

*Connecting a Greener  
Future with Agility*



**2025**

**Sustainability (and ESG) Report of**  
Shennan Circuits Co., Ltd.

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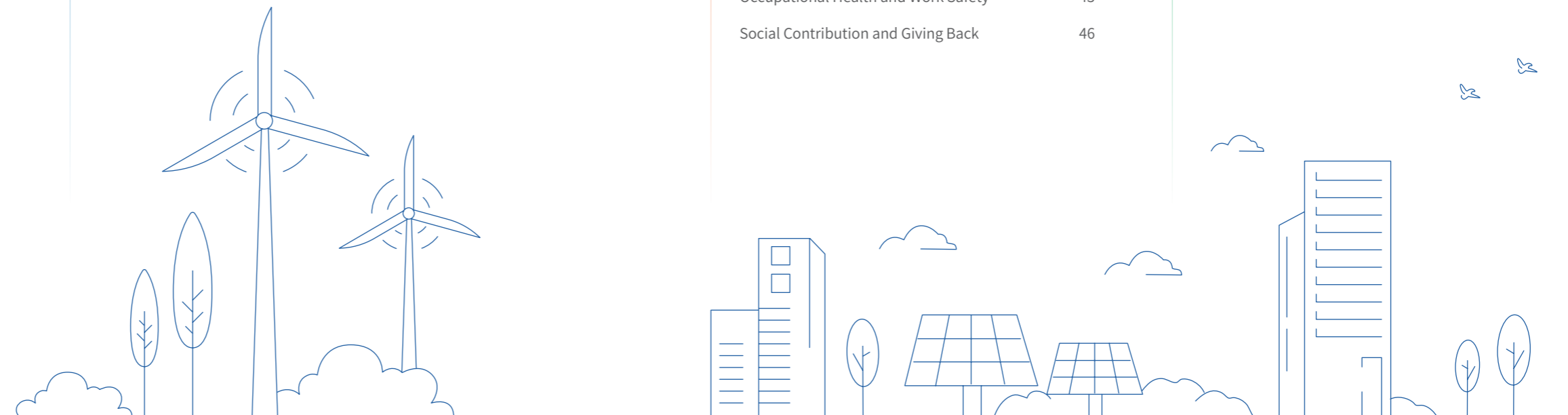
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## Management Team Address

### The Path of Responsibility Is Always Beneath Our Feet

In 2025, the global macroeconomic landscape remained complex, while artificial intelligence (AI) continued to reshape industries at an unprecedented pace. Amid these changes, SCC embarked on its forty-first year of development. Looking back, we are more convinced that while technological leadership lays the foundation for business development, sustainable value creation is the path to lasting success.

During the year, by leveraging our more than four decades of technical heritage and strategic foresight, we successfully seized opportunities arising from the upgrading of AI computing capacity, the intelligent development of automotive electronics, and green and low-carbon transition. In response to higher requirements for green manufacturing, we placed environmental protection at the core of our strategy and actively aligned ourselves with global carbon neutrality goals. The ESG concept has been embedded across our strategy and operations. Beyond technological breakthroughs, we strive for the coordinated advancement of economic, environmental and social benefits. The journey has not been easy, but every step we take is firm and grounded.

Customer Focus guides everything we do at SCC. In 2025, we continued to focus on key fields such as high-speed communications, AI computing centers, and intelligent driving. We also strengthened market development, accelerate the construction of specialized production lines, and optimize product lifecycle management, creating a smart manufacturing system spanning R&D, production, and logistics. The year also marked the smooth commissioning and production launch of our Thailand Base. This is more than an expansion of capacity; it is a testament to SCC's global service capabilities—wherever our customers are, they receive the same standard of service. Sustainable growth has no shortcuts. Only by delivering reliable technical support and high-quality services in a down-to-earth manner can we continue to create greater value for our customers.

Low-carbon transition is not an option—it is an imperative. In 2025, we continued to upgrade our proprietary carbon footprint management system for PCB products and established a new accounting model for SUB

products, ensuring more accurate measurement and effective control of carbon emissions. We constantly advanced energy-saving, emission reduction and recycling efforts. By introducing advanced processes, optimizing the energy mix, and implementing multiple energy-saving retrofits, we achieved a tangible reduction in carbon emissions: emission intensity decreased by 23% and energy consumption per unit of output value dropped by 8% year-on-year. Behind these figures lies the unwavering commitment of every SCC employee to low-carbon transition. We also extended environmental requirements across our supply chain, catalyzing its green transformation while joining industry partners in launching sustainability initiatives. Green development is never a solitary pursuit—we stand ready to collaborate with upstream and downstream partners across the industrial chain to explore and put sustainability into practice together.

Equally encouraging is that we are joined on this path by people who walk alongside SCC and grow together with the Company. In 2025, we welcomed nearly 4,000 new colleagues from China and overseas. Our teams became increasingly localized, and our talent pool became younger and more dynamic. We strive to build a platform that is both warm and trustworthy—a place where every individual can grow and realize their aspirations. As more of us build our careers and life here, the vision of "happy customers and solid employee relationships" is no longer just a distant aspiration—it is a living reality we experience every day.

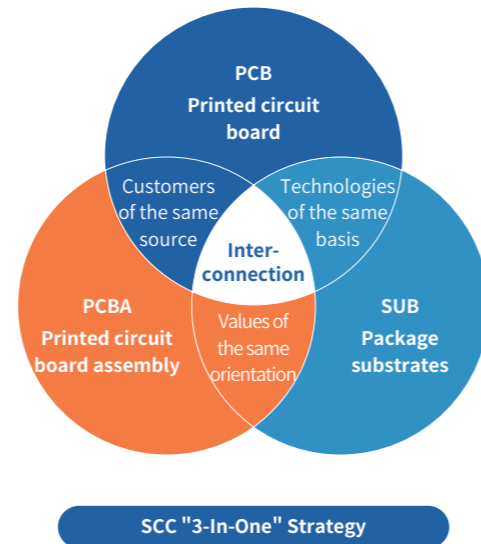
Looking back, every achievement of SCC has been made possible by the trust of our customers and partners, the dedication of our employees, and the support of all sectors of society. Looking ahead, technological transformation will not stop, and green transition remains a long-term and challenging task. Yet our conviction stands firm—behind us is the trust of customers, beside us is the support of our people, and before us is a future worth every effort.

The path of responsibility is always beneath our feet. We are willing to join hands with global partners to serve as steadfast advocates of technological innovation and committed co-builders of a greener future—shaping a new paradigm of smarter, lower-carbon, and more sustainable development.

# About SCC

## Company Profile

SCC has long been dedicated to electronic interconnection. Guided by a customer-oriented philosophy and a commitment to technological leadership, we strive to become a world-class provider of integrated electronic circuit technologies and solutions. Headquartered in Shenzhen, Guangdong Province, China, the Company currently operates three core business: printed circuit board (PCB), package substrate (SUB), and printed circuit board assembly (PCBA). Our production facilities are strategically located in Shenzhen, Wuxi, Nantong, Guangzhou in China, as well as in Ayutthaya, Thailand. Our products are widely used in communications, data centers, automotive, industrial control, and medical industries, and automotive electronics. We have established long-term, stable strategic partnerships with world-leading manufacturers of communications, medical, and other equipment. SCC is a leader in China's electronic circuit industry, a pioneer in China's SUB sector, and a specialized provider of PCBA solutions.



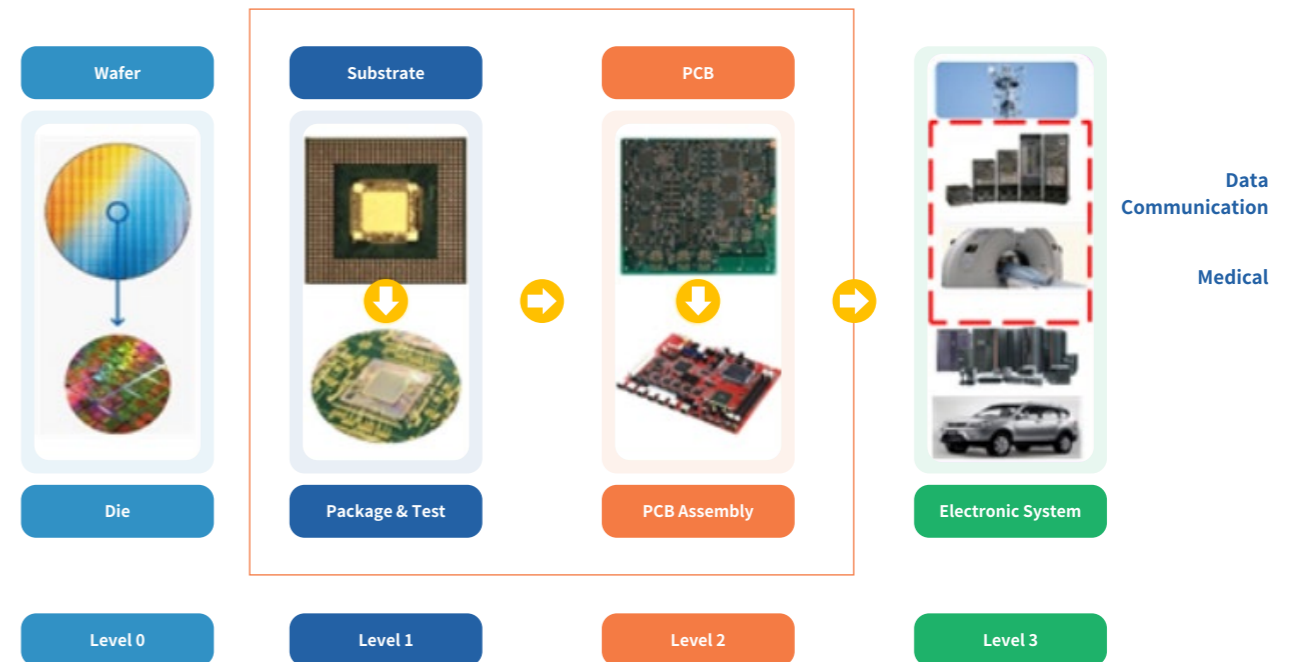
## Business Portfolio

With interconnection at its core, SCC has cultivated a unique "3-In-One" business architecture. While reinforcing our leadership in PCB, we also aggressively expand our IC substrate business—which shares technologies of the same basis—and our electronic assembly business—which shares customers of the same source.

Our business spans Level 1 to Level 3 segments of the packaging industry chain, with comprehensive manufacturing capabilities covering prototyping, small- and medium-batch production, and mass production. By offering full value-chain services—including solution design, manufacturing, PCBA, micro-assembly, and testing—we deliver professional and efficient one-stop "product + service" solutions to our customers.

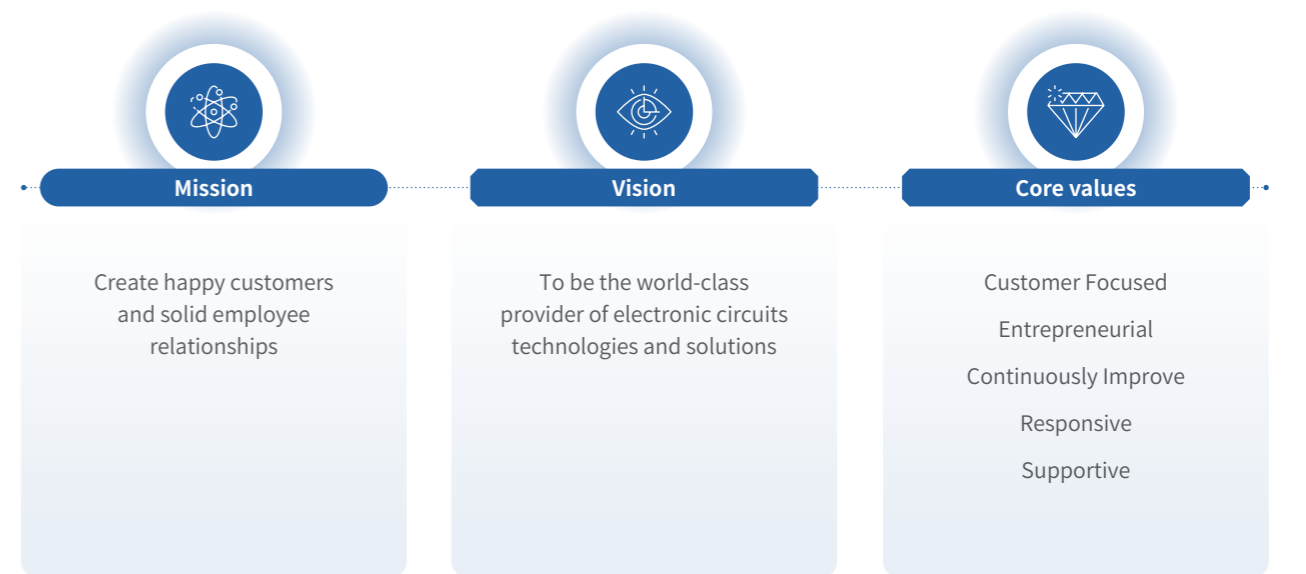


Positions of SUB, PCBs, and PCBA (including electronic system assembly) within the industry value chain



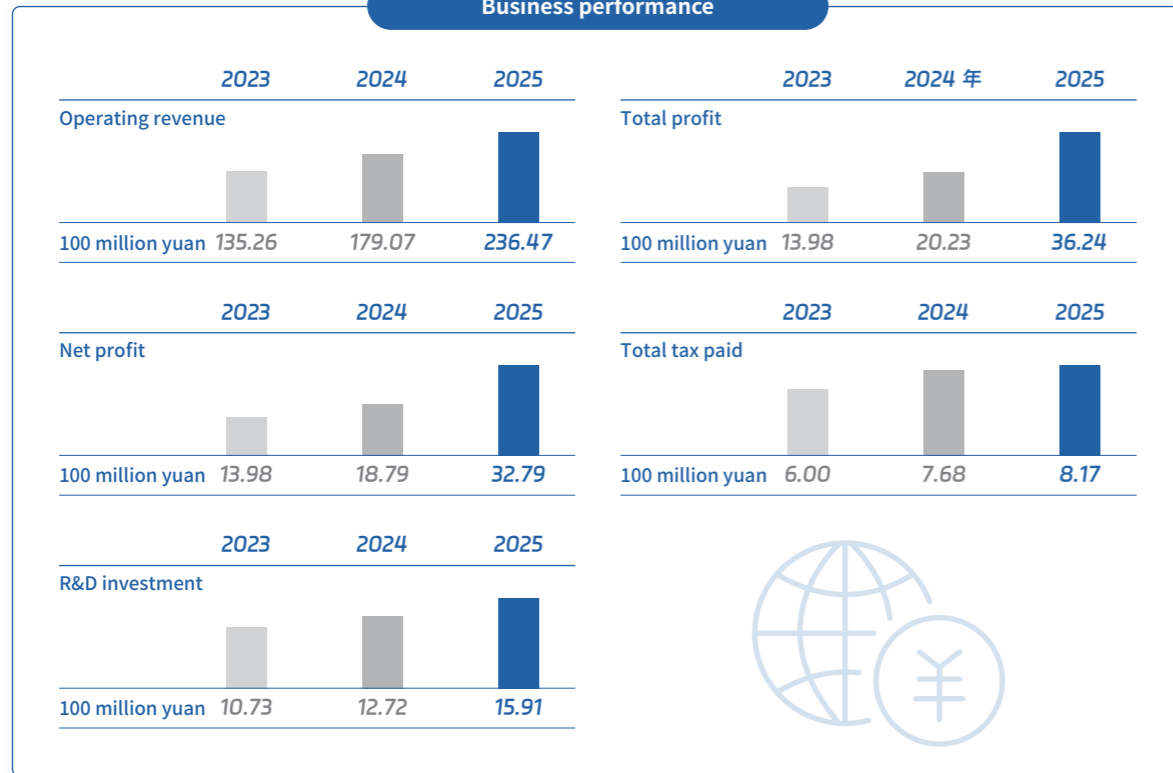
## Corporate Culture

Corporate Social Responsibility (CSR) represents an integral part of bringing SCC's cultural values to life. Guided by our mission to create "happy customers and solid employee relationships", SCC is committed to building a warm and trustworthy platform for growth and value creation. SCC fosters a symbiotic ecosystem where our technology connects customers, employees, partners, environment, and community to create and share sustainable value.

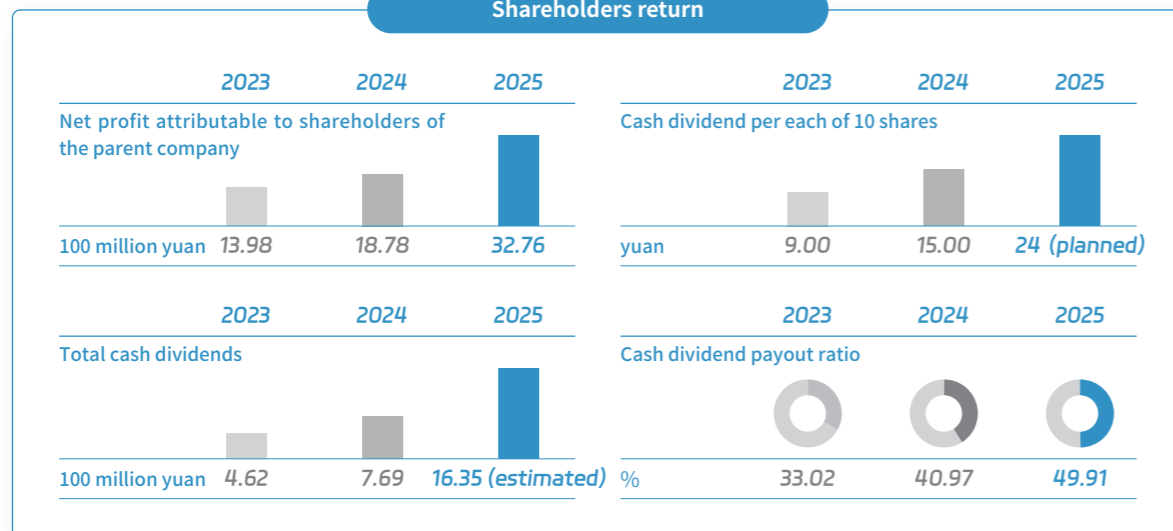


## Sustainable Development Performance

### Business performance

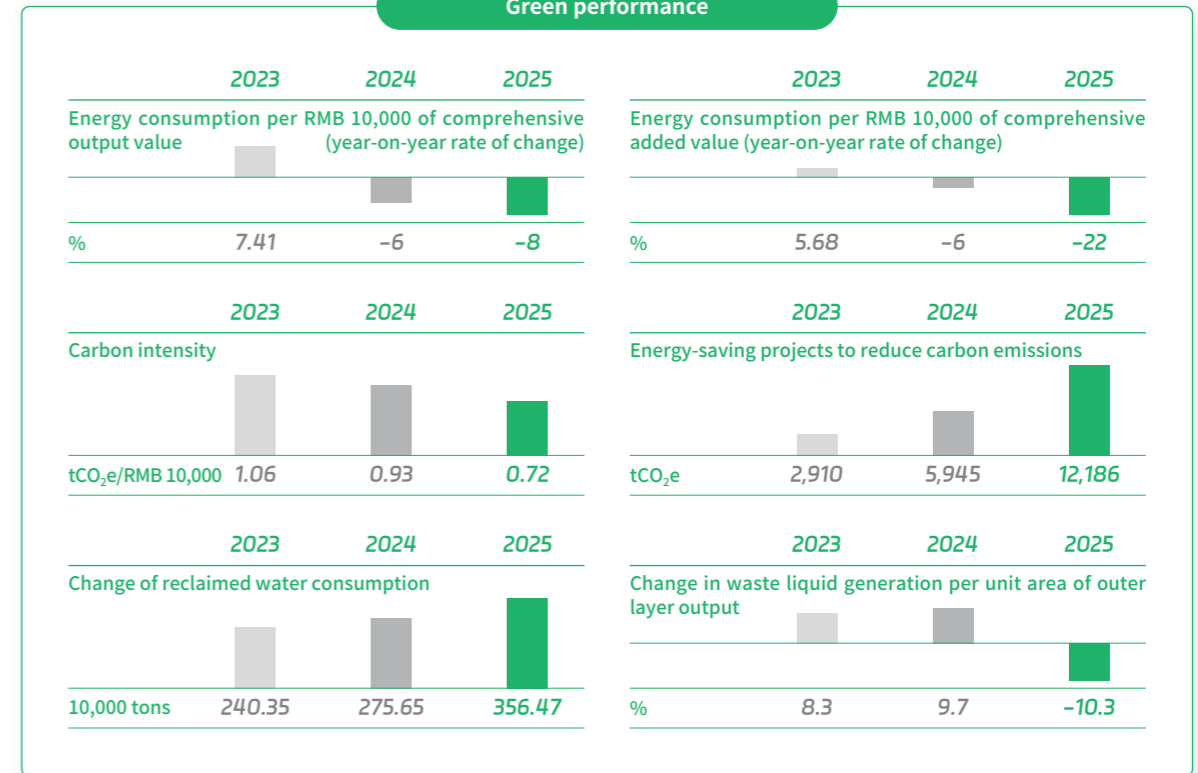


### Shareholders return

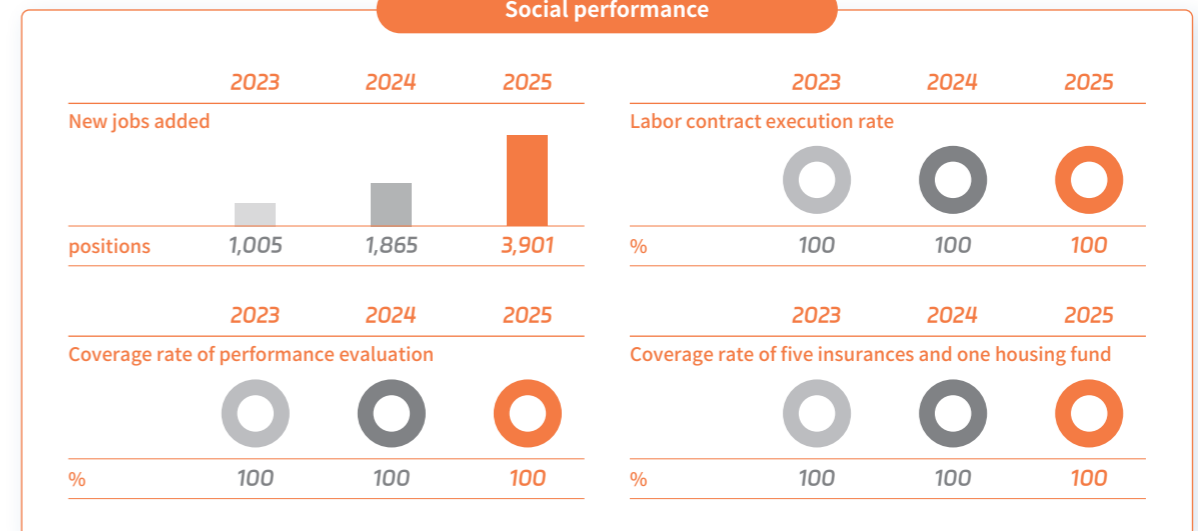


Note: \*The carbon intensity for 2025 is an estimated value as the final government data has not been released.

### Green performance



### Social performance



# ESG Management

## Sustainable Development Goals (SDGs)

Guided by its mission and vision, SCC is persistently committed to fulfilling its global social responsibilities. In alignment with the Company's business strategy, ESG-related requirements, and the 17 United Nations Sustainable Development Goals (SDGs), we have developed a social responsibility action plan centered on "providing a sustainable connectivity foundation for the Internet of Everything". We aim to contribute to the harmonious development of business, society, and the environment.

## Journey to Sustainability

In 2007, SCC actively began exploring and practicing Corporate Social Responsibility (CSR), establishing a CSR philosophy centered on "Harmony, Innovation, and Growth", which was fully integrated into our corporate sustainability strategy to systematically advance CSR initiatives across all operations.

In 2008, SCC released its first CSR report, becoming one of the first companies in the industry to do so, and has continued to publish CSR or sustainability reports annually for 19 consecutive years.

In July 2016, SCC formally set up a Social Responsibility Committee; upgraded its ISO 14001 and ISO 45001-based environment, health, and safety (EHS) management system to a comprehensive CSR management system, integrating SA8000 and RBA (formerly EICC) standards concerning labor, business ethics, and supply chain management; and articulated a CSR policy of "taking the lead in practice, acting responsibly, and creating happy customers and solid employee relationships", further expanding the scope and depth of SCC's CSR management practices.

In 2025, in response to evolving domestic and international sustainability policies, corporate sustainability needs, stakeholder feedback, and the Company's actual development, SCC further deepened the integration of sustainability into the daily operations of business units and functional departments, expanding the scope of sustainability management. On the one hand, we continued exploring new pathways for low-carbon development around the Company's "2025 carbon emissions targets". On the other hand, as our global business footprint continued to expand, we incorporated community sustainability as a new topic within our CSR initiatives.

## ESG Governance Structure

SCC has established a CSR Committee to ensure that CSR initiatives are integrated throughout the Company's production, operational and management processes. The CSR Committee is chaired by the Company's General Manager and operates through a mature model led by senior management and supported by coordination across multiple business units and departments. This provides a strong institutional foundation for systematically advancing CSR and supporting corporate sustainability.

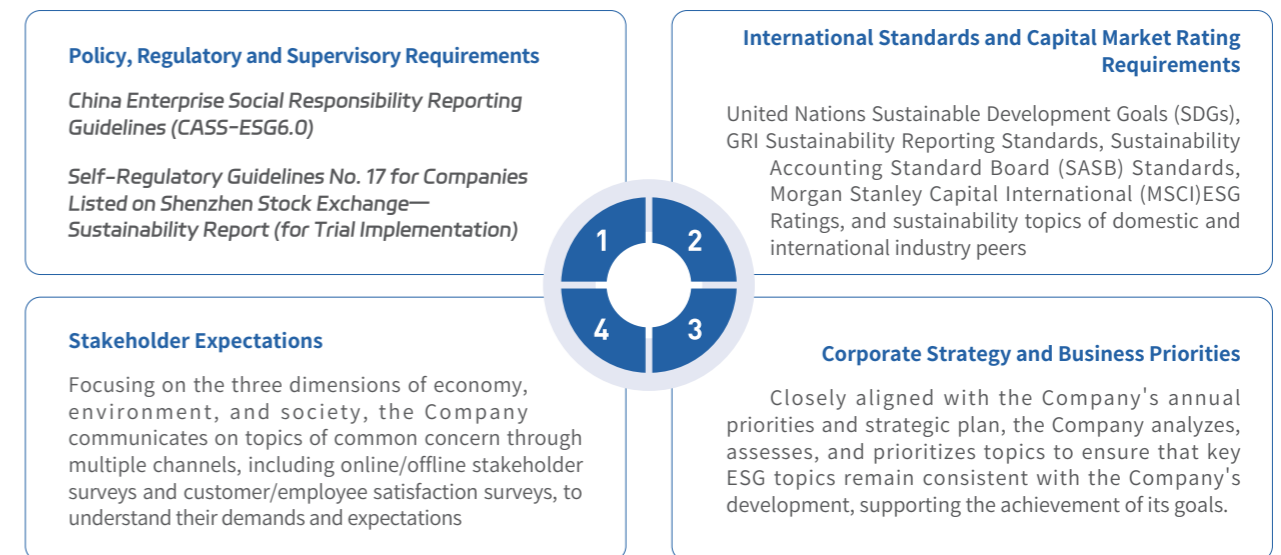


# Identification and Analysis of Material Topics

In accordance with the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, hereinafter referred to as the *Guidelines*, and other applicable standards, SCC systematically identifies, screens, analyzes and evaluates material topics from the two dimensions of impact materiality and financial materiality by following standard procedures and provides focused responses in this report.

### Step 1: Understanding the context of corporate activities and business relationships

SCC systematically analyzes and evaluates the Company's development strategy and implementation, financial reporting, business activities, the geographic locations where its products and services are delivered, and the upstream and downstream segments of its value chain. It also seeks to understand the expectations and concerns of stakeholders—including shareholders, customers, employees, and others—regarding sustainability; analyzes sustainability-related laws and regulatory policies; benchmarks against industry best practices, studies industry trends and emerging sustainability topics, and identifies key sustainability topics of concern to both the Company and its stakeholders.



### Step 2: Developing the topics list

Based on the 21 ESG topics outlined in the *Guidelines*, SCC developed a list of 27 key ESG topics by taking into consideration the Company's development, industry characteristics, leading industry practices, ESG rating agency requirements and other dimensions.

Environment	Social	Governance
<ul style="list-style-type: none"> <li>Environmental compliance management</li> <li>Addressing climate change</li> <li>Spearheading pollution prevention and control</li> <li>Energy utilization</li> <li>Utilization of water resources</li> <li>Pollutant emission</li> <li>Circular economy</li> <li>Waste management</li> <li>Green products</li> <li>Ecosystems and biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Product and service safety and quality</li> <li>Customer satisfaction management</li> <li>Innovation-driven Innovation-Driven development</li> <li>Digital empowerment</li> <li>Supply chain security</li> <li>Equal treatment of small and medium-sized enterprises</li> <li>Protecting the legitimate rights and interests of employees</li> <li>Employee training and development</li> <li>Occupational health and safety</li> <li>Social contribution</li> <li>Rural revitalization</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Anti-Bribery and Anti-Corruption</li> <li>Anti-competitive behavior</li> <li>Stakeholder communication</li> <li>Digital security and privacy protection</li> <li>Business continuity</li> </ul>

Step 3: Assessing and confirming topic materiality

Following a double-materiality principle, SCC assesses and evaluates the impacts, risks, and opportunities associated with key ESG topics using qualitative or quantitative approaches. Topic priorities are determined through workshops for middle and senior management, expert consultations, peer benchmarking, and stakeholder engagement, and are ultimately confirmed at meetings of the CSR Committee and the Board of Directors.

Stakeholder Engagement			
Relevant parties	Main responsibilities	Topics of concern	Communication channels
Shareholders and investors	Operating with integrity and compliance, we optimize strategies, allocate resources efficiently, reduce costs, enhance efficiency, and continuously improve profitability.	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Anti-bribery and anti-corruption</li> <li>Innovation-driven development</li> <li>Supply chain security</li> <li>Addressing climate change</li> </ul>	<ul style="list-style-type: none"> <li>General meetings</li> <li>Performance briefings</li> <li>Information disclosure</li> <li>Investor engagement activities</li> <li>Investor hotline/email/interaction</li> </ul>
Customers	We focus on customers, continuously improve technology and quality, create lasting value for customers, and enhance customer satisfaction.	<ul style="list-style-type: none"> <li>Product and service safety and quality</li> <li>Innovation-driven development</li> <li>Supply chain security</li> <li>Digital and intelligent empowerment</li> <li>Data security and privacy protection</li> <li>Anti-bribery and anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Customer engagement activities</li> <li>Customer research and review</li> <li>Data and privacy protection</li> <li>Customer satisfaction surveys</li> <li>Product quality report</li> <li>ESG information disclosure</li> </ul>
Employees	Putting people first, we respect and care for employees, create a positive workplace atmosphere, and provide a platform for employees to realize their personal value. We also provide strong guarantees for work safety and occupational health, strive to provide a high-quality living environment, and continuously improve employee satisfaction.	<ul style="list-style-type: none"> <li>Protecting the legitimate rights and interests of employees</li> <li>Employee training and development</li> <li>Occupational health and safety</li> <li>Data security and privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>Employee activities</li> <li>Employee training</li> <li>Feedback emails and hotlines</li> <li>Employee communications meetings</li> <li>Employee communication meetings</li> <li>Trade union complaints and consultations channels</li> <li>Online/Offline surveys and interviews</li> </ul>
Partners	Adhere to the concepts of cooperation, win-win and co-development.	<ul style="list-style-type: none"> <li>Supply chain security</li> <li>Innovation-driven development</li> <li>Product and service safety and quality</li> <li>Digital and intelligent empowerment</li> <li>Anti-bribery and anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Industrial collaboration</li> <li>Supplier CSR reviews and improvement assistance</li> <li>Routine procurement communications</li> <li>Training</li> <li>Supplier conferences</li> <li>Joint action on carbon emissions</li> </ul>
Government	We operate in compliance with laws and regulations, pay taxes as required by law, create jobs, promote regional economic development, and reduce the impact of enterprise development on society and the natural environment.	<ul style="list-style-type: none"> <li>Digital and intelligent empowerment</li> <li>Innovation-driven development</li> <li>Product and service safety and quality</li> <li>Job creation</li> <li>Circular economy</li> <li>Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Research and site visits</li> <li>Information disclosure</li> <li>Official correspondence</li> <li>Policy communication/implementation</li> <li>Dialogs and discussions</li> </ul>
Industry organizations	We actively promote communication and collaboration within the industry by participating in the formulation, release and review of industry standards and by engaging in intellectual property (IP) protection, thereby contributing to the development of an industry ecosystem.	<ul style="list-style-type: none"> <li>Innovation-driven development</li> <li>Corporate governance</li> <li>Digital and intelligent empowerment</li> <li>Product and service safety and quality</li> <li>Environmental compliance management</li> <li>Addressing climate change</li> </ul>	<ul style="list-style-type: none"> <li>Industry exchange activities</li> <li>Participate in formulation of industrial standards</li> <li>Industry surveys</li> <li>Project cooperation</li> <li>Industry training</li> </ul>
Community	We actively participate in and support the development of community cultural and educational undertakings, and promote the harmonious development of local communities and society.	<ul style="list-style-type: none"> <li>Social contribution</li> <li>Rural revitalization</li> <li>Environmental compliance management</li> <li>Waste management</li> <li>Pollutant emission</li> </ul>	<ul style="list-style-type: none"> <li>Community programs</li> <li>Volunteer activities</li> <li>Co-organized activities</li> </ul>

Step 4: Reporting on topics

Based on the integrated results of the impact materiality and financial materiality assessments, SCC developed the 2025 double materiality assessment results for sustainability topics. For topics identified as having financial materiality, including "Technological Innovation", "Addressing Climate Change", and "Spearheading Pollution Prevention and Control", SCC analyzes and discloses relevant information in accordance with the requirements across four core dimensions: governance, strategy, management of impacts, risks and opportunities, and metrics and targets.



Note: The topics disclosed in this report correspond to the 21 ESG topics specified in the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, with additional topics incorporated based on the Company's actual development. Considering the current stage of the Company's ESG practices, this report does not cover two topics—Technology Ethics (Topic 12) and Due Diligence (Topic 18)—while the remaining 19 topics have all been disclosed.

## Governance

# Building a Solid Compliance Foundation Through Diligent Action

# 01

SCC consistently regards sound corporate governance, compliant operations, business ethics, green supply chain development, and the protection of investors' rights and interests as the core pillars of sustainability. Guided by the requirements of high-quality development, we operate within a multidimensional governance framework built on robust risk management and internal control systems, supported by anti-corruption and integrity-building efforts and fair competition principles, and reinforced by global responsibility practices and information security safeguards. This allows us to translate governance effectiveness into market competitiveness, as we remain committed to setting a new benchmark for governance in the electronics manufacturing industry, and laying a solid foundation for the Company's sustainable high-quality development.

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## Standardized Governance

### Optimizing the Governance System and Improving the Governance Structure

#### Adapting to regulatory updates and consolidating the institutional foundation

Following the implementation of the newly revised *Company Law*, a succession of updated rules and guidelines for listed companies were introduced by the China Securities Regulatory Commission (CSRC) and SZSE, imposing new requirements on listed companies. SCC promptly adapted its governance framework to regulatory updates. We organized dedicated training sessions and reviewed existing policies in light of the Company's actual conditions and governance needs. Upon the release of the new SZSE rules, we revised or formulated 22 governance documents, including the *Articles of Association and the Rules of Procedure for General Meetings*, ensuring full alignment with regulatory requirements. Simultaneously, SCC advanced governance reforms by integrating the functions of the former Board of Supervisors into the Audit Committee and setting up an employee director position, ensuring better compliance with the new regulations.

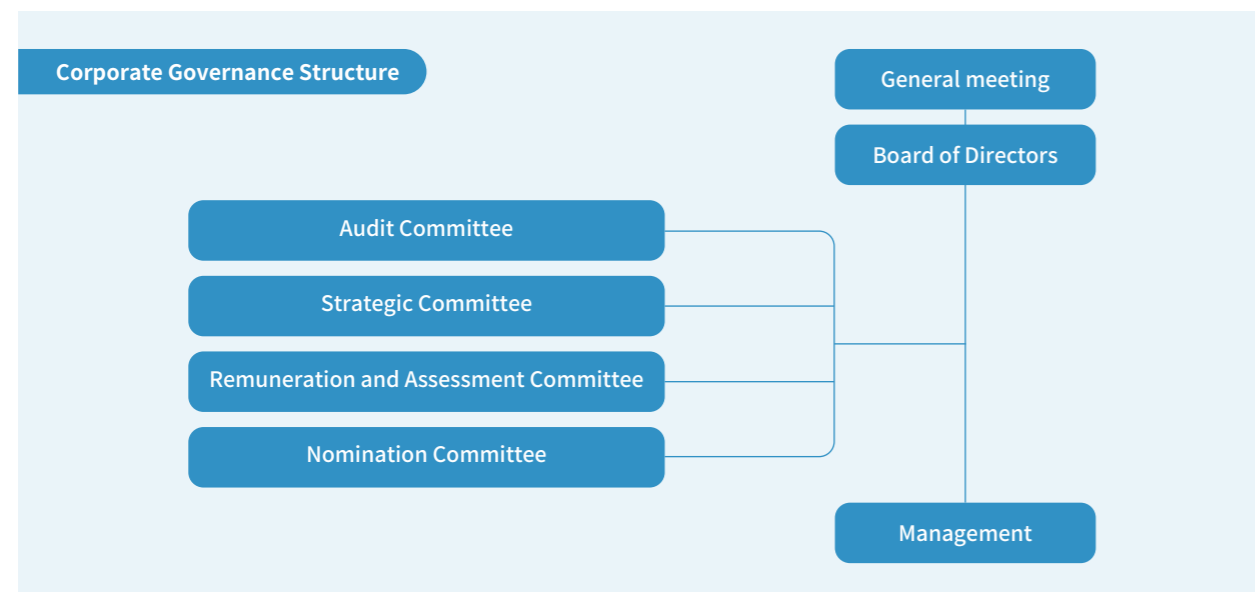
#### Strengthening market value management and market engagement

In March 2025, in light of regulatory requirements and industry practices, SCC formulated the *Market Value Management Policy*, which was approved by the Board of Directors. The policy integrates market value management with business development and information disclosure. It also specifies standardized procedures for monitoring, analyzing, and responding to changes in market value, providing a structured framework for the Company's market value management practices.

#### Standardizing board operations and ensuring sound decision-making

The SCC Board of Directors comprises 9 directors, including 3 independent directors. The Chairman, Yang Zhicheng, oversees the implementation of board resolutions. In 2025, SCC convened 2 general meetings to address periodic reports and related-party transactions, and 7 Board meetings to review topics concerning periodic reports, related-party transactions, and equity incentive plans.

Four specialized committees operate under the Board: Audit, Nomination, Remuneration and Assessment, and Strategy. These committees play an important role in overseeing corporate decision-making, compliance management, risk control, shareholder return, and social responsibility. They provide informed, professional recommendations to the Board and help safeguard the legitimate interests of both the Company and all shareholders.



## Standardizing Information Disclosure and Protecting the Interests of Investors

2025

- The Company received an A-rating for information disclosure from the SZSE for **6** consecutive years
- Distributed a total cash dividend of RMB **769** million to all shareholders, an increase of RMB **308** million, or **66.67%**, compared to the previous year.
- Over the past three years, the Company has distributed cash dividends of RMB **1.744** billion, equivalent to **106.43%** of the average annual net profit over the same period.

#### Standardizing information disclosure

SCC attaches great importance to information disclosure, continuously optimizing the presentation format, standardizing the operating procedure, and improving the quality of disclosure. To improve readability, SCC presents key contents of periodic reports to investors in the form of "Illustrated Guide to the Annual Report". We also adopt an Information Disclosure Dashboard and a *Securities Affairs Operation Manual* to standardize execution procedures and identify milestones and regulatory requirements concerning periodic reporting, Board meetings, general meetings, material transactions, and share changes, further upgrading the quality of information disclosure.

#### Safeguarding investor interests

SCC protects shareholders' rights and interests through proactive communication to enhance trust and stable returns as assurance. We implement diversified engagement mechanisms to safeguard shareholders' rights to information, participation, and returns.

**Shareholder Communication:** SCC operates a three-dimensional investor communication framework consisting of investor surveys, online interaction platforms, and earnings briefings. In 2025, through investor surveys and participation in strategy conferences, SCC communicated its business developments and value propositions to the market, receiving more than 1,400 investor visits. The "Interactive Easy" platform served as the primary online communication channel, enabling regular engagement with investors. A total of 69 inquiries were addressed during the year, achieving a 100% response rate. At the time of disclosing the 2024 Annual Report, the Company also announced an earnings briefing, during which the Chairman, General Manager, Independent Directors, Board Secretary, and Chief Accountant responded to investor questions on operational and financial performance, fully safeguarding shareholders' rights to information and participation.

**Shareholder Return:** SCC meets investors' needs for returns through stable cash returns. In 2025, the Company adopted a "cash dividends + conversion of capital reserve into share capital" profit distribution plan, distributing a cash dividend of RMB 15.00 (tax included) and converting capital reserve into 3 additional shares for every 10 shares held, further increasing investor confidence.

2025

Over **1,400** investor visits received

Using the "Interactive Easy" platform as primary online communication channel to ensure regular exchanges, with a total of **69** inquiries addressed

Response rate: **100%**



## Compliance Management

To SCC, compliance is the lifeline of sustainability. Around the objectives of "strengthening internal control, preventing risks, promoting compliance, and safeguarding development", the Company has established a comprehensive compliance management framework covering risk prevention, legal compliance, audit oversight, and internal control. This effectively mitigates operational risks, securing steady, long-term progress.

2025

- **Zero** incidence of major risk incidents
- Total annual taxes paid in accordance with the law: RMB **817** million
- Class A taxpayer for **13** consecutive years

## Strengthening Risk Identification and Enhancing Risk Control

SCC has established and continuously optimized a risk identification and assessment mechanism, quantifying risks with a "likelihood × impact" matrix based on strategic objectives and risk appetite. The Audit and Legal Department leads risk assessments across different organizational levels, while business units formulate and implement risk response strategies. Major risk matters are subject to strict approval procedures outlined in the authority and responsibility list.

In 2025, SCC focused on three major risk areas, clarifying control objectives and assigning responsibilities at all levels. Targeted response measures were developed and incorporated into a risk prevention and control accountability register. We strengthened the quarterly risk monitoring and early-warning mechanism, established company-level risk indicators and thresholds, and introduced a red-yellow-green traffic-light classification system to better visualize major operational risk alerts. We continuously followed up on and managed major risks, prepared quarterly follow-up reports and submitted them to the management and related responsible parties, forming a closed-loop management process.

For overseas operations, we systematically reviewed the regulatory requirements in 11 key regulatory areas related to our Thailand Base and established a regulatory knowledge base covering 156 laws and regulations, effectively supporting cross-border compliance and risk prevention.



## Improving the Internal Control System through Dynamic Closed-loop Management

SCC strictly abides by the *Basic Specifications for Corporate Internal Control* and its supporting guidelines, incorporating the principles of comprehensiveness, materiality, checks and balances, adaptability, and cost-effectiveness across all internal control development initiatives.

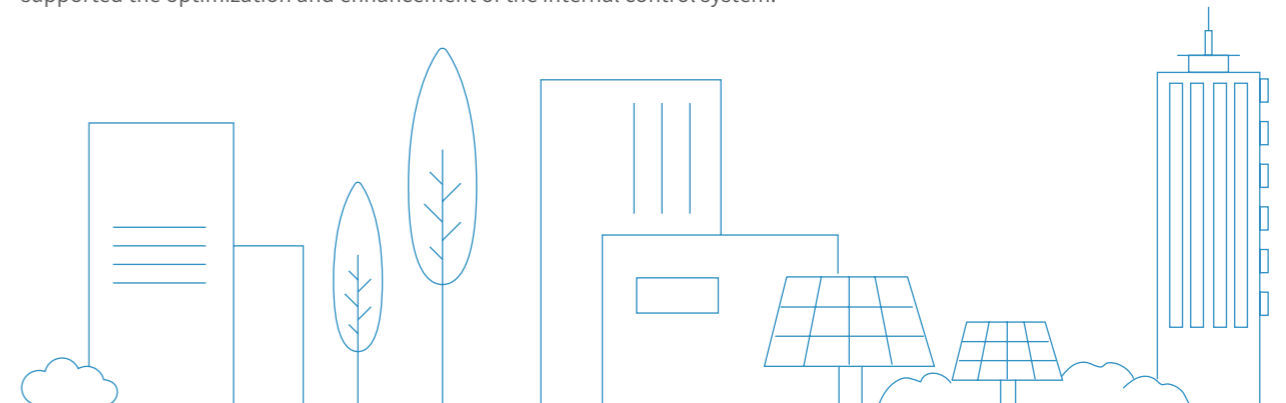
Annual internal control effectiveness evaluations are conducted to identify deficiencies and potential risks around internal environment, risk assessment, control effort, information and communication, and internal supervision to identify internal control defects and potential risks. Annual evaluation reports are prepared and disclosed after Board review. A dynamic, closed-loop "Supervise - Evaluation - Improvement" mechanism is operated to continuously refine internal control policies and processes and regulate business activities. A series of risk control measures—including segregation of incompatible duties, authority and approval, asset protection, budgeting, and performance assessment—are implemented to contain risks within acceptable limits.

## Improving Compliance Management Capabilities with a Focus on Key Tasks

In response to an increasingly complex regulatory context, SCC enhances compliance management capabilities across three key areas—policy interpretation, comprehensive risk screening, and specialized compliance mechanisms. We actively advance the development of an overseas compliance management system, having formulated a *Compliance Management System*, which outlines organizational structure, responsibilities, operational mechanisms, and safeguards. We provide institutional support for systematic, standardized compliance management. We organized the compilations of 11 compliance obligation checklists across business units, covering corporate governance, employment, data protection, and anti-corruption. These checklists clearly define regulatory requirements and responsible positions, embedding key compliance controls into business processes and institutional design, and translating regulatory requirements into internal operational standards to ensure effective implementation.

## Strengthening Audit Oversight and Continuously Optimizing the Internal Control System

An Audit Committee under the SCC Board of Directors operates under detailed working rules that clearly define its authority and decision-making procedures, and meets regularly to review relevant matters. Under the Audit Committee, an Audit and Legal Department functions as the dedicated internal audit body, responsible for internal audit activities across the Company and its subsidiaries. The Company's Management receives audit reports regularly and attends audit-related meetings, providing guidance on key audit matters, overseeing the progress of corrective actions, and reviewing the results of corrective actions. In 2025, internal audits covered key operational areas—procurement, asset management, engineering projects, investments, and overseas subsidiaries. Concurrent execution of management audits, special audits, and economic responsibility audits supported the optimization and enhancement of the internal control system.



## Anti-Bribery and Anti-Corruption

### Upholding Business Ethics

SCC keeps refining its anti-corruption and anti-bribery management system, has formulated and strictly implements **the Code of Business Ethics of Shennan Circuits Co., Ltd.** and remains committed to lawful and compliant operations worldwide while adhering to the highest standards of business ethics. In 2025, no major litigation or administrative penalty incidents arising from unfair competition occurred.

#### For Employees



Online compliance training is provided to all employees. Employees are required to uphold the principles of fair competition, exercise professional judgment in identifying and avoiding conflicts of interest when performing their duties, and maintain "zero tolerance" for any form of bribery and corruption.

#### For Business Partners



To mitigate business risks at the source, we regularly communicate our philosophy of integrity-based cooperation to partners, sign integrity agreements with them, and set up independent and strictly confidential multi-channel reporting platforms (including hotlines and dedicated email addresses), encouraging both internal and external stakeholders to report misconduct.

#### For Suppliers



We include "integrity-based operations and fair competition" as mandatory criteria for supplier qualification and incorporate business ethics as a veto indicator in our annual supplier evaluations. Partners found to have engaged in unfair competition are immediately removed from the list of qualified suppliers.

### Deepening Integrity Culture Development

SCC distills and extensively promotes integrity concepts—such as "Advance with Integrity on the SCC Path", "Integrity First, Together Clean, Winning the Future with SCC". Through integrity-themed promotional videos and creative work solicitations, we ensure the concepts are perceptible, actionable, and deeply embedded in the minds of our people.

The Company maintains a regular, targeted, and effective integrity education program. Managers at all levels organize quarterly integrity awareness sessions within their teams, achieving 100% departmental coverage. During the reporting period, 28 targeted training sessions were conducted based on the authority profiles of different positions. Integrity reminders are routinely issued ahead of key festive seasons. Through integrity posts to employees and integrity statements to partners, we continuously reinforce the awareness of ethical conduct among both employees and partners. During the year, three rounds of comprehensive integrity reminders were conducted, effectively fortifying the integrity defense line of the Company and its partners.

## Equal Treatment of Small and Medium-Sized Enterprises

With a firm commitment to "Fair Competition, Shared Growth, and Mutual Success", SCC has elevated the equitable treatment of all business partners, including Small and Medium-sized Enterprises (SMEs), to a core priority of its corporate governance and strategy. In strict accordance with applicable laws and regulations, including the **Law of the People's Republic of China on the Promotion of Small and Medium-sized Enterprises** and the Regulation on Ensuring Payments to Small and Medium-sized Enterprises, SCC has formulated and implemented a robust suite of internal policies—such as the **Supplier Code of Conduct**, **Procurement Management Measures**, and the **Employee Code of Business Conduct**—are implemented to foster a fair, transparent, and healthy business environment, and resolutely prevent any form of unfair competition.

### Data Security and Customer Privacy Protection

SCC continuously advances technological innovation and management transformation by optimizing its cybersecurity strategies and technical frameworks to strengthen data loss prevention capabilities and elevate overall network protection. We consistently enhance the proactive defense and continuous evolution capabilities of our information security team to provide customers with more reliable data and network security protection, supporting their pursuit of a secure, robust digital transformation. In 2025, zero customer privacy data leakage incidents occurred, demonstrating steady operation of our information security management and protection system.

#### Customer Privacy Protection

Placing customer privacy protection at the core of its information security management, SCC continues to strengthen its institutional framework and operational mechanisms, incorporating customer privacy data into the management of core information assets, and implementing key identification and hierarchical desensitization control. Through reinforced technical defense and procedural compliance efforts, we ensure full customer data protection.

**Information Asset Management:** We performed a comprehensive inventory review of information asset inventories across all departments, involving the General Manager and departmental directors. The review covered 2,435 information assets, of which 317 were identified as core information assets. Simultaneously, we refined our lifecycle information security mechanism, successfully aligning hierarchical control with process efficiency. Two rounds of special inspections were conducted across all core asset departments, identifying and correcting 368 issues, effectively fortifying the Company's management foundation.

**Information Security in New Operations:** Security requirements are front-loaded into new facility developments. Lifecycle protection is implemented across assets, personnel, suppliers, endpoints, and networks, ensuring that information asset protection progresses in parallel with project construction. Leveraging our ISO/IEC 27001 certification and its implementation across all operating sites, a replicable, standardized management framework is established, further bolstering compliance and risk management capabilities.

#### Cybersecurity Defenses

We continuously refine our cybersecurity defense system across technology, management, and people, forging a closed-loop management mechanism encompassing prevention, detection, response, and recovery. In terms of management, security vulnerability and risk remediation processes have been established to ensure closed-loop management; in terms of technology, a stronger defense architecture is built through regular vulnerability scanning and penetration testing to identify and remediate system weaknesses; in terms of personnel, tiered training programs are organized to enhance security awareness across the entire workforce and the technical skills of cybersecurity professionals.

#### Employee Privacy Management

SCC places a high priority on employee privacy protection, establishing and implementing strict privacy management policies and systems that cover all stages of human resources management to ensure the security and confidentiality of employees' personal information.

At onboarding, employees are explicitly informed of the purposes for which their personal information is collected, used, stored, and transmitted, and their consent is obtained. Relevant provisions are explicitly included in labor contracts. In daily operations, robust access control mechanisms are established to strictly limit the transmission and sharing of information involving personal privacy. Regular information security training and inspections are conducted, effectively mitigating the risk of employee personal privacy leakage.

# Advancing New Quality Development Through Collaboration

# 02

The sustainable high-quality development of an enterprise is deeply rooted in harmonious and win-win social relationships. SCC remains committed to inter-connection and symbiosis, co-creation and sharing, as we continue to forge ahead hand-in-hand with all stakeholders. SCC remains customer-focused and upholds its commitment to "Quality First" to strengthen the foundation of trust. The Company drives development through innovation and integrates responsibility into its products and services, creating long-term value for stakeholders. It actively participates in the formulation of national and industry standards to promote industrial collaboration and shared development. SCC also continues to improve its supply chain system, practices green and transparent procurement, and works with partners to build an honest, efficient and mutually beneficial supply chain ecosystem. With a people-oriented approach, the Company places strong emphasis on occupational health, broadens career development pathways, and implements caring initiatives to create a safe, healthy, positive and open workplace. At the same time, SCC actively gives back to society and participates in public welfare initiatives, creating value for stakeholders while contributing to the common progress and new quality development of both the Company and society.

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## Customer Orientation and Quality Assurance

Guided by a Customer Focus approach, SCC continues to advance digital empowerment across its operations, forging a more agile and efficient quality management and customer service framework that enables full-process quality control and response to customer needs. We continuously strengthen our internal quality culture, consistently elevating our system management capabilities and customer satisfaction to achieve mutual growth in value for both ourselves and our customers.

## Digitalization and Intelligent Upgrading for Quality Management

SCC prioritizes the digitalization and intelligent upgrading of its quality management system. Through end-to-end quality data collection, analysis, and technology empowerment, we build a data-driven quality management model and an efficient, process-oriented organizational management framework. This enables our IT infrastructure to provide comprehensive support for core quality management processes, driving continuous optimization across operational efficiency, quality stability, and cost control. AI is also progressively integrated to shift quality management toward intelligent precision prediction and real-time intervention.

### Deepening digitalization

- By collecting quality data across the entire product manufacturing process and analyzing it with advanced data analysis technologies, we build a data-driven, full-process quality management model. This drives the digital, networked, and intelligent upgrading of core stages—including quality planning, control, assurance, and improvement, enabling full IT coverage and support for all primary quality management processes.
- Based on digital process management and featuring complex business, lean organization, and human-machine collaboration, SCC has created a centralized, cross-regional process management framework spanning multiple geographies, plants, and functions by using digital tools to precisely identify problems. This innovation resulted in a **40%** reduction in quality response time, an increase in the quality issue closure rate to **98%**, and a **20%** reduction in organizational management energy consumption, effectively advancing the development of a process-oriented organization at SCC.

### Advancing intelligent iteration

- We fully integrate AI across the entire quality management process. In standards management, we utilize OCR technology for the automated extraction and intelligent comparison of quality documentation.
- In inspection, our AI-powered machine vision systems allows real-time, in-line detection of product appearance defects.
- Our Quality Data Hub enables full-process data correlation analysis and in-depth mining, further optimizing process parameters and control standards.

## Customer Service System

SCC consistently deepens the development of a process-oriented organization, driving systematic and structured transformation and innovation within its end-to-end issue to resolution (ITR) process. This greatly elevates service quality, response efficiency, and customer satisfaction, optimizing the entire process from issue intake to closed-loop resolution. In 2025, we recorded a 40% reduction in average issue response time, a 30% reduction in the issue resolution cycle, and a substantial increase in customer satisfaction with responsiveness and resolution efficiency.



- SCC took the lead in completing the full digital transformation of the ITR system. An intelligent issue intake and task-dispatch system allows quick and accurate identification of and response to customer needs, effectively improving issue-handling accuracy and efficiency.
- The "Issue Leader" Accountability mechanism ensures each customer issue is assigned to a dedicated person responsible for end-to-end management from intake and resolution to follow-up, achieving one-stop closed-loop management and precluding delays or repeated complaints caused by undefined responsibilities.



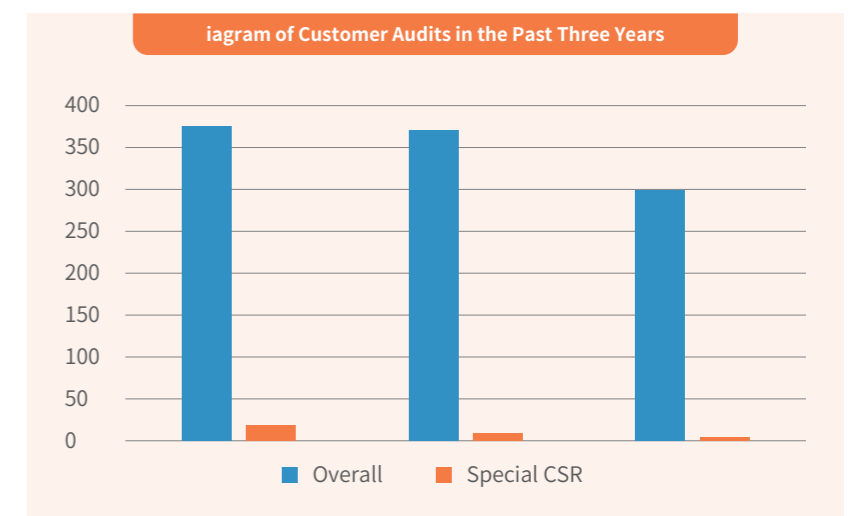
- A dedicated ITR coordination task force, comprised of experts from customer service, R&D, quality management, and production operations, quickly initiates joint analysis and problem-solving when major issues occur, shortening the resolution time of complex issues.
- An integrated knowledge base and case-sharing platform standardizes and modularizes solutions to typical issues. This empowers frontline service teams to retrieve historical experience and expert insights, enhancing individual operational capability and first-time issue resolution capability.



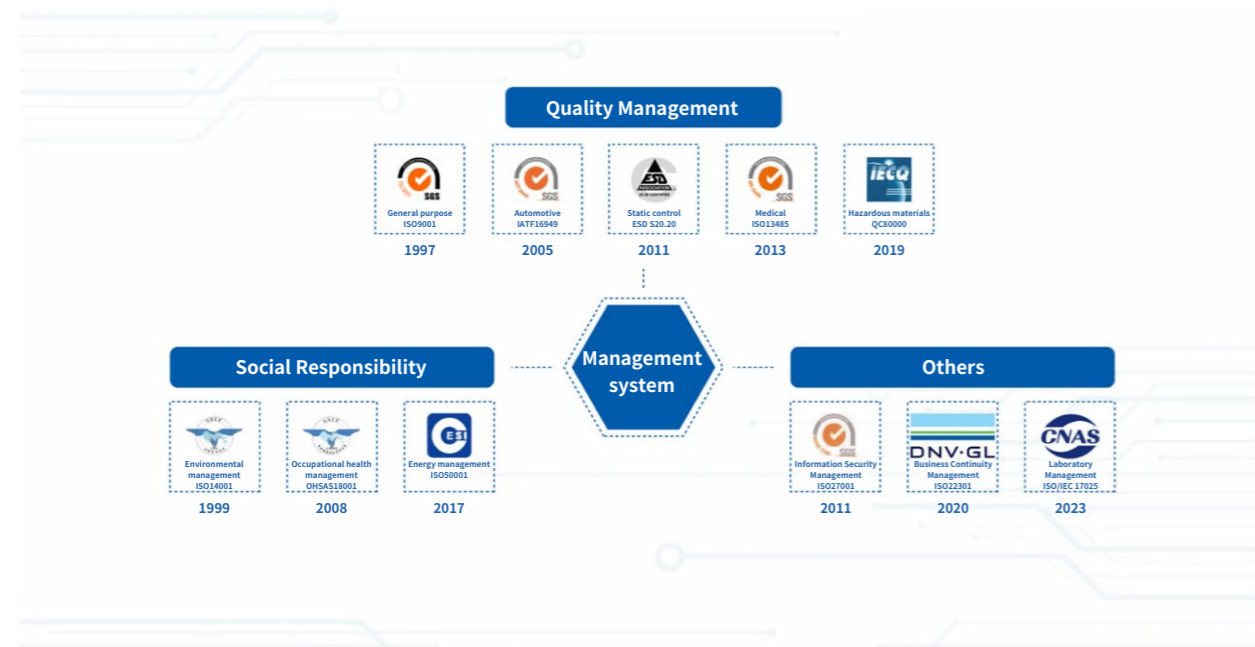
- ITR key process dashboards provide real-time visual monitoring of key metrics—including response time, resolution time, customer satisfaction, and recurring issue rate.
- Regular root cause analysis identifies key links related to systematic or recurring issues and drives improvements at the source, covering product design and service processes.
- A closed-loop customer feedback evaluation mechanism is introduced to collect satisfaction ratings upon closure of each issue, and the results are integrated into the performance assessment of service teams and individuals, creating a customer-focus virtuous cycle of continuous improvement.

## Sustained Customer Recognition of System Management Capabilities

SCC has established comprehensive and diversified system management capabilities. Customer audits are viewed as a vital channel for validating the effectiveness of system operations, gaining insights into customer expectations, and accepting improvement recommendations, providing a strong guarantee for high-quality delivery and operational excellence. In 2025, SCC underwent 301 customer audits and completed 4 special CSR audits, achieving a 100% pass rate.



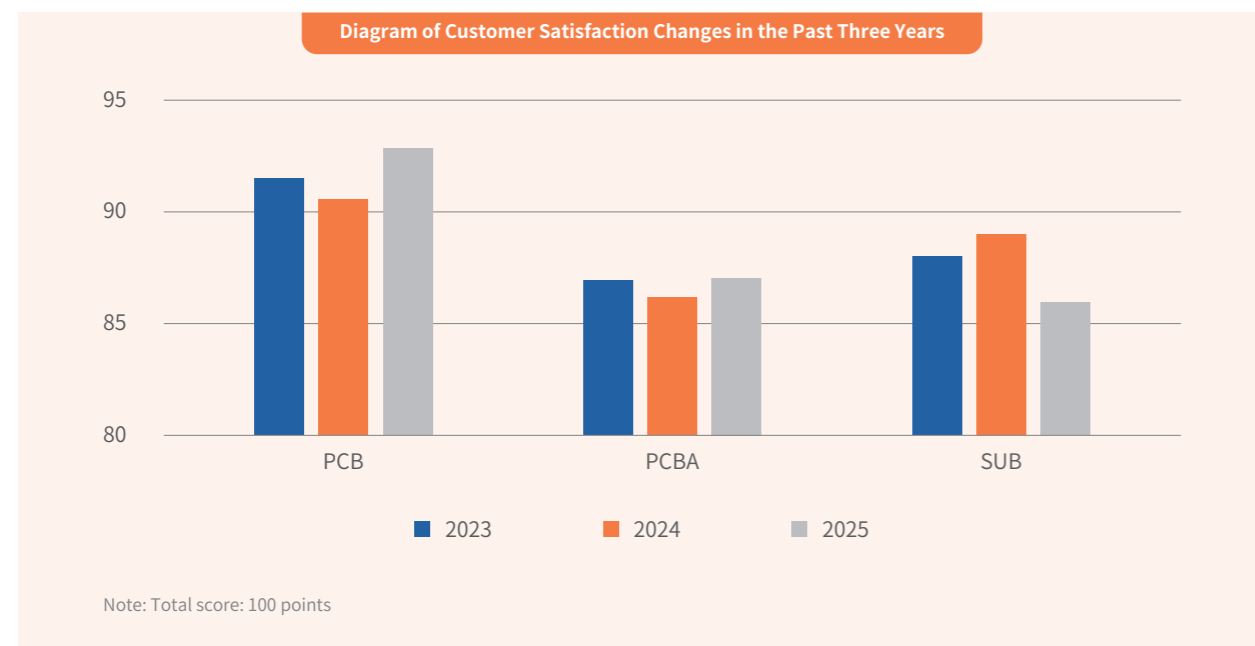
SCC System Certification Footprint



Customer Satisfaction Management

Annual satisfaction surveys are conducted among key customers to gain a better insight into customer feedback on our products and services. Customer evaluations and feedback are collected across five dimensions: quality, technology, delivery, service, and cost. In 2025, customer satisfaction increased for PCB and PCBA but decreased slightly for SUB, though overall satisfaction remained at a high level. Based on customer feedback and suggestions, we will continue to prioritize quality and delivery improvement initiatives, and further improve product competitiveness and customer satisfaction through more robust technological innovation, operational process optimization, and employee training.

Diagram of Customer Satisfaction Changes in the Past Three Years



Cultivating a Quality Culture

Quality is more than a set of standards—it is a culture and a responsibility. In 2025, SCC set up dedicated quality promotion and warning centers in Wuxi and Shenzhen, which serve as a physical site for quality education, platforms for team reflection and consensus-building, and important windows for in-depth quality dialogue with other stakeholders. Through intensive analysis of real cases, reviews of management practices, vivid explanations of methods and tools, and constant updating of quality columns, our quality culture was continuously enriched. During the year, the centers received over 300 employee visits and more than 10 groups of external teams. In addition, September has been designated as the Quality Month, during which quality commitment signing, quality knowledge contests, and defective product exhibitions are organized across all bases to enhance employee awareness of quality.

2025

The centers received employee visits  
Over **300**

**10+** external delegations. In addition



Employees Visit the Quality Promotion and Warning Room

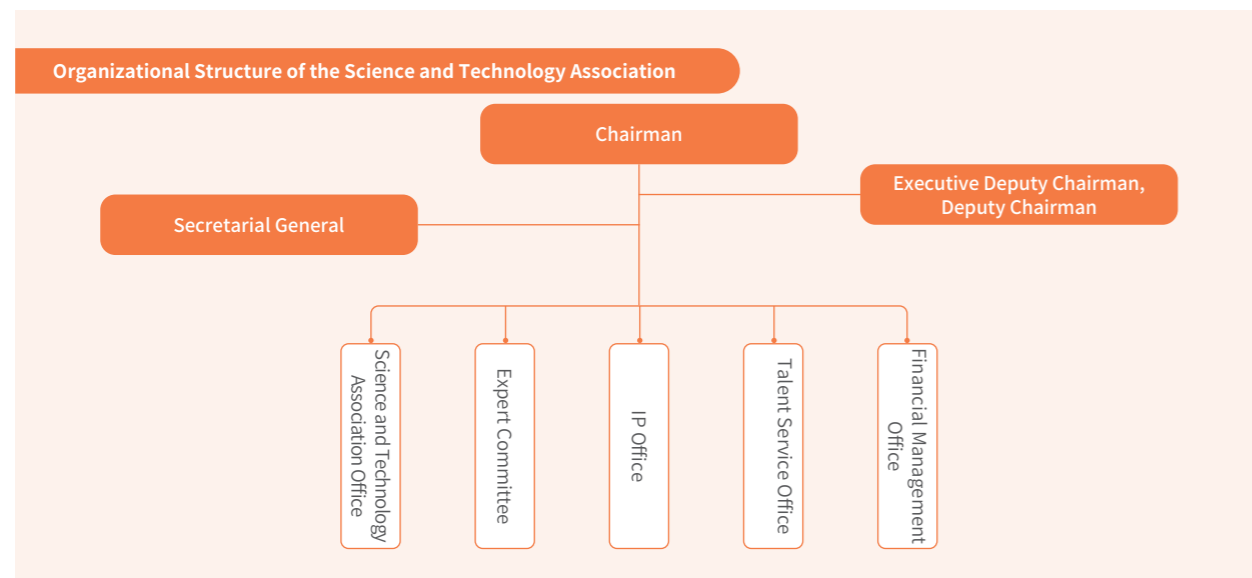
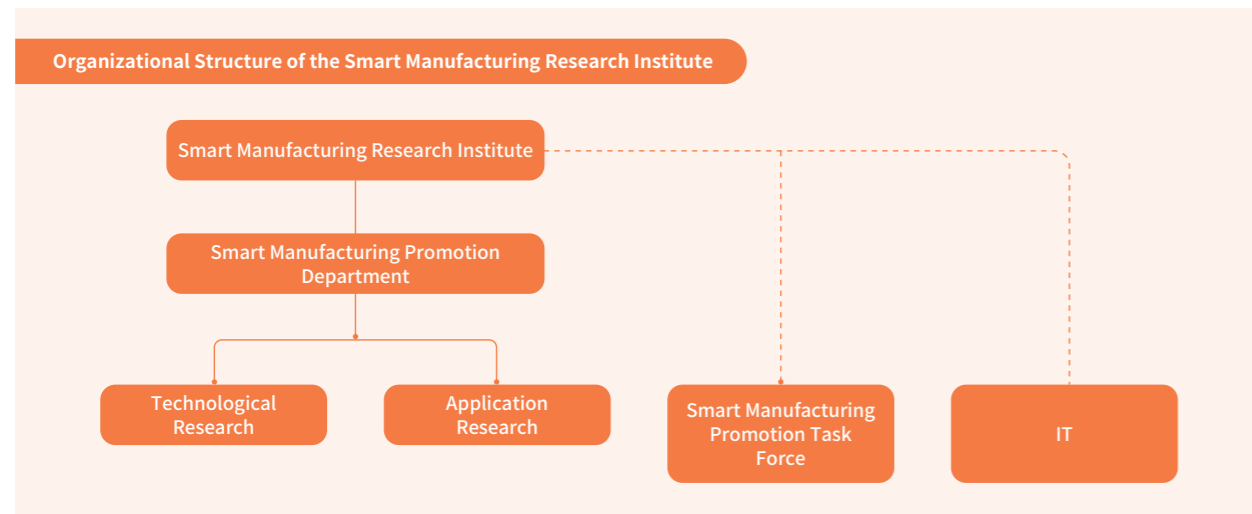


## Empowering Operations Through Innovation

Innovation is the first productive force. At SCC, technology and solutions are the core of our customer service; technological leadership is our permanent goal. By actively innovating independent R&D system, accelerating smart manufacturing transformation, and enhancing IP management, we stimulate innovation across our workforce and advance deep, full-process integration of AI with R&D, production and management practices; provide core support for key areas and help customers establish a more robust application ecosystem; and address common industry challenges, ensuring that technological innovations in the electronic information industry benefit a broader segment of society.

### Governance

SCC remains steadfast in its commitment to independent technological innovation, having established a multi-level, cross-disciplinary R&D architecture, including a three-tier R&D system consisting of the corporate R&D Department, product R&D departments within business divisions, and technical departments within manufacturing plants; a Smart Manufacturing Research Institute, which supports the development of digitalized, networked, and intelligent operational models while serving as an integrated intelligent manufacturing platform; and a Science and Technology Association, which promotes technological innovation and fosters a professional R&D team.



## Strategy

Risks	Impact Analysis	Measures
Digital and Intelligent Transformation	Amid tightening competition in the electronic and information industry, failure to keep up with cutting-edge technologies may lead to misalignment between existing systems and operational requirements, ultimately compromising operational efficiency.	Actively seize opportunities arising from the upgrading of AI computing capacity and digital and intelligent transformation; focus on high-speed communications, intelligent computing centers, and intelligent driving; build a smart manufacturing framework across R&D, production, and logistics by strengthening market development, accelerating the construction of specialized production lines, and introducing AI empowerment.
Market Competition	Ongoing technological iterations and business model innovations continuously reshape the industry landscape. Inability to offer differentiated products and services poses a direct threat to business growth and market share.	Built upon the Integrated Product Development (IPD) framework, we systematically review the hierarchical structure of technologies and products. To bolster product competitiveness, we established a lifecycle management mechanism encompassing requirements, roadmap, development, and process to ensure a high degree of alignment between technological development directions and actual product demands. We also introduce AI tools to accelerate product iteration and innovation.
Intellectual Property	Under global competition, it has become difficult to protect the intellectual property rights of innovative achievements, and plagiarism or imitation may undermine competitive advantages.	We accelerate the implementation of our global IP strategic roadmap, refine our patent valuation system, and advance a high-quality patent portfolio; continuously promote IP literacy and enhance employee awareness of IP protection, injecting innovative momentum into corporate high-quality development.

## Management of Impacts, Risks, and Opportunities

### ● Innovation and R&D system

SCC keeps reforming its innovation and R&D mechanisms and emphasizes independent R&D. A three-tier R&D system, led by the R&D Department and supported by product R&D departments within divisions and technical departments within manufacturing plants, enables internal and external coordination and cascading implementation across different organizational levels. We consistently ramp up R&D investment, implement a suite of innovative reforms, and successfully interlock product technology roadmaps with feature capability roadmaps to ensure a high-degree of alignment between technological development directions and actual product needs, delivering high-value technologies and solutions for customers across business segments.

**Case** | SCC launches an empowerment training program titled *IPD System Implementation and Continuous Improvement*

On March 1, 2025, SCC launched a two-day empowerment session titled *IPD System Implementation and Continuous Improvement*. Through a mix of theoretical explanations, case studies, and group discussions, the workshop interpreted the overall architecture, core concepts, organizational collaboration mechanisms, and key implementation steps of product and technological development processes, encouraging participants to further strengthen market-oriented mindsets, integrate IPD methods into everyday activities, and provide more competitive technological solutions, ultimately achieving mutual success for both the Company and our customers.

Empowering end-to-end processes with AI

SCC actively introduces AI technologies, and consistently promotes the research and application of smart manufacturing, AI, and other emerging IT technologies. A dedicated task force has been established to strengthen the implementation of AI applications in process optimization, quality control, and production automation. An intelligent application platform operates to support data-driven product design and process optimization. AI tools are utilized in engineering design to assist in manufacturing process design, shortening engineering preparation cycles and accelerating product iteration and innovation. AI technologies are more intensively used in production scheduling, defect detection, and safety management, substantially elevating intelligent management capabilities. AI-assisted decision-making and optimization tools are introduced to support project data analysis and intelligent process management. More efforts are invested in the application of new AI and smart manufacturing technologies. Dedicated funding is allocated to encourage intelligence and digitalization-related technological research and application practices. AI technologies are increasingly empowering the end-to-end processes of R&D, production, and management, greatly elevating the Company's R&D efficiency, innovation capabilities, operational efficiency, and product competitiveness.

Stimulating innovation vitality

SCC keeps refining its innovation ecosystem. By improving scientific research incentives, encouraging company-wide involvement in micro-innovation practices, and enhancing our innovation project system, we continue to stimulate creativity and intrinsic motivation across the entire workforce, injecting strong momentum into the high-quality development of the Company.

Refining science research incentives

Incentives are established in line with the Company's innovation strategy, covering patents, academic papers, industry standards, and professional titles. Dedicated honors—such as Science and Technology Awards, Young Science and Technology Talents, Advanced Workers, and the AI & Intelligent Manufacturing Innovation Award—are presented annually to recognize and reward teams and individuals who have made extraordinary contributions in process innovation, new technology application, and solution development, further fueling the creativity among the science and technology workforce.



Awards Presented to Outstanding R&D Personnel at the 2025 Science and Technology Recognition Conference

Company-wide participation in innovation

We encourage micro-innovation among the entire workforce in their daily work activities. The micro-innovation initiative has been running for 16 years since 2009. Participation has grown from a few dozen employees at the beginning to nearly 7,000 in 2025. Now, the program has become an important platform for fostering an innovation culture and cultivating intrinsic momentum, strongly supporting strategic implementation and the enhancement of organizational capabilities.

In 2025, the micro-innovation campaign included a variety of events around ensuring quality and achieving production targets and AI empowerment in the form of proposals, training sessions, and salons—organized to broaden employee perspectives and introduce new tools and methods, supporting the understanding and application of AI among employees. The proportion of employee proposals related to smart manufacturing and AI application increased notably, covering intelligent inspection, process automation, and data mining.



Employee Micro-innovation Activities in Action

System-driven empowerment and efficiency enhancement

To further strengthen its innovation project framework, SCC organized 10 Lean Six Sigma (LSS) sessions throughout the year, covering Black Belt, Green Belt, and Yellow Belt levels. Systematic training combined with project practice enables personnel in key positions to master core methods and tools related to lean management, Six Sigma, and project management, playing a significantly role in elevating employee proficiency, optimizing processes, and continuously improving projects. Innovation-themed activities around AI, digitalization, and smart manufacturing are organized in the form of seminars, case-sharing sessions, and joint learning of tools and methods. These enable employees to gain practical insights into the innovative thinking and implementation pathways of successful projects, further expanding their innovation horizons and strengthening practical capabilities.

Case | SCC Science and Technology Association holds a seminar themed "Traditional and Advanced Packaging Technologies Explained"

On June 11–12, 2025, SCC Science and Technology Association seminar themed "Traditional and Advanced Packaging Technologies Explained" was held in Pingdi, Longgang, attracting over 300 participants. The seminar featured two themes: "50 Years of Packaging and Heterogeneous Integration", and "Advanced Packaging and Cu-Cu Bonding". Lectures were delivered on site by distinguished technical consultants from the electronic circuit industry. Participants were guided through the evolutionary history and core technical principles of packaging, spanning from traditional methods to advanced solutions. Analysis of the latest developments and critical technical challenges of advanced packaging technologies provided more profound insight into industry-wide technical bottlenecks, sparking reflections on the importance of solidifying theoretical foundations.



Case | SCC launches a week-long "Driving Efficiency through AI and Innovation" campaign

In November 2025, SCC launched an innovation campaign themed "Driving Efficiency through AI and Innovation". This week-long series focused on AI-enabled efficiency, cutting-edge smart manufacturing, and best practices in management innovation. Through a mix of expert salons and results sharing sessions, the initiative facilitated the accumulation and dissemination of successful innovative methods and practical experience, and embedded "Driving Efficiency through AI and Innovation" into the DNA of the Company, encouraging all employees to continue creating value for the Company. The event showcased a number of AI application cases, including scenarios such as machine vision-based automated quality inspection systems, production scheduling optimization algorithms, and intelligent safety management systems, directly demonstrating the values and roles of AI technologies in enhancing efficiency, reducing costs, and ensuring quality.



### Intellectual property protection

Guided by market demand and grounded in technological capabilities, we continue to increase R&D investment, having achieved abundant annual R&D outcomes, including breakthroughs in several core technologies. We continued to advance our global IP strategy, reinforce our technology-based competitive barriers, and enhance core competitiveness on all fronts. As of the end of the reporting period, we held 960 valid patent grants, including 533 inventions and 35 valid international patents.

#### Case | SCC hosts an "IP Week" awareness campaign across four locations

On April 25, 2025, the SCC "IP and AI"-themed awareness campaign was held simultaneously in Shenzhen, Wuxi, Nantong, and Guangzhou. Nearly 2,000 employees participated in the IP knowledge quiz. The event featured interactive quiz sessions covering trending topics related to intellectual property and AI. Through participation, employees gained a better understanding of IP protection and AI-related knowledge. Going forward, the SCC IP team will continue to disseminate IP knowledge and reinforce employees' awareness of IP protection, injecting innovative momentum into the Company's high-quality development.



### Metrics and Targets

Indicator	Unit	2025	2024	2023
R&D investment	RMB 100 million	15.91	12.72	10.73
AI application projects	Nos.	18	12	8
New patent applications	Items	202	176	212
New patent grants	Items	137	127	97
New PCT patent applications	Items	14	6	6
New international patent applications	Items	6	4	8
Science and Technology award	Nos.	55	49	38
Young Science and Technology Talents	Persons	12	12	12
Micro-innovation proposals *	No.	38,374	41,405	48,560
Micro-innovation participants *	Persons	6,057	6,341	6,832

\* represents cumulative figures as of the end of 2023, 2024, 2025.

### Industrial Collaboration for Shared Development

SCC actively expands industry cooperation and widely participates in industry associations, continuously strengthening industrial collaboration and mutual success. In 2025, we led or participated in the formulation and revision of 15 standards, including 5 officially released national or group standards. We also initiated 2 new IEC international standard proposals, marking a major breakthrough in international standards-setting and using standards to lead and empower the high-quality industry development.



SCC was awarded "Advanced Unit in Standardization Work for 2025"

Industry Association	Role
China Printed Circuit Association (CPCA)	Chairing organization
Shenzhen High-Tech Industry Association	Member
Federation of Shenzhen Industries (FSZI)	Member

#### Case | SCC becomes a member of the GEA East Asia Sustainability Steering Committee

In 2025, SCC officially joined the GEA East Asia Sustainability Steering Committee, and launched the Electronics Industry ESG Cooperation initiative jointly with 11 other organizations during the forum on "Exploration and Practice of ESG Sustainability in Electronics Manufacturing". The initiative aims to promote regional and industry-level innovative cooperation through standardization, capacity building, demonstration, and industrial collaboration, boosting the green, intelligent, and sustainable transformation of the electronics industry.

#### Case | SCC wins the 2025 IPC Peter Sarmanian Corporate Recognition Award

On March 18, 2025, at the IPC APEX EXPO 2025 in Anaheim, California, SCC received the IPC Peter Sarmanian Corporate Recognition Award, the highest corporate honor granted by IPC, for its long-term commitment to standard-setting, technological innovation, and talent development. The IPC Peter Sarmanian Corporate Recognition Award honors enterprises that have made extraordinary contributions to the PCB industry. The award recognizes only one recipient each year. This represents strong recognition of SCC's position and influence in the global PCB industry.

#### Case | SCC receives two honors at the 2025 IPC CEMAC Conference

On September 26, 2025, the IPC CEMAC China Electronics Manufacturing Annual Conference recognized enterprises and individuals that had made extraordinary contributions to the electronics manufacturing industry. Due to its exceptional performance in standards development and professional training, SCC received both the "2025 Asia Outstanding Standardization Corporate Award" and the "2025 Asia Talent Development Award", becoming the only company to win both awards at the conference.



## Building a Sustainable Supply Chain

Against a backdrop of geopolitical uncertainty and persistent volatility in raw material markets, SCC recognizes and embraces its responsibility to connect upstream and downstream partners across the industrial chain and advance the industry's green transformation. Through ongoing optimization of the supply chain structure, supplier governance, and enhancement of risk response capabilities, we strive to build a highly resilient, agile, green, transparent, reliable, and sustainable modern supply chain system.

### Strengthening Supply Chain Resilience

SCC is committed to building a resilient supply chain capable of absorbing disruption and recovering quickly. To this end, we identify and assess risks across multiple dimensions, encompassing geopolitics, raw material supply, logistics, and environmental compliance. We embed risk mitigation strategies into operational planning and execution, strengthening closed-loop management and reducing overdependence on single resources or pathways.

**2025**

- The signing rate of the *Supplier Social Responsibility Agreement* was **100%**
- Completed special CSR reviews of **6** key suppliers through a mix of online screening and onsite auditing

**Building a dual-circulation supply system**

During the reporting period, we continued to advance the construction of the Thailand Base and established our "China + Overseas" dual-circulation supply structure, designed to enhance the flexibility of the global supply chain, improve our ability to respond to uncertainties in the international trade environment, and strengthen our ability to serve international customers.

**Intelligent transformation of supply chain management**

We pioneered the application of operations research optimization algorithms, professional solvers, and artificial intelligence technologies. With these tools, we initiated the development of an integrated intelligent supply chain operation command system that enables data-driven planning and intelligent decision-making. We also successfully implemented the Pingxi intelligent logistics system that delivers end-to-end digital control from raw materials and semi-finished products to finished goods, increasing warehouse density by almost three-folds and PCBA assembly efficiency by **200%**.

**Supplier CSR management**

We strictly implement of Supplier Code of Conduct, integrating environmental, safety, and labor rights indicators into our supplier onboarding and annual performance evaluations. We provided targeted improvement support for two suppliers, helping them establish labor and environmental management systems aligned with Responsible Business Alliance (RBA) standards.

## Responsible Procurement

We adhere to open tendering, transparent procurement, and green procurement, while while optimizing sourcing strategies and strengthening oversight of critical materials and conflict minerals. Through these efforts, we inject new momentum into the Company's green development and regional industrial chain collaboration.

### ● Prioritizing green procurement

While strictly adhering to transparent procurement, we prioritize energy-efficient, low-emission production equipment and scale up qualification efforts for materials compliant with RoHS 2.0 and other environmental and safety standards, significantly improving production-line energy efficiency and pollution control performance. Multiple batches of environmentally preferred materials have completed qualification during the reporting period.

### ● Promoting local sourcing

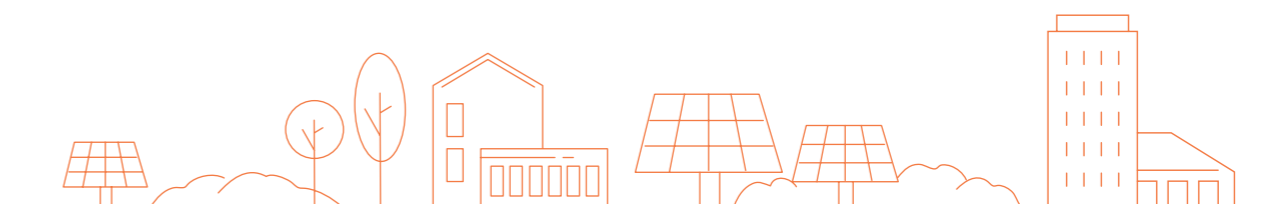
In new construction and capacity expansion projects, we actively adopt local and nearby-region sourcing strategies to shorten supply distances, enhance supply chain responsiveness, reduce the operational carbon footprint, and support the development of domestic high-end equipment manufacturing, representing a key step in building an agile, low-carbon supply chain system.

### ● Securing critical raw materials

For key raw materials subject to commodity price volatility, such as gold salts and copper foil, we implement a multi-pronged approach that includes optimized inventory management, process improvements to reduce material loss, long-term strategic collaboration with core suppliers, and transparent, proactive communication with customers, to bolster supply chain control, ensure the stable supply of key materials, and maintain cost competitiveness.

### ● Strengthening responsible sourcing management of conflict minerals

SCC is firmly committed to responsible sourcing of mineral raw materials, including tin, tantalum, tungsten, gold, cobalt, and mica. With reference to the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, we have formulated the *Conflict Minerals Management Policy*, requiring suppliers to conduct source traceability and supply chain due diligence for minerals used in their products. By doing so, we aim to prevent and reduce the possibilities that mineral sourcing may directly or indirectly contribute to serious human rights violations, environmental damage, health and safety risks, or corruption in high-risk regions. In collaboration with professional third-party institutions, we provide special training sessions for high-risk suppliers, helping them establish mineral traceability systems aligned with international standards, thereby effectively promoting the implementation of responsible sourcing practices.



## Caring for Employees and Supporting Their Success

Employees are the core driving force of corporate development. SCC upholds a people-oriented philosophy, continuously refining talent development mechanisms and strengthening talent pipeline construction. We safeguard the legitimate rights and interests of our people, offering diversified career paths and fair competition opportunities. We care for employees' physical and mental well-being, implementing employee psychological support programs to address key employee concerns and demands, encouraging positive, healthy lifestyles, and organizing various forms of cultural and sports activities, helping employees achieve a better work-life balance and increasing their sense of well-being, belonging, and fulfillment.

## Employee Diversity and Equality

We continuously optimize our recruitment system to ensure fairness, equality, respect, and transparency. Our recruitment system is structured to maintain complete electronic records covering all recruitment processes—from resume sourcing and interviews to hiring decisions—providing data support for the standardization and scientific management of recruitment. We promote fair, diverse, and inclusive talent selection through two mechanisms: internal open competitive employment and talent recommendation.



### Internal open competitive employment

Job opportunities are posted on internal platforms with clearly defined responsibilities and competition procedures. Qualified employees may voluntarily apply and participate in fair competition through resume screening, written tests, and interviews.



### Talent Referral

Employees are encouraged to recommend outstanding candidates. Successfully onboarded candidates with good performance records are rewarded. Their recommender are also entitled to additional incentives. The Company also tracks and evaluates referral quality to ensure effective and well-matched talent acquisition.

### As of the end of 2025

- As of the end of 2025, we had **21,211** active employees, and created **3,901** new jobs
- Females employees accounted for **27.17%**; ethnic minority employees accounted for **6.42%**, covering **34** ethnic groups

Table of Changes in Employee Age Structure in the Past Three Years

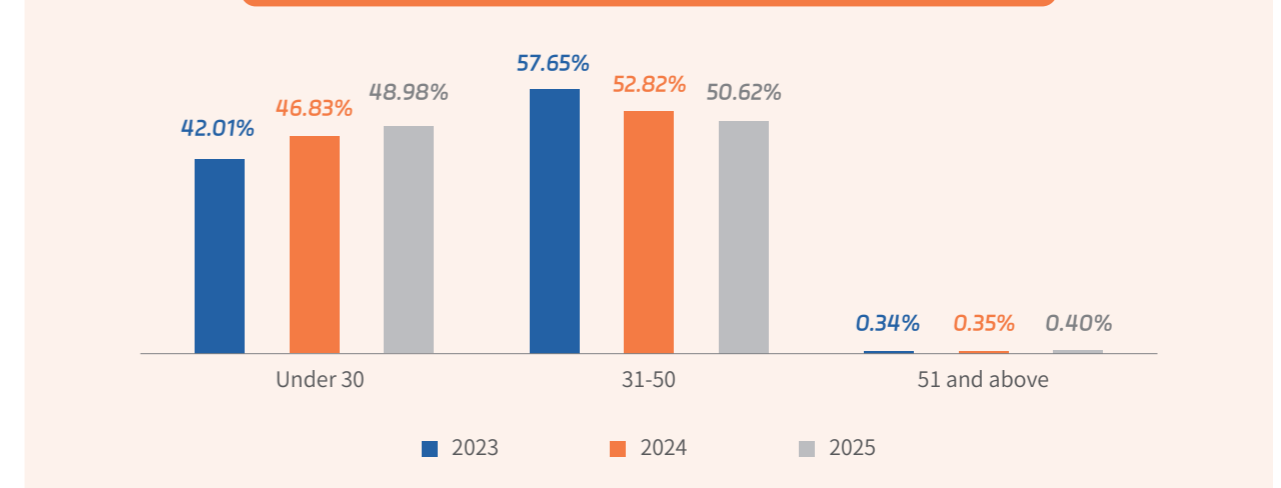
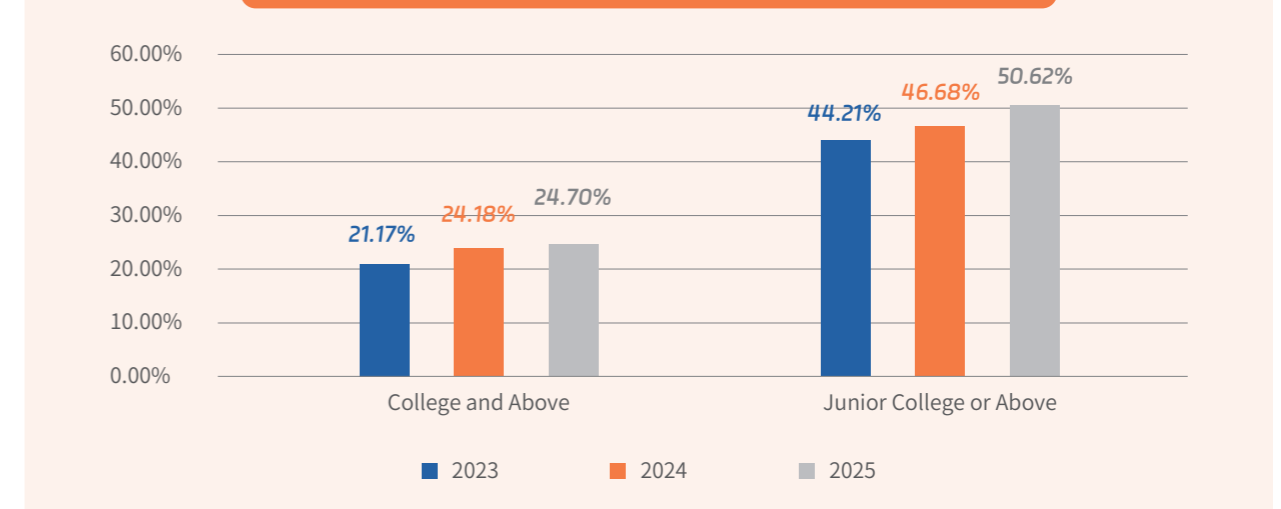


Table of Changes in Employee Education in the Past Three Years



## Remuneration and Benefits

At SCC, employees are compensated according to the principle of position-based pay and salary adjustment upon position changes. By comprehensively quantifying job complexity, responsibility, and direct impact on business performance, we ensure close alignment of our remuneration system with job value. Compensation strategies are designed with a high priority on internal equity, balancing remuneration between existing and new employees, as well as across different business segments and geographic regions. We follow a "Higher Performance, Higher Pay" policy, ensuring that positions creating greater value receive more competitive remuneration to attract and retain talent. We conduct external compensation benchmarking to keep track of industry trends and market fluctuations, and make timely adjustments to our salary structure from time to time based on internal operations to maintain robust market competitiveness.

We consistently ensure that our incentive policies are scientific, systematic, and forward-looking. With a focus on aligning the interests of the Company, business, and employees, a robust motivation mechanism and total compensation package framework has been designed to guide employees to proactively undertake the Company's strategic goals and effectively break them down into individual performance tasks, creating a virtuous cycle where individuals and the organization grow together. Flexible, diverse incentive initiatives around product development, quality delivery, and cost savings are also implemented according to production and operational reality, encouraging employees to do their work with dedication, precision, and professionalism and to enhance their personal value. In 2025, the performance evaluation coverage rate of SCC reached 100%, and the timely payment rate of remuneration was 100%.

## Protection of Employee Rights and Interests

As a strong practitioner of "Equal Pay for Equal Work", SCC ensures fairness and equality in employment at the institutional level. We implement an explicit anti-discrimination policy, maintaining zero tolerance for any form of forced labor or child labor, and respecting each employee's freedom of personal belief and right to privacy. In compliance with national laws and regulations, we provide full and timely contributions to five social insurances and one housing fund for all staff. We also offer supplementary commercial insurance coverage, such as comprehensive accident insurance for specific roles, creating a robust social security system for our people. We implement a health plan covering all employees, organizing annual medical check-ups, hosting expert consultations, and providing free labor protection supplies, and ensuring that employees enjoy various health benefits in accordance with relevant national laws, regulations and policies, to fully safeguard the physical health of every employee.

2025

- **100%** labor contract signing rate; **100%** coverage rate of five social insurances and one housing fund; **100%** trade union membership rate
- **100%** completion rate for employee complaints received through external channels; zero administrative penalties or warnings from regulatory authorities
- **25,799** total health check-ups for employees; **14,571** occupational health exams (including pre-employment, on-the-job, and post-employment)
- **340** employee-times of marriage leave; **631** employee-times of maternity and paternity leave
- Average annual paid leave: **6.25** days



### Case | The Employee Representative Conference safeguards the rights and interests of employees

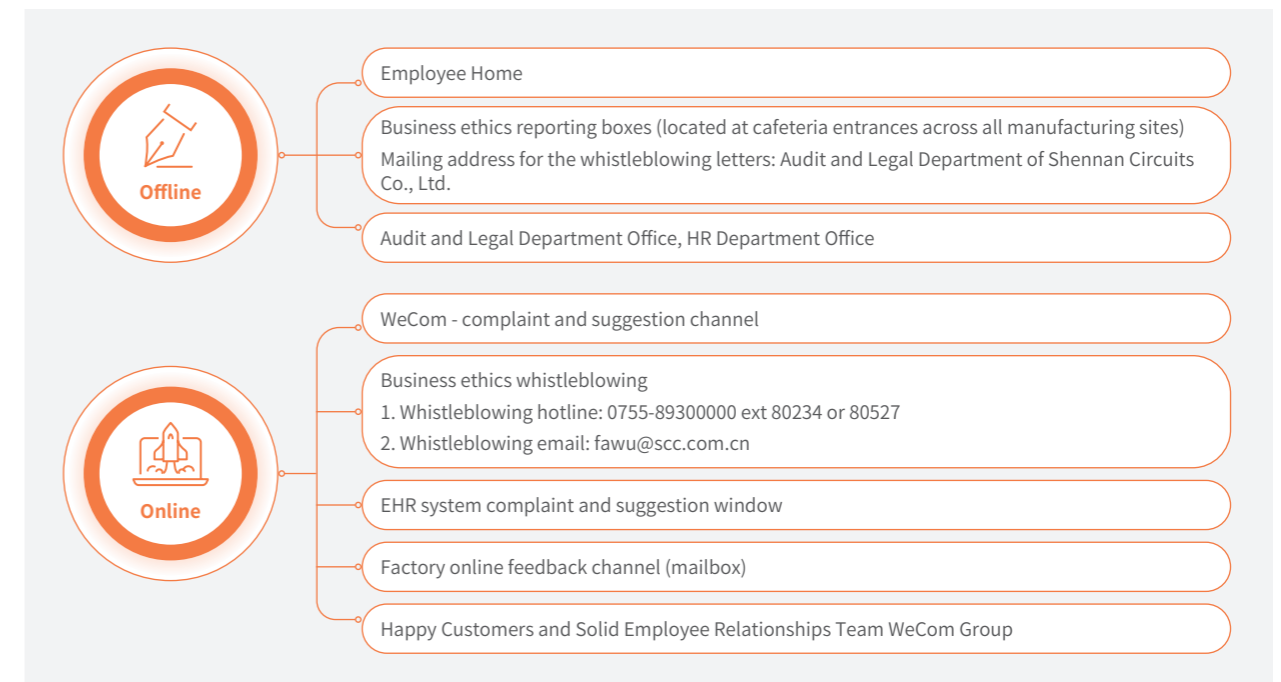
On August 20, 2025, SCC held the third meeting of its second Employee Representative Conference (ERC) simultaneously across Shenzhen, Wuxi, Nantong, and Guangzhou via video link, attended by 435 representatives. The congress approved two filed proposals, reviewed and passed 4 policies—the *Rules for the Selection and Appointment of Employee Directors*, the *Regulations on Handling Employee Violations of Rules and Disciplines*, the *Management System for Strictly Curbing "Three Violations"*, and the *Access Control Management Policy*. Additionally, several proposals submitted by employees were formally accepted for consideration. Cui Rong was democratically elected as the Employee Director for SCC's 4th Board.

The ERC mechanism effectively broadens feedback channels for our workforce and proactively addresses employee concerns, safeguarding employee legitimate rights and interests and contributing to the continuous optimization of corporate governance.



## Long-term Employee Feedback Mechanism

Focusing on addressing core employee needs, SCC continuously refines its long-term feedback mechanisms for employee opinions, proactively safeguarding the legitimate rights and interests of employees. Through regular, multi-level communication platforms—such as "Lunch with the GM" and quarterly/monthly meetings—as well as online/offline channels like WeCom, suggestion boxes, and hotlines, employee needs are widely collected, understood and responded to in a timely manner. Collected feedback is tiered and categorized to identify common high-frequency issues and develop standardized self-service Q&A templates. Critical issues are addressed through corrective actions, further enhancing problem-solving efficiency. We revised our *Management Regulations for Long-term Improvement of Employee Feedback*, identifying end-to-end responsibilities and timelines across collection, categorization, routing, handling, feedback, and evaluation. Cross-departmental problem-solving task forces are set up to ensure closed-loop management of employee requests. We attach great importance to employee privacy and strictly limit the scope of information disclosure to avoid secondary impacts or distress arising from the filing of a grievance, proactively safeguarding employee dignity and rights and interests.



## Employee Training and Development

SCC prioritizes individualized talent development by continuously advancing talent development pathways, creating a comprehensive training framework across four categories—leadership, professional competency, general competency, and new employee training—and maintaining a robust talent development mechanism supported by the trainer system, curriculum, and training policies.

2025

- Leadership development: **737**; general competency training: **2,000+**; new employee training: **560**
- The "Core Gardener" Internal Trainer Program offered **756** courses, including **157** in-house developed and internalized ones. Over the year, we had **225** newly certified trainers and **618** active trainers, with Level **6+** manager trainers accounting for a record-high proportion

### ◎ Continuously conducting targeted talent training

Differentiated development strategies are implemented for different levels of managers. Leadership training programs, such as the Reserve Track, Newly Appointed Track, and In-Position Track, are set up to accelerate the growth of key talent development and supply management and professional talent at all levels for multiple regions and business operations. In line with the annual strategies and key tasks across operations and functions, we advance In-Post Competency Enhancement Plans to strengthen professional competency. Guided by organizational objectives and employee needs, a suite of blended online/offline courses on thinking methodologies and tools have been launched to enhance the general competency of all employees. In addition to orientation for new hires through social recruitment, the Company has designed three training programs for campus recruits: Launch, Momentum, and Ascend, providing structured empowerment suited to the growth trajectories of new employees.

### ◎ The "Core Gardener" internal trainer program

To strengthen internal learning resources and trainer system development, we step up the independent development of internal courses and the internalization of external courses, while strengthening trainer certification processes, especially by motivating middle and senior manager trainers, providing strong support for talent pipeline construction.



#### Case | The first cohort of SCC's China-Thailand Joint Training Program successfully completes the program

On March 24, 2025, the graduation ceremony for the first cohort of SCC's China-Thailand Joint Training Program was held at the Nantong Base, marking a significant milestone for the Company's first cross-border collaborative education project. The graduates will formally join the Thailand Base, serving as a vital force in the development and operation of SCC's first overseas manufacturing site. The "School-Enterprise-School" tripartite international talent development mechanism not only builds a reserve of talents with cross-cultural adaptability and professional skills for the Company, but also sets a replicable example for deepening vocational education cooperation and industrial resource integration between China and Thailand.



### Employee Promotion and Career Development Mechanisms

SCC places a high priority on the continuous growth and career development of employees, striving to create systematic, transparent talent promotion pathways. Each year, individual development plans (IDPs) are co-created by managers and key personnel, ensuring close alignment of personal goals with organizational strategy. End-to-end tracking and feedback are conducted on IDPs to enable closed-loop online management through the EHR system. This allows for the dynamic optimization of development pathways to ensure effective implementation of IDPs and continuous improvement of competencies.

Promotions are based on the dual-dimensional evaluation criteria of performance and competency, a dual-dimension criterion. The practice of corporate values also serves as an important factor. Comprehensive, objective performance and competency evaluations identify outstanding employees, providing them with more resource support and development opportunities to foster mutual growth between employees and the organization.

### Creating Happy Customers and Solid Employee Relationships

Happy customers and solid employee relationships is a warm and trustworthy platform where every dedicated employee can achieve growth and value. Happy customers and solid employee relationships organizes various forms of themed cultural events, with care initiatives covering all stages of employee growth. We innovate corporate cultural activities in ways that resonate with employees to enhance their sense of identity; fund activities to encourage employees to voluntarily establish clubs and carry out cultural and sports activities; cultivate cultural brands like "Desire of Glory" and "Happy Reading at SCC" to guide employees toward positivity and integrity, fostering habits of lifelong learning and continuous growth; strengthen the planning and organization of cross-site and cross-departmental activities to facilitate communication among employees across different regions and strengthen cultural integration. Through collective weddings, parent-child summer camps, parent-child fun sports games, and gold medals for 10-/20-year employees, and thank-you letters and gifts sent to the families of advanced employees, we share organizational success with employees and their families, ensuring that they feel happy, reassured, and at peace.

#### ◎ "Desire of Glory" rewards small acts of good

"Desire of Glory" is an initiative that identifies the "shining points" of frontline employees and gives timely recognition and affirmation. It aims to encourage employees to remain positive and upright in both work and everyday life, strive to be their better selves, and foster a sense of responsibility and civility even in ordinary work. Employees winning Thank You cards or Little Red Flowers through their own efforts can redeem gifts or enter lucky draws. In 2025, **12** "Desire of Glory" events were organized. At the Shenzhen site alone, **16,336** cards were submitted, with **2,338** participants winning gifts.

#### ◎ "Happy Reading" at SCC encourages learning and reading

"Happy Reading at SCC" is a cultural brand program centered on empowerment and sharing, training and integration, event planning, and facility operation and maintenance. It encourages lifelong learning, reading and sharing, ultimately building a learning organization. In addition to monthly Reading Camp check-in challenges, April and November are designated as SCC Reading Months, where a variety of engaging activities are organized to attract employees to share the joy of reading: book fairs, celebrity recommendations, poetry recitals, group reading/listening sessions, lawn reading parties, sharing salons, book deconstructions, and book-lover recognitions.

In 2025, our Reading Camp had 10 reading groups with **2,402** members, **24** shared bookshelves/spaces, and **3,000** shared books available in our online library. Centered around the Company's strategic direction and key tasks, we strengthen business empowerment by launching specialized learning programs on AI, innovation, and managerial role modeling. Throughout the year, **34** online/offline activities were organized, continuously injecting momentum into the high-quality development of the Company.

#### ◎ "Corporate Culture Day": sharing happiness and glory

Corporate Culture Day, a series of activities held in early July of each year, is open to all employees and their families. The 2025 SCC Corporate Culture Day, themed "Act with Agility and Go All Out", was held successively across the Shenzhen, Wuxi, Nantong, and Guangzhou bases. The event featured a diverse range of activities, including semi-annual business updates, model employee sharing sessions, collective weddings, gold medal awarding, food streets, fun sports meetings, garden parties, and arena challenges. It is not only an employee carnival for relaxation and stress relief, but also a family open day where employees and their families can experience corporate culture up close and gain a comprehensive understanding of the Company. More than that, it is a management service day where middle and senior managers engage with the frontline employees and serve them, and a day of appreciation where the Company expresses sincere appreciation for the dedication, loyalty, and contributions of all employees. The event has become a distinctive cultural brand highly popular among employees.



Employees Borrow Books at the Book Fair



Parent-Child Summer Camp: Employees and Their Children Enjoy Interactive Games



Voice of SCC: Audience Members Cheers for Performers



SCC's Leaders Serve Employees at the Food Street



Employee Families Participate in the Company Garden Party



Collective Wedding for Employees

## Occupational Health and Work Safety

SCC strictly follows national work safety laws and regulations as well as the requirements of the ISO 45001 occupational health and safety management system. We firmly uphold the concept of safe development, strengthen bottom-line thinking and red-line awareness; continuously improve our work safety and fire safety management systems, and implement accountability for work safety at every level to ensure that work safety measures are effectively implemented. We also systematically advance occupational health management and safeguard employees' health throughout their entire career lifecycle, providing strong safety support and assurance for the high-quality development of the Company.

2025

- SCC and Nantong SCC were certified as National Level II Work Safety Standardization Enterprise, while Wuxi SCC was certified as a National Level III Work Safety Standardization Enterprise
- During the year, SCC recorded zero work safety accidents, zero fire accidents, zero incidence of occupational disease, and zero environmental pollution incidents
- The training and certification rate for principal responsible persons and safety management personnel reached **100%**; and the completion rate of hidden hazard correction reached **100%**

## Safety Management Framework

The Work Safety Committee (WSC) oversees work safety activities across all sites of SCC. The WSC is co-chaired by the Company Chairman and the General Manager, who are jointly responsible for overall coordination of major work safety decisions and arrangements. The Committee follows standard working rules and a regular meeting mechanism, convening four plenary sessions annually to ensure effective implementation and continuous optimization of all functions.

The WSC has established the WSC Office as a dedicated work safety supervision body responsible for promoting the implementation and completion of key work safety tasks. The WSC Office is headed by one Safety Director and staffed with registered Safety Engineers. Safety management staffing fully complies with national regulatory requirements, providing professional support for safety management.

SCC has established a sound fire safety organizational system and strictly implements the fire safety responsibility system. The General Manager, as the primary person responsible for fire safety of the Company, while the Vice General Manager in charge of fire safety serves as the fire safety manager, coordinating the overall deployment and implementation of fire safety work. Safety Supervisors and Fire Engineers serve as full-time fire safety management personnel, with clearly defined duties and responsibilities to ensure effective execution. Currently, three registered Fire Engineers and 22 fire safety management personnel work together to carry out routine patrols, specialized checks, and emergency drills, and other related work.

## Safety Management Measures

SCC continuously monitors and interprets national and local laws, regulations, and standards, establishing and dynamically maintaining an inventory of applicable laws, regulations, and standards. We translate regulatory requirements into internal work safety management measures and organize annual policy reviews and updates, ensuring all safety-related laws, regulations, and standards are 100% identified, assessed for applicability, and effectively implemented. To date, the Company has formulated 64 management policies, covering all business operations.

### Improving the safety management system

#### Integrating work safety investment into comprehensive budgeting

Work safety funds withdrawal and use policies are implemented. At the beginning of each year, it prepares an annual plan for the withdrawal and use of work safety expenses, conducts separate accounting, ensures that funds are used exclusively for designated purposes, and withdraws the full amount strictly in accordance with regulatory requirements, ensuring that work safety funds are fully available and properly used.

#### Standardizing work safety management

An occupational health and work safety management system has been established and obtained ISO 45001 certification. SCC has introduced and implemented advanced concepts and tools, including behavior-based safety observation under the "Five Considerations and Five No-Go Actions" approach, the LECD risk assessment method, and Fault Tree Analysis (FTA), to modernize safety management.

#### Implementing work safety accountability

Under an Area Manager Accountability System, duty lists are formulated for principal responsible persons, leaders in charge of safety, and heads of manufacturing plants and regions, with safety management responsibilities clearly defined and performance records retained. Work safety responsibility letters are signed at each level to clarify the safety responsibilities and tasks of each position, ensuring that all work safety management tasks are fully implemented and that responsibilities are assigned to specific positions and individuals.

#### Providing work safety education and training

Separate safety training plans are customized for different categories and stages of employees. New hires undergo no less than **24** hours of pre-post safety training; in-post employees receive no less than **12** hours of annual re-education. For special operation positions such as electricians and welders, a dedicated management ledger is maintained and dedicated persons are assigned to organize examinations and certification, as well as certificate review and renewal. This ensures special operators are **100%** duly certified and training covers all employees, including dispatched workers and interns.

### Strengthening safety risk and emergency management

SCC has established a three-tier emergency response structure at the company, plant, and process levels. It has formulated comprehensive emergency response plans, specialized emergency response plans, and site-specific response schemes. Based on actual operating conditions, the Company conducts scientific, standardized, multi-level emergency drills with full employee participation and coordinated response across all levels, strengthening collaboration among emergency response teams at all levels and effectively improving employees' safety awareness and emergency response capabilities.

The Company has strengthened risk and hazard identification, control, and management. We have improved our tiered safety risk control and hidden hazard identification systems, and hazard source identification and management system; identify risks across all positions, resulting in a Hazard Inventory covering all business operations and positions; formulate control measures corresponding to all identified risks and hazard sources to ensure risks and hazards are 100% under control.

SCC has strengthened site management of relevant parties and external personnel. We have formulated a safety management policy for relevant parties, strictly auditing admission qualifications. Dedicated persons are assigned for full-process tracking to ensure 100% compliance in the qualification, safety agreement signing, safety education and training, and on-site management of relevant parties.



#### Case | SCC organizes emergency skills competition for employees

On June 23, 2025, the SCC "Unity, Civility, Progress, Perseverance" Emergency Skills Competition was successfully held. The competition featured three contests: putting on a gas mask, carrying fire extinguishers over 50 meters to put out a fire, and connecting fire hose; putting on chemical protective suit, putting on gas mask, operating vacuum pumps, and completing a 100-m rescue; and a fire safety knowledge quick-response quiz plus the use of fire equipment. A total of 15 sessions were held, with 1,410 employees participating. Through innovative and diverse hand-on activities, the competition helped employees gain a more intuitive and accurate insight into the emergency response capabilities of themselves and their teams, further strengthening their awareness of improving emergency skills and achieving positive results.



### Occupational Health Measures

SCC has always placed employee occupational health in an important position in organizational development. We fully implement the requirements of the *Law on the Prevention and Control of Occupational Diseases* and the *Regulations on the Supervision and Administration of Occupational Health in Workplaces*, systematically advancing occupational health management, solidifying its foundation, and effectively safeguarding employees' rights and interests to occupational health.

SCC keeps improving working environment by regularly conducting testing of occupational disease hazard factors across all positions, organizing special occupational health inspections and hazard rectification, and carrying out emergency drills for occupational hazard incidents. At the same time, the Company strictly implements full-cycle occupational health check-ups before, during, and after employment. It also organizes occupational health surveillance training and activities for the Publicity Week for the Law on the Prevention and Control of Occupational Diseases, striving to protect employee health throughout their entire career lifecycle.

2025

- **8** odor-related pollution reduction projects and **18** noise reduction projects were completed
- The participation rate for occupational health check-ups reached **100%**; the coverage rate and pass rate of occupational disease hazard factor testing both reached **100%**.
- **8** targeted inspections were conducted, identifying and rectifying **40** hazards, with a **100%** rectification completion rate
- **40** emergency drills for occupational hazard incidents, including cyanide leakage and chlorine leakage
- Occupational health science popularization and competition activities participated by **7,000+** employees, recording **zero** incidence and **zero** suspected cases of occupational disease throughout the year

### Strengthening Psychological Support for Employees

SCC expands its mental health hotline support through training, WeChat posts, posters and other platforms. It has incorporated workplace mental health courses into the All-Employee Gengxin Program and carried out monthly themed training sessions. The Company has also invited experts to provide on-site counseling, offering employees free psychological counseling services. In addition, it has organized key personnel to attend positive psychology training courses to enhance professional support capabilities. In 2025: we conducted **10** online mental health courses and **2** on-site counseling sessions, and sponsored **58** key business members for professional psychological studies.

## Social Contribution and Giving Back

With social responsibility firmly rooted in corporate DNA, SCC upholds its commitment to giving back to society and contributing to sustainability. Responsibility initiatives are carried out around aviation science outreach, rural revitalization, and international community co-building. By integrating into regional development and collaborating with stakeholders, we deliver social care through pragmatic actions, heading toward the harmonious unity of corporate growth and social progress.

### Launching Science Outreach to Light up the Future

SCC identifies aviation science outreach as a distinctive focus of its social responsibility efforts, sparking teenagers' interest in science in various forms. Since 2005, we have hosted the "SCC Cup" Aeromodelling Competition for 21 consecutive years, evolving it into a "competition + science + culture" trinity and a highly influential public welfare brand for aviation science outreach in the Guangdong-Hong Kong-Macao Greater Bay Area; we have participated in public welfare initiatives like "Blue Chalk", delivering high-quality aviation science outreach courses to rural teachers and students; and we have implemented a "Mentorship" program, continuously expanding our pool of professional science lecturers. These practices effectively inspire a love for science among teenagers and enhance their innovation literacy, contributing to the cultivation of future science and technology talents and the alignment between corporate social value and education.

#### Case | "SCC Cup" Aeromodelling Competition takes place in Shenzhen

On November 1, 2025, the 21st "SCC Cup" Aviation Model Competition, themed "Low-Altitude Wings, Dreams Taking Flight", was held at Shenzhen Longcheng Senior High School. The event was guided by the Chinese Society of Aeronautics and Astronautics, sponsored by the Guangdong Society of Aeronautics and Astronautics and the Shenzhen Association for Science and Technology, and cohosted by SCC, the Shenzhen Longgang District Enterprise Service Center, and Shenzhen Longcheng Senior High School. The competition attracted approximately 650 young contestants from nearly 200 schools across the province, with over 1,500 students and citizens participating in the event.

This year's competition featured 8 events, including individual rotorcraft race, aerial football match, and fixed-wing pylons racing. During the event, aeromodelling stunt performances and competitions sparked teenagers' passion for exploring aviation technology; virtual reality (VR) flight experiences and aerospace science outreach exhibitions in the interactive experience zone put into practice our social responsibility goal of "promoting learning through competition and popularizing science through exhibitions".



### Supporting Rural Revitalization through Consumption Assistance

Rural revitalization is the essential path to achieving common prosperity. Rural revitalization is deeply integrated into SCC's own development strategy. In April 2025, SCC conducted in-depth field research in Anshun, Guizhou Province to empower precise alignment between local development needs and the Company's own resource advantages. The research team focused on purely natural, pollution-free specialty farm produce to find high-quality food materials for employees as well as support local farmers through consumption.

With strong support from the municipal authorities of Anshun City, a robust procurement mechanism has been established. During the year, we purchased over RMB 1 million worth of local farm produce, effectively broadening sales channels for local produce and helping increase farmers' income.

## Advancing International Community Co-building

Targeting long-term mutual trust and cooperation, SCC deeply practices international community co-building during the development and operation of its Thailand Base. Through multi-dimensional initiatives such as government-enterprise synergy, industrial linkage, educational support, disaster relief, and cultural integration, we shape a shared future with local governments, industry organizations, and communities.

At the industry level: We cohost supply-demand matching events with the Thailand Board of Investment, promoting synergy across the supply chain and deepen government-industry-university-research integration with the Thailand Printed Circuit Association, government agencies, and academic institutions to facilitate technical exchange and talent development.

At the social level: We donated funds to community schools for dormitory renovations and entered into a MoU with the Office of the Vocational Education Commission for joint talent development. We established a school-enterprise coordination mechanism to support local vocational education and the electronic industry ecosystem. We are also active in public affairs and cultural integration initiatives, including anti-drug campaigns, flood relief efforts in Southern Thailand, Songkran Festival visits, and Children's Day care, integrating into local development through pragmatic actions.

#### Case | Integration—becoming a trustworthy partner

In 2025, following the principles of "Sincerity, Respect, and Integration", our Thailand Base proactively integrated itself into local culture and development and actively explored practical pathways for participating in community governance, striving to evolve from a participant in community development to a trustworthy partner.

##### ● Participating in public affairs

We supported local anti-drug campaigns and public discussions by organizing employee participation in the anti-drug-themed football matches and other events hosted by the Ayutthaya Provincial Government. In December 2025, when Southern Thailand was hit by a major flood, the Company responded quickly, raising and distributing 300 sets of daily necessity packages to affected families. We also mobilized employees to donate funds to supplement supplies and support disaster relief.

##### ● Respecting local culture

During the Songkran Festival in April 2025, we visited local communities, extending holiday greetings to 60+ neighboring families. In doing this, we enhanced emotional integration and won recognition of our Thailand Base through cultural respect.

##### ● Supporting local education

On Thai Children's Day in January 2025, we organized a community care initiative for children, creating a festive atmosphere by offering materials to and interacting with children. In September, we donated special-purpose funds to the local Nong Nam Som Temple Primary School for renovating school facilities and improving the living environment of 77 teachers and students, quickly addressing community difficulties.



Co-Hosting the VMC Activity with BOI Unit for Industrial Linkage Development



The Songkran Festival Charity Event

## Environment

# Creating a Better Future Through Green Intelligent Manufacturing

# 03

As a pacesetter and catalyst in the electronic circuit industry, SCC remains committed to its philosophy of "taking the lead, acting responsibly, and creating happy customers and solid employee relationships". Driven by technological innovation, we proactively address environmental challenges and opportunities, striving to minimize the ecological footprint of our operations while continuously advancing low-carbon and green development.

We prioritize high-quality development as our core mission, planning and deploying green, low-carbon practices based on operational reality. We keep refining our top-level design and institutional coordination, strengthening goal management and accountability. While ensuring stable operations, we cascade green responsibilities down to every business unit and function, ensuring high alignment of our low-carbon strategy with overall corporate development and the fulfillment of all environmental objectives.

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## Green Development Governance

SCC attaches great importance to environmental protection. We obtained the ISO 14000 environmental management system certification in 1999, becoming one of the earliest companies to establish a systematic environmental management mechanism.

We uphold an environmental philosophy of "Scientific Development, Prevention First", actively promoting energy conservation, emission reduction, pollution control, and cleaner production. A company-level, cross-departmental environmental management body—the SCC Green Production Management Committee—oversees the effective implementation of environmental activities at the strategic and organizational levels. A three-tier environmental management system of Company-Plant-Process, serving as a chain-wide environmental risk management system, conducts regular risk identification checks and specialized inspections and rectification, preventing any form of non-compliance.

### Key Performance

In accordance with the *Cleaner Production Standard – Printed Circuit Board Manufacturing*, SCC meets the Level 1 cleaner production criteria in terms of processes and equipment, resources and energy utilization, pollutant generation, and waste recycling, reaching the international advanced level. No administrative penalties for environmental offenses have been received over the past three years.

## Addressing Climate Change

SCC integrates climate management throughout its corporate value chain operations, systematically building a dual prevention and control system for physical risks and transition risks while continuously enhancing climate adaptation capabilities. By using scientific approaches to identify, evaluate, and respond to climate risks, we consistently enhance operational resilience and mitigate climate impacts during operations. While solidifying the foundation of green development, we also take targeted emission reduction actions, supporting the realization of the national dual-carbon goals.

## Governance

To effectively address the challenges of climate change and seize opportunities for green development, a Climate Change Governance Task Force has been set up to develop policies and oversee the management of climate-change related risks.

Level	Principal Responsible Person	Authority
Decision-making and command	Members of the Company leadership	<ul style="list-style-type: none"> <li>Review climate-related risks to the Company's business;</li> <li>Formulate overall strategies and policies for addressing climate change;</li> <li>Oversee the execution of company-level climate-related initiatives to ensure alignment with national and international climate goals.</li> </ul>
Overall coordination	Administrative Management Department, Safety and Environmental Protection Department	<ul style="list-style-type: none"> <li>Develop specific company-level action plans for addressing climate change;</li> <li>Coordinate the execution of climate-related tasks across departments;</li> <li>Oversee the achievement of company-level climate change targets.</li> </ul>
Implementation	Business units, plants, and departments	<ul style="list-style-type: none"> <li>Implement climate-related measures within their respective business units or plants to ensure targets are achieved;</li> <li>Oversee the execution of climate-related tasks within their respective units.</li> </ul>

To strengthen our capabilities to address climate change and achieve green, low-carbon development goals, SCC has established a Carbon Emission Management Committee, directly led by the General Manager, has been set up. The Committee is staffed with 16 certified professionals. Dual-carbon targets are broken down to individual departments and incorporated into the performance assessment system to ensure that overall targets are aligned with corporate strategy, ensuring that the carbon neutrality goal is achieved in a planned and phased manner.

## Strategy

Risk Dimension	Risk/Opportunity Identification	Impact Assessment	Measures
Physical risks	<p><b>Frequent extreme weather events</b></p> <p>Given its multi-base operations, SCC faces threats from typhoons, floods, and extreme heat.</p>	<p><b>Operational continuity and supply chain stability</b></p> <p>Potential facility damage and logistics disruptions, leading to capacity loss and delivery delays.</p>	<p><b>Refine emergency and redundancy mechanisms</b></p> <p>Formulate contingency plans for extreme weather events, enhance equipment protection, and strengthen backup logistics systems to minimize operational impact.</p>
Transition risks	<p><b>Policy and market low-carbon transition</b></p> <ol style="list-style-type: none"> <li>More stringent global carbon policies (e.g., EU CBAM);</li> <li>Higher carbon footprint traceability demands from key sectors such as automotive electronics and data centers;</li> <li>Accelerated technological iteration in the industry.</li> </ol>	<p><b>Compliance costs and market access pressure</b></p> <p>Potential increase in export costs; failure to meet low-carbon demands could compromise the competitiveness of high value-added products.</p>	<p><b>Proactively align with low-carbon trends</b></p> <ol style="list-style-type: none"> <li><b>Strategic guidance:</b> Joined SBTi with a commitment to achieving Net-Zero emissions by 2050;</li> <li><b>Institutional Management:</b> Implemented the <b>Carbon Emissions and Carbon Quota Management System</b> to enhance carbon trading compliance and carbon asset operation capabilities.</li> </ol>
Climate opportunities	<p><b>Policy and market dual drivers</b></p> <ol style="list-style-type: none"> <li><b>Policy:</b> Subsidies for green electricity, and policies supporting energy-saving retrofits.</li> <li><b>Market:</b> Growing client demand for high-precision carbon data.</li> <li><b>Industry Chain:</b> Supply chain demand for green transformation.</li> </ol>	<p><b>Building New Green Competitive Advantages</b></p> <ol style="list-style-type: none"> <li><b>Cost efficiency:</b> Lowering energy costs to boost cost competitiveness.</li> <li><b>Market expansion:</b> Meeting client needs to increase product premiums and market share;</li> <li><b>Industry chain resilience:</b> Optimizing supply chain structures to mitigate environmental risks.</li> </ol>	<p><b>Driving Green Growth through Innovation</b></p> <ol style="list-style-type: none"> <li><b>Energy structure optimization:</b> Installed 11+ MW of photovoltaic (PV) power systems across three bases, with annual power generation of 13.2 million kWh; purchased 26,000 GECs, reducing emissions by 15,558 tCO<sub>2</sub>e per year;</li> <li><b>Digital management:</b> Self-developed a carbon footprint management system, compressing accounting cycles from 40-60 days to 7 working days, improving customer response speed;</li> <li><b>Supply chain synergy:</b> Led supply chain dual-carbon management to drive supplier emission reductions; explored low-carbon material substitution and waste resource utilization technologies (e.g., brown-oxide waste reduction).</li> </ol>

## Management of Impacts, Risks, and Opportunities

### Establishing an internal carbon emissions trading mechanism

In 2025, drawing on the experience of the national carbon emissions trading market, SCC established an internal carbon emission trading mechanism based on defined total carbon emissions targets. Financial incentives were introduced to guide all businesses to implement energy-saving and carbon-reduction measures at the source. This effectively stimulates emission reduction initiatives and shifts emission reduction efforts from "mandated" to "voluntary", benefiting both the Company and the environment.



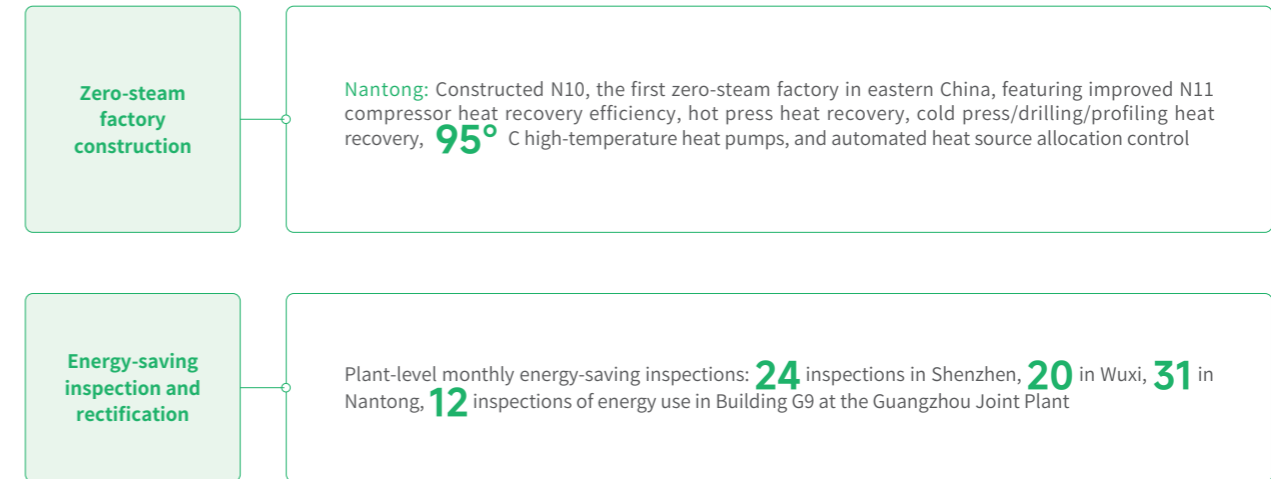
Green Electricity Certificate Transaction Voucher

### Self-developed product carbon footprint calculation system

To achieve precise carbon footprint control, SCC has independently developed PCB and SUB product carbon footprint management systems, embedding them into the front-end of the R&D process. Data models covering product lifecycles from raw materials, transportation, production to recycling have been established to provide accurate data support for design-phase low-carbon optimization.

### Energy-saving and carbon-reduction initiatives

Specialized improvement projects have been set up at all SCC bases based on their actual operations to drive the implementation of energy-saving and carbon-reduction initiatives.



### Practicing green office and promoting clean energy

Green operations are deeply integrated into SCC's daily management, creating a resource-friendly office ecosystem by saving energy and using clean energy.

#### Deepening paperless and smart office practices

We upgraded our smart office platform, achieving online operation across document circulation, work order management, and archival storage. Paperless office has become a hallmark of our smart manufacturing and daily operations, effectively limiting paper consumption at the source. We continuously advance energy-saving retrofits for office equipment and the integration of information systems, robustly practicing the low-carbon concept to minimize energy loss.

#### Scaling Up Clean Energy Use

We scale up the use of green electricity to increase the proportion of clean energy in both office and production operations. In 2025, the Company reported a substantial reduction in carbon emissions through a mix of distributed PV power generation and internal Green Electricity Certificate (GEC) trading.

#### Cultivating Green Habits Among All Employees

Leveraging key occasions such as Earth Day and National Energy-Conservation Publicity Week, green concepts are widely disseminated via corporate WeChat accounts, offline check-in challenges, and waste sorting guidelines. Signature activities, such as "Clear Your Plate" and "Green Workstation", are launched to guide employees toward resource-saving habits, creating a green atmosphere where everyone participates, and everyone shares.

#### Strengthening refined energy management

Dedicated persons are assigned to conduct monthly checks of green office practices. Timely rectifications are mandated against energy-wasting behaviors, such as leaving lights on after work or failing to power off equipment after meetings.

### Metrics and Targets

Unit/tonCO <sub>2</sub> e	14064-2023		14064-2024	
	Location-based	Market-based	Location-based	Market-based
Scope 1	52,190.62		77,248.41	
Scope 2	506,135.55	525,372.78	585,058.92	631,418.85
Scope 3	2,686,575.373	100.00%	1,883,836.67	100.00%
S3-1 Purchased goods and services	1,521,219.358	56.62%	1,278,796.21	67.88%
S3-2 Capital goods	15,709.0953	0.58%	113,437.51	6.02%
S3-3 Fuel- and energy-related activities	108,949.1671	4.06%	155,370	8.25%
S3-4 Upstream transportation and distribution	30,047.48571	1.12%	21,155.59	1.12%
S3-5 Waste generated in operations	3,981.399035	0.15%	6,282.4	0.33%
S3-6 Business travel	3,111.998171	0.12%	2,244.88	0.12%
S3-7 Employee commuting	15,682.68848	0.58%	7,838.66	0.42%
S3-9 Downstream transportation and distribution	25,007.08842	0.93%	23,880.37	1.27%
S3-10 Processing of sold products	950,507.3485	35.38%	266,134.03	14.13%
S3-11 Use of sold products	5,039.635709	0.19%	5,039.64	0.27%
S3-12 End-of-life treatment of sold products	7,320.108746	0.27%	3,657.38	0.19%
Total	3,264,138.773		2,592,503.93	



#### Carbon trading

In 2025, SCC purchased **26** million kWh of green electricity certificates (GECs), equivalent to **26,000** GECs, accounting for **3.5%** of total annual electricity consumption.



#### Product Carbon Footprint Calculation

We completed **23** PCF calculations for PCB products and **4** for SUB products, and estimated the product carbon footprint of **136** potential customer orders based on customer-required calculation logic, saving approximately RMB **4.8** million.



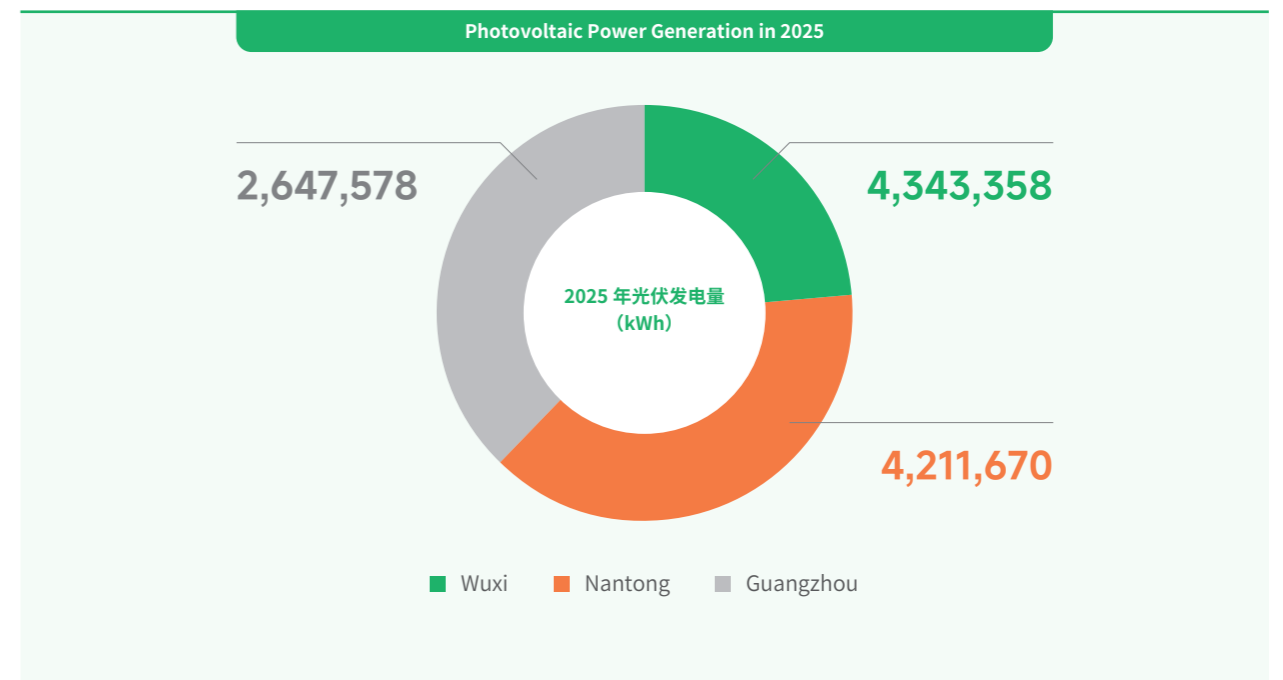
#### Green office

In 2025, we saved an aggregate of **2.13** million kWh of electricity, equivalent to a reduction of **1,274** tons of CO<sub>2</sub>e.



#### Photovoltaic Power Generation

In 2025, a total of **11,235,606** kWh of power was generated through PV power systems across our Wuxi, Nantong, and Guangzhou Bases.

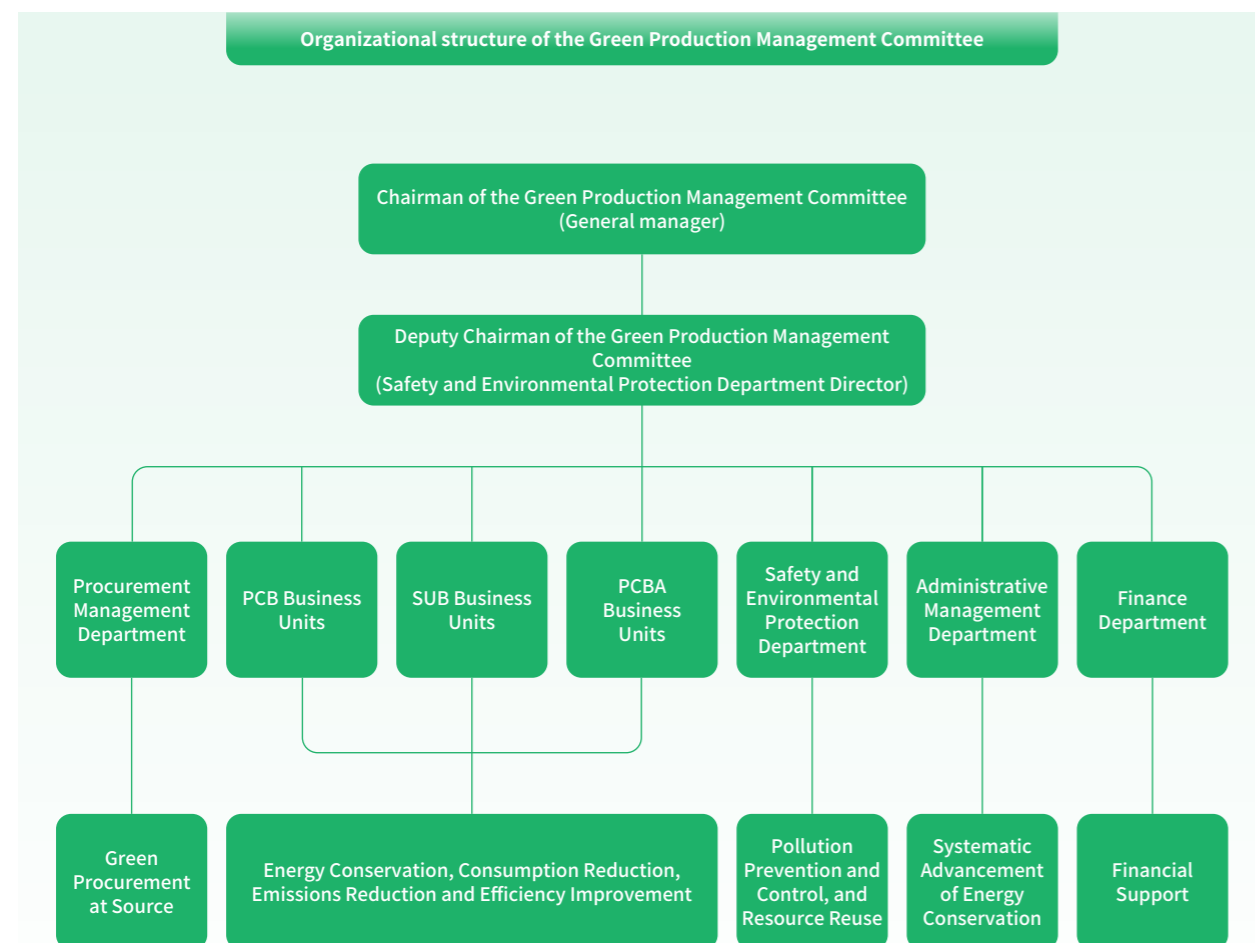


## Spearheading Pollution Prevention and Control

SCC combines end-to-end control with refined governance. We address energy and resource consumption and waste management problems throughout production processes and advance energy conservation, consumption reduction, and waste management initiatives in line with the principles of reduction, recycling, and harmless treatment, substantially elevating resource utilization efficiency and building a green manufacturing system. Continuous optimization of production processes and strengthened environmental management effectively reduces the negative impact of our operations on surrounding ecosystems and local communities, creating a healthy, safe work and living environment for both employees and local community residents.

### Governance

SCC has set up a Green Production Management Committee, chaired by the Company's General Manager, with the Director of the Safety and Environmental Protection Department serving as Deputy Chair, and staffed with members from related business units and functions. Under the GPC, four task forces—Green Procurement, Source Reduction, Resource Reuse, and Pollution Reduction—organize various energy conservation, emissions reduction, consumption reduction, and efficiency improvement initiatives, ensuring effective implementation and tangible results.



### Strategy

Risks	Impact Analysis	Measures
Wastewater discharge	Global water scarcity, tightening discharge standards, plus high reliance on water resources for operational activities, combine to pose risks—such as water shortage, water price increases, and even penalties or production restrictions if controls are ineffective.	<ul style="list-style-type: none"> <li>Optimize wastewater treatment processes to reduce pollutants at the source;</li> <li>Install or upgrade water reclamation systems to increase the proportion of industrial reclaimed water;</li> <li>Implement technical upgrades to improve water resource utilization efficiency;</li> <li>Combine real-time online monitoring with third-party audits to voluntarily accept public supervision.</li> </ul>
Exhaust gas emission	Tightening environmental policies and rising air emission standards necessitate the upgrading of existing facilities, leading to increased capital investment; failure to meet emission standards or inefficient monitoring can result in penalties or production restrictions, as well as damage to the surrounding environment, compromising both reputation and operational stability.	<ul style="list-style-type: none"> <li>Enhance intelligent early-warning capabilities by establishing real-time emission monitoring and smart alert systems;</li> <li>Address new challenges by employing more effort in the research of advanced exhaust gas treatment technologies;</li> <li>Adapt to policy changes to mitigate the impact from standard upgrades;</li> <li>Proactively accept public supervision to resolve Not-In-My-Backyard (NIMBY) effect.</li> </ul>
Waste	Expanding production scale increases total waste volume, driving up disposal costs and compliance pressures; improper disposal carries high penalty risks and liabilities; failure to effectively reuse resources leads to resource waste and disposal costs, increasing production costs.	<ul style="list-style-type: none"> <li>Optimize processes to reduce hazardous waste generation at the source; promote the recycling of waste liquids and reuse of general solid waste;</li> <li>Perform classified and graded management of waste;</li> <li>Refine end-to-end control and accountability from generation to disposal to ensure traceability and inquiry accessibility.</li> </ul>

### Management of Impacts, Risks, and Opportunities

#### Strengthening wastewater discharge management

##### Strengthening source control to enhance treatment efficiency

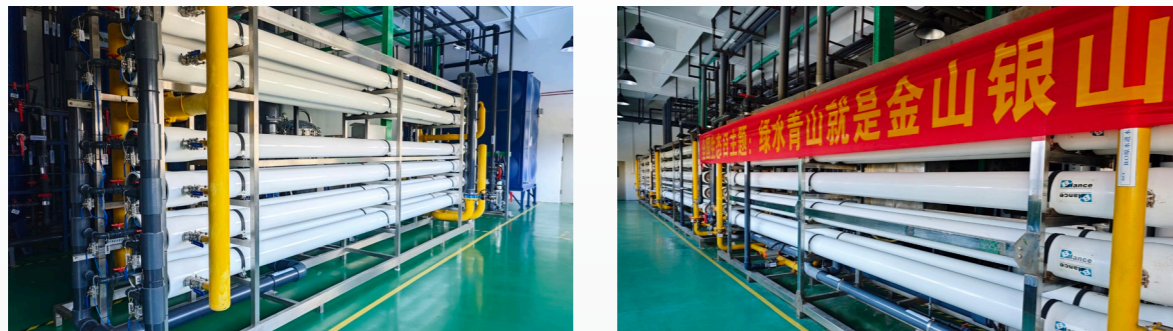
We optimize wastewater treatment processes, and implement innovative refined, classified management of wastewater and waste liquids. We follow internal wastewater discharge indicators that are stricter than national standards to ensure constant compliance while effectively reducing the discharge of major and characteristic pollutants in wastewater. Real-time online monitoring and alarm systems have been installed to ensure that pollutant data are transmitted in real-time to environmental regulatory platforms, allowing full-process transparency. Regular water quality testing is conducted by qualified third-party institutions. The results, remaining far below local discharge limits, are disclosed to the public via environmental platforms, inviting public supervision.

##### Continuously promoting water resource recycling

We invested tens of millions of RMB in water reclamation systems, where wastewater is collected, treated, and eventually reused in production and exhaust gas treatment, effectively reducing freshwater consumption and wastewater discharge. We deepen special technical upgrades and refined management, innovating wastewater treatment process improvements to enhance the lifecycle efficiency of water resources.

**Case | Optimizing wastewater treatment to enhance water efficiency**

- At Nantong SCC, direct discharge of reverse osmosis (RO) concentrate has been replaced with an RO concentrate recovery system, where concentrate from RO membranes is collected and further treated, generating purified water that can be used in place of freshwater. This results in a 14% higher purified water preparation rate compared to 2024.



- At Nantong SCC, organic wastewater treatment has been upgraded from primary sedimentation to secondary sedimentation, reducing the consumption of treatment chemicals while increasing the copper ion removal rate. This results in a 23% reduction in hazardous waste sludge and a 33% increase in the copper ion removal rate.



**Strengthening exhaust gas emission management**

SCC strictly follows national, local, and industry standards, benchmarking our environmental compliance and emission reduction practices against high standards. All monitoring data are disclosed in real-time via the National Pollutant Discharge Permit Management Information Platform, inviting public supervision. To enhance refined exhaust gas governance, real-time emission monitoring systems have been installed, enabling continuous tracking and intelligent early warning for emissions. This ensures consistent compliance of pollutant emissions with mandated standards.

**Strengthening waste management**

SCC strictly complies with national laws and regulations regarding waste management. By practicing reduction, recycling, and harmless treatment based on our operational reality, we promote end-to-end management and control over general industrial solid waste and hazardous waste, ensuring that all waste remains under strict control from generation to disposal.

**General industrial solid waste management**

We maintain a robust environmental pollution control accountability system for general industrial solid waste, covering generation, collection, storage, transportation, reuse, and disposal. Solid waste is stored in different zones by category, with standardized ledgers recording the types, quantities, flow, and reuse or disposal of solid waste to ensure full traceability and inquiry accessibility. Storage facilities are equipped with protections against scattering, runoff, and seepage, preventing secondary environmental pollution. Reusable industrial solid waste is transferred to qualified entities for comprehensive utilization; waste that cannot be reused for the time being is safely disposed of according to national standards.

**Hazardous waste management**

Source Control: Production processes are continuously optimized by reducing chemical dosage and extending replacement cycles, as well as through stricter control over stages generating waste liquids, effectively limiting hazardous waste volume. End-of-pipe Treatment: Greater efforts are made to reuse waste liquids through recycling and regeneration, further enhancing comprehensive utilization. In 2025, business expansion brought a 16% year-on-year increase in the total volume of hazardous waste, yet the hazardous waste intensity per RMB 10,000 of output value decreased by 0.3% year-on-year, thanks to a series of refined management practices and technical retrofits.

**Case | Innovative wet electrostatic precipitator (WESP) process introduced to tackle exhaust gas emissions treatment challenges**

With growing market demand for high-end PCB products, vacuum etching is increasingly adopted to replace traditional methods to achieve more precise circuit formation. However, under vacuum negative pressure, while the etching solution is substantially atomized, "white smoke" primarily composed of hydrochloric acid particles is also released at exhaust outlets. This not only threatens environmental compliance, but also poses potential disturbance to nearby residents, becoming a widespread environmental challenge for the industry.

SCC responded creatively by introducing a cross-industry solution: a wet electrostatic precipitator (WESP) process for etching exhaust gas treatment, built on electrostatic precipitation principles for dust treatment. The successful application of this innovation effectively resolves the exhaust governance challenges brought by vacuum etching. It not only ensures production quality, but also enhances environmental performance, further consolidating SCC's position as an industry benchmark for environmental technology.

**Metrics and Targets**

Indicator	Unit	2025	2024	2023
Total water consumption	10,000 ton	1578.24	1204.22	856.2
Industrial Water Consumption	10,000 ton	997.25	928.57	615.85
Industrial reclaimed water consumption	10,000 ton	356.47	275.65	240.35
Water consumption intensity	10,000 ton/RMB 10,000	4.7	5.2	6.33
Hazardous Waste Generated	Ton	145435.88	125663.17	84310.795
Quantity of non-hazardous waste disposed of	Ton	19611	18019	15663

Location	Pollutant Category	Pollutant Name	Total Annual Emissions (Ton)	Approved Annual Emission Cap (Yes/No)	Approved Annual Emission Cap (tons)	Exceedance of Emission Standards
Shenzhen	Pollutants	Particulate matter (PM)	18.519	No	/	No
		Sulfur dioxide	-	No	/	No
		Nitrogen oxide (NOx)	4.27	No	/	No
		Sulfuric acid mist	5.4	No	/	No
		Chlorine hydride	3.274	No	/	No
		Ammonia	1.736	No	/	No
		Formaldehyde	1.13	No	/	No
		Hydrogen chloride	3.274	No	/	No
		Volatile organic compounds (VOCs)	6.05	No	/	No
	Water Pollutants	Chemical Oxygen Demand (COD)	34.447	Yes	60.225	No
		Ammonia nitrogen (NH3-N)	1.035	Yes	10.95	No
		Total Nitrogen (TN)	10.783	Yes	36.5	No
		Total phosphorus (TP)	0.081	Yes	0.73	No
		Total copper	0.0648	No	/	No
Wuxi	Air Pollutants	Particulate matter (PM)	0.237	Yes	4.7588	No
		Sulfur dioxide	0.043	Yes	0.4271	No
		Nitrogen oxide (NOx)	0.061	Yes	10.0309	No
		Sulfuric acid mist	0.651	Yes	14.4809	No
		Hydrogen chloride	0.308	Yes	16.2773	No
		Ammonia	0.053	Yes	1.051	No
		Formaldehyde	-	No	/	No
		Hydrogen cyanide	0.0045	Yes	0.0416	No
		Volatile organic compounds (VOCs)	1.261	Yes	14.586	No
	Water Pollutants	Chemical oxygen demand (COD)	207.723	Yes	508.3866	No
		Ammonia nitrogen (NH3-N)	12.748	Yes	41.6027	No
		Total Nitrogen (TN)	15.583	Yes	56.4728	No
		Total phosphorus (TP)	0.364	Yes	5.9714	No
		Total copper	0.013	Yes	0.3299	No

Location	Pollutant Category	Pollutant Name	Total Annual Emissions (Ton)	Approved Annual Emission Cap (Yes/No)	Approved Annual Emission Cap (tons)	Exceedance of Emission Standards
Nantong	Air Pollutants	Particulate matter (PM)	1.421	Yes	13.5181	No
		Sulfur dioxide	-	Yes	0.46	No
		Nitrogen oxide (NOx)	1.012	Yes	9.7202	No
		Sulfuric acid mist	1.139	No	/	No
		Hydrogen chloride	7.032	No	/	No
		Ammonia	0.598	No	/	No
		Formaldehyde	0.058	No	/	No
		Hydrogen cyanide	0.002	No	/	No
		Volatile organic compounds (VOCs)	3.435	Yes	19.548	No
	Water Pollutants	Chemical oxygen demand (COD)	682.99	Yes	1005.919	No
		Ammonia nitrogen (NH3-N)	89.27	Yes	109.446	No
		Total Nitrogen (TN)	127.52	Yes	171.065	No
		Total phosphorus (TP)	11.84	Yes	17.331	No
		Total copper	0.292	No	/	No
Guangzhou	Air Pollutants	Particulate matter (PM)	3.428	No	/	No
		Sulfur dioxide	-	No	/	No
		Nitrogen oxide (NOx)	3.408	No	/	No
		Sulfuric acid mist	1.464	No	/	No
		Hydrogen chloride	0.013	No	/	No
		Ammonia	0.126	No	/	No
		Formaldehyde	0.027	No	/	No
		Hydrogen cyanide	0.025	No	/	No
		Volatile organic compounds (VOCs)	2.805	No	/	No
	Water Pollutants	Chemical oxygen demand (COD)	63.25357	Yes	1334.19	No
		Ammonia nitrogen (NH3-N)	14.58347	Yes	27.84	No
		Total Nitrogen (TN)	17.74615	Yes	212.44	No
		Total phosphorus (TP)	0.15812	Yes	3.8	No
		Total copper	0.14057	Yes	1.02	No

## Ecosystem and Biodiversity Protection



SCC advocates coordinated development between production and operations and ecological conservation, protecting ecosystems and biodiversity in strict compliance with national, local, and industry standards.

**Siting and layout:** Both the Company and its production bases are located outside ecological conservation red lines, avoiding ecological sensitive areas from the outset. **Project development:** Construction routes are properly planned to bypass permanent ecological reserves, permanent basic farmland, and eco-sensitive areas. Eco-friendly construction processes, such as the integration of permanent and temporary facilities and topsoil stripping, are adopted to minimize the impact on original landforms and surrounding ecosystems.

**Daily operations:** Environmental monitoring and information disclosure requirements, as mandated by our pollutant discharge permits, are fully implemented. Monitoring plans are made and executed in accordance with laws and regulations to ensure standardized monitoring processes and accurate data. All monitoring information is disclosed in real-time via the National Pollutant Discharge Permit Management Information Platform, achieving 100% compliance across internal, online, and government-supervised monitoring. Emergency response plans for environmental emergencies are reviewed every three years to ensure continuous refinement of our response mechanisms, consistently safeguarding the health and environmental and health rights and interests of our employees and neighboring communities.

In 2025, SCC did not cause any significant impact on surrounding ecosystems or biodiversity throughout its production and operations, safeguarding regional ecological security through proactive management efforts.



# Appendix

## Reporting Standards

### Report Object

Since 2008, Shennan Circuits Co., Ltd. (hereinafter referred to as "SCC", or "the Company") has voluntarily disclosed its sustainability philosophy and practices to the public every year, promoted understanding, communication and interaction between the Company, its stakeholders and the public, and jointly contributed to the achievement of global Sustainable Development Goals.

### Report Scope

This report covers all entities over which the Company has control or significant influence in terms of its financial and operational policies and measures, and is consistent with the scope covered in the Company's Annual Report. Unless otherwise specified, the Report describes the global operations of the headquarters and all branches of SCC in terms of economic, environmental and social aspects within the reporting period (from January 1, 2025 to December 31, 2025), and all the data are taken from the official documents and the *2025 Annual Report of Shennan Circuits Co., Ltd.*

### Description of Names

Name of Entity	Abbreviation	Nature of Entity
Shennan Circuits Co., Ltd.	SCC	The Company
Wuxi Shennan Circuits Co., Ltd.	Wuxi SCC	Wholly-owned subsidiary of the Company
Nantong Shennan Circuits Co., Ltd.	Nantong SCC	Wholly-owned subsidiary of the Company



### Disclosure Principles

This report has been prepared in accordance with the latest standards, including the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)* and the *Self-Regulatory Guidelines No. 3 of the Shenzhen Stock Exchange for Listed Companies—Preparation of Sustainability Reports*, and with reference to the GRI Sustainability Reporting Standards (GRI Standards 2021), the China Corporate Sustainability Report Guide (CASS-ESG 6.0), ISO 26000 *Guidance on Social Responsibility*, and the *Shenzhen Corporate Social Responsibility Evaluation Guide*. The Report mainly sets forth the issues from the economic, environmental and social perspectives, and focuses on the sustainable development practices of SCC in terms of customers, environment, employees, partners and communities.

The Chinese version of the Sustainable Development Report, as an independent report, was released in the first quarter of 2026 after being reviewed and approved by the Board of Directors in March 2026 (the previous report was released in the first quarter of 2025), and the English version will be released in the second quarter of 2026 (the previous report was released in the second quarter of 2025). In order to protect the environment and reduce the use of paper, please visit: [www.scc.com.cn>About SCC-Social Responsibility](http://www.scc.com.cn>About SCC-Social Responsibility) to browse or download the Report online.

SCC would like to express thanks to all stakeholders for offering suggestions and comments on SCC's Sustainable Development Report and will continue to improve the quality of the Report. In case of any comments or suggestions on the Report, please contact SCC through the following means, and we also kindly invite you to participate in the 2026 stakeholder survey to let SCC know more about the sustainable development topics you are most concerned about.

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### Disclaimer

This report may contain forward-looking information. Uncertainties in practice may lead to differences between the actual results and the forward-looking information, so this report is for reference only and does not constitute any offer or commitment. Please understand that Shennan Circuits Co., Ltd. may modify the above information without prior notice.

## Key Performance Indicators for 2025

### Financial Performance

Indicator	Unit	2025
Operating revenue	RMB 100 million	236.47
Total profit	RMB 100 million	36.24
Net profit	RMB 100 million	32.79
Total tax paid	RMB 100 million	8.17
R&D investment	RMB 100 million	15.91
R&D investment as a percentage of operating revenue	%	6.73
Net profit attributable to shareholders of the parent company	RMB 100 million	32.76
Cash dividend per 10 shares	RMB	24 (planned)
Total cash dividends distributed	RMB 100 million	16.35 (estimated)
Cash dividends as a percentage of net profit attributable to shareholders of the parent company	%	49.91

### Governance Performance

Indicator	Unit	2025
Proportion of male directors	%	100
Proportion of female directors	%	0
Proportion of directors aged 30-50	%	62.5
Proportion of directors aged above 50	%	37.5
Proportion of directors from ethnic minorities	%	11.11
Percentage of senior executives informed of anti-corruption policies and procedures	%	100
Percentage of employees (excluding senior executives) informed of anti-corruption policies and procedures	%	100
Percentage of senior executives having received anti-corruption training	%	100
Percentage of employees (excluding senior executives) having received anti-corruption training	%	100

### Environmental Performance

Indicator	Unit	2025
Total gasoline consumption	Ton	32.18
Total diesel consumption	Ton	2.92
Total natural gas consumption	10,000 m <sup>3</sup>	694.64
Total electricity consumption	10,000 kWh	114,454.42
Total Steam Consumption	million kJ	500,067.58
Organizational energy consumption (Scopes 1 and 2)	10,000t standard coal	15.66
Energy intensity	Tons of standard coal per RMB10,000	0.07
Quantity of waste generated	Ton	145,435.88
Quantity of non-hazardous waste disposed of	Ton	19,611
Density of non-hazardous waste generated	kg/t	134.9
Quantity of hazardous waste disposed of	Ton	125,824.1
Density of hazardous waste generated	kg/t	865.1
Waste diverted from disposal (recyclable)	Ton	0
Waste entering disposal (non-recyclable)	Ton	145,435.88
Nitrogen oxides (NOx)	Ton	8.751
Particulate matters (PM)	Ton	23.605
Sulfur oxides (SOx)	Ton	0.043
Total water consumption	10,000 ton	1,578.24
Production water consumption	10,000 ton	1,353.37
Domestic water consumption	10,000 ton	224.87
Fresh water consumption	10,000 ton	1,211.77
Reclaimed water consumption	10,000 ton	356.47
Water resource consumption intensity	ton/RMB 10,000 revenue	4.7
Water withdrawal quality (Of which, volume of water withdrawn from water-stressed regions)	%	0

Indicator	Unit	2025
Total wastewater discharge	10,000 ton	1,198.73
Percentage of wastewater discharge treated by municipal sewage treatment plants	%	100
2024 greenhouse gas verification data (verified by a third-party based on ISO 14064)		
Total greenhouse gas emissions	tCO <sub>2</sub> e	2,592,503.93
Total direct greenhouse gas emissions (Scope 1)	tCO <sub>2</sub> e	77,248.41
Total indirect greenhouse gas emissions (Scope 2, market-based)	tCO <sub>2</sub> e	631,418.85
Total greenhouse gas emissions from upstream and downstream (Scope 3)	tCO <sub>2</sub> e	1,883,836.67

## ● Social performance

Indicator	Unit	2025
Percentage of new suppliers informed of anti-corruption policies and procedures	%	100
Percentage of new suppliers undergoing CSR audits	%	100
Number of suppliers identified through audits as having actual or potential significant negative environmental and social impacts	Nos	0
Percentage of suppliers unanimously agreeing to make improvements after evaluation	%	100
Number of suppliers whose relationships were terminated after evaluation	Nos	0
Percentage of suppliers whose relationships were terminated after evaluation	%	0
Confirmed complaints involving infringement of customer privacy or loss of customer data	Item	0
Percentage of suppliers passing conflict minerals investigation for product raw materials	%	100
Total employees	Person	21,211
New jobs added	No.	3,901
New jobs added	No.	0
Percentage of child labor	%	0
Percentage of male employees	%	72.83

Indicator	Unit	2025
Percentage of female employees	%	27.17
Percentage of employees from ethnic minorities	%	6.42
Percentage of female managers	%	15.08
Percentage of employees aged below 30	%	48.98
Percentage of employees aged 30–50	%	50.62
Percentage of employees aged 50 and above	%	0.4
Percentage of employees with a postgraduate degree or above	%	4.42
Percentage of employees with a bachelor's degree	%	20.28
Percentage of employees with an associate college degree	%	25.93
Percentage of employees with other educational backgrounds	%	49.38
Total training duration for all employees	Hour	1,802,935
Average training duration for all employees	Hour	85
Employee training coverage rate	%	100
Average number of training sessions per employee	Time	25
Labor contract signing rate	%	100
Coverage rate of performance appraisal	%	100
Coverage rate of five insurances and one housing fund	%	100
Annual contribution of work-related injury insurance	RMB 10,000	945
Annual loss of working days due to work-related injuries	Day	13.5
Per capita paid annual leave days	Day	6.25
Number of employees receiving health checkups as part of welfare benefits	Person	21,211
Number of employees undergoing occupational health examinations	Person-time	14,571
Employee turnover rate *	%	11.96

Note: Employee turnover rate = Number of departed employees / (Number of employees on board at the beginning of the year + Number of newly hired employees during the year)

## Index to Indicators

<b>Statement of Use</b>	This report, covering the period from January 1 to December 31, 2025, is prepared by Shennan Circuits Co., Ltd. in accordance with the GRI Standards
<b>GRI 1 used</b>	Based on the GRI Universal Standards 2021, with the integration of the new Biodiversity Standard effective from January 1, 2026.

Standards (Foundation 2021)	Description	United Nations Sustainable Development Goals (SDGs)	China Corporate Sustainability Report Guide (CASS-ESG 6.0)	Location	Notes
GRI 2: General Disclosure 2021					
2-1	Organization details		P3.1-P3.3	About SCC	
2-2	Entities included in the organization's sustainability report		P1.2	Reporting Standards	
2-3	Reporting period, reporting frequency, and contact person		P1.2	Reporting Standards	
2-4	Information restatement		P1.2	Reporting Standards	N/A
2-5	External authentication		P1.2	/	This Report has not undergone external verification.
2-6	Activities, value chain, and other business relationships		P3.3	About SCC Key Performance Indicators	
2-7	Employee		S4.1.1-S4.1.12	Caring for Employees and Supporting Their Success Occupational Health Key Performance Indicators	
2-8	Workers outside of employees		S4.1.2、S4.1.10	Caring for Employees and Supporting Their Success Key Performance Indicators	
2-9	Governance structure and composition	SDG5、SDG16		Standardized Governance	
2-10	Nomination and selection of the highest governance body			Standardized Governance	
2-11	Chair of the highest governance body			Standardized Governance	
2-12	In terms of management impact, the supervisory role of the highest governance body	SDG16		Standardized Governance	
2-13	Authorization of responsibility for managing impact			Standardized Governance	

Standards (Foundation 2021)	Description	United Nations Sustainable Development Goals (SDGs)	China Corporate Sustainability Report Guide (CASS-ESG 6.0)	Location	Notes
2-14	The role of the highest governance body in sustainable development report			Standardized Governance	
2-15	Conflict of interests			ESG Management	
2-16	Communication of important concerns			Identification and Analysis of Material Topics	
2-17	Common knowledge of the highest governance body			Management Team Address ESG Management	
2-18	Performance evaluation of the highest governance body			Standardized Governance	
2-19	Remuneration policies		S4.1.5	Remuneration and Benefits	
2-20	Procedure for determining remuneration			Remuneration and Benefits	
2-21	Annual total remuneration ratio			/	The Company adheres to the principle of "position-based remuneration and job-salary alignment", and omits detailed disclosure to protect employee privacy
2-22	Statement on sustainable development strategy		P2.1	Management Team Address ESG Management	The Company adheres to the principle of "position-based remuneration and job-salary alignment", and omits detailed disclosure to protect employee privacy
2-23	Policy commitments		P2.1	Management Team Address	
2-24	Integration policy commitments		P2.1	ESG Management	
2-25	Procedures for remedying negative impacts		G1.1.1-G1.1.8、G1.1.10	Identification and Analysis of Material Topics	
2-26	Mechanism for seeking advice and raising concerns			ESG Management	

Standards (Foundation 2021)	Description	United Nations Sustainable Development Goals (SDGs)	China Corporate Sustainability Report Guide (CASS-ESG 6.0)	Location	Notes
2-27	Abiding by laws and regulations			Standardized Governance Compliance Management	No illegal or irregular activities occurred in the reporting period
2-28	Membership of association			/	
2-29	Method of stakeholder engagement	SDG16	G1.3.1、G1.3.2	Identification and Analysis of Material Topics	
2-30	Collective agreement negotiation			Protection of Employee Rights and Interests	
<b>GRI 3: material topics 2021</b>					
3-1	Process of determining material topics		G1.1.9	Identification and Analysis of Material Topics	
3-2	List of material topics		G1.1.9	Identification and Analysis of Material Topics	
<b>GRI 101: Biodiversity 2024</b>					
3-3	Management of material topics		E2.3.1、E2.3.3、E2.3.4	/	N/A
101-1	Policies on Biodiversity Conservation and Restoration			/	N/A
101-2	Management of Biodiversity Impacts		E2.3.5	/	N/A
101-3	Access and Benefit-Sharing		E2.3.2	/	N/A
101-4	Identification of Biodiversity Impacts			/	N/A
101-5	Locations with biodiversity impacts				N/A
101-6	Direct drivers of biodiversity loss				N/A
101-7	Changes to the state of biodiversity				N/A
101-8	Ecosystem services				N/A
<b>GRI 201: Economic Performance 2016</b>					
3-3	Management of material topics				
201-1	Direct economic value generated and distributed	SDG2、SDG5、SDG7、SDG8、SDG9	A2	Sustainable Development Performance Key Performance Indicators	

Standards (Foundation 2021)	Description	United Nations Sustainable Development Goals (SDGs)	China Corporate Sustainability Report Guide (CASS-ESG 6.0)	Location	Notes
201-2	Financial impacts and other risks and opportunities brought about by climate change			Management of Climate Impacts, Risks, and Opportunities	
201-3	Obligatory fixed benefit plans and other retirement plans			Remuneration and Benefits	
201-4	Financial subsidies provided by the government			/	See periodic reports for details
<b>GRI 202: Market Performance 2016</b>					
3-3	Management of material topics				
202-1	The ratio of starting salary to local minimum wage based on gender standards			/	The Company insists on equal pay for equal work and provides basic information that is not lower than the local minimum wage standard. Due to confidentiality requirements, disclosure is omitted
202-2	The proportion of senior executives hired from local communities			/	Not currently involved in the reporting period
<b>GRI203: Indirect Economic Impact 2016</b>					
3-3	Management of material topics				
203-1	Infrastructure investment and support service	SDG2、SDG5、SDG7、SDG9、SDG11		/	See periodic reports for details
203-2	Significant indirect economic impact	SDG1、SDG2、SDG3、SDG8、SDG10、SDG17	P2.1.1-P2.1.5、P2.1.8-P2.1.13 S1.2.1、S1.2.5、S1.2.6	Customer Orientation and Quality Assurance Empowering Operations Through Innovation Industrial Collaboration for Shared Development Social Contribution and Giving Back	
<b>GRI 205: Anti-corruption 2016</b>					
3-3	Management of material topics		G2.1.1-G2.1.8	Identification and Analysis of Material Topics	

Standards (Foundation 2021)	Description	United Nations Sustainable Development Goals (SDGs)	China Corporate Sustainability Report Guide (CASS-ESG 6.0)	Location	Notes
205-1	Operation Sites with Corruption Risk Assessment Performed	SDG16		Anti-Bribery and Anti-Corruption	
205-2	Communication and Training of Anti-corruption Policies and Procedures	SDG16		Anti-Bribery and Anti-Corruption	
205-3	Confirmed Incidents of Corruption and Actions Taken	SDG16		Anti-Bribery and Anti-Corruption	No incidents occurred during the reporting period
<b>GRI 206: Anti-competitive Behavior 2016</b>					
3-3	Management of material topics		G2.2.1-G2.2.3	Standardized Governance	
206-1	Legal Action Against Unfair Competition Practices, Antitrust and Antitrust Practices	SDG16		Index to Indicators	No incidents occurred during the reporting period
<b>GRI 207: Taxation 2019</b>					
3-3	Management of material topics			Compliance with the Law	
207-1	management measures			Compliance Management	
207-2	Tax governance, control, and risk management			Compliance Management	
207-3	Stakeholder involvement and management of tax-related matters			Compliance Management	
207-4	Country-by-country Report			/	SCC complies with the operational requirements of various regions and pays taxes according to law.
<b>GRI 302: Energy 2016</b>					
3-3	Management of material topics			Addressing Climate Change	
302-1	Internal energy consumption within the organization		E3.1.1-E3.1.5	Addressing Climate Change	
302-2	External energy consumption of the organization			/	The energy consumption of upstream and downstream activities cannot be accurately disclosed due to missing data

Standards (Foundation 2021)	Description	United Nations Sustainable Development Goals (SDGs)	China Corporate Sustainability Report Guide (CASS-ESG 6.0)	Location	Notes
302-3	Energy intensity			Addressing Climate Change	
302-4	Reduction of energy consumption	SDG7, SDG8, SDG12, SDG13		Addressing Climate Change	
302-5	Reductions in energy requirements of products and services	SDG7, SDG8, SDG12, SDG13		Addressing Climate Change	
<b>GRI 303: Water and Effluents 2018</b>					
3-3	Management of material topics			Spearheading Pollution Prevention and Control	
303-1	Interaction between Organization and Water (as a shared resource)	SDG6	E3.2.3, E3.2.4	Spearheading Pollution Prevention and Control	
303-2	Management of water discharge-related impacts	SDG6		Spearheading Pollution Prevention and Control	
303-3	Water intake	SDG6	E3.2.1	Key Performance Indicators	
303-4	Water draining	SDG6	E3.2.4	Key Performance Indicators	
303-5	Water consumption	SDG6	E3.2.1, E3.2.2	Spearheading Pollution Prevention and Control Key Performance Indicators	
<b>GRI 305: Emissions 2016</b>					
3-3	Management of material topics		E1.1.1-E1.1.6, E1.1.10-E1.1.16	Green Development Governance Addressing Climate Change Spearheading Pollution Prevention and Control	
305-1	Direct (Scope 1) greenhouse gas emissions		E1.1.7	Addressing Climate Change	
305-2	Indirect energy (Scope 2) greenhouse gas emissions		E1.1.8	Addressing Climate Change	
305-3	Other indirect (Scope 3) greenhouse gas emissions		E1.1.9	Addressing Climate Change	The verification data in Scope 3 are for 2024
305-4	Greenhouse gas emission intensity			Addressing Climate Change	
305-5	Greenhouse gas reduction	SDG13, SDG14, SDG15	E1.1.17-E1.1.19	Addressing Climate Change	
305-6	Emissions of ozone depleting substances (ODS)			/	N/A
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other major gas emissions		E1.1.13	Addressing Climate Change	

Standards (Foundation 2021)	Description	United Nations Sustainable Development Goals (SDGs)	China Corporate Sustainability Report Guide (CASS-ESG 6.0)	Location	Notes
<b>GRI 306: Waste 2020</b>					
3-3	Management of material topics		E2.1.1、E2.1.3、E2.1.4、E2.1.7、E2.1.9、E2.4.1-E2.4.4	Green Development Governance Spearheading Pollution Prevention and Control	
306-1	Generation of waste and significant impacts related to waste		E2.1.5	Spearheading Pollution Prevention and Control	
306-2	Management of significant impacts related to waste		E2.1.6、E2.1.8	Spearheading Pollution Prevention and Control	
306-3	Waste generated		E2.1.2、E2.2.1-E2.2.7	Spearheading Pollution Prevention and Control	
306-4	transferred from disposal	SDG3、SDG12		Spearheading Pollution Prevention and Control Key Performance Indicators	
306-5	Waste entering for disposal			Spearheading Pollution Prevention and Control Key Performance Indicators	
<b>GRI 308: Supplier Environmental Assessment 2016</b>					
3-3	Management of material topics		S3.1.1	Building a Sustainable Supply Chain	
308-1	New Suppliers Screened with Environmental Criteria	SDG12	S3.1.3、S3.1.4	Building a Sustainable Supply Chain	
308-2	Negative environmental impacts of the supply chain and actions taken	SDG12	S3.1.3、S3.1.4	Building a Sustainable Supply Chain	
<b>GRI 401: Employment 2016</b>					
3-3	Management of material topics			Employee Diversity and Equality Protection of Employee Rights and Interests	
401-1	New employees and employee turnover rate			Employee Diversity and equality Key Performance Indicators	
401-2	Benefits for Full-time Employees (excluding temporary or part-time employees)	SDG3		Remuneration and Benefits	
401-3	Parental leave	SDG3		Remuneration and Benefits	
<b>GRI 402: Labor Relations 2016</b>					
3-3	Management of material topics			Protection of Employee Rights and Interests	

Standards (Foundation 2021)	Description	United Nations Sustainable Development Goals (SDGs)	China Corporate Sustainability Report Guide (CASS-ESG 6.0)	Location	Notes
402-1	Minimum notice period for operational changes			/	
<b>GRI 403: Occupational Health and Safety 2018</b>					
3-3	Management of material topics			Occupational Health and Work Safety	
403-1	Occupational Health and Safety Management System	SDG8	S4.2.2、S4.2.3	Occupational Health and Work Safety	
403-2	Hazard Identification, Risk Assessment and Incident Investigation	SDG3、SDG8	S4.2.1	Occupational Health and Work Safety	
403-3	Occupational Health Service	SDG3、SDG8		Occupational Health and Work Safety	
403-4	Occupational health and safety affairs: worker participation, consultation and communication	SDG8		Occupational Health and Work Safety	
403-5	Worker training on occupational health and safety	SDG8	S4.2.4	Occupational Health and Work Safety	
403-6	Promoting worker health	SDG8		Occupational Health and Work Safety	
403-7	Prevent and Mitigate Occupational Health and Safety Impacts Directly Related to Business Relationships	SDG8		Occupational Health and Work Safety	
403-8	Workers Covered by the Occupational Health and Safety Management System	SDG8		Occupational Health and Work Safety	/
403-9	Work-related injuries	SDG8	S4.2.5	Occupational Health and Work Safety	
403-10	Work-related health issues	SDG8	S4.2.6	Occupational Health and Work Safety	
<b>GRI 404: Training and Education 2016</b>					
3-3	Management of material topics		S4.3.1	Employee Diversity and Equality Employee Training and Development	
404-1	The average number of training hours per employee per year	SDG5、SDG8		Employee Training and Development	
404-2	Employee Skills Upgrading Program and Transition Assistance Program	SDG8	S4.3.2-S4.3.6	Employee Training and Development	

Standards (Foundation 2021)	Description	United Nations Sustainable Development Goals (SDGs)	China Corporate Sustainability Report Guide (CASS-ESG 6.0)	Location	Notes
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	SDG5、SDG8		Remuneration and Benefits Key Performance Indicators	
<b>GRI 405: Diversity and Equal Opportunities 2016</b>					
3-3	Management of material topics			Employee Diversity and Equality	
405-1	Governance Body and Employee Diversity	SDG5、SDG8	S4.1.1-S4.1.3、S4.1.11	Employee Diversity and Equality Key Performance Indicators	
405-2	Ratio of Basic Salary and Remuneration Between Male and Female Employees	SDG5、SDG8、SDG10		Index to Indicators	The Company insists on equal pay for equal work, but disclosure is omitted due to information confidentiality requirements.
<b>GRI 406: Anti-discrimination 2016</b>					
3-3	Management of material topics			Protection of Employee Rights and Interests	
406-1	Incidents of Discrimination and Corrective Actions Taken	SDG5、SDG8、SDG16		Index to Indicators	No incidents occurred during the reporting period
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>					
3-3	Management of material topics		S3.1.1	Protection of Employee Rights and Interests	
407-1	Operating points and suppliers that may face risks in terms of freedom of association and collective bargaining rights	SDG8、SDG12	S3.1.3、S3.1.4	Supply Chain CSR Management	No incidents occurred during the reporting period
<b>GRI 408: Child Labor 2016</b>					
3-3	Management of material topics		S3.1.1	Protection of Employee Rights and Interests	
408-1	Operation Sites and Suppliers at Risk of Significant Child Labor Incidents	SDG8、SDG16	S3.1.3、S3.1.4	Supply Chain CSR Management Key Performance Indicators	
<b>GRI 409: Forced or Compulsory Labor 2016</b>					
3-3	Management of material topics		S3.1.1	Protection of Employee Rights and Interests	
409-1	Operation Sites and Suppliers at Risk of Significant Forced Labor Incidents	SDG8	S3.1.3、S3.1.4	Supply Chain CSR Management Key Performance Indicators	No incidents occurred during the reporting period

Standards (Foundation 2021)	Description	United Nations Sustainable Development Goals (SDGs)	China Corporate Sustainability Report Guide (CASS-ESG 6.0)	Location	Notes
<b>GRI 413: Local Communities 2016</b>					
3-3	Management of substantive issues				
413-1	Operational points with local community participation, impact assessment, and development plans			Social Contribution and Giving Back	
413-2	Operational points that have significant actual or potential significant negative impacts on the local communities			Social Contribution and giving back Strengthening Pollution Prevention and Control	No incidents occurred during the reporting period
<b>GRI 414: Supplier Social Assessment 2016</b>					
3-3	Management of material topics		S3.1.1	Building a Sustainable Supply Chain	
414-1	New Suppliers Screened with Social Criteria	SDG12	S3.1.3、S3.1.4	Building a Sustainable Supply Chain	
414-2	Negative Social Impacts of the Supply Chain and Actions Taken	SDG12	S3.1.3、S3.1.4	Building a Sustainable Supply Chain	No incidents occurred during the reporting period
<b>GRI 416: Customer Health and Safety 2016</b>					
3-3	Management of material topics		S3.3.1-S3.3.6	Data Security and Customer Privacy Protection Customer Orientation and Quality Assurance	
416-1	Assessment on Health and Safety Impact of Product and Service Categories	SDG12		Data Security and Customer Privacy Protection Customer Orientation and Quality Assurance	
416-2	Violations Involving Health and Safety Impact of Products and Services	SDG16		Index to Indicators	No incidents occurred during the reporting period
<b>GRI 418: Customer Privacy 2016</b>					
3-3	Management of material topics		S3.4.1-S3.4.4	Data Security and Customer Privacy Protection	
418-1	Verified Complaints Related to Breaches of Customer Privacy and Data Loss	SDG16		Key Performance Indicators	No incidents occurred during the reporting period



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