creation of a female-friendly work environment. This includes providing multifunctional nursing rooms and organizing workshops to empower women, thereby supporting the development of female employees.



Labor and Human Rights

LEAD continuously enhances the basic welfare security system for our employees. We organize regular health checkups for employees and provide health screenings and other benefits for employees and their family members, so as to put disease prevention into practice. LEAD strives to enhance the prevention and control of occupational health hazards and create a healthy and safe working environment. We have obtained ISO 45001 certification for occupational health and safety management system. We take measures such as providing personal protective equipment and first aid facilities, organizing regular occupational health examinations, and conducting occupational disease hazard factor assessments to ensure the health and well-being of our employees.



Products and Services Sustainable Supply Chains Environment and Energy

LEAD is committed to adopting a sustainable production model and adheres to the environmental management concept of "clean production, green development." We actively carry out pollution control and emission management, and have obtained certifications for ISO 14001 environmental management system and ISO 50001 energy management system. In addition to our own operation, we also build a responsible supply chain that requires suppliers to comply with relevant laws and regulations, as well as the LEAD Supplier Code of Conduct, in terms of labor rights, health and safety, environment, and business ethics, in order to establish a sustainable supply chain management system.

Environment and Energy Community Responsibility

LEAD focuses on the impact on biodiversity during the construction, production, and operation. We strictly adhere to policies and regulations, identify risk factors, and investigate potential dangers, so as to create a green industrial park. Moreover, the Company actively engages in environmental protection activities such as tree planting and mountain cleaning to safeguard the habitats of animals.

Environment and Energy

LEAD emphasizes the conservation and reuse of water resources. We have achieved the cyclical and efficient use of water resources by synchronously constructing rainwater collection and utilization systems in new projects. Additionally, we enhance the water-saving awareness of employees through daily training and publicity.

Responses to Climate Change Environment and Energy

Under the guidance of the national dual carbon goals, LEAD has built a complete ecosystem of new energy green intelligent manufacturing, actively contributing to the global energy transition. We have enhanced climate governance levels by establishing the Company 2035 carbon neutrality goal and incorporating climate change into our strategic planning, risk management system, and regular production and operation management. We have optimized the operational energy mix through the deployment of distributed photovoltaics and other methods to support a shared low-carbon future.

Sustainability Management System Corporate Governance

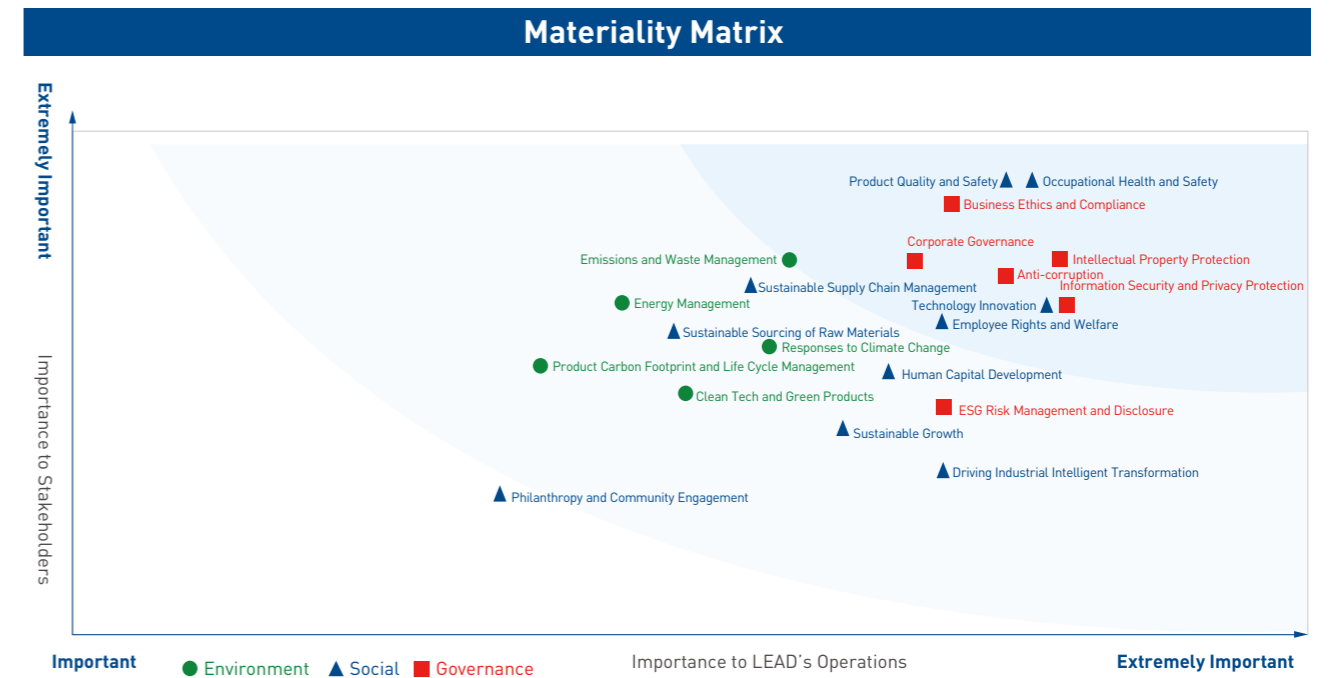
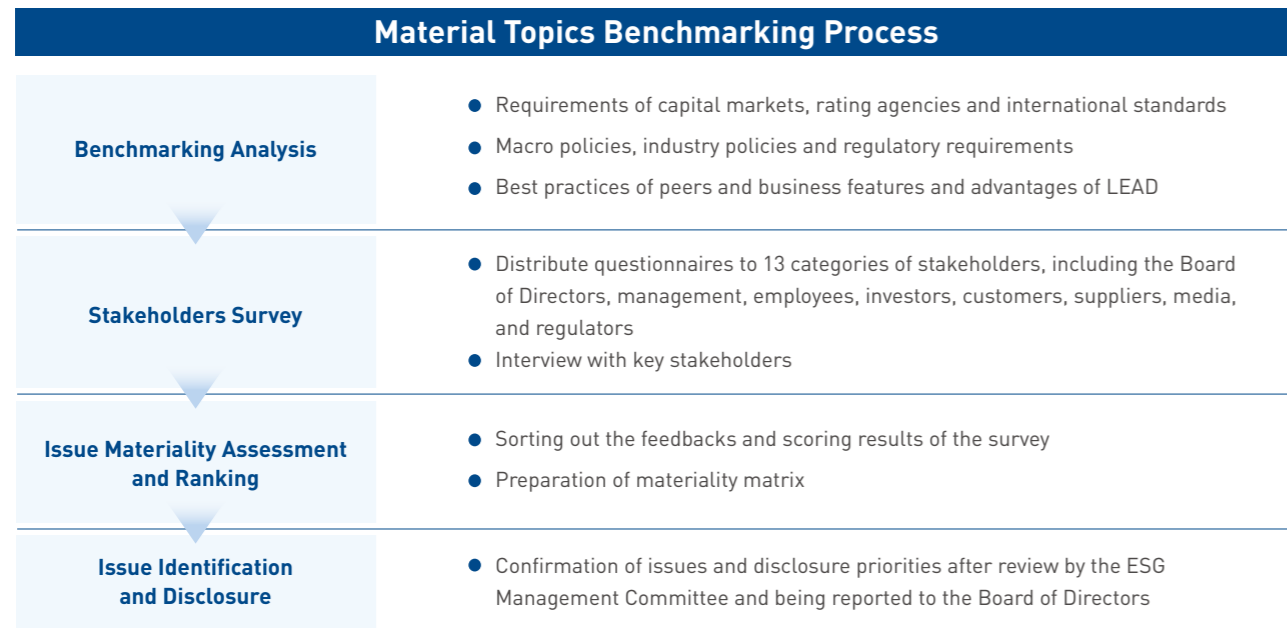
LEAD continuously improves its corporate governance structure and sustainable development management system, establishes a diversified Board of Directors, deepens the compliance system, and promotes a culture of integrity. It has obtained certifications for ISO 37001 anti-bribery management system and ISO 27001 Information security management systems. The Company maintains a steadfast "zero tolerance" attitude towards bribery, corruption, fraud, money laundering, and unfair competition.

Products and Services Sustainable Supply Chains

LEAD takes the initiative to participate in various industry exchanges and association events, both domestically and internationally, to promote the intelligent transformation of the industry. Through sustainable supply chain management and comprehensive empowerment, we seek knowledge sharing with global suppliers, create opportunities for joint development and capacity enhancement, and lead the industry in collaborative development.

Materiality Assessment

Through benchmarking analysis and stakeholder research on a regular basis, LEAD screens 21 strategic issues that are conducive to the realization of sustainable value co-creation and ranks the importance of the issues according to the opinions of internal and external stakeholders to update the materiality matrix annually, so as to better respond to the expectations of stakeholders and provide a reference for the Company's ESG governance priorities. Among them, material topics with high and medium importance are the key disclosures in this report, and the scope and boundaries of the report are determined according to the availability of data.



Stakeholder Engagement

Stakeholders	Shareholders	Customers	Suppliers and Partners	Employees	Government Authorities	Media	Community
Issues of Concerns	<ul style="list-style-type: none"> ESG risk management and disclosure Business ethics and compliance Anti-corruption Intellectual property protection Corporate governance Sustainable growth 	<ul style="list-style-type: none"> Product quality and safety Technology innovation Information security and privacy protection Clean tech and green products Product carbon footprint and life cycle management 	<ul style="list-style-type: none"> Sustainable supply chain management Sustainable sourcing of raw materials Driving industrial intelligent transformation 	<ul style="list-style-type: none"> Employee rights and welfare Human capital development Occupational health and safety 	<ul style="list-style-type: none"> Sustainable growth Responses to climate change Philanthropy and community engagement Business ethics and compliance Corporate Governance Anti-corruption Driving industrial intelligent transformation 	<ul style="list-style-type: none"> Sustainable growth Responses to climate change Philanthropy and community engagement Technology innovation 	<ul style="list-style-type: none"> Responses to climate change Emissions and waste management Energy management Philanthropy and community engagement
Communication Channel	<ul style="list-style-type: none"> Official website Investor hotline Investor relations Email Interactive platform of Shenzhen Stock Exchange Performance briefing Investor reception day Institutional research General meeting of shareholders 	<ul style="list-style-type: none"> Official website WeChat official account Customer relationship management (CRM) system Regular visit Technical exchange meeting Project team After-sales service system Satisfaction survey 	<ul style="list-style-type: none"> Official website WeChat official account Supplier management system Bidding Technical exchange meeting 	<ul style="list-style-type: none"> Employees' congress Team building Interest association Theme activity Chairman's mailbox Whistle-blowing line Continuous improvement (CI) suggestion platform Satisfaction survey 	<ul style="list-style-type: none"> Official correspondence Daily communication Institutional investigation 	<ul style="list-style-type: none"> Official website WeChat official account Press conference News briefing 	<ul style="list-style-type: none"> Official website WeChat official account Community activity Volunteer activity

Special Responses to Climate Change

As the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) warned the accelerating approach of climate tipping points, climate change has evolved into a significant challenge of systemic and disruptive risks. From supply chain disruptions caused by extreme weather to the reshaping of international trade patterns through the European Union's Carbon Border Adjustment Mechanism (CBAM), businesses are now facing dual pressures of physical and transition risks. LEAD has taken action to lead the industry towards a more environmentally friendly and sustainable direction. We have increased R&D investment to promote the innovation and application of green and low-carbon technologies and optimize energy efficiency, with the aim of contributing our wisdom and strength to global carbon neutrality.

Governance

As an active practitioner of China's dual carbon strategic goals, LEAD has integrated sustainability into its development and comprehensively strengthened its climate governance system. The Company has built a climate governance framework from the Board of Directors to various departments, based on the ESG Management Committee, to achieve top-down governance of climate issues.

During the reporting period, the Company regularly invited third-party experts to conduct executive ESG strategy and practice training, while continuously seeking external professional support through expert think tanks and partners. At the same time, the Company organizes annual sustainability-themed learning months, both online and offline, to disseminate professional knowledge of ESG, carbon neutrality, and energy management to all employees.

LEAD recognizes the significance of professional talents in enhancing its climate governance capabilities. Therefore, careful consideration was given to the qualifications of relevant personnel, with a preference for individuals with expertise in environmental and energy fields, during the establishment of the ESG Management Committee and ESG Office to guide the Company's environmental and climate management efforts. As a result, LEAD climate-related department is staffed with professionals who have backgrounds in environment and energy to continuously keep up with the latest knowledge of dual carbon policies, climate change trends, and other related updates.

The Company systematically identifies, assesses, and manages climate risks and opportunities, establishes scientific development plans and goals, and ensures timely reporting of climate-related important information to the Board of Directors through a combination of regular and ad hoc meeting mechanisms. In addition, the Company links senior management compensation to climate change-related indicators as a way to enhance internal management mechanism, so that the Company's climate strategy is valued and implemented effectively from top to bottom.

Incentive Object	Incentive Type	Indicator	Incentive Description
Senior management	Financial incentive	Energy conservation and emission reduction, cost reduction and efficiency improvement	The Company incorporates "Energy Conservation and Emission Reduction, Cost Reduction and Efficiency Improvement" into the performance appraisal system of relevant senior management and links them with their salaries.
All employees	Financial incentive and non-financial incentive	Energy conservation and emission reduction, cost reduction and efficiency improvement	The Company encourages all employees to offer advices and suggestions on sustainable development. After the suggestion put forward through the Company's internal process is adopted and rated, the employee will receive corresponding cash rewards and honorary rewards.



Strategy

LEAD actively identifies, analyzes and manages risks and opportunities related to climate change, formulates climate-related work plans and targets, and reports information to the Board of Directors through regular and ad hoc meetings.

The Company has identified physical risks and transition risks based on climate scenario analysis, helping us to manage climate risks more effectively. We have chosen the IPCC's Representative Concentration Pathways (RCPs) SSP1-2.6 (global warming <2°C), SSP2-4.5 (global warming approximately 2-3°C), and SSP5-8.5 (global warming >4°C) as the scenarios for analyzing the climate physical risks. For each climate risk, we have developed corresponding measures to comprehensively enhance our ability to respond to risks. At the same time, we take into account the industry opportunities brought by climate change, and lay a solid foundation for sustainable development of the Company through technological optimization and green transition. Below is a brief table outlining our key climate risks and opportunities.



Climate Risks

Risk Category	Risk Description	Potential Financial Impact	Countermeasures
Physical Risk			
Acute risk	Extreme weather such as typhoons, floods, droughts, and heat waves can cause significant damage to infrastructure or disrupt supply chains, thereby impacting business operations, causing financial losses, and posing risks to personnel safety.	Increased management expenses Increased operating costs	<ul style="list-style-type: none"> Pay close attention to meteorological information and promptly implement emergency response mechanisms; Regularly inspect and reinforce buildings and production equipment, and supply flood prevention materials; equipped with emergency water tanks in the plant to provide backup water source; plan transportation routes in advance.
Chronic risk	The global climate disasters, such as the rise in average temperature and sea level, will have public health impacts, increase energy consumption of cooling equipment, and cause relocation costs for coastal plants.	Increased management expenses Increased operating costs	<ul style="list-style-type: none"> Adjust employees' working hours and provide them with heat-stroke prevention and cooling supplies; Evaluate historical climate data and prioritize areas with higher altitudes before plant construction; stay vigilant about the rising sea levels in the region.
Transition Risk			
Policy risk	With accelerating global green transition, companies need to incorporate low-carbon strategies to promote innovation and efficiency. Carbon taxes, CBAM, and other policies increase costs, prompting businesses to accelerate green transition in response to competition and carbon tariffs.	Increased operating costs Increased R&D expenses Increased management expenses	<ul style="list-style-type: none"> Set carbon neutrality goals, invest in green technologies, purchase renewable energy and renewable energy certificates, and explore carbon offsetting; Pay attention to the new energy policies and develop clean energy equipment production to seize the opportunity of green technology; Conduct a research on the impact of CBAM on company operations, and promote the calculation of equipment carbon footprints.
Technological risk	Failure to timely invest in low-carbon technology or undertake collaborative value chain transformation may lead to increased costs and decreased competitiveness.	Increased operating costs Increased R&D expenses	<ul style="list-style-type: none"> Incorporate an energy and carbon digital management platform to enhance the transparency of carbon emission data collection, monitoring, and reporting; Optimize equipment energy management with automation technology, analyze the potential for carbon reduction and energy saving, and conduct process and equipment improvement.
Market risk	With the global low-carbon transition and the increase in customers' green demands, failure to adjust company products in time can lead to a decline in competitiveness and in market share. Moreover, it is needed to reduce dependence on high-carbon raw materials.	Reduced operating revenue Increased operating costs Affected market expansion Diminished market competitiveness	<ul style="list-style-type: none"> Offer carbon footprint tracing to customers, collaborate on low-carbon products, and reduce product carbon footprints; Purchase low-carbon recyclable raw materials and design green low-carbon products; reduce carbon emissions through measures such as using reusable pallet boxes and replacing metal with non-metal; prioritize low-carbon sustainable suppliers to promote a green supply chain.
Reputational risk	Failure to effectively reduce environmental impact may result in decreased investor confidence, reduced valuation, and damaged reputation.	Decreased market share Increased management expenses	<ul style="list-style-type: none"> Develop and disclose the commitment and action plan for carbon neutrality to enhance transparency and credibility; Disclose climate indicators and performance annually, showcasing achievements and progress in climate management.

Climate Opportunities

Opportunity Category	Opportunity Description	Potential Financial Impact	Countermeasures
Improvement of resource utilization efficiency	Enterprises can optimize energy efficiency, reduce costs, and enhance competitiveness in collaboration with the value chain through digital energy management, photovoltaic installation, and low-carbon product application.	Reduced operating costs Additional financial subsidies	<ul style="list-style-type: none"> Utilize clean energy efficiently, and develop photovoltaics in the plant area to enhance energy self-sufficiency; optimize equipment energy consumption management and energy utilization efficiency through online monitoring system; Optimize the logistics route, and promote the reuse of pallets to reduce logistics costs and carbon emissions.
Energy substitution and new technology application	Enterprises can reduce carbon emissions through digitalization, electrification, and clean technologies, while empowering the supply chain to promote green energy, so as to enhance competitiveness and sustainable development capabilities.	Reduced operating costs Additional financial subsidies	<ul style="list-style-type: none"> Establish a platform-based layout featuring "new energy + intelligent manufacturing" in the new energy equipment manufacturing business to enhance risk resistance capability; Phase out diesel forklifts and gasoline official vehicles with electric vehicles to reduce operational carbon emissions.
Development of low-carbon products and services	Enterprises can develop low-carbon products through green technology innovation to meet global green consumption, enhance competitiveness, lead the zero-carbon manufacturing of Li-ion batteries, photovoltaics, and hydrogen energy, and promote industrial transformation.	Increased operating revenue Reduced operating costs Additional financial subsidies	<ul style="list-style-type: none"> Enhance forward-looking technology R&D, maintain over 10% R&D investment, and improve innovative capabilities to respond to climate change; Conduct carbon footprint calculation of core products and develop energy-saving technologies to help customers achieve full life cycle carbon traceability and enhance product competitiveness; Provide an intelligent manufacturing solution for the entire value chain and lifecycle of new energy, aiming to achieve energy conservation and emission reduction from the source, and to assist customers in efficient and low-consumption production; Develop new energy products and services and obtain financial rewards and subsidies by aligning with policy support and encouragement.
Expansion of new market	With new energy intelligent manufacturing solutions and a globalization strategy, enterprises can broaden its market, explore the potential of energy saving and carbon reduction in its products, and promote the green development of the global new energy industry.	Increased operating revenue Enhanced market share Additional financial subsidies	<ul style="list-style-type: none"> Explore the markets of Li-ion batteries, energy storage, photovoltaics, and hydrogen energy by leveraging technological advantages, so as to promote the low-carbon transition of the global new energy industry; Stay closely aligned with the global new energy trends, and seek insights into the latest developments in the Chinese, Asia-Pacific, and Euro-American markets, so as to adjust our market strategies to embrace opportunities.

Impact, Risk and Opportunity Management

LEAD takes climate risks as part of our risk management system. We establish a climate risk and opportunity identification list, upgrade the climate risk and opportunity management process, and take targeted measures to mitigate the impact of climate risks on our operations and to capitalize on the opportunities brought by climate change. We have identified the main physical and transition risks affecting the Company and have formulated risk response measures and opportunity transformation plans to ensure the orderly progress of climate work.

Identification of climate risks and opportunities

- Identify climate risks and opportunities that may have an impact on business operations by benchmarking against international standards, following industry trends, and analyzing the demands of stakeholders.
- Identify a list of climate risks and opportunities, and clarify the potential scope, duration, and probability of each risk and opportunity.

Assessment of climate risks and opportunities

- Every six months, the ESG Management Committee organizes a climate risk and opportunity assessment based on the climate change situation reported by the ESG Office.
- Analyze the impact of identified climate risks and opportunities on the Company's business, strategy and financial planning through climate scenario analysis.

Management of climate risks and opportunities

- Take countermeasures to various climate risks, such as strengthening infrastructure construction and optimizing energy mix.
- Take active actions for various climate opportunities, such as developing green products and low-carbon management.

Monitoring of climate risks and opportunities

- Monitor the changing trends of climate risks and opportunities regularly in order to take timely action.
- Disclose the management situations of climate risks and opportunities regularly, adjust management strategies promptly, and optimize risk management measures.



Metrics and Targets

As a world leading intelligent manufacturing solution provider for new energy, we adhere to the concept of "clean production, green development." We publicly commit to achieving carbon neutrality, and have established and implemented a scientific roadmap. We are dedicated to collaborating with all stakeholders along the industrial chain to contribute to human progress and sustainable development with intelligent manufacturing. In order to ensure the achievement of our goals, we have established a comprehensive system for tracking climate change indicators, regularly disclosing the progress of our objectives and continuously promoting the green transition of our company.

Energy Consumption and Greenhouse Gas Emissions

Energy Consumption Indicators

Unit: MWh

■ Direct energy consumption	3,747.58
■ Indirect energy consumption	60,227.32
■ Renewable energy consumption	9,553.00
■ Non-renewable energy consumption	54,421.90
■ Total energy consumption	63,974.90

Unit: MWh/100 Million RMB

■ Energy consumption per unit of business revenue	539.64
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Greenhouse Gas (GHG) Emissions Indicators

Unit: tCO₂e










■ Scope 1 GHG emissions	1,902.61
■ Scope 2 GHG emissions	32,317.98
■ Scope 3 GHG emissions	4,008,964.95
■ Total GHG emissions	4,043,185.54

Unit: tCO₂e /100 Million RMB

■ GHG emissions per unit of business revenue (Scope 1+2)	288.66
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Product Carbon Footprint

According to ISO 14067:2018 Greenhouse Gases - Carbon Footprint of Products - Requirements and Guidelines for Quantification and PAS 2050:2011 Specification for the Assessment of the Life Cycle Greenhouse Gas Emissions of Goods and Services, using the cradle-to-gate system boundary, LEAD has completed the carbon footprint accounting for three core products, of which the Li-ion battery cell electrode cutting and stacking machine and the dual-layer coating machine have obtained ISO 14067 product carbon footprint certification.

Product	Carbon Footprint	Proportions of Carbon Emissions in Each Phase of the Product		
Li-ion battery cell cutting and stacking machine	162.57 tCO ₂ e/FU	 Raw material acquisition 91.30%	 Raw material transportation 0.15%	 Product processing 8.55%
Dual-layer coating machine	2,817.95 tCO ₂ e/FU	 Raw material acquisition 93.77%	 Raw material transportation 5.29%	 Product processing 0.94%
Winding machine	59,227.70 tCO ₂ e/FU	 Raw material acquisition 95.96%	 Raw material transportation 0.96%	 Product processing 3.08%

FU (functional unit): The functional unit is defined as one machine.

LEAD will continue to strengthen product carbon footprint management, expand the coverage of product carbon footprint, enhance product low-carbon competitiveness, and provide professional data support for customers in green procurement by means of product carbon footprint certification, enabling customers and other stakeholders to better understand the environmental impact and sustainability of the product throughout its lifecycle.

LEAD Commitment to Carbon Neutrality

In our operation, we have taken diverse innovative measures and promoted technological transformations in six aspects: building energy conservation, auxiliary system energy conservation, production system energy conservation, renewable energy utilization, management system enhancement, and the application of intelligent energy and carbon digital intelligence systems. In this way, we have comprehensively achieved digitization, high efficiency, electrification, and cleanliness in energy use, significantly reducing operational carbon emissions and promoting the realization of green transition goals. In the reporting period, LEAD did not participate in the carbon credit trading of China Certified Emission Reduction (CCER), and was not involved in the clearance of carbon quotas in pilot carbon market. In addition, we offset part of the direct emissions and the indirect emissions generated by purchased electricity in 2024 by purchasing 311 tons of Verified Carbon Standard (VCS) certified emission reductions and 9,553 Green Electricity Certificates (GEC).

LEAD Carbon Neutrality Goals

- Scopes 1 and 2
Carbon Peaking
 Achieve carbon peaking in core operations
 End of **2030**
- Scopes 1 and 2
Carbon Neutrality
 Achieve carbon neutrality in core operations
 End of **2035**
- Scope 3
Value Chain Emission Reduction
 Continuously drive emissions reduction throughout the value chain
- **Transparency**
 Regularly report progress toward decarbonization goals

Green Solutions

In 2024, the Baku Climate Unity Pact reached at the 29th UN Climate Change Conference urged all parties to submit more ambitious Nationally Determined Contributions (NDCs). It calls for the gradual phase-out of fossil fuels and a three-fold increase in renewable energy capacity by 2030, as well as a doubling of the global energy efficiency annual growth rate, in order to narrow the gap towards the 1.5°C temperature control target. As a global leader in new energy equipment, LEAD is committed to practicing green and low-carbon production, working together with the upstream and downstream of the industrial chain to build a green and low-carbon world, and promoting sustainable development through intelligent manufacturing and innovation.

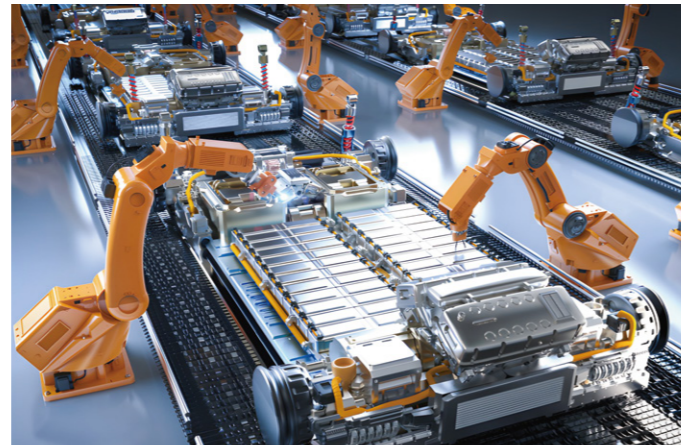
Currently, we have already built a complete intelligent manufacturing solution business ecosystem in the fields of new energy Li-ion batteries, photovoltaic equipment, hydrogen equipment, etc. The Company has established mutually beneficial and growing strategic partnerships with global customers, actively participating in customer technological transformation and low-carbon revolution. Taking the initiative to promote the scale and intelligence of the new energy industry, we assist customers in building efficient and low-energy-consuming intelligent factories, contributing to the global new energy.



New Energy Lithium-ion Battery

In recent years, the market share of electric vehicles in the automotive market has been rapidly increasing. According to the data from the China Association of Automobile Manufacturers, both of the production and sales of new energy vehicles in China exceeded 10 million in 2024, with a production of over 12.88 million and a sales of over 12.86 million, representing a year-on-year growth of 34.4% and 35.5%, respectively. The sales of new energy vehicles reached 40.9% of the total sales of new vehicles, with an increase of 9.3% compared to that in 2023.

The popularization of electric vehicles and clean energy supply is the key path for China to promote the "carbon peaking and carbon neutrality" strategy and for the world to achieve the low-carbon emission goals. Electrification has become the main development trend of new energy vehicles worldwide. LEAD provides global battery and vehicle manufacturers with an intelligent equipment turnkey solution for the entire value chain and lifecycle of new energy Li-ion battery, including cells, batteries, module/PACK, and charging and discharging tests. Through technological innovation and intelligent upgrades to production lines, we help customers improve battery energy density and safety, while reducing unit energy consumption costs, and promote the large-scale production of high-performance and low energy consumption vehicle and energy storage Li-ion batteries.



Hydrogen Energy

Hydrogen energy, as the ultimate clean energy of the 21st century, is highly regarded for its zero-emission characteristics. LEAD has actively deployed green hydrogen production, hydrogen fuel cell manufacturing, battery testing and other fields. In 2024, the Company inaugurated the first automated electrolyzer factory for a globally renowned mining and renewable energy corporation. The facility is among the first to be equipped with an automated assembly line, capable of producing over 2 GM PEM electrolyzer annually, providing significant support to global clean energy production. Our high-end MEA coater has been listed in the first major equipment of Jiangsu Province. The coater is specifically designed for the high-precision, high-quality, and large-scale production of hydrogen fuel cell membrane electrodes, and has achieved breakthroughs in multiple international leading technical indicators. The thickness deviation of the monolayer catalyst is within $\pm 0.5\mu\text{m}$, and the maximum coating linear speed can reach 5m/min. The edge influence area of the machine is controlled within $\leq 2\text{mm}$. These technical parameters are at the forefront of the industry and are prerequisites for the mass production of high-performance membrane electrodes.



Photovoltaics

Solar energy, as the most cost-effective clean energy, is crucial for energy transition. According to Bloomberg Finance, global photovoltaic installations reached nearly 600GW in 2024, up by 35% compared to the previous year. Data released by China National Energy Administration shows that China's newly installed solar energy capacity reached 277GW in 2024, showing a great increase in photovoltaic power generation.

LEAD provides a turnkey solution for the intelligent manufacturing of photovoltaic modules and batteries. Our ultra-high speed stringer, MBB multi-busbar stringer, and complete sets of shingling stringer are all at the forefront of the global market. Combined with our independently developed MES system, intelligent warehouse logistics system, as well as laser technology and machine vision technology, we can create an "unmanned workshop" for the photovoltaic industry.

We have introduced the highest-capacity LDDS15000S cutting stringer, OBB busbar-less stringer, and XBC stringer, leading the industry, and provided customers with a turnkey solution for TOPCon high-efficiency photovoltaic cell intelligent factory with a conversion efficiency exceeding 26.5%.

At the same time, LEAD actively deploys BC (Back Contact) technology with higher photoelectric conversion efficiency, HJT (Heterojunction) technology, and perovskite technology, providing customers with leading solutions for intelligent manufacturing of photovoltaic cells and modules. We have accumulated over 25GW of orders for BC photovoltaic process equipment, including screen printing and testing production line, wet texturing cleaning equipment, module stringer, and whole-line automation equipment. In 2024, we assisted top BC players in the industry to achieve excellent power generation performance with BC modules reaching a design power of 675W. In the same year, we successfully commissioned the first GW-level perovskite cell production line for industry-leading customers.



Energy Storage

Battery energy storage is crucial for the widespread application of renewable clean energy. It is an essential means to address the discontinuity, instability, and uncontrollability of solar power, wind power, and other renewable energy sources, effectively reducing solar and wind energy waste. In 2024, in the field of energy storage applications, LEAD put more emphasis on R&D in production line efficiency, flexibility, and modularity. We actively adapted to customer requirements such as CE/UL/BIS, enhancing its overseas delivery capabilities and customer satisfaction. By 2024, we have cumulatively provided over 300GWh production line equipment orders to energy storage customers both domestically and internationally. These products have been exported to overseas markets such as Europe, North America, Southeast Asia, and India, with overseas orders accounting for over 50% of our total. Furthermore, the Company has strategically collaborated with multiple customers in the R&D of 500-1,000Ah large-scale energy storage batteries, energy storage charging and discharging systems, and testing systems.





CORPORATE GOVERNANCE

Corporate Governance

Organizational Structure

LEAD timely optimizes and adjusts the design of organizational structure in accordance with the requirements of the *Company Law of People's Republic of China*, the *Securities Law of People's Republic of China* and other relevant laws, regulations and normative documents, and based on the business characteristics and strategic requirements of the Company. LEAD establishes and improves the organizational structure and operation mechanism of modern enterprises composing of general meeting, board of directors, board of supervisors and management. All organizations shall exercise their functions and powers and perform their obligations according to law within their terms of reference to jointly promote the efficient and compliant operation of the Company. LEAD also establishes and improves various internal management systems based on the *Articles of Association*.

About Shareholders and General Meeting

In strict accordance with the *Company Law*, the *Articles of Association*, the *Rules of Procedure for Shareholders' General Meeting* and other laws and regulations, LEAD regulates the convening, holding and voting procedures of shareholders' general meeting to ensure that all shareholders enjoy equal status and equal rights, and fully exercise their rights and fulfill their obligations. During the reporting period, LEAD held one annual general meeting and two extraordinary general meetings, all of which were convened and held by the Board of Directors.

- 1 Annual general meeting
- 2 Extraordinary general meetings

About Directors and Board of Directors

There are seven directors on the Board of Directors of the Company, including three independent directors, and one female director. The number and composition of the Board of Directors are in compliance with the requirements of laws, regulations and the *Articles of Association*. The Company fully considers the diversity of the Board of Directors in terms of gender, culture, educational background, professional skills, and other aspects during director appointment, in order to ensure the scientific and effective decision-making of the Board. All directors earnestly perform their duties in an honest, diligent and conscientious manner, attend meetings on time, actively participate in trainings, and constantly improve their performance of functions. There are four special committees under the Board of Directors, which are respectively the Strategy Committee, Nomination Committee, Audit Committee and Remuneration and Appraisal Committee, and corresponding rules have been formulated. All these play an important role in promoting the Company's standardized operation and safeguarding shareholders' rights and interests. During the reporting period, the Company held 9 board meetings with 100% director participation.

- 7 Directors
- 3 Independent directors
- 1 Female director
- 9 Board meetings

About Supervisors and Board of Supervisors

The Board of Supervisors consists of three supervisors, including one employee supervisor and two female supervisors. The number and composition of the Board of Supervisors meet the requirements of laws and regulations. During the reporting period, the Board of Supervisors held meetings in strict accordance with the regulations. All supervisors perform their duties conscientiously with the best interests of shareholders in mind, supervise the legality and compliance of the Company's finances and the performance of duties by the Company's directors and senior management, and protect the legitimate rights and interests of the Company and shareholders. During the reporting period, the Company held 8 meetings of the Board of Supervisors.

- 3 Supervisors
- 1 Employee supervisor
- 2 Female supervisors
- 8 Meetings of the Board of Supervisors

Investor Equity Protection

In strict accordance with the *Guidelines for the Management of Investor Relations of Listed Companies*, the *Rules for Listing on ChiNext of Shenzhen Stock Exchange (2024 Revision)*, and the *Self-Regulatory Guidelines No. 2 for Companies Listed on Shenzhen Stock Exchange--Standardized Operation of Companies Listed on the ChiNext Market (December 2023 Revision)*, LEAD conscientiously implements the relevant requirements and instructions of the regulatory authorities to protect investors, fulfills the obligation of information disclosure according to law, treats all investors equally (especially providing opportunities to small and medium-sized investors to participate in activities), listens to investors' opinions and suggestions and responds to investors' demands timely, strengthens communication with investors and potential investors, enhances investors' understanding and recognition of the Company, and improves the level of corporate governance and the overall value of the enterprise to achieve the goals of respecting, protecting and rewarding investors.

Fulfilling Information Disclosure Obligations According to Law

LEAD fulfills its information disclosure obligations in strict accordance with the requirements of the *Company Law of People's Republic of China*, the *Rules for Listing on ChiNext of Shenzhen Stock Exchange*, the *Administrative Measures for Information Disclosure of Listed Companies* and other relevant laws and regulations to ensure that the contents of the reports are true, accurate, timely and complete and the information is publicly disclosed to all investors. In 2024, 162 announcements and documents were disclosed. The Company has received A ratings in the information disclosure assessment of the Shenzhen Stock Exchange for 6 consecutive years.

A Information disclosure ratings for 6 consecutive years

Diversified Investor Communication Mechanism

LEAD attaches importance to communication with domestic and foreign investors and has established rich communication and feedback channels with investors, thus strengthening investor confidence and effectively protecting the vital interests of investors, especially small and medium-sized investors.

Investors can better understand information that helps them make decisions, such as the characteristics of the industry in which the company operates and the company's business, through various forms such as general meetings of shareholders, performance briefings, visits, broker strategy meetings, the Interactive Zone on the SZSE website, investor hotlines and other forms. This enhances the interaction and mutual trust between the Company and investors, and to establish a good corporate image in the capital market.

Stable Shareholder Return Mechanism

LEAD pays continuous attention to shareholder return, actively shares business development achievements with shareholders, establishes continuous, stable and scientific return planning mechanism for investors, and periodically reviews such mechanism. LEAD makes appropriate and necessary adjustments to the profit distribution policy of the Company based on the opinions of shareholders, especially public investors and independent directors, and formulates a shareholder return plan for that period. In principle, LEAD implements profit distribution once a year, giving priority to cash dividends. Under the premise of ensuring full cash dividend distribution, LEAD may also adopt stock dividend distribution and capital reserve converted into share capital.

Year	Dividend Payout Ratio
2023	35.47%
2022	49.34%
2021	36.29%
2020	30.05%

Risk Management and Internal Control

LEAD continuously strengthens its decision-making mechanism to respond to risks, reducing unexpected losses during operational processes, and enhancing its ability to create long-term value.

The Company has established a comprehensive risk management and internal control organizational structure, with the Board of Directors and management assuming the responsibility of overseeing the execution of the Company's strategy and comprehensive risk management. On this basis, the Company has established a three-line-of-defense system composed of business departments, risk management department, and internal audit department, ensuring the comprehensiveness and effectiveness of risk management.



First Line of Defense: Self-inspection and Self-assessment by Business Department

As the first line of defense in risk management, each business department adopts a "self-supervision" approach to regularly self-inspect and self-assess its own risk situations.

Second Line of Defense: Supervision and Inspection by Risk Management Department

The Finance Department, Internal Control Department, Legal Compliance Department, etc., serve as the second line of defense, which are responsible for assessing the effectiveness of the risk mitigation measures established by various business departments from a risk assessment perspective. They also oversee the implementation of risk response plans. The Company has established a dedicated internal control department, which is responsible for planning internal control management rules, operational mechanisms, and capacity building. It also organizes internal control training and educational publicity activities to continuously optimize the company's internal control risk management system.

Third Line of Defense: Supervision and Audit by Audit Department

The Audit and Supervision Department, as the third line of defense, independently supervises and evaluates the Company's risk management work. Through forms such as special audits and internal control testing evaluations, it promptly identifies issues and provides suggestions for improvement.

Following the *Basic Norms for the Internal Control of Enterprises* and its supporting guidelines issued by the Ministry of Finance, and taking into consideration the actual production and management situation, the Company has established an integrated internal control risk management system that encompasses eight aspects: internal environment, goal management, risk identification, risk assessment, risk response, activity control, information and communication, and internal supervision. This system is built on the theoretical frameworks of the *Internal Control - Integrated Framework (2013)* and the *Enterprise Risk Management - Integrated Framework* by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This system revolves around the company's overall goals, embedding risk control measures in various key operational areas, continuously deepening risk management and internal controls, and building a solid risk defense line for the Company's high-quality and stable development.

<p>Internal Environment</p> <p>The Company, based on its internal control environment, actively practices a culture of integrity, strictly adheres to laws and regulations, and strengthens professional ethics. The Company clearly defines responsibilities and authority allocation, and sets up approval authority for different management levels, in order to eliminate any unauthorized actions.</p>	<p>Goal Management</p> <p>The Company sets strategic goals that are aligned with the corporate mission and vision, breaks them down into departmental goals and individual targets, and plans resources to ensure that the goals are achieved. The Company continuously monitors the execution of its strategic initiatives and assesses the results.</p>
<p>Risk Identification</p> <p>The Company extensively collects internal and external risk information, establishes monitoring and communication mechanisms, and ensures that business departments promptly report risks and opportunities to the management. The internal control department identifies potential risks by checking risk lists, conducting process analysis, financial analysis, and other methods. The internal audit department uses a risk-oriented auditing approach for risk identification.</p>	
<p>Risk Assessment/Risk Exposure</p> <p>The Company analyzes risks through formal procedures and daily management practices, establishing an "overall assessment" at the Company level and a "targeted assessment" at the business unit level. By employing a combined qualitative and quantitative approach, we assess the likelihood of risk occurrence and the degree of impact, and develop risk management strategies. Each business department evaluates risks through business analysis meetings, industry benchmarks, and other methods. The internal control management department qualitatively and quantitatively monitors and evaluates the overall risk level of the Company based on quarterly risk warning indicators. It also quantitatively evaluates the risk of key internal control points by scoring the likelihood and impact, and prioritizes internal control optimization based on the risk level.</p>	
<p>Risk Response</p> <p>The Company, based on risk identification and assessment, comprehensively balances costs and benefits, determines response strategies for different risk characteristics, and keeps risks within an acceptable range. Each department reports risk events to the management in a timely manner according to their respective responsibilities. The management, through close monitoring, provides guidance and make appropriate responses.</p>	
<p>Activity Control</p> <p>The Company establishes and implements comprehensive policies and procedures to ensure the proper execution of management instructions and the control of risks. Each department formulates rules, regulations and measures in key areas such as strategy, R&D, finance, legal, quality, safety, environmental protection, and market operations, centering around the objectives of the risk management strategy, to ensure the effective operation of internal control mechanisms. The Company integrates internal control requirements into the front-end systems, enhancing internal control rigidity through automatic controls and standardized processes.</p>	
<p>Information and Communication</p> <p>The Company establishes multi-dimensional channels of information and communication to promptly obtain external information and ensure the adequacy and timeliness of internal information transmission. The Company encourages all employees to put forward improvement suggestions and continuously invests resources to support the construction of information systems, ensuring the quality of information processing.</p>	<p>Internal Supervision</p> <p>The Company continuously monitors internal control risk management, clarifying the levels and responsible departments for supervision and inspection. The risk management execution department and the risk management supervision department each perform their respective duties under a mechanism of checks and balances to ensure the effectiveness and sustainability of risk management.</p>

Business Ethics

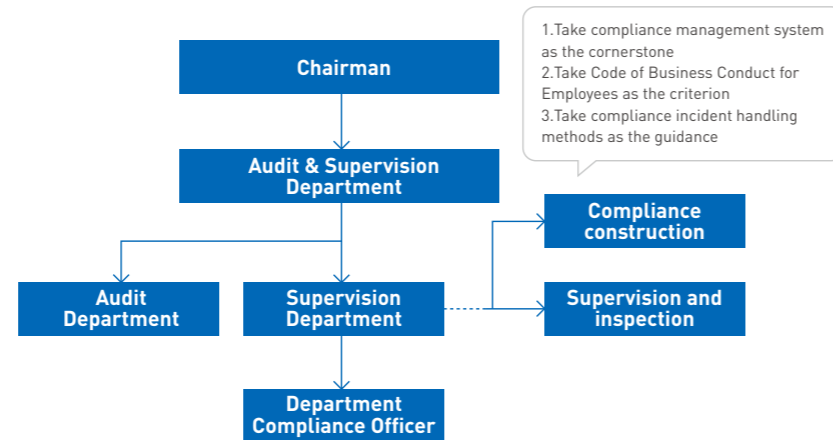
LEAD incorporates "Integrity and Trustiness" into its core values, requires all employees to adhere to the business ethics with "Integrity and Compliance with Law and Commitment" as the core, and strictly abides by laws and regulations on operation, environment, safety, quality and finance. LEAD attaches great importance to strengthening risk awareness. It has formulated relevant documents such as the "Code of Business Conduct for Employees," the "Supplier Anti-commercial Bribery Declaration," the "Bidding Management System," the "Procurement Management System," the "Code of Conduct for Integrity in Procurement Business," the "Integrity Management System," and the "Financial Management System." In addition, the Company has adopted various methods to disseminate laws and regulations to all employees. For instance, the Audit and Supervision Department organizes compliance training and tests irregularly on a monthly basis. The Legal Department organizes periodic legal training focusing on key areas such as sales, procurement, and overseas compliance. These efforts have enhanced the legal operating capabilities of the leadership and the legal awareness of the employees, thereby fostering a sound legal atmosphere.

In 2024, the Company held a total of 40 business ethics training sessions for employees, including 12 sessions of specialized integrity training for procurement, 4 sessions of compliance management training, and 17 sessions of specialized integrity training for business departments, 1 compliance training session for directors, supervisors, and senior executives, and 6 integrity training sessions and content pushes for suppliers.

Based on high-quality development, LEAD always adheres to legal and compliance management, conscientiously implements national tax laws, regulations and relevant system provisions, actively pays taxes, and contributes strong momentum to the high-quality development of local industrial economy. The Company disclosed relevant tax information in accordance with the law. Please refer to the Company's annual report for 2024 for details.

Compliance System

The Company has set up the Audit and Supervision Department as its functional department for the internal supervision and inspection, which reports directly to the Board of Directors, and has set up departmental compliance officers in each department, who are required to conduct compliance training within their departments and submit departmental compliance materials to the Audit and Supervision Department on a regular basis.



Employees Code of Conduct

The business of LEAD covers many countries and regions around the world. LEAD requires all employees to comply with the general code of business conduct as well as other rules of the Company, their departments or business areas. Therefore, in accordance with the legal requirements of the countries in which the Company operates, LEAD formulates the "Code of Business Conduct for Employees" to regulate employees' behaviors from four dimensions: basic rules, internal business behaviors, external business behaviors and personal behaviors.

Basic Rules	<ul style="list-style-type: none"> Employees shall comply with the general code of business conduct and adhere to the Company's values, mission and vision.
Internal Business Behaviors	<ul style="list-style-type: none"> Prohibit discriminatory behaviors such as gender, race and ethnicity discrimination, harassment, and violations of laws and regulations. Protect the Company's tangible assets, intellectual property, technical and trade secrets, and other intangible assets. Keep correct and honest recording and reporting of information, and comply with the relevant systems for the proper preservation and destruction of handled documents. Strictly limit the authority of employees' personal information and protect their privacy.

External Business Behaviors	<ul style="list-style-type: none"> When selecting suppliers, always adhere to the principle of fairness and it is forbidden to get benefits from suppliers. Be customer-oriented in the process of serving customers, that is, using customer thinking, starting from customer needs, satisfying customers, and creating value for customers. Observe laws and business ethics, fight against monopoly and unfair competition, and do not offer or promise to offer monetary or other benefits to government officials in the course of carrying out business activities. Comply with the laws, regulations, practices and standards of the business place, including investment, trade, labor and employment, environmental protection, contracts, accounting, taxation, etc.
Personal Behaviors	<ul style="list-style-type: none"> The first priority is always integrity when recruiting employees. Avoid conflicts of interest, and do not use inside information and conduct insider trading. Protect the proprietary information of the Company, customers and suppliers. Be honest and law-abiding, and prohibit corruption and fraud.

Anti-bribery Management

Focusing on anti-bribery work for the year 2024, LEAD enhanced business anti-bribery internal control measures, strengthened the prevention and the control of violations and bribery at the project end, and deepened fraud governance in high-risk business areas. In the reporting period, we obtained the certificate of ISO 37001 anti-bribery management systems, which is an important manifestation of LEAD practice of the ESG development strategy, and also a strong proof of the high-level standardized governance. In addition, to further enhance the anti-bribery governance capabilities, the Company strengthened the synergy between anti-crime measures related to corporate economic activities, and deepened the collaboration mechanisms with the police. As a result, it has become a "police cooperation enterprise" and contributed to the economic and social development of the area.



Certificate of Anti-bribery Management Systems

Reporting Channels and Whistleblower Protection

In view of possible corruption and fraud, LEAD has developed the "Complaint Reporting Management System" and set up various reporting channels for employees, customers, suppliers and the general public. Whistleblowers can provide clues with or without revealing their identity. The Company conducts evaluations on received reports, initiates investigations into cases with clear illegal and disciplinary facts, and ensures the independence and fairness of the investigation results. If the reported materials are verified, LEAD will reward the whistleblower accordingly.

In order to protect whistleblowers, the Audit and Supervision Department has designated dedicated personnel and positions to contact whistleblowers through the reporting channels they used, and to keep the whistleblowers' information strictly confidential throughout the process. The accused person shall not retaliate or instruct others to retaliate against the whistleblower. Once discovered, he/she will be dealt with severely, and if he/she involves illegal or criminal activities, he/she will be referred to the public security authority for handling.



Reporting channels
 WeChat official account: Clean LEAD
 Hotline (WeChat): 18795605971
 E-mail: Compliance@leadintelligent.com

Business Information Protection

Information Security System

LEAD strictly complies with the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the laws and regulations of other countries or regions to conduct business, including the EU *General Data Protection Regulation* (GDPR).

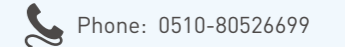
LEAD takes "information security in collective responsibility; active defense and comprehensive prevention, customer trust for sustainable management" as its information security policy. We attach great importance to information security management, and have set up the Information Security Committee to be fully responsible for the company's information security management work. The Chairman of the Board of Directors serves as the director of the management committee. Under it, there is an Information Security Department in charge of daily management which operates independently in accordance with the requirements of the Company's information security strategy.

The Information Security Department established ISO 27001 information security management system in 2017, adopting PDCA (Plan, Do, Check, Act) cycle management method to comprehensively protect the Company's information assets in terms of confidentiality, integrity, availability and other dimensions. In early 2023, LEAD was rated as high TISAX (Trusted Information Security Assessment Exchange) level.



LEAD ISO 27001 Information Security Management System

Information Security Issue Feedback Channel



Privacy Protection

In order to protect the privacy security and personal information rights and interests of customers, employees and related parties, and to standardize personal information processing activities, according to the *Personal Information Protection Law of the People's Republic of China* and the EU GDPR, and taking into account the actual situation of the Company's business, LEAD has formulated the "General Data Protection Management Norms and Procedures" to regulate the rights and ways of exercising rights of the data subjects, the ways of transmitting the information to and from the data subjects, data management norms and audit processes, and complaint procedures, etc. In addition, during the reporting period, the Company engaged external institutions to carry out GDPR specialized training for key positions, with a training pass rate of 100%.

Basic Principles:

- Legality, justice and transparency
- Data minimization
- Storage limitation
- Purpose limitation
- Accuracy
- Integrity and confidentiality

Information Security Measures

Information Security Testing and Audit

Internal:

- Internal audit of information security management system: Once a quarter for business departments and subsidiaries in Wuxi, and once a year for offices and subsidiaries outside Wuxi
- Security testing: phishing email drill covering all staff
- Daily security audit: once per week
- Information security emergency response testing: once every six months
- Cooperate with domestic leading security manufacturers to conduct network security information and dynamic perception of LEAD

External:

- Third-party organization ISO 27001 audit: once every year
- Third-party organization TISAX certification: once every 3 years
- External penetration test: once every year

Information Security Awareness Improvement

- 47 information security training sessions, 100% online platform learning task for all staff
- Information security examination for all staff: once a quarter
- Publicity: publish information security guidance announcements irregularly, and require all employees to post information security mnemonics





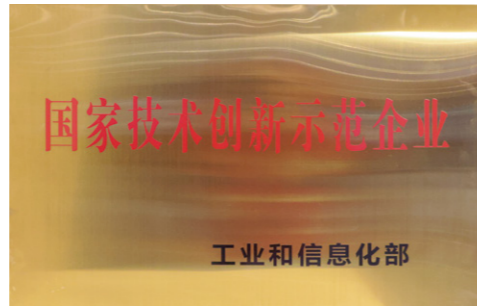
PRODUCTS & SERVICES

Products and Services

Product R&D and Intellectual Property Management

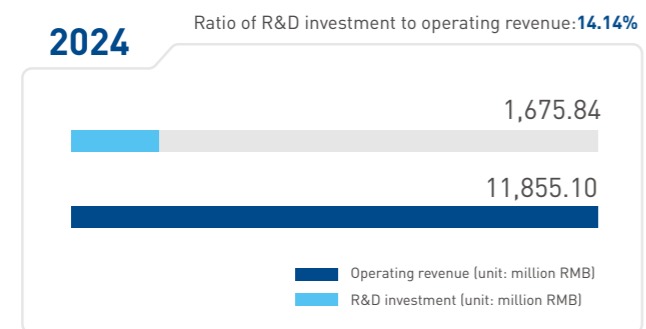
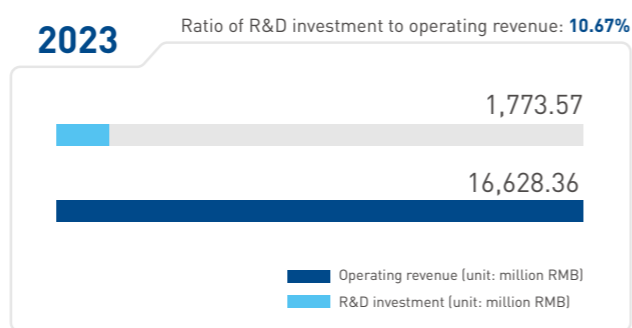
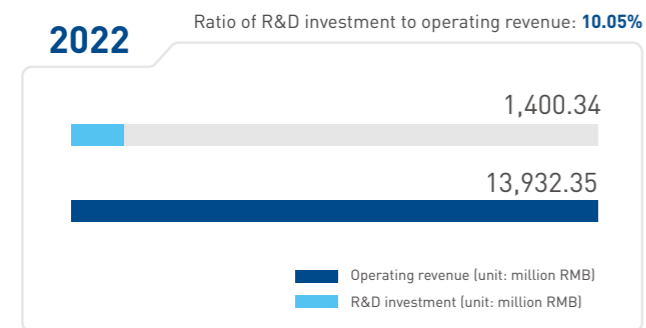
R&D Platform

LEAD has been recognized as a National Technology Innovation Demonstration Enterprise by the Ministry of Industry and Information Technology. It is also a key high-tech enterprise under the National Torch Program, a champion product enterprise, and a benchmark factory for industrial Internet in Jiangsu Province. We have established 7 R&D institutions at the provincial level or above, including the National Enterprise Technology Center, the National Postdoctoral Research Workstation, the Jiangsu Province Enterprise Technology Center, the Jiangsu Province Lithium-ion Battery Equipment Engineering Center, the Jiangsu Province Capacitor Automation Equipment Engineering Technology Research Center, the Jiangsu Province Postdoctoral Innovation Practice Base, and the LEAD Industrial Design Center.



In recent years, LEAD continues to increase investment in R&D, establishes collaborative design mechanism, and builds digital R&D management platform that runs through the entire business process to achieve modular design. In addition, it has built a knowledge management system to further improve the enterprise R&D knowledge sharing and innovation capability. Meanwhile, LEAD also has obtained CNAS lab certification, and set up global research institutes in Wuxi, Shanghai, South China, and overseas regions to enhance R&D capabilities.

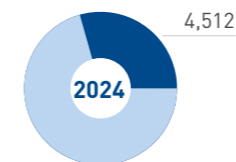
R&D Investment



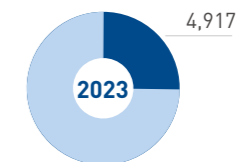
R&D Personnel

Qty. of R&D Personnel

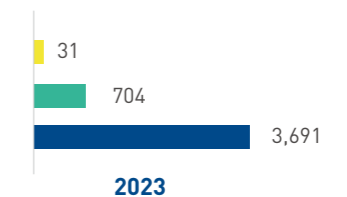
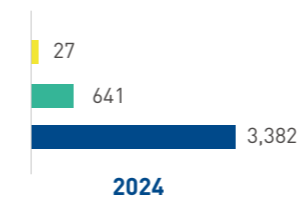
Ratio of R&D personnel **30.03%**



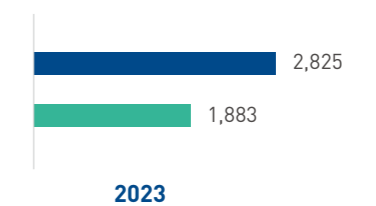
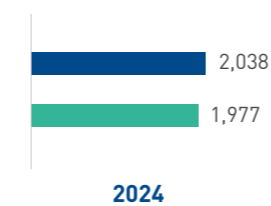
Ratio of R&D personnel **25.71%**



Education of R&D Personnel



Age of R&D Personnel



Industry-university-research Cooperation

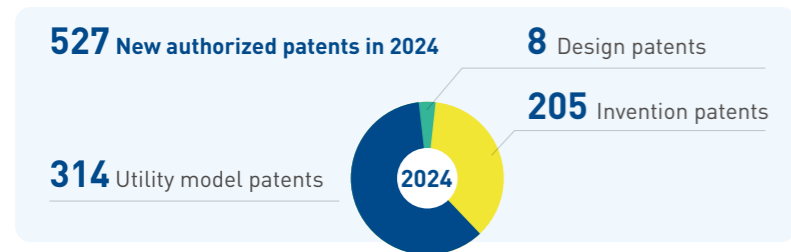
LEAD always adheres to the concept of "innovation-driven development," attaches great importance to the cooperation of industry, academia, and research institutions, and is committed to transforming cutting-edge scientific and technological achievements into practical productivity, promoting technological progress in the industry. In order to enhance the Company's technological innovation capability, LEAD has formulated the "Management Measures for the Industry-university-research Cooperation" to strengthen the cooperation between enterprise technology centers and domestic universities, foreign universities and research institutes. For this purpose, LEAD has established a good mechanism for cooperation and technology exchange by signing mutual cooperation agreements, integrating technological resources, and jointly undertaking major projects to tackle key core technologies and enhance the competitiveness of the enterprise in the market.

Through the industry-university-research cooperation, LEAD has formed the cooperation mechanism of industry, technology and talents, and has cooperated with Shanghai Jiao Tong University, Huazhong University of Science and Technology, Southeast University, Jiangsu University, Jiangnan University, etc. Through these cooperations, LEAD has tackled core technologies such as high-speed cell winding process, high-speed calendaring and de-folding process, high-speed and high-precision stacking process, and high-speed industrial CT inline inspection algorithms, undertaken or participated in 17 scientific and technological projects at provincial and ministerial level or above, solved the problems of low automation level, process complexity, low production efficiency and low precision of Li-ion battery cell manufacturing process, and enhanced the technological innovation capability of the Company.

Intellectual Property Management

LEAD has formulated and released the relevant intellectual property rights management and control procedures and process documents in accordance with the *Enterprise Intellectual Property Management*, so as to establish a standardized system of intellectual property work, conscientiously implement *Outline of the National Intellectual Property Strategy*, strengthen the guidance of intellectual property work, help the Company further strengthen the creation, application, management and protection of intellectual property rights, and improve the independent innovation capability, competitive advantages and brand reputation of the Company. In 2024, LEAD obtained the Innovation and Intellectual Property Management Capability certificate (Level 3) based on the ISO 56005. This signifies that the Company implements intellectual property management throughout the entire innovation project process, effectively supporting the achievement of innovation project goals and value realization at the project level, and promoting sustainable high-quality development.

As of December 31st, 2024, LEAD and its fully-owned subsidiaries have obtained 2,830 authorized patents, including 446 invention patents, 2,304 utility model patents and 80 design patents, which broke the monopoly position of imported equipment from Japan and South Korea. Many products of LEAD are classified as high-tech products, first major equipment or famous brand products in Jiangsu Province.



ISO 56005 Certificate of Innovation and Intellectual Property Management Capability

Intellectual Property Protection

LEAD has formulated various rules and regulations such as "Patent Application Process and Reward Rules," "Intellectual Property Compliance System," "Patent Rights Protection Incentive System" to regulate the creation, management, application and protection of intellectual property rights, so as to internally enhance the importance of intellectual property rights within the Company, externally demonstrate the Company's firm determination and responsibility for the protection of intellectual property rights, and contribute to creating an industry business environment that respects intellectual property rights, encourages innovation and fair competition.

In order to enhance employees' awareness of intellectual property protection, LEAD has provided multiple trainings to R&D personnel and internal patent engineers for many times. LEAD have released intellectual property-related training videos on our internal learning platform for all employees to share and learn. In addition, for external agents, LEAD has set up non-competition mechanism when signing contracts with suppliers to protect the Company's intellectual property rights from being infringed upon.

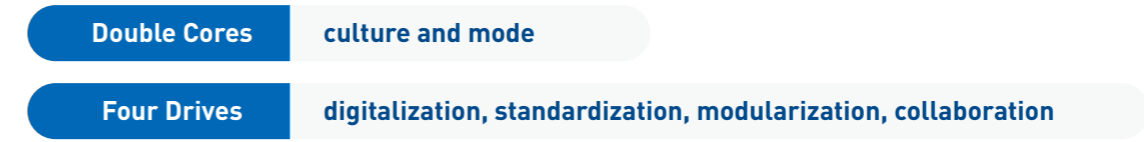
LEAD regularly organizes or participates in intellectual property seminars, forums and other activities to strengthen communication and exchanges with players inside and outside the industry, and continuously improve its professionalism in intellectual property protection. By participating in these activities, LEAD can not only keep abreast of the industry dynamics, but also learn from the excellent experience of other enterprises to further optimize the Company's intellectual property protection system.

Product Quality and Safety

Product Quality Management

LEAD practices the quality concept of "Starting with Craftsmanship, Focusing on Improvement, Pursuing Excellence, and Aiming for Perfect Delivery," establishes quality gate management mechanism throughout the entire lifecycle from supply chain management to after-sales service, defines quality objectives and assessment mechanism, and clarifies quality responsibility in each process. Meanwhile, LEAD also has independently built a full process quality cloud management system, covering the whole process from product design to site delivery, including R&D quality, design quality, supply chain quality, processing and assembly quality, and commissioning service quality. Through a comprehensive evaluation system that is visual, intelligent, and traceable, each product can achieve 100% quality traceability and control. Meanwhile, the Company actively promotes the development of quality management talents, and strives to build a team of internal auditors with professional competence. With the assistance of this professional team, the Company actively conducts internal audits, peer reviews, and maturity assessments, in order to diagnose and rectify the current state of quality management in a timely manner.

"Double Cores and Four Drives" Quality Strategy



Quality Management System Building

In order to improve the digitization and standardization of quality management, the Company actively establishes and improves the ISO 9001 quality management system certification. It also establishes an information technology and industrialization integrated management system based on the requirements of GB/T23001-2017 Integration of informatization and industrialization management systems--Requirements and GB/T23006-2022 Integration of informatization and industrialization management systems--Requirements for enhanced capability grading. Furthermore, it establishes a measurement management system in accordance with the requirements of GB/T19022-2003 Measurement management systems--Requirements for measurement processes and measuring equipment.



ISO 9001 Quality Management System Certificate



GB/T19022-2003 Measurement Management System Certificate



GB/T23001-2017 and GB/T23006-2022 Integration of Informatization and Industrialization Management System Certificate

Quality and Safety Building

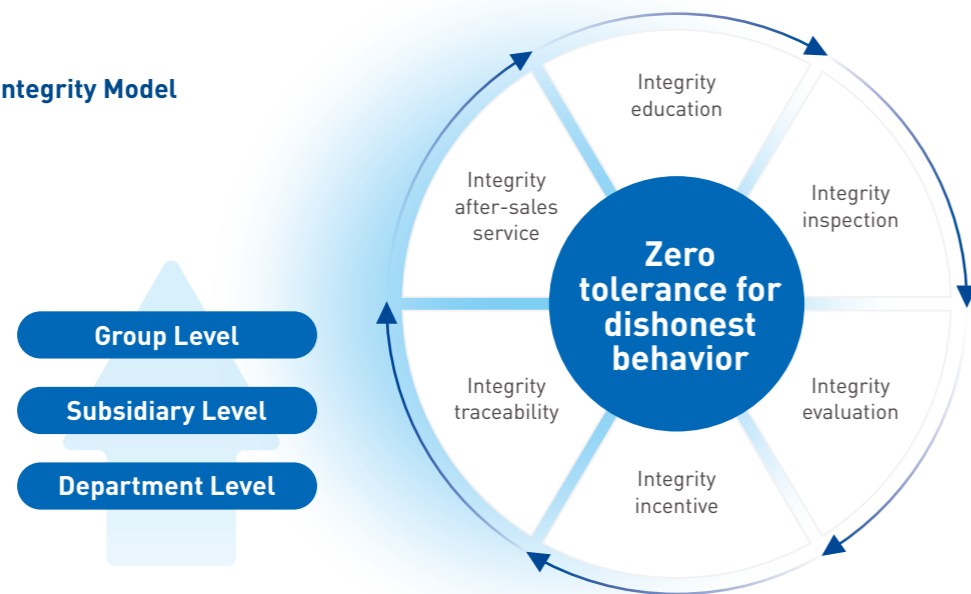
The Company implements the "Quality and Safety Assessment Management Regulations," which adopts a "one veto" system for quality and safety projects, responsible personnel for quality incidents, and responsible departments for quality incidents, ensuring comprehensive quality and safety.

One-veto Rejection Item	Contents
Veto on quality and safety project	Identify critical quality and safety performance indicators for products. Any non-conforming batch of equipment is subject to one-vote rejection.
Veto on personnel responsible for quality accidents	Personnel responsible for quality accidents caused by subjective factors are subject to one-vote rejection, with role change or employment termination.
Veto on departments responsible for quality accidents	Departments primarily responsible for quality accidents are subject to one-vote rejection, with no excellence awards or commendations during the specified penalty period.

Quality and Integrity Building

LEAD has established the "Quality Red and Yellow Line Management Regulations," and implemented management based on the "360 quality integrity model". That is, zero tolerance for dishonest behavior from the group level, subsidiary level, and department level; and 6 dimensions, which are respectively integrity traceability, integrity after-sales service, integrity education, integrity inspection, integrity evaluation, and integrity incentive to regulate the behavior of all employees.

LEAD 360 Quality Integrity Model



Quality Management System Maturity Assessment

LEAD has established a comprehensive quality management system that covers the entire lifecycle of marketing, R&D, procurement, manufacturing, logistics, and after-sales, along with a three-tier quality management department for the LEAD group, subsidiary companies, and various departments and a Chief Quality Officer system.

The Company has developed the first set of quality management system maturity assessment standards in the non-standard automation equipment industry. By conducting multiple rounds of evaluation activities between the group and subsidiaries, we have developed a set of quality management system evaluation criteria and scoring models suitable for the Company's business and meeting departmental needs. This can effectively quantify the maturity of the Company's quality management system, thus driving the continuous improvement of the Company and even the non-standard automation equipment industry's quality management.

Type	Operation Process	Key Management Points
Supplier Quality	Supplier management covering onboarding, tiered classification, performance evaluation, exit and change procedures, and incoming material inspection	New supplier trial approval; supplier category capability qualification; major change approval; incoming material quality gates.
R&D Quality	Design and development	Design change rate reduction
Production Quality	Quality control during assembly and commissioning, and on-site abnormality management	<ul style="list-style-type: none"> ● Rapid handling and improvement for production site abnormalities ● Quality gate maturity enhancement and process quality metrics improvement ● Quick production-caused customer complaint resolution and correction
Service Quality	Equipment quality control and abnormality handling throughout post-delivery commissioning, maintenance, warranty, and post-warranty periods	<ul style="list-style-type: none"> ● Rapid analysis and handling of faulty components during off-site commissioning to enhance commissioning quality and promote quick equipment production and maintenance ● Management of complex and key issues during off-site maintenance to accelerate equipment acceptance and delivery ● Improvement of customer satisfaction during maintenance service phase

Product Inspection Procedure

The Company has established a rigorous product inspection procedure to ensure that the incoming material quality meets the standards. Inspectors inspect incoming materials and determine the quality according to the inspection standards. After qualified products are packaged and restored, they are recorded in the warehouse management system and transferred to the warehouse for future use. Unqualified products are recorded in the "Unqualified Product Disposal Form," go through the return process, and are reported in the warehouse management system. Within the Component Quality Control Center, the review personnel conduct defect reviews on non-conformities, and the review results are communicated to suppliers by the Supplier Quality Engineering Center to drive reasonable rework, temporary containment measures, and long-term improvement. For critical components, high-precision parts, and contentious issues regarding new parts, the joint review is conducted by the R&D teams, Process teams, as well as the Supplier Quality Engineering Center to determine the inspection results and ensure the reliability and consistency of product quality.

Product Safety Management

Safety is the top priority for the Company in providing products and services to customers. The Company has established a comprehensive product safety and quality standard specification, which covers the entire process from product design, product testing to product usage. We design and deliver products that comply with domestic and international standards, including national machinery safety regulations, the EU Machinery Directives, Electromagnetic Compatibility Directives, Explosion-proof Directives, and US Electrical Specifications, in accordance with CE, UL, and other certification requirements.

When it comes to product design, the Company integrates safety into every structural and equipment development process. It incorporates design concepts such as safety interlocks, safety circuits, safety light curtains, and E-stop buttons and applies comprehensive simulation technologies such as fluid mechanics and thermodynamics to ensure safety at the product development level. In terms of product testing, the Company employs various levels and multi-dimensional testing methods, such as temperature testing, gas concentration testing, and pressure testing, to achieve real-time inline monitoring and ensure the safety of personnel. In terms of product usage, the Company not only equips products with safety warning labels, E-stop labels, and safety protection labels, but also provides customers with safety training that covers all personnel and a comprehensive safety maintenance and production manual.

During the reporting period, the Company did not experience any product recalls required by relevant laws and regulations or government authorities. There were no situations where sold products needed to be recalled due to safety and health issues. There were no significant product quality disputes.

Environment-friendly Products

LEAD is committed to helping downstream customers reduce pollution, energy consumption and carbon emissions during the use of machine by providing environmentally friendly products.

In the part and raw material procurement stage, we controlled toxic and harmful substances according to China's *Administrative Measure on Restricted Use of Hazardous Substances in Electrical and Electronic Products*, and EU and international directives such as the *Restriction of Hazardous Substances (RoHS)* and the *Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)*. In the design and manufacturing stage, we adopt functions and modules such as waste heat utilization, dry air recycling, microenvironment control, energy-saving motor, electrical intelligent control, compressed air management, intelligent management of fans and lighting, and energy consumption monitoring and forecasting, which greatly reduce the energy consumption during the use of machine. In addition, we also consider maintainability design and meet the requirements of EU mechanical directives to optimize the maintenance and repair of components, improve the durability of machine, and extend the service life of machine.

Making full use of waste heat

Fully control the utilization of waste heat in each process phase during the plant design stage

Dry air recovery and recycling

Recover exhausted air from the machine, remove impurities in the dry air, then send the dry air to the workshop for reuse

Fine control of machine microenvironment

Effectively control humidity and dust microenvironment to reduce energy consumption and operation cost

Motor energy-saving technology and selection

Use the IE4 energy-saving motor compliant with national standard to effectively realize energy saving of machine

Electrical intelligent control

Intelligent control of electrical machine to reduce power consumption in each process phase

Fine management of compressed air

Intelligent monitoring of specific working conditions of machine and fine control of compressed air pressure and flow, to achieve effective energy saving

Energy-saving fan and lighting

Integrate the energy-saving capabilities of fans, lighting and other points to jointly reduce the energy consumption of the whole line

Online energy consumption monitoring

Real-time monitoring and analysis of big data for regulation and improvement

Customer Service System

LEAD adheres to the core value of "Customer-Centered, Creating Value for Customers," continuously strengthens the pre-sale, sale and after-sale services, and builds a customer service system with customer needs as the core of the whole value chain.

Management System

LEAD has successively formulated and implemented relevant systems and procedures such as "Guidelines for Optimization of Customer-Oriented Processes," "After-sales Service Management Procedures," "Customer Abnormality Handling Procedure," and "Management of Customer Information Security Numbers," etc. In addition, LEAD has further formulated the Survey Procedure for Customer Satisfaction and the Fast Response Procedure of Customer Major Quality Issues to improve service management and respond to customers' needs.

Service Process

The Company has formulated and implemented the "External Service Execution Process," "Service Project Completion Acceptance Process," "Customer Training Process," "Service Improvement Process," and other after-sales related business processes, aiming to enhance the standardization and systematization of after-sales service and improve service quality to provide better service to customers.

Service Facilities

The Company has implemented a digital and intelligent management system guided by business and information architecture, with a focus on customer needs. This was achieved through LEAD self-developed data platform and Customer Relationship Management (CRM) system that integrates the Enterprise Resource Planning (ERP) system, Manufacturing Execution System (MES) system, and Supplier Relationship Management (SRM) system to provide end-to-end feedback and handling of customer demands, ensuring timely satisfaction of market needs.

Service Team

The Company has established a professional after-sales service team, which covers multiple departments including product R&D, project management, planning management, customer training, as well as assembly and commissioning teams. This enables us to respond quickly to customer needs, solve customer problems, and complete project cycles, greatly enhancing our customer service capabilities.

Diversified Service Support

Customer Service Center After-sales Solution

Smart operation and maintenance

Remote support
Smart maintenance
Transparent information
Efficient operations

Guardian services

Genuine parts
Quality assurance
Expert service
Training support

Smart factory

Smart factory
Digital operations
Data driven
Operation excellence

Quick changeover

Technology upgrade
Performance enhancement

Customer-centric, Professional expertise, Dedicated service

Customer Satisfaction Management

In order to ensure that the satisfaction survey method suits the Company, LEAD conducts annual management review regularly every year to timely improve and adjust the survey methods and contents, organizes monthly analysis and summary, and publishes customer satisfaction monthly report to make continuous improvements.

In order to timely and efficiently receive, respond to and solve customer complaints, LEAD comprehensively promoted the construction of real-time online customer service management system. Combined with LEAD's global 400 service hotline and on-site customer complaints system, it provides customers with 24/7 real-time online customer service worldwide. In response to customer needs, it aims to resolve issues online within 2 hours and on-site within 8 hours. Additionally, the feedback mechanism has been upgraded to respond to customer needs through closed-loop management. During the reporting period, the complaint closed-loop rate of LEAD's customer service system is 100%.

LEAD Feedback Platform Operation Guide

Customer-centric approach to ensure rapid and effective escalation and closed-loop handling of critical field issues

Step 1:
Scan QR code to download



Step 2:
Log in with registered mobile number



For inquiries, please call LEAD 400 customer service hotline.



Customer service hotline

Progress tracking:
Check the handling progress of reported issues
Issue feedback:
Fill in feedback information

Equipment code:
Enter SCJH-prefixed number on nameplate to auto-generate equipment information

Equipment status:
Select current operation status from dropdown

Failure frequency:
Select current failure frequency from dropdown

Problem description:
Provide detailed information including failure occurrence time, background, and specific requirements

In terms of customer satisfaction surveys, in 2024, the Company has improved the process of customer follow-up on the service side, standardized the follow-up rules and corresponding management system, and developed standardized questionnaires for different service product categories. We have actively followed up the operational status of equipment and customer needs through an intelligent platform, promptly and effectively addressed abnormal operation and customer needs, and urged relevant departments to improve customer satisfaction.

Customer Privacy and Data Security

- **Principle of minimization:** Minimize the disclosure of data based on the responsibilities of each business department, protecting customer privacy and business data security.
- **Permission hierarchical control:** Assign access permissions based on role responsibilities, with core data requiring special application and being limited to specific positions; regularly review personnel permissions to identify and mitigate risks.
- **Document encryption:** Equipped with a document encryption system that encrypts all documents to ensure the confidentiality of business content.
- **Employee training and audit:** Conduct information security training for new employees during onboarding, and arrange annual/semi-annual information security training in departments with a 100% pass rate.



Responsible Marketing

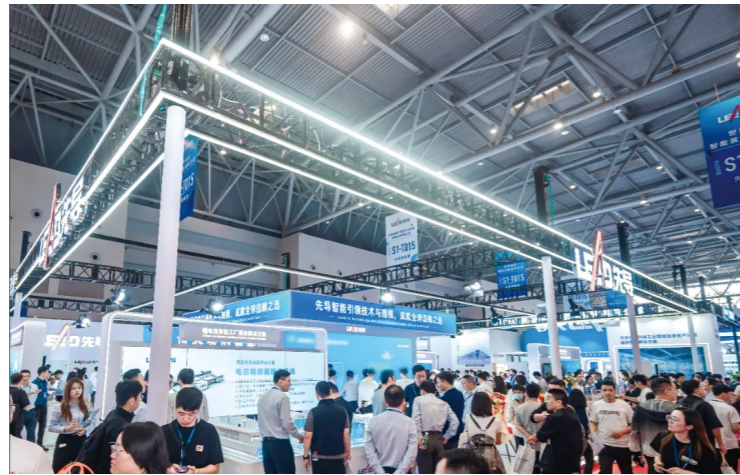
The Company upholds responsible market marketing and product promotion, engages in sales and marketing practices that comply with laws, regulations, social norms, and ethical standards, and promotes the establishment of a marketing responsibility system that covers customer sales, marketing, product promotion, and after-sales service. Moreover, the Company upholds a commitment to compliant marketing and instills compliance throughout marketing and product promotion. All advertisements and marketing activities undergo internal reviews to ensure accuracy and compliance.

We continuously strengthen the compliance capability building for marketing-related teams and personnel, eliminating all non-compliant marketing activities and unfair competition behaviors. We also encourage our subsidiaries, joint ventures, partners, and other stakeholders to actively practice responsible marketing.

Working Together to Promote Industry Development

Industry Exchange

From April 27th to 29th, 2024, the 16th China International Battery Fair (CIBF) are held in Chongqing. As a world-leading new energy intelligent manufacturing solution provider, LEAD unveiled its brand-new intelligent manufacturing solution for Li-ion battery making, Li-ion battery formation and capacity grading, vision/fluid/testing, smart automotive production line, smart logistics, and intelligent manufacturing digital factory system at the S1 LEAD Pavilion. We also showcased 16 new energy intelligent manufacturing technologies and processes, reshaping the future landscape of the energy industry and driving the global manufacturing innovation.



On June 13th, 2024, the 17th International Photovoltaic Power Generation and Smart Energy Conference & Exhibition was opened in Shanghai. As a global leader in the next generation of photovoltaic technology, LEAD debuted its cutting-edge photovoltaic cells and intelligent manufacturing solutions and showcased its comprehensive solutions and innovative technological achievements in photovoltaics, energy storage, hydrogen energy, and more, leading the intelligent way towards a green future.



From June 18th to 20th, 2024, the world-class battery event, the Battery Show Europe, was held in Stuttgart, Germany. As a world-leading new energy intelligent manufacturing solution provider, LEAD unveiled a groundbreaking new intelligent manufacturing solution that covers the entire value chain and lifecycle. With the release of 12 new technologies and processes for intelligent manufacturing of new energy, it showcased LEAD's pioneering technological strength and "carbon-neutral intelligent manufacturing" philosophy, displaying China's manufacturing prowess on the international stage.



From October 3rd to October 10th, 2024, the prestigious Battery Show, showcasing the world's top batteries and electric vehicles, was held in New Delhi, India and Detroit, USA. LEAD, a world-leading new energy intelligent manufacturing solution provider, showcased its breakthrough production efficiency, innovative and efficient process capabilities, and cutting-edge intelligent manufacturing technology with the "entire value chain + entire life cycle" intelligent manufacturing solution, bringing the new concept of "ultimate intelligent manufacturing" to the South Asia and North America.

Industry Participation

In order to promote the high-quality development of the new energy equipment manufacturing industry, LEAD have actively participated in various industry exchanges, contributing its intelligence and strength as a pioneer. Over the past year, the Company has attended multiple industry association communication activities. The industry associations that LEAD joined include: China Industrial Association of Power Sources (CIAPS), CIAPS Power Battery Branch, CIAPS Energy Storage Battery Branch, China Photovoltaic Industry Association, China Association for the Promotion of Industrial Development, Perovskite Battery Industry Association, and Jiangsu Power and Energy Storage Battery Industry Innovation Alliance (as the vice chairman unit).



SUSTAINABLE SUPPLY CHAINS

Sustainable Supply Chains

Supply Chain Management System

The core objective of supply chain management of LEAD is to provide support for sustainable development by continuously optimizing procurement strategies, strengthening supplier management, enhancing supply chain collaboration, and improving risk management. To this end, the Company reinforces supply chain management in the following respects:

- 
Quality Risk Prevention and Control
 Ensure that components and quality meet the standards, reducing delivery delays or cost losses caused by quality issues.

- 
Delivery Risk Management
 Improve the on-time delivery rate of suppliers to ensure stable execution of production plans.

- 
Financial Risk Mitigation
 Optimize payment methods and credit management to maintain the Company's liquidity and business reputation.

- 
Supplier Sustainable Development
 Promote transparency and compliance in supplier cooperation, and build a long-term and stable supply ecosystem.

Supplier Lifecycle Management

Onboarding Screening Mechanism

LEAD is committed to providing suppliers with a platform for fair competition. When selecting suppliers, LEAD conducts an overall assessment of supplier delivery ability, cost ability, technical ability, quality, after-sales service, corporate social responsibility, and risk self-control ability through the "Supplier Qualification Review Form" and the "Supplier Operation Environment Review Form" and in accordance with the "Procurement Management System," and the "Supplier Management Procedure."

Dynamic Assessment and Grading

LEAD evaluates suppliers in terms of quality, delivery, cost, service, and other metrics in a monthly basis. According to the evaluation results, main suppliers are divided into four categories: excellent suppliers, qualified suppliers, limited suppliers and unqualified suppliers, and relevant supporting measures are taken according to these categories. The Company conducts annual audits of its suppliers, in which procurement and technical personnel jointly score and evaluate the suppliers based on an audit form so as to check the operating environment, process, and process quality of suppliers.



Risk Prevention and Response Mechanism

Quality Risk Control

Execute "incoming quality control" strictly, immediately return unqualified components and raw materials and demand suppliers to rectify.

Market Risk Management

Establish a monitoring system for component and raw material market information, and track price fluctuations and technological iterations in real time, ensuring the timeliness of procurement decisions.

Digital Collaborative Management

We have built a Supply Chain Management (SCM) platform to achieve end-to-end online processes from demand planning to order tracking, enhancing information transparency and communication efficiency. At the same time, historical data accumulation has helped to optimize procurement strategies to reduce cost risks caused by market fluctuations.

Responsible Procurement Management

LEAD is committed to creating a responsible supply chain, extending the concept and requirements of social responsibility to the supply chain, communicating with suppliers on labor rights, business ethics, health and safety, and environmental protection, continuously deepening the sustainability management of suppliers, and working together with suppliers to develop and establish a sustainable development system.

Supplier Code of Conduct

LEAD attaches great importance to responsible management of stakeholders and has formulated the "Supplier Sustainability Commitment," which requires suppliers to comply with relevant laws and regulations and the "Supplier Sustainability Code of Conduct" for sustainable development in terms of labor and human rights, health, safety and environment, and business ethics. Suppliers are also required to formulate relevant policy statements that define their commitments to due diligence and continual improvement, obtain the endorsement of the senior management, and make sure the policy statements are communicated to all employees through accessible channels in a language they can understand. In addition, LEAD encourages suppliers to communicate to their higher tier suppliers these applicable requirements. The areas of focus include:

Labor and Human Rights

Forced labor, child labor, working conditions, health and safety, discrimination and harassment, freedom of association and collective bargaining

Environment

Greenhouse gas emissions and energy consumption, pollution prevention and waste management, resource efficiency, biodiversity

Business Ethics

Anti-corruption and conflict of interest, anti-competition

Control of Restricted Substances

LEAD has formulated a list of restricted substances and its control process, and required suppliers to sign the "Statement of Requirements for Restricted Substances and Candidate Substances" and meet RoHS and REACH directives. Suppliers of chemicals, materials and parts are required to provide test reports on environmentally hazardous substances for products that have an impact on the environment, and to sign material environmental protection agreements when necessary. The chemical suppliers shall also provide information on the chemical properties of corresponding products and control the products during transportation and handling.

Responsible Mineral Management

LEAD is committed to the responsible procurement of mineral raw materials such as tin, tantalum, tungsten, gold, cobalt, etc. that are used in products and during production, and takes responsible mineral management as an integral part of the supply chain sustainable management system, and integrates it into the supplier access and supervision and audit process.

In accordance with the relevant regulations and survey templates of the *Responsible Minerals Initiative* (RMI), the *Organization for Economic Cooperation and Development* (OECD) *Due Diligence Guidance for Responsible Supply Chains of Minerals* and the *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains*, LEAD has formulated the "Due Diligence Guidance for Responsible Supply Chains of Minerals and the Supplier Conflict Minerals Self-Assessment Form." Suppliers are required not to procure conflict minerals and ensure that products do not directly or indirectly fund armed conflicts or other inhumane acts. Suppliers involved in the procurement of relevant mineral raw materials are also required to provide their Conflict Minerals Reporting Template (CMRT) reports to LEAD.

Construction of Supplier Integrity Culture

In order to strengthen supply chain business ethics management and integrity construction, the Company has formulated the "Code of Conduct for Integrity in Procurement Business" and other relevant systems, and required suppliers to sign the "Supplier Anti-commercial Bribery Declaration." LEAD regularly pushed integrity training videos and integrity letters to all suppliers during the period of high incidence of fraud such as holidays. In addition, LEAD delivers its code of business conduct to participating suppliers through the annual supplier conference to build a supply chain culture of fair competition, mutual trust and win-win situation. We organized two supplier training sessions, and pushed four integrity letters to all suppliers in 2024.

Supplier Quality Management and Full Empowerment



Global Supplier Conference

In March 2024, the 2024 LEAD Global Supplier Conference with the theme of "Address the hardships together, grow together" was successfully held, where government leaders at all levels and representatives of more than 200 suppliers from home and abroad gathered to seek a new pattern of future development.

Supplier Quality System Building

Two-way Training and Knowledge Sharing

Forward empowerment of suppliers: Train suppliers to master the specific standards and the quality management tools of the non-standard automation equipment industry, and communicate LEAD supplier quality management requirements. The main courses include "LEAD Supplier Quality Management Process Requirements," "Full Process Quality Requirements for Components," "History of Quality Management & Quality Awareness," "Total Quality Management (TQM) Practice - Quality Management and Quality Improvement," "Machining Programming," "Interpretation of Outsourced Processing Product Drawings," and "Inspection Skills Training," etc. In 2024, the Company conducted a total of 10 sessions of supplier empowerment training, focusing on over 40 courses related to quality improvement and professional skill and knowledge. The training was attended by a total of 958 participants from the supplier management team.



Reverse learning from suppliers: Collect supplier process innovation cases (e.g., new processing methods), supplier component installation guidance, etc. to promote internal technological upgrading.

Process Assistance and Capacity Enhancement

LEAD has launched a supply quality improvement program specifically for vulnerable suppliers, providing on-site guidance to help them optimize their processes, such as fixture design and inspection method upgrading. Additionally, the Company has promoted automation transformation by introducing visual inspection equipment, thereby assisting suppliers in enhancing production efficiency and product quality consistency.

Technical Review and Joint Development

LEAD has organized cross-department technical review meetings to assess the feasibility of alternative proposals from suppliers, such as material substitution and process simplification. In addition, we have involved strategic suppliers in early joint development, such as co-designing of modular components, in order to shorten the lead time of non-standard projects.



LABOR & HUMAN RIGHTS

Labor and Human Rights

Protection of Employee Rights and Interests

Statement on Labor and Human Rights

LEAD solemnly declares that it always observes the *Labor Law of the People's Republic of China* and other domestic laws and regulations, and local laws and regulations applied to foreign operation areas, and that it always abides by internationally recognized labor and human rights standards, including but not limited to the UN *Universal Declaration of Human Rights*, the *Responsible Business Alliance (RBA) Code of Conduct*, the core conventions of the International Labor Organization and other relevant international treaties and norms. We are committed to the respect and protection of labor and human rights in all our operations, as well as in our cooperative relationships with suppliers and partners.

Our labor and human rights protection policy covers a wide range, not only paying attention to the rights and interests of employees within the Company, but also actively promoting suppliers and partners to comply with labor and human rights standards. We firmly oppose any form of human trafficking and forced labor, and adopt a zero-tolerance attitude towards this. Once it is found, we will take immediate action and report it to relevant departments. We promise not to employ child labor and strictly abide by national and international laws and regulations on child labor. We respect employees' freedom of association and right of collective bargaining, provide employees with diversified communication channels, and encourage employees to express their opinions and demands through legal channels.

We adhere to the principle of equal pay for equal work, and ensure that employees can receive fair and reasonable salary and benefits in light of their job value, experience, expertise, and performance. We firmly oppose any form of discrimination and harassment, including sexism, racial discrimination and sexual harassment, and have established a complete complaint handling mechanism to ensure that employees' rights and interests are safeguarded in a timely and effective manner.

Human Rights Due Diligence Survey Process

In order to ensure that employees' rights and interests are fully protected, LEAD has established a comprehensive human rights due diligence process. This process covers all employees, and also suppliers and partners to ensure that they comply with labor and human rights standards in the process of cooperation. For example, we ensure compliance with employment age requirements by leveraging both manual registration and system identification technologies to verify and track employee identity documents, and establishing a full-cycle monitoring system for "onboarding-employment-departure."

Our human rights concerns include, but are not limited to, working conditions, health and safety, pay and benefits, working hours, anti-discrimination and anti-harassment. To solve these problems, we have formulated a series of relevant policies, such as "Employee Handbook," "Salary and Benefits Management System," "Safety Risk Hierarchical Management and Control System." These policies aim to provide employees with a safe, fair and healthy working environment.

In the process of human rights due diligence, we pay special attention to those who may face higher risks, such as new employees and foreign employees. We provide them with necessary training and support to ensure that they can adapt quickly to the working environment and understand their rights and interests and how to safeguard them.

When human rights problems are found, we take active mitigation and remedial measures.

- Immediately stop the violation of employees' rights and interests, and seriously deal with the responsible.
- Provide necessary assistance and support to employees to help them recover their rights and interests.
- Analyze the root causes of the problems and formulate improvement measures to prevent similar problems from happening again.

Employee Communication Mechanism

LEAD attaches great importance to internal communication with employees and is committed to building an open, transparent and efficient communication environment. We have established diversified communication channels and actively built communication bridges between the Company, managers and every employee, including regular staff meetings, hierarchical morning meetings and regular meetings, face-to-face with executives, employee voice suggestion boxes, employee engagement survey, etc., in order to help the Company better understand the needs and expectations of employees to formulate policies and measures that are more in line with the interests of employees.

At the same time, we have established an efficient feedback mechanism. By appointing specially-assigned person to follow up the problems and suggestions put forward by employees and provide feedbacks in time, the Company not only enhances the trust of employees, but also improves the operational efficiency.

In addition, we ensure that the Company's policies and systems, caring services, warm reminders are communicated to each employee in a timely, accurate and efficient manner through online channels such as WeCom announcements, WeChat official account, columns, push notifications, as well as offline channels such as advertising machines, roll up banners, cultural walls, bulletin boards and other channels.

CI Suggestion Platform for All Employees

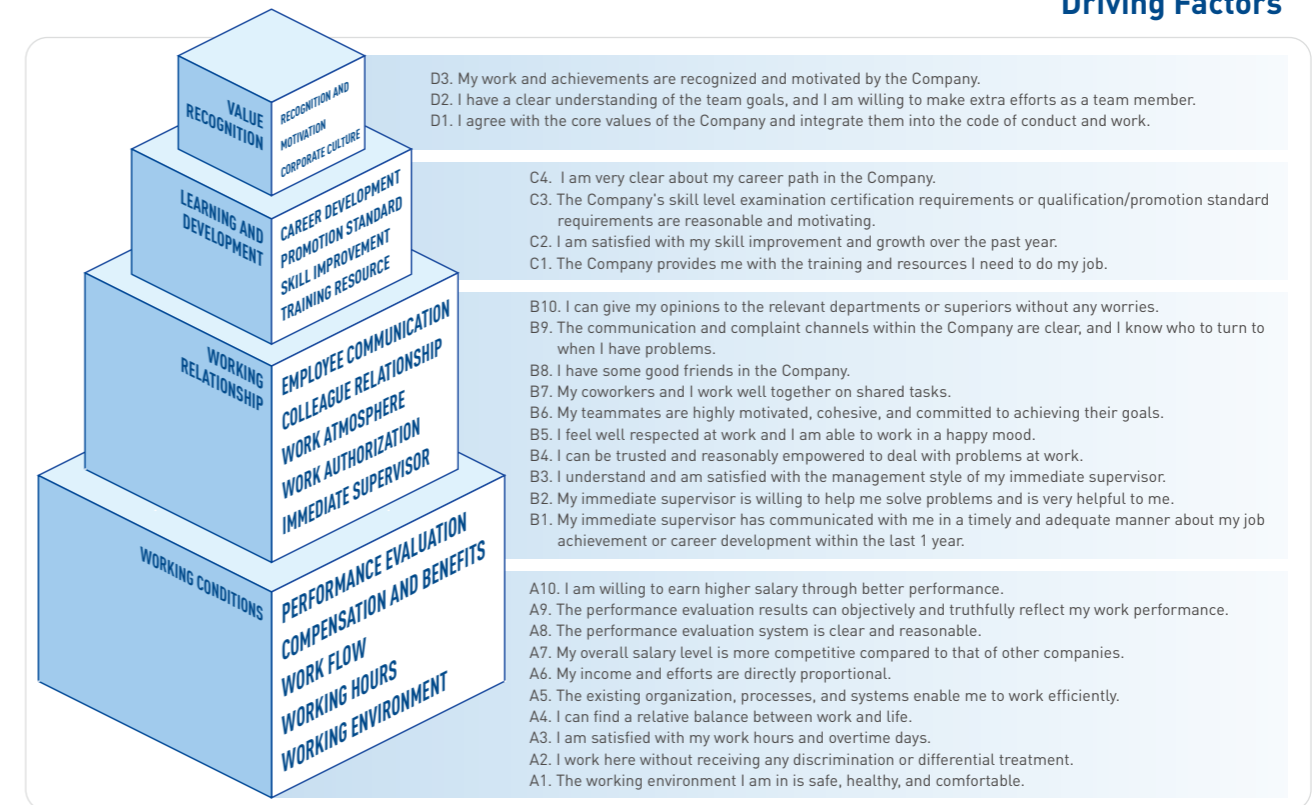
In order to enhance employees' participation in enterprise management and sense of ownership, LEAD collects and adopts employees' suggestions on the sustainable development of the Company through Continuous Improvement (CI) suggestion platform, with an adoption rate of about 81.2%.

Collection of opinions in 2024
48,000+

Engagement Survey

We actively listen to employees' voices, understand employees' demands, respond to employees' concerns, conduct regular internal evaluations and implement targeted improvement measures to enhance employees' satisfaction and engagement.

Driving Factors



According to the survey feedback, various departments actively worked out improvement action plans and put the improvement responsibility on the relevant responsible persons. LEAD will continue to promote the implementation of those plans and best practices to further enhance the workplace experience of employees.

Labor Disputes

Attaching great importance to the settlement of labor disputes and adhering to the principle of putting employees first, LEAD builds a fair, impartial and efficient labor dispute handling mechanism to effectively protect the legitimate rights and interests of employees and promote the stable and harmonious development of the Company.

Labor Dispute Complaint Mechanism

Complaint Policy		The Company adopts an open approach for communication, treats every employee with equality and sincerity. Employees are encouraged to provide opinions and suggestions and seek solutions through the official and formal communication platform and channels.
Complaint Channel	Online channel	Email, WeCom - Mediation Committee Feedback Assistant, Mediation Committee Hotline
	Offline channel	Immediate superior, HRBP, employee seminar, Mediation Committee office
Complaint Scope		Unreasonable behavior of employees and superiors that harms the interests of the Company and employees, or behavior that violates the Company's management system or national laws and regulations.
Principles of Handling		Confidentiality, fairness, timeliness, and accuracy.

Labor Dispute Settlement Mechanism

Preliminary mediation

After receiving the complaint, we will arrange special personnel to conduct preliminary investigation to understand the details of the dispute and the claims of both parties. On this basis, we will try to mediate the two parties to reach a settlement.

Professional arbitration

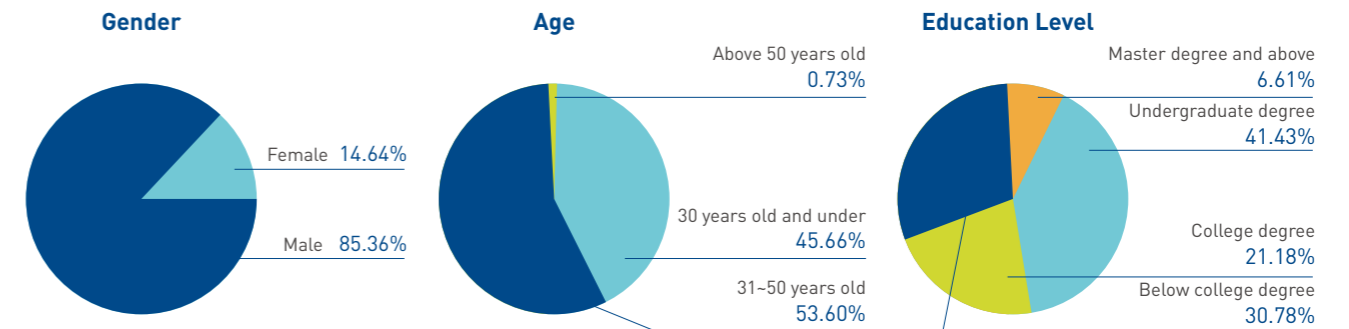
If the two parties fail to reach an agreement during the preliminary mediation, we will submit the dispute to a professional arbitration institution for arbitration. The arbitration institution will make a fair and equitable ruling on disputes in accordance with relevant laws, regulations and company policies.

Legal litigation

In specific circumstances, if the arbitration outcome fails to meet both parties' requirements, we encourage employees to resolve disputes through legal means. We will actively assist employees in legal proceedings to ensure that their legitimate rights and interests are protected by law.

Employee Diversity

LEAD adheres to the talent concept of "employee-oriented, helping employees to give full play to their talents and making the best use of employee's talents." The Company strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Disease*, and other laws and regulations, and implements national regulations and standards in labor safety and health system and social security. The Company formulates and continuously improves its internal system norms to provide an equal and open growth platform for talents of different genders, ages, nationalities and races, as well as create a homeland where everyone can display their talents and work together. LEAD respects and safeguards the legitimate rights and interests of employees, insists on equal employment and equal pay for equal work, and opposes any form of discrimination. As of the end of the reporting period, LEAD had a total of 15,025 employees, of which 2,200 were females, accounting for 14.64%. In addition, the Company has more than 500 employees from Zhuang, Manchu, Tujia, Miao, Korean, Hui, and other ethnic groups, as well as foreign employees from the United States, Japan, Germany, France, South Korea, India, Sweden, Malaysia, New Zealand, Pakistan, and other different countries.



Employee Recruitment

LEAD takes "fairness, justice and meritocracy" as the employment standard, and adheres to the strategy of mainly cultivating talents internally and complementarily recruiting for scarce positions externally. Combined with annual personnel planning, it continuously expands talent acquisition channels through internal selection and competition, social recruitment, campus recruitment, headhunting services, and other forms to meet the rapid development needs of the Company. In 2024, the Company carried out organizational optimization and talent structure adjustment to better adapt to the demands of international business development. It actively introduced high-quality talents, including international talents, individuals with master's degrees or above, and senior managers. The Company also strictly adheres to fairness and justice, striving to achieve a balance between organizational optimization and employee rights and interests.

The Company attaches importance to school-enterprise cooperation, continuously strengthens the cooperative relationship with China's intelligent equipment professional colleges, and enhances the brand influence of the Company through school-enterprise cooperation brand projects to attract and reserve talents in advance. In 2024, LEAD carried out more than 30 school-enterprise activities and 70 job fairs in 31 universities across 23 cities, and deepened the close cooperation between schools and enterprises through visits to the Company, summer internships, school-enterprise classes, campus recruitment presentations and other activities. LEAD has also set up "Wang Yanqing Scholarship" in six key universities such as Harbin Institute of Technology to provide financial support and encouragement for potential students.

Employee Development

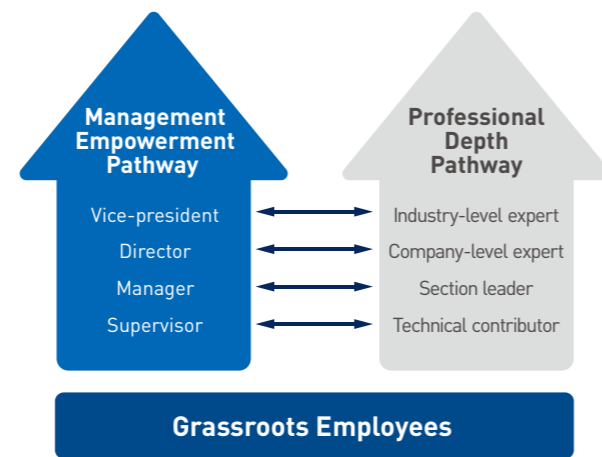
Talent Development and Promotion System

Multi-channel Incentives

In order to fully mobilize the enthusiasm of the core team members, the Company has established short-term, medium-term and long-term incentive mechanisms to attract and retain outstanding talents through various channels such as salary adjustment, year-end bonus, outstanding recognition and equity incentive. Furthermore, the Company continues to improve the long-term incentive mechanism. Since going public, it has successively implemented six phases of equity incentive plans, covering directors, senior executives, middle-level managers, and core technical (business) personnel.

Dual-channel Career System

Guided by the open talent development concept that emphasizes both upward and downward mobility, as well as internal and external opportunities, LEAD has established a professional team to support employees in their career development planning, which has enabled a multi-dimensional approach to development and training, a goal-oriented approach to management and supervision, as well as a concrete performance evaluation. By focusing on key processes such as talent reserves, talent inventory, talent pipeline development, internal talent selection and appointment, we have established comprehensive career development pathways for employees.



In order to stimulate the enthusiasm and initiative of employees, the Company has set up a dual-track system for technical and managerial advancement, providing suitable development opportunities for both technical and managerial talents, and fully leveraging their strengths and expertise. In addition, the Company has built an internal talent pool and the talent rotation mechanism. By expanding the internal talent flow channels, and updating internal recruitment policies, the internal talent pool is fully mobilized. During the reporting period, nearly a hundred positions were successfully matched through internal competition.

Performance Appraisal

LEAD has established the strategic performance management system, encompassing organizational performance and individual performance. Based on the dual model of balanced scorecard and personal business commitment, the Company has established a penetrating breakdown mechanism from strategic goals to department/position goals, forming a closed-loop management process through "annual goal setting, monthly/quarterly tracking, mid-year assessment feedback and adjustment, and year-end assessment summary." With employees being guided and driven by goals, we fully unleash the potential of employees, achieving a synergistic win-win for both individuals and the Company. The Company places great emphasis on empowering leaders and motivating high-performance employees as well as strengthening the talent attraction and retention capabilities through effective performance incentive and empowerment mechanisms. At the same time, we have continuously optimized the performance process and system to ensure that the performance management system is upgraded for sustainable development, driving the continuous improvement of individual and company overall performance, and building an efficient and high-performing team.



Talent Training System

LEAD Training System

Think Big, Start Small, Act Fast



Leadership improvement: According to the capability requirements of different levels in the capability model, the management post talent cultivation project is designed in layers and grades, giving consideration to "present" and "future".



Professional capability improvement: Work with various professional sequences to build a professional capability training system and cultivate professional talents.



Publicity of corporate strategy, corporate culture and values
General capability: Efficient meetings, communication, speeches and business etiquette
Integration of new employees: School recruitment and social recruitment



In order to accelerate the implementation of LEAD's globalization development strategy and strengthen the building of learning organization, LEAD has established a comprehensive employee training system and formulated a series of training plans including but not limited to new employee orientation, general ability and professional ability building, team management and leadership building, etc. Besides, in line with the digital strategy, we have been constantly improving the online learning platform, LEAD e-Learning, for employees, achieving a comprehensive upgrade of the training system. The "online + offline" learning mode has enabled employees to participate in training in a more convenient manner with greater enthusiasm. In 2024, LEAD conducted 1,819 training sessions covering all employees. The Company has conducted over 170 new courses in 2024. The user engagement rate on the LEAD e-Learning platform reached 96%, with an average learning time exceeding 40 hours and the total number of learners surpassing 800,000. Various theme activities such as learning month and open classes were organized to fully create a learning-oriented organization.



Employee Benefits

Employee Benefits System

Committed to the mission of "seeking well-being for employees" and the development concept of "people first," LEAD has been upgrading the compensation and benefits policies and building a diversified, flexible, comprehensive, and competitive employee benefits ecosystem to enhance employees' sense of belonging and happiness and to strengthen talent attraction and retention.

Compensation	Benefits	Career Development	Work-life Balance
Basic salary	Statutory benefits Social security and housing provident fund Heat allowance Paid annual leave	Challenging job	Comfortable working environment
Short-term incentives		Well-established promotion mechanism	Flexible leave of absence system
Long-term incentives (equity incentive)	Company benefits Employee care (birthday gift/wedding gift/newborn gift/health check-up, etc.)	Abundant internal and external training opportunities	Well-developed vacation policy
Year-end bonus		Team building (team-building activities/company or department year-end party, etc.)	Job rotation
Special recognition	Holiday benefits (holiday gift) New employee benefits (welcome package/mentorship, etc.) Other benefits	Career development opportunities	
Project reward			
Allowances and subsidies			

Statement of Living Wage

LEAD states that during the reporting period, the salaries of all employees who have signed labor contracts or service contracts with the Company are in compliance with the local wage rate set by the respective local authorities allowing a full-time worker to cover basic needs. All employees of the Company and its subsidiaries, including subsidiaries in Wuxi, Shanghai, Zhuhai, etc., are covered by the statement. The Company has always adhered to long-term and sustainable development and sought well-being for employees. Therefore, we ensure that the compensation of each employee can meet their basic needs.

The Company, in compliance with laws and regulations, provides social security and housing provident fund for every employee upon their onboarding. Furthermore, the Company closely monitors policy changes in various regions. In the event of an increase in local minimum wage standards or social security standards, the Company will promptly respond and adjust its compensation policy accordingly. By ensuring that the daily life needs of the employees are met, we create a fair, positive, and sustainable working environment for them, enabling them to focus more on corporate development.



Case: Parenting Support Plan

- **Parental leave:** Eligible employees can enjoy 10-day parental leaves per year before their children turn 3 years old, to strike a balance between work and family;
 - **Breastfeeding break:** Breastfeeding mothers can enjoy breast-feeding breaks of one hour every day (an additional one-hour break for each additional baby in multiple births) and are provided with flexible working hours to effectively protect women's rights and interests.
- In 2024, the Company has continued to upgrade the employee care facilities. We have set up a versatile nursing room that provides a private and comfortable space for working mothers to breastfeed and rest, demonstrating our firm commitment to gender equality and workplace inclusivity. Meanwhile, we have continued to carry out the "Newborn Care Program" to provide newborn gift packs for new parents and offer practical parenting support. The aim is to enhance employee sense of belonging and well-being, deepen corporate cultural cohesion, and further promote the practices of corporate social responsibility.

Interest Associations

In order to fulfill the mission of "seeking well-being for employees," LEAD has created a diverse culture and sports platform through interest associations. We have organized 4 large-scale interdepartmental sports events throughout the year to promote teamwork and cultural exchange. Sports facilities such as football, basketball, badminton, and table tennis fields are opened on Fridays and Saturdays, with a total of over 200 regular activities being held, involving more than 2,100 employees. Association activities responds to the call for "national fitness" and creates a healthy, vibrant, and sustainable cultural environment.



Employee Care

Dedicated to creating a harmonious and warm work environment, LEAD has carried out a variety of care events annually with over 14,000 participants:



Poetry Salon



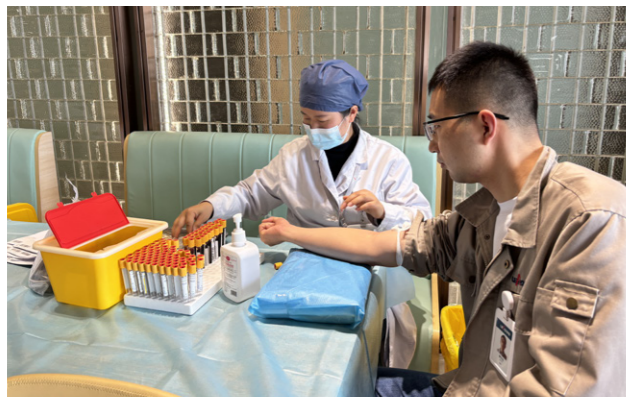
Sports Meeting



Lantern Festival Celebration



Summer Parent-child Firefighter Occupational Experience



Helicobacter Pylori Detection



Cervical Cancer and Breast Cancer Screening

Occupational Health and Safety

LEAD follows the *Labor Law of the People's Republic of China*, the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Labor Contract Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, and other laws and regulations. Adhering to the principle of "safety priority, prevention first and comprehensive management," and taking human life as an insurmountable red line, the Company has been enhancing the level of safety management and employee safety awareness to beef up the corporate safety culture.

Safe Production

The Company is committed to building a safe, green, and environmentally friendly enterprise with "zero injuries, zero accidents, zero occupational diseases, and zero pollution." The Environment, Health, and Safety (EHS) Management Committee of the Company formulates annual safety objectives and breaks them down into sub-objectives for various business departments/subsidiaries. The achievement of these objectives is linked to the evaluation of annual organizational performance. Additionally, the Committee develops annual safety work plans, establishes the safety production responsibility system, and organizes all staff to sign safety responsibility letters. The safety management system is regularly updated, and a dual prevention mechanism of risk classification and hidden danger investigation and control is implemented. Various safety training and education programs are organized to foster the corporate safety culture. Compliant innovative practices such as "Behavior-Based Safety (BBS)" and "Safety Performance Evaluation" are taken. The safety production responsibility system is used to solidify the accountability chain and create a governance model leveraging the synergy of "regulatory bottom line + management top line." The Company has established the ISO 45001 occupational health and safety management systems. In 2024, it was recognized by the Jiangsu Provincial Department of Emergency Management as a second-level enterprise (machinery) in safety production standardization. It also joined the Emergency and Safety Production Association of Xinwu District, Wuxi City, and participated in the relevant work of the association as a governing unit.



ISO 45001 Occupational Health and Safety Management System Certificate



Organizational Structure

LEAD has established an EHS Management Committee with the Chairman as the director and department managers as members. From the Chairman to department managers and employees, safety responsibility is assigned at every level, ensuring the well-rounded accountability for safety production. The Committee, as the highest governing body for occupational health and safety management, is responsible for the Company's occupational health and safety work. It organizes a quarterly special meeting on occupational health and safety.



Safety Management System

The safety management system is a standardized framework of "clear hierarchy, closed-loop management, and dynamic optimization" based on national safety production laws and regulations and combined with industry characteristics and enterprise realities. The following systems are currently in effective practice: "New Construction and Expansion Project Acceptance Management System," "Safety Performance Assessment and Reward-Punishment Regulations," "Safety Production Responsibility System Management System," "Project Safety Management System," "Hidden Danger Investigation and Management Regulations," "Safety Hazard Severity Determination Standards," "Special Equipment Management System," "Special Operations Management and Approval Procedures," "Job Safety Operating Procedures," "Labor Personal Protection Equipment Management Standards," "Warning Signs and Safety Protection Management System," "Safety Accident Management Procedures," "Supplier Safety Management System," "Pedestrian and Vehicle Segregation Safety Management System," etc.



Safety Risk Management

LEAD has systematically identified the sources of danger within its management scope by promoting risk classification control and hidden danger investigation and treatment work, and formulated control and preventive measures. Additionally, we have strengthened emergency organization construction and conducted emergency drills to reduce accident risks and enhance our capabilities in safety risk management and response.

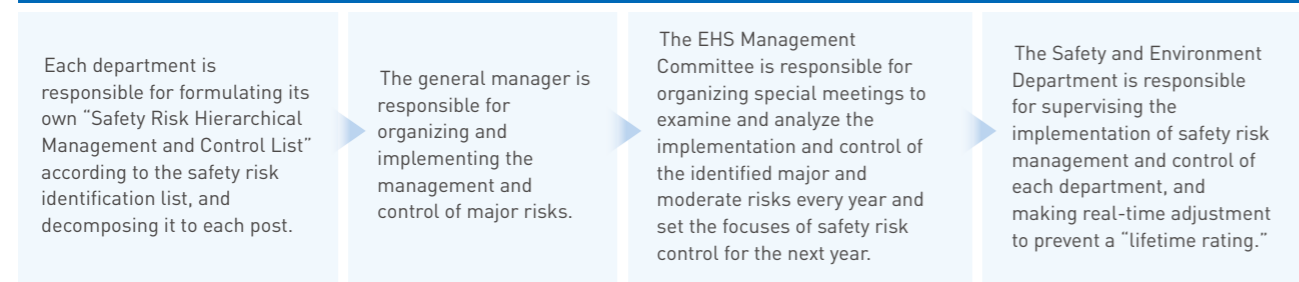
Risk Identification and Assessment

The Safety and Environment Department is responsible for organizing all departments to carry out safety risk identification according to the "Management Procedure for Identification and Evaluation of Environmental Factors and Hazard Sources." According to the "Safety Risk Hierarchical Management and Control System," the safety risks are classified as major risk, moderate risk, general risk and low risk using the Likelihood, Exposure, Consequence (LEC) method.

100%

Rectification rate for hidden dangers upon expiration in 2024
Qualification rate for inspections in occupational hazard workplaces in 2024

Risk Control Process



Emergency Response and Drills

The Company formulates the "Emergency Preparedness and Response Control Procedure" that standardizes the emergency handling process, clarifies the rights and obligations of the emergency handling organization, lists the types of emergency accidents, and provides guidance to carry out various emergency drills. The emergency drill plan is formulated each year and carried out accordingly. By rehearsing different accident types, employees enhance their ability to handle emergencies.

69

Emergency drills in 2024, covering fire protection, safety, and occupational health



Emergency Response

The Company has established the "Safety Accident Management Procedures" and a series of processes for handling work-related injuries and emergency incidents. It has actively developed emergency rescue plans for work-related accidents and executed drills. Through measures such as the dual prevention mechanism, safety inspections, and safety training, we have reduced various work-related injury risks. After a work-related accident occurs, the Company follows the procedure to report, investigate, and analyze the causes of the accident, as well as tracks and improves the existing problems.

Stakeholder Safety Management

With great attention to stakeholders' safety management, LEAD has implemented the safety management requirements in accordance with the "Supplier Safety Management System" and "Stakeholder Management Control Procedures," etc. In 2024, the Company has further optimized the Integrated Security System, enabling automatic identification of ID cards to determine personnel information. It has achieved a unified control interface for application processes, operation staff safety training, exam information, visitor passes, and tool carrying status. We have also added the function of sending texts notifications to suppliers so as to identify the business contact personnel and strengthen the safety management of supplier on-site operations. Moreover, the online training system for suppliers has been enhanced to provide one-on-one occupational health and safety management training for supplier personnel entering our factory. As for customers, the Company has carried out safety management on customer project sites in accordance with the relevant project safety management regulations. For example, we assigned dedicated or part-time safety managers based on customer requirements and actual project conditions.

Occupational Health

Occupational Health Risk Management and Control

LEAD carries out the prevention and control of occupational health hazards and formulates and implements various safety and occupational health management systems in strict accordance with the *Labor Law of the People's Republic of China*, the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other national laws and regulations, as well as the requirements of customers and relevant parties.

We strictly implement the "three simultaneous" occupational health management regulations that all kinds of occupational health protective facilities are designed, constructed and put into use simultaneously with the project. In accordance with national occupational health laws and standards, strict control is placed on the purchase and use of chemical substances involving occupational hazards, with preferences given to safe materials over toxic and harmful substances. We regularly organize employees to undergo occupational health examinations before, during and after taking a post. We also conduct occupational hazard factor testing of the work environment in accordance with relevant laws and standards to ensure that the work environment meets national standards and that employee health is protected.

Occupational Health Hazard Identification and Control Means

The main occupational hazard factors involved in the production activities of LEAD are noise and dust. The Company has prepared the "Identification List of Post Occupational Hazard," which clarifies the hazard factors and harmful substances, and taken control measures such as adding shock absorption measures and dust collection devices, distributing personal protective equipment (PPE), and organizing regular occupational health examination and occupational hazard factor detection. In 2024, the coverage rate of occupational health examination for employees was 100%.

Occupational Health and Safety Inspection

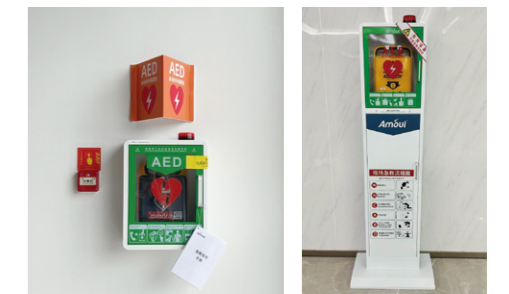
The Company formulates occupational health and safety inspection plans every month that incorporates occupational PPE, sanitary equipment, canteen environment and more, and promptly reports and rectifies any problems identified. Special inspections of the working environment are conducted to ensure compliance with relevant requirements.

First Aid and Emergency Treatment

Each workshop is equipped with Automated External Defibrillators (AED) and each workshop is equipped with first aid kits to ensure that employees receive timely treatment. The Company regularly conducts training and drills on first aid knowledge such as cardiopulmonary resuscitation (CPR), burns treatment, and Heimlich maneuver, so that employees can master basic first aid knowledge. In addition, the Company has signed a rescue agreement with surrounding hospitals to ensure immediate medical treatment in the event of an accident.

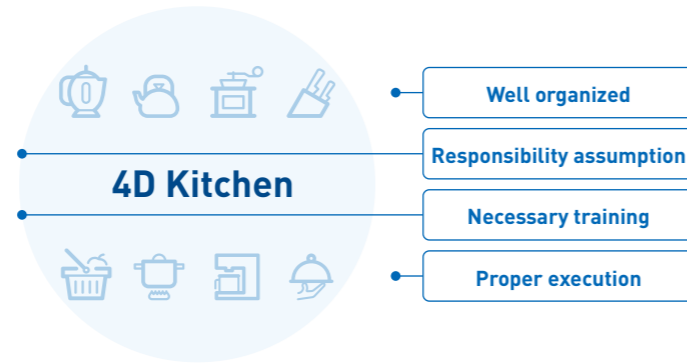
100%

Coverage rate of occupational health examination for employees in 2024



Food Safety

LEAD's canteens always provide employees with safe, healthy, and high-quality dining services by executing multidimensional management and strict "4D Kitchen" standards.



System Construction

Cleaning and inspection forms are displayed publicly, and dedicated personnel are assigned for the inspection and regular summary. Food safety information is displayed on the notice board for information disclosure and joint supervision. Strict registration and protective measures are taken for external visitors. Regular elimination of canteen pests is conducted to ensure safe and hygiene dining environment.

Canteen Staff Management

Canteen staff can only go on duty after daily morning inspection. Regular staff meetings and practical drills are held to reinforce the awareness of food safety.

Dining Experience Upgrade

Canteens are divided into dining area, storage area, and cooking area so as to ensure a clean and tidy dining environment and a diverse selection of healthy and safe meals.

Quality Control and Supervision

The canteen management system have been upgraded in a comprehensive manner in 2024. An inspection team have been established to conduct inspections 3-4 times per week in coordination with unannounced inspections. The "food sample 48-hour retention" system are implemented to ensure food hygiene. The supplier database for raw materials is updated to ensure strict quality control over ingredient acceptance, and each batch of materials comes with report for traceability. A service counter and a suggestion feedback hotline have been added, resulting in an 80% increase in on-site resolution rate for employee dining problems. The goal of zero food safety incidents has been achieved throughout the year.

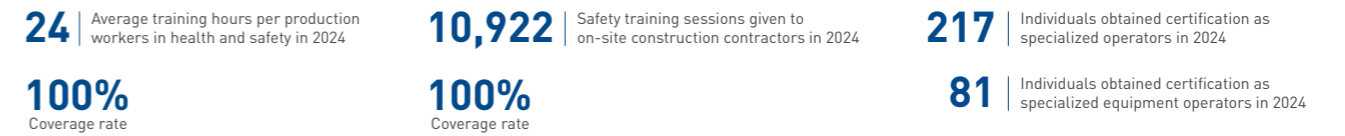
Knowledge Popularization

We have enhanced employee interaction and disseminated knowledge on healthy diet through a total of over 100 article feeds about menus, seasonal diet, and more in 2024.



Health and Safety Training and Culture Development

Safety culture development is a systematic project, the core of which is to internalize the concept of safety as a conscious action for all employees through value guidance, behavior shaping, and environment creation. LEAD has established a multi-dimensional occupational health and safety training system by utilizing the LEAD e-Learning platform to carry out regular training for managers, team foremen, and employees of work returning or job rotation, and runs "four new" education. We have also put into practice the three-level safety education, and strengthened safety training for post operation procedures, hazard identification and control, road traffic, etc., so as to enhance employees' safety awareness.



Pre-job Training

The three-level pre-job safety training and assessment are performed to ensure new employees have the necessary knowledge of occupational health and safety.

Regular Training

The Company formulates and executes the annual safety education and training plan to continuously strengthen employees' occupational health and safety ability. Safety education and training subjects include the new employee three-level safety training, fire safety training, occupational health and safety training, first responder training, driving ground operation training, specialized operation supervisor safety training, etc.

Stakeholder Training

The Company provides online safety training for external construction personnel and one-on-one occupational health and safety management training for on-site personnel.

Furthermore, LEAD has actively promoted corporate safety culture development and created a safety culture atmosphere participated by all employees. This is done through activities such as safety month, fire prevention month, safety innovation competition, 7S mobilization, four-color risk maps and risk lists, factory pedestrian and vehicle segregation, preventive driving courses, post safety risk notification cards and safety warning signs, safety culture corridor, safety warning videos, and LEAD EHS WeCom platform push notifications.



Safety Month

In June 2024, LEAD held the Safety Month event with the theme "Safety for Everyone, Emergency Treatment by Everyone - Smooth the Path of Life." The number of participants reached nearly 7,000 in a series of promotional and educational activities including safety knowledge competitions, vehicle blind spot experience, and videos with heartfelt messages from loved ones. These activities effectively enhanced the Company's ability to handle safety emergencies and strengthened the safety fortress.



119 Fire Prevention Month

In November 2024, LEAD held the 119 Fire Prevention Month event, focusing on the theme of "Prevention First, Life First." In conjunction with winter fire prevention and control publicity work, a series of fire prevention awareness activities were organized. A total of 4,227 employees actively participated in the fire safety competition, gaining knowledge of fire-fighting equipment and fire safety. The employees, organized by departments, took part in a comprehensive fire-fighting competition, which included tasks such as extinguishing initial fire, wearing protective gear, connecting water hoses, and water relay. This competition has enhanced the employees' professional skills, teamwork, and emergency response capabilities.



ENVIRONMENT & ENERGY

ZERO EMISSION

ESG

Ecology

eco

75%

CO₂

CO₂

Environment and Energy

Environment and Energy Management Systems

LEAD is committed to building a green and intelligent manufacturing ecosystem that covers the entire new energy industrial chain, with intelligent manufacturing technology as the cornerstone. We are unwavering in our pursuit of a zero-carbon sustainable development strategy, aligning well with the global green development trend.

Environmental Management System

LEAD "Environmental Management Policy" adheres to the core concept of "clean production and green development," formulating scientific and reasonable environmental management procedures and quantitative targets with the aim of comprehensive and fine-grained control of pollution sources throughout the whole process. Furthermore, we actively advocate and encourage all stakeholders to jointly adhere to this policy, consolidating the collective efforts for sustainable development. The Company, guided by the ISO 14001 environmental management system, has established and improved the environmental management system. Through systematic, institutionalized, and process-oriented management, it has effectively guided the orderly implementation of environmental management and compliance work, significantly improving the efficiency of pollutant management and continuously enhancing the Company's environmental performance. The Company has strictly executed the "three simultaneous" management regulations for environmental protection in construction projects, conducted relevant environmental impact assessment and acceptance, as well as held pollution/drainage permits, radiation safety permits, and other related licenses.



ISO 14001 Environmental Management System Certificate

Green Production

Clean Production

After a new round of clean production audit and guidance, LEAD has taken systematic and comprehensive pollution treatment measures such as source reduction and process control, cutting the annual output of waste emulsion, the Company's main hazardous waste, by 31.76% year-on-year during the reporting period. This fully verifies the remarkable effect of clean production measures in hazardous waste reduction.

Waste Management (Waste Gas, Waste Water, Solid Waste)

LEAD has formulated the internal management system for water, gas, noise, and solid waste in accordance with relevant national and local laws and regulations, combined with its current situation. We have actively conducted environmental pollution control and waste discharge management, regularly supervised and detected waste discharge to ensure regulatory compliance, and continuously upgraded the treatment facilities. In 2024, LEAD entrusted a third-party testing agency to conduct tests on its water, air, and noise emissions, all of which met the relevant discharge standards.

Waste Gas Management

LEAD has formulated waste gas management regulations such as "Regulations on Waste Gas Emission Management" and "Management Procedures for Waste Gas Treatment Equipment and Facilities." We have installed gas collection devices to collect machining oil mist waste gas before introducing it into waste gas treatment facilities through waste gas pipelines, ensuring that the waste gas emission concentration meets the national and local emission requirements such as "Comprehensive Emission Standard for Air Pollutants" (GB 16297-1996).

The Company monitors the operation of the waste gas treatment facilities in real time through the working condition power monitoring system, and regularly conducts environmental monitoring every year to control the emission of air pollutants. It also identifies, monitors, and controls the use of ozone-depleting substances (ODS), and establishes the "Ozone-Depleting Substances Control Procedure" to control the consumption of ODS at source through the development of a sustainable procurement strategy.

Furthermore, we have reduced the use of fossil fuels at the source by increasing the proportion of electric vehicles in the corporate fleet, thereby minimizing the environmental impact of emissions on our operations.



Energy Management System

LEAD takes energy management system as a key driver of green intelligent manufacturing, and practices green operations through system improvement, equipment upgrades, monitoring optimization, and the use of renewable energy.

The Company adopts ISO 50001 energy management system as the framework, establishes energy management regulations and procedures, and conducts regular system reviews every year to ensure the suitability, adequacy and effectiveness of the management system. The Company always takes zero environmental pollution as its direction. We have formulated scientific and reasonable environmental and energy management goals based on actual operational conditions. Monthly statistical analysis and annual comprehensive reviews are conducted. In the event of changes in the operational environment, production processes, or updates to relevant national and local laws and regulations, the target indicators are promptly revised and updated to ensure scientific and timely environmental and energy management.



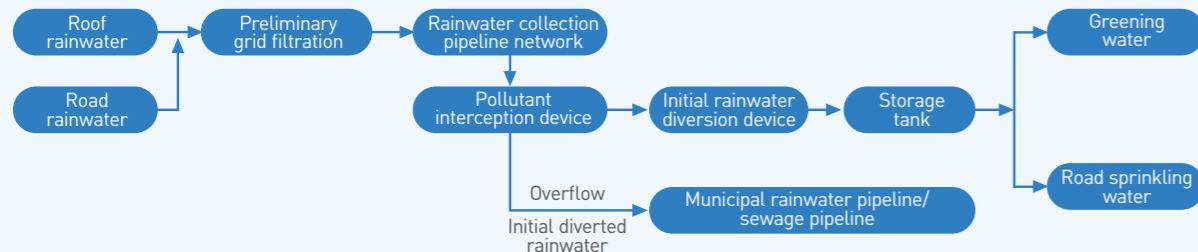
ISO 50001 Energy Management System Certificate

Wastewater Management

During the reporting period, the Company's water supply was solely obtained from the municipal water system, with no significant direct or indirect impacts on water resources resulting from changes in water intake, consumption, discharge, or storage. The Company has no industrial wastewater generation or discharge, and the main source of wastewater is domestic sewage. After pretreatment in septic tanks (for domestic sewage) and oil separators (for canteen wastewater), the sewage is connected to the Xincheng Wastewater Treatment Plant. The influent concentrations meet Grade III standard of "Comprehensive Wastewater Discharge Standard" and Class A standard of "Water Quality Standard for Wastewater Discharged into Urban Sewers." In order to comprehensively improve the efficiency of water resource management, and to address water scarcity and environmental risks, the Company has formulated the "Rain and Wastewater Management Procedure" and innovatively introduced an intelligent initial rainwater diversion system. This system achieves precise control of rainwater discharge through real-time monitoring and data analysis, effectively enhancing the environmental risk warning capability.

Case: Rainwater Collection and Utilization System

In 2024, LEAD constructed an advanced rainwater collection and utilization system in the newly developed area. This system employs a three-stage treatment process of "sedimentation-filtration-purification" to process rainwater and store the treated rainwater in the collection tank. Processed rainwater can be directly used for irrigation within the industrial area, significantly reducing the intensity of water resource consumption and achieving the efficient and sustainable utilization of water resources.



Solid Waste Management

The Company has developed the "Solid Waste Management Procedures" and "Hazardous Waste Management Regulations" to implement the principles of "waste reduction, resource utilization, and harmless treatment." It aims to ensure the collection, disposal, and comprehensive utilization of various types of solid waste in compliance with the regulations, achieving zero discharge of solid waste. The Company has also established a plan to reduce hazardous waste. Through clean production, the amount of waste emulsion generated in 2024 decreased by 31.76% compared to that in 2023. Comprehensive management of hazardous waste has been implemented throughout the entire process and life cycle.



Chemical Management

LEAD abides by Chinese and overseas laws and regulations related to chemical safety, such as the *Regulations on the Administration of Controlled Chemicals*, the *Regulations on the Safety Management of Hazardous Chemicals*, the *Interim Provisions on the Supervision and Administration of Major Hazard Sources of Hazardous Chemicals*, the *Catalogue of Hazardous Chemicals*, etc. We have formulated systems such as the "Chemical Life-Cycle Management Procedures" to regulate the whole process of chemical procurement, compliant purchasing, storage, use, emergency disposal and waste treatment. We have established a stringent process for the management of hazardous chemicals. Through our information system, we examine and approve the chemical procurement requests and the introduction of new chemicals in the factory. In strict accordance with laws and regulations, we implement controls such as prohibition of entry and substitution for restricted substances, highly toxic chemicals, and chemicals with serious occupational health and safety hazards in the areas of operation. In 2024, the training coverage rate for chemical management among employees exposed to chemicals reached 100%, with a total of 7,510 participants.

Noise Management

The main sources of noise in the Company include waste gas treatment facilities and equipment, air compressor rooms, the operation of production equipment, handling and loading/unloading operations, etc. We have established the "Noise Management System." After noise is reduced through plant sound insulation, fan vibration reduction, distance attenuation, soundproof walls and enclosures are used to effectively block and eliminate the noise. In 2024, LEAD entrusted a third-party inspection agency to conduct noise testing. According to results, the noise levels at the factory boundary meet the Class 3 standards stipulated in the "Emission Standard for Environmental Noise at the Factory Boundary of Industrial Enterprises" with a maximum of 65dB(A) during the daytime and 55dB(A) during the nighttime.

Radiation Safety Management

LEAD strictly adheres to the *Regulations of the People's Republic of China on the Safety and Radiation Protection of Radioisotopes and Radiation Devices*, the *Administrative Measures for the Safety License of Radioisotopes and Radiation Devices*, the *Administrative Measures for the Safety and Protection of Radioisotopes and Radiation Devices*, and other relevant laws and regulations, and has formulated the "Radiation Management Rules and Regulations" to implement the radiation safety management of employees from the aspects of operation training, occupational health examination and regular detection of radiation dosimeters.

Radiation Area Detection

In 2024, the Company entrusted a third-party testing agency to conduct protective detection on the radiation areas within the factory premises. The results meet the limit requirements specified in the "Standard for Radiological Protection in Low-energy Radiation Generating Devices" (GBZ115-2023).

Radiation Training and Assessment

All employees working in radiation-related positions are required to obtain the certificate of "Radiation Safety and Protection Assessment for Nuclear Technology Utilization" or pass the internal training test.

Radiation Dose Detection

LEAD cooperates with third-party agencies to conduct quarterly testing of the radiation dosimeters worn by radiation-exposed employees and issue compliance testing reports.

Occupational Health Monitoring

LEAD organizes occupational health examinations for radiation-exposed employees every year, tracks the examination results and follow-up arrangements, establishes and properly keeps personal health monitoring files to ensure compliance with regulatory requirements.

Emergency Management

LEAD strictly adheres to the *Environmental Protection Law of the People's Republic of China*, the *Water Pollution Prevention Law of the People's Republic of China*, the *Air Pollution Prevention Law of the People's Republic of China*, and other relevant laws and regulations, and has established a scientific sound environmental emergency management system. Based on the dynamic environmental risk assessment mechanism, we have continued to improve the three-in-one emergency plan system covering comprehensive plan, special plan, and on-site handling plan in an annual basis to ensure that the plan system is both strategically preventive and practical. In terms of emergency support capability, the Company has established a comprehensive management model to optimize the emergency supplies of different categories and promote the quantitative reserves and efficiency monitoring. It has also built a professional emergency rescue team and continuously enhanced the team's professional competence and emergency response capabilities through a cultivation system of "selection, training, drills, and evaluation." Furthermore, the Company conducts annual environmental emergency drills as planned to examine and enhance the effectiveness of the emergency response mechanism, thereby responding to various unexpected environmental incidents effectively and providing a solid guarantee for environmental safety.

Environment Protection Training

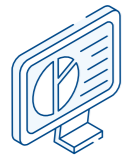
LEAD has carried out environment protection training as scheduled. The training covered key topics such as water conservation, integrated management of rainwater and wastewater, management of gas emissions, classification and disposal of solid waste, and noise pollution control. The total number of participants in the environmental protection training reached 7,710, with a 100% pass rate in the training test.

Green Operation

Conduct Energy-saving Management to Deal With Climate Change

LEAD actively responds to the dual carbon goal and agrees with the latest climate assessment report by IPCC. We are committed to energy conservation management, and have been contributing to keeping global temperature rise within 1.5°C and mitigating climate risks. The Company has formulated the climate and energy management policies and implemented a comprehensive response strategy to promote global sustainable development.

Energy Efficiency Improvement



Optimized Monitoring

Established an energy monitoring system to track and reduce energy waste



Upgraded Equipment

Prioritized the procurement of high-efficiency energy-saving lamps and low energy-intensive equipment to reduce energy consumption from the source



Consciousness Development

Elevated employees' consciousness of water and electricity conservation through energy-saving slogans



Improved System

Established and continuously improved the energy management system to ensure its efficient operation

The Company has improved electricity efficiency by executing precise management on the air conditioning system and monitoring and managing power factor through the transformer substation. It has also reduced exhaust by managing the compressed air system, conducting thorough inspections on air leaks, and adopting low or zero air-consumption drainage equipment. In addition, the Company has improved energy management level and efficiency through digital and intelligent upgrades. This includes the introduction of an online monitoring system for substation equipment, a remote monitoring system for the compressed air stations, and a smart forklift management system.

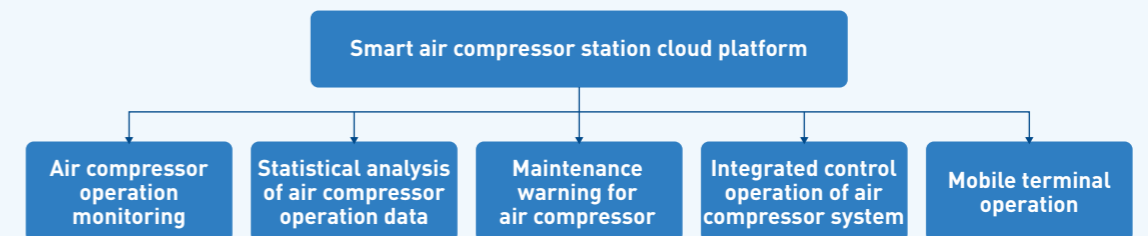


Case: Air Conditioning Power Management

As the factory expands, the energy demand increases. In order to implement the energy-saving and emission reduction policy, LEAD continues to explore the energy-saving potential of the air conditioning system and has conducted a hierarchical constraint index management and incentive program in the entire company. We have improved the management mechanism of air conditioning power consumption by strictly executing the seasonal temperature control standards (set 26 °C for summer with outdoor temperatures ≥30° C, and set 20° C for winter with outdoor temperatures ≤5° C), and developed employees' awareness of energy saving and emission reduction.

Case: Remote Monitoring System for Compressed Air Stations

LEAD has built a digital energy efficiency management system to promote the energy-saving renovation of the compressed air system. By deploying the Mogulinker intelligent management platform, we have achieved the 24-hour real-time monitoring, energy efficiency diagnosis, and warning linkage for the compressed air unit, providing accurate data support for energy conservation. With the data from the management platform, we have implemented technical improvement projects such as pressure sensor network optimization and pipeline renovation, leading to an over 36% year-on-year decrease in energy consumption of the compressed air system and a power saving of 1,680 MWh in 2024.



Case: Construction of Charging Piles

In line with the green and low-carbon concept, LEAD installed intelligent charging piles in the parking lot in 2024 to provide convenient new energy vehicle charging services for employees and encourage green travel. While improving the green infrastructure of the industrial park, we have also reduced the carbon footprint of employees, further contributing to carbon neutrality.

Use of Renewable Energy

To follow global carbon neutrality goals, further reduce carbon emissions, and promote green and low-carbon transition, LEAD has optimized the energy mix and increased the proportion of renewable energy consumption, striving to create a green operation model. The factory in Naila, Germany has achieved 100% green power supply, making it a flagship of LEAD's international green manufacturing. Meanwhile, the three production bases in Xinwu District, Wuxi City have been constructing rooftop distributed photovoltaics and simultaneously deploying an intelligent energy management platform to achieve refined control of energy consumption. Once the construction is completed, all the green electricity generated will be consumed by the Company. We will continue to deepen the application of renewable energy and explore more innovative ways to reduce emissions.

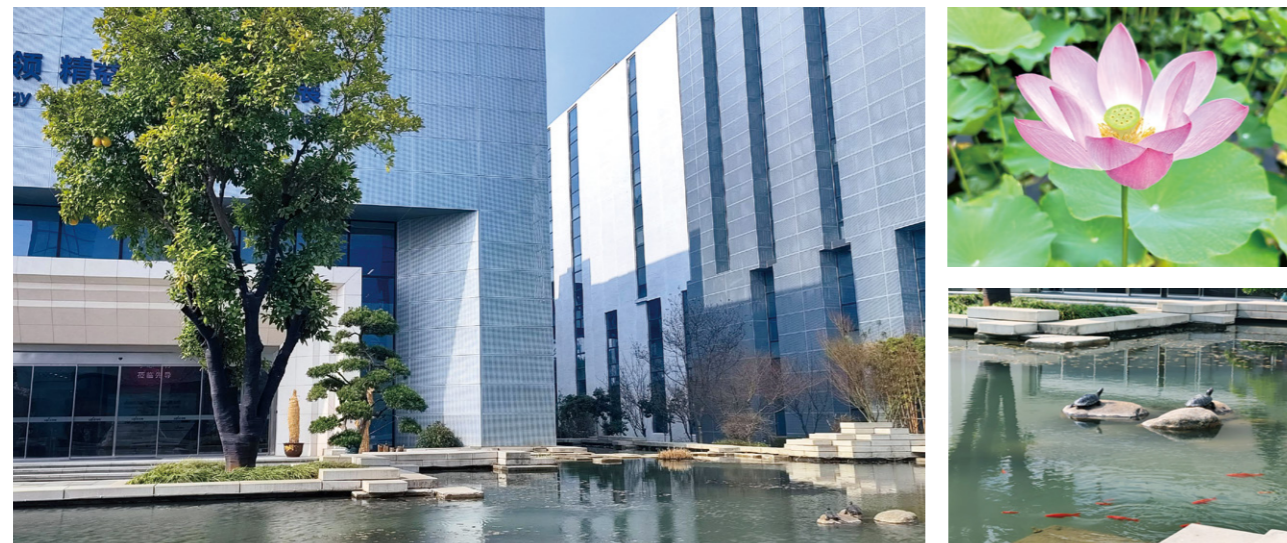


Every year on Arbor Day, the Company organizes tree-planting activities within and around the industrial park. On important occasions such as Earth Day and World Environment Day, we conduct sustainability promotion activities, environmental knowledge competitions, and other events to enhance the awareness and ability for environmental protection.

During the reporting period, the Company did not have any production bases or operational sites located within and adjacent to nature reserves, or in biodiversity areas. All production, operation, products, and services of the Company have not been found to have a significant negative impact on biodiversity. LEAD will continue to evaluate the environmental impacts that may arise from the construction, production, and operation activities of the Company, and formulate ecological conservation policies to build a harmonious planet.

Build an Environment-friendly Park to Protect Biodiversity

LEAD focuses on the impact of its operation on biodiversity. We strictly adhere to policies and regulations, such as the *Opinions on Further Strengthening Biodiversity Protection*, and identify risk factors and potential dangers. As the "Green Factory of Jiangsu Province," the Company places great importance on biodiversity conservation in its construction and operation. It is committed to creating an ecological demonstration park to provide a habitat for animals.



Case: Garbage Sorting Game

In order to enhance employees' environmental awareness, LEAD held a garbage sorting knowledge quiz in June 2024 to help employees easily acquire the knowledge of waste classification from games. The activity infused waste sorting knowledge into games, where employees learned waste sorting skills and understood the significance of garbage separation for environment protection in a relaxed and enjoyable atmosphere through interactive experiences and team cooperation. The event has helped to contribute to building a resource-saving and environmentally friendly society.



Case: Sustainable Procurement of Employee Benefits

LEAD practices the sustainable development concept in every aspect of its operations. The Mid-Autumn Festival gifts for employees in 2024 used 100% inkless and biodegradable packages made from 8,000kg sugarcane bagasse, and each bucket hat was made from 8 recycled water bottles. This not only shows the concept of environmental protection and sustainability, but also adds a unique sentimental value to the gifts.



**COMMUNITY
RESPONSIBILITY**

Community Responsibility

Public Welfare Donations

LEAD takes "integrity, harmony, green, and development" as its social responsibility concept. We have clarified the principles, key areas, and application and approval process for public welfare support, and set a special public welfare budget to support fields such as scientific research and development, education, rural revitalization, and environmental protection.

Wang Yanqing Scholarship

Since its establishment, LEAD has always upheld the concept of "Intelligence for Good" under the leadership of Chairman Wang Yanqing. The Company set the "Wang Yanqing Scholarship" with 10 million RMB in 2017 at Xishan Senior High School in Jiangsu Province to inspire more students to pursue their dreams. Starting from 2021, we have set up the "Wang Yanqing Scholarship" at six prestigious universities: Harbin Institute of Technology, Southeast University, Huazhong University of Science and Technology, China University of Mining and Technology, Nanjing University of Science and Technology, and Hefei University of Technology. Since the inception, hundreds of thousands of RMB have been invested annually to provide financial support to nearly a hundred promising students as encouragement.

Key universities establishing "Wang Yanqing Scholarship"



Harbin Institute of Technology



Southeast University



Huazhong University of Science and Technology



Nanjing University of Science and Technology



China University of Mining and Technology



Hefei University of Technology

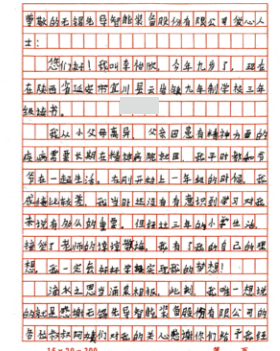
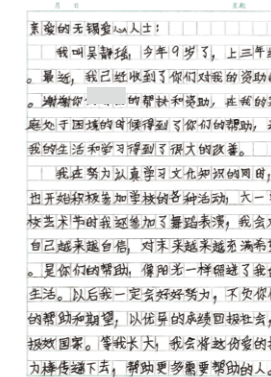
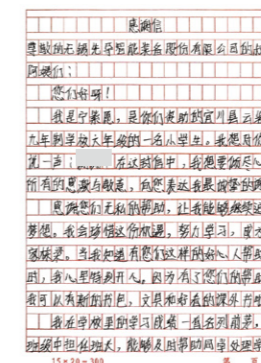


Rural Revitalization

The Xinwu District of Wuxi has established a pairing assistance relationship with Yichuan County of Yan'an City. As an important participant and contributor to the pairing cooperation, LEAD has started a long-term assistance program for 12 left-behind and disadvantaged children in Yichuan in 2024 to offer them financial support each year, aiming to help them complete their studies. This has sowed the seeds of hope for the future of children in the old revolutionary base, while supporting the national rural revitalization and education cause.



Donation Certificate



Letters from Sponsored Children

Love Fund

In order to provide necessary assistance to employees in need, to encourage them to overcome challenges, and to bring warmth and care from the Company and their colleagues, LEAD has established the Love Fund since 2018. The Fund aims to help employees who experience financial difficulties due to personal or immediate family's disabilities, illnesses, deaths, or other unexpected accidents. The fund is from the monthly donations from the Company and employees: Employees can make a certain amount of voluntary donations per month depending on their willingness and sign the donation letter, and the donation is transferred from their salary to the Fund account every month. The Company, on the other hand, donates 50,000 RMB to the Fund annually. During the reporting period, the long-term Love Fund assistance mechanism has provided special consolation money to over 20 employees who suffered from serious illnesses or unexpected difficulties, effectively addressing their concerns.



Community Activity

In addition to welfare donations, LEAD also engages in community voluntary services as gratitude. The Company has established the LEAD Volunteer Service Association to encourage employees to actively participate in volunteer activities. The association has established an employee welfare spirit profile database through forms such as questionnaires, and plans volunteer programs based on the employees' willingness. It has also implemented a welfare cause points system that converts volunteer service hours into points. Based on the amount of points, we select the LEAD Volunteer Star and provide gifts to commend and encourage employees who actively participate in volunteer activities, thereby inspiring more employees to engage in philanthropic endeavors.



Community Culture Activity

In the collaboration between the Jiacheng community and LEAD, the two sides have engaged in negotiations based on the principles of "equality and mutual benefit, complementary advantages, resource sharing, serving the people, and common development" to strengthen coordination. We have built a party building alliance hand in hand, and established a corporate volunteer service team. Through corporate volunteer services in the community, we have promoted the linkage between the enterprise and the society, as well as residents, ensuring the satisfaction of residents' demands. Moreover, we have cooperated in the field of community welfare by organizing our corporate volunteers to participate in community holiday activities such as the Lantern Festival cultural event.



Caring for the Elderly Living Alone

Under the call and organization of the Xinwu Safety and Green Development Promotion Association, LEAD, as a caring enterprise, actively participated in the "Caring for the Elderly Living Alone" campaign. In 2024, we visited multiple homes of elderly people who live alone or who have lost their only child, performing gas inspections, electrical facilities inspections and maintenance, and cleaning. We also brought rice, oil, and other groceries to ensure a safe living environment for them and expressed our care. In the same year, the Company was awarded the "Most Caring Enterprise" by the Association, which was a high recognition of its social responsibility practices from an industry organization.



Giving for Good Welfare Program

In 2024, LEAD, together with Tencent Charity, organized the "Little Red Flower Collection" fundraising event, attracting dozens of LEAD volunteers and their children. In this event, all the funds were raised through donation instead of purchase and were donated to the Wuxi Charity Federation's "Wuxi One-Day Charity" project and the Shanghai Rende Foundation's "Making Acoustic Children Live Better" project, to provide assistance to students, patients, the underprivileged, the disabled, and other people in need. During the event, the Company also organized a series of book and clothing donation activities internally, enabling the corporate welfare culture deeply ingrained in people.



Environment Protection Activity

LEAD has been carrying out long-term environmental protection activities, practicing the concept of green development and contributing to the building of a "Beautiful China" with its practical actions. In recent years, the Company has continuously organized volunteer activities such as garbage collection and mountain cleaning, attracting nearly a thousand participants. These activities have effectively enhanced the environmental awareness of the employees and contributed to the improvement of the community environment. In 2024, the Company has further deepened its social responsibility practices by innovatively integrating environmental protection themed activities into the onboarding training for new employees, and incorporating the ESG concept into the new employee development system. In the community park, new employees picked up litter, cleaned the clogged sewage drains, and searched for plastic bottles, cigarette butts, and other waste on the grassy paths, experiencing firsthand the importance of ecological conservation. LEAD will continue to explore more innovative ways to drive the deep integration of environmental protection with employee growth and community development, and create long-term value for society.



Public Welfare Culture

LEAD always adheres to the concept of taking from the society and giving back to the society, and integrates public welfare culture into the blood of the enterprise. In addition to charitable donations and community activities, the Company also conveys warmth through initiatives such as agricultural assistance and support. For example, when selecting holiday gifts for employees, we direct our attention towards groups in need of care. For instance, we chose gift packaging boxes made of artwork created by children on the spectrum, combining holiday blessings with charitable acts. Our company also purchased agricultural products from the poverty-stricken areas in Qinghai Province, such as goji berries, to contribute to rural revitalization.





APPENDIX

Appendix

Key Performance Table

Environmental Performance

The scope of environmental statistics includes the main production bases and warehouses located in Wuxi and Zhuhai, and excludes outsourced canteens. Companies involved include Wuxi LEAD Intelligent Equipment Co., Ltd., Jiangsu Lead Technology Co., Ltd., Jiangsu Lead Hydrogen Intelligent Equipment Co., Ltd., Wuxi Lead Laser Precision Technology Co., Ltd., Zhuhai Titans New Power Electronics Co., Ltd. and Guangdong Lead Intelligent Technology Co., Ltd.

Index Type	Index	Y2024	Unit	
Resource consumption	Purchased electricity (indirect energy)	60,227.32	MWh	
	Gas (direct energy)	Natural gas	105,948	m ³
		Liquefied petroleum gas	17,374.50	kg
	Fuel (direct energy)	Gasoline	179,638.64	L
		Diesel fuel	100,180.79	L
Water	Municipal water supply consumption	333,794	t	
Waste	Dangerous waste (by composition)	Waste emulsion	52.82	t
		Waste oil	12.60	t
		Oil-containing waste	0.91	t
		Waste organic solvent	0.37	t
		Waste package and container	0.15	t
		Activated carbon	0.87	t
		Waste solvent	0.26	t
	Dangerous waste (by recycling/disposal method)	Burning (without energy recovery)	1.65	t
		Other disposal methods	66.33	t
	General waste (by composition)	Scrap steel	910.38	t
		Scrap wire	41.44	t
		Scrap plastic	18.74	t
		Scrap non-ferrous metals	65.53	t
		Scrap paper	26.00	t
	General waste (by recycling/disposal method)	Other recycling methods	1,062.08	t
Exhaust gas ¹	Major gas emissions	NO _x	0	kg
		SO _x	0	kg
		PM	28.20	kg
		VOC	100.39	kg
GHG	Total GHG emissions		4,043,185.54	tCO ₂ e
	Scope 1 total GHG emissions		1,902.61	tCO ₂ e
	Scope 2 total GHG emissions		32,317.98	tCO ₂ e
	Scope 3 total GHG emissions		4,008,964.95	tCO ₂ e

1. Range of nitrogen oxides, sulfides, and PM: Canteen in No. 18 Xinzhou Road, Wuxi City, Jiangsu Province, China; Range of VOC: emissions from machining workshop.

Social Performance

The scope of social statistics is consistent with the scope of the consolidated financial statement.

Index Type	Index	Y2024	Unit	
Employee diversity	Total		15,025	persons
	Gender	Male	12,825	persons
		Female	2,200	persons
	Age	30 years old and under	6,861	persons
		31-50 years old	8,054	persons
		Above 50 years old	110	persons
	Education level	Master degree and above	993	persons
		Undergraduate degree	6,225	persons
		College degree	3,182	persons
Below college degree		4,625	persons	
Employee training	Average training hours per capita		43	hours
	Average training expenditure per capita		517	RMB
	Number of company-level training sessions		1,819	sessions
	Percentage of employees participation in training		100	%
	Hours of employees training on employee benefits policies or procedures		10,176	hours
	Percentage of employees receiving training on employee benefits policies or procedures		100	%
	Percentage of employees undergoing regular performance and career development assessments		100	%
Employee rights and benefits	Total number of employees on parental leave	Male	1,266	persons
		Female	211	persons
	Discrimination and harassment incidents		0	incidents
Occupational health and safety	Lost Time Injury Frequency Rate (LTIFR) ¹		0.84	-
	Coverage of occupational health examination for employees		100	%
	Average hours of health and safety training per production worker		24	hours
	Coverage of health and safety training for production workers		100	%
	Number of safety training sessions for on-site construction contractors		10,922	sessions
	Coverage of safety training sessions for on-site construction contractors		100	%
	Number of emergency drills ²		69	drills
	Employee coverage of emergency drills		100	%
Supply chains	Number of core suppliers ³	Total	198	suppliers
		China	112	suppliers
		Overseas	86	suppliers
Proportion of new suppliers screened on environmental/social dimensions		100	%	
Responsible marketing	Number of fines, penalties and warnings due to violation of product service information and identification regulations		0	incidents
	Number of fines, penalties and warnings due to violation of relevant marketing laws and regulations		0	incidents
Customer service	Complaint resolution rate		100	%

1. Index calculation formula: LTIFR = (Number of lost time injuries/Total working hours) x 10⁶;

2. Including fire protection, safety, environmental protection and occupational health emergency drills;

3. Including productive and indirect material suppliers.

Corporate Governance and Economic Performance

The scope of corporate governance and economic performance statistics is consistent with the scope of the consolidated financial statement.

Index Type	Index	Y2024	Unit	
Economic performance	Total assets	36,182,558,952.99	RMB	
	Operating revenue	11,855,098,145.55	RMB	
	Net profit attributable to shareholders of the listed company	286,100,791.80	RMB	
	Net cash flow from operating activities	-1,567,132,795.63	RMB	
	Basic earnings per share	0.1840	RMB/share	
Intellectual property	Authorized patent	Total	2,830	items
		Invention patent	446	items
		Utility model authorization	2,304	items
		Appearance design authorization	80	items
	Annual new authorized patents	Total	527	items
		Invention patent	205	items
		Utility model authorization	314	items
		Appearance design authorization	8	items
Information security	Serious and major cybersecurity incidents ¹	0	incidents	
	Customers and other stakeholders affected by information security issues	0	customers/ stakeholders	
	Confirmed incidents of disclosure, theft or loss of customer data	0	incidents	
	Substantiated complaints convening breaches of customer privacy and losses of customer data	0	complaints	
Anti-competition, anti-corruption and anti-monopoly	Litigation cases involving anti-competitive, antitrust and monopolistic practices	0	pieces	
	Percentage of corporate anti-corruption policies and procedures submitted to the board of directors	100	%	
	Percentage of staff who have received anti-corruption training and publicity	100	%	
	Total number of directors, supervisors, and senior executives who have received anti-corruption training	14	persons	
	Percentage of directors, supervisors, and senior executives who have received anti-corruption training	100	%	
Penalty situation	Penalty amount from product violations	0	RMB	
	Penalty amount from violating environmental laws and regulations	0	RMB	
	Penalty amount from violating laws and regulations in the social and economic fields	0	RMB	
	Number of non-economic penalties	0	pieces	
	Number of incidents of non-compliance concerning the health and safety impacts of products and services	0	pieces	

1. Refers to a four-hour and more downtime of corporate core and important systems or general systems.

UNGC Ten Principles Index

Category	Principle	Corresponding Chapter
Human Rights	Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights.	Labor and Human Rights
	Principle 2 Businesses should make sure that they are not complicit in human rights abuses.	
Labor	Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to the collective bargaining.	Labor and Human Rights
	Principle 4 Businesses should uphold the elimination of all forms of forced and compulsory labor.	
	Principle 5 Businesses should uphold the effective abolition of child labor.	
	Principle 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7 Businesses should support a precautionary approach to environmental challenges.	Responses to climate change Products and Services Environment and Energy
	Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility.	
	Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance Sustainable Supply Chains

GRI Content Index

Statement of Use	LEAD has reported the information cited in this GRI content index for the period from January 1 to December 31, 2024 with reference to the GRI Standards.
Gri 1 Used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	Introduction
	2-2 Entities included in the organization's sustainability reporting	Reporting entity
	2-3 Reporting period, frequency, and contact point	Reporting period, Contact us
	2-6 Activities, value chain, and other business relationships	About LEAD, Products and Services, Sustainable Supply Chains
	2-7 Employees	Labor and Human Rights
	2-9 Governance structure and composition	Organizational structure
	2-10 Nomination and selection of the highest governance body	Organizational structure
	2-11 Chair of the highest governance body	Organizational structure
	2-12 Role of the highest governance body in overseeing the management of impacts	Organizational structure
	2-13 Delegation of responsibility for managing impacts	Organizational structure
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management System
	2-15 Conflicts of interest	Corporate Governance (For more details, please refer to the annual report.)
	2-16 Communication of critical concerns	Sustainability Management System
	2-17 Collective knowledge of the highest governance body	Sustainability Management System
	2-18 Evaluation of the performance of the highest governance body	Sustainability Management System
	2-20 Process to determine remuneration	Organizational structure (For more details, please refer to the annual report.)
	2-22 Statement on sustainable development strategy	Sustainable development strategy
	2-23 Policy commitments	Business ethics, Protection of employee rights and interests
	2-24 Embedding policy commitments	Business ethics
	2-25 Processes to remediate negative impacts	Business ethics
2-26 Mechanism for seeking advice and raising concerns	Business ethics	
2-27 Compliance with laws and regulations	Each chapter of the report	
2-28 Membership associations	Industry participation, Sustainable development strategy	
2-29 Approach to stakeholder engagement	Stakeholder engagement	
2-30 Collective bargaining agreements	Protection of employee rights and interests	

Material Topics		
GRI 3: Material topics 2021	3-1 Process to determine material topics	Materiality Assessment
	3-2 List of material topics	Materiality Assessment
	3-3 Management of material topics	Materiality Assessment, each chapter of the report

Economic Performance		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Corporate Governance, Employee development, Employee benefits, Key performance table
	201-2 Financial implications and other risks and opportunities due to climate change	Responses to climate change
	201-3 Defined benefit plan obligations and other retirement plans	Employee benefits
	201-4 Financial assistance received from government	Please refer to the annual report.

Indirect Economic Impacts		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Community Responsibility
	203-2 Significant indirect economic impacts	Community Responsibility

Anti-corruption		
GRI 205: Anti-corruption 2016	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, Key performance table

Anti-competitive Behavior		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business ethics, Key performance table

Energy		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Responses to climate change, Key performance table
	302-2 Energy consumption outside of the organization	Responses to climate change, Key performance table
	302-3 Energy intensity	Responses to climate change
	302-4 Reduction of energy consumption	Green production, Green operation
	302-5 Reductions in energy requirements of products and services	Environment-friendly products

Water and Effluents		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Green production
	303-2 Management of water discharge-related impacts	Green production
	303-3 Water withdrawal	Key performance table

Biodiversity		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Green operation
	304-2 Significant impacts of activities, products and services on biodiversity	Green operation

Emissions		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Responses to climate change, Key performance table
	305-2 Energy indirect (Scope 2) GHG emissions	Responses to climate change, Key performance table
	305-3 Other indirect (Scope 3) GHG emissions	Responses to climate change, Key performance table
	305-4 GHG emissions intensity	Responses to climate change, Key performance table
	305-6 Emission of ozone-depleting substances (ODS)	Green production
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x) and other significant air emissions	Green production, Key performance table
Waste		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Green production
	306-2 Management of significant waste-related impacts	Green production
	306-3 Waste generated	Key performance table
	306-5 Waste diverted for disposal	Key performance table
Supplier Environmental Assessment		
GRI 308: Supplier Environmental Assessment 2016	308-1 New supplier that were screened using environmental criteria	Key performance table
Employment		
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee benefits
	401-3 Parental leave	Employee benefits
Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018	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
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
	403-5 Working 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 an occupational health and safety management system	Occupational Health and Safety
	403-9 Work-related injury	Occupational Health and Safety
	403-10 Work-related ill health	Occupational Health and Safety
Training and Education		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Key performance table
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee development
	404-3 Percentage of employees receiving regular performance and career development reviews	Key performance table

Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Organizational structure, Employee diversity
Non-discrimination		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Protection of employee rights and interests
Freedom of Association and Collective Bargaining		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Responsible procurement management, Protection of employee rights and interests
Child Labor		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Responsible procurement management, Protection of employee rights and interests
Forced or Compulsory Labor		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Responsible procurement management, Protection of employee rights and interests
Local Communities		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Responsibility
	413-2 Operations with significant actual and potential negative impacts on local communities	Environment and Energy, Community Responsibility
Customer Health and Safety		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product quality management
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Key performance table
Marketing and Labeling		
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	Key performance table
	417-3 Incidents of non-compliance concerning marketing	Key performance table
Customers Privacy		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Key performance table

Third-party Verification and Authentication Information

Independent Verification Statement



Verification Statement: EIV2 102675 0091 Rev. 00

To the management and stakeholders of LEAD,

TÜV SÜD Certification and Testing (China) Co., Ltd. (hereinafter referred to as "TÜV SÜD") has been engaged by Wuxi Lead Intelligent Equipment Co., Ltd. (hereinafter referred to as "LEAD" or "the Company") to perform an independent third-party verification on 2024 Environmental, Social, and Governance (ESG) Report (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with LEAD and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on the data and information collected by LEAD and provided to TÜV SÜD. The scope of verification is limited to the given information. LEAD shall be held accountable for authenticity and completeness of the provided data and information (contains assumptions, projections, and/or historical facts).

Scope of Verification

Time frame of this verification:

- ❖ The Report contains the data disclosed by LEAD during the reporting period from January 1st, 2024 to December 31st, 2024, including governance, environmental and social information and data, methods for management of material issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

- ❖ The on-site verification sampling took place at below listed location:
18 Xinzhou Rd., Xinwu District, Wuxi, Jiangsu Province, China

Scope of data and information for the verification:

- ❖ The scope of verification is limited to the data and information of LEAD and all companies under its operational control covered by the Report.

The following information and data are beyond the scope of this verification:

- ❖ Any information and contents beyond the reporting period of this Report; and
- ❖ The data and information of LEAD's suppliers, partners and other third parties; and
- ❖ The financial data and information disclosed in this Report that have been audited by an independent third party are not verified again herein.

Limitations

- ❖ The verification process is conducted in the above scope and places. Sampling and verification are adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the Company are interviewed; and
- ❖ The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before January 1st, 2024 are beyond the scope of this verification.
- ❖ TÜV SÜD's verification conclusions are based on the analysis of the data and information collected by TÜV SÜD and may not identify all problems and conditions, nor constitute a guarantee of the credibility or status of the subject of verification.

Basis for the Verification

TÜV SÜD Certification and Testing (China) Co., Ltd.
No.151 Heng Tong Road,
Shanghai 200070

Page 1 of 3
Tel: +86 21-61410123
Fax: +86 21-61408600
Web: www.tuvsud.com

Independent Verification Statement



Verification Statement: EIV2 102675 0091 Rev. 00

This verification process was conducted by TÜV SÜD's expert team with extensive experience in the economic, environmental, social and other relevant areas and drew the conclusions thereof. The verification conforms to the following standards:

- ❖ AA1000AS v3, Type 2 Engagement and Moderate level Assurance
- ❖ International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, Limited Assurance
- ❖ Sustainability report verification programme operation rule (CCB_EIV_GR_002E Rev02)

In order to perform adequate verification in accordance with the contract and provide reasonable verification for the conclusions, the verification team conducted the following activities:

- ❖ Preliminary investigation of the relevant information before the verification;
- ❖ Confirmation of the presence of the topics with high level of materiality and performance in the Report;
- ❖ On-site review of all supporting documents, data and other information provided by LEAD; tracing and verification of key performance information;
- ❖ Special interview with the representative of LEAD's management; interviews with the employees related to collection, compilation and reporting of the disclosed information; and
- ❖ Other procedures deemed necessary by the verification team.

Verification Conclusions

According to the verification, we believe that the data and information presented in LEAD's report are objective, factual and reliable, without systematic problems.

The verification team has drawn the following conclusions on this Report:

Inclusivity	LEAD has identified the internal and external stakeholders such as shareholders, customers, suppliers and partners, employees, government authorities, etc., and established a stakeholder communication mechanism to collect the demands of stakeholders.
Materiality	LEAD has established the prioritization process of material topics determination, identified and assessed the priority of the sustainability topics which are highly related to the industry, the Company disclosed the governance structure, management approach as well as sustainability performance in corporate operation, therefore the Report's adherence to materiality principle is guaranteed.
Responsiveness	LEAD has disclosed the management approach and performance of high material topics that stakeholders concern, such as product quality and safety, occupational health and safety, intellectual property protection, business ethics and compliance, employee rights and welfare, etc., and has established a communication mechanism, to fully respond to the demands and expectations of stakeholders.
Impact	LEAD has established a ESG Management Committee to enhance the Company's efforts in the areas of environmental, social responsibility and corporate governance. Through the process of identifying and assessing material topics, the Company disclosed the impact of identified material topics on sustainable development.

Recommendations on Continuous Improvement

TÜV SÜD Certification and Testing (China) Co., Ltd.
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Independent Verification Statement



Verification Statement: EIV2 102675 0091 Rev. 00

- It is recommended that the Company supplements relevant qualitative and quantitative targets based on the existing sustainable development strategy.

Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specializes in testing, certification, auditing and advisory services. Since 1866, the company has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. Through expert teams represented by more than 26,000 employees, it adds value to customers and partners by enabling market access and managing risks. By anticipating technological developments and facilitating change, TÜV SÜD inspires trust in a physical and digital world to create a safer and more sustainable future.

TÜV SÜD Certification and Testing (China) Co., Ltd. is one of TÜV SÜD's global branches and has an expert team whose members have professional background and rich industrial experiences.

TÜV SÜD and LEAD are two entities independent of each other and both TÜV SÜD and LEAD and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral. All the data and information in the Report are provided by LEAD. TÜV SÜD has not been involved in preparation and drafting of the Report, except for the verification itself and issuance of the verification statement.

Signature:

On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd.

Zhu Wenjun

TÜV SÜD Sustainability Authorized Signatory Officer

April 09th, 2025

Shanghai, China

Note: In case of any inconsistency or discrepancy, the simplified Chinese version "Independent Verification Statement CN" of this verification statement shall prevail, while the English translation is used for reference only.



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000-437/V3-70UUG

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中国认可
国际互认
环境信息
ENVIRONMENTAL INFORMATION
CNAS VV003-EI

GREENHOUSE GAS VERIFICATION STATEMENT

Certificate No.: 04125GHGA20088

The 2024 Greenhouse Gas Inventory Report of

Wuxi Lead Intelligent Equipment Co., Ltd.

(Issue date: March 20, 2025; Time period: January 01, 2024- December 31, 2024)

has been verified in accordance with ISO 14064-3:2019 with the materiality and the level of assurance satisfied.

Verification Criteria : ISO 14064-1:2018

Verification Programmes: ISO/IEC 17029:2019; ISO 14065:2020;

Boundary(ies) : Verified greenhouse gas statement:

The 2024 Greenhouse Gas Inventory Report of Wuxi Lead Intelligent Equipment Co.,Ltd.
Organizational boundaries:

All facilities under the operational control approach related to greenhouse gas emissions and removals of address as described in Appendix B

Scope of business and activities:

See Appendix-B

Time period:

January 01, 2024- December 31, 2024

GHG Category(ies):

■ Category 1 ■ Category 2 ■ Category 3
■ Category 4 ■ Category 5 □ Category 6.

Total emissions : 4,043,186 tCO₂e

Type of entity : Third-party

Issue date : March 27, 2025

Commissioned by : Wuxi Lead Intelligent Equipment Co., Ltd.

Details of the objectives, assurance levels, materiality, intend users of the GHG statement, etc. are given in the appendix to this verification statement of which forms an integral part.



General manager



CTI Certification Co., LTD.

Zone A 8F CTI Building, No.4 Liu Xian San Road, Xin'an Street, Bao'an District, Shenzhen, Guangdong Province,China.
The CNAS accreditation mark indicates only that CNAS recognizes the competence of the VVB and should not be construed to mean that CNAS approves or is responsible for the certificate.
This certificate is available on our website (www.cti-cert.com).

Suggestions and Feedbacks

Dear readers:

Hello!

Thank you very much for reading this report in your busy schedule. In order to provide you and other stakeholders with more valuable ESG information and further improve the quality of our ESG reports, we sincerely invite you to fill out the relevant questions in the feedback form. You can give us feedback in the following ways. Thank you for your strong support for our ESG work!

Phone: 0510-81163600

Fax: 0510-81163648

Email: ESG@leadintelligent.com

Address: No.18 Xinzhou Road, National High-tech Industrial Development Zone, Wuxi City, Jiangsu Province

Contact: ESG Office of Wuxi Lead Intelligent Equipment Co., Ltd.

1. Which of the following stakeholders do you belong to?

- | | | | |
|---|---|---|---|
| <input type="checkbox"/> Government officials | <input type="checkbox"/> Regulatory authorities | <input type="checkbox"/> Shareholders and investors | <input type="checkbox"/> Employees |
| <input type="checkbox"/> Customers | <input type="checkbox"/> Suppliers and partners | <input type="checkbox"/> Community residents | <input type="checkbox"/> Peer enterprises |
| <input type="checkbox"/> Others | | | |

2. What is your overall evaluation of this report?

- | | | | |
|------------------------------------|-------------------------------|----------------------------------|-------------------------------|
| <input type="checkbox"/> Excellent | <input type="checkbox"/> Good | <input type="checkbox"/> Neutral | <input type="checkbox"/> Poor |
|------------------------------------|-------------------------------|----------------------------------|-------------------------------|

3. What do you think of the quality of ESG information disclosed in this report?

- | | | | |
|------------------------------------|-------------------------------|----------------------------------|-------------------------------|
| <input type="checkbox"/> Excellent | <input type="checkbox"/> Good | <input type="checkbox"/> Neutral | <input type="checkbox"/> Poor |
|------------------------------------|-------------------------------|----------------------------------|-------------------------------|

4. Do you think this report reflects the significant economic, social and environmental impacts of LEAD?

- | | | | |
|------------------------------|-------------------------------------|-----------------------------|----------------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> Not really | <input type="checkbox"/> No | <input type="checkbox"/> No idea |
|------------------------------|-------------------------------------|-----------------------------|----------------------------------|

5. What aspects of the report do you think need improvement?

- | | | | |
|--|--|---|---|
| <input type="checkbox"/> Layout design | <input type="checkbox"/> Report length | <input type="checkbox"/> Topic coverage | <input type="checkbox"/> Release form/media |
|--|--|---|---|

6. You are welcome to provide your comments and suggestions on LEAD's ESG work and the report:





Wuxi Lead Intelligent Equipment Co., Ltd.

Address: No.18 Xinzhou Road, National High-tech Industrial Development Zone,

Wuxi City, Jiangsu Province

Phone: 0510-81163600

Email: ESG@leadintelligent.com