



# 2025

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Shenzhen Grandsun Electronic Co., Ltd.

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# About This Report

## Overview

This is the 2025 Environmental, Social and Governance ("ESG") report published by Shenzhen Grandsun Electronic Co., Ltd. (the "Company"), which focuses on the philosophy, progress, and future plans of the Company in terms of sustainable development.

## Title description

For ease of representation and reading, "the Company", "Grandsun" and "we" in this report refer to Shenzhen Grandsun Electronic Co., Ltd. Unless otherwise stated, the terms used in this report have the same meaning as those defined in the Company's 2025 Annual Report.

## Preparation basis

Grandsun compiled this report in accordance with "the GRI standards issued by the Global Reporting Initiative (GRI)" and with reference to the 10 Principles of the UN Global Compact, Guidelines for Sustainable Development Reports of Chinese Enterprises (CASS-ESG6.0), Guidelines on Corporate Social Responsibility Reporting in China, and ISO 26000 Guidance on Social Responsibility. In this report, the Company identified and communicated with various stakeholders, decided on the scope of report, and collected, summarized, and organized relevant information. Regarding climate-related disclosures, we have adopted the disclosure recommendations of IFRS S2 – Climate-related Disclosures, part of the International Financial Reporting Standards for Sustainability Disclosure.

## Scope and boundary of report

Unless otherwise stated, the policies, statements, and information in this report cover the actual business scope of Grandsun. The list of entities included in the scope of this report is consistent with those in the Company's 2025 Annual Audit Report issued by Shenzhen Grandsun Electronic Co., Ltd. The overseas operations center and branches mentioned in the Company Profile have not been included in the quantitative disclosure scope for this Reporting Period, as the relevant data statistics system is still under development.

## Reporting period

Unless otherwise stated, the information contained in this report covers the period from January 1, 2025 to December 31, 2025, which is the same reporting period as the financial report.

## Sources of information

All information contained in this report was obtained from Shenzhen Grandsun Electronic Co., Ltd.

## Reliability statement and assurance

The Company is responsible for the truthfulness, accuracy, and completeness of its contents. Grandsun has commissioned the China Quality Certification Center (CQC) to conduct external audit in accordance with the AA1000 Assurance Standard. The "Independent Assurance Statement" can be found on page 77 of the report.

## Confirmation and approval

This report was deliberated and approved by the Board of Directors on May 14, 2026.

## Report publication

Grandsun's ESG report is released annually in conjunction with the annual financial report. An electronic version of the report is available on our website:

<https://www.grandsun.com/dongtai.html>

# Chairman's Statement



Charles Wu  
---- Chairman of Grandsun ----

As we stand at the threshold of 2026, the global economic and industrial landscape is undergoing profound changes, with technological revolution and green transformation becoming increasingly integrated. In 2025, Grandsun stayed true to its commitment to innovation, fully integrating ESG principles into its corporate strategy and business practices. By moving forward steadily amid a complex external environment, the Company further strengthened the foundation for long-term development. Over the past year, we deepened our focus on core acoustic technologies and intelligent manufacturing upgrades, while integrating green, low-carbon practices with technological innovation. Through strengthened life-cycle management, we continued to reduce environmental impact of our products at key stages. These efforts have earned us multiple honors, including the EU NG (Next Generation) Gold Certification, ESG Pioneer

Enterprise, and the ESG Leading Company award from the Shenzhen General Chamber of Commerce, demonstrating our strength in sustainable development.

As a National Green Factory and Zero-Carbon Factory, we continued to optimize our energy mix and promote the use of clean energy. At the same time, we further improved our green production system, driving energy conservation, carbon reduction, and the efficient recycling and reuse of waste across our production processes. Our Cleer brand products also reflect this life-cycle approach to low-carbon development. The brand's green practices have been recognized by the industry and provide a reference model for the green transformation of manufacturing. Guided by the relevant requirements of GB/T 46737, we aligned our practices with the specifications for building zero-carbon factories in the electrical and electronic industry. We also followed the GB/T 46479 guidelines to standardize the quantification and management of greenhouse gas emission reductions throughout the life cycle of electrical and electronic products.

Meanwhile, the Company actively engaged in community development and educational public welfare initiatives, promoting the transformation of technological achievements into social value. During the Reporting Period, Grandsun worked with the Longgang District Government of Shenzhen to further advance the "Acoustics Science Popularization on Campus" initiative. In partnership with the Lang Lang Foundation, the Company also established the "Happy Keys" Cleer Lang Lang Music Classroom at Deqing Confucius School, donating 16 pianos to improve the school's music education facilities. This initiative provided students with free learning opportunities and greater access to performance practice, while significantly enhancing the school's music teaching level. In addition, Grandsun actively participated in the development of various associations and related activities. Through the platform of the Shenzhen General Chamber of Commerce, we shared our ESG practices and green development experience, contributing to the development of a sustainable corporate ecosystem. Through these concrete actions, we demonstrated the accountability of a company with a long-standing heritage, conveyed the warmth of our brand, and upheld our responsibilities and mission within the industry.

With sound compliance and prudent operations as our foundation, we continued to improve our modern corporate governance system and upgrade our risk management and internal control mechanisms. We also enabled end-to-end traceability of ESG data and further enhanced the transparency of information disclosure. Meanwhile, we actively drew on the expertise of external directors to support the development and refinement of the Company's strategy. We continued to improve relevant internal control management systems, strengthened compliance training for all employees, and reinforced the safeguards for compliant operations. These efforts ensured the Company's sound and stable operation while providing a solid foundation for the implementation of ESG practices.

Looking ahead to 2026, Grandsun will advance its strategic focus on "empowering traditional industries with data and reshaping the acoustic ecosystem through AI." Under this strategic direction, we will deepen our sustainable development practices, with a particular focus on accelerating the development of a zero-carbon product system. We will continue to upgrade the Cleer product series, strengthen collaborative innovation among industry, academia, and research institutions, and further align our technical standards with international practices.

Looking to the future, we will continue to uphold the development philosophy of "coexisting with the environment and resonating with the times." In active alignment with the national deployment of the 15th Five-Year Plan, we will respond to the requirements of green and low-carbon development, high-quality growth, and new quality productive forces. By fully integrating corporate sustainable development into the broader national strategic agenda, we will share our extensive experience in green & sustainable industrial development, energy conservation, and carbon reduction with partners across the industrial chain. We firmly believe that only by embedding technological innovation and green transformation into the very fabric of corporate development can we continue to sound a strong note for the sustainable development of China's intelligent manufacturing amid industrial transformation.

# About Grandsun

## Company Profile

Founded in 1997, Shenzhen Grandsun Electronic Co., Ltd. is located in the International Low Carbon City of Longgang District, Shenzhen City.

With comprehensive competitive advantages such as an all-round and multi-field core technical system and lean production management capabilities, the Company has established stable, close and long-term strategic cooperation relationships with internationally renowned brands, chip makers, platform solution providers and cloud service providers. We have led the design or participated in the design of products that won numerous top global design awards, such as CES Innovation Award, ISE Award, German Red Dot Design Award, German iF Product Design Award, Good Design Award, and a gold medal at the International Exhibition of Inventions of Geneva.

## Main Business

The Company mainly concentrates on the research, development, manufacturing, and brand marketing of professional audio, smart headphones, smart speakers, and other intelligent devices. As a National High-tech Enterprise and a company where a National Model Worker works, the Company has undertaken multiple scientific research projects such as the national mobile Internet and 4G special project, and technical research of major industries in Shenzhen. So far, the Company's business network has spread all over the world, and it has set up R&D and brand sales centers in the United States, the Philippines, Shenzhen, Zhaoqing, Nanjing, Hangzhou, and Shanghai to provide one-stop solutions for global customers.

## Corporate Culture

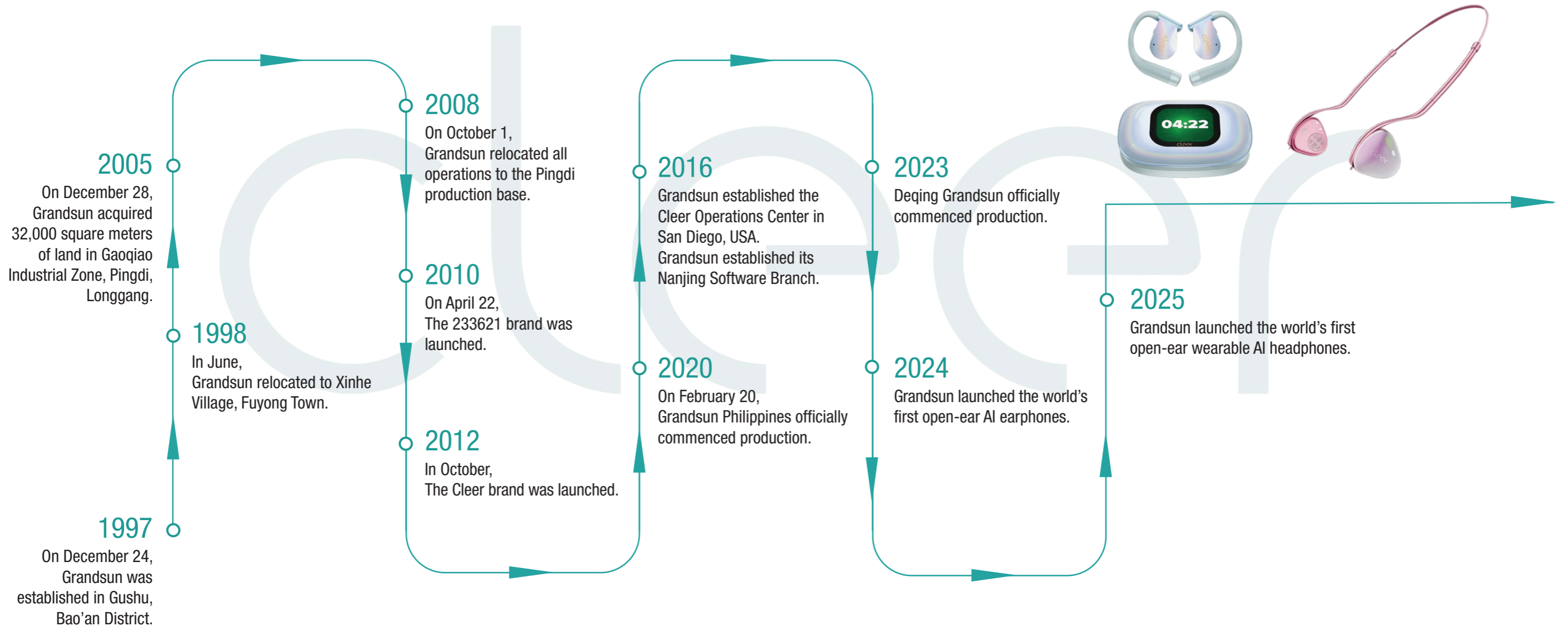
Grandsun has a vision to "be a pioneer of technological innovation in the audio industry", a mission to "create outstanding smart audio products to realize a better life", and core values of quality, innovation, and immediate action.

## Industry Engagement

As a first-tier science and technological manufacturing enterprise, Grandsun pays close attention to the development of the headphone industry, actively participates in the relevant standard-setting and achievements exchange events organized by the state and industry associations to assume the responsibilities as the industry's leading enterprise. In 2025, two national standards and four group standards developed with Grandsun's participation were officially released. These standards include GB/T 46479-2025, Guidelines for Quantifying Greenhouse Gas Emission Reductions from Electrical and Electronic Products and Systems; GB/T 46737-2025, Guidelines for the Evaluation of Zero-Carbon Factories in the Electrical and Electronic Industry; T/CAIACN 017—2025, Technical Requirements and Evaluation Methods for Spatial Audio Interaction Between Platforms and Wireless Earphones; T/CAIACN 016—2025, Requirements and Test Methods for Device Playback Capability Based on High-Quality Audio Sources: Earphones; T/CAIACN 018—2025, Test Specification for Bluetooth Transmission via Low-Latency, Low-Complexity High-Definition Audio Codecs; and T/CUCO 9—2025, Implementation Guidelines for Carbon Neutrality in Commercial and Trade Logistics Industrial Parks.



# Development History



# Honors of the Year



2025 EU NG (Next Generation) Gold Certification



2025 EU Green Transition Contribution Gold Award



2025 Shenzhen Top 10 Technological Transformation Projects for Lifelong Vocational Skills Training

# Honors of the Year



The “Open-Ear AI Earphones ARC 5” project was recognized in the 24th (2025) Shenzhen Enterprise Innovation Records



2025 CQC Sustainability Pioneer Award



Shenzhen Model Worker and Craftsman Innovation Studio

# Honors of the Year



Ranked No. 188 among the 2025 Guangdong Top 500 Manufacturing Enterprises



Ranked No. 337 among the 2025 Shenzhen Top 500 Enterprises



Shenzhen ESG Top 50 Leading Company

# Honors of the Year



Pioneer of the World's First Open-Ear AI Headphones



Gold Medal at the Geneva International Exhibition of Inventions (Clear Clip)



Bronze Medal at the Geneva International Exhibition of Inventions (Clear ARC 5)



Silver Award at the Geneva International Exhibition of Inventions (Clear Stage 2)

# Honors of the Year



German Red Dot Design Award

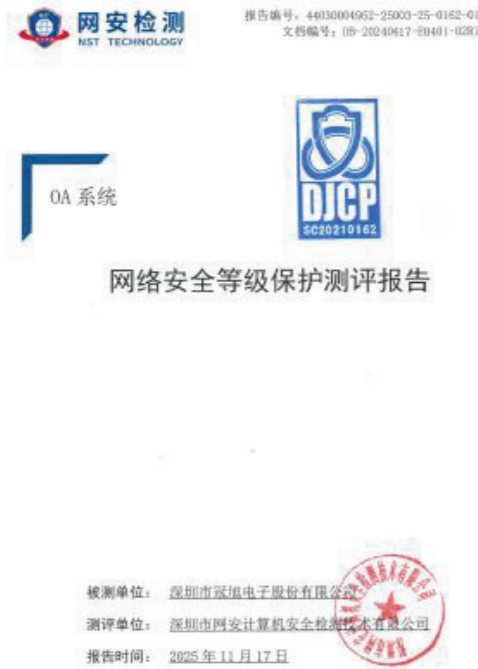


Korean Good Design Award



German iF Design Award

# Honors of the Year



Level 3 Classified Cybersecurity Protection Assessment Report for the OA System



Level 3 Classified Cybersecurity Protection Assessment Report for the SAP\_ME Intelligent Manufacturing System



Level 3 Classified Cybersecurity Protection Assessment Report for the SAP Enterprise Resource Planning System

# Honors of the Year



GB/T 46479-2025, Guidelines for Quantifying Greenhouse Gas Emission Reductions from Electrical and Electronic Products and Systems



GB/T 46737-2025, Guidelines for the Evaluation of Zero-Carbon Factories in the Electrical and Electronic Industry



# Sound Governance for Value Creation

Integrating corporate strategy with the philosophy of sustainable development, Grandsun responds to the requirements of Sustainable Development Goals (SDGs) and analyzes and responds to the concerns of various stakeholders about our environmental, social and corporate governance.



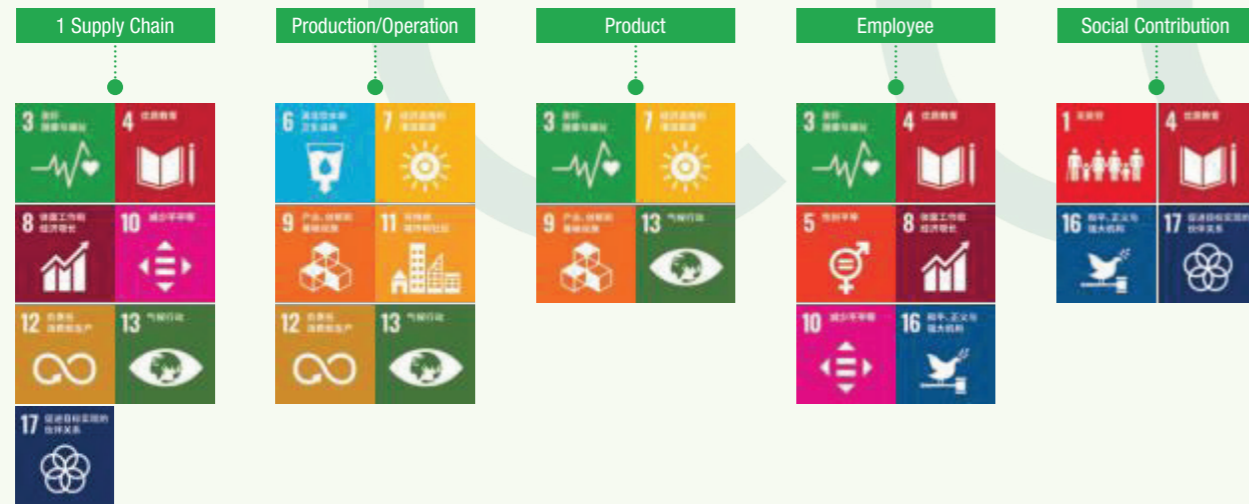
# ESG Development Strategy

Grandsun established an ESG Committee led by the Board of Directors. Focusing on the vision of "becoming a pioneer technologically innovative in the audio industry", the committee is tasked with building a system of ESG development strategy and setting ESG goals from the perspectives of environmental, social, and corporate governance to help achieve the sustainable development blueprint by taking into account the concerns of stakeholders.

## Respond to Global Sustainable Development Actions

By studying international excellent examples and successful practices of customers, we identified our own value chain activities, actively responded to the United Nations Sustainable Development Goals (SDGs), and continuously explore the contribution of the production and operating activities of the entire value chain to the SDGs and the courses of actions and directions of those activities.



Value chain activities corresponding to SDGs




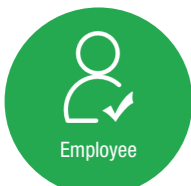

## ESG Issue Management Policy

<b>Sound Governance</b>	Continuously improve the corporate governance structure, enhance corporate governance, comply with the Code of Business Ethics, establish trust relationships with all stakeholders, enhance the long-term value of the Company, and pursue a sustainable business model.	ESG practice: Sound Governance for Value Creation Compliance in Operations for Risk Control
<b>Low Carbon and Green Development</b>	Implement the national green development strategy, drive green and low-carbon transformation, reduce waste and increase efficiency, promote green products, help achieve science-based targets, seize the opportunities of clean technology, and boost green and low-carbon development of the whole industry and society.	ESG practice: Green & Sustainable Industry for a Low-Carbon Future
<b>Responsible Sourcing</b>	Maintain a good relationship with suppliers to achieve mutual benefit, win-win cooperation and common development, establish a sound supply chain social accountability system, and build a green and responsible value chain to jointly build a sustainable future.	ESG practice: Responsible Sourcing for Shared Value Creation
<b>Harmonious and healthy workplace</b>	Create a harmonious workplace, respect employees' human rights, establish smooth communication channels, continuously improve the democratic management system, and provide employees with diversified development paths and a sound occupational health and safety management system to create a harmonious, democratic, safe and comfortable working environment.	ESG practice: Empowering Mutual Progress and Sharing Growth

## Key Objective Commitments and Progress

Value chain	Grandsun ESG objectives and commitments	Progress toward the objectives in 2025
 <p>Supply Chain</p>	· Implement responsible sourcing and strive to achieve 100% avoidance of conflict minerals	· The Conflict Minerals Control Management Procedure was updated and improved, and the 2025 Conflict Minerals Report was published on the official website
	· Always maintain a response rate of at least 95% for supplier investigations regarding conflict minerals	· Supplier investigation response rate has reached 100%
	· By 2025, more than 80% of 3TG (tantalum, tin, tungsten and gold) smelters / refineries will have achieved the Responsible Minerals Assurance Process (RMAP) certification or other related certification	· In 2025, investigations have been conducted, and the response rate has reached 100%
	· Initiate ESG supplier survey to advocate suppliers to fulfill their environmental and social responsibilities	· Continued to supervise and guide suppliers to improve environmental and social performance
	· Taking into account Scope 3 emissions, develop medium to long-term science-based carbon reduction targets and implementation pathways and continuously increase the proportion of sustainable energy used	· Carbon footprint verification has been included in Scope 3 emissions data of supply chain
	· Drive suppliers to save energy and reduce emissions, and achieve suppliers' cumulative energy saving target of 2 million kWh from 2024 to 2026	· Suppliers have been continuously supervised and guided to save energy and reduce emissions
 <p>Production/Operation</p>	<b>Environmental objectives</b>	<b>Progress toward environmental objectives</b>
	· Set targets for reducing greenhouse gas emissions that meet international standards and the needs of customers and the Company itself	· Development of emission reduction schemes and paths has started. In 2025, carbon emission reduction targets have been set
	· The Company aims to achieve a cumulative energy savings of 1 million kWh from 2024 to 2026	· Continued to drive energy-saving and emission-reduction efforts for the main energy-consuming equipment. In 2025, a reduction of 84,470 kWh in electricity consumption has been achieved
	· Continued to increase the proportion of renewable energy use, reaching 30% in 2023, 100% in 2025 and 100% in 2026	· In 2025, 600,000 kWh of solar power has been generated, and purchased electricity has been offset by buying domestic green certificates (I-REC), achieving a 100% renewable energy usage ratio
	· Improve the utilization rate of water resources, reduce water withdrawal and consumption, and reduce the generation and discharge of waste water	· Grandsun promoted the establishment of a water resources management system in line with ISO 14001 standards and carried out a series of water-saving initiatives. As a result, the quantity of first used water per RMB10,000 of output value decreased by 33.43% compared with 2024.
	· Hire an external qualified environmental monitoring agency to conduct regular environmental monitoring of wastewater discharge at least once a year	· Wastewater monitoring was completed in 2025, and the results complied with regulatory requirements
	· Implement the 5R (Replace, Reduce, Reuse, Recycle, and Recover) principle, promote the experience of "zero waste to landfill", improve resource utilization, and achieve a waste conversion rate of over 90% by 2026	· A total of 53.99 tons of waste were recycled and reused, with an average waste conversion rate reaching 99.9% and has obtained the Zero Waste to Landfill Management System certification from China Quality Certification Center
	· Strictly control all hazardous substances involved in materials, components, and finished products, and their production processes, and continuously eliminate hazardous substances to gradually achieve comprehensive reduction of those substances	· The information management system of green products has been built and gradually improved to effectively control the risk of hazardous substances in products
	<b>Governance objectives</b>	<b>Progress toward governance objectives</b>
	· Continuously improve corporate governance and internal control system	· Three lines of defense for risk management and internal control have been established based on the COSO internal control framework
	· Regularly communicate with stakeholders through multiple channels	· Continued to communicate with stakeholders through multiple channels
	· Enhance the diversity and independence of management, with no less than 20% of female directors and no less than 40% of independent directors	· The proportion of female directors reached 20%, and the proportion of independent directors reached 40%
	· The Business Ethics Standards has been continuously improved and open whistleblowing channels maintained, achieving a 100% resolution rate for ethics-related reports	· No such incidents occurred for the year
	· Regularly carry out training on business ethics to build a culture of integrity management	· The coverage rate of anti-corruption training for employees reached 100%, and the pass rate of CSR exam was 100%
· Improve the security and stability of the information system to ensure "Zero Major Information Security Breaches, Zero Major Information System Failures, and Zero Business Continuity Disruptions"	· No related negative incidents occurred for the year	

## Key Objectives Commitments and Progress (Continued)

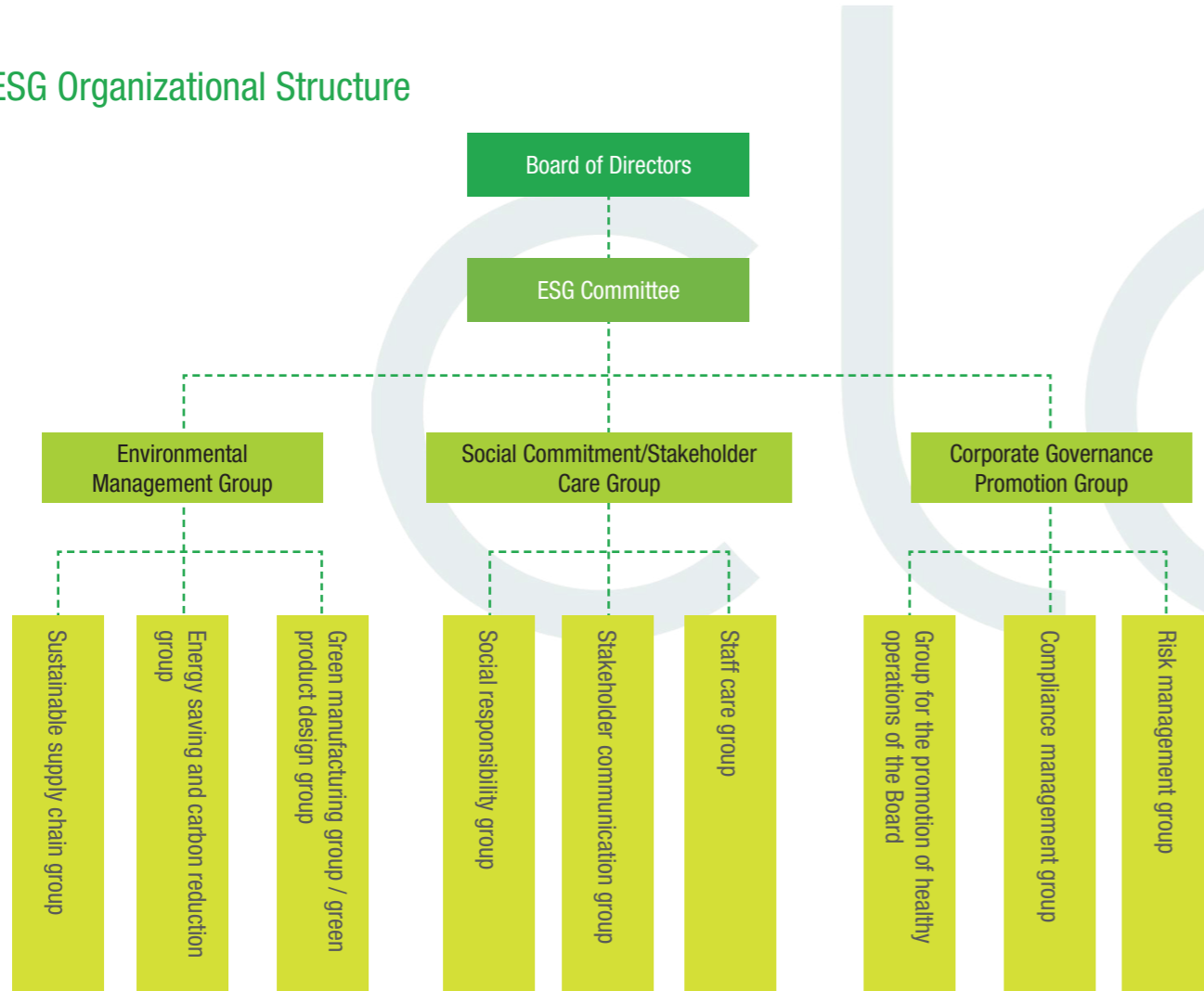
Value chain	Grandsun ESG objectives and commitments	Progress toward the objectives in 2025
 <p>Product</p>	· Improve the intelligent manufacturing system and gradually promote the intelligent transformation of the industry	· Implement the MES system and intelligent manufacturing equipment to enhance the smart manufacturing capabilities, and obtained the Level 3 Certificate of Compliance with Intelligent Manufacturing Capability Maturity Standards
	· Strengthen the quality management system and constantly improve the quality of products	· Certified to ISO 9001 Quality Management System, IATF 16949 Automotive Quality Management System, and ISO 13485 Medical Devices Quality Management System, and accredited to ISO/IEC 17025 for laboratory competence
	· Encourage R&D and innovation of core technologies	· Participated in the formulation of two national standards, four group standards, and one local standard, and filed applications for multiple patents and other intellectual property rights in 2025.
	· Continuously increase investment in R&D related to green and low-carbon products	· R&D investment in green products amounted to RMB 68.10 million
 <p>Employee</p>	· Attach importance to and respect the human rights of all employees at home and abroad to prevent incidents of discrimination and human rights violations	· No incidents involving human rights violations and discrimination occurred
	· Eliminate health and safety hazards in the workplace, achieve the goal of "zero work-related fatalities and zero occupational disease", and reduce the number of work-related accidents by 10% each year from 2024 to 2026	· In 2025, three minor work-related injury incidents occurred.
	· Create a diverse, inclusive, and equal workplace environment and provide competitive compensation packages and diverse promotion opportunities for all employees to create a high-quality employee team	· Principles for job promotion was set; an employee satisfaction survey was conducted, which received over 300 responses
	· Ensure smooth channels for employee complaint and actively engage in employee communication activities	· An employee satisfaction survey was conducted, with 100% coverage of all departments in the Company
	· Maintain a 100% signing rate for the Integrity Commitment	· The signing rate for the Integrity Commitment reached 100%
	· Enhance employee awareness of confidentiality and strengthen training on information security and privacy protection	· A total of 1205 person-times participated in information security training
	· Establish a comprehensive training system covering all employees. By 2025, ensure that 100% of employees achieve an average of 39 training hours per year	· In 2025, the average annual training hours per employee reached 48 hours
 <p>Social Contribution</p>	· Maintain a good communication with the local community where operations are located	· Participated in promoting the welfare of local community
	· Actively contribute to the development of local communities	· Organized a total of 3 charity activities
	· Actively participate in local community development	· Conducted environmental charity activities and promoted environmental protection concepts

# ESG Management Structure and Practices

Grandsun has established a three-tier ESG management structure consisting of the Board of Directors, ESG Committee, and ESG Working Group for decision-making, planning, and execution. The Board of Directors reviews the corporate ESG development strategies, implementation plans, goals, and impact reports proposed by the ESG Committee through a combination of regular and interim meetings.

At the same time, we engage third-party organizations with expertise in sustainable development to constantly update knowledge, ideas, skills, and experience in sustainable development. Besides, relevant trainings, special reports, and activities of management improvement exchange are provided to the ESG Committee, including all members of the Board of Directors.

## ESG Organizational Structure



**Benchmarked against stock exchanges and GRI indicators, the ESG governance responsibilities at the board level mainly include, but are not limited to:**

- Identifying and measuring ESG risks and opportunities
- Participating in the identification of material ESG issues
- Developing ESG management policies, strategies, and goals; regularly monitoring ESG performance and progress toward ESG goals; determining the scope of ESG reports; and reviewing the information disclosed in ESG reports

**The responsibilities of the ESG working groups mainly include, but are not limited to:**

- Regularly reporting ESG management and performance to the ESG Committee, communicating the board's ESG decisions to various departments, and driving the implementation of ESG actions across departments
- Organizing ESG stakeholders to participate in and develop a stakeholder communication plan
- Identifying material ESG issues
- Coordinating the preparation of ESG reports and regularly publishing ESG reports

# Stakeholder Communication

Grandsun deeply understands that each stakeholder plays a crucial role in and has a significant impact on the Company's development. By analyzing the upstream and downstream of the value chain, we have identified seven major stakeholders, which are the government and regulators, shareholders and investors, suppliers, customers, employees, community members, partners and the media. We hope to communicate sincerely with each stakeholder through multiple channels to understand their concerns and take proactive actions.

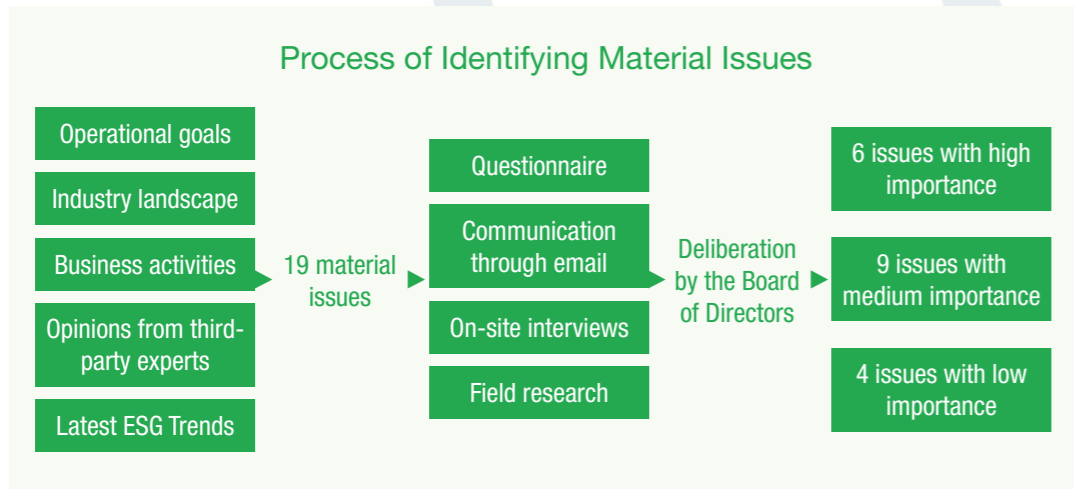
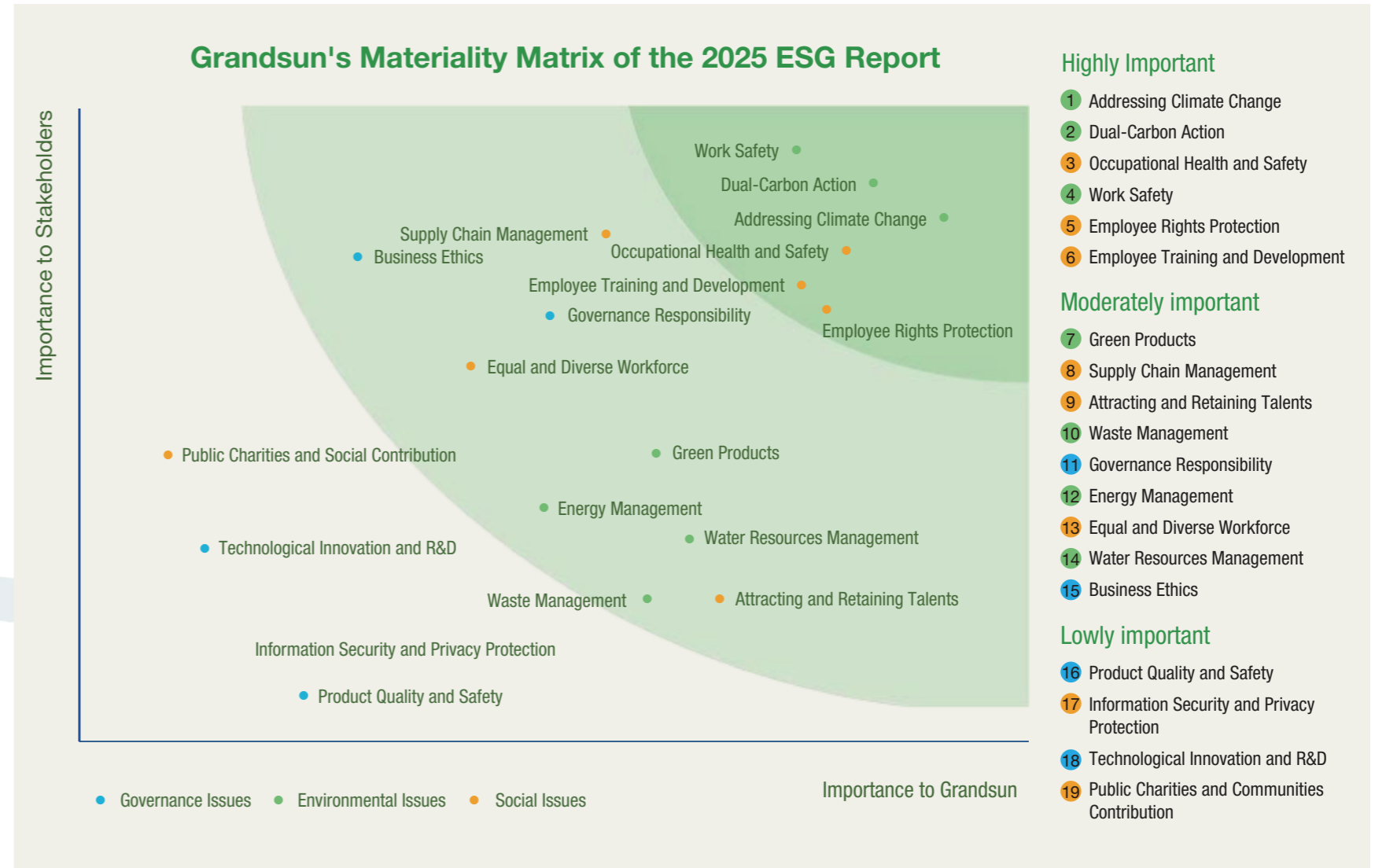
We respect the opinions and feedback of all stakeholders, and keep various channels such as public mailbox and complaint hotlines open to receive concerns from all parties concerned at any time. All related parties can address any negative impacts caused by the Company through the email address ESG@grandsun.com. Our relevant personnel will promptly contact the complainant, actively remedy or cooperate in remedying the adverse impacts caused or facilitated by the Company, and accept supervision and review of the improvement of relevant matters until the situation is fixed, and the remedy is recognized. We will continue to monitor the effects of remedial measures, and regularly communicate and share progress with stakeholders to ensure the effectiveness of the remedial procedure.

Stakeholders	Governments and regulators	Shareholders and investors	Suppliers	Customers	Employee	Community Members	Partners and media
Major issues of concern	<ul style="list-style-type: none"> <li>Addressing Climate Change</li> <li>Dual-Carbon Action</li> <li>Waste Management</li> <li>Occupational Health and Safety</li> <li>Technological Innovation and R&amp;D</li> <li>Supply Chain Management</li> <li>Governance Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Addressing Climate Change</li> <li>Dual-Carbon Action</li> <li>Financial Performance</li> <li>Product Quality and Safety</li> <li>Business Ethics</li> <li>Technological Innovation and R&amp;D</li> <li>Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Supply Chain Management</li> <li>Occupational Health and Safety</li> <li>Product Quality</li> <li>Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>Addressing Climate Change</li> <li>Dual-Carbon Action</li> <li>Product Quality</li> <li>Information Security and Privacy Protection</li> <li>Green Products</li> <li>Occupational Health and Safety</li> <li>Energy Management</li> </ul>	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Employee Rights Protection</li> <li>Work Safety</li> <li>Equal and Diverse Workforce</li> <li>Employee Training and Development</li> <li>Attracting and Retaining Talents</li> </ul>	<ul style="list-style-type: none"> <li>Community Engagement</li> <li>Occupational Health and Safety</li> <li>Equal and Diverse Workforce</li> </ul>	<ul style="list-style-type: none"> <li>Information Security and Privacy Protection</li> <li>Product Quality</li> <li>Attracting and Retaining Talents</li> <li>Occupational Health and Safety</li> <li>Equal and Diverse Workforce</li> <li>Dual-Carbon Action</li> <li>Water Resources Management</li> <li>Biodiversity Conservation</li> </ul>
Communication Channels	<ul style="list-style-type: none"> <li>Acceptance of Supervision</li> <li>Regular Disclosure</li> <li>Irregular Reporting</li> <li>Participation in Relevant Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Regular/Irregular Information Disclosure</li> <li>General Meetings of Shareholders</li> <li>Phone Number and Email Address for Communication</li> <li>Survey Questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>Open Tendering</li> <li>Daily Communication with Supplier</li> <li>Supplier Assessment and Empowerment</li> <li>Survey Questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>Online Communication</li> <li>Customer Complaints and Follow-up</li> <li>Satisfaction Survey</li> </ul>	<ul style="list-style-type: none"> <li>Labor Union</li> <li>Safety Education and Drills</li> <li>Employee Training</li> <li>Employee Report and Complaint</li> <li>Employee Activities</li> <li>Survey Questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>Information Disclosure</li> <li>Complaint Hotline</li> <li>Field Visits</li> <li>Volunteer Activities</li> </ul>	<ul style="list-style-type: none"> <li>Information Disclosure</li> <li>Communicative Interviews</li> <li>On-site Activities</li> <li>WeChat Official Accounts Platform</li> </ul>

# Analysis Results of Material Issues and Corresponding Value Chain

To identify material issues based on the GRI standards, Grandsun learned about the expectations of various stakeholders through numerous channels including survey questionnaires and email communications, took into account the internal operational goals, the bigger picture of the industry, and the impacts of different issues on business activities, and consulted third-party experts, as well as incorporated the latest ESG management trends. With all these efforts, the Company identified 19 material issues.

We sought suggestions in the form of survey questionnaires by conducting surveys on 19 material issues among seven major stakeholders and seeking their advice on the work of sustainable development and material issues. A total of 495 valid questionnaires were received. Combined with the survey results, interviews with stakeholders, and information obtained from field research, we identified 6 highly material issues and 9 moderately material issues, forming a matrix of material issues and analysis results of their impacts on the value chain. During the reporting period, the ESG Committee identified important concerns through internal complaints and supplier CSR audits and reported to the Board of Directors on those concerns including environmental impact and labor rights involved in the 19 material issues. The analysis results of these issues for the year were approved by the Board of Directors.



## Impact of Material Issues on the Value Chain

Categories of ESG Issues	19 important issues	GRI Issue	Supply Chain	Production/Operation	Product	Employee	Social Participation	Corresponding Section <sup>1</sup>
Environmental	Addressing Climate Change	GRI 201 economic performance GRI 302 energy GRI 305 emissions	✓	✓	✓	✓		Actions Responding to Climate Change Emission Management Energy Management
Environmental	Dual-Carbon Action	GRI 302 energy GRI 305 emissions	✓	✓	✓	✓	✓	Emission Management Energy Management Dual-Carbon Action
Social	Occupational Health and Safety	GRI 403 occupational health and safety	✓	✓		✓		Occupational Health and Safety
Environmental	Work Safety	GRI 308 supplier environmental assessment GRI 403 occupational health and safety GRI 414 supplier social assessment GRI 416 customer health and safety	✓	✓	✓	✓		Work Safety Hazardous Substance Management Management of Hazardous Substance in the Supply Chain
Social	Employee Rights Protection	GRI 201 economic performance GRI 401 employment GRI 402 labor/management relations GRI 406 non-discrimination GRI 407 freedom of association and collective bargaining GRI 408 child labor GRI 409 forced or compulsory labor		✓		✓		Human Rights and Labor Management Building a Harmonious Workplace
Social	Employee Training and Development	GRI 202 market presence GRI 404 training and education				✓		Employee Training and Development Promotion System
Environmental	Green Products	GRI 302 energy GRI 306 waste	✓	✓	✓		✓	Opportunities in Clean Technology Circular Economy
Social	Supply Chain Management	GRI 205 anti-corruption GRI 308 supplier environmental assessment GRI 414 supplier social assessment	✓	✓				Sustainable Supply Chain Responsible Sourcing
Social	Attracting and Retaining Talents	GRI 202 market presence GRI 401 employment GRI 405 diversity and equal opportunity				✓		Promotion System

Issue Materiality: High Medium Low ✓ Impact of Material Issues on the Value Chain

<sup>1</sup> Various policies related to material issues, public commitments, and policies of responsible business practices are integrated into relevant activities and business relationships. For more details, please refer to the corresponding sections.

Categories of ESG Issues	19 important issues	GRI Issue	Supply Chain	Production/Operation	Product	Employee	Social Participation	Corresponding Section <sup>1</sup>
Environmental	Waste Management	GRI 306 waste		✓	✓	✓		Circular Economy
Governance	Governance Responsibility	GRI 201 economic performance GRI 207 tax GRI 405 diversity and equal opportunity GRI 418 customer privacy		✓	✓	✓	✓	Corporate Governance Integrity Management Risk Management and Control Information Security and Privacy Protection
Environmental	Energy Management	GRI 302 energy GRI 305 emissions	✓	✓	✓	✓		Emission Management Energy Management Dual-Carbon Action
Social	Equal and Diverse Workforce	GRI 405 diversity and equal opportunity				✓		Human Rights and Labor Management Promotion System
Environmental	Water Resources Management	GRI 303 water and effluents	✓	✓		✓		Water Resources Management
Governance	Business Ethics	GRI 205 anti-corruption GRI 206 anti-competition behavior	✓	✓	✓	✓	✓	Integrity Management
Governance	Product Quality and Safety	GRI 416 customer health and safety	✓	✓	✓			Improving Quality Management
Social	Information Security and Privacy Protection	GRI 418 customer privacy	✓	✓	✓	✓		Information Security and Privacy Protection
Governance	Technological Innovation and R&D	GRI 302 energy	✓	✓	✓	✓		Opportunities in Clean Technology Enhance Technological Innovation and R&D
Social	Public Charities and Communities Contribution	413-1 community engagement 413-2 community impacts 415 public policy				✓	✓	Community Engagement in Practice

# Compliance in Operations for Risk Control

Grandsun regards sound governance as the foundation of its business. On this basis, we proactively identify and manage potential risks across our operations. We uphold business ethics, strengthen our information security defenses, and make every effort to protect the privacy rights and interests of our customers and employees.

**2** Stakeholder  
Communication  
Meetings

Certifications Obtained:

**ISO 27001  
Certification  
ISO 27701  
Certification**

Top **100** Cultural  
Enterprises in Shenzhen

Signing rate of the Integrity  
Commitment Letter:

**100%**

- Business Ethics
- Governance Responsibility
- Information Security and Privacy Protection



# Corporate Governance

Guided by the core values of "integrity, responsibility and efficiency," Grandsun continues to optimize its modern corporate governance system and ensures compliant and standardized operations through institutionalized management, with a commitment to creating sustainable long-term value for shareholders, customers, employees, society and other stakeholders. The Company holds at least one general meeting of shareholders each year as part of its efforts to maintain transparent communication with all parties and report its operating conditions on a regular basis, supporting accurate and timely information disclosure.

## Protection of Shareholders' Rights and Interests

Grandsun strictly complies with the Company Law of the People's Republic of China and relevant regulations issued by the Ministry of Finance, and continuously optimizes its Articles of Association to ensure that its governance system keeps pace with evolving legal and regulatory standards.

**Standardized procedures:** The convening, holding and voting procedures of general meetings of shareholders are carried out in strict accordance with the Company Law, the Articles of Association and the Rules of Procedure for General Meetings of Shareholders, ensuring that all shareholders enjoy equal rights and opportunities.

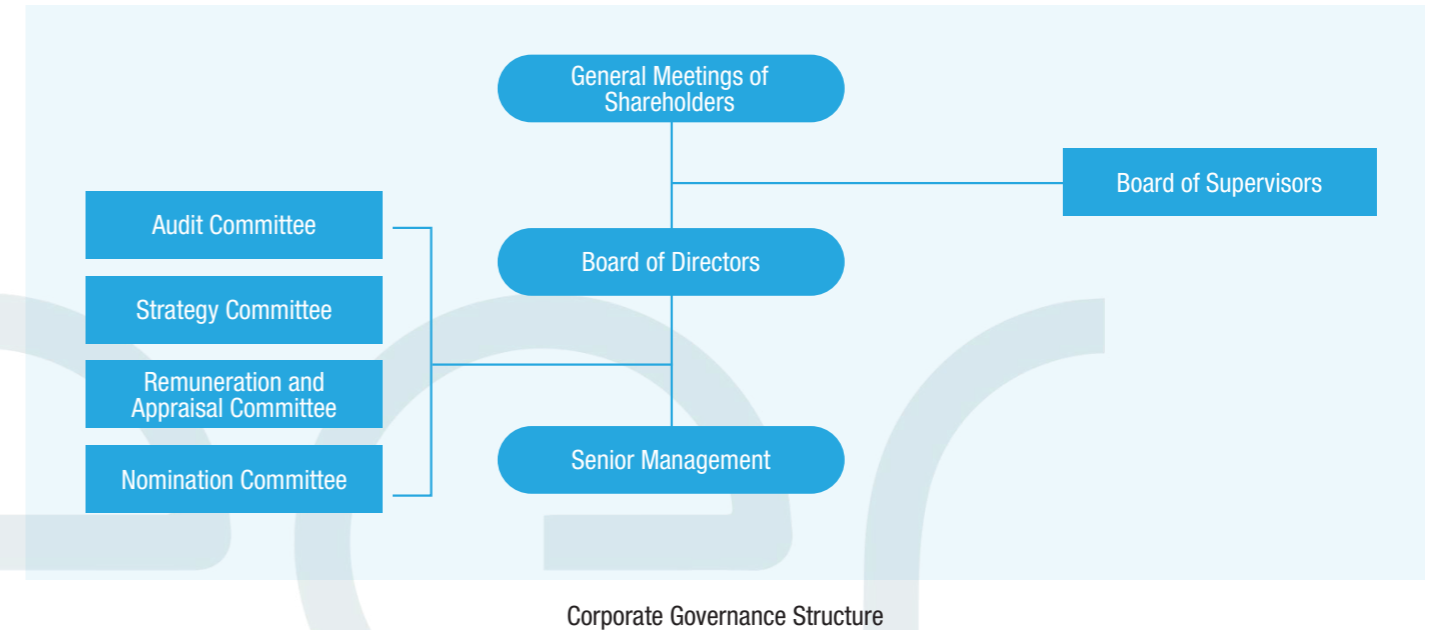
**One share, one vote:** Regardless of their shareholding ratio, we treat all shareholders equally and ensure that each has the full ability to exercise their rights.

**Information transparency:** Before each general meeting of shareholders, the Company issues a written notice in advance, specifying in detail the agenda, scope of authority, date and venue of the meeting.

**Fair voting:** Shareholders (including their proxies) exercise their voting rights based on the number of voting shares they hold, with each share entitling the holder to one vote.

## Responsibilities of the Board of Directors

As the core governing body of the Company, Grandsun's Board of Directors plays a central role in strategic decision-making, oversight and governance. Its responsibilities span several key areas: setting the Company's long-term development strategies and business policies to ensure sustainable growth; appointing and evaluating senior management, overseeing their performance, and making decisions on their remuneration, retention; approving major financial matters, including budgets and final accounts, investment and financing plans, and profit distribution; establishing and improving the internal control and risk management systems to safeguard compliant operations; protecting shareholders' rights and interests, balancing stakeholder relationships, and fulfilling social responsibilities; and overseeing the authenticity of information disclosure to ensure transparent operations. Guided by the duties of diligence and loyalty, the Board carries out its responsibilities through a collective decision-making mechanism, with the ultimate aim of maximizing corporate value and advancing the modernization of corporate governance.



## Operating Mechanism of the Board of Directors

Members of the Board are elected by shareholders, with the Chairman responsible for convening and presiding over Board meetings. The Board meets on a regular basis. Major matters are decided collectively under a one-person, one-vote mechanism, with resolutions generally passed by a majority vote. The Board has established specialized committees, including the Audit Committee, Remuneration Committee and Nomination Committee, to support decision-making. Directors are accountable for Board resolutions and are required to fulfill their duties of loyalty and diligence, ensuring sound formulation of corporate strategies, overseeing management's implementation of such strategies, and protecting shareholders' interests.



The Company's Board of Directors held **3** meetings in total.

## Composition of the Board of Directors

The Board follows a merit-based, diverse, and inclusive approach to director selection and appointment. In evaluating candidates, it takes into account multiple factors, including age, gender, cultural background, educational experience, professional qualifications, core skills and length of service. This approach helps build a well-structured Board with complementary strengths, thereby improving the quality of informed decision-making and effectively mitigating potential conflicts of interest.

The Audit Committee and the Remuneration and Appraisal Committee are composed of independent directors to maintain the independence and professionalism of their operations, safeguarding the legitimate rights and interests of the Company and all shareholders.



5 directors in total  
2 independent directors  
1 female director

Board Structure

Name	Title	Tenure of independent directors			Gender	Expertise and skills		Work experience		Age			Employee Status
		3 Years	3 to 9 Years	More than 9 Years		Industry or technology	Legal, finance or accounting	Science and technology industry	Legal, finance or accounting	Under 50	50 to 65	66 to 75	
Charles Wu	Director				Male	✓		✓			✓		✓
Steven Shi	Director				Male	✓		✓			✓		✓
John Wu	Director				Male	✓		✓			✓		✓
Du Jingguo	Independent director	✓			Female		✓	✓			✓		
Bao Kai	Independent director	✓			Male		✓	✓			✓		

## Responsibilities of Committees

The Board has established four specialized committees: the Audit Committee, Strategy Committee, Remuneration and Appraisal Committee, and Nomination Committee. These committees perform their oversight and review responsibilities in accordance with the law and report regularly to the Board, thereby improving the Company's governance structure, enhancing governance effectiveness, and effectively safeguarding the rights and interests of shareholders and investors.

## Main Responsibilities of Board Committees

	<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>Independent oversight: Composed of independent directors, the Audit Committee is responsible for overseeing the Company's financial reporting process, ensuring the truthfulness and accuracy of information, and protecting shareholders' interests.</li> <li>Risk management: The Committee evaluates the effectiveness of internal controls, identifies major financial and operational risks, and urges management to improve the risk management system, thereby safeguarding the Company's sound operations.</li> <li>Internal and external coordination: The Committee coordinates the selection of and communication with external audit institutions, reviews audit results, and oversees internal audit work to improve the Company's overall governance standards.</li> </ul>
	<b>Remuneration and Appraisal Committee</b>	<ul style="list-style-type: none"> <li>Remuneration formulation: The Committee is responsible for reviewing the Company's remuneration policies and determining the remuneration standards for directors and senior executives, ensuring that remuneration remains competitive and fair.</li> <li>Performance appraisal: The Committee establishes a sound performance evaluation system, regularly assesses management's performance of duties, and provides incentives to improve business performance.</li> <li>Oversight and recommendations: The Committee oversees the implementation of remuneration plans, submits recommendations for adjustments to the Board, and safeguards the legitimate rights and interests of shareholders and employees.</li> </ul>
	<b>Nomination Committee</b>	<ul style="list-style-type: none"> <li>Selection criteria formulation: The Committee reviews the qualifications and selection procedures for directors and senior executives, and provides recommendations on relevant policies.</li> <li>Candidate identification: The Committee broadly searches for qualified candidates for director and senior executive positions, and builds a talent pool.</li> <li>Review and nomination: The Committee conducts due diligence and comprehensive evaluations of candidates, and submits appointment recommendations to the Board.</li> </ul>
	<b>Strategy Committee</b>	<ul style="list-style-type: none"> <li>Strategic research support: The Committee conducts in-depth research on major strategic matters, such as investment, development and marketing; reviews key issues submitted by the ESG Committee, including climate change and water security; and evaluates risk identification, target setting and progress toward targets in order to provide professional suggestions for Board decision-making.</li> <li>Planning coordination: The Committee leads the preparation of the Company's overall medium- and long-term development plans. By coordinating resources across relevant parties, it develops systematic plans and submits them to the Board for review and decision-making.</li> <li>Execution oversight and improvement: The Committee tracks and analyzes the implementation of major strategies, regularly evaluates implementation outcomes, and submits recommendations to the Board for optimization and adjustment in response to deviations and identified issues.</li> </ul>

## Executive Compensation Decision-making Process

Remuneration Structure and Incentive System	The Company adopts an "Annual Base Salary + Long-term Incentives" model to establish a benefit and risk sharing mechanism. It incorporates sustainable development performance into performance evaluation to support the achievement of strategic objectives.
Composition and Operation of the Remuneration and Appraisal Committee	The Committee consists of three members, with independent directors accounting for more than half. Candidates are nominated by the Chairman of the Board, 1/2 of the independent directors, or 1/3 of the directors, and are elected by a majority vote of the Board. The Committee is chaired by an independent director.
Equity Incentives and Employee Protection	Equity incentive plans are implemented after being deliberated by the Remuneration and Appraisal Committee, the Board and the general meeting of shareholders. The Company strictly complies with national regulations on resignation and retirement, providing employees with welfare and benefits according to law.
Remuneration of Independent Directors and Abstention from Voting	The remuneration of independent directors is determined based on the Articles of Association and industry benchmarks, and then reviewed by the Board and the general meeting of shareholders. When related-party proposals are reviewed, directors with conflicts of interest should abstain from voting to ensure independent decision-making.



## Investor Communication

Grandsun places great importance on investor relations management and is committed to building a transparent and efficient communication ecosystem. The Company has established a diversified communication mechanism to support regular engagement with domestic and international investors. Through regular email updates, on-site research visits and exchanges, online interaction platforms and other channels, it provides timely updates on its operating outcomes, industry developments and strategic plans, while elaborating on its business growth drivers and core competitive advantages. This mechanism enables the Company to respond effectively to investor concerns, and continues to enhance market recognition and value discovery.

In the field of sustainable development, the Company has also built two-way internal and external communication channels as part of its ongoing ESG practices. The Board regularly reviews and promotes the implementation of the Company's sustainable development strategy. It maintains frequent interaction and information sharing with investors on key issues such as climate change response, energy efficiency improvement, corporate governance optimization, risk management system development, business ethics, green innovation and R&D, and the application of low-carbon technologies. Through this ongoing communication, Grandsun works to ensure that its ESG practices remain aligned with stakeholder expectations and to create long-term value together with its stakeholders.



Large-scale investor exchange activities

2

interactive inquiries and communication meetings

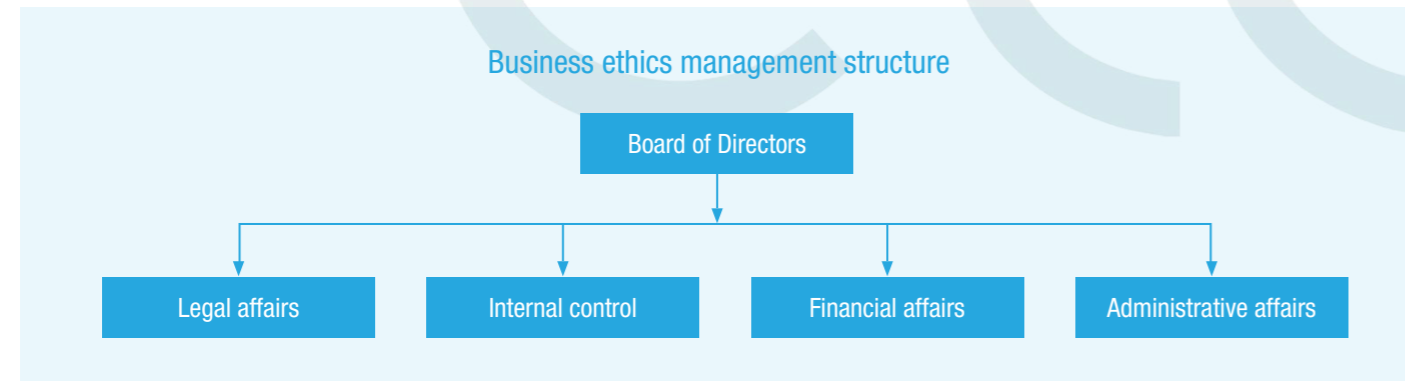


# Integrity Management

Grandsun deeply embeds a culture of integrity into its corporate values, regarding it as the foundation of ethical business conduct and a core source of competitiveness for sustainable development. We take a "zero-tolerance" approach to corruption. Through both institutional design and cultural cultivation, we strive to build a sound ecosystem in which corruption is deterred, prevented, and rejected from within. Across both our supply chain partners and internal teams, we advocate replacing grey-area practices with transparent rules, and short-term exchanges of interests with mutual value creation, thereby continuously improving the business environment. During the Reporting Period, the Company maintained a record of zero violations. This achievement not only demonstrates the effectiveness of our compliance system, but also reflects the shared commitment of all members to the principle that "integrity is our lifeline".

## Strengthening Integrity Development

Integrating legal requirements into management standards, Grandsun has formulated and implemented a series of rules and systems, including the Employee Handbook, Integrity Commitment, Procurement Control Procedure, and Supplier Management Procedure. We require all employees and partners to uphold the baseline principles of legal compliance, integrity, and transparent operations. We firmly oppose all forms of commercial bribery and prohibit the pursuit of benefits through improper means. Through regular training and assessment mechanisms, we promote the transformation of institutional requirements from written provisions into conscious action. The Company has established a special working group that independently performs oversight and compliance responsibilities and reports directly to the Board. The working group is responsible for receiving complaints and reports related to violations of laws or regulations, breaches of professional ethics, and actions that harm the interests of Grandsun by the Company's employees or units. The Board regularly receives work reports from the group to ensure the effective functioning and transparency of the Company's internal supervision mechanisms.



## Integrity Education and Training

To enhance employees' awareness and ability to prevent commercial bribery and corruption, we regularly organized anti-commercial bribery and anti-corruption training in 2025. The Company conducted annual anti-corruption and integrity training for all active employees through a combination of online and offline sessions, with targeted communication and training provided to employees in key functions such as quality, procurement development and sales. The training covered the definitions and harms of commercial bribery and corruption, relevant laws and regulations, and corporate policies and procedures.



Coverage rate of anti-corruption training for employees reached **100%**

## Preventing Corruption Risks

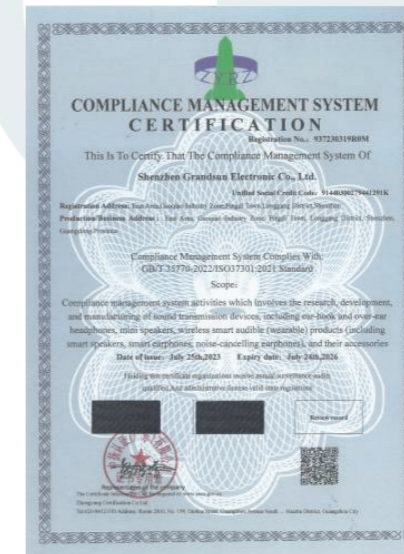
During the Reporting Period, the Company recorded no incidents of commercial bribery or corruption. Through regular employee education and training, we effectively strengthened employees' awareness of misconduct prevention and their ability to respond to improper conduct. These measures effectively built a firewall against corruption risks and provided strong support for the Company's steady development.

Signing rate for the Integrity Commitment and Employee Handbook reached **100%**

Signing rate for the Integrity Commitment among newly onboarded suppliers in 2025 reached **100%**

The total duration of training on anti-corruption and business ethics reached **209 hours**

Pass rate of CSR exam was **100%**



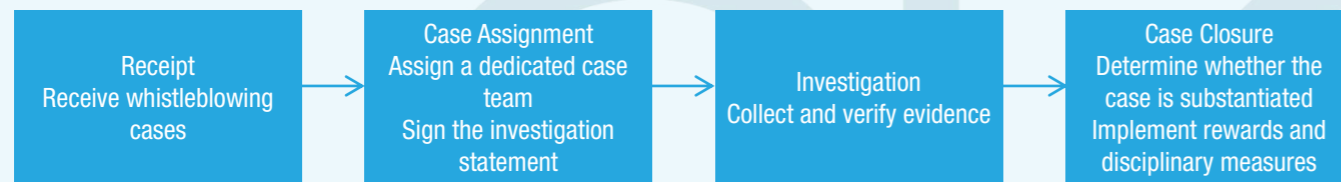
Compliance Management System Certification

## Anti-Corruption Reporting Management

Grandsun has established a closed-loop whistleblowing mechanism covering "reporting, acceptance, investigation and feedback." The Company advocates a risk control culture of "supervision by all employees" and takes firm action against any conduct involving the misuse of power or authority for improper personal gain. To ensure that whistleblowing is handled in a standardized and secure manner, the Company has set up open and accessible reporting channels to ensure that every lead is responded to in a timely manner.

During the investigation stage, the Company implements a tiered and classified management mechanism. Based on factors such as the scale and nature of each case, foreign-related elements and legal characterization, the investigation team assigns dedicated case personnel with appropriate professional capabilities to conduct independent and impartial verification. This anti-corruption system, supported by clear rules, traceable evidence and professional handling, not only strengthens the Company's risk defenses, but also fosters a clean and integrity-based culture within the organization.

### Whistleblowing management process



## Protection of Whistleblowers

The Company fully understands the concerns that employees may have during the whistleblowing process, and hereby solemnly declares its firm opposition to all forms of retaliation. If any retaliatory act or indication of retaliatory intent is identified, any person with knowledge of the matter must immediately report it to the Chairman. The Company will impose severe disciplinary action on the supervisors, managers or other personnel involved, up to and including termination of employment.

To ensure the independence and confidentiality of investigations, senior management will appoint dedicated audit personnel with no conflicts of interest to follow up on the case. Through a strict isolation mechanism, the Company ensures that the subject of the report and relevant departments are unable to identify the source of the report, thereby preventing the risk of information leakage at the source.

We attach great importance to and respect the privacy rights of every whistleblower. Unless required by law or expressly authorized by the whistleblower, the Company undertakes not to disclose the whistleblower's identity information to any third party, and will protect such information with the highest level of security measures. We are committed to creating a safe and worry-free whistleblowing environment, enabling every employee to participate in the Company's integrity supervision and governance without fear of retaliation.

### Whistleblowing channels

Mailing address:  
East Gaoqiao Industrial Park, Pingdi Street, Longgang District, Shenzhen City, Guangdong Province, China (Shenzhen Grandsun Electronic Co., Ltd.)

Recipient:  
Ms. Guan, Internal Control Office

Contact number:  
0755-84090133-8640

Email address:  
hegui@grandsun.com

## Fair Competition

### Anti-Unfair Competition

Grandsun is committed to building a fair, impartial and integrity-driven business ecosystem, and regards the prevention of unfair competition as a lifeline for the Company's sound development. We have established a comprehensive compliance management system that sets clear boundaries and standards for business competition practices. To strengthen legal compliance awareness among all employees, the Company regularly conducts case studies and compliance awareness sessions based on typical incidents. These initiatives continue to enhance employees' legal literacy and risk identification capabilities, and encourage all employees to take an active role in supervision and promptly report early signs of potential issues. We have established accessible reporting channels to encourage employees and external partners to jointly participate in supervision, as we maintain a "zero-tolerance" stance toward any conduct that undermines fair competition. In our business partnerships, we place compliance requirements at the outset of cooperation by clearly defining rights and responsibilities related to the prevention of unfair competition in contracts with suppliers, customers and other partners. Through these efforts, we work together to build a transparent and integrity-based industrial chain environment and achieve genuine mutual value creation.

### Protection of Intellectual Property Rights

Protecting the outcomes of technological innovation is a core mechanism for motivating R&D personnel to continue innovating and ensuring the Company's capacity for sustainable innovation. We strictly comply with laws and regulations, including the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China. On this basis, we have built an intellectual property compliance governance system covering the full life cycle of "intellectual property creation, application, protection, management and service."

The Company has systematically formulated and continuously updated more than ten policies and procedures, including the Intellectual Property Compliance Management Manual, Intellectual Property Protection Management Procedure, Intellectual Property Risk Management Control Procedure, Guidelines for Classified Protection of Trade Secrets, and Guidelines for Intellectual Property Involvement in R&D Projects. These documents define responsibilities and risk control checkpoints for key stages such as R&D project initiation, technical disclosure, patent portfolio planning, commercialization of innovation outcomes and external cooperation. In practice, we implement a "three-early actions and cross-functional coordination" mechanism. This include early involvement, by initiating patent searches and freedom-to-operate (FTO) analysis at the R&D project initiation stage; early warning, by establishing a dynamic monitoring list for infringement risks in key technical fields; and early response, by developing design-around or licensing plans for high-risk scenarios. We also strengthen the coordinated response mechanism among the legal, R&D, intellectual property (IP) and procurement departments.



In 2025, there were no

lawsuits related to anti-unfair competition, antitrust, or anti-monopoly



During the reporting period, a total of 5 trademark invalidation and opposition cases occurred, and at least

zero patent landscape

analyses were conducted on competitors aiming to develop new markets.

# Risk Management and Control

Grandsun remains committed to compliant operations and steady development. The Company has established and improved its risk management and internal control systems. By enhancing corporate governance, strengthening compliance management and reinforcing internal supervision, Grandsun provides solid support for sustainable and high-quality development.

## Risk Identification and Response

Risk category	Risk item	Response strategy
Strategic Risk	Corporate governance risk	Grandsun continues to refine its internal systems, standardize end-to-end production and operational processes, and improve its corporate governance structure. It effectively protects the legitimate rights and interests of shareholders, upgrades investor services and communication management, and thereby enhances its overall corporate governance capabilities.
	Product competitiveness risk	Grandsun continues to deepen its presence in core businesses such as electroacoustic components and headphone assembly. The Company builds a diversified product portfolio and business ecosystem, and provides integrated professional technical solutions. It also accelerates the implementation of smart factories and the full adoption of digital management systems to strengthen its core competitive advantages.
Operational Risk	Risk of new technology and new product development	Grandsun maintains a high level of R&D investment, actively introduces leading technical talent in the industry, and builds a high-caliber, professional R&D team to continuously improve its capabilities in independent innovation and core technology breakthroughs.
	Product quality risk	Grandsun builds a full-lifecycle and end-to-end quality control system, further advancing lean production and digital transformation and upgrading. The Company strictly manages supplier access and full-process supplier management, and maintains rigorous quality control at every production stage.
	Climate change risk	Grandsun regularly tracks and monitors climate change developments, formulates short-, medium- and long-term carbon reduction plans in a scientific manner, and develops and implements dedicated risk prevention and response plans for high-risk business scenarios.
	Labor relations risk	Grandsun improves employment management standards and compliant operating procedures, and has established a labor union in accordance with the law. The Company has also built multi-channel and regular communication platforms to ensure smooth and efficient labor-management communication and create a harmonious and stable employment environment.

Compliance Risk	Business operation risk	Grandsun has established a compliance working group which, under the unified leadership of the Chairman, comprehensively advances compliance development across all business operation departments. The group holds regular meetings to share progress and challenges in compliance work across different business segments, and firmly upholds the bottom line of compliant operations.
	Risk of intellectual property management and protection	Grandsun improves its full-lifecycle intellectual property management system and embeds intellectual property risk assessment at the source of product R&D and design. The Company also conducts comprehensive due diligence and risk reviews on the intellectual property of partners, thereby strengthening safeguards for intellectual property protection.

## Risk Management and Processes

Grandsun strictly complies with national laws, regulations and industry standards, and has established a sound internal control management system to standardize the full process of risk assessment, early warning, response and review. The Company regularly conducts enterprise-wide risk identification and assessment and flexibly applies strategies such as risk avoidance, risk reduction, risk sharing and risk acceptance to minimize the impact of potential risks.

### Internal Control Management

Grandsun's internal control system is guided by the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework, establishing three lines of business department, risk management and compliance, and internal control.



The business department is responsible for operation-level risk identification and day-to-day control.  
The risk management and compliance department coordinates system development and process advancement.  
The audit department conducts independent supervision, reviews effectiveness and follows up on rectification.

### Compliance Management

Focusing on key operational processes such as procurement, business cooperation, production and manufacturing, and marketing and sales, the Company has formulated and strictly implemented standardized compliance operating procedures to achieve comprehensive compliance control across all areas. When issues are identified during operations, the Company promptly initiates rectification and corrective actions to ensure that all business and management activities strictly comply with laws and regulations, regulatory requirements and internal policies and procedures.

### Internal Supervision

To enhance operational transparency, Grandsun has established a supervision team directly led by the Chairman. Under this team, the Internal Control Office performs independent oversight duties and is responsible for reviewing the compliance and effectiveness of the Company's systems, standards and day-to-day operations. The Company has established an internal supervision system with clearly defined responsibilities, comprehensive coverage and a focus on key areas, ensuring that supervision work is carried out independently and in a standardized manner. In 2025, the Internal Control Office carried out internal supervision on a monthly, quarterly and annual basis, covering procurement, business cooperation, projects, production and other areas. Through a strict internal control and supervision system, the Company provides strong safeguards for compliant operations and long-term stable development.

# Information Security and Privacy Protection

Information security is an important foundation for the survival and development of enterprises. Grandsun continuously strengthens employees' awareness of information and cybersecurity, as well as their understanding of privacy protection through methods such as system improvement, risk management and security training to safeguard the information security of customers, employees, and the Company itself.

## Information Security

Upholding the objectives of "zero major information security breaches, zero major information system failures, and zero business continuity disruptions," Grandsun has established an information security and privacy information management team and formulated more than 70 internal policies and operating procedures, including the Information Security and Privacy Information Management Manual, Access Control Procedure, Media Management Procedure, Communication Security Management Procedure, Information Security Compliance Management Procedure, Information and Privacy Asset Management Procedure, Business Continuity Management Procedure, Backup Management Regulations, Equipment Room Management Regulations, Server Management Regulations, and Stakeholder Information Security Management Procedure. These measures have helped build a robust information security system to safeguard the Company's information infrastructure, information security development, information application systems, products, and customer information.

## Information Security Risk Management

To effectively control information security risks, protect the information security of the Company, employees and customers, and maintain the stable operation of the Company's information systems, Grandsun has formulated an internal information security risk management system. The Company has established five major security systems covering emergency response, continuous protection, training, operation and maintenance, and supervision, as well as five major security modules covering vulnerability management, development security, compliance management of confidential areas, endpoint security, and business continuity assurance. These are supplemented by enhanced risk control measures such as off-site backups, offline backups, penetration testing, vulnerability scanning, antivirus updates and protection, and patch updates.



During the Reporting Period, Grandsun obtained

**ISO 27001**

Information Security Management System certification,

**ISO 27701**

Privacy Information Management System certification, and

**ISO 22301**

Business Continuity Management System certification.



During the reporting period,

**no** information leakage incidents occurred in Grandsun.

We implement the following management measures to comprehensively protect the security of employee and customer information:

### Organization and personnel management

- Grandsun has established an internal organizational management framework, with responsibilities assigned to specific positions to ensure the establishment and operation of information security systems.
- The Company conducts regular and ad hoc information security awareness trainings for employees and external personnel, clarifying employees' information security responsibilities in the workplace.
- Training is conducted once a year.

### Physical security management

- The Company provides necessary safeguards for IT rooms of different levels and different office premises, including power supply systems, temperature and humidity control, fire protection measures and electrostatic protection. It also adopts measures such as zone segregation, access control systems, video surveillance and security services to prevent unauthorized access to, disruption, or damage to secure areas. A

### Software development security management

- Assess and analyze the security requirements of the system and implement security mechanisms according to requirements of business security level
- Establish a separate development and testing environment system to ensure the information security of the design and implementation stages in the lifecycle of information system development
- The Company conducts code reviews during the development process. After development is completed, the system is first tested in the testing environment and subjected to vulnerability scanning. If medium- or high-risk vulnerabilities are identified, patches and remediation measures are applied. The system is deployed and used in the production environment only after the relevant personnel from each user department have completed testing and evaluation, and confirmed that there are no issues.

### Physical security management

- The Company has formulated a network security access management system and established an OA approval process for network access permissions, clearly requiring that access be limited to the scope of each position's duties and authority. The Company configures network boundary access permissions for office areas, production areas and visitor areas, with unauthorized areas isolated by default. It also monitors and manages network devices and activities, and formulates network security policies and operating procedures.

## Information Security Training

Grandsun attaches great importance to training employees on information security awareness, with trainings covering various aspects including information security, confidentiality awareness, security usage of information and communication technology (ICT), and information security prevention



During the reporting period, the Company conducted a total of **2410** hours of training both online and offline, with a total of **1205** person-times.

## Information Security Emergency Response Plan

In 2025, to mitigate and prevent significant information security leakage risks, the Company established a management team for information security and privacy information to develop an information security emergency response plan including establishing a list of emergency contact personnel, setting up an emergency operation center, formulating emergency response procedures and measures, as well as drafting a comprehensive emergency drill plan. The scope and content of the emergency response plan are determined based on risk assessments of potential security incidents and identification of potential information security threats. To check the feasibility and completeness of the emergency response plan, we regularly conducted information security emergency drills, and revised and improved the emergency response plan accordingly.

During the Reporting Period, the Company carried out MLPS Level 3 assessments for three key business systems, namely SAP, MES and OA. It also conducted business continuity drills for business databases, monthly vulnerability scans and annual penetration tests. A total of 63 system vulnerabilities were remediated.

## Privacy Protection

Grandsun places high importance on the privacy security of its customers, employees, and itself. Guided by national laws and regulations, the Company established a series of privacy management measures, including the Business Secret Management Procedure, Regulations on Organization Management of Information Security and Privacy Security, and Management Control Procedure for Organization Environment and Stakeholder Requirement, as well as comprehensive data masking standards and processes. In terms of customer privacy management, the Company regulated employees' behaviors through regulations in the Employee Handbook and the Management Procedure for Information Security and Privacy Information Security Incident, along with regular assessments, to prohibit the disclosure of partners' privacy.



### MLPS Level 3

SAP/MES/OA systems passed the assessment. During the Reporting Period, Grandsun received **no** substantiated complaints concerning breaches of customer privacy or losses of customer data.

**Confidential information management:** Computers in all key departments of the Company are equipped with encryption software, and all documents are encrypted when saved locally. The Company has also established a decryption application process for outbound files and an outbound file management system. Confidential and secret information obtained in the course of work must not be copied, photocopied, and printed. Unauthorized lending or sharing is not permitted. Personnel involved must **keep** such information properly. Unless required for special and necessary reasons, employees must not take such materials home or to public places for work, so as to prevent information leakage.

**Storage of Classified Information:** Electronic files, records, disks, CDs, or other storage media containing classified information must be encrypted. When not in use, paper documents should be stored in a locked filing cabinet or safe, and responsible persons should be appointed to keep the key.

**Confidential meeting management:** For all confidential meetings, the organizing department must strictly verify the attendees and participants. Screen recording is prohibited for online meetings. **Access Permission Requirements:** Any third-party providing products or services that require physical or logical access to the Company's information assets must sign a non-disclosure agreement (NDA) or include confidentiality clauses in the contract to ensure information security.

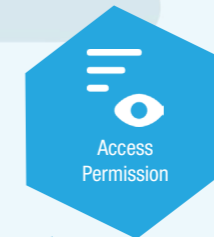
**Privacy Protection Training:** The Company regularly provides training and assessments to employees on privacy protection.



Classified Management



Asset Management



Access Permission



Personnel Management

**Privacy protected content:** Defined according to customer requirements or the Company's confidentiality classification standards.

**Privacy protection label:** The trade secrets generated by each unit shall be marked with the confidentiality label or stamped with the identification seal according to the determined confidentiality level and confidentiality period.

**Highly sensitive information protection:** Develop detailed data masking standards based on different business areas, departments, and relevant parties. All customer visits require identity information registration. For mobile applications that collect customer data, we either avoid unnecessary collection or apply data desensitization and protection measures to ensure the security of personal information.

**Access Authorization Management:** For computer application users, access rights are managed through the OA (Office Automation) system, covering all personnel status changes such as onboarding, offboarding, and internal transfers. A semi-annual review of user accounts and permissions is conducted to ensure timely updates.

**Data Encryption:** File encryption systems have been deployed across the organization to prevent unauthorized access and data leakage.

**Equipment maintenance:** installation, debugging, and maintenance of all computer equipment are carried out by professional technicians. Such equipment shall not be disassembled or repaired by other personnel; If the equipment needs to be repaired outside, a formal approval process must be undergone and two or more people shall accompany the entire process or remove the information storage device before sending the equipment out for repair. The dismantled information storage device shall be kept by the department head in charge of its use.

# Green & Sustainable Industry for a Low-Carbon Future

As a leading technology-driven manufacturing company, Grandsun earnestly fulfills its environmental responsibilities and is committed to achieving its promise of green transformation. Guided by the Company's core carbon neutrality goals, we continue to improve our environmental management system and increase investment in environmental protection. Through concrete actions, the Company actively responds to climate change and fulfill its climate-related commitments. We optimize the energy structure transition, improve energy use efficiency, and drive the intelligent transformation of energy use to comprehensively promote energy conservation and emission reduction. We carry out a series of water-saving initiatives and introduce innovative rainwater recycling and treatment technologies to proactively prevent waterlogging risks at our facilities. In response to national development plans, we vigorously develop the circular economy and actively explore effective ways to improve resource utilization and reduce waste emissions throughout the entire process, from material selection to waste treatment. We have strengthened the management of chemicals and hazardous substances, with the goal of reducing hazardous substances in our products across the board. In collaboration with our suppliers, we are working to manufacture healthier and more environmentally friendly products.

○ Photovoltaic power generation: **678.18** MWh

○ Recognitions received to date: **1** carbon neutrality pilot enterprise

○ **1** zero-carbon factory

○ **1** near-zero-carbon emission enterprise

○ **1** green factory

○ **2** products have obtained carbon footprint certification

○ Invested RMB **405.6** million in energy conservation and carbon reduction

- Addressing Climate Change
- Dual-Carbon Action
- Energy Usage
- Water Resources Management
- Waste Management
- Green Products



# Environmental Management System

Guided by the environmental management policy of "compliance with laws and regulations, participation by all employees; pollution prevention and clean production; energy conservation and emission reduction, and continuous improvement," Grandsun continues to improve its environmental management system and actively advances environmental system certification, with the aim of achieving standardized management. At the same time, we continue to increase investment in various environmental protection technologies and projects, supporting Grandsun's transformation toward green manufacturing.

## Management System

Grandsun strictly abides by the laws and regulations of the Environmental Protection Law of the People's Republic of China, Environmental Impact Assessment Law of the People's Republic of China, Cleaner Production Promotion Law of the People's Republic of China, Regulation on Environmental Impact Assessment of Planning, and Ecological Environment Standard Management Measures. We have formulated and issued system documents covering environmental management, including the EHS Manual. We have also established a series of environmental management procedures, including the Environmental Aspects and Hazard Identification, Objectives, Targets and Management Program Control Procedure, Emergency Preparedness and Response Control Procedure, Legal, Regulatory and Other Requirements Control Procedure, Waste Management Procedure, Energy and Resource Control Procedure, Air Emissions Control and Treatment Procedure, Chemical Management Procedure, Stakeholder Influence Control Procedure, and Corrective and Preventive Actions Control Procedure. These procedures support the ongoing standardization of our environmental management practices. By ensuring full environmental compliance, we are committed to achieving enhanced environmental performance across all operations.

## Construction of management system

Grandsun actively promotes the development of its environmental management system and has established management systems covering areas such as the environment, energy, greenhouse gases and waste. The Company has introduced ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, QC 080000 Hazardous Substance Process Management System, ISO 22301 Business Continuity Management System, RBA Responsible Business Alliance requirements, ISO 50001 Energy Management System, ISO 14064 greenhouse gas verification, product carbon footprint certification, zero-carbon factory certification, ESG management system, and Zero Waste to Landfill management system, all of which have obtained third-party certification or verification.



As of the end of the Reporting Period, Grandsun had obtained **ISO 14001 Environmental Management System certification and Zero Waste to Landfill Management System certification.**



Grandsun's Certificate of ISO 14001 Environmental Management System Certification



Certificate of Zero Waste to Landfill Compliance Management System Evaluation

# Actions Responding to Climate Change





Grandsun incorporates addressing climate change into its company strategy, systematically identifies climate risks and opportunities, actively responds and implements innovative actions, driving the Company's sustainable development through zero-carbon management across the entire value chain.

## Risks and Opportunities of Climate Change

Attaching great importance to climate change response, we have established and continuously improved our climate governance system, with a commitment to deeply integrating climate governance into the Company's management and business systems. We actively identify climate risks and opportunities, while formulating climate change strategies and action plans to respond to stakeholders' strong concerns regarding business continuity and sustainability under climate change scenarios. With reference to IFRS S2 and the relevant recommendations in Industry-based Guidance, Volume 49, Electrical & Electronic Equipment, we adopted SSP2-4.5 and SSP5-8.5 from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), as the selected scenarios for physical risk analysis. During the Reporting Period, we organized key departments closely related to climate risks and opportunities to assess potential risks and opportunities across upstream and downstream value chain activities, as well as our own operations. At the same time, we carried out dedicated climate change training to enhance employees' awareness and understanding of climate risks and opportunities. For details on the identification of climate risks and opportunities and the corresponding response strategies, please refer to Grandsun 2025 Climate Risk and Opportunity Identification and Response Strategies.



Grandsun training session on climate risk and opportunity in 2025

<p><b>Governance</b> </p> <ul style="list-style-type: none"> <li>Grandsun has established a Carbon Neutrality Working Group, with the Board providing leadership and decision-making, the ESG Management Committee responsible for overall coordination, and all departments of the Company participating. The working group coordinates and advances climate change-related matters in a comprehensive manner to ensure that relevant initiatives are implemented as planned, and support the achievement of relevant targets.</li> <li>The Strategy Committee under the Board of Directors is responsible for reviewing matters related to the Company's sustainable development, including climate change. This includes communication with internal and external stakeholders, materiality assessment, risk identification, and the development of goals and strategies to ensure the advancement and implementation of the Company's strategies for sustainable development and climate change response.</li> </ul>	<p><b>Strategy</b> </p> <ul style="list-style-type: none"> <li>We identify climate risks and opportunities applicable to the Company based on the classification of climate-related risks and opportunities under the International Financial Reporting Sustainability Disclosure Standard No. 2 — Climate-related Disclosures (IFRS S2), and taking into account Grandsun's business segments.</li> <li>We review relevant policies to clarify the materiality of each climate risk and opportunity in the macro environment, as well as its future development trends based on the identification results.</li> <li>We assess the impact of climate-related risks and opportunities on the Company's business, strategy and financial planning across different time horizons and scenarios through qualitative climate scenario analysis.</li> </ul>
<p><b>Risk Management and Control</b> </p> <ul style="list-style-type: none"> <li>Each risk owner department is required to identify, screen and assess the current and potential climate risks faced by Grandsun on an annual basis, formulate response strategies, and submit the relevant matters to the Board's Strategy Committee for review. Additional response measures shall be developed where necessary.</li> <li>For various climate risks, classification shall be conducted based on the probability of occurrence and degree of impact. Management will prioritize response measures against risks with higher materiality and urgency.</li> </ul>	<p><b>Metrics and goals</b> </p> <ul style="list-style-type: none"> <li>Using 2023 as the base year, Grandsun has set carbon reduction targets and committed to achieving carbon neutrality no later than 2050.</li> <li>Grandsun has set renewable energy transition targets and plans to achieve 100% renewable energy use by 2025.</li> </ul>

# Climate Change Commitment

Grandsun is committed to becoming a representative of advanced companies driving high-quality development with green transition, and will continue to supply intelligent acoustic products that are environmentally friendly. Through in-depth research conducted by the ESG Working Group, the Company's ESG Committee actively identifies climate-related opportunities as an important driver for enhancing corporate resilience and long-term competitiveness. The Company plans to achieve carbon peaking for Scope 1 and Scope 2 emissions by 2026, carbon neutrality for Scope 1 and Scope 2 emissions by 2030, and comprehensive carbon neutrality for Scopes 1, 2, and 3 emissions by 2050.

In April 2025, Grandsun successfully completed its carbon verification and obtained zero-carbon factory certification. On April 22, 2025, World Earth Day, Grandsun launched Cleer's new-generation open-ear AI earphones, ARC5 and Clip, and achieved carbon neutrality for the launch event. The Company was also selected as a pilot demonstration project for carbon neutrality of large-scale events by the Shenzhen Municipal Ecology and Environment Bureau. In August 2025, Grandsun completed its 2024 carbon emission compliance obligations as a key emitting entity in Shenzhen, and was included in the 2024 list of key emitting entities in Shenzhen that achieved their target carbon intensity.

To advance climate change response and ensure the achievement of carbon reduction targets, we take energy structure adjustment and low-carbon transformation as the core of our emission reduction efforts, vigorously promote the use of renewable energy, and achieved the target of 100% renewable energy use ahead of schedule in 2025. We are committed to promoting the decarbonization of Grandsun's energy structure through low-carbon actions such as energy-saving renovation, rooftop photovoltaic projects and green electricity procurement, thereby supporting the achievement of our carbon neutrality goals.

During the reporting period, we continued to advance the conducting of Scope 3 inventory in accordance with our climate change plan, and meanwhile, invested a large amount of resources in collaborating with suppliers to carry out green and low-carbon actions, strengthened the capacity building for carbon reduction in the supply chain to drive the low-carbon future of the supply chain.

### Carbon footprint verification

Conduct a carbon inventory within the company to identify and quantify greenhouse gas emission sources and types at each stage, and thus gain a comprehensive understanding of carbon emissions.

### Carbon emission reduction

Based on the analysis of carbon inventory, identify processes for reducing carbon emissions and formulate relevant emission reduction measures to effectively control and manage emissions.

### Carbon neutrality

Neutralize the carbon that cannot be fully reduced after carbon reduction measures by purchasing carbon credits to achieve "zero-carbon".



2025 Green Electricity Traceability Report



Carbon Neutrality Certificate for the 2025 New Product Launch Event



Carbon Footprint Label Certification for Guangdong-Hong Kong-Macao Greater Bay Area



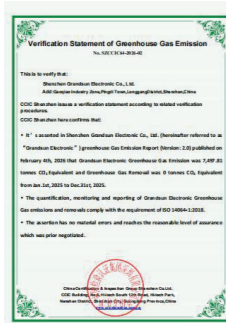
Pioneer of the World's First Open-Ear AI Headphones

# Emission Management

As a socially responsible corporate citizen, Grandsun proactively enhances its emission management standards and actively embraces the concept of low-carbon future in response to the increasingly severe global environmental impacts of climate change. The Company is committed to minimizing the negative effects of its production and operations on the atmospheric environment. Through concrete actions, we contribute to mitigating climate change and safeguarding the global ecosystem.

## Greenhouse Gas Emission Management

We actively respond to the national "dual carbon" goals, adhere to the commitment of carbon neutrality by 2050, continuously optimize greenhouse gas emission management, actively seek emission reduction opportunities, and strive to reduce the Company's carbon footprint. To clarify the status quo of the Company's greenhouse gas emissions and lay the foundation for formulating carbon reduction strategies and conducting related work, we conducted third-party greenhouse gas verification in accordance with the Guidelines for Verification of Corporate Greenhouse Gas Emission Reports (for Trial Implementation), Measures for the Administration of Carbon Emissions Trading (for Trial Implementation), and the ISO 14064-1 standard. During the reporting period, the Company completed the 2025 ISO 14064-1 third-party greenhouse gas verification. In the future, we will conduct a greenhouse gas inventory of the supply chain to develop scientifically feasible plans and pathways for carbon neutrality and emission reduction based on a complete baseline emissions measurement, striving to achieve the Company's carbon reduction goals.



2025 ISO 14064-1 Greenhouse Gas Verification Statement

During the Reporting Period, direct greenhouse gas emissions (Scope 1):

**562.22** tons of carbon dioxide equivalent

During the Reporting Period, indirect greenhouse gas emissions (Scope 2):

**1496.80** tons of carbon dioxide equivalent

During the Reporting Period, indirect greenhouse gas emissions (Scope 3):

**5,438.78** tons of carbon dioxide equivalent

During the Reporting Period, greenhouse gas emissions intensity, Scope 1 and Scope 2, location-based, was **0.98** tCO<sub>2</sub>e per RMB million.

<sup>1</sup> Grandsun's 2025 greenhouse gas emissions data have been verified. For Scope 3 emissions, the Company discloses selected relevant categories, including purchased goods and services, capital goods, waste generated in operations, business travel, employee commuting, downstream transportation, and use of sold products.

## Management of Air Pollutant Emissions

The Company places great importance on emissions compliance for environmental protection. Therefore, in accordance with national laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Regulation on the Administration of Ozone Depleting Substances, and Classification Administration List of Pollutant Discharge Permitting for Fixed Pollution Sources (2019 version), Grandsun conducted environmental impact assessments for all projects, and undertook regular environmental testing to strictly control the emissions of atmospheric pollutants such as oxides of nitrogen, sulfur oxides, and particulates. The company strictly controls raw materials to ensure they contain no ozone-depleting substances (ODS). At the same time, we seek to minimize the impact of emissions on the surrounding environment by reducing energy consumption at the source and ensuring compliance of exhaust gases with emissions regulations.

### Emission Management

Reduce energy usage at the source

- Replace fuel vehicles with electric vehicles
- Reduce the use of private cars

Enhance the compliance of exhaust gas emissions

- Management of the compliance of exhaust gas emissions
- Installation of exhaust gas treatment equipment



### Case | Grandsun implemented actions to improve compliance with exhaust gas emissions

Grandsun carried out fume purification improvements for welding stations on its production lines by installing 15 dedicated fume purifiers to efficiently collect and filter welding fumes. Through targeted extraction of fumes and dust, the Company met environmental audit requirements, reduced exhaust emissions, and significantly improved workshop air quality and the working environment. These measures effectively reduced employees' risk of inhaling hazardous substances such as lead fumes and soldering flux fumes, thereby protecting occupational health and reducing potential occupational disease hazards. They also prevented fumes and dust from contaminating products and equipment, thereby improving production stability and product yield. The equipment is compatible with the production lines. Its adjustable fume extraction arms and stable operation do not affect normal production activities.



Fume Purifier

# Energy Management

Grandsun integrates excellence in energy management into its carbon neutrality plan. Guided by the policy of "conserving energy, pursuing green production, and continuously improving our practices," the Company vigorously promotes the use of renewable energy, comprehensively implements energy-saving upgrades, and accelerates the development of intelligent energy management. Through green and low-carbon production, the Company supports steady progress toward its carbon neutrality goals.



As of the end of the reporting period, the Company has obtained the **ISO 50001** Energy Management System certification.



ISO 50001 Energy Management System Certificate

# Renewable Energy Utilization

Promoting renewable energy is an important measure for Grandsun to advance energy structure transformation and respond to climate change. The Company has been vigorously advancing rooftop photovoltaic projects and continuously investing in photovoltaic facilities. Together with green electricity procurement and other measures, these efforts have further expanded the application of renewable energy. In 2025, renewable electricity accounted for 100% of the Company's electricity use, achieving zero greenhouse gas emissions from purchased electricity. Through these concrete actions, the Company has made a solid contribution to a green and low-carbon future and climate protection.



Rooftop photovoltaic installation (0.62 MW)

## Clean electricity usage in 2025

Total installed capacity of rooftop solar PVs

**0.62** MW

Total power output of PVs

**678.18** MWh

Electricity purchased from green certificates

**0** MWh

Directly purchased green electricity

**7667** MWh

A total reduction in greenhouse gas emissions<sup>1</sup>

**1756.77** tons of carbon dioxide equivalent

<sup>1</sup> The Company calculated the total greenhouse gas emissions reductions against a baseline scenario in which no renewable energy utilization measures were adopted. The calculation includes emissions reductions from the self-consumption of photovoltaic power generation and the green attributes obtained through green electricity procurement.

# Dual-Carbon Action

Grandsun attaches great importance to energy conservation and consumption reduction, and regards this practice as an important pathway to sustainable development. The Company has formulated the Control Procedure for Energy Objectives, Targets and Management Programs to systematically regulate energy management and energy-saving initiatives. It sets annual energy-saving targets and improvement plans, and continuously tracks implementation results. In addition, the Company carries out energy-saving upgrades in key energy-consuming areas such as production electricity use and precision air conditioning. Through improved management and technical optimization, it effectively reduces energy consumption and greenhouse gas emissions, steadily advancing toward a green and low-carbon future.



Power saving rate <sup>1</sup> is about **22.95%**.

Energy-saving project	Number of energy-saving projects	Power conservation <sup>2</sup> (MWh)	Electricity Saving Rate (%) <sup>1</sup>
Production electricity	5	79.31	50.97
Precision Air Conditioning	1	5.16	15.00
Total	6	84.47	22.95

<sup>1</sup> Electricity saving rate = electricity saved during the Reporting Period / total electricity consumption in the previous reporting period × 100%. This indicator reflects the energy-saving opportunities identified by the Company during the reporting period and helps estimate future energy-saving potential.

<sup>2</sup> Annual electricity savings from energy-saving renovation projects = 12 × (monthly electricity consumption before renovation – monthly electricity consumption after renovation).

Grade 1 Energy Efficiency Precision Air Conditioning



## Case | Zero-carbon Factory Establishment Project

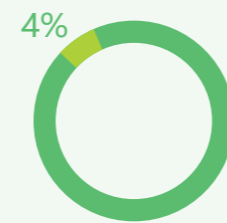
Grandsun has established a comprehensive green manufacturing management system and implemented a range of green and low-carbon initiatives, including intelligent production line upgrades, LED lighting retrofits, solar streetlight replacement, energy-efficient motor upgrades, photovoltaic power station construction, development of a dual-carbon management platform, high-efficiency cooling tower upgrades, product lightweighting, and raw material recycling and reuse. In line with the 14th Five-Year Plan for Industrial Low-Carbon Development and the Implementation Plan for Carbon Peaking in the Industrial Sector, Grandsun continuously improves its green manufacturing and service system, promote low-carbon industrial transformation, and support the achievement of carbon peaking and carbon neutrality goals. With a low-carbon future as the core and the creation of a green factory as its objective, the Company has systematically planned a sustainable pathway toward green and low-carbon development and formulated the 2023 Outline of the Corporate Medium- and Long-Term Environmental, Social and Governance (ESG) Strategic Plan. The Company has now successfully obtained Zero-Carbon Factory certification, demonstrating notable achievements in green development.



2025 "Zero-Carbon Factory Evaluation Certificate"

## Investment in Energy-Saving and Carbon Reduction

The Company has always regarded continuous and efficient investment in energy conservation and carbon reduction as a core foundation for improving energy efficiency and promoting the low-carbon transformation of its energy structure. We actively promote various energy-saving upgrade projects across the plant area, while increasing the deployment of and investment in renewable energy. These concrete actions support the achievement of the Company's carbon reduction targets.



- Investment in energy-saving projects
- Investment in Renewable Energy

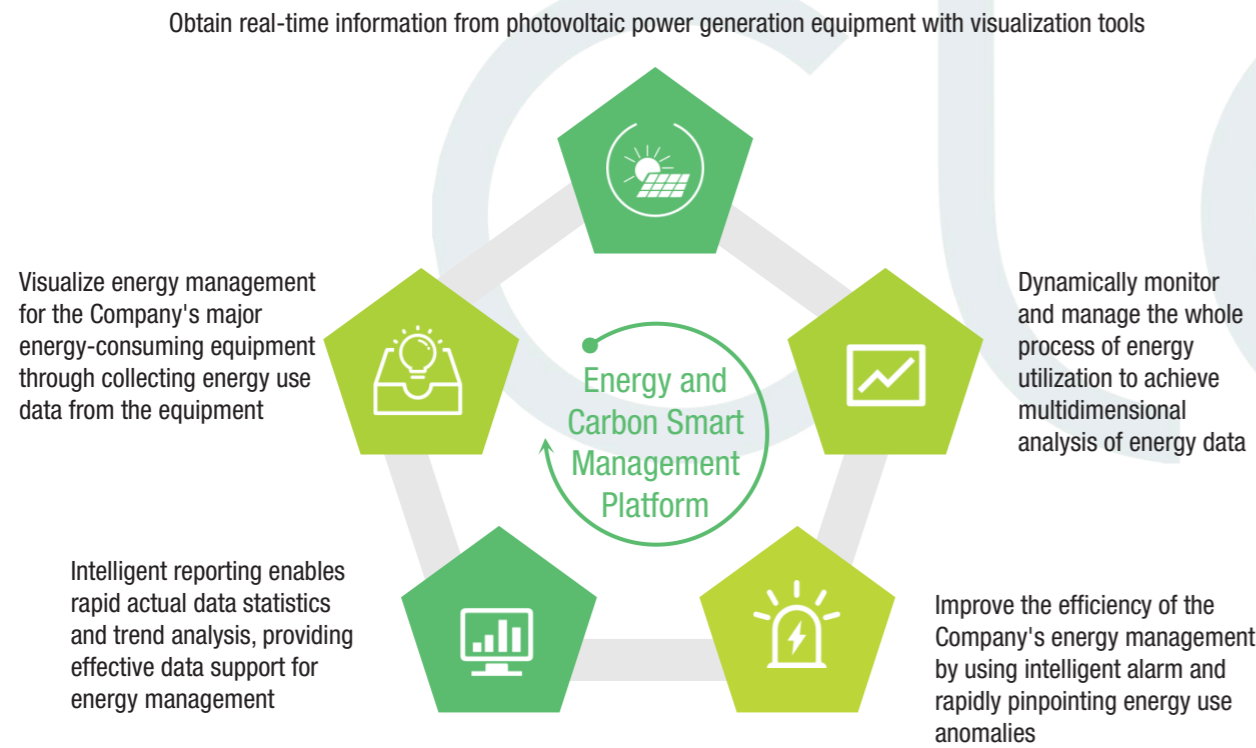
In 2025, the Company's investment in energy conservation and carbon reduction reached RMB **4.056** million

Note: Investment in renewable energy includes investment in photovoltaic installation and green electricity procurement in 2025.

# Smart Energy Management

Leveraging its technological advantages, Grandsun has deeply integrated energy management, renewable energy, charging piles, and energy storage charging and discharging management into the Internet of Energy (IOE) smart energy management platform, while continuing to invest in and advance the platform's development. The Company's smart energy and carbon management platform comprises five functional systems, enabling digital and centralized control of production and equipment through software technologies. This initiative has significantly improved production and operational efficiency while substantially reducing the energy consumption associated with the operation and maintenance of electromechanical equipment.

During the Reporting Period, we upgraded the smart energy management platform, with a focus on enhancing energy data analysis and visualization capabilities. This enables us to identify anomalies in energy use more quickly and accurately, and to conduct detailed investigations into abnormal electricity consumption, thereby ensuring safe energy use and prevent energy waste. We plan to gradually roll out the smart energy and carbon management platform to all production workshops. In 2026, the overall energy-saving rate across the plant is expected to reach 20%.



# Water Resources Management

The water resources used by Grandsun are mainly from the municipal water supply system and are mainly used for domestic water. Indirect cooling water used by the refrigeration equipment during the production and manufacturing of products is circulating water. To effectively address water resource pressure and potential risks, the Company has established a comprehensive water resources management system and invested substantial resources in actively advancing water-saving initiatives.

## Water Utilization

Grandsun attaches importance to the impact of its operations on water resources, sets targets higher than industry standards, and improves its water resources management system in accordance with ISO 14001 standards. At the same time, the Company actively works with stakeholders such as suppliers, service providers, employees and government authorities to carry out awareness activities and cooperation, jointly addressing water risks and watershed-related challenges.

## Identification and Management of Water Risks

Each year, we systematically identify and assess water risks based closely on the actual operating conditions of our factories. Based on the assessment results, we develop targeted control plans for factories with precision, effectively preventing and responding to various potential water risks. The annual water risk assessment results are submitted to the Strategy Committee under the Board for rigorous review, ensuring that water risk management strategies are scientific, reasonable and practically feasible.

## Water Resources Management Objectives

We consistently monitor national and local government policy requirements regarding water use, reclaimed water reuse and wastewater discharge in the locations where we operate. In strict compliance with the latest regulatory standards, we set annual water resources management targets that go beyond compliance requirements and continuously improve the Company's water resources management to fulfill our social responsibilities in water conservation, protection and efficient use.

## Water Resources Management System

To effectively improve water use efficiency, Grandsun has established a comprehensive water use monitoring and accounting mechanism. The Company regularly conducts rigorous monitoring and accurate accounting of water consumption and water quality, while tracking water resource utilization compliance in real time to promptly detect and properly address any anomalies, thereby minimizing water waste. On this basis, the Company actively implements diversified water-saving measures. It reduces water use at the source by widely installing water-saving devices, and implements domestic wastewater reuse projects to promote water recycling. These concrete actions are fully dedicated to reduce water withdrawal and domestic wastewater discharge, contributing the sustainable use of water resources.

# Publicity to and Cooperation with Stakeholders

Stakeholder participation is a crucial part of Grandsun's water resources management. We actively seek to understand the concerns of stakeholders regarding the Company's water resource utilization through methods such as questionnaires and proactively engage in advocacy and cooperation with suppliers, service providers, neighboring businesses, communities, governments, employees, and other stakeholders, working together to advance effective water resources management.

Analysis and survey of suppliers/service providers	
<ul style="list-style-type: none"> <li>The Company carried out ISO 14001 certification awareness activities, discussed cooperation on sustainable water management, and encouraged suppliers and service providers to participate in ISO 14001 certification, jointly improving the Company's water management performance. Analysis and survey of suppliers and service providers</li> </ul>	
Water-saving promotion and employee awareness improvement	Implementation of government water requirements
<ul style="list-style-type: none"> <li>Put up water-saving signs and posters in factories, offices and living areas</li> <li>Promote water-saving initiatives on the Company's OA homepage</li> <li>Provide trainings on water conversation to employees</li> </ul>	<ul style="list-style-type: none"> <li>Cooperate with government in completing water use declarations and surveys on industrial water reuse rate</li> <li>Participate in water conservation officer training</li> <li>Work with relevant departments to protect key water areas</li> </ul>



Employee water conservation training








Water conservation publicity



In 2025, Grandsun's quantity of first used water per RMB10,000 of output value decreased by **33.43%** compared with 2024.

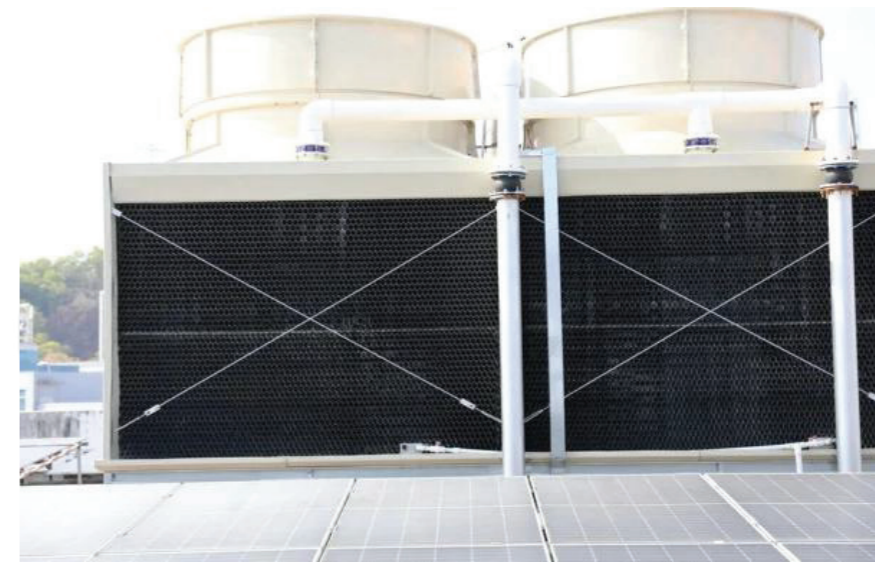
## Water Resources Management Work

To improve its water resources management system, Grandsun strictly follows a five-step approach covering collection and analysis, commitment and planning, implementation, evaluation, communication and disclosure, systematically advancing water resources management. Through full-process control covering water resources data collection and analysis, water-saving target setting, implementation of water-saving measures, management effectiveness evaluation, and information disclosure, the Company continues to build an open, transparent, comprehensive, standardized and efficient water resources management system.

Water Resources Management Work Conducted in Accordance with ISO 14001 Standards	
 Collection and analysis	<ul style="list-style-type: none"> <li>Identify stakeholders and conduct questionnaire surveys</li> <li>Collect water-related data, such as water consumption, water quality, and potential sources of pollution</li> </ul>
 Commitment and planning	<ul style="list-style-type: none"> <li>Develop strategies for water resources management</li> <li>Develop annual goals and plans for water management</li> </ul>
 Implementation	<ul style="list-style-type: none"> <li>Develop water conservation management system</li> <li>Implement measures targeting water balance goals, such as developing water-saving technologies at the source</li> <li>Implement measures targeting water quality goals, such as conducting water quality testing for domestic wastewater and drinking water</li> <li>Implement measures targeting water quality improvement goals, such as providing external personnel with drinking water and water for toilets and basins</li> </ul>
 Evaluation	<ul style="list-style-type: none"> <li>Evaluate the benefits of the water management plan</li> <li>Evaluate the impact of water-related emergencies</li> <li>Evaluate the feedback from stakeholders</li> </ul>
 Communication and disclosure	<ul style="list-style-type: none"> <li>Make public the internal water management model at the plant site</li> <li>Communicate with stakeholders about the water management plan</li> </ul>

## Water Resource Recycling

During the construction of the industrial park, Grandsun effectively reduced cooling water drift losses by replacing existing cooling towers with high-efficiency models, and vigorously promoted water recycling, reuse and purification treatment. Dormitory wastewater is first discharged into a sewage tank and then undergoes multiple refined treatment processes, including sedimentation and filtration. After ensuring that the water quality meets the standards for miscellaneous water use, it is reused for road washing, toilet flushing, and watering green plants. Meanwhile, wastewater from fish ponds is also properly treated. The wastewater replaced on a regular basis is reasonably allocated and used as a quality water source for irrigating flowers. Through a series of water-saving and recycling measures, the Company effectively reduces water consumption, improves water use efficiency, and further enhances its water resources management system.



## Wastewater Management

Grandsun strictly complies with laws and regulations such as the Water Pollution Prevention and Control Law of the People's Republic of China and the Regulations on Urban Drainage and Sewage Treatment, and has formulated the Wastewater Management Procedure to regulate wastewater management. Grandsun does not generate industrial wastewater during the production process, only domestic wastewater, the quality of which meets the requirements of national and local discharge standards such as the Integrated Wastewater Discharge Standard (GB8978-1996) and the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002), minimizing the impact on receiving water bodies. Furthermore, we engage qualified external environmental monitoring institutions to conduct environmental monitoring of wastewater discharge at least once a year. In 2025, all domestic wastewater test results met applicable standards.



As of the end of the Reporting Period, Grandsun had **no** production wastewater discharge, and the compliance rate of domestic wastewater discharge was **100%**.

# Circular Economy

Grandsun's waste mainly comes from production and operational activities, as well as discarded packaging materials generated from supplier deliveries. To reduce the environmental impact of waste, the Company actively responds to national initiatives by promoting the circular economy. Through green product design, the prioritized use of recyclable materials, collaboration with suppliers on material reuse, and the promotion of waste resource recovery, the Company continuously improves resource utilization efficiency, reduces resource waste, and supports the development of a green and low-carbon industrial ecosystem.

# Material Recycling and Reuse

Grandsun has firmly practiced the 5R principle and strives to minimize material use. At the product design stage, the Company fully implements the concept of reduction-oriented design. It strictly selects materials, prioritizes recyclable materials, and gradually phases out non-recyclable materials, thereby controlling material use at the source and reducing waste generation.

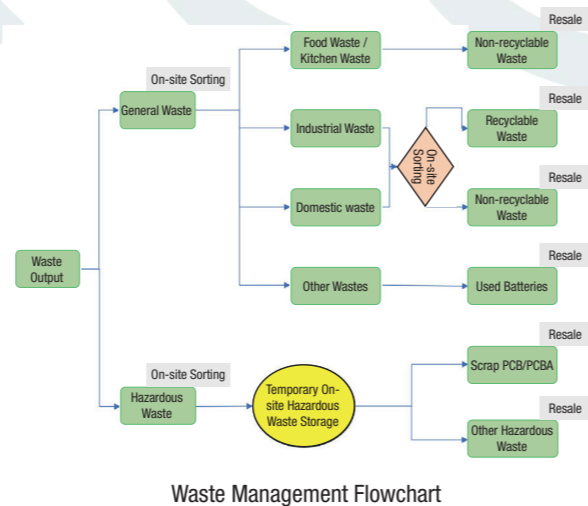
In the material procurement process, the Company actively collaborates with suppliers to build a two-way material recycling system. On the supplier side, it encourages the recycling of products, packaging materials, coils, reels and other materials that have quality defects, transportation damage or reuse value. Internally, the Company proactively carries out material recycling initiatives to improve the material recycling rate.

In the production process, the Company continues to optimize processes and promotes the internal reuse of materials such as plastic packaging, cartons, plastic frames and pallets. These efforts effectively reduce material consumption during production, integrate the 5R concept throughout the entire manufacturing and operational workflow, thereby contributing to the development of a green industrial ecosystem.

# Zero Waste to Landfill

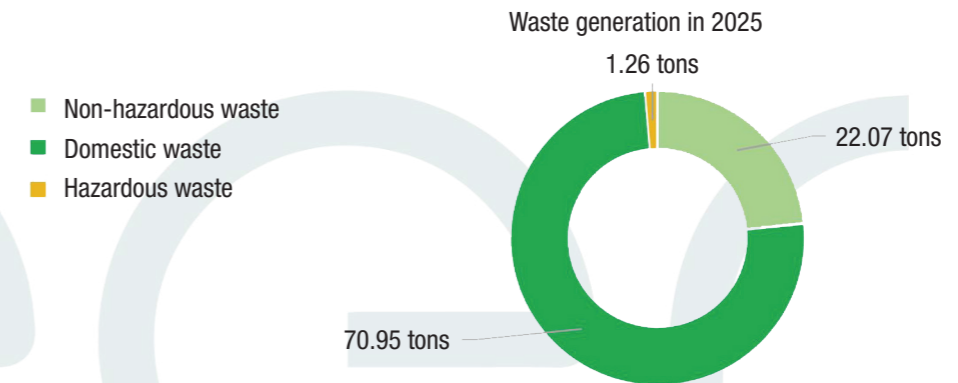
Grandsun actively promotes the concept of zero waste to landfill and continuously improves its Zero Waste to Landfill management system, integrating source reduction, resource recovery and compliant control into its operations. Through targeted improvements that replace direct incineration and landfill, the Company continues to increase the waste resource recovery rate and enhance comprehensive utilization.

The Company sorts, recycles and reuses recyclable waste such as plastics, metals and cartons. Non-recyclable hazardous waste is transferred to qualified professional institutions for standardized disposal, while heat recovery and utilization are actively promoted. At the same time, the Company continues to strengthen employees' environmental awareness and make green production a regular practice. It has successfully obtained the Zero Waste to Landfill management system certification and advanced the coordinated development of environmental, economic and social benefits.



# Waste Management

Grandsun manages and disposes of waste in strict accordance with national laws and regulations. It assigns dedicated personnel and implements full-process control to systematically collect and monitor information on waste categories, weights and resource recovery methods, ensuring that relevant data remain traceable and controllable. In 2025, the Company's waste diversion rate reached 99.94%, reflecting the compliant and efficient waste disposal under professional and standardized management.



<sup>1</sup> Due to the integration of waste generation data by category, the sum of breakdown data is not equal to the total data here. Please refer to Appendix – Key Performance Data for details.



During the Reporting Period, the Company passed the **Zero Waste to Landfill** management system assessment and achieved **Gold level**. As of the end of the reporting period, the Company had achieved a **100%** legal disposal rate of waste.



# Hazardous Substance Management

Grandsun strictly complies with domestic and international chemical safety regulations, as well as customers' hazardous substance management requirements. The Company has formulated procedures such as the Hazardous Substance Control Management Procedure and the Procurement Control Procedure to control product development, procurement, production processes and product traceability. It also controls materials, components, finished products and chemicals used in production to restrict the presence of hazardous substances in its operations. The Company has obtained QC 080000 Hazardous Substance Process Management System certification for multiple consecutive years.

**Development and Material Selection**  
Review the original composition sheets of materials during product design and development to confirm that the materials do not contain hazardous substances.

**Procurement**  
The procurement department obtains Product Material Declaration Forms, Declarations of Environmental Compliance, and third-party environmental test reports from the supply chain.

**Manufacturing**  
Conduct regular inspection of products and auxiliary materials used in the production process and assign designated materials to specific equipment to prevent mixing or contamination.

**Shipment**  
Conduct finished product testing for hazardous substances, and prohibit products that do not meet customer or regulatory requirements from being shipped to customers.

# Hazardous Substance Reduction

With the long-term goal of eliminating hazardous substances from its products, Grandsun has formulated a hazardous substance reduction plan, proactively exploring green alternatives to reduce and ultimately eliminate the use of hazardous substances. The Company's laboratories are equipped with advanced hazardous substance testing equipment, including GC-MS, ICP-OES, ED-XRF and UV-VIS precision testing instruments. It conducts hazardous substance testing, including RoHS 2.0 testing, in strict accordance with international testing standards. The testing laboratory has obtained CNAS accreditation. Incoming materials are tested in batches to promptly identify abnormalities, track issues and implement improvements, thereby reducing environmental compliance risks associated with materials.



Hazardous Substance Testing Equipment

# Restricted Substances Management Specification

Grandsun closely monitors developments in domestic and international environmental regulations, using the latest standards as the basis for continuously improving the management of restricted substances. The Company has updated its requirements in line with the latest China RoHS, EU REACH regulations and customers' restricted substance requirements. The Company continues to monitor trends in hazardous substance control, promptly revises its internal hazardous substance management standards, and incorporates regulatory requirements for newly added hazardous substances to ensure full compliance with applicable regulations and customer requirements.

# Hazardous Substance Management of Suppliers

Since its establishment, Grandsun has regarded hazardous substance management as essential to its survival and development. The Company has built an information-based green product management system and established documents such as the Grandsun Technical Standard for Environmental Substance Management and the Hazardous Substance Control Management Procedure. Under this framework, all departments coordinate with one another while performing their respective responsibilities. Grandsun also works with upstream suppliers to collect Product Material Declaration Forms and environmental compliance reports. Its quality, procurement, R&D and other departments jointly manage hazardous substances from suppliers, effectively controlling hazardous substance risks and fully enhancing the Company's product environmental compliance capabilities.

In supplier management, the Company provides suppliers with timely and efficient communication of hazardous substance information and requires them to update their hazardous substance control standards accordingly, ensuring that suppliers clearly understand the Company's standards. In addition, the Company conducts annual environmental audits of suppliers, reviews environmental management requirements for new suppliers, and signs environmental protection agreements with them. New suppliers must fully comply with the Company's environmental requirements before being onboarded. During the supply process, suppliers are required to declare the full-substance composition of materials and submit relevant environmental test reports and composition data, so as to control material compliance at the source. Meanwhile, Grandsun has established hazardous substance risk ratings for materials. Based on material information, this function enables the identification of materials and the classification of both materials and suppliers by risk level at the source. With this function, compliance personnel can quickly identify potential risk points in materials and trace them to the corresponding suppliers, thereby reducing hazardous substance risks in products and effectively preventing potential adverse impacts on human health and the environment.

For more information on Grandsun's hazardous substance management of suppliers, please refer to the Responsible Sourcing for Shared Value Creation section.

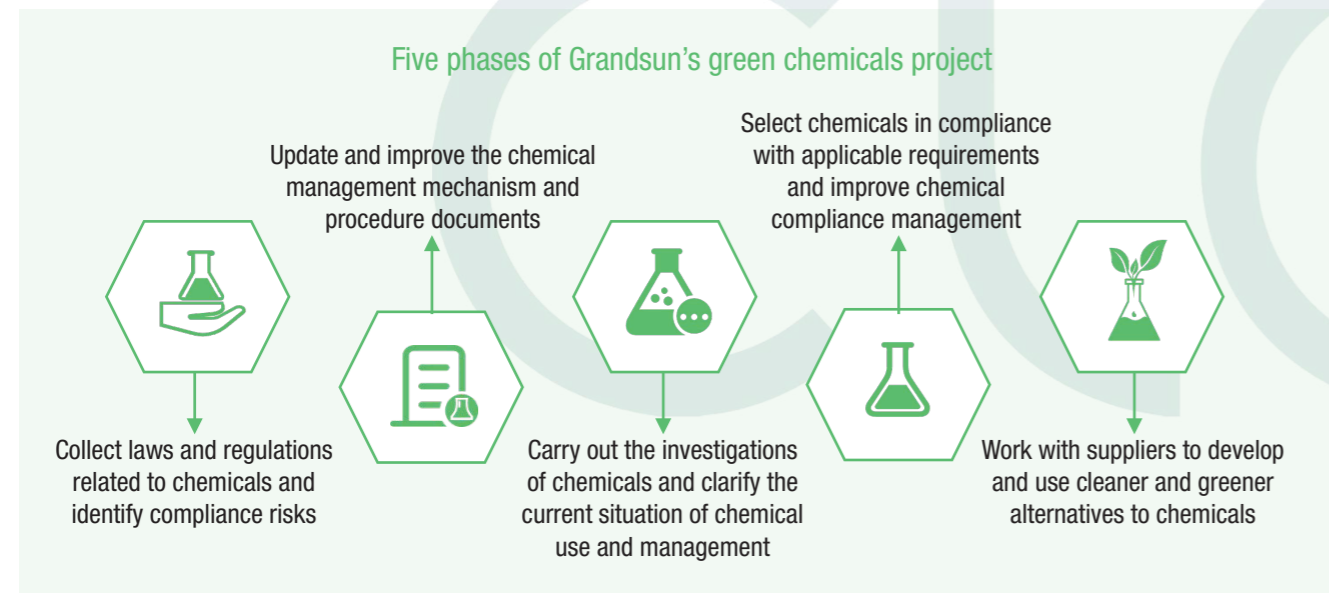


Certificate of Hazardous Substance Process Management System

## Work safety

In strict accordance with the Work Safety Law of the People's Republic of China, Grandsun takes accident prevention and control measures throughout its production and business activities to avoid personal injury and property loss. These measures ensure that production processes are carried out under prescribed conditions, safeguard employees' personal safety and health, protect equipment and facilities from damage, prevent environmental harm, and ensure the smooth operation of production and business activities.

In production safety management, the Company promotes the integrated development of safety and production, ensuring that the two support and reinforce each other. By minimizing employee injuries, fatalities and property losses, the Company protects employees' lives, safety and occupational health to the greatest extent possible, while improving production efficiency and standards. Guided by this people-oriented approach, Grandsun places employees' lives, safety and physical health first, which forms the starting point and ultimate objective of the Company's production safety work. The Company implements measures covering production safety management, safety technologies, occupational hygiene and emergency management to achieve its production safety objectives.



To enhance chemical management, under the supervision of the Board of Directors, Grandsun established a dedicated task force to collaborate with its subsidiaries in advancing the Green Chemicals Initiative. The task force strengthens upstream controls by implementing closed-loop management and oversight throughout the chemical lifecycle to ensure compliance, while working with suppliers to identify more environmentally friendly chemicals. During the reporting period, five project phases were completed. Remediation was carried out for chemical assessment anomalies identified within subsidiaries, driving the Company's chemical management toward greener, safer, and more compliant practices.

## Opportunities in Clean Technology

As a leading enterprise in electronic manufacturing, Grandsun is fully committed to advancing a clean transition by promoting the research, production, and sales of clean technology products. The Company focuses on enhancing product energy efficiency and expanding the use of renewable energy to provide customers with high-performance, energy-saving solutions, contributing to the development of a sustainable and intelligent future. Looking ahead, Grandsun will continue to broaden its clean technology R&D efforts and increase investment to drive green and low-carbon future across society.



During the reporting period, we invested nearly RMB **68.1M** in research and development in the field of clean technology. We plan to invest more than RMB **25M** in 2026.

During the reporting period, **2** products passed the carbon footprint certification.

In addition, we actively participate in industry collaboration, engage in industry conferences, and establish cooperation among industries, universities, and technologies to promote the R&D and exchange of new technologies in the field of clean technology with all walks of life. We have established long-term collaborations with renowned universities and research institutes both domestically and internationally to create an innovative chain that combines applied research and engineering demonstration. Additionally, we have extensively participated in industry technical exchanges and contributed to the development of industry standards to promote the mutual development of expertise and industries.

## Biodiversity Conservation

Grandsun continuously advances multi-level greening initiatives across its campus and office spaces, establishing a mist forest microcirculation system and implementing separate recycling and purification processes for production and domestic water use. The campus is lush and vibrant, featuring 46 plant species with approximately 65% green coverage, positioning Grandsun among the national leaders in greening efforts and boasting excellent ecological environment quality. The Company deeply integrates low-carbon future concepts throughout production, packaging, storage, and transportation processes. By leveraging technological upgrades and circular utilization practices, Grandsun vigorously reduces emissions of waste gases, wastewater, and solid residues, striving to minimize negative impacts on biodiversity, ecosystem functions, and human health. Adhering to the 5R principles, Grandsun selects recyclable packaging materials, enhances lightweight packaging research and development, and reduces landfill waste at the end of the lifecycle, ensuring that packaging products fully align with ecological and environmental protection ideals throughout their lifecycle.



Bird Ecology Protection

# Empowering Mutual Progress and Sharing Growth

Grandsun has always regarded talent as central to its development, driving sustainable corporate growth through talent development. The Company strictly protects employees' legitimate rights and interests, and creates an equal, respectful, harmonious and inclusive working environment where employees can perform their duties with confidence and work with peace of mind. In terms of talent development, the Company offers a diverse range of training programs covering professional skills, workplace competencies, frontier technologies and innovative thinking. It has also established a comprehensive development platform and fair, diversified promotion channels to support employees' continuous growth and long-term career development. In terms of incentives and support, Grandsun has established a well-structured compensation, benefits and performance appraisal system. It provides market-competitive remuneration and shares the benefits of development with employees through incentives such as performance bonuses and year-end profit sharing, continuously enhancing employees' sense of belonging and motivation. The Company attaches great importance to occupational health and safety. It continues to increase investment in safety facilities and conducts regular safety training, while strengthening occupational health protection and optimizing work processes and intensity in a reasonable manner to improve employees' quality of work and life. As a responsible enterprise, Grandsun actively engages in industry exchanges to promote coordinated industry development. It participates in community development and improves the community environment, while actively engaging in public welfare and charitable activities to care for and support vulnerable groups. Through these concrete actions, Grandsun contributes its strength to harmonious social development.

Year-round training coverage

**345948**  
person-times

Investment in public welfare and charitable activities near RMB

**2M**

Average employee training

**48** hours

Safety responsibility letter signing rate

**100%**

- Occupational Health and Safety
- Employee Training and Development
- Attracting and Retaining Talents
- Equal and Diverse Workforce
- Employee Rights Protection
- Public charities and Communities contribution



# Human Rights and Labor Management

We solemnly commit to strictly following and implementing the main high standards international labor conventions and initiatives, including the Universal Declaration of Human Rights, the ILO Core Conventions, the United Nations Guiding Principles on Business and Human Rights, the Responsible Business Alliance Code of Conduct, the Provisions on the Administration of Employment of Foreigners in China, and the Social Accountability Standard. We also strictly comply with applicable laws and regulations in the locations where we operate, including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China.

Labor and human rights management has been deeply integrated into Grandsun's ESG management system. We always respect and fully protect employees' legitimate rights and interests, firmly prevent any human rights violations, and safeguard the dignity and rights of every worker with a responsible attitude.

To further improve its human rights management system, the Company has formulated and implemented a series of labor rights protection systems, including the Social Responsibility Management Manual, Employee Handbook, Recruitment Management Measures, Management Procedure for Prohibiting the Use of Forced Labor, Child Labor Rescue and Juvenile Worker Protection Procedure, Overtime Management Procedure for Indirect Personnel, Freedom of Association and Collective Bargaining Management Procedure, Anti-Discrimination Management Procedure, and Female Employee Labor Protection Management Measures. These systems regulate management practices, firmly prevent violations such as forced labor and child labor, and oppose all forms of discrimination and harassment. They also protect employees' reasonable working hours and overtime pay, respect their rights to freedom of association and collective bargaining, and support the creation of an inclusive, equal and diverse workplace.

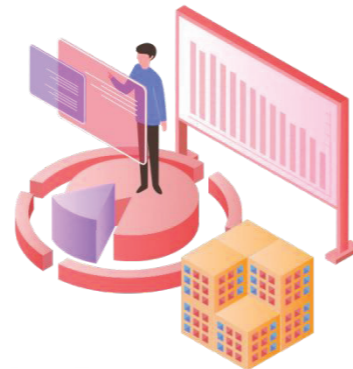
We attach great importance to labor and human rights protection across the entire value chain. We continuously conduct social responsibility risk assessments and audits of suppliers to effectively prevent and control human rights risks in the supply chain, such as forced labor, child labor, and infringements of the rights to freedom of association and collective bargaining, thereby promoting shared social responsibility across the industrial chain.

To ensure the effective implementation of the Company's labor management systems, we have established a three-pronged audit mechanism comprising internal special audits, customer audits and external third-party audits, such as Responsible Business Alliance (RBA) audits. This mechanism enables full-process and full-coverage supervision and management of labor-related issues at the factory level.

Grandsun strictly complies with national laws and regulations regarding the minimum notice period for operational changes, fully protecting the legitimate rights and interests of all stakeholders. During the Reporting Period, the Company had no operational changes that required notification to stakeholders.



As of the end of the reporting period, **no** incidents involving violations of freedom of association and collective bargaining rights, forced labor, illegal servitude, child labor, or underage employment were identified within our operational sites and supplier network. **Nor** any incidents of discrimination



## Key Initiatives in Human Rights Protection

Forced Labor

The Company strictly prohibits all forms of human trafficking and the employment of any form of enslaved labor, including but not limited to modern slavery, forced labor, bonded labor, indentured labor and prison labor, thereby effectively safeguarding workers' basic human rights and personal dignity.

Forced Labor

During recruitment and routine inspections, employees' identity cards and relevant certificates issued by public security authorities are manually and strictly checked to verify their age. The HR system includes a control module that automatically flags individuals below the statutory working age based on their identity card numbers, providing dual safeguards for age verification.

Forced Labor

All overtime work must be voluntary, and the Company strictly prohibits forced overtime, including production, meetings or related matters outside working hours. Temporary overtime required for work purposes must be applied for in accordance with the procedures specified in the Employee Handbook and approved by the employee's supervisor before implementation.

Forced Labor

The Company strictly implements the provisions on overtime pay and overtime allowances set out in the Employee Handbook. Any work performed beyond normal working hours is defined as overtime, and full overtime compensation is provided in accordance with the law.

Forced Labor

Employees enjoy the right to freedom of association, and the Company is committed to creating a working environment free from violence, pressure, fear, intimidation and threats. Grandsun also actively supports employees in establishing labor unions and other organizations in accordance with the law, and helps these organizations perform their duties effectively.

Forced Labor

We treat every employee fairly and prohibit any discrimination based on personal factors such as race, age, gender or disability in employment processes, including recruitment, remuneration and promotion.

Forced Labor

The Company strictly complies with local laws and regulations on employee severance and provides severance compensation in accordance with applicable requirements. For employees eligible for government subsidies, the Company provides full assistance with the application process. It also actively supports employees in participating in re-employment training to facilitate their career transition and development.

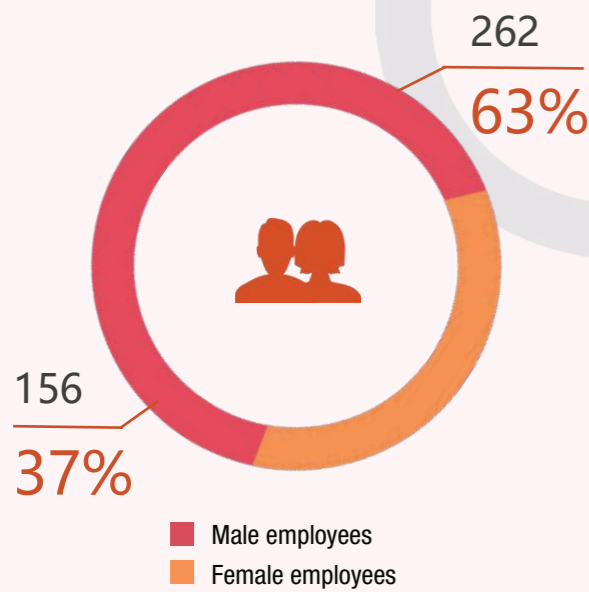
# Equal and Diverse Workforce



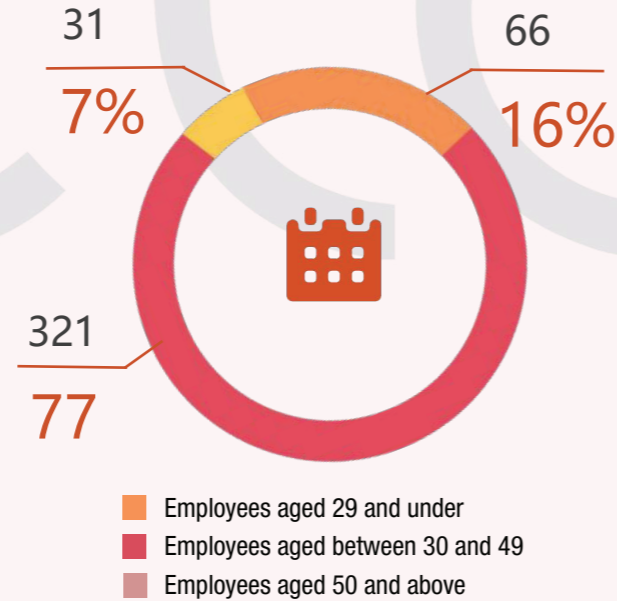
As of the end of the Reporting Period, Grandsun had a total of **418** employees.



### By gender



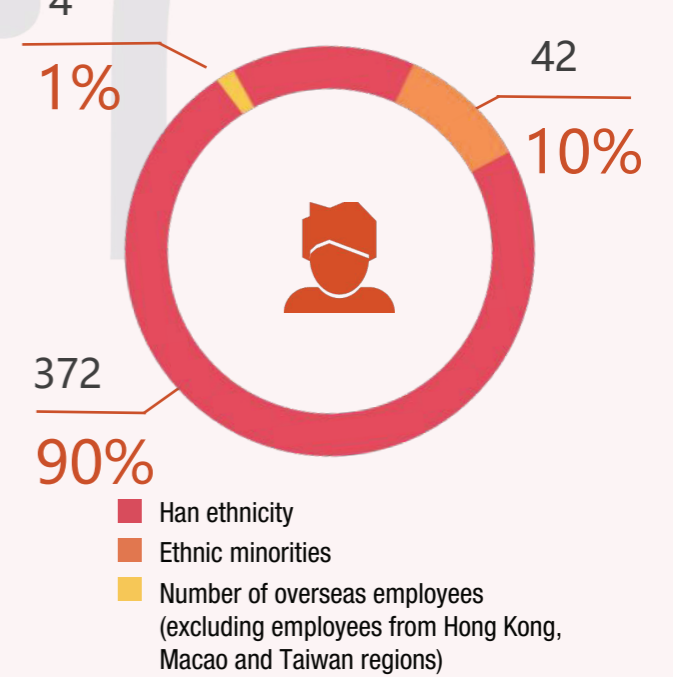
### By age



### By region



### By nationality



# Talent Attraction and Retention

Grandsun continues to optimize its talent management system and steadily expands its core talent pool. The Company has built clear multi-channel career development paths for employees, refined promotion standards and processes, established a fair, equitable and transparent remuneration system, and implemented a scientific and quantitative performance appraisal system. In addition, Grandsun continues to improve its diversified benefits system and enables employees to share the benefits of corporate development. These measures help unlock employees' potential and enthusiasm for work, while continuously strengthening the Company's core competitiveness across multiple dimensions, including talent reserves, development channels and incentive mechanisms.

## Talent Recruitment

We continue to carry out campus recruitment to identify and cultivate high-quality graduates, thereby strengthening our talent pipeline. During the Reporting Period, the Company launched a campus management trainee recruitment program for domestic universities in September 2025. It developed a dedicated recruitment plan based on a review of talent needs across departments, strengthened employer brand promotion, and actively engaged with target universities to establish partnerships. Through campus presentations, the Company introduced its development history and job opportunities to graduates, and completed hiring and contract signing after interviews and assessments, thereby building a reserve of high-quality young talent for future development. Going forward, the Company will continue to optimize its campus management trainee recruitment mechanism, improve recruitment efficiency and job fit, and attract high-quality knowledge-based and technical talent to provide solid talent support for high-quality corporate development.



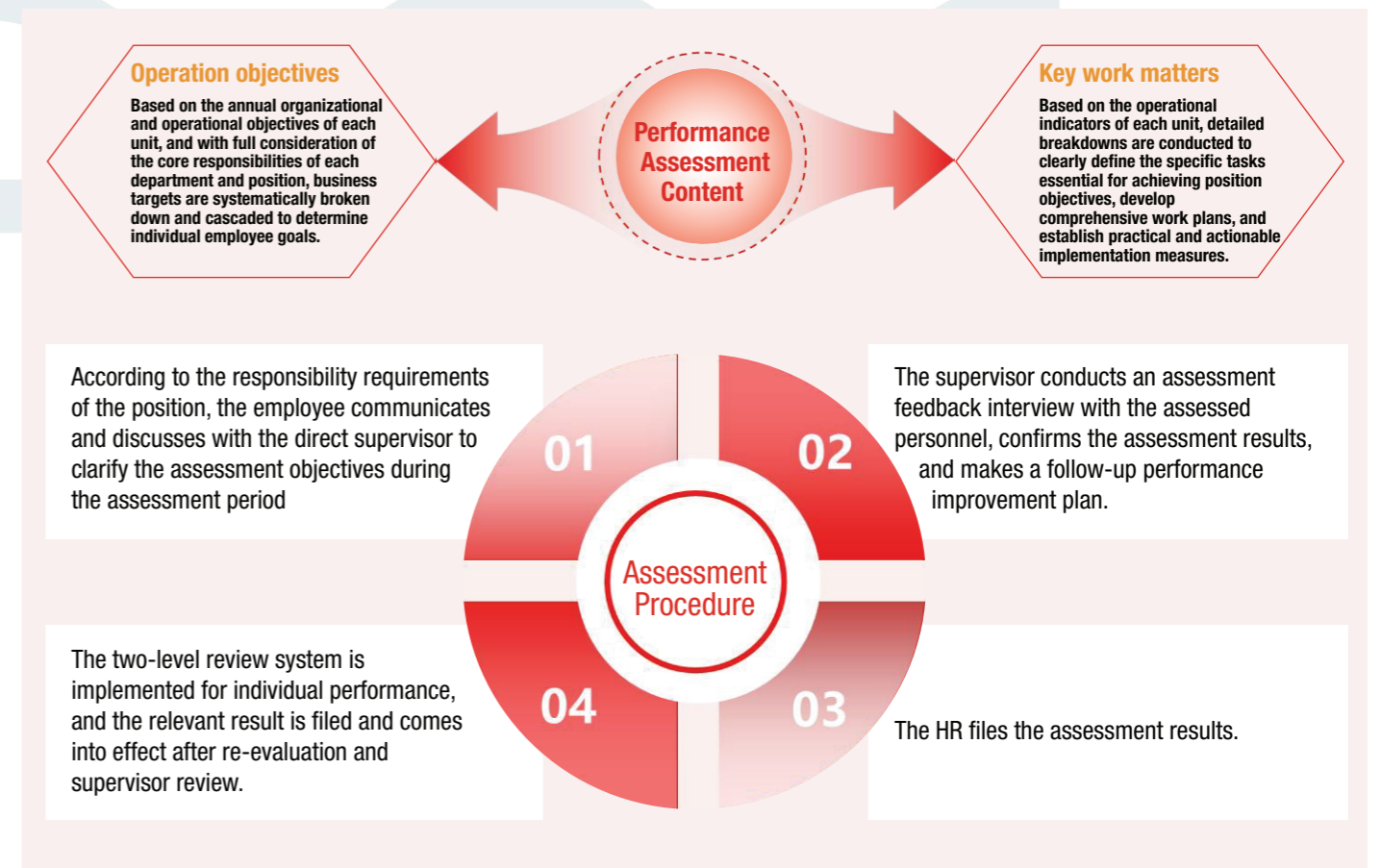
Campus recruitment fair

## Compensation level

Grandsun is committed to building a highly competitive remuneration system. Through reasonable compensation strategies, the Company aims to attract, retain, motivate and develop talent. In remuneration management, the Company strictly follows the principle of equal pay for equal work, ensures fair employment and reasonable returns, and firmly protects employees' legitimate rights and interests. To maintain remuneration competitiveness, Grandsun regularly conducts industry surveys and dynamically optimizes salary levels based on operating performance and position value. This ensures that remuneration remains in the upper-middle range of the industry, stays aligned with the market, fully reflects employee value, and always meets or exceeds the local statutory minimum wage. The Company also continuously improves its remuneration structure and incentive mechanisms to stimulate employees' motivation and creativity. These measures fully reflect the Company's people-oriented philosophy and effectively protect employees' vital interests. By enabling employees to work with peace of mind and continue creating value, they also lay a solid foundation for attracting outstanding talent, maintaining team stability and achieving long-term, steady development.

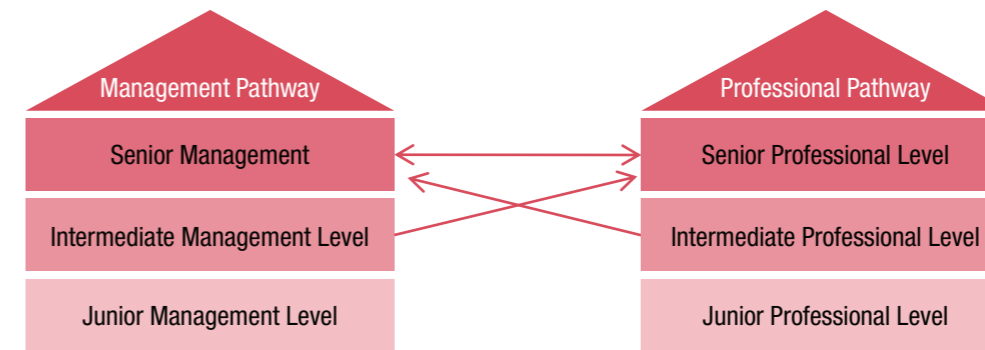
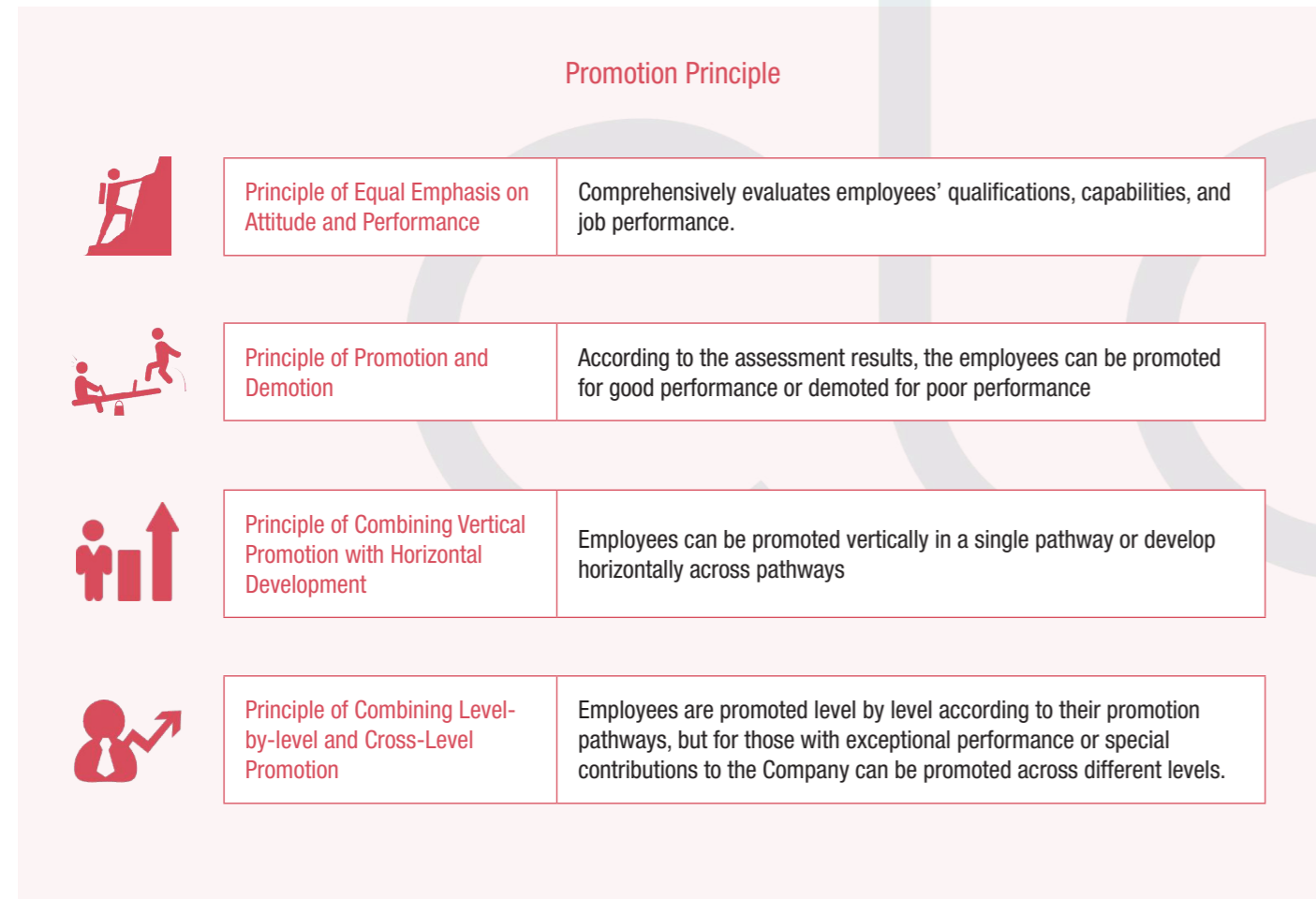
# Performance Assessment

Grandsun has established a performance appraisal system covering all employees. It has developed a regular appraisal system with comprehensive appraisal indicators and standardized procedures, using employees' objective work performance and development as the basis for annual performance evaluation. The appraisal covers operational business objectives and key work matters, which are set on a differentiated basis according to departmental functions and job responsibilities. During the appraisal period, employees communicate with their direct supervisors in multiple rounds to clarify objectives, receive feedback on results and develop improvement plans. A two-level review mechanism, comprising re-evaluation and supervisor review, is implemented to ensure that appraisal results are objective and fair. Through a scientific and reasonable performance appraisal system, the Company continuously optimizes its human resources management and performance feedback processes to enhance employees' motivation and long-term stability.



# Promotion System

Grandsun provides employees with dual career development paths in management and technical expertise, and continuously improves promotion policies and implementation processes to fully unlock employees' potential. Guided by an employment philosophy of fairness, impartiality and reasonableness, the Company has built a fully transparent promotion process and established four promotion principles. It is committed to building a scientific and standardized promotion system aligned with corporate development, effectively enhancing employees' motivation and organizational identity.



Number of Employees Promoted by the Management Pathway **60**

Number of Employees Promoted by the Technical Expertise Pathway **38**

## Case | Grandsun established the Promotion and Assessment Mechanism

Grandsun has established a structured promotion pathway, supported by position-based allowances and advancement opportunities, to enhance the promotion assessment mechanism for frontline employees. This approach aims to stimulate their enthusiasm and creativity while unlocking individual potential.

### Promotion and Selection Criteria

To ensure smooth recruitment and retain newly hired employees in special positions, the production department recommends eligible newly hired technical employees in special or key positions, including soldering, testing, visual inspection, gluing and screw fastening, for skill assessment conducted by PE, QE, and IE teams within one month of onboarding. Based on the assessment results, employees are classified into different skill levels according to their special-position experience and receive remuneration aligned with those levels. This mechanism helps them settle into their roles and establish stable, long-term employment with the Company.

The probation period for the above positions is three months. Upon passing the performance evaluation at the end of probation, employees may apply for promotion. Advancement must follow a step-by-step process starting from the lowest level, with a minimum of six months of service in each role before being eligible for the next level. Exceptionally high performers may apply for level-skipping promotions, subject to approval, with a maximum of two levels skipped. Based on a comprehensive assessment of individual performance by supervisors, employees can be further promoted to multi-skilled technicians.

After one year of continuous work, an all-round worker who has mastered the skills of all workstations in the line and passed the relevant 6S, safety, and quality know-how course assessments is eligible for an interview with manager. If the worker meets the relevant standards, he/she will undergo comprehensive training and learning. Upon probationary qualification, he/she can apply for promotion to managerial positions such as line leader, vice section supervisor, and section supervisor.





# Employee Training and Development

Grandsun firmly believes that talent is the cornerstone of sustainable corporate development. By integrating internal and external resources, the Company has thoughtfully developed a comprehensive and targeted training curriculum designed to support employees' professional growth, unlock their potential, and help them realize their full personal value. Grandsun encourages employees to grow alongside the Company—achieving personal aspirations while contributing to the Company's long-term success and shared prosperity.

## Focus on Employee Development Employee Training System

We have established and implemented a comprehensive talent development system for all employees. The courses cover multiple areas, including corporate culture, EHS, ESG, information security and business ethics, spanning employees' entire career development to support their continuous growth.

To enrich learning formats and meet diverse needs, the Company has built the "iGrandsun" online learning platform while providing offline training. Employees can flexibly arrange their learning time, access high-quality learning resources, balance work and learning more efficiently, and continuously improve their comprehensive capabilities.

Training Program	Trainees	Training Contents
 Orientation Training	For newly onboarded employees	The training covered the Company profile, rules and regulations, quality control, basic knowledge of environmental protection, EHS and social responsibility, ESG concepts, business ethics, information security, HR and administrative rules, work safety, corporate culture, OA/SAP operations, financial systems and 6S management. These courses cover all the knowledge and skills employees need to perform their duties.
 On-the-job Training	New requirements for the positions	Training content includes position-specific knowledge and skills, product knowledge, quality knowledge, EHS, corporate code of conduct, business ethics, social responsibility, information security and various specialized training courses.
 Pre-job Training	To help employees become familiar with their new roles	Corporate culture, organizational structure, department functions and job responsibilities, product knowledge, and position-specific knowledge and skills (including EHS).
 Job-transfer Training	To help employees master new requirements	New employees are required to master position-specific knowledge and skills, and participate in related training courses in accordance with the annual training plan.

A total of over RMB **211,000** on employee training programs

A total of training hours for all employees approximately **20,4** thousand hours

About **48** hours per capita training time

Specialized Training	Total Hours of Training	Number of person-times trainees
ESG Training	2304	192
Anti-corruption Training	209	418
EHS Training	34322	104432
Information Security	2410	1250
Intellectual Property Rights	4960	593

### Case | Specialized sales training at Shenzhen Grandsun

To continuously optimize organizational effectiveness and comprehensively enhance the sales team's product expertise, market insight, brand cohesion, team collaboration and execution capabilities, the Sales Department has carried out regular specialized training for all sales personnel since June 2025. The training focuses on key topics such as core product technologies, new product selling points, market benchmarking against competing products, and customer value communication. By providing two targeted training sessions each month, the program helps the team gain a deeper understanding of products, strengthen business capabilities, build shared values and collaborate more efficiently. In doing so, it continues to enhance market competitiveness and injecting strong momentum into the Company's performance growth and high-quality development.



## Internal Lecturer Training

Since 2020, we have been implementing an internal lecturer development program and systematically advancing it through a four-stage approach of "selection, development, application and evaluation."

- Selection: Identify potential internal lecturers among key business personnel and employees with accumulated practical experience.
- Development: Provide training in course development, teaching skills, and facilitation techniques to enhance their instructional design and presentation capabilities.
- Application: Validate their capabilities through actual teaching, trial lecture reviews and participant feedback.
- Evaluation: Provide teaching incentives, recognition and certification, and career development support to make knowledge sharing a regular practice.

The goal is to build a team of internal lecturers who understand the business, communicate effectively, pass on knowledge and exert positive influence. Through this program, we enable experience to flow, knowledge to grow and learning to truly take root.



As of the end of the Reporting Period, we had **93** trainers.

### Procedure of Internal Trainer Training



### Case | Shenzhen Grandsun conducted specialized training on new product R&D

In December 2025, Grandsun's R&D Department conducted a specialized training on new product R&D. The training adopted a "theory + practice + case studies" model, focusing on core modules of new product R&D to help employees improve their professional skills. Through post-training assessments and personalized action plans, the training promoted the application of learning outcomes, put the Company's core values into practice and supported the development of high-quality new products. Going forward, the R&D team will take this training as an opportunity to further strengthen technical expertise and refine skills, injecting strong momentum into the Company's high-quality development.



## Continuing Education

- As an important part of talent development in China, continuing education has played an active role in recent years in improving vocational skills, promoting employment and supporting economic development. As a socially responsible enterprise, Grandsun actively responds to national policies by promoting vocational skill level certification examinations.
- In 2025, Grandsun carried out vocational skill level certification examinations covering multiple fields, including production, sales and quality. These examinations were designed to provide workers with a platform to demonstrate their abilities and to cultivate more high-quality technical and skilled talent.



During the Reporting Period, a total of **292** attendances were recorded for vocational skill level certification examinations.



### Case | Grandsun Professional Skills Certification Examination

From November 15 to November 27, 2025, Grandsun organized and implemented vocational skill level certification examinations. The examinations were open to internal employees and covered four occupations: online business operator, microphone assembly and adjustment worker, plastic injection molding worker, and quality inspector. The certification levels ranged from Level 5, junior worker, to Level 3, senior worker, taking into account employees' different job experience and career development stages, and providing them with a systematic, tiered pathway to demonstrate their capabilities and grow.

The examination content was strictly aligned with national vocational skill standards and industry norms, emphasizing both practical skills and theoretical knowledge. It comprehensively assessed employees' professional knowledge, technical proficiency and ability to apply their skills in practice. Employees who pass the certification will receive vocational skill level certificates that can be verified through the national online system. The certification not only enhances their professional qualifications and market competitiveness, but also further strengthens their sense of identity with the Company, sense of belonging and intrinsic motivation for continuous development.



## Develop Workplace Leadership

We have developed Grandsun's leadership model around five core dimensions: thinking, decision-making, execution, influence and professional expertise. The model defines tiered competency levels from foundation to excellence across different dimensions, together with corresponding capability development pathways. This model provides a solid theoretical foundation for leadership development among managers and offers clear, precise and actionable guidance.

Upholding the philosophy of progressing and growing together with employees, and in line with Grandsun's core development strategy of "strengthening the enterprise through talent," we have launched the "Star Maker Series" leadership development program. The program focuses on improving management capabilities, broadening professional thinking and overall perspective, and empowering talent growth in all aspects, helping employees make steady progress in their career development.

### Grandsun's Young Leadership Development Program Modules

**Professional awareness and self-improvement:**

Clarify the standards for outstanding employees, enhance professional competencies, develop a mindset of perseverance and progress, and identify areas for improvement.

**Work methods and goal management:**

Master PDCA, goal breakdown, and daily goal implementation techniques to improve closed-loop task management and goal achievement rates.

**Problem solving and thinking enhancement:**

Develop the ability to identify, analyze and solve problems, break through thinking misconceptions, and establish systematic and innovative thinking.



**Middle management capability building:**

Clarify management roles, enhance capabilities in overall planning, coordination, collaboration and accountability, and break down departmental silos.

**Stress management and capability improvement:**

Analyze sources of stress, master stress relief methods, transform stress into motivation, and enhance core capabilities.

**Business and skill enhancement:**

Understand the Company's trade chain, master AI applications and work techniques, and improve business awareness and practical capabilities.



The total training duration of the Company's 2025 Young Cadre Training Program was **20,357.5** hours.

A total of **120** person-times



### Case | Young Leadership Development Program

In 2025, the Company organized the Young Leadership Development Program for supervisor-level employees with certain management experience, focusing on the enhancement of cross-departmental collaboration, goal management and professional competencies. A total of eight courses were held throughout the year, including one completion ceremony. The curriculum design emphasized a "problem-oriented approach + practical exercises". Training period: From May to December 2025, with sessions scheduled flexibly, including on Wednesdays and Fridays, to accommodate business needs.

Featured courses included Grandsun Group Trade Chain Planning and Sharing, From Customer Needs/Objectives to Delivery: Breaking Down Departmental Silos and Improving Collaborative Efficiency, and From Backbone to Mainstay: Building Core Capabilities for Middle Managers. Capability development loop: Each session included post-class assignments and group discussions.



### Leadership Development System

Training Program	Trainees	Training Contents
Young Leadership Development Program	Senior Management Succession Candidates	Aim to unify cultural values and management concepts, and improve management capabilities
Frontline Manager Training Program	Frontline managers	Aim to enhance the management skills of frontline managers
New Employee Training Program	Management Trainees	This program aims to unify cultural values and help management trainees quickly integrate into the Company and their teams, facilitating their transition from campus life to the professional workplace.

## Promote School-Enterprise Cooperation

Grandsun actively promotes external collaborative talent development and continues to deepen its school-enterprise cooperation model for talent cultivation. Since 2020, the Company has established partnerships with institutions including Zhaoqing Technician College, Deqing County Secondary Vocational School, Guangdong ATV Vocational College for the Performing Arts, and Yunfu Technician College. Through a combination of the modern apprenticeship system and school-enterprise "order-based classes," the Company provides targeted training and a precise talent pipeline to meet its business needs.

Grandsun has established a systematic talent development process covering corporate culture orientation, factory visits, job awareness, professional skills training and equipment operation training, supporting talent growth in all aspects. Meanwhile, the Company attaches great importance to the development of teaching teams at partner schools. It has achieved a smooth transition from joint instruction by school-enterprise mentors to independent teaching by full-time school teachers, continuously improving the quality of talent cultivation.

In addition, Grandsun actively promotes various forms of school-enterprise cooperation between its operating bases and local universities and colleges. While supporting the growth of young talent, these initiatives build a solid talent reserve for the Company's high-quality development and enable resource sharing, complementary strengths and mutual benefits between schools and the enterprise.



### Case | SUSTech Lecture: Embracing AI-Driven Technology Innovation — Cleer Visits SUSTech

At the SUSTech lecture titled "Embracing AI-Driven Technology Innovation for the Future," Grandsun Chairman Charles Wu introduced Cleer's new products and talent development initiatives in connection with real-world AI application scenarios. He noted that Cleer's newly launched ARC5 and Clip products are equipped with the Snapdragon S7+ audio platform and the self-developed intelligent agent "Tingdao." By integrating multiple large language models, the products offer AI functions such as speech transcription and simultaneous interpretation. Charles Wu stated that the Company hopes to convey the concept that "earphones are intelligent living entities and future fashion touchpoints" through its new products. He also noted that Grandsun will continue to deepen school-enterprise cooperation and cultivate AI-related skilled talent based on industry needs, thereby supporting the high-quality development of the technology innovation industry.



### Case | School-Enterprise "Order-based Classes" Talent Development Program

In 2025, Grandsun Academy achieved significant progress in school-enterprise cooperation by jointly establishing 14 Cleer order-based classes with four vocational institutions and training more than 600 skilled professionals. Both the scale and quality of these classes reached record highs. Partner institutions included Deqing County Secondary Vocational School, Guangdong ATV Vocational College for the Performing Arts, Zhaoqing Technician College, and Zhaoqing Agricultural School.

The classes cover multiple professional fields, including intelligent manufacturing, e-commerce, hospitality management, mechatronics engineering, and intelligent automation. Through this school-enterprise collaboration model, students gain both theoretical knowledge and practical experience, preparing them comprehensively for future career challenges.



# Building a Harmonious Workplace

With building a harmonious workplace as its core mission, Grandsun is committed to developing close and healthy labor-management relations. The Company has established diversified communication channels to protect employees' rights to expression and participation. It responds to reasonable employee demands promptly and responsibly, and addresses them properly.

To enrich employees' lives, the Company carefully plans a variety of activities, including team building, cultural exchanges, skills competitions and leisure gatherings, continuously energizing the workplace and creating a positive atmosphere. At the same time, Grandsun continues to improve a comprehensive benefits system covering health care, living subsidies and career development support, thereby fully enhancing employees' workplace experience and enabling them to feel a sense of warmth and belonging while pursuing career growth.

## Employee Communication and Exchange

Grandsun strictly complies with all applicable laws and regulations, fully respects and protects employees' legitimate rights and interests, and actively promotes the development of equal consultation and collective contract systems. The Company has established a labor union in accordance with the law, and employees have the right to join voluntarily. In 2025, the Company made further progress in building innovation platforms: Charles Wu's Shenzhen Model Worker Talent Innovation Studio and Peng Jiugao's National Model Worker Innovation Studio successively received official recognition. Through role model leadership and innovation-driven growth, these platforms continuously stimulate the Company's internal momentum.



As of the end of the reporting period, Grandsun had established **one** labor union.

## Employee Satisfaction

To gain an in-depth understanding of employees' needs and build collective momentum for development, Grandsun conducts employee satisfaction and engagement surveys every year. In 2025, the survey covered all domestic and overseas employees. To ensure that the results reflected employees' actual circumstances and accurately captured the needs of different positions, the Company carefully designed two differentiated questionnaires based on the characteristics of direct and indirect employees. The 10-day survey adopted an innovative combination of offline interviews and online questionnaires, covering various employee groups in a comprehensive manner. During the survey, Grandsun invited three senior executives to participate throughout the interview process. A total of 36 focus group interviews were conducted for indirect employees, covering 1,200 participants in total, including employees of subsidiaries. In addition, 982 valid online questionnaires were collected, including responses from subsidiary employees. According to the statistics, the overall employee satisfaction score was 80.29%, and the employee satisfaction index was 4.81, indicating a relatively high level of satisfaction. After the survey, Grandsun's subsidiaries responded quickly and took prompt action. Based on the survey results, they developed five specific improvement objectives and implementation plans covering key areas such as work recognition, employee training, stress management, employee activities, and dining, accommodation and transportation management. These measures responded directly to employee needs and continuously improved the Company's management and service quality.

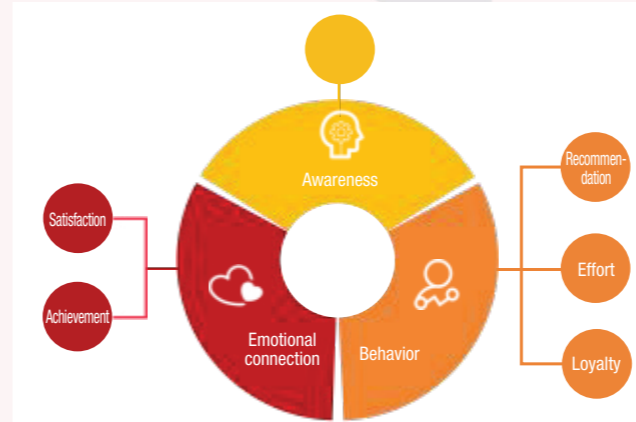
The Company always places employee needs first. Through regular employee satisfaction surveys, it accurately identifies employees' pain points and needs, and quickly develops and implements improvement plans based on survey results. By optimizing the work environment, empowering career development, and improving benefits, Grandsun addresses reasonable employee requests in a timely manner, continuously enhances employees' sense of identity, belonging and well-being, and injects lasting momentum into the Company's high-quality and healthy development.



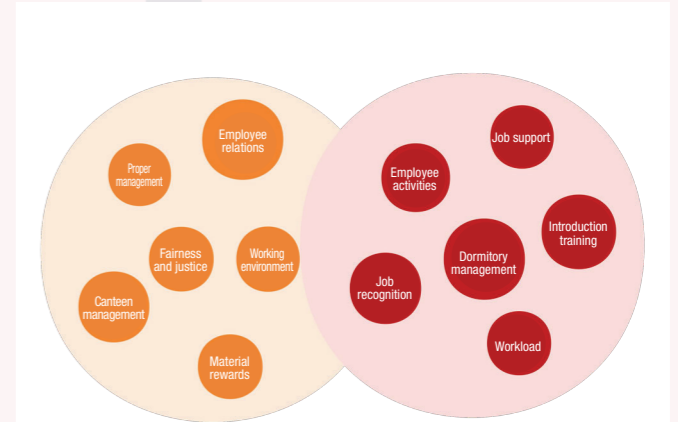
### Analytical Structure

Overall Status	Review of the Company's Key Characteristics and Development Potential
Analysis of Key Indicators	Analyze employee engagement and their satisfaction with the Company
Analysis of Key Drivers	Identify and pinpoint employee concerns along with high-impact topics for enhancing engagement.
Analysis of Major Issues	Analyze the outstanding problems affecting the employees' willingness to improve their engagement
Analysis of Focus Group	Precisely identify critical issues in high-risk units
Brief Summary	Overall evaluation of the Company

### Engagement Index



### Satisfaction Index

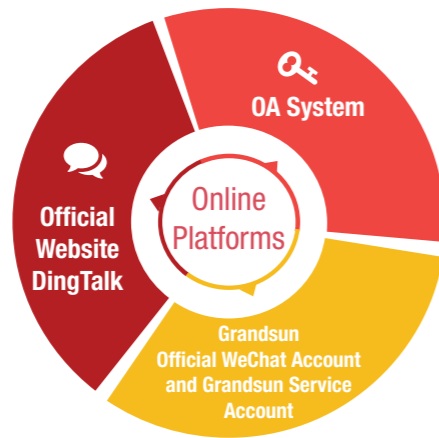


# Employee Communication

To ensure smooth employee communication channels in all aspects, Grandsun has built a diversified and comprehensive communication platform system. The Company has properly established reporting email addresses, suggestion boxes, dedicated contact numbers and DingTalk communication channels, and regularly conducts employee interviews and discussion sessions. Through both online and offline channels, the Company actively listens to employees, responds to their needs in a timely manner, and adopts reasonable suggestions. These efforts continuously improve its internal communication mechanism, enhance employees' sense of belonging and well-being, and create a respectful, inclusive, harmonious and efficient working atmosphere, promoting shared development between the Company and its employees.

## Communication Channels of the Company

The direct platform for reporting misconduct, disciplinary violations and dereliction of duty by managers has been launched. All related reports are handled by the Internal Control Department, with serious cases reported directly to the Chairman.



The platform features sections such as "Employee Highlights", "General Manager's Office Column", and "Notices & Announcements", aiming to streamline information flow, foster interactive communication, showcase the spirit of Grandsun employees, and promote Grandsun's corporate culture. It lays a solid foundation for company-wide communication and collaboration.

Build a smooth online feedback platform for employees

## Communication Channels

<b>Care Hotline</b>	We provide consultation and Q&A services, psychological counseling and stress relief, as well as assistance for employees facing difficulties. Employee suggestions and issues are received and handled promptly, ensuring their rights and interests are protected. With swift response and efficient resolution, we are fully committed to safeguarding employee well-being.
<b>Staff Symposium</b>	Union volunteers actively engage at the grassroots level to collect employee needs—issues that can be resolved on the spot are handled immediately, while more complex concerns are promptly escalated to the Employee Care Center to ensure swift and effective resolution.
<b>Official Account</b>	Build a smooth online feedback platform for employees
<b>DingTalk</b>	Online information platform for employee work communication



## Case | Grandsun built the communication platform "Grandsun Community"

To facilitate efficient information exchange, better listen to employees' voices and needs, fully showcase the outstanding spirit of Grandsun employees, and vigorously promote Grandsun's distinctive corporate culture, the Company has developed Grandsun Community, an exclusive online listening platform for employees. Through this platform, Grandsun is building an employee community ecosystem with distinctive Grandsun characteristics.

### Grandsun Talk

Include three segments: Free Talk, Grandsun Contribution, and Grandsun Landscape.

### Grandsun Life

Display a variety of activities of Grandsun employees, and employees can share their life, emotions, interests and hobbies

### "Grandsun Video"

Cultural Video Showcase Hub



### Grandsun Discovery

Used to share internal business breakthroughs and award achievements, support interdepartmental exchange of business results, share professional knowledge, and release updates on special projects and project launches.

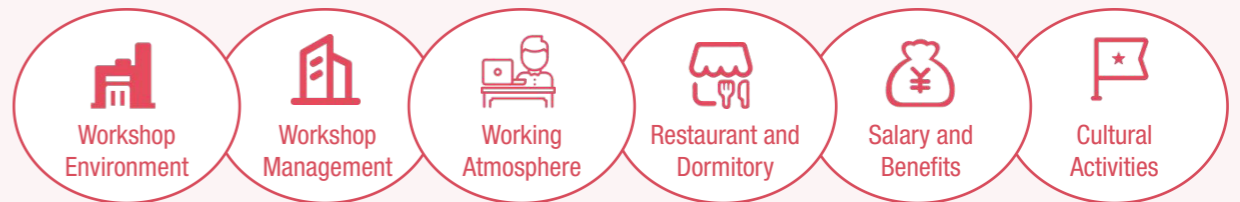
### Voice of Grandsun

A platform for employees to contribute articles, show their spare-time life and spiritual outlook.

Grandsun has always attached great importance to employees' workplace experience, regarding employee satisfaction as an important "barometer" of corporate management, and using employees' voices to drive management improvement. Each year, the Company regularly organizes face-to-face interviews between senior executives and employees, creating a direct channel of communication between senior management and frontline employees. The 2025 interviews focused on six core modules, including workshop environment. They enabled senior executives to engage directly with frontline teams, listen to their needs, and understand their work requirements and development expectations, thereby further strengthening team cohesion.

Based on the interview results, the Company has organized all departments to work with the HR and Administration Department to systematically formulate and efficiently implement improvement plans, ensuring that employees' reasonable needs were responded to and resolved in a timely manner. Furthermore, the Company continues to make the interview mechanism a regular practice, broaden feedback channels, collect opinions and suggestions on an ongoing basis, and iteratively optimize management processes and the working environment.

## Six Modules of Employee Interviews



Case | Shenzhen Grandsun conducted regular employee interviews

In 2025, Shenzhen Grandsun carried out employee care initiatives every month. Through executive interviews, new employee discussion sessions and employee exchange meetings, it conducted surveys on dimensions such as career planning, work status, job satisfaction, management evaluation, development needs and sense of belonging, while continuously following up on employee feedback to comprehensively support their career development.



Throughout the year, more than **990** interviews and discussion sessions were held.

More than **1,032** employee attendances were recorded.

Grandsun staff discussion session

### Complainant Protection

The Company protects employee privacy in all aspects and has established a comprehensive grievance complainant protection system. Internal and external stakeholders may submit opinions and requests through multiple channels, including the official website, email, telephone and suggestion boxes. Throughout the grievance handling process, the Company strictly protects the privacy of complainants and implements high-standard information confidentiality measures. Complainant information is managed only by platform administrators; report contents and investigation progress may be accessed only by the Human Resources Department in accordance with applicable regulations; and investigations are carried out confidentially by dedicated audit personnel throughout the process. These measures effectively prevent the risk of information leakage.

## Creation of a Happy Working Environment

Guided by the philosophy of "sharing for a better future," the Company integrates humanistic care throughout the process of value co-creation and sharing of development outcomes. The Company values employee experience, and continuously enhance employees' sense of belonging and well-being through its honor system and a diverse range of employee care activities.

### Employee Honor

In 2015, Grandsun launched an honor system covering three dimensions: length of service, individual performance and team performance. The Company has established the "Thank You for Being with Us" anniversary award to recognize and reward senior employees who have served for 10, 15, 20, 25 years or more, paying tribute to their long-term commitment and dedication.

Case | Grandsun held "Employee of the Month Selection" award ceremony

In August 2025, Grandsun held the "Employee of the Month Selection" award ceremony. The HR and Administration Department, together with supervisors and managers from departments of the Manufacturing Center, organized discussion sessions for outstanding employees and employees who had been promoted in their positions on the production and quality front lines. Employees actively shared their growth experiences, creating a lively and engaging atmosphere. Company leaders presented certificates of honor to these employees, and awarded cash bonuses to outstanding performers for their hard work and contributions.



Grandsun carries out recognition activities to honor outstanding employees who embody the Company's core values and set examples for their teams through hard work and innovation. By recognizing their outstanding performance and dedication, these activities establish role models, build momentum for progress, and encourage all employees to move forward together and achieve greater success.

Case | Grandsun conducted skills training to enhance overall capabilities

Grandsun attaches great importance to the development of skilled talent, and continues to conduct specialized skills training programs in areas such as gluing, screw fastening and audio testing. These programs provide systematic training for new employees, frontline skilled workers and employees transferring to new roles. Through a combination of theoretical instruction, practical exercises and one-on-one guidance, the training helps employees quickly become familiar with job processes, master core operating skills, and gain an in-depth understanding of corporate culture and production standards. In addition, these skills training programs have effectively improved employees' professional competence and operating proficiency, laying a solid foundation for stable product quality and higher production efficiency. They have also further improved the Company's skilled talent pipeline, provided human resource support for high-quality development, and continuously enhanced the Company's core competitiveness and brand influence.



Training Site Photos

Employee activities

To improve employees' quality of life in all aspects and strengthen corporate cohesion, the Company carefully plans and organizes a diverse range of cultural and sports activities, encouraging all employees to participate. These activities enrich employees' leisure and cultural life while creating a vibrant, warm and harmonious corporate culture.

Case | Grandsun held new year celebration activities

In 2025, Grandsun carefully organized a series of New Year-themed activities for all employees, featuring special activities such as traditional paper-cutting, creative handicrafts and folk-inspired DIY activities. These activities provided every employee with a relaxed and enjoyable platform for interaction and self-expression. The event site was filled with a festive atmosphere, with employees actively participating and collaborating with one another. Through hands-on creation, they experienced the spirit of the New Year. These activities not only enriched employees' leisure and cultural life and effectively relieved work pressure, but also strengthened their cohesion as they welcomed the New Year together.



Case | Grandsun held a tug of war event

In May 2025, to enrich employees' leisure time and enhance their physical fitness, the Company organized the annual tug-of-war competition by the manufacturing department. To stimulate employee participation, the Company carefully prepared generous prizes and arranged an award ceremony, encouraging employees to take an active part and strive for excellent results. On the day of the competition, participating employees showed great enthusiasm, creating a vibrant and energetic atmosphere. After several intense rounds of competition, the "Unity is Strength" team emerged victorious with outstanding performance, bringing the event to a successful conclusion.



Sports Activities

Club Activities

Festival Celebrations



Badminton Match



Movie Screening



Birthday Party



Factory Table Tennis Tournament



Physical Fitness Classes



Spring Festival Celebration Activity

## Employee Care

"Integration" has long been a core value upheld by Grandsun. The Company strives to create a diverse and inclusive workplace environment, providing employees with a platform to showcase their talents and supporting their growth and success. In daily life, the Company focuses on employees' practical needs in clothing, dining, housing and transportation, and provides high-quality and convenient services. It also continuously collects employees' opinions and suggestions to improve its service system and service quality. For employees facing difficulties and vulnerable groups, the Company pays close attention and provides timely assistance. Through concrete actions, we convey warmth and ensure that every employee can truly feel our care and compassion.

### Case | Grandsun held employee interviews

In June 2025, Grandsun held an employee interview, where department heads and employee representatives engaged in in-depth discussions. Participants shared opinions and suggestions on topics such as the working environment, skill improvement and career development. Based on the feedback received, the Company promptly formulated improvement plans. By continuously optimizing office conditions and improving its training system, it took practical actions to address employees' needs and resolve their difficulties.



### Case | Grandsun's charitable donation

In December 2025, at the "Technology Builds Dreams, Together We Nurture the Future" public welfare ceremony in Deqing County, Cleer donated a batch of "Little Scientist" experiment kits to local primary and secondary schools, including Confucius School. Equipped with modular experimental tools covering fields such as physics, chemistry and biology, the kits provided technology innovation resources to support science education and all-round development among young people.



### Case | Cross-cultural communication

Grandsun has always placed great importance on cultural exchange among employees, actively organizing diverse cross-cultural activities and warmly encouraging employees from different cultural backgrounds to participate enthusiastically. Such activities not only effectively promote the integration of different cultures, but also continuously enrich employees' inner lives, helping to create an open, inclusive and vibrant corporate culture environment.



### Case | Grandsun held a soldering skills competition

In September 2025, Grandsun held a soldering skills competition in the production workshop to improve employees' professional skills, optimize production processes and deepen their understanding of production safety. The competition focused on soldering test principles, proper tool usage and quality evaluation standards. Participating employees reported a deeper understanding of production standards and safety practices.



## Employee Benefits

Grandsun upholds a people-oriented philosophy, emphasizing employee satisfaction in both work and life. The Company has established a comprehensive employee benefits system and continuously enhances employee well-being through diverse facilities and activities. The Company strictly adheres to labor laws, providing social insurance contributions for employees across various locations and ensuring paid holiday entitlements. In addition to statutory coverage, the Company offers a range of supplementary benefits, such as regular health check-ups, company shuttle services, and team-building activities. These initiatives aim to boost employee happiness and sense of belonging, fostering a warm, supportive workplace culture.

### Case | Specialized Improvement Campaign for the Work and Living Environment

To further optimize employee services, Grandsun regularly conducts 6S inspections, with dedicated personnel at each plant area inspecting matters related to employees' dining, accommodation and transportation and following up on rectification. In 2025, inspection personnel carried out comprehensive audits of nearly 200 shared employee facilities, including employee dormitories, canteens and recreational areas. They promptly identified issues and formulated and implemented improvement plans. As of the end of the Reporting Period, more than 15 improvement projects had completed, with re-evaluation star ratings significantly improved. Employee concerns such as unreasonable planning of living areas and water seepage in employee dormitories had been effectively resolved.



Improve Employee Living and Recreational Areas



Optimize Workplace Area Planning



#### Employee Health Care

The Company held multiple health knowledge lectures, psychological interviews and mental health questionnaire surveys to care for employees' mental health.



#### Birthday Greeting

The Company organizes birthday celebrations for employees during their birthday month and presents gifts to them.



#### Employee Health Care

The administrative and logistics team provides free bedding, duvet covers, and personal daily necessities for employees living in dormitories.



#### Cultural Team-building

The plant area is equipped with a reading room where employees can borrow books. The Company also regularly organizes cultural team-building and holiday activities, and distributes holiday gifts to employees during traditional festivals to enrich their leisure and cultural life.



#### Employee Canteen

The Company has set up different types of canteens to provide specialty meals for employees from different cultural backgrounds.



#### Office Space

We are committed to creating a warm and efficient working atmosphere and providing employees with a bright, clean, green and refreshing office environment.



#### Employee Accommodation

Employees can choose whether to live in our dormitories based on their own needs, and eligible employees may apply for talent housing.



#### Purchase of Commercial Insurance

To protect the personal safety of employees on business trips and assignments, the Company purchases comprehensive accident insurance for them.

# Occupational Health and Safety

## Ensure Employee Safety

Employee safety is the lifeline of Grandsun's sustainable development. It concerns not only employees' lives, health and family well-being, but also the Company's operational efficiency, brand image and reputation. In accordance with the Labor Law of the People's Republic of China and the Work Safety Law of the People's Republic of China, enterprises must establish and improve occupational safety and health systems, provide working environments and protective equipment that meet national standards, and conduct regular safety training. These measures are both a legal obligation and a reflection of corporate social responsibility and humanistic care for employees.

Effective employee safety management can significantly reduce accident rates and hidden costs such as medical compensation and equipment repairs. It can also enhance employees' sense of belonging and loyalty, while helping attract more outstanding talent. Data indicate that enterprises value investment in safety can improve employee efficiency and significantly reduce accident-related losses.

As of the end of the reporting period, the Company has passed the

**ISO 45001** Occupational Health and Safety Management System certification.

During the reporting period,

**12** company-wide occupational safety management audits were conducted.

## EHS Committee

In accordance with the Work Safety Law of the People's Republic of China, Grandsun has established the EHS Committee as an internal coordination and management body for environmental management, occupational health protection and work safety. It serves as the core decision-making and execution hub of the Company's EHS management system. In the Company's operations, the value of the EHS Committee has gone beyond safety oversight. It has become a key vehicle for promoting sustainable development and fulfilling social responsibility.

For Grandsun, the EHS Committee systematically controls environmental risks and safeguards employees' health and safety, effectively reducing production accident rates and environmental compliance costs, while enhancing the Company's social image and market competitiveness. In universities and research institutions, EHS committees also play a leading role in core areas such as work safety, hazardous chemicals management and fire safety. These responsibilities are directly related to the orderly implementation of safety training activities and the protection of employees' lives and health. Within the Company, EHS Committee members undertake the triple mission of "risk prevention, compliance assurance, and development promotion." They serve as a core safeguard for balancing safety and operational efficiency. EHS meetings are held at least once a week to maintain constant vigilance.

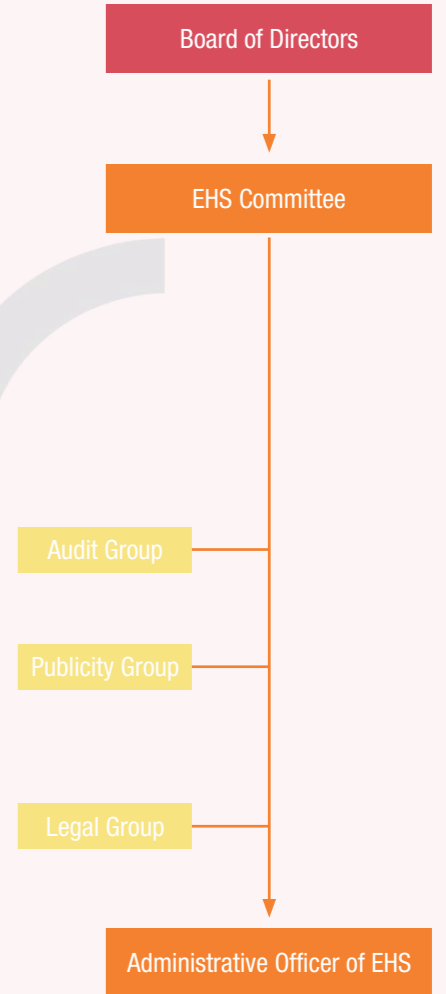
### EHS Management Structure

- Responsible for overall planning of Grandsun's EHS-related work
- Listen to the reports on EHS work by the Director-General of EHS

- Establish and continuously improve the Company's safety management system
- Establish and improve the Company's EHS management system documents
- Hold quarterly EHS meetings, and plan and deploy the overall EHS work of Grandsun
- Formulate the EHS inspection plans and standards of Grandsun, carry out the EHS inspections of the Company according to the plans, and follow up on problem improvement.
- Coordinate and command emergency events, conduct crisis public relations according to the severity of the events, and initiate emergency response procedures promptly.

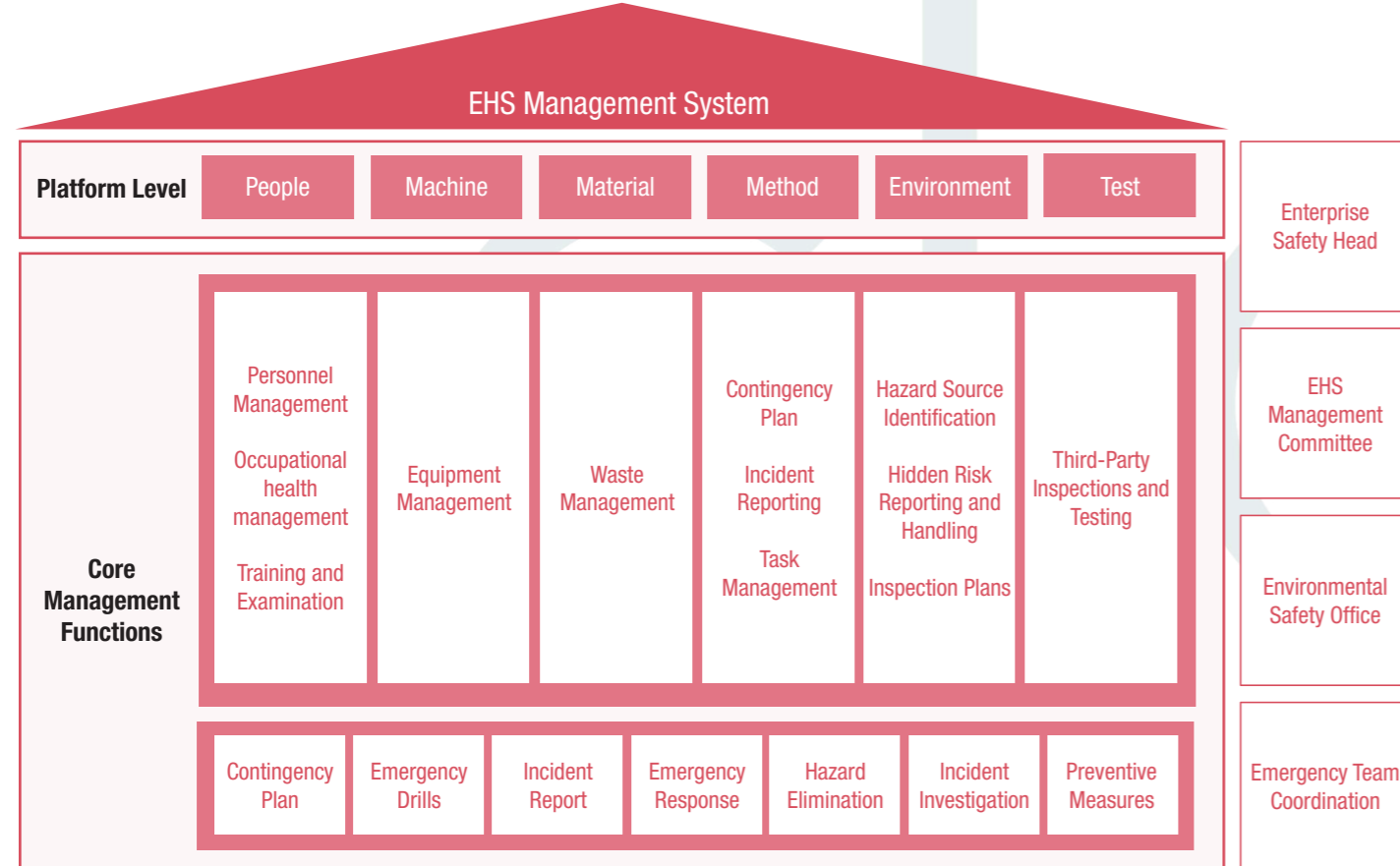
- Organize and carry out the EHS-related inspections as planned
- Follow up the EHS problems and resolve them timely
- Establish relevant management systems and work procedures and organize their implementation
- Carry out EHS-related publicity activities and training
- Responsible for the collection, collation and analysis of Grandsun's EHS related data
- Sort out the latest laws and regulations related to EHS, and establish internal implementation standards
- Provide necessary legal assistance

- Responsible for all EHS work in the Company
- Responsible for the direction of the inspection of EHS work
- Implement the EHS-related measures and review capital investment
- Work with various departments to carry out the EHS management of that department



## EHS Management

The composition of Grandsun's EHS Committee is designed to fully reflect representativeness and professionalism, ensuring cross-departmental collaboration and well-informed decision-making. This helps the Company comprehensively control safety risks, reduce accidents and emergencies at the source, and ensure the smooth and orderly operation of production activities. By establishing standardized EHS management processes, the Company integrates safety, health and environmental management into daily operations, achieving standardized and refined management.



## Safety Training

In production activities, safety is an enduring priority, and safety training is the first line of defense. For individuals, safety training is a "protective umbrella" for life. When new employees first enter their roles, risks may be hidden in seemingly ordinary moments, whether they are operating precision machinery, handling hazardous chemicals, or even walking on busy roads. Employees who have received standardized safety training, however, can identify risks with greater sensitivity. In chemical warehouses, they can detect signs of chemical leakage through odors and instrument data; in power distribution rooms, they clearly understand the safe operating distance from high-voltage equipment.

Total participation:  
**104432** person-times

Total training hours:  
**34322** hours

## EHS Training

We conducted top-down EHS training covering all active employees, and actively improved the three-level safety management training system at the plant, department and team levels.

### Case | Grandsun conducted skills enhancement training for EHS managers

In 2025, to enhance the safety awareness of department-level managers and promote the implementation of the principle that "safety responsibilities must be integrated into business management," Grandsun invited the Emergency Management Bureau and the Fire and Rescue Brigade to conduct one-day skills enhancement training each month for EHS managers at the plant. The training combined theories on safety skills, laws and regulations with real cases to analyze the causes of accidents, guide participants' thinking, and strengthen their understanding of the importance of EHS management in accident prevention, effectively enhancing EHS managers' safety management awareness.



## Production Safety Training

We strictly implement production safety laws and internal regulations, requiring all production workshops to conduct regular safety training sessions. These trainings focus on raising awareness of workplace safety, using a mix of theory, case studies, and hands-on practice to improve employees' technical knowledge and risk identification abilities, thus reinforcing the Company's safety defense.

### Case | Training on safe operation and precautions for machines, instruments and special equipment

On July 18, 2025, Grandsun conducted training on safe operation and precautions for machines, instruments and special equipment, covering certificate-based employment, pre-job training, safety operating procedures, annual inspection of special equipment, maintenance, and standardized safe operation in strict accordance with relevant laws and regulations.



### Case | Grandsun held Work Safety Month and Firefighting Publicity Day events

During Work Safety Month in June 2025 and Firefighting Publicity Day in November, Grandsun organized multiple activities. During Work Safety Month, the Company held mobilization meetings and themed training sessions, displayed banners and posters, and organized employees to watch safety documentaries. In December, we conducted fire safety evacuation drills; in August, we carried out hazardous chemical drills and provided training on firefighting equipment identification and practical operation. These activities effectively enhanced employees' awareness of their safety responsibilities.



### Case | Grandsun organized Production Safety Knowledge Competition

To foster a culture of "Safety is my responsibility, I choose safety, I practice safety", and to embed safety awareness into daily operations, the Company held a Production Safety Knowledge Competition. The competition included 40 questions split into mandatory, quick response, and risk challenge rounds. After the event, teams demonstrated improved safety knowledge proficiency, and all participants gained a deeper understanding of the importance of workplace safety.



## Supplier Training

Grandsun values EHS management across the supply chain and conducts annual EHS safety training for suppliers. These sessions emphasize compliance with company standards, analyze safety risks in construction activities, and explain preventive measures. The goal is to strengthen safety awareness among suppliers, urging them to fulfill their primary responsibilities and safeguard stable, secure business operations from the source.

In 2025, **three** suppliers participated in EHS training.

### Case | Safety training and requirements for contractors

Due to renovation, decoration, and equipment maintenance projects launched by Grandsun, construction teams and operators engaged in various types of construction operations in 2025. These involve tasks such as earth excavation, pipeline welding, equipment maintenance, and installation of new equipment and facilities, including hot work, operation at confined spaces, lifting work, work at heights, blinding-pipeline operation with stop plate, excavation work, work for road breaking, temporary power use, among others. As professionals directly operate, conduct, and participate in construction using specialized equipment and tools, personal injury accidents are more likely to occur. Therefore, it is necessary to strictly manage permits for various operation steps and enhance safety supervision during operations to prevent accidents of all kinds. The person in charge of the operations is required to: be familiar with the operations, operation hazards, safety measures, and environmental conditions; obtain valid work permits for activities such as hot work, work at heights, lifting work, and temporary power use; ensure that the workers have legally obtained the relevant qualifications, including an "electrician certificate", "welder certificate", and "certificate of working-at-height"; check the business qualifications and safety qualifications of contractors by effectively evaluating the contractors' credit certificates such as business licenses, legal person certificates, qualified certificates for construction, special operation certificates, and safety production licenses; and establish work safety management agreements, among other tasks. These are the contents and requirements of comprehensive safety training for 23 operating workers and management personnel from 3 contractors in 2025.



## Chemical Safety Training

We place great emphasis on the safe handling of chemicals and regularly conduct training on topics such as chemical labeling, storage, usage, and repackaging requirements. These sessions are paired with emergency drills simulating hazardous chemical misuse, ensuring robust prevention of chemical-related injuries in the workplace.

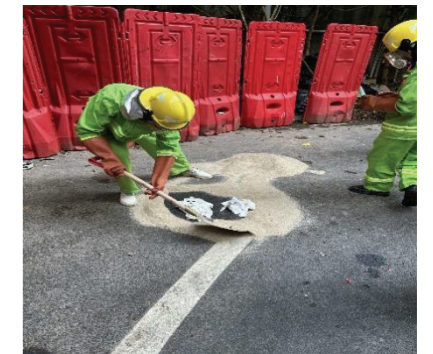
### Case | Occupational Health and Safety Training

On October 15, 2025, production safety management personnel conducted occupational health and safety training for employees. The training covered multiple key dimensions, including occupational health hazards, employees' rights and obligations, and analysis of physical examination, prevention and control measures for occupational diseases. The sessions explained occupational health hazards and employees' rights and responsibilities, helping employees clearly understand their own rights and potential workplace risks. Information on examination and prevention measures for occupational diseases, along with regular workshop inspections, gave employees a more intuitive understanding of the safety of their working environment. Specialized occupational disease analysis was provided for employees in specific roles, offering targeted health protection guidance. Additionally, the training included practical demonstrations on the correct use of personal protective equipment to ensure employees mastered necessary protective skills.



### Case | Grandsun organized a chemical emergency drill

On August 15, 2025, Grandsun organized an ethyl acetate leak drill at the hazardous chemicals intermediate warehouse to enhance employees' safety awareness and emergency response capabilities for dangerous chemical incidents. The drill simulated an emergency scenario involving an ethyl acetate leak, with tightly coordinated stages including accident reporting, on-site emergency response, and subsequent cleanup. Participants responded swiftly and methodically according to the established plan. Through this drill, employees gained a deeper understanding of chemical safety protections, and their emergency response speed and coordinated handling ability improved significantly. This exercise not only strengthened the Company's comprehensive chemical accident prevention and control capacity but also laid a solid safety foundation for creating a stable and secure working environment.



## Safety Emergency Drill

Grandsun adheres to the principle of “safety first,” conducting comprehensive hazard identification and precisely pinpointing risk points. Based on this, the Company quickly develops a complete and practical emergency response plan system to build a strong defense against emergencies. The Company places high importance on realistic drills, repeatedly organizing diverse exercises covering fire safety, mechanical injuries, special equipment failures, electrical accidents, and more. The drills realistically simulate accident scenarios, fully engaging employees throughout the process. This immersive experience significantly enhances employees’ emergency handling abilities, enabling them to respond quickly and calmly to crises, while thoroughly mastering safety knowledge and strengthening safety awareness, thereby fostering a robust safety culture.

### Case | Grandsun organized a Lithium Battery Explosion and Fire Drill

On August 15, 2025, the Company conducted an emergency response drill for lithium battery explosion and fire. To implement the Fire Protection Law of the People’s Republic of China and the Work Safety Law of the People’s Republic of China, the drill ensured that, in the event of a lithium battery fire or explosion, employees of all departments could act in accordance with the Battery Fire and Explosion Emergency Evacuation Plan, clearly understand their fire safety and safety responsibilities, and become familiar with emergency action procedures, evacuation, escape and self-rescue in the event of a fire. aiming to protect employees’ lives and company property in case of a fire incident. After the drill, the usage and management departments confirmed the effectiveness of the practical exercise.



### Case | Grandsun organized a fire drill

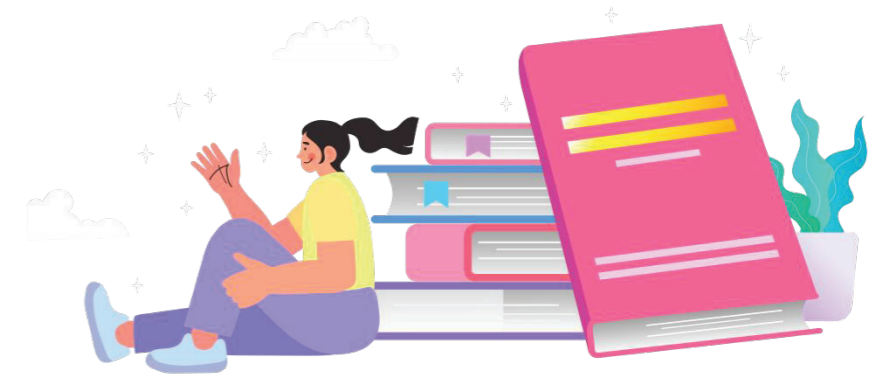
On June 20 and December 19, 2025, Grandsun organized company-wide fire escape drills with the participation of all employees. The factory fire team demonstrated the use of firefighting equipment, and employees actively learned to master basic firefighting skills and knowledge. The drill proceeded orderly without any accidents, achieving the expected goals and significantly enhancing employees’ fire safety awareness and emergency response capabilities.



### Case | Grandsun's response to Typhoon Ragasa

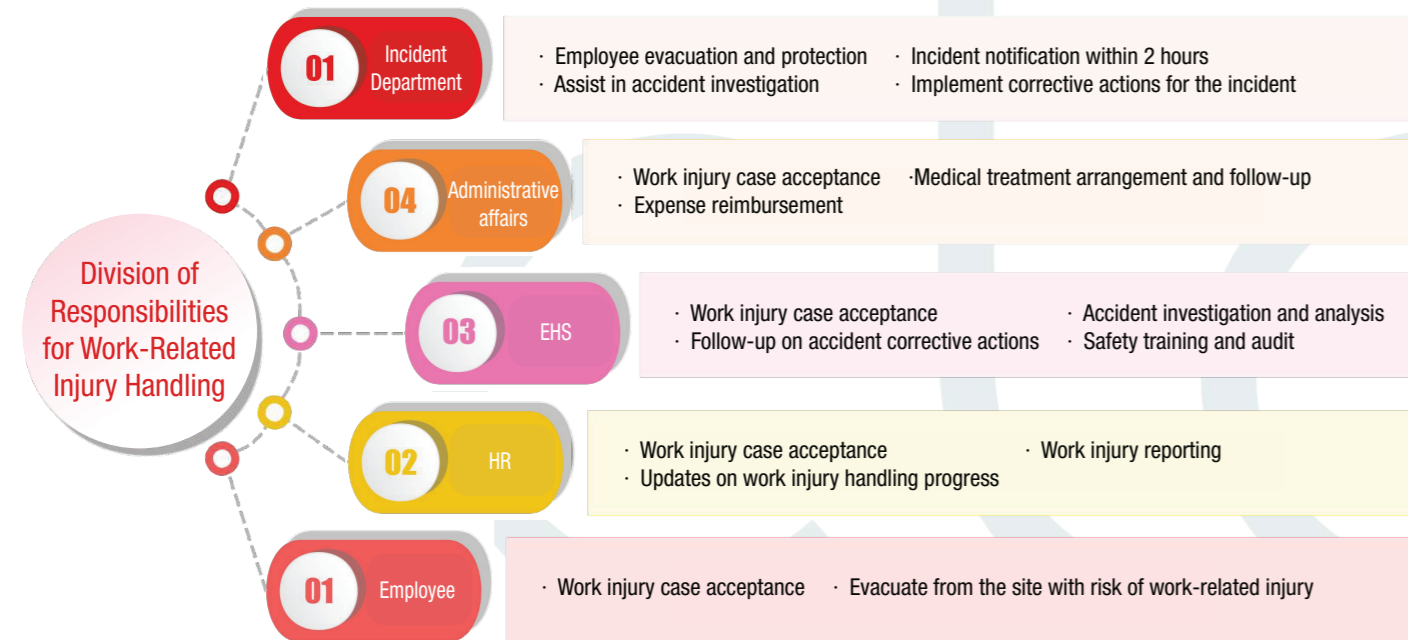
From the afternoon of September 23 to September 24, 2025, Typhoon Ragasa, the 18th typhoon of the year, approached Shenzhen. To prepare for the typhoon, Company leaders convened a typhoon and flood prevention meeting, during which they organized production units and other departments to conduct safety inspections, assigned typhoon prevention leaders in each area to monitor designated locations, and coordinated the preparation of sufficient food, drinking water and emergency supplies.

We conducted comprehensive inspections of potential safety hazards such as equipment rooms in production areas, chemical warehouses and rooftops at height. We also cleared drains and outlets in all areas, deployed water pumps and prepared 80 bags of flood-control sand to prevent rainwater accumulation and ensure smooth drainage in low-lying areas. In addition, we inspected all buildings for overhead objects, roof drainage, and internal circuits to fully ensure the safety of the factory. In the living area, we also conducted inspections at the same time. We carried out publicity and guidance on guarding against typhoon and flood prevention in each building and reminded the employees to retrieve the laundry in time to reduce property losses. Meanwhile, we confirmed the stability of roof fences and photovoltaic panels in the living area to eliminate risks and hidden dangers in a timely manner.



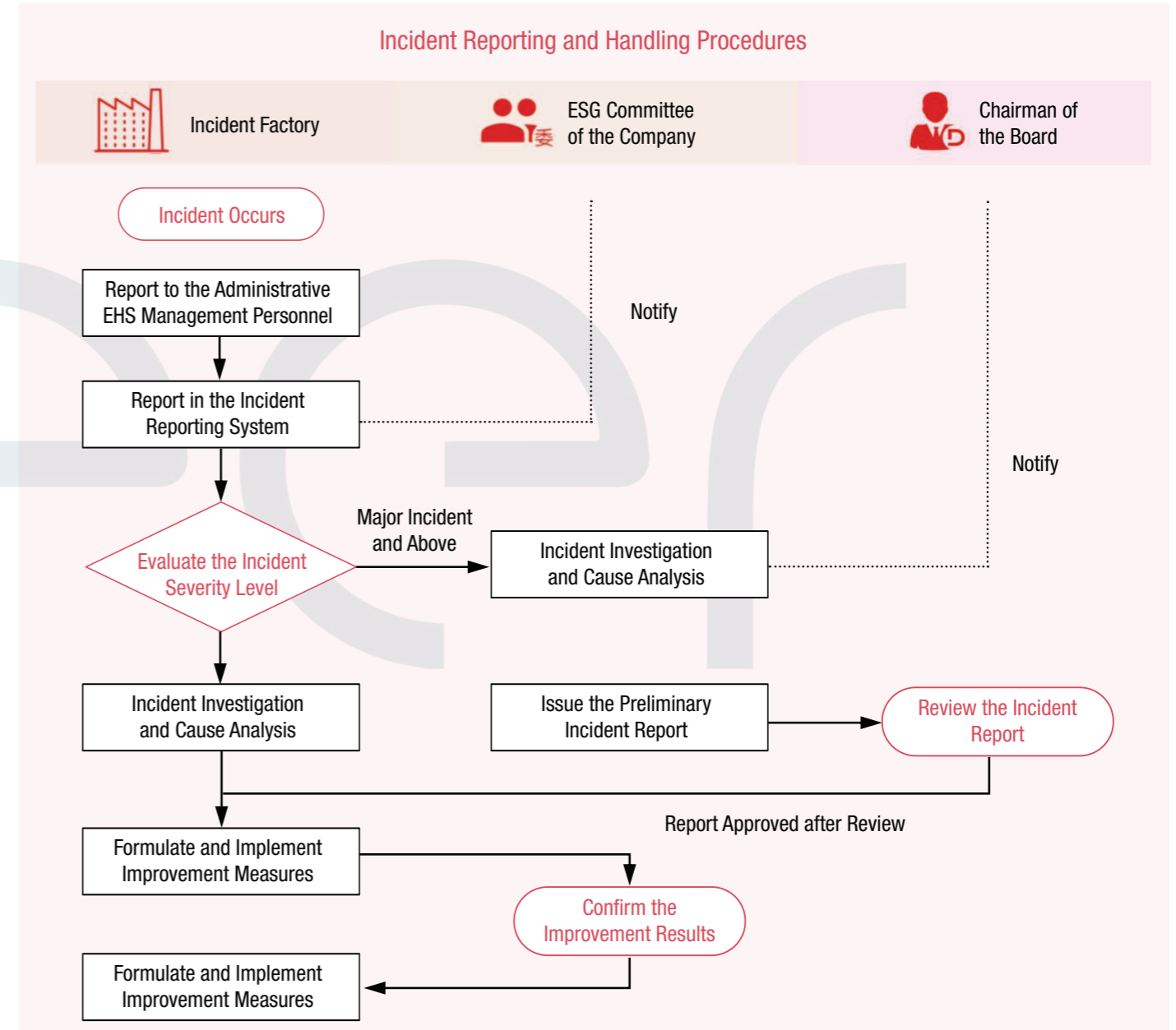
# Work-Related Injury Management

Grandsun has established systems such as the Work Injury Management Measures, Employee Occupational Health and Safety Management Procedures, and the Accident Reporting, Investigation, and Handling Control Procedures, along with a series of workflows for handling work injuries and emergency incidents. The company actively develops and drills work injury emergency rescue plans. At each production base, 24-hour medical rooms are available to ensure employees in need receive timely assistance.



We continuously reinforce the EHS management responsibilities of department heads. In the event of an accident, the responsible person must report it immediately and, according to the severity level, strictly submit the report within the prescribed time to the local government regulatory authorities. After the emergency response to the accident, the responsible department must conduct a thorough root cause analysis, develop practical corrective and preventive measures, and ensure their implementation. Grandsun requires all supervisors to sign the Safety Responsibility Agreement, comprehensively coordinating the environmental, health, and safety (EHS) management work, strengthening supervision and management of EHS efforts across departments, thereby building a comprehensive, multi-level EHS management system to safeguard the company's safe and environmentally compliant production operations.

As of the end of the reporting period, the signing rate of the Responsibility Letter by supervisors was **100%**.



## Value Employee Health

Grandsun has always attached importance to employees' physical and mental health, and regularly organizes various cultural and sports activities such as basketball, badminton, table tennis, dance and tug-of-war. These activities enrich employees' leisure and cultural life, improve their physical fitness, and create a positive and healthy working atmosphere.

## Occupational Health Risk Management

To reduce occupational health risks, Grandsun conducts statistical analysis of plant areas and types of work-related injuries with higher occurrence rates, requires responsible departments to make comprehensive rectification for the incidents, and identifies the most common types of work-related injuries through incident analysis. If similar work-related injuries occur repeatedly, the responsible department must inspect and repair all relevant equipment, optimize processes, and replace chemicals with low-toxicity or non-toxic alternatives where applicable. Under Grandsun's strict safety requirements, the Company has made progress in occupational health and safety risk control. A total of 133 occupational health examinations were completed, and no occupational diseases were identified. Going forward, we will continue to strengthen and standardize occupational health and safety management.

As of the end of the reporting period, the signing rate of the Responsibility Letter by supervisors was **100%**

### Case | Grandsun organized a mechanical injury emergency drill

In June 2025, Grandsun organized a mechanical injury emergency drill. The drill simulated a scenario in which an employee in the assembly workshop was injured after being caught by the shielding box of a testing machine. The line leader immediately notified the section supervisor and escalated the report level by level. All emergency response teams cooperated in an orderly and efficient manner, sending the employee to hospital within seven minutes. The drill was successfully completed in strict accordance with the Production Safety Accident Emergency Plan. It tested the workshop's emergency response capability and employees' emergency handling ability, ensuring that effective measures can be taken immediately in the event of an accident to minimize casualties and losses.



### Case | Grandsun's labor union organized several sports activities

Grandsun's labor union has always upheld a people-oriented approach and paid close attention to employees' physical and mental health as well as the quality of their leisure life. To further enrich employees' leisure and cultural life, encourage participation in physical exercise, and help employees improve their fitness and relieve stress, the labor union has taken proactive steps to plan and establish several distinctive sports clubs. At present, the labor union has established a number of activity groups, including basketball and badminton clubs, covering fields such as ball games, dance and fitness. With diverse formats and rich content, these activities fully meet the interests and exercise needs of different employees. They can freely choose to join clubs based on their personal interests and actively participate in various cultural and sports activities. Through these activities, employees can exercise, relax, strengthen communication and showcase their talents, while feeling the Company's care and warmth.



Physical fitness



Table Tennis Competition

Grandsun is highly concerned with our employees' mental health. We have set up a mental health support hotline, promote mental health knowledge, and provide employees with comprehensive health care.

### Case | Grandsun carried out a publicity activity for mental health care

In 2025, the Human Resources Department carried out various mental health care activities for our employees. It organized informal meal gatherings between employees and their direct supervisors, creating opportunities for better understanding employees' needs and relieving work pressure. For employees experiencing greater psychological stress during special periods, the department provided professional counseling services to help them regulate emotions and ease difficulties. It also regularly published mental health columns to popularize mental health knowledge and guide employees to pay attention to their physical and mental well-being, thereby strengthening their mental health resilience.



Communication Photo

# Community Engagement in Practice

Grandsun is committed to being an active contributor to global communities. While expanding its global business, the Company always keeps its social responsibilities in mind. It actively supports the development of the communities where it operates, deeply participates in community building, and continuously improves community well-being. In doing so, Grandsun strives to be a responsible and caring "community citizen". We integrate social responsibility into our daily operations, actively engage in industry exchanges, and work with industry partners to promote high-quality industry development. In addition, we proactively organize various public welfare activities and care for special groups, fulfilling corporate responsibility through concrete actions and contributing to the building of a harmonious society.

## Promoting Industry Development

Grandsun actively participates in industry exchanges and explores industry cooperation and development by joining various industry associations to achieve mutual growth and progress.

### Case | Grandsun participated in Shenzhen Time-Honored Brand activities

On July 25, 2025, the Shenzhen Time-Honored Brand Association held the fourth meeting of its second council and a member assembly at the Shenzhen General Chamber of Commerce Lecture Hall. At the meeting, Charles Wu, founder and Chairman of Grandsun, was elected Chairman of the Association's new council by a high number of votes through secret ballot, and took part in a ceremonial flag handover. Going forward, Charles Wu will lead the Association in upholding fundamentals while pursuing innovation, empowering brands, and supporting the high-quality development of Shenzhen's time-honored brand industry.



## Engage in Community Construction

Grandsun actively participates in constructing a better community by carrying out environmental protection public welfare activities, promoting environmental protection concepts, and contributing to the green transformation of society.

### Case | Grandsun carried out an environmental protection activity for riverbank garbage disposal

In December 2025, the Grandsun Federation of Trade Unions put the concept of low-carbon environmental protection into practice by organizing a public welfare activity for riverside waste cleanup and calling on employees to participate. On the day of the activity, volunteers led employees carrying tools to walk along the river and clean up waste, putting environmental responsibility into practice.

This activity covered a **500-meter section** of the Low-Carbon City River, contributing to the preservation of clear waters and green mountains.



## Care for Special Groups

Supporting vulnerable groups is a key focus of Grandsun's public welfare efforts. During the reporting period, the Company actively fulfilled its social responsibilities by organizing multiple outreach activities. Employees offered heartfelt companionship and delivered care packages, spreading the "Grandsun warmth" and demonstrating the Company's commitment to social responsibility.

### Case | Grandsun paid visits to a local welfare center

In November 2025, Grandsun employees visited a local welfare center, donating supplies such as biscuits and milk. During the visit, employees gained insights into the center's daily operations and cultural initiatives. They stopped at the New Era Civilization Practice Center to view displays of community engagement and traditional festival celebrations, experiencing the center's vibrant cultural life. Through this activity, Grandsun expressed its care for the welfare center, strengthened ties with the community, and demonstrated a strong sense of corporate social responsibility.



## Popular Science Education

Grandsun offers free learning and visit opportunities to schools across various regions.

### Case | Grandsun provided free access to popular science knowledge for schools

In 2025, Grandsun carried out science popularization study tours and route visits for schools across China, aiming to empower education through technology. The activities adopted a group reservation model. Schools may follow the "233621" official account and make reservations on the homepage.



Within 2025, the Company has accommodated a total of **2000** person times for popular science knowledge learning.



# Responsible Sourcing for Shared Value Creation

Grandsun works with supply chain partners to jointly promote sustainable development across the entire value chain. The Company continuously refines its full-lifecycle supply chain management process, deepens responsible supply chain development, and strengthens conflict minerals management. Through tiered control based on suppliers' social responsibility performance, targeted communication and guidance, and customized capacity-building training, the Company empowers suppliers in all aspects to improve their sustainability performance, and works with them to build a modern supply chain system that is more resilient, green, low-carbon, compliant and efficient.

**174**

CMRT questionnaires initiated

Suppliers' response rate to CMRT questionnaires

**100%**

Suppliers' **100%** commitment to complying with the supplier honesty and integrity requirements

· Supply Chain Management

· Business Ethics

· Work Safety



# Sustainable Supply Chain

By establishing a series of control procedures and management systems, including the Supplier Social Responsibility Control Procedure and the Supplier Management Procedure, Grandsun conducts full-process supplier management across four dimensions: supplier development and admission, risk assessment, evaluation and tiered management, and annual audits.

## Development Admission

Grandsun has established the Supplier Audit Checklist and Supplier Basic Information Survey Form to conduct admission reviews of suppliers. At the admission stage, supplier qualification reviews are conducted based on the Company's supplier management control procedures, technical materials related to product quality, environmental standards, and the Responsible Business Alliance Code of Conduct. Potential suppliers are also required to sign documents such as the Integrity Commitment Letter and the Labor, Environment, Health and Safety, and Ethics Policy to ensure that they meet Grandsun's requirements.

### Quality Management System Certification

ISO 9001, IATF 16949, QC 080000, ISO 13485 or other third-party quality management system certifications.

### Social Responsibility System Certification

ISO 14001, ISO 45001, RBA-VAP, ISO 37301, ISO 50001, ISO 14064 or other third-party social responsibility system certifications.

## Risk Assessment

Grandsun has established documents including the Supplier Management Procedure, Supplier Basic Information Survey Form, Supplier Environmental Risk Rating Evaluation Form and Supplier Performance Appraisal Scorecard to evaluate supplier admission conditions. Supplier qualification reviews are conducted based on the Company's supplier management control procedures, technical materials related to product quality, environmental standards, and the Responsible Business Alliance Code of Conduct. Potential suppliers are required to sign documents such as the Integrity Commitment Letter and the Labor, Environment, Health and Safety, and Ethics Policy to ensure that they meet Grandsun's requirements.



In 2025, the **supplier audit system** was launched, enabling digital management of supplier audits of supplier audits



Suppliers must obtain at least **1** quality management system certification and social responsibility system certification before entering the list of potential suppliers.

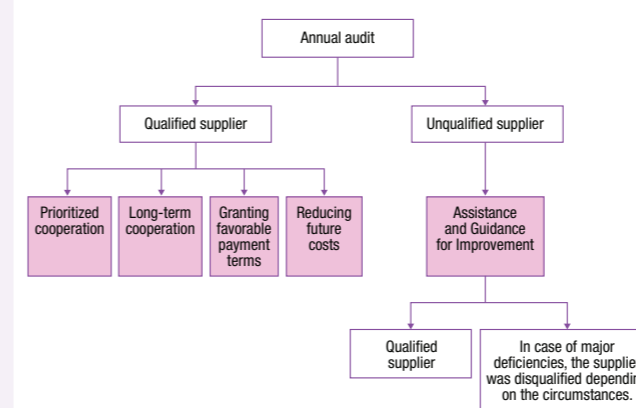
# Classified Management

After admission, Grandsun will conduct an ongoing management of qualified suppliers to maintain the stability of the supply chain and ensure product quality and service levels in the supply chain. We conduct monthly comprehensive rating on qualified suppliers by Grade A, B, C, and D based on their technical capability, quality capability, delivery capability, and cost leadership capability. C-level suppliers are required to submit a Corrective Action Report, and Grandsun will track the effectiveness of the improvements. On-site audits may be conducted if necessary. Suppliers that remain at C-level for two consecutive years will have their cooperation terminated. D-level suppliers will have their deliveries suspended and receive guidance for improvement. Deliveries will only resume after improvements are implemented and verified through follow-up. Failure to meet the requirements will result in disqualification. For suppliers designated by customer, Grandsun will work with the customer to manage the suppliers using the same method to ensure the stability of the supply chain.

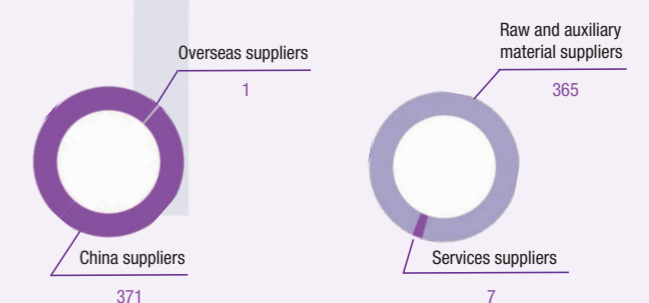
## Annual audit

In 2025, Grandsun conducted annual supplier audits through both online and offline on-site reviews. We focused on record management during the audit process and the verification and closure of audit findings. Existing suppliers were reviewed against standards consistent with those for new supplier admission audits to ensure their continued legal and regulatory compliance throughout the year.

Annual Audit Process in 2025



Number of Suppliers in 2025



Total number of suppliers: 372  
Service suppliers: 7  
Raw material suppliers: 365

A total of 310 suppliers participated in the evaluation  
Grade A: 206 suppliers, accounting for 66.4%  
Grade B: 104 suppliers, accounting for 33.6%

# Responsible Sourcing

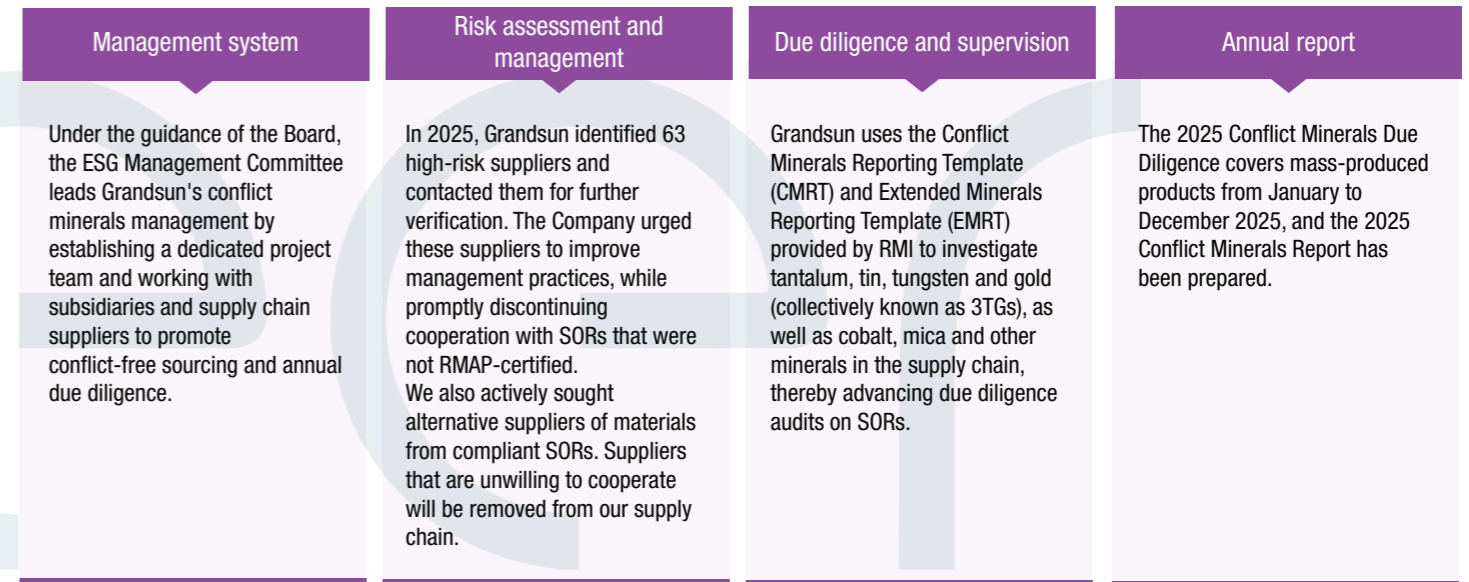
Grandsun requires suppliers to determine whether materials in the supply chain contain minerals from conflict-affected areas, identify high-risk materials, and trace them to their sources. The Company conducts conflict minerals due diligence every year and requires suppliers to investigate their upstream supply chains to ensure that the metals used in products come from conflict-free sources. Suppliers are responsible for monitoring changes of sustainability reporting information in their upstream supply chains and reporting such changes in a timely manner. During supplier selection, Grandsun communicates its conflict minerals management requirements to suppliers by email and requires them to sign the Declaration of Non-Use of Conflict Minerals to ensure that materials do not contain conflict minerals.

## Conflict Minerals Management

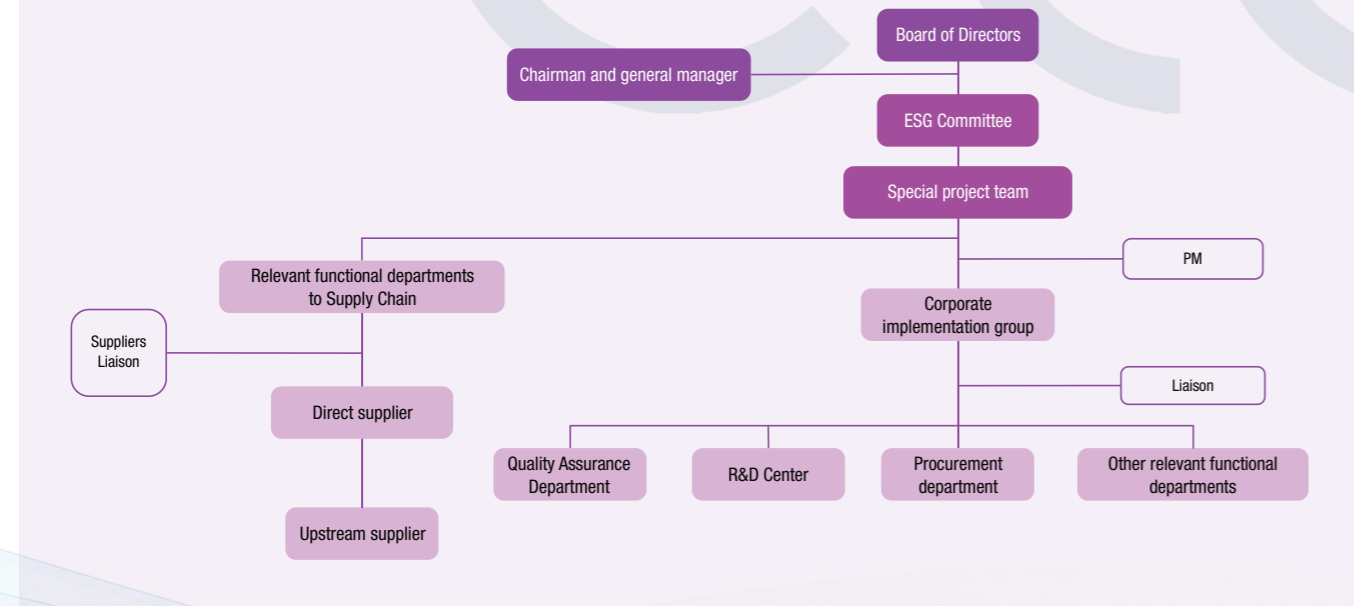
Grandsun upholds the principle of responsible mineral sourcing and prohibits the procurement of minerals from conflict-affected areas, including the Democratic Republic of the Congo, Rwanda, Uganda and Burundi, for raw material processing and production. All suppliers are required to source from smelters or refiners (SORs) on the RMAP-certified list of the Responsible Minerals Initiative (RMI). SORs that have not passed RMAP certification or do not meet customer requirements must be removed from the supply chain.

In March 2025, we updated and reissued the Conflict Minerals Control Management Procedure, and released the 2025 Conflict Minerals Report on our official website.

Grandsun follows the five-step framework of the Organization for Economic Co-operation and Development (OECD), and has established a supplier due diligence structure for the conflict minerals supply chain. The Company has comprehensively planned and effectively implemented specific processes for establishing a conflict minerals management system and conducting due diligence. During the development of new suppliers, we require them to sign the Declaration of Non-Use of Conflict Minerals to ensure that our products do not contain conflict minerals. Grandsun also actively encourages employees and suppliers to provide feedback through the official website on any issues or violations related to the conflict minerals management. We will work together to maintain a compliant operating environment.



### Grandsun Conflict Minerals Management Structure



### 2025 Conflict Minerals Due Diligence Process



### Grandsun's CMRT Due Diligence Results



In 2025, Grandsun conducted a company-wide conflict minerals survey. Using the CMRT and EMRT forms, the Company confirmed 63 CMRT responses, achieving a supplier response rate of 100%. No SORs were involved in the sourcing of cobalt and mica. Going forward, the Company will continue to promote supply chain optimization to ensure that 100% of SORs are compliant and qualified.

Grandsun is committed to improving its conflict minerals management and actively strengthening communication with suppliers on conflict minerals issues. In 2025, with reference to international conflict minerals conventions, the Company revised the Conflict Minerals Control Management Procedure and related training materials. It also organized procurement and R&D leaders to study conflict minerals management policies, and, through responsible personnel in procurement and R&D, communicated the Company's conflict minerals management requirements and distributed survey forms to suppliers via email, meetings and communication software, further strengthening the implementation of conflict minerals management requirements across the supply chain.



**100%**  
training coverage of personnel related to conflict minerals

### Certification Details of Grandsun's 3TG Supplier Chain involving SORs



## Supply Chain Environment and Social Responsibility

Grandsun builds a responsible supply chain through institutionalized, full-process control. The Company releases the Supplier Management Procedure on its official website, clarifying comprehensive social responsibility standards covering labor, occupational health and safety, environment, business ethics and management systems. It handles non-compliant suppliers by severity of violations, and directly terminates cooperation in serious cases.

The Company strictly follows the RBA Code of Conduct, and has formulated the Social Responsibility Management Manual and the Labor, Environment, Health and Safety, and Ethics Policy, which have been issued to all suppliers for implementation. It also requires the signing of the Certificate of Non-Use of Prohibited Substances and the Environmental Protection Agreement as mandatory steps for new supplier admission, strengthening the compliance foundation at the source.

To systematically advance supplier social responsibility management, Grandsun has formulated the Supplier Social Responsibility Control Procedure to standardize full-process management requirements, and has designed the Supplier Audit Checklist as a supporting tool. During the risk assessment stage for new suppliers, the Company conducts an initial CSR audit to assess each supplier's CSR risk level. Suppliers identified as posing high CSR risks are excluded from cooperation, thereby strengthening safeguards for social responsibility management across the supply chain.



Number of Suppliers in 2025 Signing rate **100%**

## Supplier Environment and Social Responsibility Management

The Company identified supplier CSR risks from five perspectives including environmental management, labor management, occupational health and safety management, and business ethics, and conducted CSR risk identification for suppliers and assisted them in enhancing and improving their CSR management. In 2025, no significant occupational health and safety risks or hazards were identified among all suppliers. Through on-site audits, 30 suppliers completed corrective actions, addressing a total of 168 deficiencies, including quality management issues.

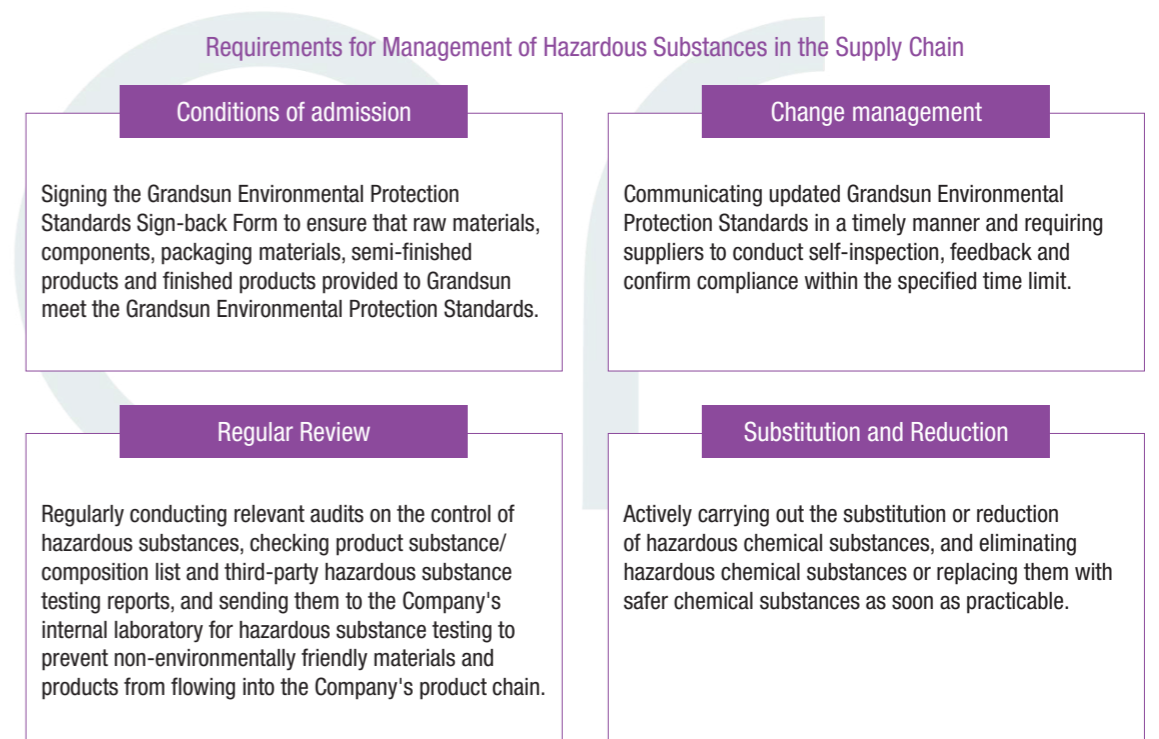
In 2025, number of suppliers underwent CSR impact assessments: 30  
 The CSR audit rate for new suppliers: **100%**  
 Number of suppliers completed on-site CSR audits: **30**

Audit dimension	Audit content	Rectifications completed	Audit dimension	Audit content	Rectifications completed
Management system	<ul style="list-style-type: none"> <li>ESG management system</li> <li>Conflict minerals management</li> <li>Protection of Intellectual Property Rights</li> <li>Information Disclosure</li> </ul>	1	Labor management	<ul style="list-style-type: none"> <li>Prohibition of child labor and forced labor</li> <li>Right to freedom of association</li> <li>Anti-discrimination and anti-harassment</li> <li>Humanitarian treatment</li> <li>Compliance of working hours</li> <li>Compensation and welfare compliance</li> </ul>	3
Environmental management	<ul style="list-style-type: none"> <li>Environmental permit and report</li> <li>Pollution prevention and management</li> <li>Energy conservation and emission reduction</li> <li>Restricted substance</li> <li>Hazardous substance</li> </ul>	5	Occupation health and safety management	<ul style="list-style-type: none"> <li>Occupational safety</li> <li>Contingency plan</li> <li>Occupational disease prevention and control</li> <li>Industrial hygiene</li> <li>Heavy physical labor</li> <li>Mechanical safety protection</li> <li>Public health, catering and accommodation</li> </ul>	0
Business ethics management	<ul style="list-style-type: none"> <li>Commercial integrity</li> <li>Fair dealing/ advertising and competition</li> <li>Identity protection and anti-retaliation policy</li> <li>Privacy Protection</li> </ul>	0			

Each year, we strengthen communication and cooperation with suppliers through visits, phone calls, online communication and in-person meetings. We also provide supplier training to deepen suppliers' understanding of requirements related to product and service quality and social responsibility. Through these exchanges, we discuss the future sustainable development of the supply chain, build consensus, and help suppliers improve their management capabilities in various aspects.

## Management of Hazardous Substance in the Supply Chain

Grandsun regulates suppliers' raw material control and production and operation practices with unified and stringent standards. The Company clarifies core requirements for supplier hazardous substance management, and promotes upstream and downstream collaboration to build a comprehensive hazardous substance management system, continuously improving the overall management level across the supply chain. Furthermore, the Company integrates hazardous substance control requirements into the process of supplier admission, daily management, audits and inspections. By strictly implementing these requirements and strengthening raw material screening at the source and process control, the Company effectively reduces procurement compliance risks, and ensures that hazardous substance management across all stages of the supply chain complies with national regulations, industry standards and customer requirements, thereby safeguarding the environmental quality of products in all aspects.



## Green Supply Chain Management

Grandsun has long been committed to building a green supply chain system, actively communicating the concept of a green and low-carbon future to core suppliers, and working with upstream and downstream partners to advance pollution and carbon reduction. During the Reporting Period, under the oversight and guidance of the Board, the Company established a dedicated green supply chain working group. In 2025, the Company conducted comprehensive verification of suppliers' carbon emissions in strict accordance with ISO 14064, ensuring that supply chain carbon emissions management met high-standard requirements.

Grandsun also continues to deepen the implementation of green supply chain practices. In 2025, the Company regularly provided specialized training sessions for suppliers and offered targeted one-on-one guidance on relevant issues. These efforts helped suppliers standardize key tasks such as pollutant release and transfer register disclosure, effectively enhancing the overall transparency of environmental management across the supply chain. In addition, Grandsun attaches great importance to environmental risk prevention and control, and regards dynamic monitoring of environmental violation records as an important measure for identifying potential environmental risks. By carrying out in-depth corrective actions for environmental violation risk points, the Company aims to promote pollutant reduction across the supply chain at the source, and continuously improve its environmental pollutant control system. This approach lays a solid foundation for the high-quality and sustainable development of a green supply chain.

## Integrity

Grandsun has always regarded fairness and integrity as an important foundation for business cooperation. Upholding the core principles of impartiality, openness and fairness, the Company sets strict requirements for procurement personnel and partner suppliers, requiring them to follow the code of conduct of "acting with integrity, maintaining clean conduct, and rejecting corruption" throughout the cooperation process, ensuring that all business activities are carried out in a standardized manner.

The Company also proactively promotes the development of its integrity management system by issuing the Integrity Commitment Letter to suppliers, and encouraging them to supervise and report all forms of misconduct. The Commitment Letter clarifies the code of conduct for both parties in terms of business ethics and integrity, and discloses whistleblowing and reporting channels. At the supplier admission and filing stage, the Integrity Commitment Letter has become a mandatory step, strengthening the foundation for integrity-based cooperation at the source.

In 2025, all Company suppliers signed the Integrity Commitment Letter, achieving a signing rate of 100%. This fully demonstrates Grandsun's determination to uphold business ethics and create a transparent, integrity-based cooperation environment.

<sup>1</sup> Some designated suppliers have directly signed the Integrity Commitment Letter with our customers and, upon confirmation by the Company, are not required to sign it again.



In 2025, 0 suppliers' environmental violations were recorded.

## Supplier Training

Grandsun values communication and exchange with suppliers. In 2025, the Company organized specialized training for suppliers on ESG management system requirements. A total of 22 suppliers participated, with more than 220 participants in total. Through the training, suppliers gained a fuller understanding of the specific operational requirements of Grandsun's ESG management system, and systematically improved their compliance capabilities, risk prevention and control standards, and sustainable development practices across environmental, social and governance dimensions. We extend ESG requirements to Tier 1 suppliers and promote the implementation of initiatives related to green procurement, labor rights protection and anti-bribery. In this way, we have built a sustainable supply chain system that not only supports the development of our ESG governance system, but also empowers suppliers to better fulfill their social responsibilities and meet customer requirements.



A total of 22 supplier trainings conducted with 220 participants



Certificate of Responsible Business Alliance (RBA) Certification



# Smart Factory for Manufacturing Excellence

Excellent products and services are the core engine driving the Grandsun's sustainable development. The Company remains committed to craftsmanship and continuously pushes the boundaries of quality and technology through the deep integration of intelligent R&D, digital operations and automated production, providing reliable, high-quality customer experience.

Patents held:

**1,928**



# Smart Factory Development

Amid the ongoing wave of industrial transformation, Grandsun remains steadfast in its commitment to the industry 4.0 smart factory strategy, positioning digitalization as a powerful engine to empower lean manufacturing. The Company actively pursues intelligent upgrades across its production and operations, dedicating efforts to build a comprehensive smart factory system. This enables a smooth transition from traditional manufacturing to a smart factory model, significantly enhancing growth potential and market competitiveness. By seizing opportunities amid fierce industry competition, Grandsun paves a clear path toward innovative development.

Grandsun's Manufacturing Execution System (MES) is closely aligned with the Company's needs for digital and intelligent production management. It is built upon a solid foundation of interconnected equipment, information systems, and data management capabilities within the industrial environment. The Company has increased investments in hardware, adding flexible production lines, completing network infrastructure, and equipping facilities with scanners, computers, and other devices. These upgrades effectively integrate all key functions, including R&D design, manufacturing execution, procurement and supply, warehouse management, and after-sales service. Furthermore, by leveraging the expanded capabilities of the SAP system alongside the MES, Grandsun has achieved deep integration across the entire production value chain — from data acquisition to manufacturing, sales, and service. This drives full digital and intelligent transformation of production elements, establishing an industrial IoT ecosystem covering collaborative R&D, flexible manufacturing, shop floor monitoring, sales and procurement coordination, equipment maintenance, and warehouse management.

In October 2024, Grandsun obtained Level 3 Intelligent Manufacturing Capability Maturity certification. With digital, intelligent and green transformation as its core aim, Grandsun has built a full-process intelligent manufacturing system to support efficient, low-carbon and lean electronic manufacturing operations. The Company has integrated systems such as ERP, MES, QMS, and PLM, breaking down data silos. It has also advanced production line automation, AGV-enabled intelligent logistics, digital quality inspection and other initiatives to improve production efficiency and quality control. Meanwhile, the Company is building a low-carbon and zero-carbon factory by integrating photovoltaic energy saving, carbon management and green manufacturing technologies. This approach helps achieve lean production, transparent management and intelligent decision-making, thereby enhancing the Company's core competitiveness and setting a benchmark for intelligent manufacturing and green development in the electronics industry.

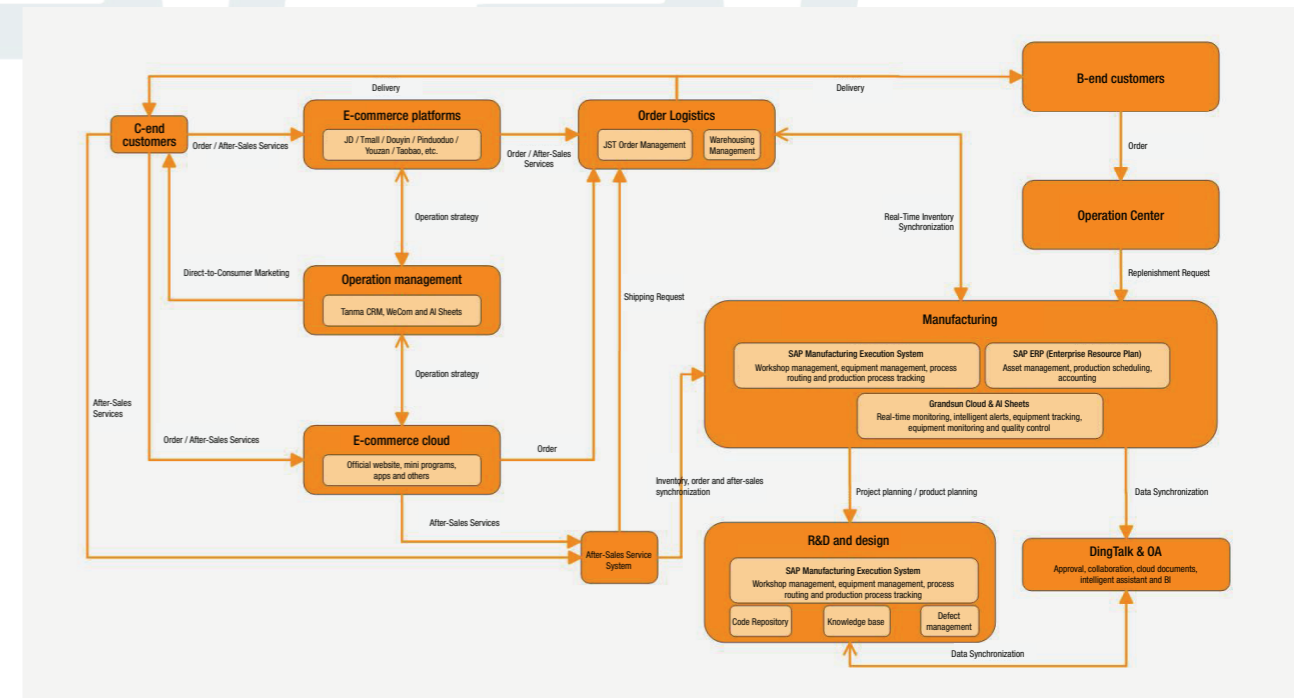


# Classified Management

Grandsun centers its smart factory system around production data and integrates business workflows to create a uniquely tailored solution. The system encompasses core modules such as smart factory execution, quality information management, asset management, and intelligent warehousing, and orchestrates production operations, quality control, safety compliance, equipment maintenance, HR management, and performance evaluation. By comprehensively monitoring key production parameters—including cost, quantity, safety, and timing—the Company significantly improves operational efficiency.

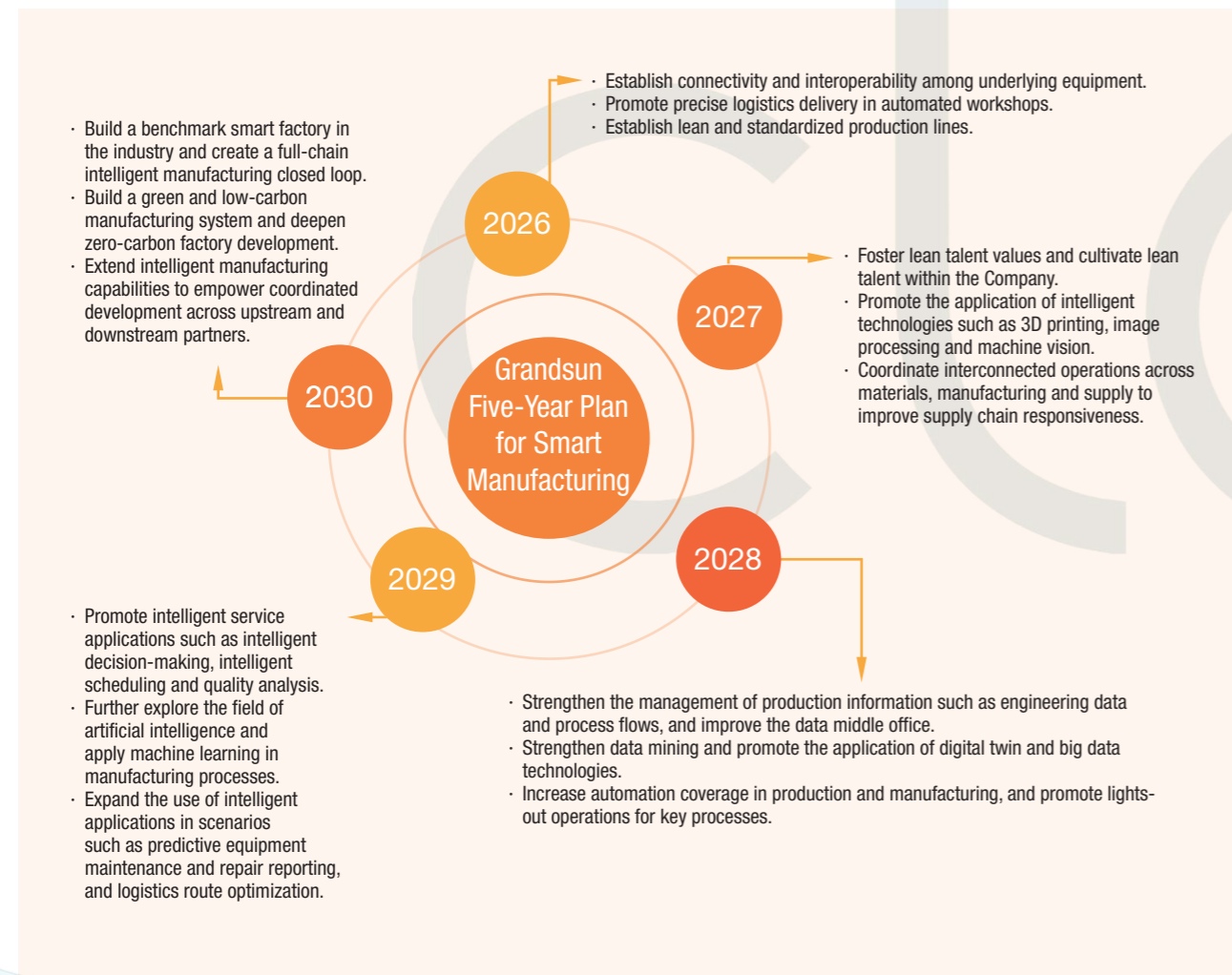
During the construction phase, the Company introduced and implemented a SAP enterprise resource planning (ERP) system, an office automation (OA) system, a quality management system (QMS), a product life-cycle management (PLM) system, and a manufacturing execution system (MES). These systems have been widely applied across departments including R&D, production, supply chain, sales and warehousing. Focusing on the full business chain—R&D, production, supply chain, sales, and service—the Company vigorously promotes “5G + Industrial Internet” applications, injecting robust momentum into its digital transformation and smart factory evolution.

Grandsun also introduced the DingTalk office system and integrated it with production data from the manufacturing execution system (MES) in real time to create an AI-enabled closed-loop mechanism for "collection, analysis and assignment." The system automatically aggregates frontline issue data through DingTalk AI Sheets, identifies risk levels, responsible departments and responsible persons in real time, and pushes tasks to the corresponding personnel's DingTalk workbench and to-do list. This design enables issue response within seconds, precise responsibility assignment and full-process traceability of issue handling.



# Smart Factory Development Planning

Over the next five years, Grandsun will follow a development path centered on digital, intelligent, and green transformation. The Company will comprehensively upgrade systems such as MES and SAP, and promote automated production lines and flexible manufacturing to build an industry lighthouse factory. By connecting data across the full chain of R&D, production and supply chain, Grandsun will further enhance the maturity of intelligent manufacturing. It will also deepen the development of green, low-carbon and zero-carbon industrial parks, and strengthen technological innovation and quality control. Through these efforts, the Company aims to reduce costs, improve efficiency, enhance quality and expand capacity, and build core competitiveness in high-end intelligent electronic manufacturing.



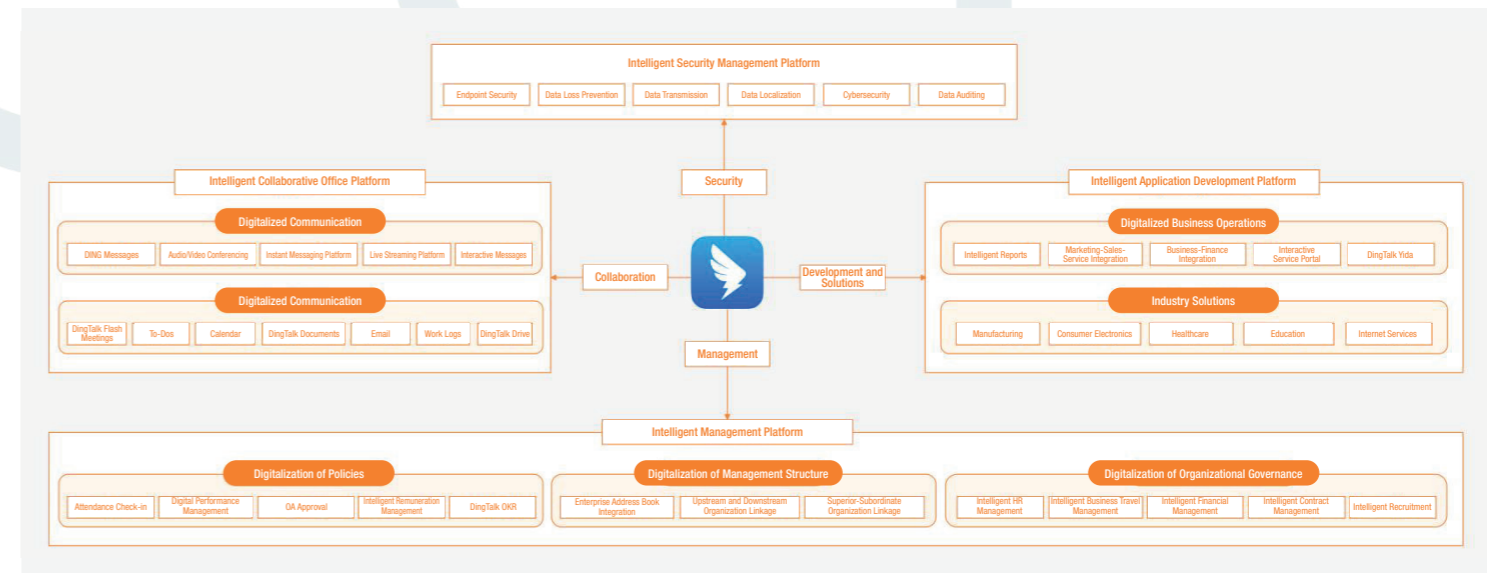
## Case | Smart Factory with Combination of Software and Hardware

To promote intelligent and refined operations, Grandsun uses AI as a core engine and actively develops application scenarios for Wi-Fi 6 and 5G wireless communication. The Company has fully deployed digital systems including SAP ERP, OA, QMS, PLM and MES, and has embedded AI algorithms into these systems to enable AI-driven intelligent scheduling, demand forecasting and intelligent supply chain optimization. These capabilities cover key business processes such as R&D, production, supply chain, sales and warehousing.

In production, intelligent equipment such as AGVs, non-wheeled mobile robots, visual positioning systems and quality inspection systems work together through coordinated operation and precise scheduling. These digital equipment and intelligent terminals are seamlessly connected to the cloud through 5G networks, and exchange, store, and analyze data efficiently, enabling comprehensive intelligent automated operations. This initiative effectively reduces labor costs and significantly enhances manufacturing efficiency, injecting strong momentum into the enterprise's intelligent development.

Keeping pace with the wave of digitalization, Grandsun introduced the DingTalk intelligent mobile office platform. As an intelligent operating system for work in the AI era, DingTalk empowers workplace collaboration through its intelligent features. real-time messaging and automatic meeting summaries improve communication efficiency; simultaneous multi-user document editing and knowledge base accumulation foster knowledge sharing; and multi-dimensional spreadsheets combined with low-code tools support business development, while ensures smooth project progression across multiple scenarios, comprehensively enhancing overall enterprise productivity.

### DingTalk Digital Platform Foundation



## Enhance Technological Innovation and R&D

In response to the rapid evolution and cross-sector integration of the global precision electronics industry, Grandsun takes "technological self-reliance and innovation-driven development" as its core strategy. Focusing on intelligent acoustics and health monitoring, the Company continuously strengthens its forward-looking R&D layout. By building a dual-core R&D structure in Shenzhen and Nanjing, and bringing together more than 1,000 acoustic engineers, the Company has formed an R&D matrix covering three major directions: open acoustic systems, AI algorithms and health monitoring technologies. This matrix enables full-cycle, closed-loop innovation from demand insight, through technical breakthroughs, to real-world application. Grandsun's patent portfolio covers key technologies such as open-ear headphone structures, spatial audio algorithms and AI noise reduction, with application scenarios extending to strategic fields such as consumer electronics, intelligent communications and smart healthcare.

In terms of product innovation, the Company launched several benchmark-setting products in 2025, demonstrating its technology integration capabilities. The revolutionary Cleer ARC 5 "Sound Arc" debuted with Cleer's AI intelligent agent "Tingdao." Powered by a 6 nm six-core AI processor, the product delivers a 100-fold improvement in AI performance, supports voice note transcription and simultaneous interpretation, and has obtained three major audio quality certifications from Dolby, THX and DTS. It is also among the first to adopt Wi-Fi transmission and supports 24-bit/96 kHz lossless audio. In addition, the product integrates AI ANC 2.0 noise reduction and AI ENC 2.0 wind noise reduction for calls. Combined with the GoMore AI sports coaching, it enables multidimensional health monitoring. Another innovative product, Clip "Star Arc," is the world's first open-ear wearable AI headphones. Made with aerospace-grade super-elastic titanium and weighing only 40 grams, the product combines jewelry-grade design with DIY accessories, achieving cross-disciplinary integration of acoustics and aesthetics. It won the Gold Medal at the 2025 Geneva International Exhibition of Inventions.

In the field of health monitoring, the Company launched the Cleer ARC 3 heart rate and oxygen saturation monitoring open-ear headphones, model GS8801E, which have obtained Class II medical device certification. The product enables medical-grade precision monitoring across scenarios such as post-operative monitoring, chronic disease management and daily health tracking, supporting the implementation of unobtrusive health monitoring. Furthermore, Grandsun's AI ring, developed through three core technologies, namely hardware innovation, protocol customization and algorithm optimization, enables a private calling experience with clear voice pickup even when users speak softly, expanding the possibilities for integrating smart wearables with acoustic technologies.

The Company's innovations have received international recognition. In 2025, its products won multiple international design awards, including the German Red Dot Design Award, iF Design Award and Korean Good Design Award, as well as gold and silver medals at the Geneva International Exhibition of Inventions. The Company also won the GAS Consumer Electronics Innovation Award – Technology Progress Award at the 2025 Global Audio Summit in China.

In terms of market performance, Cleer has ranked first in the audio-visual category on Douyin during the "618" and "Double 11" shopping festivals for four consecutive years. During "Double 11" in 2025, it secured four No. 1 rankings on the Douyin platform. Its offline channel network includes more than 6,000 experience touchpoints, covering core channels such as Apple authorized stores and Sundan stores. Cleer has also entered international high-end retail platforms such as Harrods and Selfridges in the United Kingdom, maintaining its position among the leading players in the global open-ear headphone market.

In green manufacturing, ARC 5 and Clip use food-grade antibacterial silicone, recyclable plastics and aerospace-grade titanium, embedding environmentally friendly design throughout the products. Grandsun has obtained Zero-Carbon Factory certification, and its products have also obtained carbon footprint certification, reflecting the Company's comprehensive practice of green closed-loop management.

In 2025, two national standards and four group standards developed with Grandsun's participation were officially released. The Company was also recognized as a National Manufacturing Single Champion Enterprise. In quality management, the Company follows the policy of "full participation, system implementation, continuous improvement, customer satisfaction, and the pursuit of 100% zero-defect excellence." It comprehensively promotes an intelligent quality management model, encourages all employees to carry forward the spirit of craftsmanship. With dedication and professionalism, Grandsun continues to build excellent quality, create outstanding products, and provide customers with safe, stable and high-quality products.

## Improving Quality Management

Driven by the vision of becoming a pioneer in audio technology innovation and the mission of creating standout smart audio products that enrich everyday life, Grandsun integrates quality, innovation, and agility into its core values. The Company implements intelligent quality management systems to uphold refined craftsmanship, enabling the delivery of secure and reliable products to global clients.

Cleer Clip received the Market Position Confirmation Certificate from Frost & Sullivan as the Pioneer of the World's First Open-Ear AI Headphones.

### Quality Management System

Grandsun has always upheld the principle of quality first. The Company strictly complies with the Product Quality Law of the People's Republic of China and the laws and regulations of the markets where it operates. Based on customer audit criteria and annual operational review results, Grandsun continuously improves its quality management system and builds a full-process quality assurance mechanism. The Company applies stringent quality standards to control all stages of production, and has successfully obtained ISO 9001 Quality Management System certification and IATF 16949 Automotive Quality Management System certification. In 2025, Grandsun achieved a key breakthrough in the fields of healthcare and smart hardware, obtaining ISO 13485 Medical Devices Quality Management System certification for the first time.

Based on product positioning, process characteristics and development needs, the Company implements strict quality control over material selection, sample testing, finished product inspection, supplier audits and other stages. Quality responsibilities are refined by process, assigned to specific positions and directly linked to performance, forming a quality management system with clearly defined responsibilities and objectives. The Quality Department regularly conducts quality audits to track the achievement of quality objectives at each production base. By promoting excellent management practices and continuously optimizing management standards, it comprehensively improves the Company's overall quality management level.

In 2025, the Company vigorously advanced lean improvement projects, completing 423 projects throughout the year. These projects achieved significant results in process optimization, cost control and efficiency improvement, saving a total of RMB 20.1318 million and injecting strong momentum into the Company's high-quality development.

As of the end of the Reporting Period, Grandsun had obtained

**ISO 9001**

Quality Management System certification.

**IATF 16949**

Automobile Quality Management System Certification

**ISO 13485**

Medical Devices Quality Management System certification

**ISO 17025**

Laboratory Accreditation

Cleer Clip received the Market Position Confirmation Certificate from Frost & Sullivan as the

**Pioneer of the World's First Open-Ear AI Headphones.**

# Quality and service management

We always place customer needs at the center of our work, focusing on safety assurance and quality upgrades for products and supporting services such as open-ear/head-worn headphones and speakers. We are committed to providing users with safe, reliable and high-standard product experiences. The following section outlines the Company's practices and achievements in product and service quality management from the perspectives of system development, certifications and qualifications, and after-sales support.

In 2025, Grandsun achieved an important breakthrough in healthcare and smart hardware. It successfully obtained the Medical Device Manufacturing License, while its Cleer ARC 3 pulse oximeter obtained the Medical Device Registration Certificate of the People's Republic of China. At the same time, the Company established an ISO 13485 Medical Devices Quality Management System and passed third-party certification, becoming an enterprise with full qualifications for medical products covering R&D, production, and compliance. This lays a solid foundation for bring medical-grade smart wearable products to market. In terms of comprehensive capability building, the Company has established an authoritative certification matrix covering quality control, compliant operations and green development. In addition to its core ISO 9001 Quality Management System certification, the Company also holds IATF 16949 Automotive Quality Management System certification to meet quality requirements for automotive-related applications; CNAS laboratory accreditation to ensure precise testing capabilities; and 3C certification as a standard requirement for product compliance. These achievements not only provide strong endorsement of Grandsun's comprehensive capabilities, but also translate directly into customer-perceived value: medical customers can choose compliant products with greater confidence; consumer electronics users can benefit from an automotive-grade quality experience; and partners can better recognize the Company's commitment to green and sustainable development. Together, they safeguard the safety and quality of products and services in all aspects.

Furthermore, Grandsun has built a comprehensive, full-process after-sales service system covering multiple channels, using professional and efficient services to safeguard the customer experience. The Company has established dedicated after-sales service hotlines and opened multiple communication channels, including telephone, SMS, WeChat and email, to ensure customer needs are responded to in a timely manner. It has also established standardized service processes to provide customers with one-on-one professional technical support and customized solutions, enabling rapid issue resolution.



Pulse Oximeter\_Model GS8801E Medical Device Manufacturing License



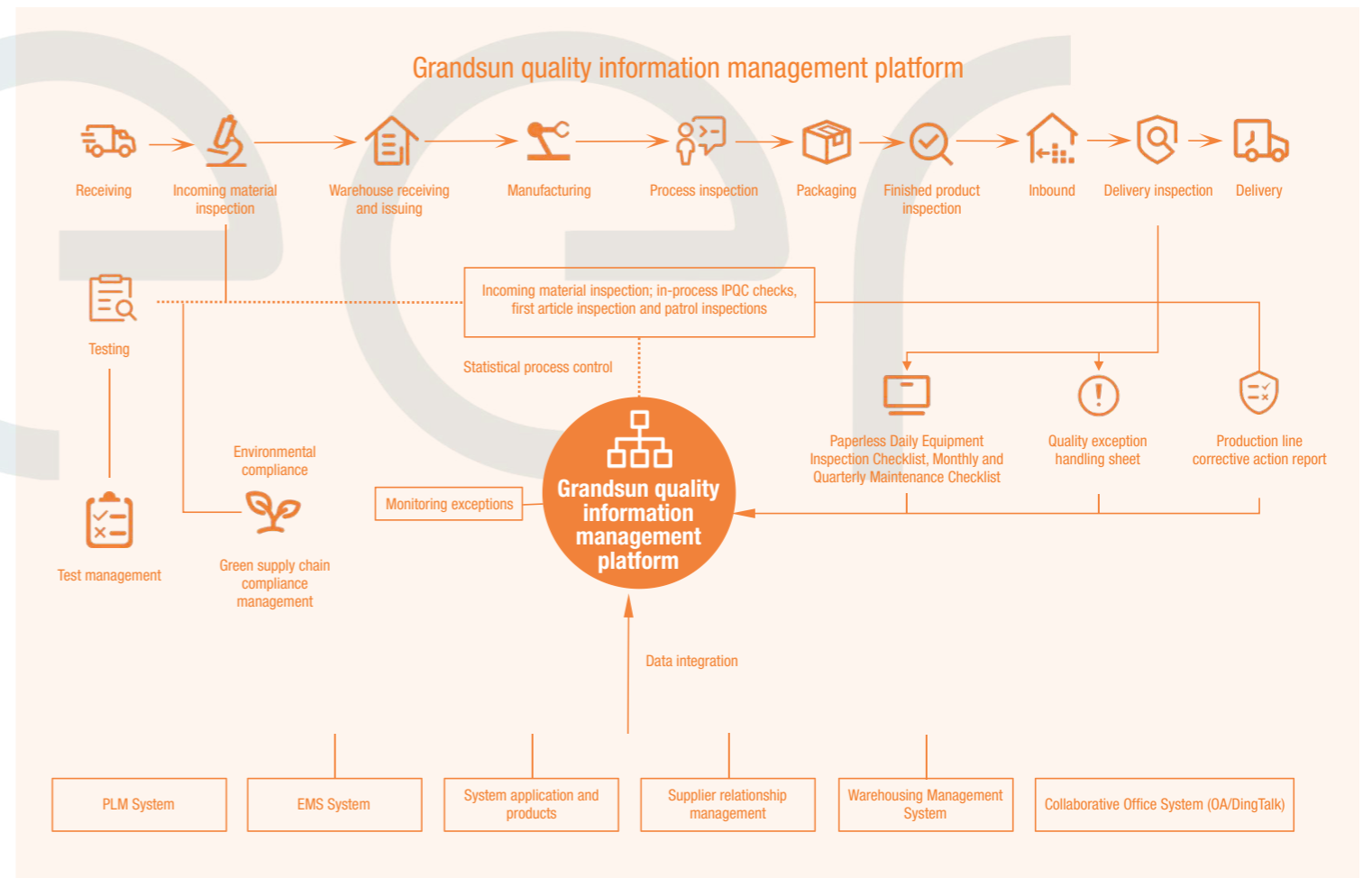
Pulse Oximeter\_Model GS8801E Class II Medical Device Registration Certificate



CNAS Laboratory Accreditation Certificate

# Intelligent quality control

We have established and improved the quality information management platform, vertically linked to the quality information of the Company and upstream & downstream suppliers, horizontally to the quality business of procurement, R&D, production, testing, etc., to assist the Company in systematically managing the quality-related business processes and data, and, during the platform routine, eliminating information silos, realizing paperless quality inspection, and transparent quality management through quality control methods such as detailed quality data recording, online quality measurement, and real-time progress visualization, so as to comprehensively improve the quality management level.



## Intelligent Quality Inspection

To significantly improve product quality inspection efficiency and product yield, Grandsun has fully promoted a new intelligent quality management model that integrates AI agent-based processes, automated production and integrated automation. The Company has widely introduced frontier technologies such as machine vision, making every effort to promote the large-scale implementation and application of intelligent quality inspection technologies on production lines.

Among these technologies, the visual quality inspection system is based on automated optical inspection technology. By accurately comparing product inspection images with standard samples, it can quickly determine product quality grades and intercept defective products in real time. This system fundamentally minimizes the impact of human factors such as oversight in manual inspection and inconsistent quality inspection standards, effectively ensuring the stability, repeatability and high precision of inspection results, and ensuring that every batch of outgoing products meets stringent quality requirements.

In addition, quality inspectors use the intelligent inspection system to track product quality status in real time across all aspects, including appearance, dimensions and functions. Supported by product group classification and color-coded alerts, the system can quickly locate defective products and trace the root causes of quality issues. This design significantly reduces manual inspection costs and issue analysis time, markedly improves process quality control efficiency, and provides strong support for the continuous improvement of Grandsun's product quality.

### Case | Smart Factory with Combination of Software and Hardware

To comprehensively improve product quality and overall management standards, Grandsun carried out a specialized lean improvement management initiative in 2025. Drawing on practical experience from zero-defect management and QCC group activities, the Company integrated professional quality control tools, project management theories and scientific methods to create a distinctive organizational management model and project management system. Through systematic management, Grandsun continued to optimize quality performance. The project management team integrated lean production concepts with quality management methods to build a new model for lean production quality management. Focusing on product design and the full manufacturing process, the Company established an efficient and practical quality improvement mechanism. Supported by a sound quality management system and information-based management platform, it formed a closed loop for continuous improvement in lean production quality, which has been applied and refined in production practice. Through the comprehensive implementation of lean improvement activities, Grandsun achieved notable results in quality improvement, cost control and efficiency enhancement, effectively strengthening its core competitiveness and injecting strong momentum into high-quality corporate development.



## Quality culture building

Grandsun fully recognizes the core value of management optimization in improving organizational effectiveness. The Company also understands that strengthening employees' awareness of quality risks and responsibilities is essential to consolidating quality management and achieving high-quality sustainable development amid intense market competition.

Based on its own quality management standards, the Company plans specialized quality control training programs closely around annual quality management objectives, business development needs and position competency requirements. Employees are regularly engaged in offline training and practical teaching sessions on regulations and policies, quality knowledge and job skills, helping them accurately master core operational skills across business lines.

Meanwhile, through diverse activities such as the annual Quality Month and quality knowledge competitions, the Company continuously improves employees' overall competence, from quality awareness to practical capabilities. In addition, by sharing concise, easy-to-understand and practical knowledge, Grandsun continuously deepens all employees' understanding and recognition of quality management. This helps advance quality culture development in a comprehensive and sustained manner, and injects strong momentum into the Company's high-quality development.

### Case | Grandsun Carried out Quality Month Activities

Quality is the foundation and core engine that enables Grandsun to achieve steady, long-term development and build its brand. Taking China's national "Quality Month" as an opportunity, the Company regularly and systematically carries out distinctive and meaningful quality culture activities to build a shared commitment to quality and drives continuous quality improvement. These immersive and interactive quality culture activities, including in-depth quality lectures, knowledge competitions, quality-themed essays, and skills competitions, encouraged employees to deepen their understanding of quality, strengthen practical skills, and express their commitment to quality, thereby fostering a strong internal atmosphere in which everyone values quality, contributes to quality and benefits from quality. This initiative not only fully stimulated quality innovation among all employees, but also embedded the core concept of "quality first" in their mind, guiding conscious action throughout the full process of R&D, production and inspection.

Through deeply engaging quality culture activities, Grandsun continues to strengthen quality awareness and competence among all employees, while improving overall management and control effectiveness. These efforts make the spirit of quality a defining feature of its corporate development, providing sustained cultural momentum for stronger brand competitiveness and high-quality, sustainable development.



## Appendix

### Assurance Report



#### Independent Assurance Statement

##### To: Stakeholders of Shenzhen Grandsun Electronic Co., Ltd.

China Quality Certification Centre Co., Ltd. (CQC), commissioned by Shenzhen Grandsun Electronic Co., Ltd (hereinafter referred to as Grandsun Electronic), conducted the independent assurance of Shenzhen Grandsun Electronic Co., Ltd 2025 Environment, Social and Governance Report (hereinafter referred to as the ESG report).

Grandsun Electronic was responsible for collecting, summarizing, analyzing, and disclosing the information and data presented in the ESG report. CQC implemented report verification within the scope specified in the agreement with Grandsun Electronic.

This statement was based on the assurance activities conducted on the ESG report prepared by Grandsun Electronic in accordance with GRI 2021 Standards and with reference to the ten principles of the United Nations Global Compact, China Corporate Social Responsibility Reporting Guidelines (CASS-ESG 6.0), ISO26000 Guidance on Social Responsibility, and adopting the disclosure recommendations of IFRS S2 Climate-related Disclosures. The board of directors of Grandsun Electronic is responsible for the authenticity, accuracy, and completeness of the report content.

##### Scope of Assurance

The key data and information disclosed in the Shenzhen Grandsun Electronic Co., Ltd 2025 Environment, Social and Governance Report.

##### Basis for Assurance

AA1000 v3, Type 2, Moderate Assurance

##### Assurance Methods

The methods used in this assurance include but are not limited to:

- a) Report review;
- b) Interviews;
- c) Verification of documents, records, certificates, invoices, and other materials;
- d) Field verification;
- e) Trusted information source verification;
- f) Verification against disclosure basis;
- g) Recalculation/estimation; and
- h) Confirmation of statistical, calculation/estimation processes.

##### Limitations

1. This assurance was conducted using sampling methods based on quantitative and qualitative risk analysis and the sampling scope was limited to the data and information selected in the ESG report, not fully tracing or independently recalculating all raw data of Grandsun Electronic.
2. The on-site verification for this assurance engagement was conducted at Grandsun Electronic Co., Ltd. in Shenzhen. No other subsidiaries of Grandsun Electronic or external stakeholders were visited.
3. The data and information audited/verified by a third party in the ESG report were not subject to repeated verification during this assurance process.
4. Some of the data and information in the ESG report cannot be compared and verified through independent sources. This assurance only evaluated their reasonableness.
5. Activities outside the scope of information disclosure were not included in this assurance.

6. The statement regarding the position, viewpoints, goals, future development directions, and commitments of Grandsun Electronic was not included in this assurance.

##### Statement on Independence and Verification Capability

China Quality Certification Centre Co., Ltd.(CQC) is a third-party certification body with independent legal status, possessing professional qualifications and experience in providing in this assurance process, and possesses the technical capabilities and industry-specific knowledge required to conduct ESG/ESG report assurance, in compliance with the requirements of AA1000 Assurance Standard v3 for an assurance provider. The assurance team is composed of experienced AA1000 Practicing Certified Sustainability Assurance Practitioners (PCSAP), CCAA (China Certification and Accreditation Association) registered quality, environment, energy, occupational health and safety, compliance, anti-bribery and other management system auditors and APSCA (Association of Professional Social Compliance Auditors) registered auditors.

CQC ensured that there were no conflicts of interest with Grandsun Electronic and its stakeholders during the assurance process of this report. All information in the ESG report was provided by Grandsun Electronic. CQC and the personnel conducting this assurance of the ESG report were not involved in the preparation process of the ESG report.

##### Assurance Conclusions

The ESG report reflects the ESG performance of Grandsun Electronic in 2025, which meets the requirements of AA1000 v3 and AA1000AP:

**Inclusivity:** Grandsun Electronic has identified both internal and external stakeholders, including directors, shareholders, employees, government and regulatory authorities, partners and suppliers, customers, communities and the public. In the report preparation process, the expectations and needs of stakeholders have been considered.

**Materiality:** Grandsun Electronic has established the ESG material topics for the current year by analyzing issues through a double materiality identification process, integrating industry insights, regulatory updates, and global environmental factors, and subsequently prioritized the topics based on their significance.

**Responsiveness:** Grandsun Electronic has established a governance structure, management system and processes, as well as a communication mechanism with stakeholders, capable of taking action to respond to the material issues of high importance and impact on Grandsun Electronic and its stakeholders.


**Impact:** Through quantitative or qualitative methods, or a combination of both, Grandsun Electronic has disclosed the main impacts on itself and its stakeholders in terms of ESG.

**Specific performance information:** Based on the process and results of this assurance, we have not found any deficiencies in the reliability and quality of key data and information in the ESG report.

##### Recommendations

The specific opinions regarding the assurance of this report have been communicated to the management of Grandsun Electronic in written form and will not be further elaborated in this section.



President of CQC:   
May 11, 2026  
Beijing, China

Note: In case of any inconsistency or discrepancy, the Chinese version of this assurance statement shall prevail, while the English translation is used for reference only.

## Key Performance Data

### Environmental Performance Table <sup>1,2</sup>

Index	Unit	2024	2025
<b>GRI 302-1 Energy consumption within the organization <sup>3,4</sup></b>			
Non-renewable energy usage	MWh	743.98	645.17
Gasoline	MWh	396.17	365.22
Diesel	MWh	317.57	244.69
Liquefied petroleum gas	MWh	30.25	35.26
Natural gas	MWh	0.00	0.00
Renewable energy usage	MWh	598.93	576.18
Biomass energy (including light white oil, ethanol gasoline and alcohol-based fuels, etc.)	MWh	0	0
Self-consumed power output of PVs	MWh	598.93	576.18
Purchased municipal electricity	MWh	4305.47	3317.39
Total photovoltaic power output:	MWh	667.32	678.18
Purchased green electricity	MWh	0.00	3318
Purchased green certificate	MWh	7667	0.00

<sup>1</sup> Unless otherwise specified, the statistical scope of environmental performance data only covers the Company itself and does not include all affiliated production sites.

<sup>2</sup> When calculating emissions, energy consumption and waste intensity, operating income represents one million RMB operating income for the current year.

<sup>3</sup> The Company's energy consumption is mainly from gasoline, diesel, liquefied petroleum gas, self-owned renewable energy power generation, purchased municipal power supply, purchased renewable energy.

<sup>4</sup> The energy consumption data for 2025 is calculated based on the consumption of electricity and fuel and the relevant conversion factors provided in the General Principles for the Calculation of Comprehensive Energy Consumption (GB/T 2589-2020).

Index	Unit	2024	2025
Purchased steam	MWh	0.00	0.00
Sold power output of PVs	MWh	68.39	102
Green energy property obtained by green energy fund	MWh	0	0
Total energy consumption	MWh	5648.39	4539.35
<b>DRI 302-3 Energy intensity</b>			
Energy consumption intensity per unit of operating income	MWh/million RMB	2.81	2.16
Electricity consumption intensity per unit of operating income	MWh/million RMB	2.44	1.58
<b>GRI 302-4 Reduction of energy consumption</b>			
Annual power conservation	MWh	369	84.47
Total installed PV capacity <sup>1</sup>	MW	0.62	0.62
<b>GRI 303-3 - Water withdrawal</b>			
Total water withdrawal	ML	80.63	51.30
Surface water	ML	80.63	51.30
Usage amount of rainwater collected	ML	0.00	0.00
Groundwater (renewable)	ML	0.00	0.00

<sup>1</sup> Total installed PV capacity is the total installed rooftop photovoltaic capacity of the Company as of the end of the current year.

## Environmental Performance Table (continued)

Index	Unit	2024	2025
Groundwater (non-renewable)	ML	0.00	0.00
Seawater	ML	0.00	0.00
Produced water / entrained water / generated water	ML	0.00	0.00
Third party water	ML	0.00	0.00
Total water withdrawals in water-stressed areas	ML	0.00	0.00
<b>GRI 303-4 Water discharge</b>			
Total water discharge	ML	80.63	11.54
Total amount of water discharged to surface water	ML	0.00	0.00
Total amount of water discharged to the underground	ML	0.00	0.00
Total amount of water discharged to seawater	ML	0.00	0.00
Total amount of water discharged to and used by third-party organizations	ML	80.63	11.54
Total amount of industrial wastewater	ML	0.00	0.00
Total discharge of domestic sewage	ML	80.63	11.54
Total water discharge in water-stressed areas	ML	0.00	0.00
Number of administrative penalties for sewage discharge involving the company	Time	0.00	0.00
<b>GRI 303-5 Water consumption</b>			
Total water consumption	ML	80.63	11.54
Total water consumption in water-stressed areas	ML	0.00	0.00

Index	Unit	2024	2025
<b>GRI 305-1 Direct (Scope 1) GHG emissions</b>			
Total Scope 1 GHG emissions	tCO <sub>2</sub> e	615.75	562.22
Total CO <sub>2</sub> emissions	tCO <sub>2</sub> e	186.68	161.19
Total CH <sub>4</sub> emissions	tCO <sub>2</sub> e	46.47	12.51
Total N <sub>2</sub> O emissions	tCO <sub>2</sub> e	4.33	3.81
Total HFCs emissions	tCO <sub>2</sub> e	378.27	384.71
Total PFCs emissions	tCO <sub>2</sub> e	0.00	0.00
Total SF <sub>6</sub> emissions	tCO <sub>2</sub> e	0.00	0.00
Total NF <sub>3</sub> emissions	tCO <sub>2</sub> e	0.00	0.00
CO <sub>2</sub> emissions from biological sources	tCO <sub>2</sub> e	0.00	0.00
<b>GRI 305-2 Energy indirect (Scope 2) GHG emissions</b>			
Total Scope 2 GHG emissions (location-based)	tCO <sub>2</sub> e	2310.32	1496.80
Total Scope 2 GHG emissions (market-based)	tCO <sub>2</sub> e	0.00	0.00
<b>GRI 305-3 Other indirect (Scope 3) GHG emissions</b>			
Total Scope 3 GHG emissions	tCO <sub>2</sub> e	5645.62	5438.78
Category 1: Purchased goods and services	tCO <sub>2</sub> e	3806.76	2455.43
Category 2: Capital goods	tCO <sub>2</sub> e	57.03	47.75
Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	tCO <sub>2</sub> e	761.98	584.81

## Environmental Performance Table (continued)

Index	Unit	2024	2025
Category 4: Upstream transportation and distribution	tCO <sub>2</sub> e	2.06	4.00
Category 5: Waste generated in operations	tCO <sub>2</sub> e	1.78	1.23
Category 6: Business travel	tCO <sub>2</sub> e	298.00	77.23
Category 7: Employee commuting	tCO <sub>2</sub> e	/	/
Category 8: Upstream leased assets	tCO <sub>2</sub> e	0.05	0.55
Category 9: Downstream transportation and distribution	tCO <sub>2</sub> e	40.19	5.85
Category 10: Processing of sold products	tCO <sub>2</sub> e	404.65	69.57
Category 11: Use of sold products	tCO <sub>2</sub> e	2639.30	1920.70
Category 12: End of life treatment of sold products	tCO <sub>2</sub> e	273.11	271.63
Category 13: Downstream leased assets	tCO <sub>2</sub> e	/	/
Category 14: Franchises	tCO <sub>2</sub> e	/	/
Category 15: Investments	tCO <sub>2</sub> e	/	/
<b>GRI 305-4 GHG emissions intensity</b>			
Total Scope 1 & Scope 2 (location-based) GHG emissions	tCO <sub>2</sub> e	2926.07	2059.02
Total Scope 1 & Scope 2 (market-based) GHG emissions	tCO <sub>2</sub> e	/	/
Scope 1 & Scope 2 (location-based) GHG emissions intensity	tCO <sub>2</sub> e/million (RMB)	1.46	0.98
Scope 1 & Scope 2 (market-based) GHG emissions intensity	tCO <sub>2</sub> e/million (RMB)	/	/

Note: Due to the nature of the Company's business, GHG emissions mainly come from purchased municipal electricity, and fossil fuel combustion. The list of GHG includes carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons. Greenhouse gas emissions figures are presented in terms of carbon dioxide equivalent, and the calculation of greenhouse gas emissions in 2025 is based on GB/T 2589-2020 General Rules for Calculation of the Comprehensive Energy Consumption issued by the State Administration for Market Regulation and the Standardization Administration of China, the IPCC Sixth Assessment Report issued by the Intergovernmental Panel on Climate Change (IPCC), the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Enterprises of Other Industries (Trial), and the electricity emission factors reported by the International Energy Agency (IEA). Some Scope 3 GHG emissions are calculated based on Greenhouse gas reporting: conversion factors 2025 published by the UK Department for Business, Innovation and Skills (BIS) and the Department for Environment, Food and Rural Affairs (DEFRA).

Index	Unit	2024	2025
Scope 1 GHG emissions intensity	tCO <sub>2</sub> e/million RMB	0.31	0.27
Scope 2 (location-based) GHG emissions intensity	tCO <sub>2</sub> e/million RMB	1.15	0.71
Scope 2 (market-based) GHG emissions intensity	tCO <sub>2</sub> e/million RMB	/	/
<b>GRI 305-5 GHG emission reduction</b>			
Total GHG emission reduction	tCO <sub>2</sub> e	145.85	85.01
<b>GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other major gas emissions</b>			
Total waste gas emissions <sup>1</sup>	Metric ton	0.325	0.00
Boiler waste gas	Metric ton	0.00	0.00
Kitchen fumes	Metric ton	0.320	0.00
Industrial waste gas	Metric ton	0.005	0.00
NOx (nitrogen oxides) emissions	Metric ton	0.00	0.00
SOx (sulfur oxides) emissions	Metric ton	0.00	0.00
Persistent organic pollutant (POP) emissions	Metric ton	0.00	0.00
VOC (volatile organic compounds) emissions	Metric ton	0.005	0.00
Hydrogen sulfide emissions	Metric ton	0.00	0.00
Particulate matter emissions	Metric ton	0.00	0.00
Emissions of tin and its compounds	Metric ton	0.00	0.00
Emissions of other waste gases	Metric ton	0.00	0.00

<sup>1</sup> Due to the nature of the Company's business, waste gas emissions are mainly from kitchen fumes and industrial waste gas.

## Environmental Performance Table (continued)

Index	Unit	2024	2025
<b>GRI 306-3 Waste generated</b>			
Total waste generation	Metric ton	96.01	94.28
Hazardous waste generation <sup>1</sup>	Metric ton	0.314	1.26
Non-hazardous waste generation <sup>2</sup>	Metric ton	40.3	22.07
Domestic waste generation <sup>3</sup>	Metric ton	55.39	70.95
<b>GRI 306-4 Waste diverted from disposal <sup>4</sup></b>			
Total amount of waste recycled	Metric ton	51.24	53.99
Amount of hazardous waste recycled	Metric ton	0.21	0.94
Amount of diverted hazardous waste directed to reuse	Metric ton	0.00	0.00
Amount of diverted hazardous waste directed to recycling	Metric ton	0.21	0.94
Amount of diverted hazardous waste directed to other recycling operations	Metric ton	0.00	0.00
Amount of non-hazardous waste recycled	Metric ton	40.3	22.07
Amount of diverted non-hazardous waste directed to reuse	Metric ton	26.86	16.64
Amount recycled off-site	Metric ton	0.00	0.00
Amount recycled on-site	Metric ton	26.86	16.64
Amount of diverted non-hazardous waste directed to recycling	Metric ton	13.44	5.43
Amount of diverted non-hazardous waste directed to other recycling operations	Metric ton	0.00	0.00
Amount of domestic waste recycled	Metric ton	10.73	30.98
Amount of diverted domestic waste directed to reuse	Metric ton	0.00	0.00
Amount of diverted domestic waste directed to recycling	Metric ton	10.73	30.98
Amount of diverted domestic waste directed to other recycling operations	Metric ton	0.00	0.00

<sup>1</sup> Hazardous waste includes waste organic solvents, waste mineral oil, waste chemical containers, etc.

<sup>2</sup> Non-hazardous waste includes waste plastics, waste paper, scrap metal and other general industrial waste.

<sup>3</sup> Domestic waste includes non-recyclable domestic waste, mixed recyclable domestic waste, and kitchen waste.

<sup>4</sup> The diverted non-hazardous waste directed to reuse is disposed of off-site and on-site, and the rest of the waste diverted from the disposal are disposed of off-site.

Index	Unit	2024	2025
<b>GRI 306-5 Waste directed to disposal <sup>1</sup></b>			
Total amount of waste directed to disposal	Metric ton	44.77	40.29
Hazardous waste disposal amount	Metric ton	0.11	0.32
Disposal amount of hazardous waste directed to incineration (with energy recovery)	Metric ton	0.05	0.26
Disposal amount of hazardous waste directed to incineration (without energy recovery)	Metric ton	0.00	0.00
Disposal amount of hazardous waste directed to landfill	Metric ton	0.005	0.06
Disposal amount of hazardous waste directed to other disposals	Metric ton	0.00	0.00
Disposal amount of non-hazardous waste	Metric ton	0.00	0.00
Disposal amount of non-hazardous waste directed to incineration (with energy recovery)	Metric ton	0.00	0.00
Disposal amount of non-hazardous waste directed to incineration (without energy recovery)	Metric ton	0.00	0.00
Disposal amount of non-hazardous waste directed to landfill	Metric ton	0.00	0.00
Disposal amount of non-hazardous waste directed to other disposals	Metric ton	0.00	0.00
Disposal amount of domestic waste	Metric ton	44.67	39.97
Disposal amount of domestic waste directed to incineration (with energy recovery)	Metric ton	44.67	39.97
Disposal amount of domestic waste directed to incineration (without energy recovery)	Metric ton	0.00	0.00
Disposal amount of domestic waste directed to landfill	Metric ton	0.00	0.00
Disposal amount of domestic waste directed to other disposals	Metric ton	0.00	0.00
Off-site disposal amount	Metric ton	69.15	77.64
On-site disposal amount	Metric ton	26.86	16.64

<sup>1</sup> The domestic waste directed to other disposal methods is disposed of off-site and on-site, hazardous waste and non-hazardous waste directed to other disposal methods are disposed of on-site, and the rest of the wastes directed to disposal are disposed of off-site.

## Social Performance Table

Index	Unit	2024	2025
<b>GRI 2-6 Activities, value chain and other business relationships</b>			
Total number of suppliers in the base <sup>1</sup>	Supplier	201	264
Overseas suppliers	Supplier	1	3
China suppliers	Supplier	200	261
Services suppliers	Supplier	7	17
Raw and auxiliary material suppliers	Supplier	194	247
<b>GRI 2-7 Employees</b>			
Total number of employees	People	540	418
Employees aged 29 and under	People	103	66
Employees aged between 30 and 49	People	412	321
Employees aged 50 and above	People	25	31
Male employees	People	323	262
Female employees	People	217	156
Chinese Mainland	People	536	414
Hong Kong, Macao and Taiwan regions	People	0	0
Overseas (excluding Hong Kong, Macao and Taiwan regions)	People	4	4
Total number of indirect employees	People	252	221
Total number of direct employees	People	288	197

<sup>1</sup> In accordance with the labor-related laws, regulations and practices of the place of operation, the statistics of long-term and temporary employees are carried out.

Index	Unit	2024	2025
Total number of long-term employees <sup>1</sup>	People	540	418
Total number of temporary employees	People	0	0
Total number of full-time employees	People	540	418
Total number of part-time employees	People	0	0
<b>GRI 2-28 Membership associations</b>			
Total number of important associations involved	Association	10	10
<b>GRI 201-1 Direct economic value generated and distributed</b>			
Amount of operating income	Million (RMB)	2011	2104
Growth rate of operating income compared with the previous year	%	18.79	4.62
<b>GRI 201-2 Financial implications and other risks and opportunities due to climate change</b>			
Amount insured for property all risks insurance (i.e. compensation pay-outs)	RMB 10,000	105069.2	130115.97
Annual premium for property all risks insurance	RMB 10,000	340.42	169.07
Amount of investment in clean technology	RMB 10,000	3500	6810
2026 target of investment in clean technology	RMB 10,000	2500	2500
<b>GRI 205-1 Operations assessed for risks related to corruption</b>			
Percentage of departments that conducted an internal risk assessment of integrity/anti-corruption this year	%	100	100
<b>GRI 205-2 Communication and training on anti-corruption policies and procedures</b>			
Number of employees who signed the Integrity Commitment / Integrity Notification Letter	People	540	418

## Social Performance Table (continued)

Index	Unit	2024	2025
Number of members of the governance body who signed the Integrity Commitment / Integrity Notification Letter	People	5	5
Chinese Mainland	%	100	100
Hong Kong, Macao and Taiwan regions	%	/	/
Overseas (excluding Hong Kong, Macao and Taiwan regions)	%	/	/
Ratio of general employees who signed the Integrity Commitment / Integrity Notification Letter	%	100	100
Chinese Mainland	%	100	100
Hong Kong, Macao and Taiwan regions	%	/	/
Overseas (excluding Hong Kong, Macao and Taiwan regions)	%	100	100
Ratio of direct employees who signed the Integrity Commitment / Integrity Notification Letter	%	100	100
Ratio of indirect employees who signed the Integrity Commitment / Integrity Notification Letter	%	100	100
Ratio of suppliers who signed the Supplier Integrity Commitment	%	100	100
Chinese Mainland	%	100	100
Hong Kong, Macao and Taiwan regions	%	100	100
Overseas (excluding Hong Kong, Macao and Taiwan regions)	%	100	100
Services suppliers	%	100	100
Raw and auxiliary material suppliers	%	100	100
Total number of employees trained in anti-corruption	People	540	418
Number of members of the governance body trained in anti-corruption	People	5	7
Chinese Mainland	%	100	100

Index	Unit	2024	2025
Hong Kong, Macao and Taiwan regions	%	/	/
Overseas (excluding Hong Kong, Macao and Taiwan regions)	%	100	100
Number of general employees trained in anti-corruption	People	538	418
Chinese Mainland	%	100	100
Hong Kong, Macao and Taiwan regions	%	/	/
Overseas (excluding Hong Kong, Macao and Taiwan regions)	%	100	100
Number of direct employees trained	%	100	100
Number of indirect employees trained	%	100	100
Total person-times for anti-corruption training	person-times	633	418
Total hours for anti-corruption training	Hours	316.5	209
<b>GRI 205-3 Confirmed cases of corruption and measures taken</b>			
Number of internal corruption reports received	Piece	0	0
Total number of confirmed cases of corruption	Piece	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	Piece	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	Piece	0	0
Confirmed legal actions on corruption involving the company and its employees	Piece	0	0
Concluded actions on corruption involving the company and its employees	Time	0	0
Amount of compensation from concluded actions on corruption involving the company and its employees	RMB	0	0

## Social Performance Table (continued)

Index	Unit	2024	2025
<b>GRI 206-1 Legal actions for anti-competition behavior, anti-trust, and monopoly practices</b>			
Confirmed legal actions for anti-unfair competition, antitrust, and anti-monopoly	Piece	0	0
Concluded legal actions for anti-unfair competition, antitrust, and anti-monopoly involving the company	Piece	0	0
Amount of compensation from concluded legal actions for anti-unfair competition, antitrust, and anti-monopoly involving the company	RMB	0	0
<b>GRI 401-1 New employee hires and employee turnover <sup>1</sup></b>			
Resignation rate of indirect employees (the number of resignations includes the number of resignations, removals, and dismissals)	%	0.56	0.39
<b>GRI 401-3 Parental leave <sup>2</sup></b>			
Number of employees that were entitled to parental leave (male)	People	323	95
Number of employees that took parental leave (male)	People	2	46
Number of employees that were entitled to parental leave (female)	People	217	90
Number of employees that took parental leave (female)	People	0	50
<b>GRI 403-5 Worker training on occupational health and safety</b>			
Total hours of training on EHS	Hours	43684	34322
Total number of employees trained on EHS	People	540	418
Total person-times for EHS training	person-times	15319	104432
Total hours of EHS training on board of directors	Hours	120	120

<sup>1</sup> The employee turnover rate is calculated by dividing the number of resignations in the category by (the number of employees in the category at the end of the year + the number of resignations in the category).

<sup>2</sup> The parental leave described in this document includes the legal rights and interests such as childcare leave, maternity leave, and paternity leave equally granted by the company to employees in accordance with relevant laws and regulations of the location where it operates.

Index	Unit	2024	2025
Total number of members of board of directors trained on EHS	People	5	5
Total person-times of board of directors trained on EHS	person-times	120	120
<b>GRI 403-8 Workers covered by an occupational health and safety management system</b>			
Number of employees covered by an occupational health and safety management system established in the operation location	People	540	418
Percentage of employees covered by an occupational health and safety management system established in the operation location	%	100	100
Number of employees covered by an internally audited occupational health and safety management system in the operation location	People	540	418
Percentage of employees covered by an internally audited occupational health and safety management system in the operation location	%	100	100
Number of employees covered by an externally audited occupational health and safety management system in the operation location	People	540	418
Percentage of employees covered by an externally audited occupational health and safety management system in the operation location	%	100	100
<b>GRI 403-9 Work-related injuries GRI 403-10 Work-related ill health</b>			
Total hours worked (sum of hours worked by all employees)	Hours	1488922	1106625
Number of employee fatalities caused by work-related injuries	People	0	0
Mortality rate of employees due to work-related injuries within 1 million man-hours	Times / million man-hours	0	0
Number of seriously injured employees caused by work-related injuries	person-times	0	0

## Social Performance Table (continued)

Index	Unit	2024	2025
Work-related injury rate of employees with serious consequences within 1 million man-hours	Times / million man-hours	0.00	0.00
Number of employee injuries other than the above fatalities and serious injuries	Time	0	0
Total number of recordable employee work-related injuries	Time	0	3
Recordable work-related injury rate of employees within 1 million man-hours	Times / million man-hours	0.00	2.71
<b>GRI 404-1 Average hours of training per year per employee<sup>1,2</sup></b>			
Total hours of training on employees	Hours	194400	20400
Total hours of training for male employees	Hours	78120	12786.60
Total hours of training for female employees	Hours	116280	7613.40
Total hours of training for direct employees	Hours	36456	9612.44
Total hours of training for indirect employees	Hours	41664	10787.56
Average hours of training per employee	Hours	30	48
Average hours of training per male employee	Hours	30	77.86
Average hours of training per female employee	Hours	30	130.77
Average hours of training per direct employee	Hours	30	103.55
Average hours of training per indirect employee	Hours	30	92.31
Total person-times for employee training	person-times	149938	345948

<sup>1</sup> The average hours of training per employee are calculated by dividing the total number of training hours provided to employees in this category by the total number of employees in this category.

<sup>2</sup> Data on the total training hours of employees, the average hours of training per employee, the total number of employees trained, and the total person-times for employee training are from the system records in the online learning platform "i Academy".

Index	Unit	2024	2025
<b>GRI 404-2 Programs for upgrading employee skills and transition assistance programs</b>			
Total training expenditure	RMB 10,000	31	21
Number of Professional Skills Certification Examination	People	493	292
Total number of in-house certified lecturers	People	29	93
<b>GRI 404-3 Percentage of employees receiving regular performance and career development reviews<sup>3</sup></b>			
Percentage of indirect employees receiving regular performance and career development reviews	%	100	100
Male indirect employees	%	100	100
Female indirect employees	%	100	100
<b>GRI 405-1 Diversity of governance bodies and employees</b>			
Total number of members of the governance body	People	5	5
Number of members of the male governance body	People	4	4
Percentage of members of the male governance body	%	80	80
Number of members of the female governance body	People	1	1
Percentage of members of the female governance body	%	20	20
Number of members aged 29 and under in the governance body	People	0	0
Percentage of members aged 29 and under in the governance body	%	0.00	0.00

<sup>3</sup> The scope of statistics on the indicator is the number of indirect employees who are regularly evaluated regarding performance and career development, and the percentage by gender. This indicator is not applicable to direct employees due to the flexible evaluation of the performance of direct employees.

## Social Performance Table (continued)

Index	Unit	2024	2025
Number of members aged between 30 and 49 in the governance body	People	3	1
Percentage of members aged between 30 and 49 in the governance body	%	60	20
Number of members aged 50 and above in the governance body	People	2	4
Percentage of members aged 50 and above in the governance body	%	40	80
Number of members with risk management background in the governance body	People	1	1
Percentage of members with risk management background in the governance body	%	20	20
Number of members with industry management background in the governance body	People	3	3
Percentage of members with industry management background in the governance body	%	60	60
Number of members with legal management background in the governance body	People	1	1
Percentage of members with legal management background in the governance body	%	20	20
Percentage of employees aged 29 and under	%	19.07	15.79
Percentage of employees aged between 30 and 49	%	75.19	76.79
Percentage of employees aged 50 and above	%	5.74	7.42
Percentage of male employees	%	59.81	62.68
Percentage of female employees	%	40.19	37.32
Percentage of disabled employees	%	0.00	0.00

Index	Unit	2024	2025
GRI 308-1 New suppliers that were screened using environmental criteria			
GRI 308-2 Negative environmental impacts in the supply chain and actions taken			
GRI 414-1 New suppliers that were screened using social criteria			
GRI 414-2 Negative social impacts in the supply chain and actions taken			
Number of new suppliers	Supplier	32	63
Percentage of new suppliers who have adopted environmental and social standard audits (CSR audits).	%	100	100
Number of suppliers who completed environmental and social audits (CSR audits) in 2025	Supplier	201	43
Wherein, the number of suppliers who completed on-site audits	Supplier	60	30
Number of suppliers identified as having significant actual and potential negative environmental and social impacts	Supplier	0	0
Percentage of suppliers with which improvements were agreed upon as a result of assessment	%	100	100
Number of suppliers with which relationships were terminated as a result of assessment	Supplier	0	0
Percentage of suppliers with which relationships were terminated as a result of assessment	%	0	0
GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data			
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Piece	0	0

# Awards

Honors
<a href="#">Grandsun's Honor</a>
National Intellectual Property Advantage Enterprise
Large-scale Event Carbon Neutrality and First Pilot Enterprise
2025 Top 500 Enterprises in Shenzhen
Level 3 Certificate of Compliance with Intelligent Manufacturing Capability Maturity Standards
Time-honored Brand of Shenzhen
Manufacturing Champion in Individual Fields in Guangdong Province
2025 EU Green Transition Contribution Gold Award
Member of Guangdong Manufacturing Association
Member of the 3rd Council of Guangdong Manufacturing Association
Member of Guangdong-Shenzhen Customs Brokers Association
Carbon Peak and Carbon Neutrality Pilot Enterprise of Guangdong Province
“GCH” – Shenzhen High-Tech Enterprise Collaborative Innovation Promotion Association – Technology Public Welfare Enterprise
“GCH” – Grandsun – Technology Innovation Award
EU NG (Next Generation) Gold Certification
2025 CQC Sustainability Pioneer Award
Top 500 Manufacturing Enterprises in Guangdong Province (2025)
Shenzhen Model Worker and Craftsman Innovation Studio
Near-zero-carbon Pilot Enterprise in Shenzhen

Honors
zero-carbon Factory
National Green Factory
ESG Report Rated "AAA" in Environmental, Social, and Governance Performance
Shenzhen ESG Top 50 Leading Company
Greenhouse Gas Emission Verification & Carbon Neutrality Certification
<a href="#">The brand "Cleer" Awards</a>
2025 Red Dot Design Award
2025 iF Design Award
2025 Korea Good Design Award
GAS Consumer Electronics Innovation Award – Technology Progress Award at the 2025 Global Audio Summit in China
Pioneer of the World's First Open-Ear AI Headphones
Gold Medal at the 2025 Geneva International Exhibition of Inventions
Bronze Medal at the 2025 Geneva International Exhibition of Inventions
the 24th (2025) Shenzhen Enterprise Innovation Records.
"Cleer"—Certificate of Internationally Trusted Brand
Product Carbon Footprint Verification
Product Carbon Footprint Assessment
"Cleer" Recognized as a Guangdong Top Brand
"Cleer"—TOP 30 Emerging Global Brands from the Guangdong-Hong Kong-Macao Greater Bay Area

# GRI Indicator Index

Directions for use		GRI 1 used	
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GRI standards and disclosures	Position	Omission / Description		
		Omission required	Cause	Explanation
GRI 2: General Disclosures 2021				
2-1 Organizational details	Company Profile			
2-2 Entities included in the organization's ESG reporting	About This Report			
2-3 Reporting period, frequency and contact point	About This Report			
2-4 Restatement of information	Emission Management Key Performance Data			
2-5 External assurance	Assurance Report			
2-6 Activities, value chain and other business relationships	Company Profile Key Performance Data			
2-7 Employees	Key Performance Data			
2-8 Workers other than employees	GRI Indicator Index	2-8-a 2-8-b 2-8-c	Missing/incomplete information	The Company respects all employees hired in all forms of employment. The current data statistics are incomplete, so the information can not be fully disclosed.
2-9 Governance structure and composition	Board of Directors and Subcommittees			
2-10 Nomination and selection of the highest governance body	Board of Directors and Subcommittees			
2-11 Chair of the highest governance body	Board of Directors and Subcommittees			
2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors and Subcommittees			
2-13 Delegation of responsibility for managing impacts	Board of Directors and Subcommittees			

GRI Indicator Index (continued)

GRI standards and disclosures	Position	Omission / Description		
		Omission required	Cause	Explanation
2-14 Role of the highest governance body in ESG reporting	ESG Management Structure and Practices			
2-15 Conflicts of interest	Board of Directors and Subcommittees			
2-16 Communication of critical concerns	Board of Directors and Subcommittees			
2-17 Collective knowledge of the highest governance body	Board of Directors and Subcommittees			
2-18 Evaluation of the performance of the highest governance body	Board of Directors and Subcommittees			
2-19 Remuneration policies	Board of Directors and Subcommittees			
2-20 Process to determine remuneration	Board of Directors and Subcommittees			
2-21 Annual total compensation ratio	GRI Indicator Index	2-21-a 2-21-b 2-21-c	Confidentiality restrictions	The Company actively promotes employee pay equity, and the disclosure is omitted to protect employee privacy.
2-22 Statement on ESG development strategy	Respond to Global Sustainable Development Actions			
2-23 Policy commitments	Key Objectives and Commitments			
2-24 Embedding policy commitments	Key Objectives and Commitments			
2-25 Processes to remediate negative impacts	Stakeholder Communication Meetings			
2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Communication Meetings			
2-27 Compliance with laws and regulations	Integrity Management			
2-28 Membership associations	Company Profile Key Performance Data			
2-29 Approach to stakeholder engagement	Stakeholder Communication Meetings Analysis Results of Material Issues and Corresponding Value Chain			
2-30 Collective bargaining agreements	GRI Indicator Index	2-30-a 2-30-b	Missing/incomplete information	The Company complies with relevant laws and regulations and protects the legitimate rights and interests of employees. The information cannot be fully disclosed as it is difficult to accurately collect data.

GRI Indicator Index (continued)

GRI standards and disclosures	Position	Omission / Description		
		Omission required	Cause	Explanation
<b>GRI 3: Material Topics 2021</b>				
3-1 Process for determining material topics	Analysis Results of Material Issues and Corresponding Value Chain			
3-2 List of material topics	Analysis Results of Material Issues and Corresponding Value Chain			
<b>GRI 201: Economic Performance 2016</b>				
3-3 Management of material topics	Key Performance Data Risks and Opportunities of Climate Change Employee Benefits			
201-1 Direct economic value generated and distributed	Key Performance Data			
201-2 Financial implications and other risks and opportunities due to climate change	Risks and Opportunities of Climate Change Key Performance Data			
201-3 Defined benefit plan obligations and other retirement plans	GRI Indicator Index	201-3-a 201-3-b 201-3-c 201-3-d 201-3-e	Missing/incomplete information	The Company provides benefits and retirement plans for employees in accordance with laws and regulations, and the disclosure is omitted this year as it cannot be calculated accurately.
201-4 Financial assistance from government	Corporate Governance			
<b>GRI 202: Market Presence 2016</b>				
3-3 Management of material topics	Compensation level			
202-1 Ratio of standard entry level wage by gender compared to local minimum wage	GRI Indicator Index	202-1-a 202-1-b 202-1-d 202-1-e	Confidentiality restrictions	The Company adheres to the principle of "equal pay for equal work" and offers basic salaries none of which are lower than the local minimum wage standards. Due to requirements for confidentiality of information, the disclosure is omitted.
202-2 Proportion of senior management hired from the local community	Develop Workplace Leadership GRI Indicator Index	202-2-a	Confidentiality restrictions	The Company continues to promote management diversification and localization, and the disclosure is omitted due to requirements for confidentiality of information.

### GRI Indicator Index (continued)

GRI standards and disclosures	Position	Omission / Description		
		Omission required	Cause	Explanation
<b>GRI 205: Anti-corruption 2016</b>				
3-3 Management of material topics	Preventing Corruption Risks Strengthening Integrity Development			
205-1 Operations assessed for risks related to corruption	Preventing Corruption Risks Key Performance Data			
205-2 Communication and training on anti-corruption policies and procedures	Strengthening Integrity Development Key Performance Data			
205-3 Confirmed cases of corruption and measures taken	Preventing Corruption Risks Key Performance Data			
<b>GRI 206: Anti-competitive Behavior 2016</b>				
3-3 Management of material topics	Fair Competition			
206-1 Legal actions for anti-competition behavior, anti-trust, and monopoly practices	Fair Competition Key Performance Data			
<b>GRI 207: Taxation 2019</b>				
3-3 Management of material topics	Corporate Governance			
207-1 Approach to tax	Corporate Governance			
207-2 Tax governance, control, and risk management	Corporate Governance			
207-3 Stakeholder engagement and management of concerns related to tax	Corporate Governance			
207-4 Country-by-country reporting	GRI Indicator Index			

### GRI Indicator Index (continued)

GRI standards and disclosures	Position	Omission / Description		
		Omission required	Cause	Explanation
<b>GRI 302: Energy Management 2016</b>				
3-3 Management of material topics	Energy-Saving Renovation Smart Energy Management			
302-1 Energy consumption within the organization	Key Performance Data			
302-2 Energy consumption outside the organization	GRI Indicator Index	302-2-a 302-2-b 302-2-c	Missing/incomplete information	The method of counting/estimating the energy consumption incurred by upstream and downstream activities is not yet perfect, so the information cannot be accurately disclosed.
302-3 Energy intensity	Key Performance Data			
302-4 Reduction of energy consumption	Energy-Saving Renovation Key Performance Data			
302-5 Reductions in energy requirements of products and services	GRI Indicator Index	302-5-a 302-5-b 302-5-c	Confidentiality restrictions	The disclosure is omitted due to restrictions on confidentiality of commercial information.
<b>GRI 303: Water and Effluents 2018</b>				
3-3 Management of material topics	Water Resources Management and Wastewater Management			
303-1 Interactions with water as a shared resource	Water Resources Management			
303-2 Management of water discharge-related impacts	Wastewater Management			
303-3 Water withdrawal	Key Performance Data			
303-4 Water discharge	Key Performance Data			
303-5 Water consumption	Key Performance Data			

### GRI Indicator Index (continued)

GRI standards and disclosures	Position	Omission / Description		
		Omission required	Cause	Explanation
<b>GRI 305: Emissions 2016</b>				
3-3 Management of material topics	Greenhouse Gas Emission Management Management of Air Pollutant Emissions			
305-1 Direct (Scope 1) GHG emissions	Greenhouse Gas Emission Management Key Performance Data			
305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emission Management Key Performance Data			
305-3 Other indirect (Scope 3) GHG emissions	Greenhouse Gas Emission Management Key Performance Data			
305-4 GHG emissions intensity	Greenhouse Gas Emission Management Key Performance Data			
305-5 GHG emission reduction	Energy-Saving Renovation Key Performance Data			
305-6 Emissions of ozone-depleting substances (ODS)	Management of Air Pollutant Emissions			
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other major gas emissions	Key Performance Data			
<b>GRI 306: Effluents and Waste 2020</b>				
3-3 Management of material topics	Waste Management			
306-1 Waste generation and significant waste-related impacts	Waste Management			
306-2 Management of significant waste-related impacts	Waste Management			
306-3 Waste generated	Waste Management Key Performance Data			

GRI Indicator Index (continued)

GRI standards and disclosures	Position	Omission / Description		
		Omission required	Cause	Explanation
306-4 Waste diverted from disposal	Waste Management Key Performance Data			
306-5 Waste directed to disposal	Waste Management Key Performance Data			
<b>GRI 308: Supplier Environmental Assessment 2016</b>				
3-3 Management of material topics	Supply Chain Environment and Social Responsibility			
308-1 New suppliers that were screened using environmental criteria	Supply Chain Environmental and Social Responsibility Key Performance Data			
308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Environmental and Social Responsibility Key Performance Data			
<b>GRI 401: Employment 2016</b>				
3-3 Management of material topics	Human Rights and Labor Management Employee Benefits			
401-1 New employee hires and employee turnover	GRI Indicator Index of Key Performance Data	401-1-a	Confidentiality restrictions	Due to confidentiality requirements, only data on annual turnover rate of indirect employees was disclosed.
401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	Employee Benefits			
401-3 Parental leave	Employee Benefits GRI Indicator Index of Key Performance Data	401-3-c 401-3-d 401-3-e	Missing/incomplete information	The Company provides parental leave to all employees, and the disclosure of some indicators involving this disclosure item is omitted this year as data management still needs to be improved.

### GRI Indicator Index (continued)

GRI standards and disclosures	Position	Omission / Description		
		Omission required	Cause	Explanation
GRI 402: labor/management relations 2016				
3-3 Management of material topics	Human Rights and Labor Management			
402-1 Minimum notice periods regarding operational changes	Human Rights and Labor Management			
GRI 403: Occupational health and safety 2018				
3-3 Management of material topics	Ensure Employee Safety			
403-1 Occupational health and safety management system	Ensure Employee Safety			
403-2 Hazard identification, risk assessment, and incident investigation	Ensure Employee Safety			
403-3 Occupational health services	Ensure Employee Safety			
403-4 Worker participation, consultation, and communication on occupational health and safety	Value Employee Health			
403-5 Worker training on occupational health and safety	Ensure Employee Safety Key Performance Data			
403-6 Promotion of worker health	Value Employee Health			
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Ensure Employee Safety			
403-8 Workers covered by an occupational health and safety management system	Ensure Employee Safety Key Performance Data			
403-9 Work-related injuries	Ensure Employee Safety Key Performance Data			
403-10 Work-related ill health	Ensure Employee Safety Key Performance Data			

### GRI Indicator Index (continued)

GRI standards and disclosures	Position	Omission / Description		
		Omission required	Cause	Explanation
<b>GRI 404: training and education 2016</b>				
3-3 Management of material topics	Focus on Employee Development Develop Workplace Leadership Performance Assessment			
404-1 Average hours of training per year per employee	Key Performance Data			
404-2 Programs for upgrading employee skills and transition assistance programs	Focus on Employee Development Develop Workplace Leadership Key Performance Data			
404-3 Percentage of employees receiving regular performance and career development reviews	Performance Assessment			
<b>GRI 405 diversity and equal opportunity 2016</b>				
3-3 Management of material topics	Human Rights and Labor Management Compensation level			
405-1 Diversity of governance bodies and employees	Board of Directors and Subcommittees Human Rights and Labor Management Key Performance Data			
405-2 Ratio of basic salary and remuneration of women to men	GRI Indicator Index	405-2-a 405-2-b	Confidentiality restrictions	The Company adheres to the principle of "equal pay for equal work" and is committed to creating an equal and diverse workplace. Due to requirements for confidentiality of information, the disclosure is omitted.

## GRI Indicator Index (continued)

GRI standards and disclosures	Position	Omission / Description		
		Omission required	Cause	Explanation
<b>GRI 406: Non-discrimination 2016</b>				
3-3 Management of material topics	Human Rights and Labor Management			
406-1 Incidents of discrimination and corrective actions taken	Human Rights and Labor Management			
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>				
3-3 Management of material topics	Human Rights and Labor Management			
407-1 Operations and suppliers in which the freedom of association and collective bargaining may be at risk	Human Rights and Labor Management			
<b>GRI 408: Child Labor 2016</b>				
3-3 Management of material topics	Human Rights and Labor Management			
408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights and Labor Management			
<b>GRI 409: forced or compulsory labor 2016</b>				
3-3 Management of material topics	Supply Chain Environment and Social Responsibility			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights and Labor Management			
<b>GRI 413: Local Communities 2016</b>				
3-3 Management of material topics	Community Engagement in Practice			
413-1 Operations with local community engagement, impact assessments, and development programs	Community Engagement in Practice			
413-2 Operations with significant actual and potential negative impacts on local communities	Emission Management Energy Management Water Resources Management			

### GRI Indicator Index (continued)

GRI standards and disclosures	Position	Omission / Description		
		Omission required	Cause	Explanation
413-2 Operations with significant actual and potential negative impacts on local communities (continued)	Circular Economy Work Safety Hazardous Substance Management Management of Hazardous Substance in the Supply Chain Community Engagement in Practice Key Performance Data			
GRI 414: Supplier Social Assessment 2016				
3-3 Management of material topics	Supply Chain Environment and Social Responsibility			
414-1 New suppliers that were screened using social criteria	Supply Chain Environment and Social Responsibility Key Performance Data			
414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Environment and Social Responsibility Key Performance Data			
GRI 416: Customer health and safety 2016				
3-3 Management of material topics	Improving Quality Management			
416-1 Assessment of the health and safety impacts of product and service categories	Improving Quality Management			
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Indicator Index	416-2-a 416-2-b	Confidentiality restrictions	The Company is committed to providing high-quality and non-hazardous products, the disclosure is omitted due to requirements for confidentiality of information.
GRI 418: customer privacy 2016				
3-3 Management of material topics	Information Security and Privacy Protection			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Privacy Protection Key Performance Data			

# Report Evaluation and Comments

Dear reader,

Thank you for reading the 2025 ESG Report released by Shenzhen Grandsun Electronic Co., Ltd. In order to continually improve ESG management, our ability and level of fulfilling social responsibility, we sincerely hope that you can evaluate this report and put forward your valuable opinions to help us keep improving.

You may send your opinions to us by email or phone.

Tel: 0755- 84090133- 8640  
Email: ESG@grandsun.com

## 1 Your evaluation of Grandsun ESG Report:

- Particularly agree with
- Average
- Agree with
- Disagree with

## 2 How do you think of the accuracy and integrity of the information disclosed in this report?

- Particularly agree with
- Average
- Agree with
- Disagree with

## 3 Do you think this report can reflect the significant impact of Grandsun on economy, society, environment and corporate governance?

- Particularly agree with
- Average
- Agree with
- Disagree with

## 4 What topics in the report are of most concern to you?

- Addressing Climate Change
- Occupational health and safety
- Employee Rights Protection
- Green products
- Attracting and Retaining Talents
- Governance responsibility
- Equal and Diverse Workforce
- Business ethics
- Information Security and Privacy Protection
- Dual-carbon action
- Work safety
- Employee training and development
- Supply chain management
- Waste Management
- Energy use
- Water resources management
- Product Quality
- Technological Innovation and R&D

## 5 Your opinion on this report:

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