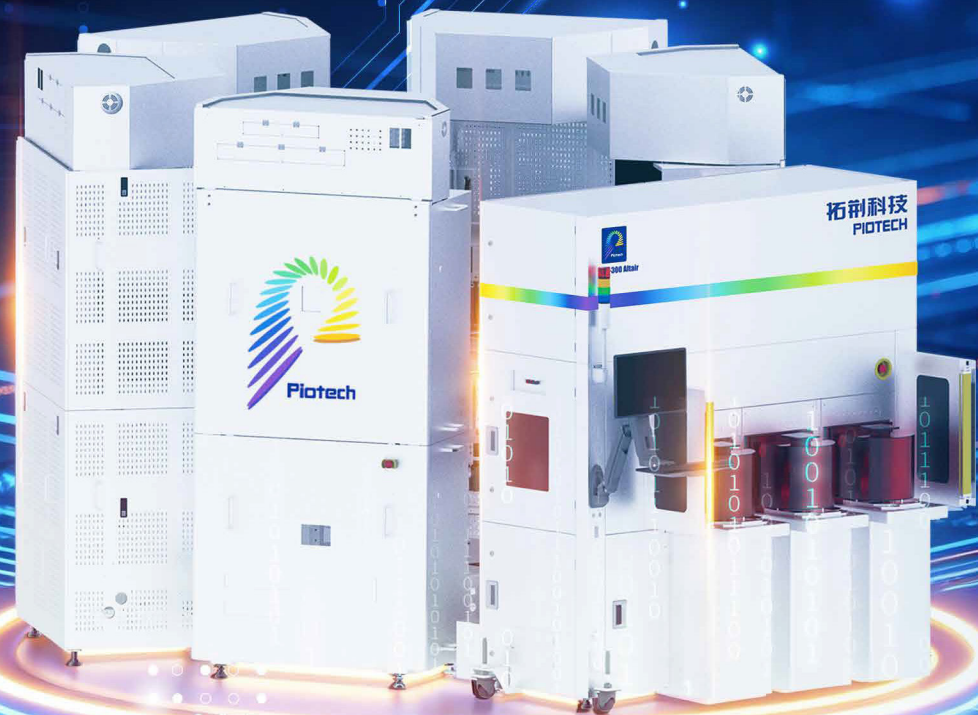




拓荆科技



2025 Environmental, Social and Governance (ESG) Report of Piotech Inc.

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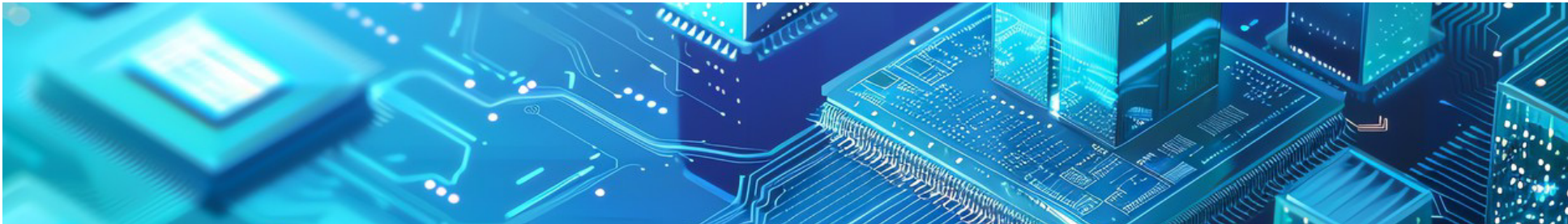
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ABOUT THIS REPORT

Overview

This Report is the fourth Environmental, Social and Governance (ESG) report published by Piotech Inc. (hereinafter referred to as "Piotech", "the Company", or "we", including the subsidiaries within the scope of consolidated statements). The Report discloses our ESG practices and achievements in 2025.

Report Access

This Report is released annually in electronic version. For its detailed contents, please visit the website of the Shanghai Stock Exchange (www.sse.com.cn) or Piotech's website (<http://www.piotech.cn>).

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Time Frame

The time frame of this Report is from January 1, 2025 to December 31, 2025 (hereinafter referred to as the "Reporting Period"). To enhance data comparability and content continuity, certain information is appropriately extended both forward and backward.

Reporting Scope

This Report covers Piotech and its subsidiaries within the scope of consolidated statements. For ease of reference, Piotech, its major subsidiaries and corresponding factories are as follows:

Full Name	Short Name	Corresponding Factory
Piotech Inc.	Piotech/the Company/We	Shenyang Factory
Piotech Chuangyi (Shenyang) Semiconductor Equipment Co., Ltd.	Piotech Chuangyi	
Piotech (Shanghai) Co., Ltd.	Piotech Shanghai	Shanghai Factory
Piotech (Beijing) Co., Ltd.	Piotech Beijing	Beijing Factory
Piotech Jianke (Haining) Semiconductor Equipment Co., Ltd.	Piotech Jianke	Haining Factory
Piotech (Qingdao) Co., Ltd.	Piotech Qingdao	Qingdao Factory

Basis of Preparation

This Report is prepared in accordance with the 4th edition of the Global Reporting Initiative (GRI) Standards (2021) published by the Global Sustainability Standards Board (GSSB), the Self-Regulatory Guidelines No.13 of the Shanghai Stock Exchange for STAR Market Listed Companies – Preparation of Sustainability Reports (Revised in January 2026) issued by the Shanghai Stock Exchange, and the United Nations Sustainable Development Goals (SDGs) standards.

Language Description

This Report is prepared in both Simplified Chinese and English versions. In case of any discrepancies or ambiguities between the two versions, the Simplified Chinese version shall prevail.

Indicator Selection

This Report primarily focuses on the accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability of specific indicators related to the disclosure of performance on material issues. The Company will continue to adjust and optimize the disclosed indicators in future reports.

> **Accuracy:** The Company should disclose accurate information for assessing the relevant impacts.

> **Balance:** The Company should disclose report information without bias, and fairly represent both the negative and positive impacts of the Company.

> **Clarity:** The Company should present information in a clear and understandable manner.

> **Comparability:** Our information selection, compilation, and reporting methods should remain consistent to facilitate the analysis of its long-term impacts, as well as the comparison of these impacts with those of other companies.

> **Completeness:** The Company should provide complete information to facilitate the assessment of its impacts during this reporting period.

> **Sustainability Context:** The Company should report information on its impacts within the context of sustainable development.

> **Timeliness:** The Company should regularly disclose information for users to use as a reference for decision-making.

> **Verifiability:** The Company should collect, record, prepare, and analyze information in a way that allows for verification and ensures its quality.

Data Source and Reliability

The information and data collected in this Report cover the Company and its subsidiaries within the scope of consolidated financial statements. In the event of any inconsistency between the financial data presented in this Report and our 2025 annual report, the data in the annual report shall prevail. Additionally, some data for 2024 have been retained to two decimal places. Unless otherwise specified, the currency unit mentioned in the Report is the Chinese Renminbi (RMB). Our Board of Directors commits that the Report contains no false or misleading statements and takes responsibility for the truthfulness, accuracy, and completeness of its contents.

CHAIRMAN'S SPEECH



Lu Guangquan
Chairman of Piotech Inc.

The year 2025 marks the concluding year of the 14th Five-Year Plan and a critical year for Piotech to advance towards high-quality development. With the vision of "becoming a world-leading semiconductor equipment company", we have established a relatively complete product matrix for thin-film deposition and 3D integration equipment, and have rapidly expanded our mass production scale in the advanced process field. We achieved an annual operating revenue of RMB 6.519 billion, steady improvements in corporate scale and operational capabilities, and a continuous enhancement in overall strength. While maintaining robust growth, we firmly advance green transformation and core competency development, and thus lay a more solid foundation for high-quality development in the new stage.

Driving High-Quality Development through Quality and Innovation

Quality and innovation are the fundamental pillars that support our growth and development. In 2025, we implemented a comprehensive quality management system and passed the ISO 9001 quality management system certification. There was no equipment and product recall due to safety or health issues throughout the year, and we continuously enhanced product reliability and customer trust. We continued to strengthen R&D and innovation, and had R&D investment reach RMB 859 million and

R&D personnel account for 42.8% of the total workforce. Additionally, we deeply integrated green concepts into the entire process of technological innovation, and reduced resource consumption in the R&D stage through rapid testing and virtual verification. Relying on a high-level R&D team and a systematic innovation layout, we have cumulatively applied for 2,140 patents (including PCTs) as of December 31, 2025, among which invention patents accounted for 73.6% (including PCTs). And we have undertaken 16 national major special projects/topics, and built an innovation system that combines technological leadership with green competitiveness.

Building an Industrial Ecosystem Community through Collaboration and Mutual Benefit

Collaboration and mutual benefit represent the core philosophy behind our efforts to deepen collaboration across the industry chain. In 2025, we focused on supply chain resilience and sustainable management, and assessed 272 suppliers. These suppliers span across 20 provinces in China (including Hong Kong, Macao, and Taiwan), and our domestic suppliers account for approximately 93% and local suppliers in Liaoning account for about 20%, thus continuously optimizing our regional layout and local synergy capabilities. Additionally, we have built a full-lifecycle supply chain management system across access, evaluation, and

exit, so we integrate environmental and social responsibility requirements throughout the entire supply chain, and achieve full-process digitalization of procurement and collaboration through the SRM system. Through special projects, we drive collaboration and innovation across the industry chain, and thus promote high-quality development of semiconductor industry chain.

Consolidating the Foundation of Sustainable Development through Green Transformation

Green transformation is a key underpinning of our sustainable and high-quality development. In 2025, we established a three-tier climate governance structure to define clear pathways to achieve carbon peaking by 2030 and carbon neutrality by 2060. We continuously advanced energy structure optimization and emission reduction management. Throughout the year, energy-saving renovations resulted in a cumulative nitrogen savings of 591,300 tonnes, wherein Shanghai Factory advanced the construction of distributed photovoltaic systems, while Shenyang Factory achieved a 20% proportion of green electricity procurement, thereby leading to continuous optimization of the energy structure. We also deepened resource recycling and employee participation mechanism, and thus achieved an 82.7% implementation rate for rationalization proposals, some of which formed

patent achievements. In terms of ecological environment management, we continued to strengthen whole-process control, and thus achieved 100% compliance for major pollutant discharges and maintained "zero penalties" for environmental incidents throughout the year. The concept of green and low-carbon has been fully integrated into our production, operations and factory construction, and has solidified the environmental foundation for steady development.

Gathering the Power for Sustainable Corporate Growth with Talent and Culture

Talent is the key driving force behind our efforts to build core competitiveness. By the end of 2025, we had a total of 1,696 employees, with over 40% of them holding a master's or doctoral degree. The talent structure continued to optimize, the employment complied with laws and regulations throughout the year, and there were no incidents of discrimination, child labor, or forced labor. We established a diversified incentive mechanism that combined "salary incentives + equity incentives". Under our 2025 restricted stock incentive plan, over 1.26 million restricted shares were granted to 1,055 incentive recipients. We refined our tiered and categorized training system, implemented a dual-chan-

nel promotion and the "Successor Program" for more than 240 key talents, and continued to reinforce our talent echelon. We carried out 13,226 person-times of training throughout the year, achieving 100% coverage. In addition, we extended occupational health management from within the factory to customer-side operation scenarios to achieve 100% coverage of occupational health examinations, and continuously strengthened employee safety guarantee and growth & development support.

Safeguarding Long-Term Value Creation with Robust Governance

Robust governance is a crucial cornerstone for us to achieve long-term value creation. In 2025, we maintained our three-tier governance structure composed of the "Board of Directors — ESG Management Committee — Executive Level" to facilitate the integration of ESG management throughout the entire strategic and operational processes. Additionally, we continued to optimize the composition of the Board of Directors, with independent directors accounting for 33.33% and female directors accounting for 22.22%; and had independent directors up to 60% in the Audit Committee, the Remuneration and Assessment Committee, and the Nomination Committee. During this Reporting

Period, we revised and formulated a total of 28 systems throughout the year, enhanced the "three lines of defense" risk management mechanism, strengthened closed-loop control in internal audits, and continuously improved risk prevention capabilities. We adhered to standardized operations and received an "A" rating for information disclosure in 2024-2025 information disclosure evaluation, marking three consecutive years of receiving an "A" rating. We suffered from "zero" major compliance incidents, corruptions, or data security breaches; and we have received an "A" rating for tax credit for eight consecutive years, and possessed a governance system that is more standardized, transparent, and robust.

We are well aware that the development of our enterprise cannot be separated from the collaboration of industry partners and the support from all sectors of society. Looking ahead, we will continue to embrace an open and cooperative approach, and work hand in hand with upstream and downstream partners in the industry chain to jointly drive China's semiconductor equipment industry towards a higher quality and more resilient future.





Company Profile

Founded in April 2010, Piotech was successfully listed on the STAR Market of the Shanghai Stock Exchange in April 2022 (Stock Code: 688072). Since inception, we have been dedicated to the independent R&D and innovation of high-end semiconductor equipment, have focused on the R&D and industrialization of thin film deposition equipment, as well as advanced bonding equipment and supporting metrology and inspection equipment for 3D integration applications (hereafter collectively referred to as "3D integration equipment"), and have become a leading enterprise in this field domestically. We are recognized as a national specialized and innovative "Little Giant" enterprise, a

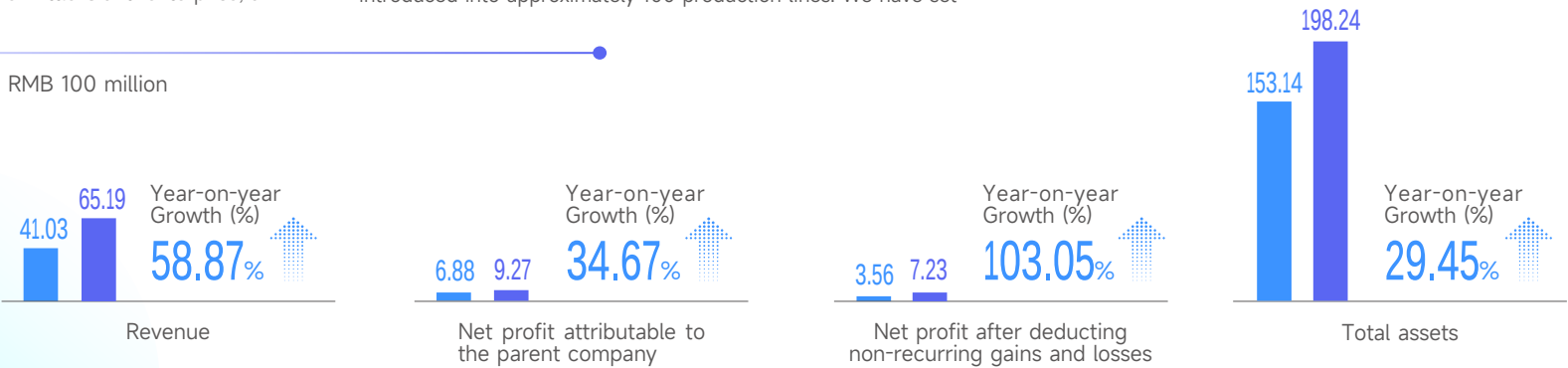
national enterprise technology center, a provincial manufacturing single champion enterprise, and a provincial specialized and innovative small and medium-sized enterprise; and our subsidiaries, namely Piotech Chuangyi, Piotech Shanghai, and Piotech Jianke, are recognized as national high-tech enterprises. In addition, we have obtained ISO 9001, ISO 14001, and ISO 45001 system certifications.

As of the disclosure date of this Report, our products have been introduced into approximately 100 production lines. We have set

up technical service centers in multiple locations to provide 24/7 technical support to customers, and has formed an international professional team with high-tech R&D strength and management experience. Through years of technological accumulation, we have developed a core technology cluster and an intellectual property (IP) system with independent IP rights, and have been rated as a "National Intellectual Property Demonstration Enterprise (2022-2025)" by the China National Intellectual Property Administration.

2024 2025 Unit: RMB 100 million

Indicator



Honors and Achievements

As of the disclosure date of this Report, Piotech has maintained a high ESG rating in the assessments conducted by the following ESG rating agencies:

QUANTDATA

AAA

China Securities Index

AA

Wind ESG

AA

Sino-Securities Index

A

MSCI

A

ESG Honors



Special ESG Contribution Awards

- Wind ESG Top 100 Best ESG Practices of Chinese Listed Companies in 2025
- Securities Time 19th Top 100 ESG Listed Companies in China



Piotech
Chuangyi

- National High-Tech Enterprise
- Liaoning Industry-Education Integration Enterprise
- Liaoning Innovative Small and Medium-Sized Enterprise
- Liaoning Postdoctoral Innovation Practice Base
- 2025 Municipal-Level Enterprise Technology Center



Piotech
Shanghai

- National High-Tech Enterprise
- Technology Center of Piotech (Shanghai) Co., Ltd.
- Shanghai Specialized and Innovative Small and Medium-Sized Enterprise
- Shanghai Innovative Small and Medium-Sized Enterprise



Piotech
Jianke

- National High-Tech Enterprise
- Zhejiang Piotech Jianke Wafer Bonding Equipment Enterprise Research Institute
- Zhejiang Specialized and Innovative Small and Medium-Sized Enterprise
- Zhejiang Innovative Small and Medium-Sized Enterprise
- Zhejiang Science & Technology Small and Medium-Sized Enterprise
- Piotech Jianke Wafer Bonding Equipment
- High-Tech R&D Center
- Technology Center of Piotech Jianke

Corporate Honors and Qualifications



- National Specialized and Innovative "Little Giant" Enterprise
- National Intellectual Property Demonstration Enterprise (2022-2025)
- Liaoning Thin-Film Equipment Engineering Research Center
- Liaoning Industry-Education Integration Enterprise
- Liaoning Manufacturing Single Champion Enterprise
- Liaoning Specialized and Innovative Small and Medium-Sized Enterprise
- Liaoning Gazelle Enterprise
- Liaoning Postdoctoral Innovation Practice Base
- Liaoning Thin-Film Deposition Equipment & Components
- Innovation Center (Provincial-Level Manufacturing Innovation Center)
- Technology Center of Piotech Inc.
- 2024 Best Practice Award for Investor Relations Management from the China Association for Public Companies
- Top A-grade Evaluation for Information Disclosure from the Shanghai Stock Exchange
- 2024 Listed Company Golden Bull Award-"Golden Information Disclosure Award" from China Securities Journal
- "SSE Eagle · Golden Quality" Science and Technology Innovation Award from Shanghai Securities News
- 2025 Top 500 Brands of Chinese Listed Companies from China-Asia Economic Development Association



Piotech

Vision and Culture

Corporate Vision

To Become a World-Leading Semiconductor Equipment Company

To Develop Cutting-Edge Technologies for Semiconductor Industry

To Be Committed to Providing Competitive Products

To Cultivate a New Generation of Domestic IC Professionals

To Establish a Healthy and Progressive Corporate Culture

Corporate Culture

Attitude
Proactive and constructive work attitude
Courage to innovate and strive for perfection

Communication
Open and transparent communication channels
Leaders keep their doors always open

Responsibility
Comprehensive sense of responsibility
Being responsible for the Company and society

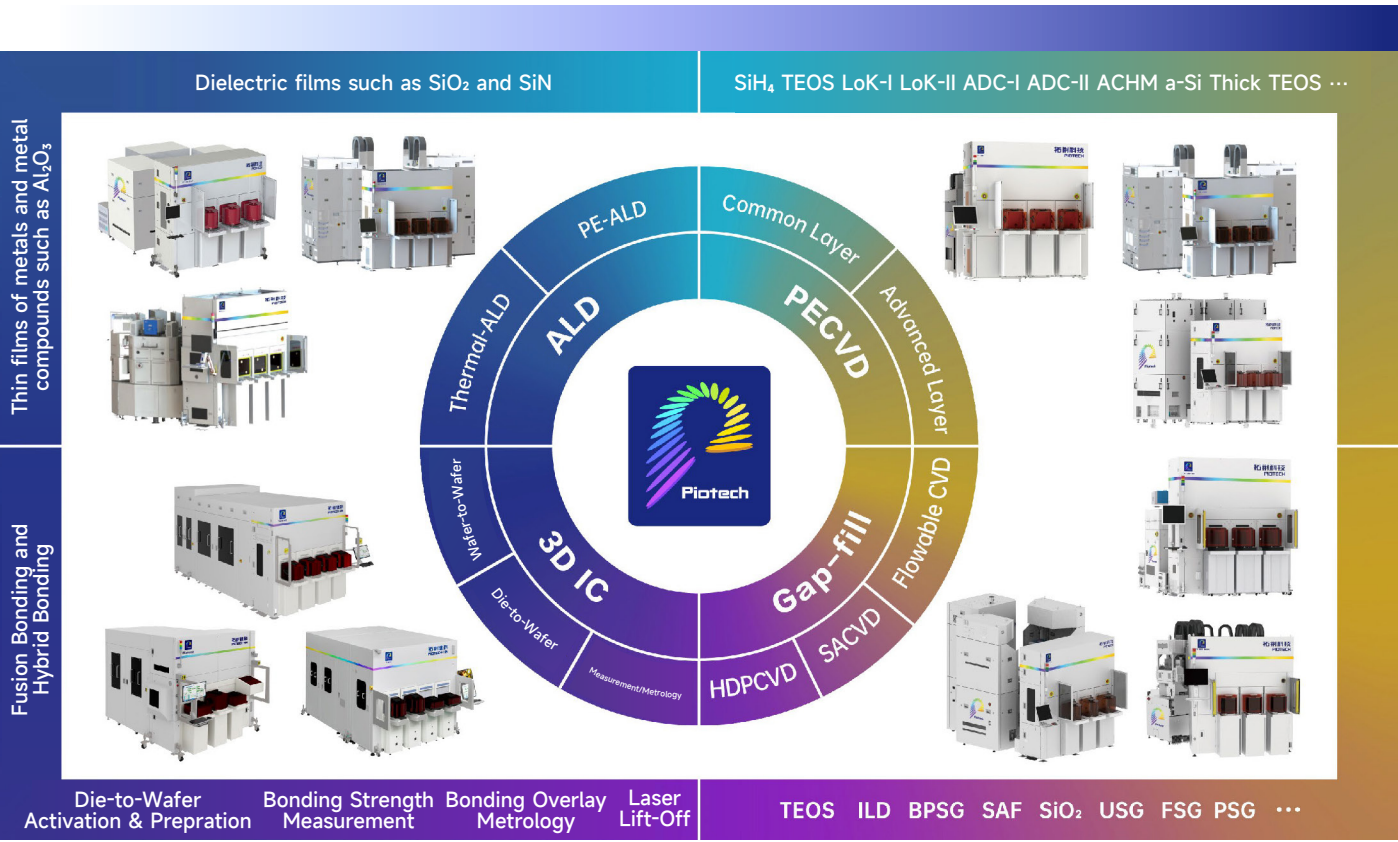
Honor
High standards of professional ethics
Respect for oneself and adherence to discipline

Results
Result-oriented contribution
Fair and just performance management mechanism

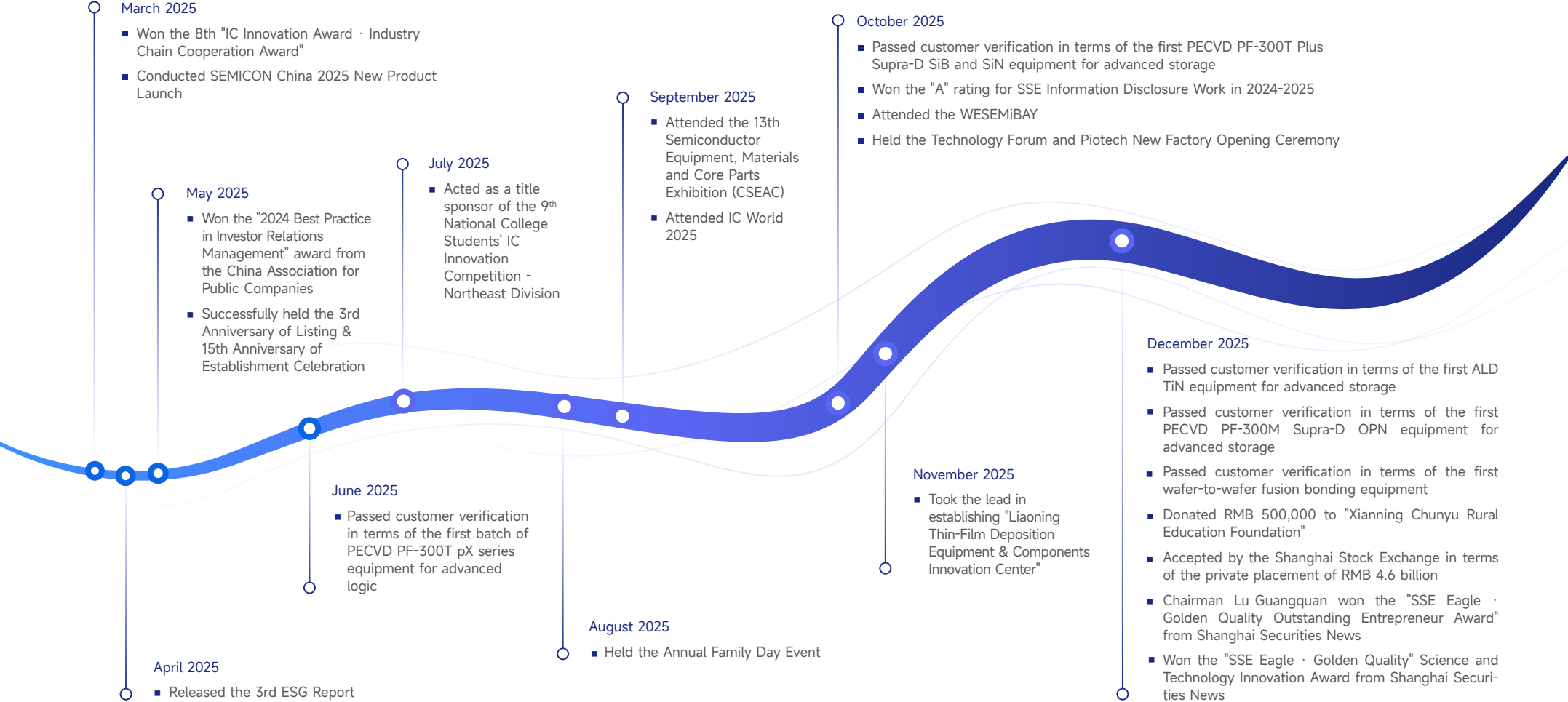
Business and Products

Piotech is mainly engaged in the R&D, production, sales, and technical services of high-end semiconductor specialized equipment. Since inception, we have consistently adhered to independent R&D and innovation. Currently, we have developed thin-film deposition equipment and products such as PECVD, ALD, SACVD, HDPCVD, and Flowable CVD, as well as 3D integration equipment and products, including wafer-to-wafer hybrid bonding, wafer-to-wafer fusion bonding, and chip-to-wafer hybrid bonding. The thin-film deposition equipment and products have been widely applied in domestic integrated circuit logic chips, memory chips, and other chip manufacturing domains, as well as advanced packaging fields, and these equipment and products have expanded into areas such as silicon photonic chips and 3D integration. Additionally, the 3D integration equipment and products have achieved mass production in fields such as advanced memory and image sensors (CIS).

We actively seize the development opportunities arising from semiconductor chip technology iteration and upgrading and domestic substitution, and leverage our competitive advantages in rapid technological innovation and iteration, superior performance, broad coverage, and large-scale mass production of products, as well as rely on our profound accumulation in R&D teams, technology reserves, customer resources, and after-sales services. Through continuously expanding new processes and new products, our core competitiveness in thin-film deposition equipment and 3D integration equipment continues to enhance. We have achieved outstanding results in the expansion, mass production and application of new products in the advanced process node, and have carried out a gradual expansion in business scale. And both equipment performance and production capacity of us have reached advanced levels comparable to similar international equipment.



2025 Events



QUALITY PIOTECH

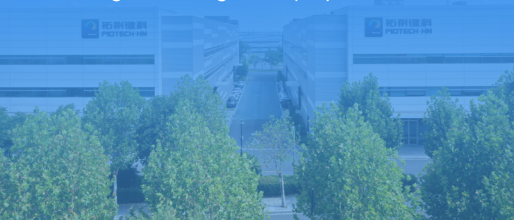
01



INNOVATION DRIVEN

Strengthening R&D Innovation

Piotech has always regarded technological innovation as its core development engine. Through independent R&D as well as technological breakthroughs, we continue to delve deeply into the field of high-end semiconductor equipment, and strive to become a world-class manufacturer of thin-film deposition equipment and 3D integration equipment. Our core products have been widely used in critical areas such as integrated circuit logic chips, memory chips, and 3D integration. In 2025, we have enhanced our technological innovation strength and global market competitiveness through deepening the construction of innovation mechanisms, cultivating R&D teams, and accelerating technological deployment.



Governance

Piotech continuously refines its innovative management and operation system consisting of the "decision-making level, operation level, and support level", and establishes an R&D decision-making and execution model; under this model, "the headquarters sets the overall direction and subsidiaries implement specifically", so it further streamlines the decision-making chain to ensure that short-, medium-, and long-term R&D plans are closely aligned with actual market demands. The headquarters centrally coordinates human and financial resources and controls key project nodes, while subsidiaries focus on R&D task implementation and rapid response to market demand, so all these levels efficiently collaborate to promote R&D and product iteration.

Decision-Making Level
Strategic departments
Operation level
Product R&D, process development, mechanical design, mechanical/electrical/software platforms...
Support level
IP, product management, safety and reliability, training and documentation management, human resources, information security...

Strategy

Piotech has established technological innovation as its core strategy for sustainable development with the vision of becoming a world-leading semiconductor equipment company. Around this core strategy, we have formulated a clear phased goal system: in the short term (1-2 years), the focus will be on optimizing product performance and controlling costs to strengthen advantages in the domestic market; in the medium term (3-5 years), we will proactively deploy cutting-edge technologies and expand into overseas markets; and in the long term (over 5 years), the aim is to lead industry technological transformations and establish a dominant global brand position, through which technology roadmap and market expansion will be systematically planned.

In 2025, we set an annual goal of achieving shipment or passing customer verification for more than 10 new products/processes, and focused on key areas such as thin-film deposition equipment and 3D integration equipment. Through strengthening project node control, resource coordination, and cross-departmental collaboration, we systematically promoted the landing of various R&D projects, achieved the annual goal and effectively supported the expansion of product portfolio and the improvement of mass production scale, which laid a phased foundation for medium and long-term technological deployment and enhanced market competitiveness.

Short-Term Goals (1-2 years)	Medium-Term Goals (3-5 years)	Long-Term Goals (more than 5 years)
Optimized Design Improve product performance and reduce product costs	Forward-Looking Exploration Grasp cutting-edge technological trends and enrich semiconductor equipment layout	Leading Industry Lead technical changes in semiconductor equipment
Strengthened Advantages Enhance product core competitiveness and expand domestic market share	Share Increase Expand overseas markets and enhance brand influence	Global Brand Establish a dominant position in the international market

Impact, Risk, and Opportunity Management

To implement the innovation strategy and manage the entire R&D process, Piotech has built a systematic management mechanism for capacity building, incentive implementation, and achievement layout.

| R&D Capacity Building

Focused on establishing high-level innovation platforms and assembling talent teams, Piotech leverages multiple national, provincial, and municipal innovation platforms as well as interdisciplinary professional R&D teams to lay a solid foundation for sustained technological innovation and product iteration.

Innovation Qualifications and Platforms

In 2025, we were recognized with qualifications and innovation platforms such as National Specialized and Innovative "Little Giant" Enterprise, Liaoning Specialized and Innovative Small and Medium-Sized Enterprise, Liaoning Manufacturing Single Champion Enterprise, Shanghai Corporate Technology Center, Shanghai Specialized and Innovative Small and Medium-Sized Enterprise, and Zhejiang Specialized and Innovative Small and Medium-Sized Enterprise.

We have formed a professional R&D team with diverse backgrounds and cross-domain collaborative operations, brought together talents from fields such as materials science and engineering, plasma engineering, mechanical engineering, chemical engineering, and electrical engineering, and formed an innovative synergy covering the entire technological spectrum of semiconductor equipment. Additionally, we emphasize both recruitment and cultivation, actively absorb high-level technical talents and strengthen the independent cultivation of local scientific research forces, with a view to ensuring the stable development of core technical team.

By 2025, our R&D team has grown to 726 members, accounting for 42.8% of the total workforce, and representing a 12% year-on-year increase. Among them, the proportion of Ph.D. holders has increased to 9%, while the proportion of master's degree holders remains stable at over 58%. These team members possess both solid professional knowledge reserves and extensive practical experience in production line validation.

| Innovation Incentive Mechanism

Stimulating the innovation vitality of all employees is the core driving force for Piotech to continue to achieve technological breakthroughs. In this regard, we have built a long-term incentive system that covers innovative achievement rewards, honorary commendation system, and equity incentive plan, with a view to comprehensively releasing employees' innovation potential.

1

Innovative Achievement Rewards

Incentives are provided for various innovation achievements such as patents, software copyrights, papers, academic reports, and trademarks. In 2025, a total of **845** individuals received relevant incentives, with the reward amount reaching RMB **420,000**.

2

Honorary Commendation System

Awards such as Best Patent Award, Outstanding Individual in Patents, and Outstanding Group in Patents are set up. In 2025, **1** individual received the Best Patent Award, and **2** individuals were recognized as Outstanding Individual in Patents.

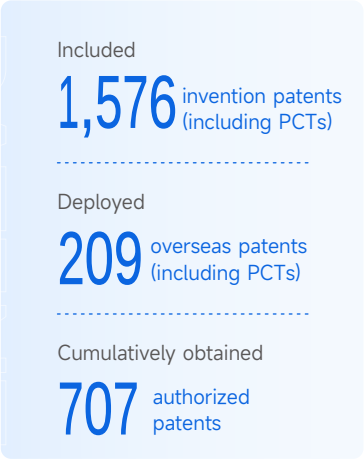
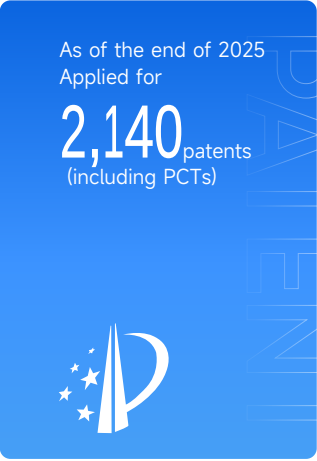
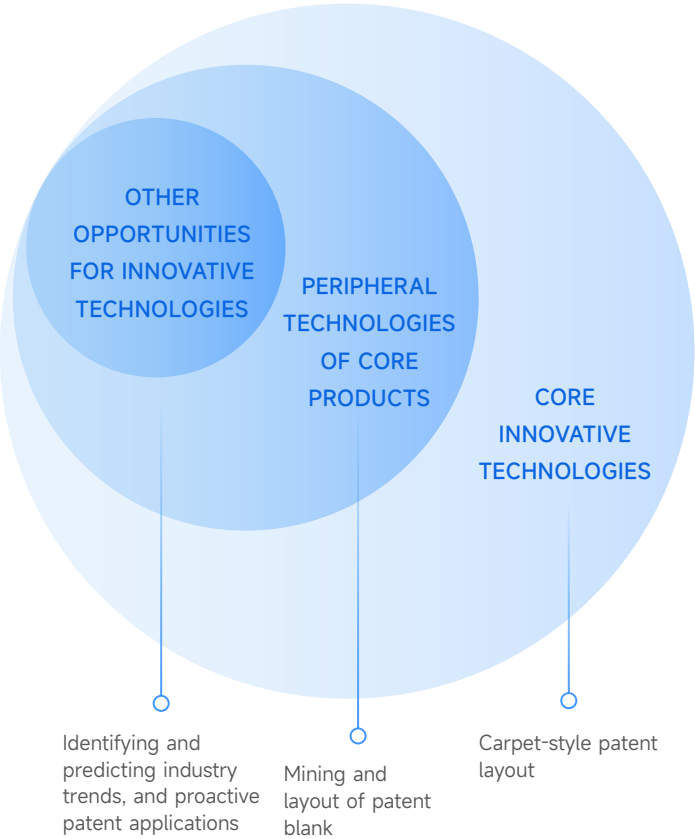
3

Equity Incentive Plan

The equity incentive plan that covers core R&D talent groups is continuously implemented to further enhance team stability and cohesion. Under our 2025 restricted stock incentive plan, over **1.26** million restricted shares were granted to **1,055** incentive recipients.

Innovative Achievement Strategy

Piotech utilizes a three-tier structure to combine, position, and surround its core innovative technologies, product peripheral technologies, and other industry opportunities, and thus forms a robust IP defense network.



Indicators and Goals

Indicator	Unit	2025	2024
Amount of R&D investment	RMB 10 thousand	85,927.42	75,597.63
Proportion of R&D investment to primary business revenue	%	13.18	18.42
Number of R&D personnel and their proportion	Person/%	726/42.81	68648/42.30
Number of authorized patents applied to primary business	Number	707	507
Number of invention patents applied during this reporting period (including PCTs)	Number	376	315
Number of invention patents granted during this reporting period	Number	116	56
Valid patents per RMB 100 million revenue	Number	10.85	12.36
Software copyrights per RMB 100 million revenue	Number	1.18	1.37
Registered trademarks as of the end of this reporting period	Number	223	190
Registered trademarks during this reporting period	Number	33	44
Applied trademarks during this reporting period	Number	2	68

Green Innovation Empowerment

Piotech has deeply integrated green and sustainable concepts into the entire life cycle of its products. In the internal R&D and testing links, we actively practice green practices, and utilize lean methods to reduce resource consumption in own innovation activities; in the product delivery stage to customers, we empower customers to achieve higher production efficiency, and lower operating costs and carbon footprints; and in the product maintenance and use process, we cooperate with customers and partners to build a resource recycling system, extend product value, reduce waste generation, and systematically promote green development of semiconductor industry chain.



Green Product R&D

Piotech introduces lean R&D methods such as rapid testing and virtual verification in the R&D and testing links, and optimizes hardware iteration processes, so as to significantly reduce energy and material consumption during testing, mitigate the environmental impact of R&D activities from the innovation source, and improve the efficiency of R&D resource utilization.

Energy-Saving and Consumption-Reduction Practices in the Rapid Upgrades of PECVD PF-300T eX Series Products

| Case

Piotech extensively improved the stability, reliability, and throughput of its mainstream mass-production products, the PECVD PF-300T eX series. Throughout the product upgrade and hardware iteration, Piotech introduced the concept of fail-fast and deterioration testing. This is to address the traditional issues associated with numerous test samples, long test cycles and corresponding high energy consumption. The method allows for fast and precise screening of promising solutions, thereby reducing the number of experimental hardware samples and the overall verification duration by 50%. As a result, hardware iteration efficiency and energy conservation improvements are simultaneously achieved. Moreover, the conditioning treatment process has been optimized to shorten the tool stabilization time after new components installation, which significantly improves the tool utilization rate, and cut down the chemical usage, earning wide recognitions from customers.



Green Product Usage

Piotech optimizes process design and reduces product footprint to improve the energy efficiency of key components. As a result, the products can achieve lower unit production energy consumption, material consumption, and carbon emissions during customer-side operation and also ensure excellent performance, thereby creating environmental and economic value for customers.

Reduction in Precursor Consumption for ALD NF-300H Astra Product

| Case

The ALD NF-300H Astra atomic layer deposition equipment independently developed by Piotech significantly reduces material consumption during production by virtue of its excellent chemical precursor transmission control capability and high usage efficiency. Compared to similar products on the market, such equipment substantially decreases chemical precursor usage by over 30%, and effectively reduces raw material waste and environmental emission pressures at the customer site, thereby achieving green and efficient product manufacturing.



Performance Improvement and Green Cost Reduction in Customized Domestic Development of ESC Power

| Case

In response to the pain points of the electrostatic chuck (ESC) power supply in semiconductor equipment, such as low current resolution of imported components, high costs, and functions not meeting process requirements, Piotech carried out customized domestic development in conjunction with suppliers, and established a cooperative development team. By conducting in-depth analysis of process data, the team specifically optimized core specification indicators of the power supply, including current resolution, output voltage, control method, and current accuracy, thus successfully developed a domestically produced power supply that meets stringent process requirements. The customized product not only achieves performance transcendence but also reduces the procurement cost by about 2/3 compared to imported products, and additionally reduces the static and dynamic power consumption of the equipment during actual production, thereby directly reducing customer's electricity costs and carbon emissions.



Simultaneous Improvements in Production Capacity and Energy Efficiency Based on Infrared Real-time Alignment Technology of the Hybrid Bonding Dione 300 Series Product

| Case

In the wafer-to-wafer hybrid bonding process, the Dione 300 series product developed by Piotech overcomes the efficiency and precision bottlenecks of traditional alignment methods through innovative real-time infrared alignment technology. This technology increases the overall equipment throughput by 60% and significantly saves electricity by reducing unit energy consumption at the customer site with the same throughput, so it promotes green manufacturing in semiconductor advanced packaging.





Dual Reduction in Water Resources and Carbon Emissions Based on Process Optimization of Laser Debonding for Lyra-300 Series Product

| Case

For the wafer laser debonding, the Lyra 300 series developed by Piotech reduces wafer loss during the substrate removal after permanent bonding through systematic process optimization. This optimization not only streamlines the production workflow but also reduces the usage of deionized water (DIW) at the customer site by 90%, and lowers carbon dioxide emissions in related processes by 50%, so it reflects our continuous innovation in resource conservation and carbon emission reduction.



Green Product Recycling

Piotech establishes and promotes the maintenance, refurbishment, and remanufacturing system of key components, and standardizes the recycling and disposal process of waste materials to extend the product life cycle and promote resource recycling in the industry chain.



Collaborating with Customers to Build a Green Eco-System for Semiconductor Equipment Parts

| Case



Typically, PECVD equipment demands frequent part replacements to prevent parts aging induced wafer process deviations. To address the associated environmental impact, Piotech collaborated with downstream FAB customers to promote the recycling and reuse of parts. We established a dedicated team to develop strict technical requirements and test plans along with customers, and extensively explored cleaning and repairing methods, monitored critical process parameters, and conducted process and reliability tests in R&D laboratories. So far the standards for cleaning and repairing of over 40 categories of components have been established, and more than 30 recycled parts have undergone mass production verification in multiple customer production lines. Now the spare parts recycling rate reaches 60% and continues to rise. This effort has effectively reduced resource waste and environmental impact, gaining widespread recognitions from customers.

PATENT

Intellectual Property Protection

Piotech is fully aware of the importance and necessity of Intellectual Property (IP) protection, and has established a comprehensive IP management system to promptly analyze, identify, assess, and address internal and external risks, systematically prevent and respond to global IP risks, and ensure the legitimacy and sustainability of technological innovation achievements.



Governance

As a National Intellectual Property Demonstration Enterprise, Piotech has established an independent IP management department to coordinate and manage all IP-related affairs. We have formulated management policies and process control documents for patents, trademarks, copyrights, trade secrets, etc., such as the *Intellectual Property Handbook*, *Intellectual Property Management Regulations*, *Patent Risk Control and Management Rules* and the *Trade Secret Management Regulations*, and has maintained certification for IP compliance management system since 2019. During the Reporting Period, we did not experience any IP infringement incidents.



Certificate of Intellectual Property Compliance Management System (2025-2028)

Strategy

Piotech regards IP protection as a crucial strategic pillar for safeguarding technological innovation achievements, preserving core competitiveness, and achieving sustainable development. By building a proactive, systematic, and full-process risk prevention and control system, we aim to deeply integrate the management concept of "pre-event prevention, in-event control, and post-event emergency response" of IP-related risks into various business links such as R&D, sales, and cooperation, thereby constructing a legal and institutional barrier for global innovation and market expansion.

Impact, Risk, and Opportunity Management

Piotech attaches great importance to IP protection and risk prevention and control, and systematically manages related risks and opportunities through three dimensions, i.e., internal control, external prevention, and dynamic response.

01

Internal Environment Cultivation

- Strengthen employees' awareness of IP protection, implement the signing of confidentiality agreements, and regularly arrange training on IP risk prevention and control.
- Issue guidelines for communication between employees in customer sites and external parties to protect legitimate rights and interests.
- Implement IP risk prevention and control across all business processes, including procurement, human resources, contracts, RFQ(Request for Quotation), sales, and external data provision.
- Carry out the protection of trade secrets by adding watermarks to various information in the entire information chain, and standardizing approval workflows for internal and external information exchange.

02

External Environment Control

- Strengthen quality and confidentiality of and timeliness control over external partners, take legal action against infringement behaviors, and provide IP training or warning education for suppliers.
- Continuously monitor changes in relevant laws, regulations, and policies, promptly optimize and adjust preventive measures, and oversee market dynamics to prevent the infringement.

03

Dynamic Response Management

- Build an emergency response mechanism with clearly defined responsibilities and response procedures for IP infringement incidents.
- Regularly assess changes in internal and external environment as well as potential threats to IP, formulate response strategies, and optimize protection measures.

Training for Improvement

Piotech prevents IP ownership risks and strengthens employees' awareness of IP protection and risk prevention through targeted training and clear technology ownership. In 2025, a total of 5 specialized IP protection training sessions were held around patent proposals, IP risk avoidance, intelligence utilization, and trade secret management, effectively improving employees' hands-on skills and compliance awareness.



Practices in Trade Secrets and Asset Management

Case

In December 2025, Piotech conducted a course on "Practices in Trade Secrets and Asset Management". The course covered the entire process of trade secrets and asset management, aiming at explaining core practices such as asset inventory, evidence preservation, and carrier management, helping participants grasp practical essentials and enhancing our IP protection, risk prevention and control capabilities in the field of trade secrets.

PATENT



Indicators and Goals

As of the end of the Reporting Period, Piotech has continuously maintained its certification for the IP compliance management system (2025-2028), and retained its honor as a "National Intellectual Property Demonstration Enterprise". No IP infringement incidents occurred to us throughout the year.



National Intellectual Property Demonstration Enterprise (2022-2025)

China National Intellectual Property Administration



PRODUCT QUALITY SAFETY AND SERVICE

Product Quality Management

Piotech has established a comprehensive and well-structured product quality management system. Focusing on full-life-cycle quality management, we have built a process-oriented and modular quality management mechanism. Leveraging standardized systems and cross-departmental collaboration, we continuously enhance product reliability and quality management levels, and are committed to providing customers with stable and reliable products and services.



Governance

Piotech has established "Do Things Right and Do the Right Things" as its core quality principle that permeates throughout all staffs and processes. We continuously aim to enhance product reliability and customer satisfaction. By forming cross-departmental quality improvement teams, we systematically promote quality control throughout the entire product lifecycle, and consistently advance the development of quality management system. Currently, Piotech, Piotech Chuangyi, Piotech Shanghai, Piotech Beijing, and Piotech Jianke have all achieved the ISO 9001:2015 quality management system certification.



Piotech

Piotech Chuangyi

Piotech Shanghai

Piotech Beijing

Piotech Jianke

Quality Management System Certificate (ISO 9001:2015)

Strategy

Piotech regards excellent product quality and reliability as the cornerstone of sustainable development, and takes product reliability and customer satisfaction enhancement as its strategic objectives. We have comprehensively promoted the establishment of a Total Quality Management (TQM) system since 2024, and have achieved full-process implementation by 2025. This strategy aims to systematically control quality risks through process-oriented and modular management running through the entire life cycle of R&D, supply chain, manufacturing, and services, so as to provide customers with stable and reliable products and services, thereby consolidating competitive advantages in the market.

Impact, Risk, and Opportunity Management

To implement the quality strategy and manage systemic risks, Piotech has established a Total Quality Management (TQM) mechanism with six professional modules, and has specifically set up a product recall risk response process.



Management Modules	Core Functions 	Institutional Support 
Quality Assurance (QA)	Establish and maintain the quality management system, and organize internal and external audits and process improvements to ensure the achievement of quality policies and objectives.	<i>Risk and Opportunity Control Procedure, Objective Management Procedure, Document Control Procedure, Continual Improvement Control Procedure, Internal Audit Control Procedure, etc.</i>
Standardization	Develop and maintain technical, managerial, and work standards, promote the implementation of these standards, and support standardized operations of the R&D and quality systems.	<i>Change Management Procedure, ECO Review Meeting Requirements, PLM Coding Rules, Coding Rules for Serial Numbers of Important Parts, Product Appearance Standards, etc.</i>
Quality Control (QC)	Perform full-process inspection and testing of products, and manage the disposal of non-conforming products and inspection data to ensure that the physical quality conforms to specifications.	<i>Product Monitoring and Measurement Control Procedure, Non-conforming Product Control Procedure, Monitoring and Measurement Resource Control Procedure, etc.</i>
Supplier Quality Management (SQE)	Conduct supplier admission, assessment, and performance management, promote supplier quality improvement and problem rectification, and ensure stable supply chain quality.	<i>FAI Control Procedure, Supplier Audit Control Procedure, Piotech Quality Agreement, etc.</i>
Design Quality (DQ)	Take responsibility for quality control in the R&D stage, and ensure product design meets quality and performance requirements through design reviews, Failure Mode and Effects Analysis (FMEA), and reliability verification.	<i>PLM Management Procedure, etc.</i>
Customer Quality (CQ)	Interface with and respond to customer quality needs, lead the analysis and improvement of customer-side quality issues, and enhance customer satisfaction.	<i>Process for Handling Product Quality Abnormalities at Customer Site and Determining Responsibility via Product Quality MO, Process for Handling Functional Failure Component FA Issues at Customer Site, IDR Management Procedure, etc.</i>

Product Recall

Piotech incorporates product recall into comprehensive risk management, and is committed to systematically preventing, identifying, and responding to potential product quality and safety risks. We have established a product recall response mechanism led by a dedicated recall team. In response to potential product recall risks, we follow a management process involving problem analysis, emergency response, and experience review, and regularly organize recall simulation drills, so as to shift the management of recall risks from post-event handling to proactive and normalized prevention and control. During the Reporting Period, we did not experience any equipment and product recalls due to safety or health issues.

Indicators and Goals

2024	Equipment recalls due to safety or health issues
2025	
	0

Product Safety and Reliability

Piotech attaches great importance to product safety and reliability, continuously explores and improves management mechanisms in practice, and has gradually formed a systematic product safety and reliability management framework including four parts: Design Review, Compliance Certification, Problem Solving, and Training for Improvement.

Design Review

- Conduct a comprehensive review of the overall equipment layout (Layout), the process & instrumentation diagram (P&ID), the water system diagram (Water), the electrical schematic diagram, and key components from Original Equipment Manufacturers (OEM) at the early stage of R&D to bring compliance requirements forward to the design stage.
- Establish a Critical Components List (CCL) to systematically manage models, parameters, and certification status, thereby avoiding rectification from the source.



Problem Solving

- Provide professional support and participate in customer meetings for Requests for Quotations (RFQs), on-site issues, and certification inquiries to establish a communication and technical support mechanism.
- Respond promptly to on-site individual problems, analyze the causes, reach improvement consensus with customers, and form a closed-loop management



Compliance Certification

- Carry out item-by-item on-site audit and rectification in line with national/industry standards and our internal specifications after the prototype assembly is completed, so as to ensure that the equipment meets compliance requirements.
- Engage third-party institutions to conduct independent certification and issue formal reports according to product and customer needs to improve customer recognition.



Training for Improvement

- Monitor standard updates in customer requirements annually, and align to relevant internal departments timely
- Organize internal specialized training and invite external third parties for compliance training to continuously enhance the professional capabilities of engineers.





2 Employees participated in external industry safety training in April 2025



We carried out safety and reliability training in July 2025

Product Safety Training

Piotech prioritizes the development of product safety and reliability management capabilities. By participating in external industry safety training and conducting specialized internal training, we continuously enhance employees' awareness of safety compliance and professional expertise. In addition, we combine industry standard requirements with actual business needs to continuously strengthen product safety and reliability management framework and consolidate the foundation for safety compliance.

Service Safety Collaboration

Piotech has strengthened its safety management collaboration mechanism during equipment delivery and on-site installation. In response to customer requests for enhancing the allocation of safety officers and routine safety inspections during installation, we continuously optimize on-site safety management arrangements, increase inspection frequency and enhance risk alerts. In 2025, we further intensified resource investment, expanded safety officer allocation, and improved the provision of safety protection tools to guarantee on-site operational safety with higher standards. In addition, we and customers jointly implemented safety responsibilities and risk control measures, build a safety guarantee system across the entire process of installation and usage, and continuously improve service safety performance.

Indicators and Goals

Incidents involving health and safety impacts of products and services	2024
	0
	2025

Product Service Guarantee

Piotech has established a full-process service system that covers regulations, response, safety, and satisfaction. Supported by a systematic after-sales system, we efficiently handle customer complaints through tiered response and cross-departmental collaboration mechanism, build a safety management system with customers in terms of on-site services, regularly conduct satisfaction surveys to drive service optimization, as well as establish a product recall emergency mechanism to continuously upgrade risk response capabilities.

Governance

Adhering to the service principles of "Rapid Response, Precise Handling, Compliant Efficiency, and Customer Satisfaction", Piotech has established a comprehensive after-sales service management system that covers the entire process and all scenarios. This system encompasses four aspects, i.e., basic management, process standardization, assessment and supervision, and specialized support, thus driving continuous improvement in service management capabilities.

Basic Management	Process Standardization	Assessment and Supervision	Special Guarantee
General Rules on After-Sales Service Management	Specifications for Installation and Commissioning of Semiconductor Equipment, Equipment Maintenance Service Workflow, Spare Parts Management Measures, Customer Complaint Handling Workflow, and Code of Conduct for Service Personnel	Administrative Measures for After-Sales Service Quality Assessment, and Detailed Rules for Performance Assessment of Service Personnel	Emergency Response Plan for Major Failures, Training Management Policy for After-Sales Service Personnel, and Implementation Rules for Green After-sales Services

We designate department heads as the primary responsible persons for policy implementation. All employees are required to sign the *Policy Implementation Commitment Letter*, and strengthen their sense of responsibility and implementation capability through regular policy communication and skill training. And we build an assessment mechanism combining "routine assessment + monthly review + annual rating", and incorporate core indicators such as service response timeliness, problem solving rate, and customer satisfaction into the assessment, with the assessment results directly linked to performance-based pay and recognition awards.

Strategy

We position outstanding product service capability as a key market competitive advantage and brand moat. By building a systematic and standardized full-process service system, we deeply integrate customer feedback into the improvement closed loop of products and services, thereby minimizing operating risks, maximizing customer lifetime value, and supporting own long-term leadership in the high-end semiconductor equipment market.

Impact, Risk, and Opportunity Management

To systematically manage potential risks throughout the entire process of products and services, and seize development opportunities for deepening customer partnerships and enhancing brand loyalty, we have established a closed-loop management mechanism for efficient complaint response, regular satisfaction survey, and value co-creation, so as to minimize operational disruptions and reputational risks through rapid issue tracing and collaborative resolution, and meanwhile transform customer feedback into a driving force for continuous improvement and customer recognition into a cornerstone for long-term partnership.

Customer Complaints and Response

In response to written or verbal objections, protests, claims, and related reasonable requests raised by customers regarding substandard semiconductor equipment quality, non-compliant after-sales services, or unsatisfactory service experience, Piotech always adheres to the core principles of "Integrity in Fulfillment, Customer First, Compliant Fairness, and Closed-Loop Efficiency". Considering the industry characteristics of high-performance and high-integration requirements for high-end semiconductor equipment, we have established a specialized response mechanism to coordinate the entire process of acceptance, verification, handling, and review.

Customer Complaint Response and Handling Process

Timely Request Acceptance

Create an Escalation, immediately activate a dedicated communication and assign specialists to handle registration and verification upon receiving written/verbal request from customers, ensure a response to customers within 2 hours and provide simultaneous updates on verification progress, while eliminating any buck-passing or delay.

Verification and Tracing of Appeals

Implement tiered and categorized management of requests, collaborate with departments such as Compliance, R&D, and Quality to comprehensively verify the authenticity and rationality of such requests, accurately trace their root causes (such as concerning product design, production, logistics, service processes, personnel operations, etc.), form an 8D Problem Solving Report, and synchronize it to the customer.

Customer Satisfaction

Adhering to the principles of "Objectivity and Fairness, Comprehensive Coverage, Pragmatism and Efficiency, and Confidentiality and Compliance", Piotech conducts customer satisfaction survey every quarter. These surveys conduct a comprehensive evaluation around key aspects such as product quality, operating system, on-site installation and commissioning, technical support, product delivery, and after-sales services, and form a closed-loop management process through five links, i.e., plan making, survey implementation, data aggregation, analytical review, and report output. In 2025, we completed the quarterly survey as planned, and made customer satisfaction remain stable at over 90%, and received no concentrated negative feedback or hidden danger of similar complaints.

- 2025 WESEMiBAY Award - Outstanding Enterprise Award
- Industry-Leading Enterprise

- 2025 Safety Work - Excellent Safety Management Enterprise
- 2025 Best Cooperation Award
- 2025 Best Quality Supplier
- Strategic Supplier of the Year 2025

- 2025 Best Collaboration Award
- 2025 Best Partner Award

Indicator	Unit	2025	2024
Incidents of non-compliance on product and service information and labeling	Number	0	0
Customer satisfaction	%	90+	90+

HARMONIOUS PIOTECH

02



INDUSTRY CHAIN COLLABORATION

Responsible Supply Chain

Piotech is committed to responsible supply chain stewardship. We strive to elevate supply chain performance across standardization, transparency and sustainability through digital empowerment, rigorous supplier compliance oversight, equitable partnership and targeted supplier capability enhancement.

Governance

Piotech has built a full-lifecycle supply chain management system covering supplier admission, performance assessment, and exit. We systematically integrate environmental responsibility, social responsibility, and compliance requirements into the entire supply chain management process. Via rigorous entry screening, ongoing performance assessments, and red-line exit protocols, we drive suppliers to continuously improve their compliance and sustainable operational performance.

Full-Lifecycle Supply Chain ESG Management System		
Stage	Environmental Aspect Management	Social Aspect Management
- Admission Review - Assessment Evaluation - Red-Line Exit	- Environmental compliance requirements and risk identification - Environmental performance and continuous improvement - Major environmental risks and violations	- Labor and human rights compliance requirements - Social responsibility fulfillment - Human rights and compliance bottom-line requirements

Strategy

Piotech views the development of a standardized, transparent, and sustainable supply chain as a core strategic priority to enhance business resilience and advance industrial collaboration. We accelerate supply chain digital transformation, elevate suppliers' ESG performance, strengthen their capacity building, and uphold equitable treatment of small and medium-sized enterprises (SMEs). Our commitment is to foster a secure, stable and responsible supply chain ecosystem. These initiatives not only streamline our internal operational efficiency, but also drive the sustainable development of the entire industrial chain.

Impact, Risk, and Opportunity Management

To execute our supply chain strategy, Piotech has established a systematic management framework to address potential ESG risks and capture opportunities for collaborative development across the value chain. We systematically manage the impacts, risks, and opportunities within the supply chain by enhancing supply chain resilience, strengthening end-to-end process control, deploying digital management solutions, mitigating integrity risks, and providing supplier empowerment training.

Enhancing Supply Chain Resilience

To address risks arising from geopolitical tensions and logistics disruptions, Piotech actively optimizes the geographical layout of the supply chain, and enhances stability and diversity through localized procurement and equal treatment of SMEs. During this Reporting Period, our suppliers are located across 20 provincial-level administrative regions in China (including Hong Kong, Macao and Taiwan), covering the Northeast, North, East, South and Central China regions. Around 93% of our suppliers are domestic players, with local suppliers based in Liaoning Province consistently accounting for 20% of the total. This diversified geographic layout shortens supply lead times, facilitates regional industrial collaboration and enables agile responses to market demands.

Key Performance

Admission Review

Indicator		Unit	2025	2024
Total supplier assessments conducted		Number	272	273
Supplier composition	Northeast China	Number/%	53/20	53/20
	North China	Number/%	36/13	36/13
	East China	Number/%	138/51	138/51
	South China	Number/%	11/4	11/4
	Central China	Number/%	5/2	5/2
	West China (Others)	Number/%	9/3	9/3
	Foreign suppliers	Number/%	20/7	21/7
Provinces in China covered by suppliers (including Hong Kong, Macao, and Taiwan)		Number	20	20
Proportion of local suppliers in Liaoning Province		%	20	20
Proportion of domestic suppliers		%	93	93

Moreover, Piotech adheres to the principle of treating SMEs equally in its procurement practices and actively provides them with cooperation opportunities. In 2025, we continued to award orders to those SMEs with professional expertise and growth potential, reasonably allocated procurement volumes, and supported their integration into our supply chain system. This practice underpins the steady growth of SMEs, guarantees product quality and on-time delivery, and ultimately delivers mutual benefits and synergy across the supply chain.

Strengthening Process Control

We have established a full-lifecycle management system covering "admission - assessment - exit", and deeply embedded ESG requirements into business processes.

In the supplier admission review stage, Piotech has introduced an offline briefing session to its original online approval process. This session supplements the review by clarifying the necessity and compliance adaptability of potential suppliers, while taking into account their social impact and environmental responsibility performance. The combined online and offline review mechanism tightens supplier screening, minimizes risks posed by non-compliant partners and standardizes our supplier admission protocols. Furthermore, Piotech requires all newly introduced suppliers to sign the Letter of Social Responsibility Commitment regarding conflict minerals, and firmly opposes any actions that harm the environment, violate human rights, facilitate armed conflict, or breach business ethics. In business dealings where the counterparty requests Piotech to sign a letter of commitment or similar document involving conflict minerals, we will review the relevant clauses to ensure compliance and consistency.



Social Impact

- Require suppliers to provide corresponding compliance certificates and commitments to prohibit child labor and forced labor
- Monitor the IP compliance status of suppliers to prevent infringement risks
- Ensure that suppliers and their supply chains do not use conflict minerals and disclose the source of minerals transparently



Environmental Responsibility

- Require suppliers to provide certifications for environmental, occupational health, and safety management systems, or to provide relevant documents such as environmental impact assessment reports, pollutant discharge reports, hazardous post detection reports, fire acceptance reports, and occupational disease pre-assessment reports that comply with national and local standards
- Require product and material suppliers to prioritize the adoption of non-polluting or less-polluting production processes and equipment, and strictly prohibit the use of processes and equipment explicitly banned by national or local regulations

Performance Assessment

Our multi-dimensional assessment framework evaluates suppliers' overall operation and management capabilities, with a key focus on environmental governance, workplace safety and social responsibility. Core assessment indicators include resource conservation, waste management, safety training, accident prevention, labor practices and regulatory compliance. Through regular evaluations, we guide suppliers to continuously improve their capabilities in sustainable operation and compliance management.

 Environmental Management Level	• Formulation and implementation of resource conservation plans for energy, water, power, etc. • Classified management and standardized disposal of waste • Segregated storage and zoning management of hazardous substances • Recovery and reuse management of packaging materials for finished products
 Production Safety Level	• Setting and daily management of safety protection areas • Implementation of hidden danger investigation and safety proposal system (no less than 1 proposal per person per half a year) • No major safety accidents for one consecutive year or more • Assignment with full-time or part-time safety management personnel who have received safety education and training • Regular conduct of safety education and training for new hires and all employees
 Social Responsibility Level	• Signing of the Letter of Social Responsibility Commitment • No child labor or forced labor • No substances restricted or prohibited by laws and regulations

Red-line Exit

In the supplier exit process, Piotech has set clear red-line criteria for supplier termination, including the use of child or forced labor, major safety accidents, severe environmental violations, and commercial bribery violations. When such circumstances occur, we demand immediate corrective action and request biweekly progress reports. Suppliers in breach of these rules are required to take immediate corrective actions and submit biweekly progress reports. For those failing to rectify issues within the stipulated timeframe, falling short of compliance standards or refusing to cooperate, we will activate the exit mechanism and adjust or terminate procurement partnerships, so as to eliminate compliance and sustainability risks throughout the supply chain.

Red-Line Requirements

1

Any form of child labor being employed

2

Forced labor and restrictions on employees' personal freedom

3

Fires or serious injuries have occurred within the past year

4

Major environmental violations or major environmental pollution accidents as occurred within the past year

5

A company or its management have been criminally or administratively punished for commercial bribery within the past three years

Key Performance

Indicator	Unit	2025	2024
Suppliers participating environmental impact assessment	Number	160	156
Suppliers participating environmental impact assessment	Number	108	105
Disqualified suppliers as eliminated	Number	4	2
Events with major risks and impacts in the supply chain	Number	1	1

Deployment of Digital Management Solutions

Piotech keeps advancing the digitalization of procurement and supply chain management. In 2025, we launched Supplier Relationship Management (SRM) system to realize end-to-end online collaboration. This platform integrates full-spectrum functions including material management, supplier management, inquiry, order placement, expense application, return & exchange and account reconciliation, and supports core processes such as order transmission, inquiry & quotation and price approval.

Digital transformation has drastically reduced paper-based documentation, greatly boosted order response and delivery efficiency, and strengthened collaboration with suppliers. The SRM system also standardizes and improves the transparency of the entire procurement process, laying a solid foundation for building an efficient and resilient supply chain.

Integrity Risk Prevention

Piotech places a high priority on integrity, compliance, and ethical conduct throughout its supply chain as part of its ESG commitments. Suppliers are required to sign the *Supplier Integrity Agreement* and the *Letter of Supplier Integrity and Compliance Commitment*, which together establish principles of fair, impartial, honest, and trustworthy cooperation. Suppliers must strictly abide by regulations against commercial bribery and improper benefit transfer, proactively disclose any conflicts of interest, and provide truthful and accurate information. Furthermore, suppliers are expected to continuously strengthen the integrity and compliance management of both their own operations and those of their sub-suppliers.



Supplier Empowerment Training

Upholding the principles of openness, collaboration, and mutual benefit, Piotech provides systematic quality training for core suppliers, strengthens the supply chain quality management system, enhances overall quality control capabilities across its supplier base, and reinforces a robust quality defense line throughout the supply chain. In December 2025, we launched a dedicated training initiative focused on supply chain quality capability enhancement, aiming to promote standardized, regulated, and refined quality control practices within the supply chain.

Conducting Supplier Quality Management Training

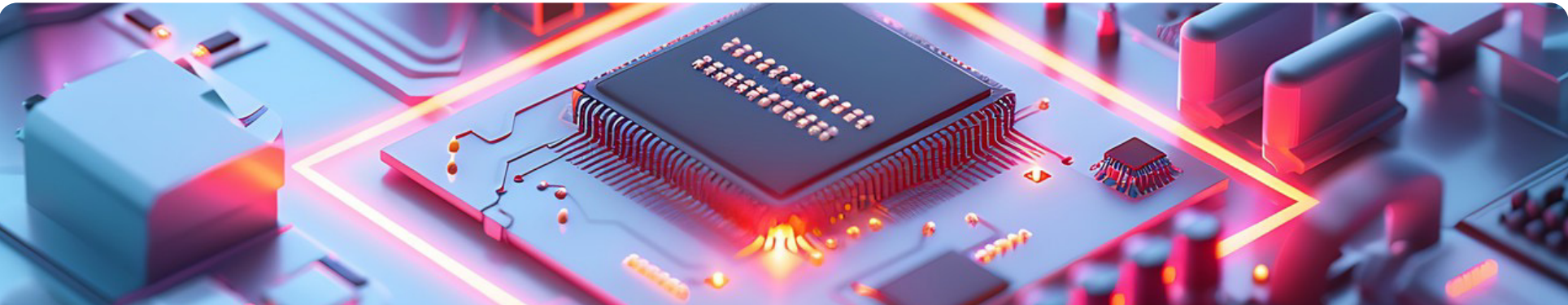
Case

In 2025, Piotech advanced its responsible supply chain management by delivering supplier quality management trainings. Covering PPAP, ISO 9001, change management, Quality Control Plans (QCP), and Piotech's proprietary quality requirements, the program reached nearly 1,000 person-times (94 for PPAP, 123 for ISO 9001, and 719 for change management, QCP, and quality requirements). These trainings aim to equip supplier personnel with a thorough understanding of quality standards and practical skills, strengthening their capabilities in part approval, system management, change control, and full-process quality assurance. This initiative further reinforces the foundation for supply chain quality collaboration and the collective product quality line of defense.



Key Performance

Key Performance	Unit	2025	2024
Annual supplier training sessions	Session	46	52
Suppliers organized to participate in training	Person-time	1,036	308



Collaborative Value Co-Creation

Piotech continues to deepen collaborative partnerships with its suppliers to build long-term, stable, trust- based, and win-win relationships as grounded in shared values. Key suppliers participate in our technological R&D and product iteration, working alongside us to pursue common growth, upgrade product quality and raise technological standards. Continuous communication and cooperation with partners enhance industrial chain collaboration and overall developmental resilience in the journey of value co-creation.

Collaborating with Industry Chain Partners to Strengthen Technological R&D of Key Components | Case

In March 2025, Piotech collaborated with suppliers and research teams to advance technology research and development, aiming at driving key technological breakthroughs and the translation of research outcomes into practical applications. Several of these collaborative achievements were recognized with the 8th "IC Innovation Award" for industry chain cooperation, as presented by the China Integrated Circuit Innovation Alliance. The collaboration has driven technological progress in core IC components and supported the high-quality and sustainable development of semiconductor industry.

2025 Piotech Partner Conference - United by One Chip, Forging Ahead Together | Case

In 2025, Piotech hosted the annual Partner Conference under the theme " United by One Chip, Forging Ahead Together ", gathering over 150 supplier. The Conference focused on three major topics: semiconductor equipment market analysis, supply chain quality improvement, and technological innovation. Through strategic reports from the management, market analyses by securities analysts, experience-sharing sessions by suppliers, quality enhancement case presentations, and factory-tours, we reached in-depth alignment with partners on strategic goals and operational practices. We also presented four categories of awards, namely Collaborative Innovation Award, Quality Golden Shield Award, On-time Delivery Star Award and Stand Together Through Hardship Award, to recognize outstanding suppliers for their remarkable performance over the past year.

INDUSTRY CONTRIBUTION

Industry Tackling and Leading

In response to major national strategic needs and key areas of high-end equipment, Piotech continues to undertake national key projects and special initiatives, aiming at driving breakthroughs in core technologies and their industrial applications. At the same time, we actively participate in the development of industry standards and the refinement of technical specifications, with a view to facilitating the translation of research outcomes into practical applications and the advancement of the industry chain. Through engagement in industry associations and technical exchange activities, we consistently play a leading role in advancing industrial technology.

Undertaking National Special Projects

Operating within the strategic emerging field of semiconductor equipment manufacturing, Piotech actively undertakes and implements major national projects and special initiatives. We closely align our research directions with national technological priorities, so as to continuously advance the research, development, and validation of key technologies.



National Projects and Scientific Research Achievements



Has undertaken a total of

16 national major special projects/research topics.

Formulating Industry Standards

Piotech actively participates in the formulation and revision of industry standards. Around key process equipment and core technology fields, we lead or participate in the compilation of multiple technical standards, thus continuously driving the improvement of industry technical norms and the high-quality development of the industry.

Key Performance

Participation Method	Standard Type	Name of Standard Formulated in 2025
Leading Formulation	Group Standard	Technical Specifications for Sealing of Plasma Chemical Vapor Deposition Equipment
		Technical Specifications for Gas Flow Controllers
Participating Compilation		T/CIET 1946—2025 Technical Requirements for Semiconductor-grade Ozone Generators

Promoting Industry Exchanges

Piotech actively participates in semiconductor industry associations and industrial alliances, thus continuously strengthening exchanges and cooperation with industry organizations while engaging in a wide range of industry exhibitions and technical exchange activities. In 2025, we took part in key industry events including SEMICON China 2025, the Jiufeng Summit (JFSC) & Compound Semiconductor Expo, the China Zhejiang (Haining) Semiconductor Equipment and Materials Expo, the 13th Semiconductor Equipment, Materials and Core Parts Exhibition (CSEAC 2025), the SEMI-e Shenzhen International Semiconductor Exhibition, the Beijing International Seminar on Micro-Electronics (IC World 2025), and the WESEMIBAY Semiconductor Ecosystem Expo (SEMIBAY). Through active participation in these events, we aim to promote technical exchanges and foster collaborative industrial development.

Association Name	Participation Identity
SEMI ^[1] (China)	ECS Elite Customer
China Integrated Circuit Equipment Innovation Alliance	Executive Director
Zhongguancun Chip Link Integrated Circuit Manufacturing Industry Alliance	Vice Chairman
China Electronic Production Equipment Industry Association	Member
Shenzhen Semiconductor and Integrated Circuit Industry Alliance	Vice Chairman
Liaoning Semiconductor Industry Association	Director
Hubei Semiconductor Industry Association	Member
Shenyang High-Tech Enterprise Association	Member

[1]SEMI refers to Semiconductor Equipment and Materials International.

Industry-Education Integration and Joint Efforts

Piotech continues to deepen cooperation and engagement with universities and relevant institutions to advance collaborative industry-education integration. We organically combine party-building co-construction, talent development, and scientific research practice. Through multi-level communication and collaboration mechanisms, we facilitate effective alignment between educational resources and industrial needs, harness the synergy of school-enterprise partnerships, and elevate the level of collaborative education and innovation-driven development.

Joint Organizational Development

Piotech continues to deepen its collaborative organizational development efforts with relevant entities, aiming at promoting the integration of grassroots governance with business operations through co-construction initiatives, joint learning activities, and themed exchange days. These efforts enrich the organizational culture and learning platforms, establish cross-unit communication channels, and facilitate synergy and resource sharing among stakeholders. In 2025, upon the recommendation of higher-level oversight bodies, the Party Branch was approved as a "Municipal-Level Contact Point for Organizational Development in Emerging Sectors", further strengthening the foundation of grassroots governance and advancing the standardization and institutionalization of organizational development practices.

University-Enterprise Collaboration

In 2025, Piotech continued to deepen industry-university-research cooperation with key domestic universities, and thus carried out multi-level collaborative initiatives around talent cultivation and technological R&D. Through university visits, cooperative seminars, joint project tackling, and co-established laboratories, we strengthened technological alignment and resource sharing, thereby driving the synergistic development of research commercialization and industrial application, while continuously enhancing technological innovation capabilities and industry competitiveness.

Cooperation Mechanism 1: Joint Graduate Student Cultivation and High-Level Talent Exchange

We carry out joint cultivation of doctoral and master's students through the "bring-in" mode, select doctoral and master's students to engage in scientific research practice at the corporate premises, and implement a "dual-mentorship" cultivation mechanism together with various universities.

Participating Universities

Tsinghua University, Renmin University of China, Fudan University, Tongji University, Beijing Institute of Technology, Beijing University of Posts and Telecommunications, Zhejiang University, East China University of Science and Technology, Shanghai University, Shanghai Ocean University, China University of Petroleum (East China), Dalian University of Technology, Northeastern University, etc.

Cooperation Mechanism 2: Internship and Talent Reserve Cultivation for Undergraduate and Graduate Students

We carry out large-scale internship and talent cultivation collaborations for undergraduate and master's students from local universities in Shenyang, with the internship period no less than half a year in principle, and gradually build a stable talent reserve and introduction mechanism through practical assessment and selected employment.

Participating Universities

Shenyang Ligong University, Shenyang University of Technology, Shenyang University of Chemical Technology, etc.

University-Enterprise Synergistic Co-construction and Joint Cooperation

Case

- In June 2025, Piotech held an online cooperative seminar with China University of Petroleum (East China) on the industry-education integration in the field of high-end equipment, and engaged in exchanges and discussions on joint talent cultivation and pathways for scientific research collaboration.
- In June 2025, Piotech Chuangyi and the School of Integrated Circuits of Dalian University of Technology jointly set up a laboratory and earmarked special funds to support relevant scientific research collaborations, aiming at further advancing industry-university-research collaborative innovation.



University-Enterprise Exchanges and Practices

Case

In 2025, teachers and students from Tsinghua University, the Global Institute of Future Technology of Shanghai Jiao Tong University, the National School of Elite Engineers of East China University of Science and Technology, Shenyang University of Chemical Technology, and other universities visited Piotech to carry out social practices, and exchanged views on the engineering application scenarios and technological development direction of high-end semiconductor equipment manufacturing, thus deepening the understanding of university teachers and students on industrial practice.



October 2025
Teachers and students from Shenyang University of Chemical Technology visit Piotech for exchanges



October 2025
Teachers and students from the Global Institute of Future Technology of Shanghai Jiao Tong University visit Piotech Shanghai for exchanges



December 2025
Teachers from the National School of Elite Engineers of East China University of Science and Technology visit Piotech Shanghai for exchanges



December 2025
Students from Tsinghua University visit Piotech for exchanges

- In 2025, Piotech engaged in a corporate management diagnostic project in collaboration with Renmin University of China. A professional team from the University's Business School conducted on-site research and management interviews at Piotech, resulting in a comprehensive management diagnosis report. The report provided recommendations for management optimization and training enhancement, and addressed both current operations and medium- to long-term development. These recommendations have since been progressively incorporated into Piotech's management improvement initiatives.

SOCIAL CONTRIBUTION

Public Welfare and Rural Revitalization

Piotech actively fulfills its corporate social responsibility by responding to the national rural revitalization strategy. We continue to carry out public welfare donations that focus on areas such as education support, cultural public welfare, community assistance, and rural revitalization. By paying close attention to regional development and the well-being of local communities, we help improve public service conditions, promote the sharing of educational resources and cultural dissemination, and convey social care and commitment.

Donor	Donee	Details	Amount
Piotech	China Soong Ching Ling Foundation	Donated to the China Soong Ching Ling "Core Baby Program"	RMB 10,000
Piotech	Beijing Zhixin Guoxin Technology Co., Ltd.	Sponsored the 9th National College Students' IC Innovation Competition - Northeast Division	RMB 50,000
Piotech	Xianning Chunyu Rural Education Foundation	Supported rural education	RMB 500,000
Piotech Chuangyi	Dalian University of Technology Education Development Foundation	Supported the construction and development of establishing Piotech School of Integrated Circuits	RMB 100,000
Piotech Jianke	Haining Charitable Institution	Donated to the "Ink Township Sentiment" Aesthetic Education Program of Haining Economic Development Zone Experimental Primary School	RMB 50,000

The 9th National College Students' IC Innovation Competition - Northeast Division | Case

In 2025, upholding its commitment to "Supporting Technological Innovation and Cultivating Industry Talents", Piotech sponsored the organization and operation of the 9th National College Students' IC Innovation Competition - Northeast Division, as held at Harbin Institute of Technology. Hosted by the Talent Exchange Center of the Ministry of Industry and Information Technology, the Competition attracted 228 teams from 27 universities across Heilongjiang, Jilin, and Liaoning Provinces. This initiative aims to build a talent pipeline and foster innovation capacity for the high-quality development of the regional integrated circuit industry.



Certificates of Honor



GREEN PIOTECH

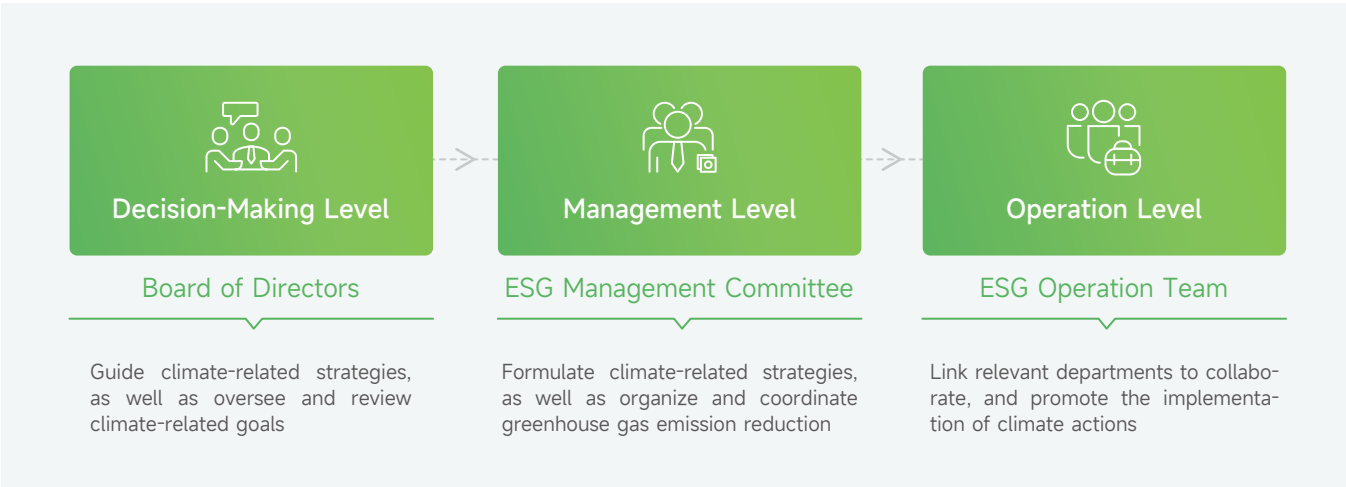
03



ENHANCING CLIMATE RESILIENCE

Climate Governance

Piotech attaches great importance to climate risk governance and has therefore incorporated it into its own overall ESG governance system, thus integrating it into its sustainable development strategy. Relying on a sound governance structure, we systematically identify, assess, and manage climate-related risks and opportunities, thereby providing strong support for stable operations and long-term development.



Risks and Opportunities

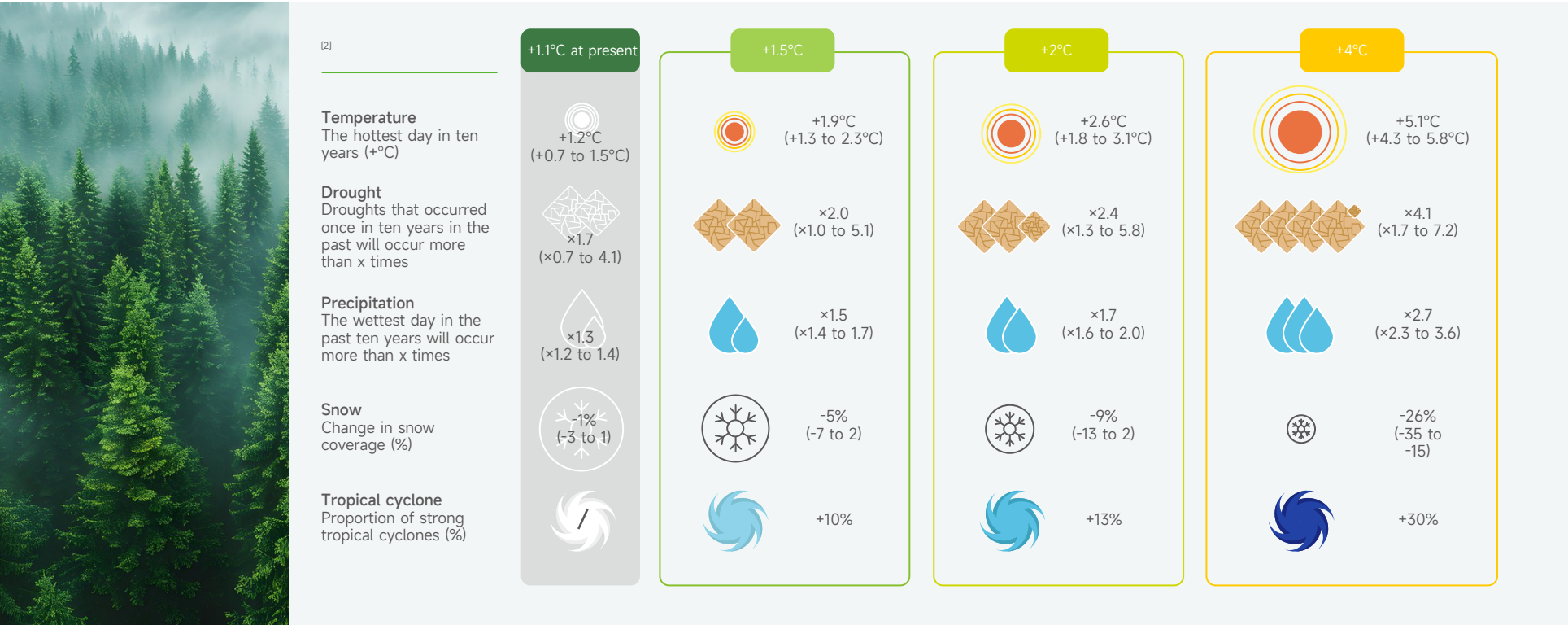
Climate Scenarios

Piotech conducts a comprehensive assessment of the macro socio-economic environment, industry characteristics, and geographic footprint, and performs a qualitative analysis of potential climate-related risks and opportunities. The assessment of physical risks primarily references the climate scenario framework published by the Intergovernmental Panel on Climate Change (IPCC), while the analysis of transition risks is mainly based on the climate scenario framework issued by the Network for Greening the Financial System (NGFS). Through this approach, Piotech identifies climate-related risks and opportunities that are closely relevant to its business operations, thereby supporting informed and science-based decision-making.

Analysis Scope	Time Frame	Key Assumptions
- Including core businesses under the operational control of Piotech - Including Piotech and its subsidiaries within the scope of consolidated statements	- Short-term: 0~1 year - Medium-term: 1~5 years - Long-term: 5 years and above	- The analysis conducted for 2025 anticipates that the location of the assets will remain unchanged during this period - Mitigation measures will remain unchanged

Physical Risks

Against the macro backdrop of climate action, the long-term evolution of the climate system is profoundly reshaping the operating environment for businesses. The climate scenario framework released by the Intergovernmental Panel on Climate Change (IPCC) provides a clear depiction of global climate variable trends under different warming scenarios that range from the current +1.1°C to +4°C, and serves as a scientific baseline for corporate climate risk assessment. Building on this foundation, Pitech has developed physical risk heat maps for each of its factory sites, while taking into account their geographical distribution and operational characteristics. Furthermore, we have systematically compiled a physical risk inventory to clearly articulate the corresponding value chain exposures, specific impacts, and response measures associated with different types of physical risks.



[2] The data in this table is sourced from the Sixth Assessment Report (AR6) by the Working Group of the Intergovernmental Panel on Climate Change (IPCC).

Physical Risk Heat Map^[3]

Factory	Acute Risks (in Spring)	Acute Risks (in Summer)	Acute Risks (in Autumn and Winter)	Chronic Risks (all Year Round)
Shenyang Factory	Sandstorm, strong wind, and drought	Short-term heavy rainfall	Dryness-induced fire and freezing	Rise in annual average temperature
Shanghai Factory	Strong convective weather	Heat wave, typhoon, rainstorm, and waterlogging	Damp and cold wave	Sea level rise
Beijing Factory	Sandstorm, strong wind, and drought	Heavy rainfall, and thunderstorm	Cold wave, and dryness-induced fire	Significant heat island effect
Haining Factory	Early start or extension of plum rain season	Typhoon, rainstorm, and flood	Damp and humid weather, and continuous rain	Increased risk of flooding
Qingdao Factory	Strong sea-wind convection	Typhoon, rainstorm, and storm surge	Sea wind and cold wave	Coastal climate impact

Physical Risks					
Risks and Their Descriptions		Value Chain	Risk Impacts		Countermeasures
			Specific Impacts	Financial Impacts	
Acute Risks (short-term)	Extreme rainstorm, and typhoon (in East China and coastal areas)	Supply chain and factory operations	Short-term waterlogging may occur in Shanghai, Haining, and Qingdao Factories; and logistics interruption may affect the arrival of core components	Delays in raw material supply, delivery delays, and default risks	■ Improve factory drainage capacity and waterproof grade ■ Establish a multi-regional stocking mechanism ■ Ensure the inventory safety of critical components
	Extreme high temperature (in North China and Northeast China)	Production operations	Increased air conditioning load in clean rooms puts greater pressure on temperature and humidity control, affecting equipment assembly and alignment accuracy	Rising energy costs and declining equipment efficiency	■ Optimize the redundancy design of cooling system ■ Upgrade high-efficiency refrigeration equipment ■ Strengthen energy monitoring
	Dryness and fire risks during autumn and winter (in Northeast China)	Production facilities and personnel safety	The dry conditions in autumn and winter, coupled with increased electrical load, may lead to electrical fires caused by unauthorized temporary heating appliances, posing risks to clean rooms, warehousing areas, and personnel safety	Losses on equipment assets, risks of production stoppages, and rising insurance costs	■ Conduct special fire inspections and drills ■ Strengthen electrical fire management ■ Standardize the approval and use of heating equipment ■ Strengthen monitoring of winter electric load and inspection of power distribution
	Strong convection weather/ice and snow disaster (in Northeast China)	Logistics and personnel	Transportation is blocked in Northern China, and the attendance rate of employees declines	Delayed shipments, and rising labor costs	■ Improve the emergency response and dispatching mechanism ■ Improve cross-regional production capacity coordination ■ Improve remote debugging and service capabilities

[3] This heat map provides a comprehensive assessment based on the climate exposure degree, disaster-bearing body vulnerability, and potential operational impact of each factory. The colors, ranging from light to dark, indicate risk levels from low to high.

Chronic Risks (long-term)	Continuous temperature rise	Production facilities and energy management	Energy consumption of cooling systems continues to rise, and the demands for environmental stability in precision assembly and alignment are increasing	Rising energy costs and increasing carbon costs	■ Promote efficient energy-saving renovations ■ Build a smart energy management system ■ Increase the proportion of green electricity usage
	Water resource pressure (in East China and North China)	Production guarantee	The demands for pure water system and cooling water are relatively high, and regional water resource shortages may increase operational constraints	Increased water costs and risks of production capacity constraints	■ Enhance recycled water reuse and optimize the recirculating cooling system ■ Promote the upgrade of water-saving technologies
	Sea level rise (in coastal areas)	Infrastructure	Coastal factories in Shanghai, Qingdao, and other cities need to upgrade their flood control standards	Increase in capital expenditures	■ Upgrade flood control design ■ Incorporate long-term climate scenario assessment into factory planning

Transition Risks

Transition Risks				
Risks and Their Descriptions	Value Chain	Risk Impacts		Countermeasures
		Specific Impacts	Financial Impacts	
Policy and regulatory risks (short-, medium-, and long-term) Affected by adjustments in national policies and changes in the intensity of regulatory enforcement, the regulatory requirements for environmental protection and carbon emission have become stricter	Production operations/facility management	Stricter standards for carbon emissions and energy consumption must be met, and pressure is mounting regarding carbon allowance management and energy intensity control	Rising operating costs due to increased investment in environmental facility upgrades, energy-saving technology upgrades, and carbon management	Strengthen capacity building for carbon emission monitoring and accounting, promote energy efficiency & decarbonization retrofits , optimize the facility energy structure, and enhance low-carbon operation levels
Technology substitution risks (short-, medium-, and long-term) Rapid iteration and upgrading of low-carbon technologies may exert substitution pressure on high-energy-consuming processes or equipment	R&D and design/production and manufacturing	If technological upgrades lag behind and product carbon intensity remains high, market competitiveness may be undermined	Increased R&D expenditures and equipment replacement costs	Scale up R&D investment in low-carbon technology development, optimize process flows, enhance energy utilization efficiency, and reduce product carbon intensity
Market and customer transition risks (medium- and long-term) Customers and downstream industries are increasingly demanding low-carbon products and green supply chains	Marketing/customer management/supply chain management	If product carbon emission data is not transparent or carbon performance is insufficient, it may affect order acquisition and customer collaboration	Fluctuations in revenue structure, and pressure on market share	Promote green product development and carbon footprint management, strengthen collaborative carbon management in the supply chain, and enhance the low-carbon competitive advantage of products
Reputation and information disclosure risks (medium- and long-term) ESG disclosure requirements are becoming more stringent, and investors and the general public are paying increasing attention to the transparency of climate-related information	Corporate governance/compliance management	Inadequate climate-related information disclosure or insufficient progress in carbon reduction may impact brand image and capital market evaluation	Rising financing costs and declining investor confidence	Improve climate-related information disclosure system, strengthen carbon management goals and performance tracking, and improve ESG management and transparency

Opportunity Analysis

Opportunity Type	Opportunity Description	Potential Financial Impacts	Countermeasures
Policy	The national "dual carbon" goals are being advanced, and the policy support for energy conservation, emission reduction, and green manufacturing is being strengthened	Get fiscal subsidies, tax incentives, and green finance support, and enhance profitability	Strengthen the deployment of low-carbon technologies, and actively apply for green projects and policy support
Technological Innovation	Low-carbon technologies and energy-saving process upgrades promote the enhancement of equipment energy efficiency	Improve product added value, and enhance technological barriers and market competitiveness	Intensify R&D investment, optimize process flow, and improve energy efficiency per unit of product
Market	Customers are placing greater emphasis on green manufacturing and low-carbon supply chains	Expand green market share, and strengthen customer stickiness	Promote the development of green products, and implement carbon footprint management and green certification
Operational Efficiency	Energy-saving and consumption-reduction measures help improve resource utilization efficiency	Reduce energy and carbon emission costs, and improve profit structure	Implement energy management optimization projects, and enhance energy utilization efficiency
Brand and Capital	Improved ESG performance enhances recognition in the capital market	Enhance brand value, reduce financing costs, and attract long-term investors	Strengthen climate-related information disclosure, and enhance ESG management and transparency

Climate Action

Piotech actively integrates the management of greenhouse gas emissions into its own operations. By setting climate and carbon management targets and implementing phased emission reduction initiatives, we steadily advance the green and low-carbon transition across our own operations and value chain, thereby strengthening climate resilience and long-term competitiveness.

Climate and Carbon Management Goals

Piotech has established short-, medium-, and long-term climate action plans aligned with the "dual carbon" goal, and continues to advance the implementation of carbon inventory, energy management, and emission reduction measures. During this Reporting Period, green electricity accounted for 20% of the external power procurement at Shenyang Factory, successfully achieving the phased target set for 2025 renewable electricity.

Short-term Goal Medium-term Goal Long-term Goal	2025	Proportion of green electricity among the externally procured power of Shenyang Factory[4]to reach 20%	Achieved ✓
	2030	To achieve carbon peaking by 2030	Advance in phases
	2060	To achieve carbon neutrality by 2060	Align with national goals and continue to advance

[4] The scope regarding the "2025 renewable electricity usage goal" in the 2024 ESG Report specifically refers to Shenyang Factory.

Climate and Carbon Management Action

By 2025, Piotech had achieved its short-term climate goal. To further advance the realization of medium-term goal and systematically support the achievement of climate and carbon management objectives, we have planned a phased approach centered on the following key actions. Through these efforts, we are committed to embedding climate goal attainment into all aspects of our operations and development.



Consolidate Energy and Carbon Management (2025-2027)

Comprehensively conduct and continuously improve greenhouse gas inventory across all operational sites to provide a solid data foundation for carbon reduction.



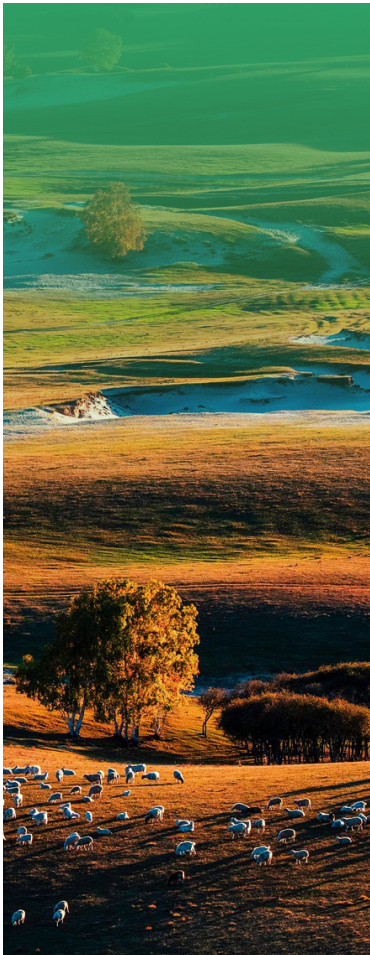
Define Carbon Reduction Goals (2028-2029)

Initiate and complete the setting of emission reduction goals that comply with the requirements of the Science Based Targets initiative (SBTi), while simultaneously planning a clear implementation pathway for carbon reduction to ensure the scientificity and feasibility of emission reduction actions.



Steadily Achieve Carbon Peaking (by 2030)

Sustain business growth, achieve a peak in total greenhouse gas emissions and facilitate a steady decline thereafter, thereby laying a solid foundation for medium-to-long-term carbon neutrality vision.



Key Performance

Indicator	Unit	2025 ^[5]	2024
Greenhouse Gas Emissions ^[6]			
Market-Based			
Total Emissions	tCO ₂ e	37,954.03	27,200.12
Scope 1	tCO ₂ e	10,452.42	10,307.82
Scope 2	tCO ₂ e	22,153.63	16,892.30
Scope 3 ^[7]	tCO ₂ e	5,347.98	/
Emission Intensity	tCO ₂ e /RMB million revenue	5.82	6.63
Location-Based			
Total Emissions	tCO ₂ e	37,147.48	25,786.65
Scope 1	tCO ₂ e	10,452.42	10,307.82
Scope 2	tCO ₂ e	21,347.08	15,478.83
Scope 3	tCO ₂ e	5,347.98	/
Emission Intensity	tCO ₂ e /RMB million revenue	5.70	6.28

[5] During this Reporting Period, the commissioning of Shanghai No.2 Factory and the addition of Scope 3 data led to an increase in total greenhouse gas emissions compared to the previous year.

[6] Due to the relatively short operation time of Qingdao Factory, the statistical scope of greenhouse gas emission data during this Reporting Period does not include Qingdao Factory.

[7] The statistical scope of Scope 3 emissions during this Reporting Period includes fuel and energy-related activities, upstream transportation and distribution, business travel, and employee commuting not covered in Scope 1 and Scope 2.

EFFICIENT USE OF RESOURCES

Energy Management

Focusing on energy conservation and emission reduction targets, Piotech systematically advances refined energy management and energy-saving technology retrofits. By continuously optimizing process parameters and equipment operation modes, we improve energy utilization efficiency. At the same time, we actively promote renewable electricity procurement and the deployment of distributed photovoltaics to optimize energy mix and facilitate low-carbon transition.



Optimizing Energy Management

Piotech has established an energy management system based on its Resource and Energy Management Procedures, and implements refined energy management through clear role definitions and process-oriented standards. The Factory Affairs Department leads operational inspection and data recording of power and gas facilities, and works together with the Administrative Logistics Department and EHS (Environment, Health, and Safety) Department to promote energy conservation awareness and goal setting. In addition, all departments collaborate to advance energy-saving initiatives, thereby improving overall energy utilization efficiency.

Efficient Energy Utilization

Piotech systematically advances refined energy management and energy-saving retrofitting initiatives. In 2025, with a focus on optimizing machine energy efficiency and deploying a digital management system, we continued to refine process parameters and equipment operation modes, strengthened energy monitoring and digital control, and steadily enhanced energy utilization efficiency.

| Energy-Saving Renovation Initiatives

Focusing on machine energy efficiency optimization, Piotech has implemented a series of energy-saving renovation initiatives, aiming at continuously refining process parameters and facility operation modes while strengthening the management of gas, water resources, and auxiliary systems to reduce non-essential consumption and achieve coordinated reductions in energy and resource use. In 2025, these initiatives led to total savings of 591,300 tonnes of nitrogen and 0.36 tonnes of compressed air, thereby improving the overall energy efficiency of the machines.



Shenyang Factory: Exhaust Gas Reduction in Nitrogen Program

| Case

Shenyang Factory optimized and adjusted the nitrogen flow for purging exhaust gas equipment. Under the premise of ensuring stable operations of the equipment, the single-chamber nitrogen flow rate was reduced from 125 standard liters per minute (SLM) to 50 standard liters per minute (Slm), thus significantly reducing nitrogen consumption. In 2025, a total of approximately 591,300 tonnes of nitrogen was saved.

| Digital Management System

Leveraging digital management tools such as an energy data dashboard, an online power quality monitoring system, and real-time total nitrogen metering, Piotech achieves real-time monitoring and dynamic analysis of energy usage across its production lines. Through precise data monitoring, we identify key consumption trends, abnormal fluctuations, and potential areas for energy optimization, and accordingly develop targeted operational energy-saving solutions. These include adjusting load distribution, optimizing equipment operation strategies, and reducing energy consumption during peak periods.



Shenyang Factory: Retrofit of Fresh Air Unit with Installation of Automatic Control System

| Case

Shenyang Factory has installed an automatic control system for the fresh air unit, which achieves real-time monitoring and precise adjustment of air conditioning operation parameters. Meanwhile, a new cooling source equipment was added to enhance the control capability under high-temperature and high-humidity environments. Under the premise of ensuring a clean production environment with stable temperature and humidity, the equipment was consistently maintained in its optimal energy efficiency range, thereby effectively reducing energy consumption.

Key Performance

Indicator	Unit	2025	2024
Energy Utilization			
Total Comprehensive Energy Consumption	tce	7,700	5,056
Total Direct Energy Consumption	tce	316.66	211.60
Gasoline	L	12,532.19	5,763.10
Diesel	L	258.15	380
Liquefied petroleum gas	t	200	120.27
Direct Energy Consumption Intensity	tce/RMB million revenue	0.05	0.05
Indirect Energy Consumption			
Power	MWh	40,444.03	28,786.13
Indirect energy consumption intensity	MWh/RMB million revenue	6.20	7.02

Key Performance

Indicator	Unit	2025	2024
Energy Utilization			
Volume of renewable power procurement	MWh	3,728.98	/
Proportion of renewable power procurement	%	20%	/

Optimizing Energy Structure

Piotech continues to optimize its energy mix and actively increase the share of renewable energy. We are currently constructing a distributed photovoltaic project at Shanghai Factory to promote the use of clean energy. Meanwhile, Shenyang Factory is increasing its renewable energy share by procuring green electricity. In 2025, the total direct power procurement amounted to approximately 18.64 million kWh, of which green electricity accounted for about 20%.



Piotech Chuangyi - Wind Power Consumption Certificate



Piotech Chuangyi - Wind Power Consumption Certificate

Shanghai Factory: Shanghai Factory Officially Commencing Operations, and Clean Energy Planning Continuing to Advance

I Case

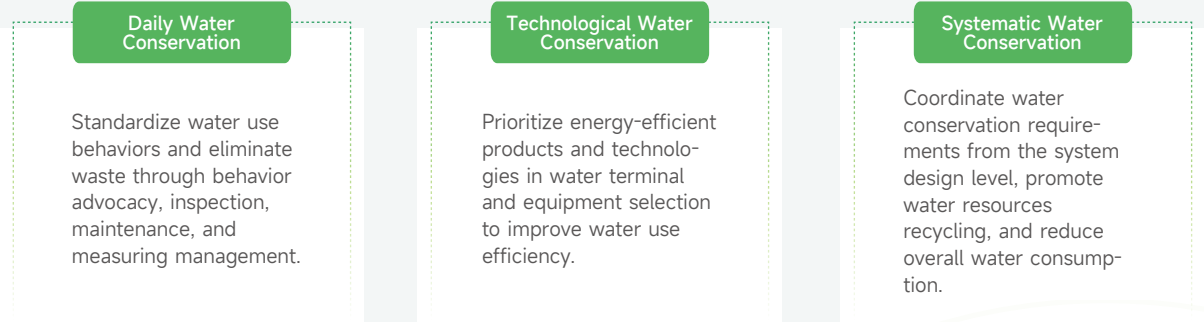
Shanghai Factory was officially completed and put into use in 2025, which base systematically planned a rooftop photovoltaic system in the design stage. Currently, the photovoltaic system has entered the implementation preparation stage, and three of its grid connections have been put into operation one after another from March. By then, the generated power will be connected to the factory's power system, thereby significantly increasing the self-sufficiency rate of clean energy and further reducing the operational carbon footprint.



Water Resource Management

Piotech relies primarily on third-party water supplies and groundwater to meet its production and operation needs, including production processes and equipment cooling. To systematically assess and address water-related risks across facilities, we conducted a comprehensive water stress analysis using the Aqueduct water risk tool developed by the World Resources Institute (WRI). The results indicate that Shenyang, Beijing, and Qingdao Factories are exposed to a very high level of water stress risk (scoring 4–5 points), while Shanghai and Haining Factories face a high level of water stress risk (scoring 3–4 points).

Based on the above risk assessment results and in strict adherence to the Resource and Energy Management Procedures, Piotech takes into account the functional positioning and actual operating conditions of each facility. Among these, Shenyang and Shanghai Factories serve as key production and operation bases; Qingdao Factory is yet officially into operation; Beijing Factory is primarily engaged in customer service while Haining Factory is under lease. Accordingly, our water resource management efforts are concentrated on the two major production bases, Shenyang and Shanghai. Piotech advances water conservation initiatives through three main approaches, i.e., daily management, technological retrofitting, and system optimization, with a sustained focus on improving water use efficiency.





Innovative Water-Saving Device Integrating Water Blowing and Pressure Maintaining Functions

| Case

Piotech has actively pursued innovative water-saving practices and independently developed a water-saving device that integrates water blowing and pressure maintenance functions. The device is made from surplus profiles and steel pipes sourced from the assembly processes of the Equipment Front End Module (EFEM) and Process Module (PM). It improves the efficiency of water circuit pressure holding test by approximately 15%, while enhancing operational standardization and user-friendliness. By using this water-saving tool, approximately 2 liters of water can be saved per PM. The device has been deployed and used at both Shenyang and Shanghai Factories.





Shenyang Factory: Reduction Soft Water Consumption via Adjustment on Exhaust Gas Treatment Device

| Case

To enhance water efficiency, Shenyang Factory implemented a technical adjustment on exhaust gas Facilities. By modifying the facility parameter and adjusting the flow from 7 standard liters per minute (Slm) to 5 Slm, the soft water consumption has been cut by approximately 15,000 tonnes per year.

Key Performance

Indicator		Unit	2025 ^[8]	2024
Total water intake	Third-party water intake	t	350,415	246,574.95 ^[9]
	Groundwater intake	t	1,628,197	/
Total discharge		t	310,766	24,6574.95
Recycled water consumption		t	1,665,040	1,447,262
Total water consumption		t	75,772	0
Water consumption density		10,000 t/RMB million revenue	0.001	0

[8] 100% of the groundwater extracted by Shenyang Factory is the circulating water from ground-source heat pumps. The statistics on water discharge are based on sewage discharge fees, i.e., Water consumption = Third-party water intake - Water discharge.
The circulating water at Shanghai Factory is used in a closed loop within the factory and is not discharged externally. The statistics on water discharge are based on actual meter readings, i.e., Water consumption = Third-party water intake + Circulating water - Water discharge.
The statistics on water discharge at Haining Factory are based on actual meter readings, i.e., Water consumption = Third-party water intake - Water discharge.
Beijing Factory operates in a leased facility, and the water intake volume is estimated based on fixed water charges, but not actual meter readings. There is currently no statistic on water discharge.
The statistics on water discharge at Qingdao Factory are based on actual meter readings, i.e., Water consumption = Third-party water intake - Water discharge.

[9] The water intake data for 2024 has been restated in this Reporting Period, thus optimizing the statistical caliber (excluding the shared water volume in the park and retaining only the actually measured water intake within the factory).



Material Management

Piotech has implemented an employee-driven rationalization proposal mechanism to tap the potential for cost reduction, efficiency improvement, and material savings. With a focus on energy conservation and consumption reduction, we actively encourage employees to submit proposals on conservation and innovation, and support their implementation. By integrating institutional incentives with the transformation of outcomes, we have established a continuous improvement cycle that fosters employee participation. In 2025, a total of 423 rationalization proposals were submitted, 350 of which were implemented, resulting in an implementation rate of 82.7%. Among these, 5 achievements were granted utility model patents.

Key Performance

During this Reporting Period



Rationalization Proposal Aspects	Measures	Performance
Packaging Material Recycling	Use discarded outer cartons and foam boards to make storage boxes for safety labels and tools, so as to enable secondary utilization	Reduce the procurement of special storage supplies, save costs per piece, and enhance 5S management levels
Auxiliary Material Substitution and Reuse	Promote the use of reusable cable ties instead of disposable ones to achieve reuse	Reduce the usage of disposable ties by approximately 40%
Scrap Reuse and Transformation	Use scrap profiles, water pipeline steel tubes, etc. to make pressure maintaining devices, brackets, and other tooling equipment	Improve equipment efficiency, save water and materials, and reduce production costs
Old Material Renovation and Re-manufacturing	Re-process stagnant profiles, steel plates, etc. into stools, workbenches, etc.	Reduce new material procurement, reduce costs, and realize internal recycling
Cable and Wiring Optimization	Optimize wiring paths and shorten cable lengths based on rationalization proposals	Reduce cable costs per unit and improve material utilization

Promoting the use of Reusable Cable Ties to reduce resource consumption | Case

In 2025, Piotech actively advanced green cost-reduction practices by fully replacing traditional disposable cable ties with reusable alternatives. This initiative effectively reduced material consumption and minimized labor hours previously wasted in frequent assembly and disassembly processes, thereby significantly enhancing the flexibility and maintainability of wiring operations.



As a result, the use of disposable cable ties decreased by approximately 40% year-over-year.



Optimizing Wiring and Piping Systems of Mainstream Models, and Reducing Cable Usage

| Case

In 2025, leveraging its employee-driven rationalization proposal mechanism, Pitech successfully carried out systematic optimization of internal wiring and air pipeline routing for several mainstream equipment models, including PECVD and HDPCVD. Initiated by frontline manufacturing employees and carried out in coordination with the R&D team, the project optimized wiring layouts, shortened excess cables, reduced air pipe lengths, and drove engineering change implementations. The initiative not only lowered cable costs per unit but also improved the neatness and safety of the equipment's internal space.

Shanghai Factory: Realizing Full Quantitative Resource Utilization of Industrial Solid Waste

| Case

In 2025, Shanghai Factory generated 9.12 tonnes of general industrial solid waste, primarily waste packaging materials, waste paper, and wood boards. All of such waste was entrusted to professional partners for standardized disposal and utilization. Through proprietary technologies, the waste was processed into energy products capable of substituting for coal, thereby achieving full-scale recovery and energy-based utilization of resources.

Key Performance

Indicator	Unit	2025	2024
Total amount of consumed packaging materials	t	830.14	800
Amount of consumed renewable materials	t	768.14	800
Amount of recycled and used waste	t	109.74	113.87
Proportion of recycled and reused waste	%	63.18	69.60
Total amount of recycled and used waste per RMB 100 million revenue	t	1.68	2.78

Note: To maintain a consistent statistical scope, data for general industrial solid waste has been supplemented for 2024.

ECOLOGICAL ENVIRONMENT PROTECTION

Environmental Compliance Management

Piotech continuously improves its environmental compliance management system by strengthening institutional development and ensuring accountability, thereby ensuring that its production and operational activities remain in full compliance with relevant national and local environmental laws and regulations. We reinforce compliance foundation and maintain a strong compliance record through the implementation of compliance commitments, risk identification, and internal oversight. At the same time, we continue to advance the certification and standardized operation of environmental management system, with a view to steadily enhancing the level of standardization and institutionalization in environmental governance.

Environmental Management System

Piotech continues to enhance its environmental management system by strengthening compliance management and risk prevention and control mechanisms. During this Reporting Period, we recorded no environmental violations or related administrative penalties. Currently, Piotech, Piotech Chuangyi, Piotech Shanghai, Piotech Beijing, and Piotech Jianke have all obtained ISO 14001:2015 certification for their environmental management systems.



Piotech

Piotech Chuangyi

Piotech Shanghai

Piotech Beijing

Piotech Jianke

Environmental Management System Certificate ISO 14001: 2015

Risk and Emergency Management

Piotech has established an emergency management framework coordinated by an emergency response leadership group and supported by five specialized task forces, thus forming a rapid internal response mechanism that also facilitates joint handling with government authorities. Supporting systems have been implemented, including the *Sudden Environmental Incident Emergency Response Plan* and the *Emergency Preparedness and Response Management Procedures*, thereby creating a systematic framework that covers environmental risk identification, graded response, emergency handling, and continuous improvement. Based on assessment, our risk level for sudden environmental incidents is classified as general. With no environmental penalty records in the past three years, this risk level remains stable.

Identifying Environmental Risks

01

Systematically identify five major environmental risks such as fire and explosion (including fire-fighting wastewater and flue gas pollution), hazardous chemical leaks, failure of exhaust gas/wastewater treatment facilities, illegal pollution discharge, and natural disasters (such as lightning strikes and extreme weather).

Analyzing Key Scenarios

02

Conduct emission analysis for critical scenarios such as abnormal operation of exhaust gas and wastewater treatment facilities, and focus on identifying the potential over-standard risks of characteristic pollutants such as fluoride and cobalt.

Clarifying Prevention and Response Measures

03

Establish clear risk prevention measures and graded emergency response procedures to ensure orderly responses and effective measures.

Conducting Daily Inspections

04

Strengthen daily risk inspections, and improve the reserve and management of emergency supplies to provide a basic guarantee for the handling of sudden incidents.

Improving Emergency Drills

05

Regularly organize emergency drills, and continuously optimize emergency plans and internal and external linkage mechanisms to improve practical capabilities.

Sewage Treatment Facility Failure and Confined Space Emergency Drill

I Case

In September 2025, Piotech conducted an emergency drill to simulate a wastewater treatment facility failure as combined with a confined space incident. The drill was coordinated by the EHS Department and involved all Emergency Response Team (ERT) groups. The scenarios systematically addressed key aspects, including detection of facility malfunction, risk control for confined space operations, activation of emergency response, professional rescue procedures, medical first aid and external coordination, as well as post-incident evaluation and improvement. The exercise comprehensively tested the alarm, response, rescue, medical treatment, and follow-up processes. As a result, the drill validated the feasibility of the emergency plan, reinforced the implementation of job-specific responsibilities, and enhanced cross-functional collaboration capabilities.

Environmental Awareness Enhancement

Piotech continuously carries out environmental protection-themed awareness campaigns and practical activities, aiming at guiding employees to adopt resource conservation, green office, and low-carbon practices. By integrating environmental principles into daily work and corporate operations, we systematically enhance employees' environmental awareness.

Shanghai and Shenyang Factories: Launching Environmental Protection Month Activities

I Case

In 2025, Shanghai and Shenyang Factories launched the themed environmental protection month activities to enhance employees' environmental awareness through knowledge quizzes, interactive identification games, and on-site explanations. Featuring environmental protection knowledge displays and participatory sessions, these activities adopted an edutainment approach to further deepen employees' understanding of energy conservation, emission reduction, green office practices, and resource conservation, thereby promoting the integration of environmental protection concepts into daily work.



Key Performance

Indicator	Unit	2025	2024
Amount of environmental investment	RMB 10 thousand	1,103.01	215.50
Number of environmental emergency drills	Time	9	8
Person-Time covered by environmental training	Person-time	70	334
Environmental incidents	Number	0	0
Penalty amount for environmental incidents	RMB 10 thousand	0	0



Intensifying Pollution Prevention and Control

Piotech continues to intensify its pollution prevention and control efforts by establishing a whole-process environmental management system around key areas such as exhaust gas, wastewater, solid waste, and noise. We systematically identify pollution sources and implement classified control measures. Through strengthened source control, optimized treatment facilities, and standardized emission management, we ensure the stable and compliant discharge of various pollutants. In 2025, we maintained a 100% compliance rate for all major pollutants, including exhaust gas, wastewater, solid waste, and noise.

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100%
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major pollutants

Exhaust Gas Management

Piotech has developed and implemented the Exhaust Gas Management Procedures, while establishing a management system that covers the entire process of exhaust gas identification, collection, treatment, and emission. The Procedures specify control requirements and emission standards for various types of exhaust gases. Our exhaust gas emissions primarily originate from R&D testing, silicon wafer cleaning, exhaust gas treatment, and canteen cooking.

Based on different operation areas and emission characteristics, Piotech implements classified control measures to effectively manage pollutant emissions. These measures include closed pipeline collection, combustion or pyrolysis treatment via tail gas treatment units, purification through alkali washing towers, and treatment by fume purification units. At the same time, Piotech conducts regular monitoring of exhaust gas emission outlets in accordance with the Self-Monitoring Plan to ensure stable and compliant discharge, and continuously seeks to reduce its impact on the surrounding environment.

R&D Area

Pollution Factors

Unreacted chemical sources and by-products, sulfur dioxide, nitrogen oxides, fluorides, ammonia, etc.

Treatment Measures

- Adopt a closed pipeline collection system for each exhaust emission outlet to reduce fugitive emissions
- Configure tail gas disposal devices to burn or pyrolyze unreacted chemical sources and by-products
- Configure alkali washing towers and other tail gas treatment devices to absorb acidic and corrosive gases
- Discharge them through standardized exhaust stacks at high altitude after treatment
- Regularly detect emission concentrations to ensure compliance with relevant emission standards

Cleaning and Process Support Areas

Pollution Factors

Fluorides and acidic exhaust gases

Treatment Measures

- Collect exhaust gases centrally through fume hoods and then treat them in an alkaline scrubbing tower
- Enhance equipment sealing and pipeline maintenance to reduce leakage risk
- Discharge them through standardized exhaust stacks at high altitude after treatment
- Regularly detect emission concentrations to ensure compliance with relevant emission standards

Living Facilities Area (Canteen)

Pollution Factors

Oil fumes

Treatment Measures

- Install an oil fume purification device for treatment
- Discharge through a dedicated exhaust stack in a standardized manner
- Regularly detect emission concentrations to ensure compliance with relevant emission standards

Key Performance

Indicator	Unit	2025	2024
Exhaust Gas			
Nitrogen oxides (NO _x)	t	1.065	0.522
Sulfur dioxide (SO ₂)	t	0.972	0.12
Volatile organic compounds (VOCs)	t	0.839	0.754
Fluoride	t	0.005	0.074
Ammonia	t	0.122	0.024

Wastewater Management

Piotech has developed and implemented the Wastewater Management Procedures, which define control requirements and acceptance standards for various types of wastewater. Our wastewater mainly originates from domestic support facilities, public utility system operations, silicon wafer cleaning, and other processes. Based on the characteristics of wastewater from different sources, we implement classified collection and segregated treatment. Wastewater requiring pre-treatment is processed through sewage treatment facilities to meet applicable standards before being discharged into the municipal sewer network, while the remaining wastewater is directly discharged into the network. In addition, wastewater generated from cleaning materials and equipment during engineering construction undergoes sedimentation treatment and is then recycled, thereby reducing freshwater consumption and minimizing external discharge.



Living and Public Auxiliary System Areas

Pollution Factors

Domestic sewage, wastewater from oil-water separation, cooling water, and wastewater from pure water production

Treatment Measures

- Collectively discharge domestic sewage into the municipal sewage pipe network after treatment in the grease trap and septic tank
- Centrally collect wastewater from oil-water separation, cooling water, and wastewater from pure water production through pipelines, and then uniformly discharge them into the municipal sewage pipe network
- Have the aforementioned wastewater centrally treated by the municipal sewage treatment plant

Cleaning Area

Pollution Factors

Wastewater from silicon wafer cleaning, R&D testing, cleaning of exhaust gas treatment equipment, alkaline scrubbing tower, and chemical dosing

Treatment Measures

- Centrally collect wastewater and then transfer them into the on-site sewage treatment equipment
- Discharge into the municipal sewage pipe network after compliance treatment

Engineering Construction Stage

Pollution Factors

Wastewater from cleaning materials and equipment

Treatment Measures

- Recycle after sedimentation treatment
- Reduce external drainage volume and fresh water consumption

Online Monitoring of Wastewater Pollutants

Piotech has established an intelligent control platform for wastewater treatment, thus enabling real-time monitoring and dynamic regulation of key parameters such as influent quality, flow rate, pH value, fluoride ion concentration, and liquid level across each treatment unit. The platform supports refined management of chemical dosing, mixing reactions, sedimentation, and discharge processes. Through a data visualization interface, it displays process flows and operational statuses, while also providing abnormal early warning and remote-control capabilities. This system effectively enhances the stability and efficiency of wastewater treatment operations and ensures continuous compliance of effluent quality.

Indicator	Unit	2025	2024
Wastewater			
Total	t	218,599.43	133,096
Chemical Oxygen Demand (COD)	t	23.18	14.02
Ammonia nitrogen	t	1.09	0.88
Total nitrogen	t	6.19	1.88
Total phosphorus	t	0.20	0.06
Fluoride	t	1.20	0.40

Solid Waste Management

Piotech strictly implements the *Solid Waste Management Procedures* and classifies waste into three categories, i.e., household waste, general industrial solid waste, and hazardous waste, for segregated management. Based on the characteristics of each waste category, we adopt measures such as standardized collection, classified storage, and compliant disposal. Hazardous waste is entrusted to qualified third-party entities for transportation and disposal in accordance with relevant regulations, thus ensuring a safe and compliant waste management process. In 2025, we achieved a 100% compliant disposal rate for hazardous waste.



	Domestic Waste	General Waste	Hazardous Waste
Main Pollutants	Office waste paper, toilet waste paper, food residues, and waste generated from non-manufacturing testing, R&D testing, and other processes	Packaging materials (waste plastic, waste foam, and waste cardboard), waste silicon wafers, sludge, and waste metals (iron, copper, aluminum, etc.)	Hydrofluoric acid-containing liquid, packaging materials and containers contaminated with hazardous chemicals, waste activated carbon, waste oil, waste lead-acid batteries, etc.
Treatment Measures	Hand over to the sanitation authority for regular cleanup and centralized disposal, and disinfect the garbage stacking points	- Classify and place by employees, and the cleaning staff transfer them to centralized collection point on the same day - Disposal via qualified entities.	- Collect immediately by production personnel into hazardous waste drums/bags, and transfer to the hazardous waste storage room every Friday - Disposal via licensed hazardous waste disposal contractors & authorized carriers

Indicator	Unit	2025	2024
Total solid waste	t	173.68	163.61
Hazardous waste	t	13.84	63.03
Density of hazardous waste	t/RMB million revenue	0.002	0.015
Total general waste	t	159.84	100.59
Density of general waste	t/RMB million revenue	0.025	0.025

Noise Management

Piotech has developed the *Noise Management Procedures* to systematically identify and categorize noise sources from various equipment and facilities for effective control. We employ comprehensive measures such as sound insulation, vibration damping, and noise elimination to minimize the impact of noise on the working environment and surrounding areas, thereby continuously enhancing environmental management level and compliance performance.

Production Area	
Pollution Sources	Factory assembly lines, testing equipment, cleaning equipment, etc.
Treatment Measures	Building sound insulation

Process and Public Auxiliary Equipment	
Pollution Sources	Factory assembly lines, testing equipment, cleaning equipment, etc. Building sound insulation
Treatment Measures	Vibration reduction and building sound insulation

Environmental Protection Facilities	
Pollution Sources	Wastewater treatment stations, alkali washing towers, supporting pumps, etc.
Treatment Measures	Vibration reduction and sound insulation

Auxiliary Equipment	
Pollution Sources	Air compressors, air-conditioning water systems, and ground-source heat pumps
Treatment Measures	Vibration reduction and building sound insulation

Exhaust Gas System	
Pollution Sources	Exhaust gas treatment fans
Treatment Measures	Muffler installation and flexible connection



Shanghai Factory: Building a Comprehensive Noise Control System

| Case

During its planning and construction, Shanghai Factory prioritized noise prevention as a key focus of environmental management. Through the strategies of "source reduction, propagation control, and rational layout", the Factory has effectively mitigated the impact of its operations on the surrounding acoustic environment. In this regard, low-noise equipment was preferentially selected, and major noise sources were placed indoors. Additionally, vibration-damping pads, silencers, and flexible joints were installed on fans, air conditioners, and other equipment, thus enabling dual noise reduction at both the source and along transmission paths. These measures have now been fully implemented and have passed acceptance inspections.



Ecosystem and Biodiversity

Piotech adheres to the principle of harmonious coexistence between human and nature, and integrates ecological protection requirements into the whole-process management of site selection, project construction, and daily operations. None of our factory sites are located within designated ecological protection red-line areas, thereby fully complying with the regulatory requirements for national and local ecological space control.



Factory Construction

During the construction of Shenyang and Shanghai Factories, we strictly implemented the local sponge city construction policy, optimized the design of rainwater collection, infiltration, storage and regulation systems, improved the natural accumulation and purification capacity of rainwater, reduced the impact of surface runoff on the surrounding soil and water environment, and continuously improved the ecological environment quality of the factory areas.



Project Construction

During project construction, we reasonably planned the construction boundaries in combination with environmental characteristics of the project location, and minimized the disturbance to the surrounding vegetation, water bodies, and ecological environment. Simultaneously, we controlled the impact of construction activities on the natural habitat and promoted the coordinated development of engineering construction and ecological environmental protection through standardized construction organization and dynamic management.

In 2025, Piotech continued to implement the requirements of its Biodiversity Protection Declaration, with a view to integrating the concept of biodiversity conservation into the entire process of business management. We systematically promoted greening initiatives and ecological environment optimization to enhance the ecological carrying capacity and environmental resilience of factory sites. By the end of this Reporting Period, our greening area reached approximately 27.75 mu, accounting for 20.09% of the total land area and representing a year-on-year increase of 1.09%.

Holding a Themed Publicity Campaign for the 56th World Earth Day | Case

In April 2025, Piotech organized an environmental awareness campaign in observance of the 56th World Earth Day, promoting the concept of "Harmonious Coexistence Between Man and Nature". Through on-site displays and advocacy activities, we encouraged employees to adopt green practices such as resource conservation, low-carbon commuting, and waste segregation, while also promoting tree planting, rejecting white pollution, and protecting clean skies and water resources. The campaign further enhanced employees' ecological and environmental awareness and helped foster a positive culture of green and low-carbon development for shared benefit.

Key Performance

Indicator	Unit	2025	2024
Incidents of ecological operation involving ecological red line	Number	0	0
Greening area	Mu	27.75	15
Proportion of greening area	%	20.09	19

Note: This represents the data on greening area statistics for Shenyang and Shanghai Factories.

VITALITY PIOTECH

04



PROTECTING EMPLOYEE RIGHTS AND INTERESTS

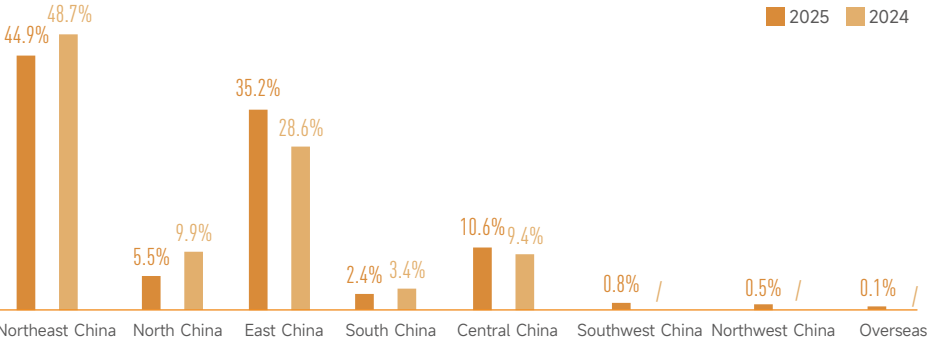
Compliant Employment

Piotech is committed to building an equal and diverse employment system, and strictly adhering to national labor laws and regulations. We treat all employees equally regardless of nationality, ethnicity, gender, or cultural background, and resolutely prohibit employment discrimination. In this regard, we rigorously oversee the recruitment process, strengthen age and identity verification, and firmly reject child labor and forced labor. In 2025, there were no incidents related to discrimination, forced or compulsory labor, or child labor, fully demonstrating our solid achievements in labor compliance management and human rights protection.

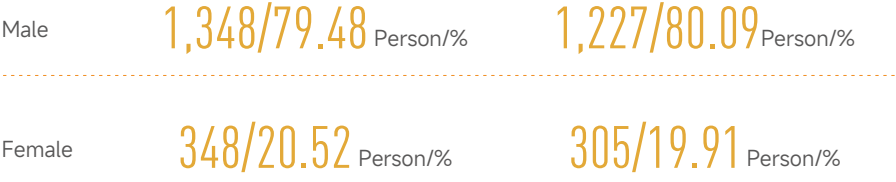
Total number of employees 2025 2024



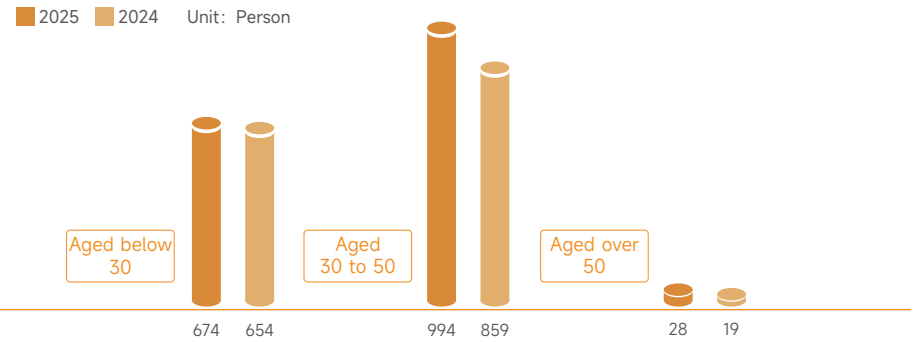
By region



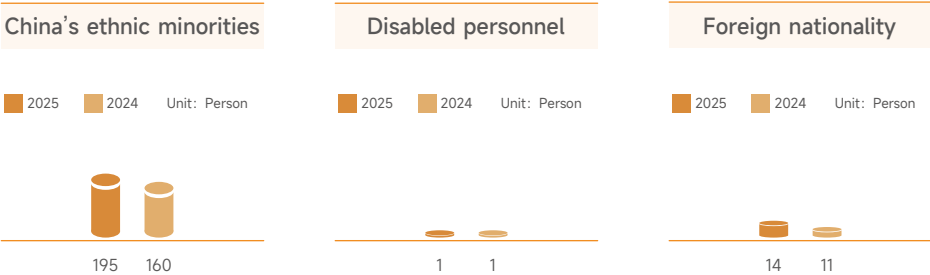
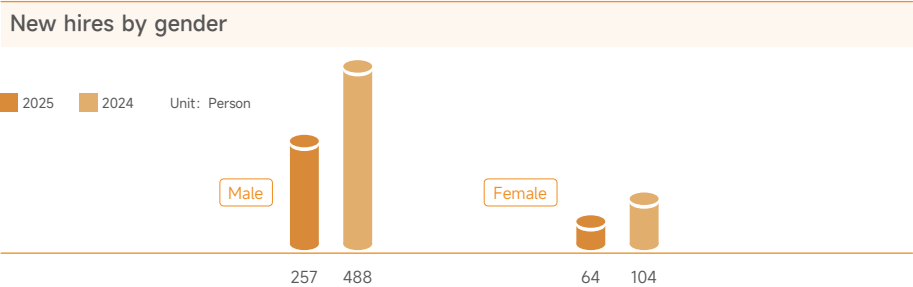
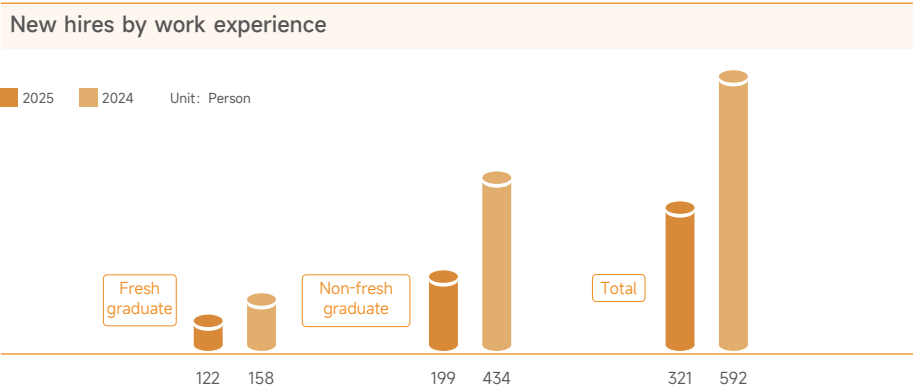
By gender 2025 2024



By age



By education background	2025	2024
Bachelor	718/42.33 Person/%	693/45.23 Person/%
Master	616/36.32 Person/%	530/34.60 Person/%
Doctorate	72/4.25 Person/%	49/3.20 Person/%
Others	290/17.10 Person/%	260/16.97 Person/%



Employee turnover rate	2025	2024
	10.6 %	12.2 %
Employee turnover rate by gender	2025	2024
Male	9.3 %	10.64 %
Female	1.3 %	1.57 %
Veteran employees	2025	2024
	10 Person	0 Person

Compensation and Benefits

Piotech has established a well-structured and compliant compensation and performance management system, which features a compensation and benefits framework that balances market competitiveness with long-term sustainability. We emphasize addressing the diverse needs of workforce by delivering comprehensive welfare guarantees, thereby driving synergistic development and mutual success between the organization and our employees.



Governance

Piotech has established a well-defined and standardized governance structure for compensation and benefits with clear lines of responsibility. We have formulated policies such as the *Compensation Management Policy* to clarify compensation structures and distribution principles, thus ensuring consistency and compliance in system operations. We are committed to safeguarding fairness in compensation and performance appraisal through institutional mechanisms, while ensuring the full implementation of both statutory and company-provided benefits. The Human Resources Department is responsible for the overall execution and continuous optimization of these policies.

Strategy

Piotech regards an attractive compensation and benefits framework as one of its core strategies for attracting, motivating, and retaining talents, thereby driving sustainable corporate development. By offering comprehensive material rewards, equity incentives, and a work environment rich in humanistic care, we enable employees to share in the fruits of our growth, thereby enhancing their sense of fulfillment, belonging, and well-being. This approach ultimately inspires organizational vitality and supports the achievement of our strategic objectives.

Impact, Risk, and Opportunity Management

To systematically manage risks related to talent attraction, retention, and motivation, and to seize opportunities for enhancing organizational effectiveness and employee cohesion, Piotech has established an integrated management mechanism that combines short-term incentives, long-term alignment, and holistic employee care.

Compensation Structure and Incentives

Piotech has developed a scientific compensation structure based on position value, individual performance, and market benchmarking. The structure consists of base salary, performance-based pay, allowances, employee benefits, and performance bonuses. In addition, we have established a multi-tiered incentive system that integrates short-term compensation incentives, medium-term bonus supplements, long-term equity incentives, and recognition awards. This fair and transparent reward mechanism is designed to effectively motivate employees and enable them to share in our development outcomes.



Compensation Structure

Base salary

Performance-based pay

Allowances

Overtime pay

Employee benefits

Bonus

Talent Incentives

Special Incentives

Equity Incentives

Honorary Awards

To recognize outstanding employee contributions in key areas, Piotech has established several special incentive programs. These include business-related awards such as the "Installation Incentive", "Equipment Installation Incentive", "Uptime Incentive", and "Taskforce Incentive", as well as innovation-related awards including the "Best Patent Award" and "Advanced Individual Patent Award".

Piotech implements an equity incentive plan for its current employees, including Board directors, senior executives, core technical personnel, and key staff.

Piotech has established an employee recognition award system encompassing a range of categories, including "Outstanding Employee", "Outstanding New Employee", "Outstanding Intern", "Outstanding Manager", "Safety Award", "Technological Innovation Award", "Outstanding Collaboration Team", "Outstanding Contribution Team", "Long Service Award", and "General Manager's Special Commendation".

Equity Incentives: Sharing the Achievements | Case

Piotech has implemented an equity incentive plan for its active employees (including Board directors, senior executives, core technical personnel, and key staff). In 2025, we granted a total of 1,267,894 restricted shares to 1,055 grantees, and they represented approximately 68.86% of our total employee headcount by the end of 2024. This effectively enhanced the motivation of core employees and the sense of belonging among the management team, thus injecting sustained momentum into our long-term development. Additionally, in 2025, we completed the stock registration for the second vesting period of the 2022 Restricted Stock Incentive Plan and the first tranche of the first vesting period of the 2023 Restricted Stock Incentive Plan (the initial grant portion). A total of over 2.84 million restricted stocks were registered for 1,020 employee instances.

Honorary Awards: Encouraging Cost Reduction and Efficiency Enhancement | Case

In 2025, Piotech launched a cost reduction and efficiency enhancement initiative that focused on the management of spare parts and the effective utilization of key components. Relevant departments concentrated on improving the efficient use and management of ceramic heating plates, aiming to generate innovative ideas for reducing costs and enhancing efficiency to support business operations. We provided comprehensive incentives to support these efforts. In addition, non-monetary recognition was offered through employee assembly commendations, company-wide email announcements, and general meeting acknowledgments, thereby establishing role models that further inspired employee enthusiasm for cost reduction, efficiency improvement, and innovation.

I Welfare Benefits and Care

Piotech has established a comprehensive and diversified welfare benefits system for all regular full-time employees, thus fostering a safe, healthy, well-supported, and human-oriented work environment. We place particular emphasis on the care and protection of female employees' rights, with a view to reflecting a genuine human touch in the workplace. Furthermore, we have developed differentiated and localized welfare frameworks for subsidiaries in different countries, while taking into account their operational realities and the nationalities of their employees to align with local customs and needs.



 Basic Guarantee	 • Five statutory social insurances and one housing provident fund (including pension, medical, work-related injury, unemployment, and maternity insurance, as well as housing provident fund) are paid in full compliance with the law, with a housing provident fund contribution rate of 12%. • Employees are entitled to all statutory leaves (annual leave, marriage leave, maternity leave, paternity leave, bereavement leave, parental leave, etc.).
 Health Guarantee	 • Annual health check-ups are provided for all employees. • Insurance plans are tailored according to job characteristics and work scenarios, and tiered commercial accident insurance are offered as needed (with the coverage tiers of RMB 300,000, RMB 500,000, and RMB 1,000,000, respectively); and supplementary medical insurance is also provided for non-working spouses of the employees.
 Leave Benefits	 • Service-duration-based incentive leave, i.e., employees are entitled to 2 weeks of paid reward leave and other welfare benefits for every 5 consecutive years of service. • They are also entitled to 10 days of fully paid sick leave per year. • Female employees enjoy exclusive welfare leave on International Women's Day and other designated occasions.
 Festival Benefits	 • Gifts are distributed on International Women's Day and Chinese Spring Festival. • Special gifts are provided to foreign employees during culturally significant occasions.
 Life Care	 • Selected factories provide three healthy meals, fruits, yogurt, beverages, etc. for free, along with free shuttle services for commuting to and from work, thus focusing on the physical and mental well-being of employees. • A company-wide fitness center is established with yoga rooms, table tennis rooms, basketball courts, and other fitness facilities. • Multiple clubs have been established, such as badminton club, basketball club, table tennis club, photography club, yoga club, etc., and themed club activities are held annually.
 Family Care	 • Various monetary gifts are provided to employees, including wedding gifts, childbirth gifts, funeral condolence payments, hospital visitation payments, etc.

📦 Indicators and Goals

Piotech measures the effectiveness of its compensation and benefits system by tracking key performance indicators such as internal pay equity, long-term incentive coverage, and welfare implementation depth. In 2025, the median male-to-female pay ratio within the Company was 1.04:1. The 2025 Restricted Stock Incentive Plan covered approximately 68.86% of employees. Additionally, statutory benefits including housing fund contributions at the legally required maximum rate, supplementary insurance, and various specialized care programs were fully implemented.

Democratic Communication

Piotech upholds a philosophy of "Open Leadership" and maintains regular communication channels, including company-wide meetings, as well as diversified platforms such as the General Manager's Mailbox, Management Luncheons, and an Employee Suggestion Scheme, to actively listen to employee feedback and respond to concerns in a timely manner. In addition, we have established incentive awards to encourage employees to contribute ideas. We integrate employee communication channels and care philosophy into the onboarding training for new employees that cover corporate culture and human resources policies, with the aim of fostering an open communication culture that enables evidence-based decision-making and supports sustainable corporate development.

General Manager's Mailbox

| Case

In 2025, Piotech continued to enhance the General Manager's Mailbox system as a fair and transparent communication channel. Centrally managed by the General Manager's Office, the system regularly collects employee feedback and publicly discloses the resolution outcomes, thus ensuring that employee concerns are effectively addressed. This mechanism helps establish a transparent, efficient, and two-way democratic communication system. In 2025, the General Manager's Mailbox resolved 50 employee enquires.

Employee Grievance Mechanism

Piotech has established a standardized and transparent employee grievance mechanism to ensure that employee rights and concerns are promptly addressed and fairly protected. Employees may submit grievances via email, written submission, or verbal communication. Upon receipt, the Human Resource Department promptly identifies the subject matter, parties involved, and core issues, and initiates a closed-loop resolution process. Through procedural and standardized steps, this mechanism aims to resolve employee concerns fairly and efficiently, uphold workplace equity, and continuously improve the internal management environment.

Employee Satisfaction Surveys

Piotech has systematized its employee satisfaction survey and feedback mechanism. In 2025, we conducted an employee satisfaction survey that achieved an overall satisfaction rate of 99.38%. Regarding grievance reporting and escalation procedures, we have established diversified and confidential grievance channels, as supported by clearly defined tiered response protocols and closed-loop resolution processes, to ensure that all reasonable employee concerns are addressed in a timely and impartial manner.



CARE ABOUT HEALTH

Occupational Health

Piotech is committed to establishing a comprehensive occupational health and safety management framework that covers all employees and all operation scenarios. The framework extends its management scope from internal factory operations to customer sites. Through systematic occupational disease prevention and human-oriented mental health care, we achieve whole-process control of occupational risks.



Governance

Piotech attaches great importance to occupational health management, and thus continuously improves its occupational health and safety management system by strengthening risk identification, prevention and control, and employee health protection, thereby promoting standardized and systematic occupational health management. Currently, Piotech, Piotech Chuangyi, Piotech Shanghai, Piotech Beijing, and Piotech Jianke have all obtained ISO 45001:2015 certification for their occupational health and safety management systems.



Piotech

Piotech Chuangyi

Piotech Shanghai

Piotech Beijing

Piotech Jianke

Occupational Health and Safety Management System Certificate ISO 45001

Strategy

Piotech regards the protection of employee occupational health and safety as a cornerstone of sustainable development and a key social responsibility. To this end, we have cultivated a health and safety culture centered on "prevention first, full participation, and continuous improvement". Through systematic risk management and humanized care measures, we are committed to achieving the goal of zero occupational injuries and illnesses, while also enhancing employees' physical and mental well-being and happiness, thereby ensuring organizational vitality and operational stability.

Impact, Risk, and Opportunity Management

To implement its occupational health and safety strategy, Piotech has adopted comprehensive management measures that address both physical and mental health, aiming to systematically prevent and control occupational risks while enhancing employee well-being.

Occupational Disease Management

Piotech has developed and continuously implements the *Occupational Disease Prevention Management Procedures*, which cover risk assessment, preventive control, occupational health monitoring, and employee rights protection. Through a systematic and refined management mechanism, we control the entire process of occupational disease risks. We legally execute the *Notification of Occupational Disease Hazards* with employees, and clearly specify job-related hazard factors, protective measures, and the rights and obligations of employees, thereby effectively preventing, controlling, and eliminating occupational disease hazards. In 2025, in response to heightened standards and compliance requirements from customers regarding occupational health management at their sites, Piotech optimized and upgraded its relevant management mechanisms. The scope of occupational health management was extended from its original in-factory coverage to include customer-site operational scenarios, thus achieving an expansion from "in-factory management" to "customer-side full-process management". While ensuring the safe operation of equipment and services, we placed greater emphasis on the health and safety of employees during on-site customer operations, thereby comprehensively enhancing risk prevention and control capabilities and expanding management coverage depth for off-site activities.

Occupational Disease Prevention and Control Publicity Week Campaign | Case

In April 2025, in alignment with the theme of the 23rd National Publicity Week, Piotech organized an occupational disease prevention and control awareness campaign in accordance with the Occupational Disease Prevention and Control Law of the People's Republic of China. Targeted at employees in exposure-prone roles, EHS coordinators, and other relevant personnel, the campaign systematically promoted occupational disease prevention laws, regulations, and preventive knowledge through health knowledge sharing sessions and quiz competitions. Prize incentives were offered to encourage active participation, further enhancing employees' occupational health awareness and self-protection capabilities.



Piotech Shanghai and Piotech Beijing: Special Campaign on Standardized PPE Donning in Cleanrooms | Case

In 2025, Piotech Shanghai and Piotech Beijing conducted a specialized occupational health education campaign that focused on the proper donning and doffing of Personal Protective Equipment (PPE) in cleanroom environments. The campaign addressed updated requirements for eye protection and mandated the uniform use of side-shield safety glasses, emphasizing that PPE must not be removed without justifiable cause. In situations where wearing PPE was temporarily infeasible due to exceptional circumstances, a strict stop-work mechanism and escalation reporting procedures were enforced to ensure timely risk control and clear accountability, thereby continuously strengthening occupational health safeguards at the operation level.

Mental Health | Piotech attaches great importance to the mental health of its employees. Through a range of initiatives, including psychological counseling, public lectures, specialized training, and awareness campaigns, we continuously enhance employees' mental health awareness and self-regulation abilities, while strengthening mechanisms for psychological risk prevention and intervention.

Online Mental Health Services		Offline Mental Health Services	
Online psychological counseling for employees and their families	31 participants, totaling 58 hours Counseling satisfaction up to 9.52 points (out of 10 points)	On-site training for (new) employees and managers	2 sessions conducted in Shenyang and Shanghai Both satisfaction rates up to 100%
Open lectures	3 sessions conducted	One-to-one on-site counseling	Overall counseling satisfaction up to 9.45 points Counselor satisfaction up to 9.45 points Helpfulness through counseling up to 8.63 points (out of 10 points)
E-newsletters, e-cards, and customized promotions	12 e-newsletters, 4 e-cards, and 4 customized promotions distributed	Offline awareness activities	1 session conducted 200 participants

Indicators and Goals

Indicator	Unit	2025	2024
Number of employees covered by occupational health examination	Person	61	35
Coverage of occupational health examination for employees	%	100	100
Coverage of occupational health examination	%	100	100
Incidence of occupational diseases	%	0	0
Coverage of health records	%	100	100

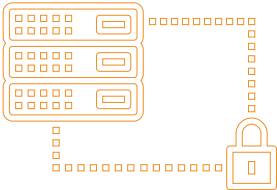
Production Safety

Piotech consistently prioritizes production safety and the life safety of its employees, thus continuously refining its safety management system and risk prevention and control mechanisms. We enhance risk identification and response capabilities through multiple measures, including the establishment of a dual prevention mechanism, optimization of emergency management, and tiered and categorized safety training and emergency drills.

Risk Control and Prevention

In 2025, Piotech continued to advance its dual prevention mechanism, aiming at establishing and operating a production safety risk management and control system. We built two "firewalls", one for risk prevention and control, and another for hazard identification and rectification, thereby forming a synergistic management model in which risk classification and control precede hazard screening and remediation.

The First Firewall	Risk Classification and Control	
	■ Conduct risk identification and assessment for both routine and non-routine activities, which involve factors such as personnel, equipment, and environment, and adopt the Job Hazard Analysis (LEC) method for assessment ■ Classify risks into four levels, i.e., major, significant, general, and low, differentiated by red, orange, yellow, and blue labels, implement a hierarchical management principle of "those in charge shall be responsible", configure engineering controls, management measures, personal protective equipment, and emergency response measures, as well as carry out dynamic management	
The Second Firewall	Hidden Hazard Identification and Rectification	
	Achieve the closed-loop management of "detection - rectification - closure": ■ For hidden hazard identification: Conduct identifications through routine, specialized, and seasonal methods by comparing with risk control measures and safety regulations and standards, and establish a list of hidden hazards ■ For hierarchical management: Implement hierarchical management of hidden hazards, distinguish them between major and general hazards, and adopt classified measures ■ For closed-loop management: Adhere to the "five-fixed" (fixed personnel, fixed time, fixed measures, fixed funds, and fixed plan) principle to ensure full traceability of the hazard rectification process	



Emergency Management

Piotech has established the *Emergency Preparedness and Response Management Procedures* and the *Incident and Accident Emergency Response and Investigation Procedures* to form a standardized emergency management framework. In the event of an incident, on-site personnel promptly report to the ERC^[10] or EHS department, initiate a tiered response based on severity, coordinate on-site resolution and rescue efforts, and escalate the response or seek external support as necessary. Following resolution, we conduct root cause analysis and report reviews, implement corrective measures, and pursue continuous improvement through full-process closed-loop management.

Fire Safety and Emergency Management

Piotech attaches great importance to its fire safety and emergency management by adhering to a prevention-first approach. Through routine safety inspections and regulatory oversight, we continuously strengthen risk control and enhance production safety assurance capabilities. In 2025, we upgraded the resources of ERT and ERC teams, enhanced daily training to improve personnel response readiness, supplemented and improved fire emergency equipment and supplies, optimized fire emergency procedures, refined emergency response tiers and incident classification criteria, and strengthened on-site management and combustible material control. For key areas, we standardized storage, periodic clearing, and archival management, while strictly restricting the use of non-compliant materials, thereby improving our prevention and response capabilities for fire and similar incidents.

Piotech Shanghai: Organizing and Conducting Systematic Fire Safety Training

| Case

In 2025, Piotech Shanghai organized practical fire safety training during the Fire Safety Month, by means of combining theoretical instruction with on-site drills to enhance employees' fire safety awareness and emergency response capabilities. In addition, a dedicated fire safety training session was conducted for the canteen area that focused on gas safety, oil fire suppression, and initial fire response, thereby further strengthening fire prevention and control in high-priority zones.



Hands-On Training during the Fire Safety Month



Special Training for Canteen Fire Safety

[10] ERC refers to the Emergency Response Center.

Chemical Safety and Emergency Management

Piotech has established the *Chemical Safety Management Procedures* to implement strict control over hazardous chemicals. For certain highly hazardous gases and chemicals, we reinforce safety management in both process design and operational management by deploying automatic control systems, interlock protection, and alarm linkage mechanisms, thereby achieving whole-process monitoring and automatic control.

In 2025, Piotech added and upgraded the full set of equipment for the Gas Management System (GMS) at its production sites, with a view to enabling real-time monitoring and automatic alarm functions for gas leaks in critical areas. Through continuous online monitoring and a tiered early-warning mechanism, the system triggers audible and visual alarms and initiates emergency response procedures when abnormal gas concentrations reach preset thresholds. These measures have significantly enhanced on-site risk identification and rapid response capabilities, thereby effectively strengthening the prevention of and response to gas leak incidents.

Piotech Beijing and Piotech Shanghai: Conducting Chemical Spill Response Training

| Case

In 2025, Piotech Beijing conducted specialized training on chemical spill response, while Piotech Shanghai organized a hands-on hazardous chemical spill drill for its Emergency Response Team (ERT). Both sessions covered spill emergency procedures and protection requirements through a combination of training and practical drills, with the aim of further strengthening on-site emergency response capabilities.



Training on Chemical Spills



Hands-On Training on Hazardous Chemical Spills

Emergency Drills

In 2025, Piotech organized multiple emergency drills to address a variety of risk scenarios, including production safety incidents and natural disasters. Through scenario-based simulations and practical exercises, we strengthened inter-departmental coordination and emergency response capabilities to continuously improve employees' self-rescue, mutual aid, and on-site disposal skills, thereby reinforcing the foundation of emergency management system.



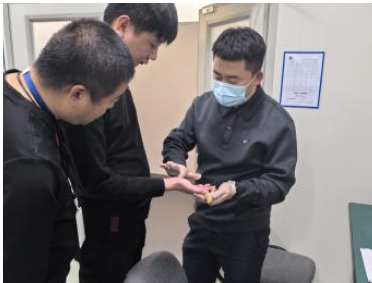
On-Site Response Drill on Electric Shock and Fall from Height



Flood Prevention Emergency Drill



Nighttime Evacuation Drill



On-Site Response Drill on Scald and Burn



Full-Staff Emergency Evacuation Drill



Safety Education

In 2025, Piotech delivered a series of safety training programs to address various risk scenarios, including contractor safety, confined space operations, and on-site management. Through phased and tiered training arrangements, we continuously reinforced risk identification and standardized operating procedures, with the aim of enhancing employees' safety awareness and operational compliance.

Implementation of Piotech's 2025 Safety Training Program



March

Contractor Safety Training



March

Confined Space Operation Training by the Factory Affairs Department



July

Hands-On Training on Fire Extinguishers



September

Contractor Safety Training at Shenyang No.2 Factory



November

Company-Wide Training on Safe Use of Chemicals



December

Training on On-Site Safety Management and Control Requirements for Subsidiaries

2025 Safety and Environmental Protection Month

| Case

In June 2025, Piotech, together with Piotech Chuangyi, Piotech Shanghai, and Piotech Jianke, simultaneously launched the "Safety and Environmental Protection Month" campaign. Featuring activities such as "Identify Hazards Around You", safety song performances, company-wide emergency evacuation drills, specialized fire safety training, and first-aid responder training, the campaign aimed to enhance safety and environmental management levels across the organization through diverse and multi-level initiatives.



| Key Performance

Indicator	Unit	2025	2024
Amount of investment in occupational health and safety	RMB 10 thousand	577.81	384.57
Total safety training duration	Hour	36,853	23,496.50
Average safety training duration per employee	Hour	8.87	7.02
Number of work-related deaths	Person	0	0
Lost workdays due to work-related injuries	Day	0	0
Lost Time Injury Frequency Rate (LTIFR)	%	0	0

TRAINING AND DEVELOPMENT

Employee Training

Piotech continues to iterate and optimize its talent development programs by delivering layered and classified training for employees at different levels. The training system comprises four core modules: leadership development for managers, general capability enhancement, professional and technical skills cultivation, and corporate governance and compliance management. Together, these modules contribute to a comprehensive employee training system.

In addition, Piotech conducts post-training satisfaction surveys among new employees to gather feedback on course contents and training effectiveness, and continuously optimizes the training system based on the results. For new employees who successfully pass the assessments, we issue technical training certificates to consolidate training outcomes and enhance their professional competence.

Trainees		Training Categories	Training Contents
At the Employee Level	New Hires	Onboarding training (excluding interns)	Cover core modules such as corporate management policies, professional technical standards, compliance requirements including integrity, as well as product and semiconductor fundamentals, with a total of 31 onboarding sessions conducted in 2025 for 424 employees.
	Frontline and Other Employees	Capability enhancement	Introduce high-quality external course resources, and focus on topics such as cross-departmental communication skills, efficient meeting management, business etiquette, and social etiquette to promote enhancement in employees' comprehensive capabilities.
	All Employees	Corporate governance and compliance training	Cover compliance training on contract processes, business ethics and integrity, IP, etc., with a total of 14 thematic sessions on corporate governance and compliance conducted in 2025.
		General skills training	Aim to enhance employees' soft skills and promote the all-round development of professional competence and job proficiency, with 6 general skills sessions conducted in 2025.
At the Management Level		New leadership development program	Cover opening ceremony, general manager luncheon, one-on-one management practice, replicable leadership learning, leadership and management competency training, and closing ceremony, with a 7-month leadership development program for newly promoted and newly hired managers conducted in 2025, and 30 new managers successfully graduating.
		Management competency enhancement workshop	Advocate the "A+ Manager" management competency enhancement program to help participants gain a deeper understanding of their managerial roles, transition smoothly from managing individuals to managing teams, foster a team spirit of contract, and cultivate a sense of team identity.
		Sales skill enhancement workshop	Conduct training on key account sales strategies and negotiations, as well as sales capabilities and customer management, for the sales team and management personnel.
		Interviewer competency enhancement training	Implement the "Gold Medal Interviewer" empowerment training that covers the roles and responsibilities of interviewers, selection criteria, interview techniques, and standardized processes to help improve recruitment.
Off-Site Training		Proactively select and dispatch relevant personnel to participate in professional training and qualification certifications organized by external authoritative institutions, so as to support the continuous professional development of employees, with a total of 19 person-times of off-site training conducted in 2025.	

"Pioneer Training Camp" for Fresh Graduates

| Case

In July 2025, Piotech organized the "Pioneer Training Camp" for campus recruits, which attracted over 120 outstanding fresh graduates. The training program integrated core courses on corporate policies and culture with soft skills-related enhancement activities such as team-building exercises and mini-enterprise simulations, as complemented by experience-sharing sessions with senior colleagues. In parallel, job-specific technical training and certification were provided to facilitate a smooth transition from campus to the workplace for the fresh graduates.



New Leadership "Trailblazer Program"

| Case

In 2025, Piotech continued to implement its new leadership development initiative, the "Trailblazer Program". The program included an opening ceremony, general manager luncheon, one-on-one management practice sessions, learning on replicable leadership, leadership and management competency training, and a closing ceremony. Spanning seven months, the 2025 program was designed for newly promoted and newly hired managers, with 30 new managers successfully graduating.



Piotech Shanghai: VR (Virtual Reality) Training on Equipment Maintenance

| Case

In 2025, Piotech Shanghai innovated its employee training model by introducing VR technology for hands-on equipment training, with a focus on operations such as equipment maintenance. We leveraged VR technology to construct simulated equipment operation and maintenance scenarios, thus enabling employees to conduct training on equipment maintenance and operational processes in a virtual environment.



Key Performance

Indicator	Unit	2025	2024
Training coverage rate	%	100	100
Investment in training (primarily corporate education fund + continuing education tuition)	RMB 10 thousand	210	175.53
Number of training participants	Person-times	13,226	10,512
Total training duration	Hour	24,051	27,555

Promotion Management

Piotech is committed to fostering a transparent and fair employee promotion mechanism that provides clear and equitable career development pathways for all employees. We have established a policy of Employee Promotion Management, as integrated with performance management, to create a scientific job hierarchy and a comprehensive talent management framework that covers the entire career lifecycle. Furthermore, we support employee growth through mentorship programs, career counseling, and continuous education initiatives. In 2025, we further relaxed promotion criteria, and thus increased the employee promotion rate from 20% to 25%, while eliminating additional restrictions for eligible high-performing talents, thereby fully unlocking the organization's potential for talent development.

Aspects	Specific Contents
Promotion Principles	Uphold openness, fairness, and impartiality, and evaluate based on employees' competency, performance, and contributions.
Promotion Assessment	Conduct comprehensive assessment based on job competency standards, and combine with performance appraisal, competency assessment, and business contributions.
Promotion Ladder	Implement dual promotion ladders: 1. Professional ladder: Focus on deepening professional expertise, and enable technical, functional, and business professionals to achieve advanced career development without transitioning to management roles. 2. Management ladder: Take on responsibilities for strategic implementation and team management, and connect with professional track to ensure management positions are supported by professional expertise.



"Talent Succession Plan"

| Case

In February 2025, Piotech launched the "Talent Succession Plan" to identify, assess, and continuously monitor potential successors for key management and specialized roles. The program systematically invests in the development of these candidates and accelerates their capability building, thereby establishing a sustainable talent pipeline. This initiative ensures the long-term stability and continued vitality of critical positions. In 2025, the plan covered over 240 core talents within the company.



Performance Management

Piotech has established a performance management policy guided by the principles of objectivity, fairness, and transparency, with a focus on results and contributions. This approach supports both the achievement of business objectives and the career development of employees. We have formed a corporate-level performance assessment team led by the Chairman and the General Manager, with the Human Resources Department serving as the coordinating body, to ensure that annual performance assessments cover all employees. The assessment framework includes annual performance achievements and comprehensive evaluations. Regular employees undergo position-specific competency assessments, while managers are subject to 360-degree evaluations. Performance outcomes are categorized into five tiers, ranging from S to D. These results are directly linked to salary adjustments, performance-based pay, and year-end bonus, thereby deeply integrating performance incentives with employee development.



Continuing Education

Piotech provides employees with access to continuing education programs, including part-time master's, part-time doctoral, and MBA (Master of Business Administration) programs. This initiative reflects our commitment to supporting employees in systematically enhancing their professional knowledge and technical skills. We reimburse eligible tuition expenses within a defined scope. In 2025, we approved financial support for 12 employees pursuing MBA, part-time master's, and part-time doctoral degrees.

CARE AND CONCERN

Humanistic Care

Piotech has long been committed to supporting female employees through comprehensive and people-oriented initiatives. In addition to providing nursing rooms, extending holiday greetings on International Women's Day and other special occasions, and holding farewell ceremonies for retiring employees, we arrange annual specialized health checkups, including gynecological examinations, and introduces professional psychological counseling services. These efforts foster a supportive and inclusive work environment, safeguard the physical and mental well-being of female employees from multiple perspectives, and help them achieve work-life balance and personal growth.

International Women's Day Event – "Tribute to Her Power" | Case

On International Women's Day 2025, Piotech organized a flower-giving campaign under the theme "Tribute to Her Power" for all female employees. The initiative aimed to honor the contributions of women throughout company's development journey, demonstrate recognition and care for their efforts, and inspire them to pursue a healthy balance between work, life, and personal well-being.



Employee Support

Piotech continuously enhances its employee care system to deliver targeted support. To help alleviate the medical cost burden on employees' spouses and other dependents who lack social insurance coverage, we proactively procure supplementary medical insurance for them, thus ensuring their basic medical needs are met. In 2025, such supplementary medical insurance was provided for 11 employees' dependents, with total premium expenditure amounting to RMB 15,772. Furthermore, we extend timely material and emotional support through initiatives such as hospital visitation payments and funeral condolence payments. These efforts effectively strengthen employees' sense of belonging and satisfaction.

Key Performance

Indicator	Unit	2025	2024
Number of employees assisted	Person	11	12

Diverse Activities

Piotech sustains employee vitality and well-being through a variety of engagement activities, including annual galas, themed celebrations, and family days. These initiatives help strengthen emotional connections between employees and their families, promote work-life balance through humanistic care, and continuously enhance employees' sense of belonging and team cohesion.

"Expanding Horizons and Shaping the Future" Themed Annual Gala | Case

In January 2025, Piotech held its annual gala and award ceremony under the theme "Expanding the Horizons and Shaping the Future". During the event, we reviewed and reflected on development achievements, outlined strategic directions for the future, and recognized outstanding teams and individuals. The celebration helped inspire employee enthusiasm and creativity, laying a solid foundation and generating positive momentum for the year ahead.



"Relentless Pursuit of Excellence and Boundless Perfection" Themed Celebration | Case

In May 2025, Piotech hosted a celebration to mark its third anniversary of IPO and fifteenth anniversary of establishment, under the theme "Ascending Beyond Limits and Perfecting Boundless". Nearly 300 guests, including government officials, customers, shareholders, supply chain partners, and industry experts, joined employees in reflecting on the Company's fifteen-year journey of technological breakthroughs and industrial development, while looking ahead to a new chapter of global expansion.



"Gathering at Piotech, Sharing Joyful Moments" Annual Family Day Event | Case

In August 2025, Piotech organized its annual Family Day event under the theme "Gathering at Piotech, Sharing Joyful Moments", in collaboration with its subsidiaries nationwide. Guided by the philosophy of "Empowering Families with Technology and Fostering Harmony through Shared Values", the event invited employees' families to visit company. Activities included facility tours, fun sports activities, and family craft workshops, which designed to strengthen the connection between us and employees' families, and attract participation from over 1,000 families. The interactive segments facilitated meaningful parent-child interactions, reflecting our genuine care for employees and their families.



STEADY PIOTECH

05



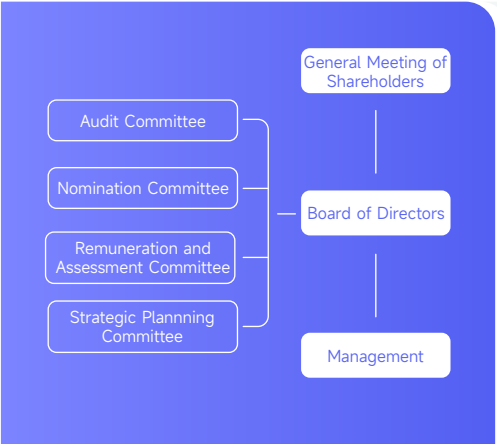
IMPROVING THE EFFICIENCY OF SUSTAINABLE GOVERNANCE

Sustainable Governance System

Piotech maintains a sustainable governance structure that operates through three interconnected levels: the decision-making level, the management level, and the operation level. The decision-making level, represented by the Board of Directors, is responsible for strategic decision-making and oversight of major ESG matters. The management level, represented by the ESG Management Committee, implements the strategies established by the Board, coordinates strategic execution, and reviews progress toward ESG objectives. The operation level, represented by the ESG Operation Team composed of various functional departments, is responsible for carrying out specific tasks across the company. This structure forms an ESG governance system characterized by full participation and clearly defined responsibilities.



- Corporate Governance Structure



- ESG Governance System



Audit Committee

The committee is chaired by an independent director, and the remaining members comprise two independent directors and two non-independent directors, all of whom possessing backgrounds in finance, law, and semiconductor, and meeting the requirements for professionalism and independence.

Its primary responsibilities include reviewing financial information and disclosures, supervising and evaluating internal and external audits, and overseeing internal controls, thus serving as a critical line of defense for financial transparency and compliant operations.

Nomination Committee

The committee is chaired by an independent director, and the remaining members comprise two independent directors and two non-independent directors.

Its primary responsibilities include formulating selection criteria and procedures for directors and senior management, with due consideration of the Board's composition, professional structure, and other factors, aiming to optimize governance structure and ensure that the Board of Directors and senior management possess strong professional backgrounds and competencies to perform their duties.

Remuneration and Assessment Committee

The committee is chaired by an independent director, and the remaining members comprise two independent directors and two non-independent directors.

Its primary responsibilities include formulating compensation policies, plans, and assessment criteria for directors and senior management, and conducting appraisals and reviews to ensure the compensation system fairly and effectively incentivizes the core team and promotes the creation of long-term corporate value.

Strategic Planning Committee

The committee is chaired by the Chairman of the Board, and the remaining members comprise one independent director and three non-independent directors, all of whom possessing extensive backgrounds in semiconductor, finance, investment, and scientific research.

Its primary responsibilities include researching and making recommendations on medium-to long-term development strategies, major investment decisions, and core business layouts, thus ensuring the forward-looking and prudent direction of development.

Governance Diversity

In the Board, Piotech continuously optimizes its governance structure. As of the end of this Reporting Period, the Board of Directors comprised nine members, with independent directors accounting for 33.33%, fully meeting the requirements for listed companies. Female directors accounted for 22.22% of the Board, reflecting a year-on-year increase of 11.11%. The professional backgrounds of Board members span industrial technology, operations and management, financial accounting, law, and risk management, demonstrating strong structural diversity and professional expertise. This composition effectively enhances the scientific rigor of strategic decision-making and strengthens our risk prevention capabilities.

Piotech strengthens the independence, professionalism, and standardization of the Board operations by appointing independent directors to key supervisory and governance functions, including audit, compensation, and nomination. In 2025, independent directors accounted for 60% of the members of Remuneration and Assessment Committee, and Strategic Planning Committee.

Independent directors accounted for

33.33%

Female directors accounted for

22.22%

representing a year-on-year increase of

11.11%



Independent directors accounted for 60% of the members of Audit Committee, Remuneration and Assessment Committee, and Nomination Committee



and 20% of the members of Strategic Planning Committee



Board Member Information

Name	Independent Director	Consecutive Tenure ^[1]	Gender	Professional Background	Strategic Planning Committee	Audit Committee	Remuneration and Assessment Committee	Nomination Committee
Lu Guangquan		5	Male	Chemistry	Chairman		√	√
Yuan Xun		1	Male	Electronics and Information Systems	√	√		√
Zhang Haodai		1	Female	Accounting and Financial Management				
Qi Lei		5	Male	Computer Science and Technology	√	√		
Yin Zhiyao		5	Male	Physical Chemistry			√	
Liu Jing		2	Female	Accounting, Chinese Certified Public Accountant, and Senior Accountant	√			
Liu Sheng	√	2	Male	Mechanical Engineering, and Academician of the Chinese Academy of Sciences	√	√	√	Chairman
Huang Hongbin	√	5	Male	Auditing		√	Chairman	√
Zhao Guoqing	√	5	Male	Accounting, Chinese Certified Public Accountant, and Tax Risk Management		Chairman	√	√

For the senior executives, Piotech has a total of seven senior executives, three of whom are female, representing 42.86% of the team. This diverse management composition, combined with extensive practical experience, effectively supports the execution of our strategy and the efficient governance of daily operations.

[1] The "Consecutive Tenure " in the table above is calculated from the time these individuals were appointed as directors of Piotech Inc.. and does not cover their previous tenures as directors or in other positions. It will be counted as one year if a newly appointed director has served for less than one year. The table above shows the composition of the Board of Directors as of the end of 2025.

Diligent Performance and Capability Enhancement

During this Reporting Period, Board members performed their duties diligently, attended various corporate governance meetings in accordance with applicable laws and regulations, and deliberated on key topics including significant corporate matters, strategic planning, risk management, and standardized operations. These efforts effectively ensured the compliance and effectiveness of governance decisions. In February 2025, we organized the Board members to participate in compliance training for directors, supervisors, and senior executives of listed companies, with the aim of further strengthening their compliance awareness and duty performance capabilities, as well as enhancing their understanding and implementation of corporate governance standards.

Key Performance

Meeting Category	Number of Meetings	Attendance Rate of Members of the Board of Directors, the Board of Supervisors, and Special Committees	Number of Motions Deliberated	Number of Motions Passe
General Meeting of Shareholders	6		31	31
Board of Directors	9		73	73
Board of Supervisors ^[12]	7		38	38
Special meetings of independent board of directors	5		24	24
Meetings of specialized committees	15	100%	57	57
Nomination Committee	7		27	27
Remuneration and Assessment Committee	1		1	1
Audit Committee	5		14	14
Strategic Planning Committee	2		15	15

[12] In accordance with the newly revised Company Law of the People's Republic of China and other relevant policies, the Company convened the 4th Extraordinary General Meeting of Shareholders in November 2025, at which the abolition of the Board of Supervisors was adopted.

Continuous Strengthening of the Board's ESG Governance

| Case

To enhance corporate governance, Piotech organized relevant personnel to participate in the Listed Company Quality Development Training Series hosted by the Shanghai Stock Exchange in October and December 2025. The series covered topics including Sustainability (ESG) Reporting and ESG Report Preparation (Phase I). Through systematic learning of ESG regulatory policies and practical requirements, we continuously strengthen professional capacity in sustainability information disclosure, thereby providing robust support for the Board's sustainability-related decision-making and oversight.

Due Diligence

Piotech places great importance to the development of its due diligence and prudent decision-making to assess the positive and negative impacts of each topic on environmental, social, and governance aspects. This process also helps to analyze the potential risks and opportunities for us, along with corresponding response measures. Regarding responsible supply chain management, we evaluate suppliers at the admission stage based on criteria including environmental protection, human rights, and conflict minerals, thereby promoting responsible supply chain management practices.

 Conflict of Interest

Piotech has established its *Related Party Transaction Management Policy*, which specifies tiered review of connected transactions at the governance level and permits or requires the engagement of eligible intermediary institutions under the *Securities Law of the People's Republic of China* to issue an independent financial advisor report when necessary. The Chairman of the Board does not concurrently hold a position as a senior management member, but fulfills directorial duties in accordance with the law while participating in major decision-making. Additionally, the Board of Directors strictly enforces a recusal mechanism whereby related directors abstain from voting on relevant matters. The Audit Committee fully leverages the comprehensive expertise of independent directors in accounting, law, and other professional fields to ensure the independence and scientific rigor of decision-making. This approach effectively avoids conflicts of interest and protects the rights and interests of minority investors. In 2025, we disclosed five announcements regarding connected transactions in compliance with relevant regulations, thereby solidly implementing standardized and transparent management.

 Compensation Policy

Piotech has established its *Compensation Management Policy* to govern the compensation of Board directors and senior executives. The policy development process strictly follows a tiered decision-making mechanism: compensation plans for Board directors are determined by the General Meeting of Shareholders, while compensation plans for senior executives are determined by the Board of Directors. The Remuneration and Assessment Committee is responsible for formulating specific policies and plans, as well as overseeing their implementation accordingly.

In 2025, the compensation of senior executives comprised base salary, performance-based pay, allowances, performance bonus, and employee welfare benefits. In accordance with the relevant management policies, we determined compensation by comprehensively considering industry and regional salary benchmarks, own actual operating conditions, individual capability and value, and performance contributions. Specifically, base salary was set with reference to industry levels and enterprise performance to ensure talent competitiveness. Performance-based pay and bonus were closely linked to annual operational targets and individual performance achievements, and are progressively incorporating sustainable development goals such as R&D innovation, quality, and safety, so as to enhance the alignment between short-term performance and long-term value.

 Nomination and Selection

Piotech has established standardized nomination and election procedures, which are overseen by the Nomination Committee and strictly follow internal governance documents including the *Articles of Association of Piotech Inc.* and the *Rules of Procedure of the Nomination Committee of the Board of Directors of Piotech Inc.* On the basis of a comprehensive assessment of the Board's size, structure, professional backgrounds, and duty performance capabilities, director candidates are screened and subject to qualification reviews, with recommendations then submitted to the Board. For candidates proposed as independent directors, we review their qualifications and independence in line with relevant regulatory requirements to ensure the compliance and independence of the Board's composition. In September 2025, the Nomination Committee of the Board deliberated and adopted the *Proposal on Re-electing Non-Independent Directors to the Second Session of the Board of Directors and Making Corresponding Adjustments to Members of Specialized Committees*, thereby agreeing to nominate new candidates for non-independent directors.

Sustainable Impact Management

Stakeholder Impact Analysis

Through systematic identification and assessment of stakeholders and their key concern, Piotech clarifies the specific impacts of different business activities on each stakeholder group. This enables us to optimize communication strategies and resource allocation, thus ensuring that operational decisions effectively balance the expectations of multiple parties and achieve deep alignment between sustainable development strategy and stakeholder priorities.

Stakeholders	Influencing Factors	Affected Value Chain Stage	Impact Direction	Impact Summary
Governments and Regulators	Corporate governance and compliance operations	Corporate governance	↑	Contributing to a standardized and transparent business environment
	Technological breakthroughs and industry chain security	R&D	↑	Aligning with national strategies, overcoming key technical challenges, and enhancing industrial self-reliance
	IP protection and business ethics	Operations	↑	Protecting innovative achievements and upholding fair competition and market order
Shareholders and Investors	Business performance and strategic development	Operations	↑	Ensuring long-term and stable returns for shareholders
	R&D innovation and technological leadership	R&D	↑	Continuing to tackle technical challenges, building core competitiveness, and ensuring long-term investment value
	Information disclosure and risk management	Corporate governance	↑	Building trust in the capital market through transparent and timely information disclosure and robust risk management
Customers	Product quality and reliability	Products and services	↑	Delivering high-performance and high-stability semiconductor equipment to directly safeguard production yield and business continuity of customers
	Technical service and response speed	Products and services	↑	Enabling rapid and professional technical support and on-site services, and empowering customers to enhance capacity and resolve issues

Stakeholders	Influencing Factors	Affected Value Chain Stage	Impact Direction	Impact Summary
Customers	Supply chain security and data security	Supply chain	↑	Ensuring stable equipment delivery and process data security of customers, and reducing operational risks to customers
Suppliers and Partners	Collaborative R&D and technical cooperation	R&D/ supply chain	↑	Deepening technological integration and collaborative problem-solving to achieve value co-creation and enhance supply chain resilience
	Quality system and compliance management	Supply chain	↑	Driving quality management and compliance improvement among partners to co-build a high-quality industrial ecosystem
	Integrity, honesty and fair cooperation	Supply chain	↑	Fostering transparent and trust-based business relationships to ensure long-term supply chain stability and healthy development
Employees	Occupational health and safety production	Operations	↑	Ensuring operational safety and physical and mental well-being of employees in specialized environments such as cleanrooms
	Skill development and career pathways	Operations	↑	Providing professional training and clear promotion mechanisms to support long-term growth of employees in the high-end manufacturing sector
	Rights protection and humanistic care	Operations	↑	Ensuring compliant employment and reasonable benefits, focusing on employees' mental health, and enhancing team cohesion and sense of belonging
Universities, Local Communities and Social Organizations	Resource consumption and potential environmental impacts	Operations	↓	Consuming energy and water resources, and generating specific waste products during production and operation, thus potentially impacting the local environment
	Industry-university-research collaboration and talent cultivation	R&D/operations	↑	Cultivating scarce semiconductor talents through university-enterprise collaboration, and promoting technological innovation and knowledge transfer
	Community co-construction and public welfare support	Operations	↑	Fulfilling corporate social responsibility, supporting community development, sharing development fruits, and building a positive corporate image
Industry Associations and Peers	Technology exchange and standard co-development	Operations	↑	Participating in industry technology seminars and standard-setting, and driving technological progress and standardized development in the industry
	Industry chain collaboration and ecosystem health	Full value chain	↑	Promoting collaborative innovation and healthy competition across the supply chain to jointly maintain a healthy and sustainable industrial ecosystem

Note: ↑ indicates a positive impact, and ↓ indicates a negative impact.

Stakeholder Impact Analysis

Piotech places great importance on two-way communication with its stakeholders and is committed to establishing diversified and regular communication mechanisms to promptly identify and respond to the expectations and concerns of various stakeholder groups. We integrate the key concerns of stakeholders into strategies and daily operations, while continuously enhancing sustainable governance efficiency. Through these efforts, we aim to achieve collaborative development and value co-creation with all sectors of society, thus responding to stakeholder expectations with concrete actions.

Stakeholders	Primary Methods of Communication and Response	Key Issues of Concern
Governments and Regulators	Official correspondence	Data security and privacy protection
	Phones/emails	IP protection
	Symposiums	Equal treatment of Small and Medium-sized Enterprises (SMEs)
	On-site visits and research	Corporate governance and compliance
	Government affairs disclosure and policy inquiry platforms	Risk management and due diligence
	National special program liaison	Business ethics
		Tax transparency
		Environmental compliance and emissions management
Shareholders and Investors	General Meeting of Shareholders	Innovation driven
	Investor exchanges	Clean technology and green R&D
	Performance briefings	Industry chain collaboration
	Periodic reports/interim announcements	Industry contribution
	Phones/emails	
	SSE E-Interaction Platform	
	Technology forums	
Customers	Customer satisfaction surveys	Innovation driven
	Business/quality/technical review meetings	Product and service safety and quality
	Technical communication meetings/weekly and monthly meetings	Industry chain collaboration
	Customer service hotline	Industry contribution
	On-site safety service support	

Stakeholders	Primary Methods of Communication and Response	Key Issues of Concern
Suppliers and Partners	Quarterly technical exchange seminars	Clean technology and green R&D
	R&D regular meetings	Innovation driven
	Supplier quality system audits	Product and service safety and quality
	Supplier trainings	Responsible supply chain
	Quarterly supplier performance appraisals	Equal treatment of Small and Medium-sized Enterprises (SMEs)
	Partner conferences	Industry chain collaboration
	Compliance audits	Industry contribution
Employees	Daily communications	Compliant employment & rights protection
	Training and employee activities	Diversity and equal opportunities
	General Manager's Mailbox and Management Luncheon	Occupational health and safety
	Employee rationalization proposals	Employee training and development
	Mental health support	Employee compensation and benefits
	Employee satisfaction surveys	Democratic communication
Universities, Local Communities and Social Organizations	Public welfare programs	Industry chain collaboration
	Visits and investigations	Industry contribution
	University-enterprise cooperation and talent cultivation	Rural revitalization and community support
	Joint Party-building activities	
Industry Associations and Peers	Exhibitions and technology exchanges	Industry chain collaboration
	Industry data sharing	Industry contribution
	Standard-setting participation	

Information Disclosure Management

Piotech strictly complies with the *Company Law of the People's Republic of China*, the Securities Law of the People's Republic of China, and other relevant laws and regulations, as well as its Articles of Association, with the aim of continuously improving its information disclosure system. We have revised and refined the *Information Disclosure Management Policy* and the *Information Disclosure Deferral and Exemption Business Management Policy*, thereby further standardizing information disclosure processes and management requirements. In addition, we strengthen the management of undisclosed information and internal controls, thus effectively reducing information disclosure risks and preventing insider trading through enhanced employee compliance awareness training.

Honorary Title	Granting Organization	Award Date
"A" Rating for Information Disclosure Work in 2024-2025	Shanghai Stock Exchange	October 2025
Golden Bull Award - Golden Information Disclosure Award	China Securities Journal	December 2025
SSE Eagle · Golden Quality Science and Technology Innovation Award	Shanghai Securities News	December 2025
The 19th Top 100 ESG Listed Companies in China	Securities Times	December 2025

Investor Relations Management

Piotech has established its *Investor Relations Management Policy* to continuously improve a standardized and transparent investor communication mechanism, which is with clearly defined responsibilities and processes for investor relations management. We have built an open and accessible communication platform through multiple channels and formats, aiming at ensuring that small and medium-sized investors can conveniently and fully understand our operational and development status, participate equally in communications and exchanges, and actively respond to market concerns. These efforts enhance the transparency and effectiveness of information communication.

Honor	Granting Organization	Award Date
2024 Best Practice Award for Investor Relations Management	China Association for Public Companies	May 2025

Solidifying Investment Foundations through "I Am a Shareholder" Investor Education Campaignto Solidify Investment Foundations

| Case

In July 2025, Piotech participated in and hosted the investor education campaign entitled "I Am a Shareholder – Visiting SSE-Listed Company: Piotech", organized by the Shanghai Stock Exchange. The campaign brought together high-net-worth investors for on-site surveys and exchanges, showcasing our core technological advantages and innovative achievements in the field of semiconductor thin-film deposition equipment. The management team engaged in in-depth discussions with investors on topics including business planning, technology research and development, industry landscape, and investor returns. These efforts enhanced investors' understanding of our operations and long-term investment value, thereby strengthening the foundation of investor relations management.



Enhancing Communication with Investors, and Conveying Long-Term Investment Value

| Case

In October 2025, Piotech held Atomic Manufacturing & 3D Integration Frontier Technology Exchange Conference and the inauguration ceremony of Piotech Shanghai Factory, under the theme "Pioneering the Chip Journey, and Setting Sail for New Horizons". During the event, numerous investors were invited to gain a more intuitive understanding of our business operations and the development status of the semiconductor equipment industry through facility tours and themed technical exchanges. This initiative effectively enhanced the transparency and interactivity of investor communications, helped foster healthy and stable investor relations, and encouraged investors to adopt long-term and value-based investment philosophies.



Key Performance

Indicator		Unit	2025	2024
Corporate announcements on designated websites		Number	198	141
Performance briefings		Times	6	6
Investor exchanges		Session	200+	180+
"Understanding Financial Statements in One Picture"		Times	3	2
Investor E-Interaction Platform	Number of questions	Number	38	36
	Response rate	%	100	100

Materiality Topic Assessment

Piotech has systematically identified materiality topics that have a significant impact on its sustainable development and its stakeholders through a comprehensive analysis. The identification process consists of the following five steps:

Step 1: Standards Analysis

Benchmark against the standards such as the *Global Reporting Initiative (GRI) Standards (2021 Edition) (GRI Standards 2021)* and the *Self-Regulatory Guidelines No.13 of the Shanghai Stock Exchange for STAR Market Listed Companies - Preparation of Sustainability Reports (Revised in January 2026)* to provide a standard basis for topic identification.

Step 2: Industry Analysis

Benchmark against enterprises in the semiconductor equipment industry regarding their ESG disclosure and management practices, identify common industry topics and differentiated priorities, extract key disclosure topics, and ensure topic management aligns with industry trends.

Step 3: Policy Analysis

Systematize laws, regulations, policy documents, and development plans at the national and local levels, identify mandatory or guideline-based topics, and analyze potential materiality topics.

Step 4: List of Preliminary Materiality Topics

Integrate the results of standards, industry, and policy analyses, screen a list of preliminary materiality topics, collect feedback through departmental interviews, and make adaptive adjustments based on actual business conditions to ensure topics are aligned with operations.

Step 5: Change Analysis

Compare the list of materiality topics 2025 with the list of materiality topics 2024, analyze the core reasons for adding, merging, and adjusting topics, and ensure the list of topics dynamically adapts to corporate development and external environmental changes.

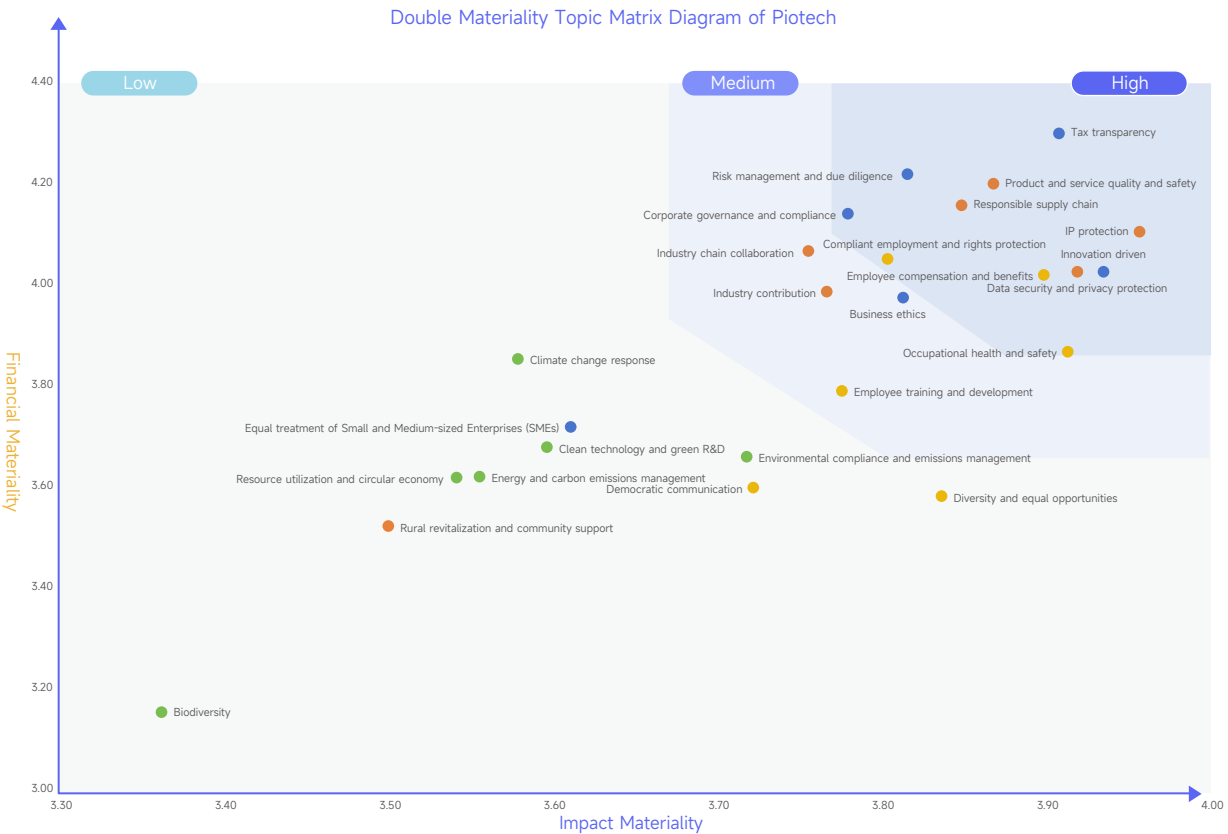
List of Materiality Topics and Explanation of Changes of Piotech

Topics in 2024	Topics in 2025	Involved Change	Reason Description
Climate Change Response	Climate Change Response	—	—
Environmental Compliance and Emissions Management	Environmental Compliance and Emissions Management	—	—
Energy and Carbon Emissions Management	Energy and Carbon Emissions Management	—	—
Water Resources Management	Resource Utilization and Circular Economy	Topic consolidation	Base on the synergy analysis of resource management, integrate water resource management into the circular economy framework to achieve full life-cycle resource management and enhance the integrity of resource utilization efficiency metrics.
Circular economy			
Clean Technology and Green R&D	Clean Technology and Green R&D	—	—
Biodiversity	Biodiversity	—	—
Product Quality	Product and Service Safety and Quality	Topic consolidation	Guarantee safety and quality as non-negotiable requirements, integrate customer service into the full product lifecycle value, strengthen the customer value assurance system through consolidated management, and elevate customer satisfaction.
Service Quality			
Technological Innovation	Innovation Driven	Change name	Highlight the strategic leading role of innovation in driving development, and more accurately reflect core driving position in business growth.
Data Security and Privacy Protection	Data Security and Privacy Protection	—	—
IP Protection	IP Protection	—	—
Compliant Employment & Rights Protection	Compliant Employment & Rights Protection	—	—
Diversity and Equal Opportunities	Diversity and Equal Opportunities	—	—
Occupational Health and Safety	Occupational Health and Safety	—	—

Topics in 2024	Topics in 2025	Involved Change	Reason Description
Talent Cultivation and Care	Employee Training and Development	Sub-topic	Refine talent development into two aspects: training & development and compensation & benefits, and achieve refined management of the entire "selection, cultivation, deployment, and retention" process for talents.
	Employee Compensation and Benefits	Sub-topic	
/	Democratic Communication	New topic	Strengthen organizational governance effectiveness, and add a democratic communication mechanism to improve employee participation in governance.
Supply Chain Resilience	Responsible Supply Chain	Change name	Compare with traditional supply chain management, pay more attention to supply chain risk management and ESG system building, and enhance supply chain sustainability and compliance.
Equal Treatment of Small and Medium-sized Enterprises (SMEs)	Equal Treatment of Small and Medium-sized Enterprises (SMEs)	—	—
Cooperation and Innovation	Industry Chain Collaboration	Change name	Distinguish from "innovation driven", highlight collaborative progress with industry partners, and jointly drive high-quality development of the semiconductor industry chain.
Security Practices	(Deleted)	Delete topic	Delete the topic since its importance has relatively decreased upon evaluation.
/	Industry Contribution	New topic	Add an industry contribution topic to reflect own commitment to fulfilling industry responsibilities and promote industrial progress.
Community Support	Rural Revitalization and Community Support	Topic consolidation	Coordinate community support with rural revitalization efforts to enhance the synergy of social responsibility programs.
Rural Revitalization			
Corporate Governance and Compliance	Corporate Governance and Compliance	—	—
Risk Management and Due Diligence	Risk Management and Due Diligence	—	—
Business Ethics	Business Ethics	—	—
Tax Transparency	Tax Transparency	—	—

Double Materiality Topic Matrix

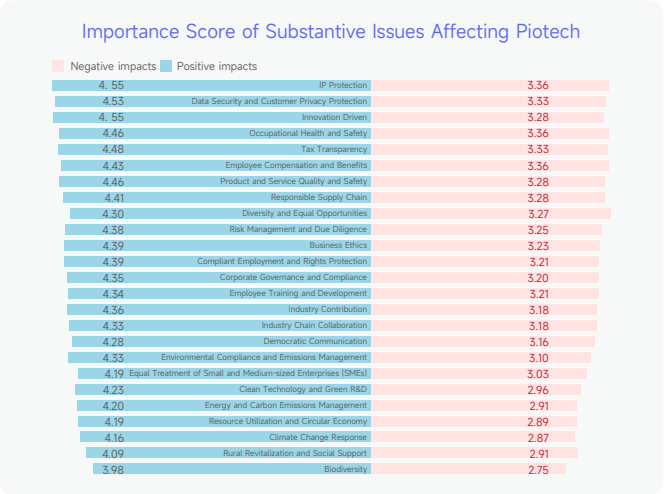
In 2025, Piotech conducted a double materiality assessment using a questionnaire-based approach, and collected 52 financial materiality questionnaires and 236 impact materiality questionnaires. Through statistical analysis of the collected responses, a total of 11 high-materiality topics, 4 medium-materiality topics, and 10 general-materiality topics were identified.



Materiality Topic Positive and Negative Impact Chart

Based on stakeholder survey results and management assessments, Piotech conducted a quantitative analysis of the impact materiality of material topics, thereby generating a comparative chart of positive and negative impact scores. This approach enabled us to comprehensively evaluate both the positive driving effects and potential negative risk impacts of each topic on the economy, environment, and society.

Aspects	Focus on Topics with Positive Impacts	Focus on Topics with Negative Impacts
Environment	Environmental Compliance and Emissions Management	Environmental Compliance and Emissions Management Clean Technology and Green R&D
Social	IP Protection Innovation Driven Product and Service Quality and Safety Occupational Health and Safety	Diversity and Equal Opportunities IP Protection
Governance	Data Security and Customer Privacy Protection Tax Transparency	Data Security and Customer Privacy Protection Tax Transparency Product and Service Quality and Safety



Risk and Opportunity Analysis

Piotech has selected topics with higher double materiality rankings and organized them by impact type, impact scope, risks & opportunities, and time horizon, and the details are as seen in the following table.

Topics	Impacts, Risks, and Opportunities	Description	Scope of Affected Value Chain	Time Dimension
Tax Transparency	Positive impacts	Standardize tax declarations and disclosures, benefit from policy incentives such as additional deductions for research and development expenses, maintain corporate reputation and government relations, and enhance financing convenience	Internal operations	Short-, medium-, and long-term
	Risks	Navigate cross-border tax compliance risks, and mitigate management cost increases and uncertainty from tax policy changes	Internal operations	Short- and medium-term
IP Protection	Positive impacts	Refine patent portfolio and risk prevention and control mechanisms, protect independent innovation achievements, establish technical moats, and reduce infringement risks	Internal operations, upstream and downstream of the value chain	Short-, medium-, and long-term
	Risks	Address overseas IP barriers and core technology leakage risks, manage high litigation costs and long resolution cycles, and safeguard business continuity	Internal operations	Short-, medium-, and long-term
	Opportunities	Leverage core patents to enhance product premium, generate additional revenue through IP licensing, and support compliant overseas market expansion	Internal operations, Internal operations	Medium- and long-term
Product and Service Safety and Quality	Positive impacts	Establish a full-lifecycle quality management and control system, ensure stable operations of high-precision equipment, enhance customer satisfaction and brand reputation, and strengthen customer loyalty	Downstream of the value chain (customers)	Short-, medium-, and long-term
	Risks	Counteract intensified quality control pressure from industry competition, and prevent product performance fluctuations, customer complaints, and compensation liabilities from delayed standard optimization	Internal operations, Internal operations	Short- and medium-term
Innovation Driven	Positive impacts	Focus on core technology breakthroughs in thin-film deposition and 3D integration equipment, overcome technological barriers, enhance market competitiveness and industry influence, and support customer technology iteration	Internal operations, Downstream of the value chain (customers)	Short-, medium-, and long-term
	Risks	Manage long R&D cycles and high investment, retain core talents, adapt to technology roadmap iteration, and mitigate R&D outcome devaluation and uncertain returns	Internal operations	Short- and medium-term
	Opportunities	Secure bulk orders and long-term partnerships through core technology breakthroughs, participate in industry standard-setting, expand domestic and international high-end markets, and build differentiated competitive advantages	Internal operations, Internal operations	Medium- and long-term
Responsible Supply Chain	Positive impacts	Establish strict supplier qualifications and dynamic assessment mechanisms, ensure stable supply of core components, and promote supply chain collaborative compliance and decarbonization	Upstream of the value chain (suppliers), Internal operations	Short-, medium-, and long-term
	Risks	Mitigate high raw material dependence and price volatility, manage supply disruption risks, and navigate international trade policy impacts on overseas suppliers	Upstream of the value chain, Internal operations	Short- and medium-term
	Opportunities	Align sustainable supply chain with overseas ESG procurement demands, and collaborate with premium suppliers on joint R&D to reduce costs and improve product stability	Internal operations, upstream and downstream of the value chain	Medium- and long-term
Data Security and Privacy Protection	Positive impacts	Implement tiered management controls and ISO 27001 certification, safeguard R&D and customer data security, and meet high confidentiality requirements of semiconductor industry	Internal operations, upstream and downstream of the value chain	Short-, medium-, and long-term
	Risks	Defend against cyberattacks, internal data leakage, and cross-border data transfer compliance risks, and prevent regulatory penalties and customer trust crises from data breaches	Internal operations	Short-, medium-, and long-term

Topics	Impacts, Risks, and Opportunities	Description	Scope of Affected Value Chain	Time Dimension
Employee Compensation and Benefits	Positive impacts	Build a market-competitive compensation system and a diversified welfare mechanism, enhance employees' sense of gain and belonging, strengthen talent attraction and organizational stability, and provide human resource assurance for sustainable development	Internal operations, upstream and downstream of the value chain	Short-, medium-, and long-term
	Risks	Address insufficient compensation incentive mechanism and internal equity management, prevent employee turnover and declining organizational vitality, and mitigate impacts on operational efficiency and development stability	Internal operations	Short- and medium-term
Compliant Employment and Rights Protection	Positive impacts	Establish a standardized employment management system and an employee rights protection mechanism, ensure lawful and compliant labor practices, safeguard employees' legitimate rights, and elevate corporate compliance levels and social image	Internal operations, upstream and downstream of the value chain	Short-, medium-, and long-term
	Risks	Remedy weaknesses in employment management and compliance execution, manage labor disputes, administrative penalties, and reputational risks, and protect steady business operations	Internal operations	Short- and medium-term
Occupational Health and Safety	Positive impacts	Establish an occupational health and safety management system, improve the production safety management mechanism and emergency response capabilities, effectively prevent safety accidents, and protect employee life and health and stable operations	Internal operations, upstream and downstream of the value chain	Short-, medium-, and long-term
	Risks	Counteract inadequate safety management execution and insufficient employee safety awareness, prevent production safety accidents and personnel injury risks, and safeguard normal business operations	Internal operations, upstream and downstream of the value chain	Short- and medium-term
Corporate Governance and Compliance	Positive impacts	Improve corporate governance structure and internal control systems, strengthen performance capabilities of the Board of Directors and specialized committees, enhance decision-making scientificity and information disclosure transparency, and elevate standardized corporate operations	Internal operations, upstream and downstream of the value chain (investors)	Short-, medium-, and long-term
	Risks	Address deficiencies in governance mechanism and internal control execution, mitigate reduced decision-making efficiency, compliance risks, and information disclosure risks, and guarantee long-term development	Internal operations, upstream and downstream of the value chain	Short- and medium-term
Risk Management and Due Diligence	Opportunities	Build a comprehensive risk management system and a due diligence mechanism, achieve systematic identification of and effective control over operational, compliance, and strategic risks, and strengthen corporate risk response capability and operational resilience	Internal operations, upstream and downstream of the value chain	Short-, medium-, and long-term
	Positive impacts	Remedy insufficient risk identification and management mechanism, prevent major risks from going undetected or uncontrolled, and safeguard business resilience	Internal operations, upstream and downstream of the value chain	Short- and medium-term
	Risks	Advance refined risk management system development, improve risk early-warning and decision-support capabilities, strengthen governance levels, and support resilient operations and long-term sustainable development	Internal operations	Medium- and long-term

Sustainable Development Goals

Aspects	Topics	Core Management Indicators	Progress in 2025
QUALITY PIOTECH Continuously Enhancing Technology-Driven Quality Competitiveness	Innovation Driven Clean Technology and Green R&D Product and Service Safety and Quality IP Protection	Continuously increase R&D investment	R&D investment reached RMB 859 million
		Actively enhance the R&D and application levels of green and low-carbon technologies	Have deeply integrated green and sustainable concepts into the entire life cycle of products
		Maintain zero equipment and product recalls due to safety or health issues	Realized zero equipment and product recalls due to safety or health issues
		Strengthen IP portfolio and protection, maintain growing patent applications, and steadily improve IP commercialization capability	Filed 498 new patent applications (including PCTs)
HARMONIOUS PIOTECH Collaborate with Suppliers and Partners to Build Industry Chain Competitiveness	Responsible Supply Chain Industry Chain Collaboration Industry Contribution Rural Revitalization and Social Contribution	Continuously conduct ESG assessments, training, and capacity building for suppliers to increase the coverage rate of supplier ESG assessments	Conducted ESG assessments for 272 suppliers, with ESG coverage rate reaching 60%
		Deepen cooperation with universities and research institutions, expand the scope and depth of joint talent cultivation and collaborative research, and enable a further increase in the number of partner universities	Engaged in joint talent cultivation and collaborative research with over 10 universities
		Actively undertake and deliver national major projects, and provide ongoing technical support and demonstration for industry development	Have undertaken a total of 16 national major special projects/research topics
		Continuously invest in rural revitalization and charitable donations to fulfill corporate social responsibility	Annual investment in rural revitalization and charitable donations exceeded RMB 710,000

GREEN PIOTECH Striving to Build Green Competitiveness Aligned with Society-Wide Low-Carbon Transition	Climate Change Response	Compliance discharge rate of major pollutants to remain at 100%	Main pollutants such as exhaust gas, wastewater, solid waste, and noise all achieved 100% compliant discharge
	Environmental Compliance and Emissions Management	Proportion of green electricity among the externally procured power of Shenyang Factory to reach 20%	The proportion of green electricity in the externally procured power reached 20%, a 100% year-on-year increase
	Energy and Carbon Emissions Management	Increase the proportion of renewable and recyclable packaging materials, reduce single-use plastic packaging, and promote low-carbon lifecycle packaging	The usage rate of renewable packaging materials reached 92.53%
	Resource Utilization and Circular Economy		
VITALITY PIOTECH Building Vibrant and potential Talent Competitiveness	Biodiversity	Maintain zero incidents of ecological operation involving ecological red line	Realized zero incidents of ecological operation involving ecological red line
	Compliant Employment & Rights Protection	Actively foster an inclusive and diverse workplace, maintain a reasonable proportion of female employees, and continuously promote gender equality and equal opportunity	Female employees accounted for 20.52%
	Diversity and Equal Opportunities	Maintain zero incidences of occupational diseases	Realized zero incidences of occupational diseases
	Occupational Health and Safety	Maintain employee promotion ratio greater than or equal to 20%	Employee promotion ratio reached 25%
	Employee Training and Development	Continuously expand equity incentive coverage to include core talents, and effectively stimulate employee motivation and sense of belonging	The coverage ratio of equity incentives reached 68.86%
	Employee Compensation and Benefits		
STEADY PIOTECH Strengthening Governance Compliance and Risk Management to Build Resilient Governance Competitiveness	Democratic Communication	Regularly conduct employee satisfaction surveys, maintain high satisfaction levels, and ensure timely response to employee needs	An employee satisfaction survey was conducted, showing an overall satisfaction rate of 99.38%
	Corporate Governance and Compliance	Maintain zero corruption incidents	Realized zero corruption incidents
	Risk Management and Due Diligence	Maintain tax credit rating at Grade A	Realized Grade A for tax credit rating
	Business Ethics		
	Tax Transparency		
	Data Security and Privacy Protection	Maintain zero data security and privacy leakage incidents	Realized zero data security and privacy leakage incidents

FULFILLING RESPONSIBLE BUSINESS COMMITMENTS

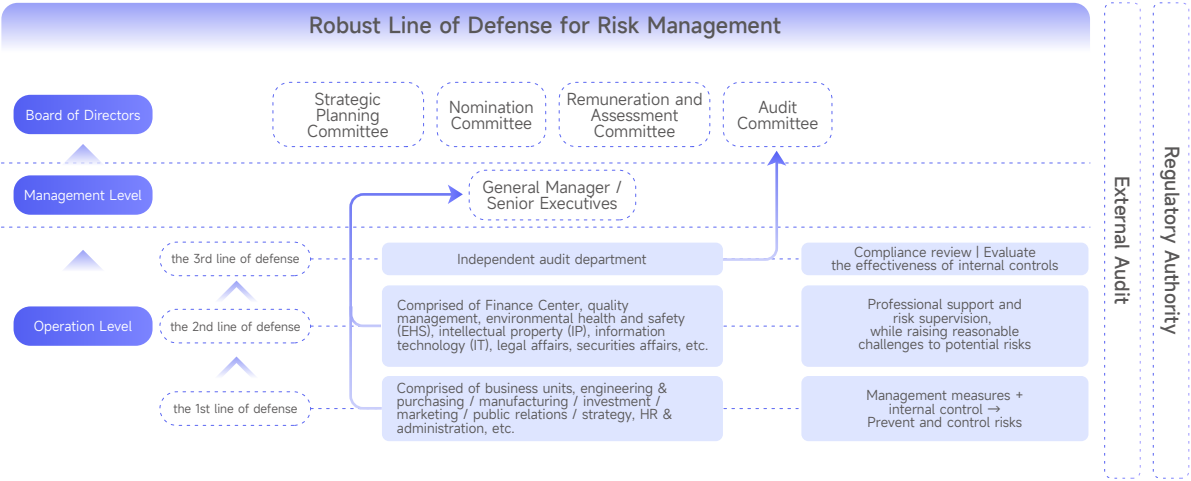
Risk Management

Piotech has always regarded risk management as one of its core priorities, and thus continuously advances and improves its compliance and risk management control system. We have clearly defined the responsibilities of each department and position, while embedding risk prevention accountabilities into individual performance appraisal mechanisms to strengthen comprehensive risk management capabilities. Compliance requirements have been integrated into all business processes and operation management. Furthermore, we strengthen risk prevention and policy execution through a combination of risk identification, targeted control, and audit supervision, thereby promoting the standardized and sustainable operation of risk and compliance management.



Governance

Piotech has established a compliance management system with clear hierarchies and well-defined responsibilities, guided at the top level by the Board of Directors, coordinated by the management, and implemented at the operation level. Through the synergistic operation of the "Three Lines of Defense", we achieve full-process control from risk identification and supervisory review to independent evaluation, thereby providing robust support for compliant operations. Under this system, key departments focus on critical risk areas corresponding to their core businesses, deeply integrate compliance requirements into all aspects of daily operations, and ensure business compliance and risk controllability through precision management measures.



In 2025, in compliance with applicable laws and regulations, as well as regulatory requirements of the China Securities Regulatory Commission (CSRC) and corporate management needs, Piotech continuously improved its compliance management and internal policy framework. We formulated two new policies, including the *Market Value Management Policy of Piotech Inc.*, revised 26 policies, including the *Internal Audit Policy of Piotech Inc.*, and abolished two no-longer-applicable management policies. These efforts further enhanced the standardization of corporate governance and the level of compliance management.

Strategy

Piotech regards its comprehensive risk management system as a core safeguard for stable operations and sustainable development, and is committed to deeply integrating compliance and risk control requirements into all business processes and operational management activities. By combining systematic risk identification, targeted control measures, and independent and objective audit supervision, we have established a long-term operational mechanism encompassing pre-event prevention, in-event control, and post-event rectification and optimization, thereby enhancing overall risk resilience.

Impact, Risk, and Opportunity Management

To implement the risk management strategy, Piotech has established a normalized control mechanism around key areas and achieved closed-loop supervision through internal audits.

Contract Management

Piotech continues to advance the standardized management of contract templates. In 2025, we publicly released 33 general contract templates to all employees, which primarily covered procurement, technical services, and compliance. These templates include provisions on confidentiality, integrity, and export control. Additionally, we strengthen employees' awareness of legal compliance through specialized contract management training.

Specialized Training on Contract Compliance and Approval

| Case

In September 2025, Piotech organized a corporate governance and compliance training session with specialized lectures on risk prevention in contract terms and contract approval processes. The training contents were recorded for future reference and retraining purposes. The session covered business functions including sales and was attended by a total of 84 employees, effectively enhancing their compliance awareness and the standardization of contract management.

Export Control

In terms of export control compliance, Piotech focuses on customer admission and compliance document management. We have established export control procedures for new customer screening, customer compliance ledger management, and compliance document review, while continuously carrying out relevant maintenance.

New Customer Screening and Information Management	Conduct export control and sanction list screening for new customers by the Legal Department
	Uniformly register information about new customers that have passed the screening, and implement dynamic updates and maintenance
Bidirectional Management of Export Control Compliance Documents	Review the export control compliance statements requested by upstream suppliers
	Retain and maintain documents such as export control compliance statements, questionnaires, and commitment letters that Piotech requests customers to complete

Strengthening Internal Audits

In 2025, in response to the requirements of the China Securities Regulatory Commission (CSRC) and corporate management needs, the Internal Audit Policy of Piotech Inc. was revised following deliberation and approval by the Board of Directors, and internal audits were conducted accordingly. Based on the risk identification list and taking into account the overall risk level and management priorities, we screen annual key audit matters and advance key audit projects. The audit scope covers all business segments related to financial reporting and information disclosure within our operational activities, including but not limited to sales and collections, procurement and payments, inventory management, fixed asset management, fund management, investment and financing management, human resource management, information system management, and information disclosure management.

During audit implementation, Piotech continuously identifies execution deviations and management deficiencies in its operations, promptly drives the rectification of identified issues, and simultaneously carries out relevant policy revisions and process optimization, thereby continuously improving its internal control system. Through a combination of internal audit and internal self-assessment, we achieve annual assessment coverage across all business segments. Internal audits achieve full coverage of all business segments on a cycle of two to three years, while the audit frequency for key business areas and high-risk segments is increased, thus continuously strengthening risk control and internal supervision.

Indicators and Goals

Piotech measures the effectiveness of its risk management system by quantitatively tracking key performance indicators such as system development, compliance training, audit coverage, and risk control, and completes the audit coverage of all business segments within a cycle of two to three years. Through these systematic measures, we have effectively prevented major compliance risks, thereby ensuring the legality, compliance, and steady operation of business activities.

Anti-Corruption

Piotech has established a Discipline Inspection Committee composed of 7 members, including 1 individual in charge. The committee is responsible for reviewing the characterization of violations, disciplinary measures, and responsibility investigations, and addresses issues such as violations of corporate rules and regulations, integrity and compliance requirements, public order and accepted moral standards, commercial bribery, and conflicts of interest. Concurrently, we have formulated the *Anti-Commercial Bribery and Anti-Corruption Management Policy*, which systematically defines commercial bribery and corruption along with corresponding control requirements, and firmly resists while strictly managing related illegal and non-compliant behaviors.

Discipline Inspection Commission	Head of Each Department	Audit Department
Composed of the General Manager and 7 management members, with the General Manager serving as the head, and responsible for overall anti-corruption efforts within Piotech and its subsidiaries	Responsible for daily supervision of employees within their respective departments, and promptly identifying and addressing potential corruption risks	Responsible for accepting reports from employees and external parties, and verifying and handling the reported matters

Integrity Commitment

Piotech strictly implements anti-corruption management requirements and places strong emphasis on controlling behaviors such as embezzlement, kickbacks, handling fees, gifts and cash, negotiable securities, payment vouchers, physical goods, travel, and entertainment activities. By executing relevant integrity agreements and commitment documents, we clarify the integrity and compliance requirements for employees and partners, thereby strengthening the prevention of commercial bribery and corruption risks.

Internal Requirements	All employees must sign the <i>Employee Integrity Commitment</i>
External Requirements	Cooperating enterprises that have signed a purchase/sale or service contract with Piotech and engage in an annual amount of RMB 10,000 or more must sign the <i>Integrity Agreement</i>
	Partners violating the <i>Integrity Agreement</i> will have their supplier or service provider qualification revoked in accordance with laws and regulations

Integrity Training

Piotech continuously conducts integrity training, organizes sessions for new employees, and delivers annual integrity trainings for all employees and suppliers through both online and offline channels. The training covers subjects including business ethics, anti-corruption, and related compliance requirements, thereby promoting the concept of integrity in business conduct throughout the company.

Company-Wide Integrity and Compliance Training | Case

In December 2025, Piotech organized a company-wide integrity and compliance training led by the Audit Department, aiming at systematically promoting integrity requirements as well as anti-commercial bribery and anti-corruption policies. The training included preventive education on the causes and manifestations of fraud, along with case studies of typical violations in semiconductor industry, such as commercial bribery, trade secret infringement, and fund embezzlement. These efforts were designed to strengthen employees' awareness of integrity-related risks and compliance boundaries.

Key Performance

Indicator		Unit	2025	2024
Integrity and Anti-Fraud Awareness Training	For new employees	Session	31	38
		Person-times	424	592
	For all staff	Session	1	1
		Person-times	157	293
	For the management and directors	Session	1	2
		Person-times	31	29
	For suppliers	Session	2	1
		Person-times	328	280

Whistle-Blowing Channels

Piotech has clearly established standardized and unimpeded reporting channels within its *Anti-Commercial Bribery and Anti-Corruption Management Policy*, aiming to encourage employees and related parties to report suspected illegal or non-compliant behaviors. After the Audit Department receives and investigates such reports, it submits them to the Discipline Inspection Committee for decision-making and handling, thereby ensuring the protection of corporate interests. Additionally, we take strict confidentiality measures regarding the information of whistleblowers and safeguard the information security and legitimate rights and interests of whistleblowers, witnesses, and investigators in accordance with the law. We explicitly prohibit any form of retaliation or threat against whistleblowers. Any such violations, once discovered, will be investigated and seriously addressed in compliance with applicable laws and regulations.



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Fair Market Compliance

Piotech has always upheld the core principles of fair competition and equal cooperation, making every effort to improve institutional norms, strengthen compliance promotion, and standardize transaction management. We firmly resist unfair competitive practices, equally protect the legitimate rights and interests of small and medium-sized enterprises (SMEs) and other partners, and strive to build a fair and mutually beneficial market ecosystem.

Anti-Unfair Competition

Piotech strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations, while explicitly prohibiting all forms of unfair competitive behavior and participating in market competition in full compliance with legal requirements. Through improved management systems, enhanced compliance promotion, and training, we integrate business ethics and fair competition requirements into the entire process of operations and management, thereby continuously maintaining a fair and orderly market environment.

Key Performance

Indicator	Unit	2025	2024
Amount involved in lawsuits or major administrative penalties due to unfair competition practices	RMB 10 thousand	0	0

Equal Treatment of Small and Medium-Sized Enterprises (SMEs)

Piotech is committed to treating small and medium-sized enterprises (SMEs) equally and protecting the legitimate rights and interests of suppliers and other SMEs in accordance with the law, while pursuing economic benefits and safeguarding the rights and interests of shareholders. We strictly comply with the *Law of the People's Republic of China on the Promotion of Small and Medium-Sized Enterprises*, the *Regulations on the Payment of Accounts Receivable to Small and Medium-Sized Enterprises*, and other relevant laws and regulations, thereby standardizing procurement and payment processes, earnestly fulfilling social responsibilities, and promoting the coordinated and healthy development of the industry chain. During this Reporting Period, we had no overdue payments to small and medium-sized enterprises.

Information Security

Information security is the cornerstone of sustainable operations and customer trust. In this regard, Piotech has established and continuously improved its information security management system, while integrating security requirements into business processes and physical controls to systematically protect data assets and customer privacy.

Governance

Piotech has integrated information security management into its corporate governance framework and has established institutional documents such as the *Information Security Management Manual* and the *Information System Security Management Specifications*, which clarify management requirements for data classification and asset access control, among other areas. In 2025, we obtained ISO/IEC 27001:2022 information security management system certification for both Piotech and Piotech Chuangyi, further standardizing information asset management, personnel access, and data usage processes. This achievement has laid a solid governance foundation for information security and customer privacy protection.

ISO/IEC 27001:2022 Information Security Management System Certification

Piotech



Piotech Chuangyi



Strategy

Piotech regards the protection of information security and customer privacy as a strategic cornerstone for maintaining operational stability, so as to earn customer trust and achieve sustainable development. We have established clear management objectives to drive the continuous enhancement of information security management system.

Information Security Management Goals		Requirements
Risk Management	Unacceptable risk handling rate to reach 100% , and all unacceptable risks to be reduced to acceptable levels	
System Stability	Cumulative downtime of various management systems not to exceed 24 hours (except for force majeure events)	
Security Incident Control	Information security incidents to be 0	

Impact, Risk, and Opportunity Management

In 2025, Piotech implemented tiered and classified information security management for different internal and external scenarios. Internally, we strengthened zone and permission controls; externally, we enforced information protection requirements through confidentiality agreements. We also continuously conducted information security training to enhance employees' security awareness and execution capabilities. During this Reporting Period, a total of 31 training sessions were organized, reaching 548 participants.

Externally	Sign confidentiality agreements with customers to clarify requirements for protecting customer information, trade secrets, and personal information	
Internally	Implement management based on red, yellow, and green zones	
	Zone Scope	Management Measures
	Green zone (exhibition hall, visitor area, and publicly accessible area)	Visitors may tour or work here
	Yellow zone (office area)	Access control and equipment inspections may be deployed to screen external personnel and electronic devices
	Red zone (cleanrooms, R&D spaces and other highly classified areas)	Metal detection gates are set up to screen non-compliant electronic devices

Indicators and Goals

Indicator	Unit	2025	2024
Amount involved in data security incidents	RMB 10 thousand	0	0
Amount involved in customer privacy leakage incidents	RMB 10 thousand	0	0

Tax Integrity

Piotech systematically ensures tax compliance through a clearly defined governance framework, a business strategy aligned with long-term development, a full-process internal control mechanism, and measurable management objectives, thereby providing solid support for sustainable development.

Governance

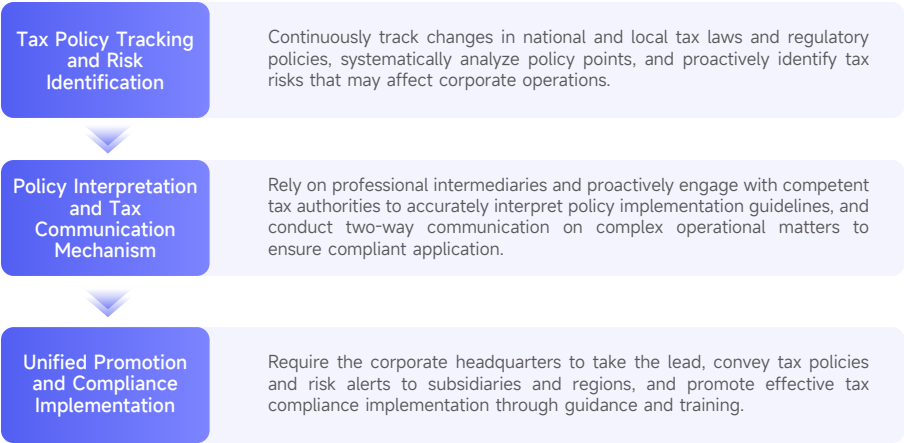
Piotech designates its Finance Department to oversee tax policy execution and risk prevention, and this ensures the effective fulfillment of tax management responsibilities through routine internal audits and compliance checks. Additionally, the Board of Directors and senior executives continuously monitor the effectiveness of tax compliance and incorporate it into their respective oversight scopes.

Strategy

Piotech regards tax integrity as an important pillar of sustainable development. We systematically track national and local tax laws and regulatory developments, proactively identify potential operational impacts and compliance risks arising from policy changes, and align tax planning with business development. This approach helps reduce compliance costs, maintain corporate reputation, and ensure long-term stable operations.

Impact, Risk, and Opportunity Management

Piotech has established a full-process tax internal control mechanism around "identification - communication - implementation" to systematically manage tax compliance risks and capture policy opportunities.



Indicators and Goals

Through a systematic tax internal control mechanism, Piotech has effectively achieved the closed-loop management of tax compliance. As of 2025, we have been rated as Grade A in tax credit evaluation for 8 consecutive years.

Indicator	Unit	2025	2024
Tax amount ^[13]	RMB 10 thousand	13,942.54	5,540.54
Tax disputes	Number	0	0

[13] The tax amount data is extracted from the amounts of various tax payments made under the consolidated cash flow statement.



▶ INDEX OF INDICATORS

Involved Sections		Global Reporting Initiative Standards (GRI Standards)	Self-Regulatory Guidelines No.13 of the Shanghai Stock Exchange for STAR Market Listed Companies - Preparation of Sustainability Reports (Revised in January 2026) ^[14]
ABOUT THIS REPORT		GRI 2: General Disclosures 2021	/
CHAIRMAN'S SPEECH			
ABOUT US	Company Profile		
	Vision and Culture		
	Business and Products		
	2025 Events		
QUALITY PIOTECH	Innovation Driven	/	Innovation Driven
	Product Quality Safety and Service	GRI 416: Customer Health and Safety 2016 GRI 417: Marketing and Labeling 2016	Product and Service Safety and Quality
HARMONIOUS PIOTECH	Industry Chain Collaboration	GRI 204: Procurement Practices 2016 GRI 308: Supplier Environmental Assessment 2016 GRI 414: Social Assessment of Suppliers 2016	Supply Chain Security
	Industry Contribution	GRI 203: Indirect Economic Impacts 2016	/
	Social Contribution	GRI 201: Economic Performance 2016	Rural Revitalization Social Contribution

[14] The Company's business does not involve fields such as life sciences or artificial intelligence, thus the "scientific and technological ethics" topic in the guide is not applicable.

GREEN PIOTECH	Enhancing Climate Resilience	GRI 2: General Disclosures 2021 GRI 305: Emissions 2016	Climate Change Response
	Efficient Use of Resources	GRI 103: Energy 2025 GRI 303: Water and Effluents 2018 GRI 306: Waste 2020	Energy Utilization Water Resource Utilization Circular Economy
	Ecological Environment Protection	GRI 101: Biodiversity 2024 GRI 303: Water and Effluents 2018 GRI 306: Waste 2020	Environmental Compliance Management Pollutant Emissions Waste Treatment Ecosystem and Biodiversity
VITALITY PIOTECH	Protecting Employee Rights and Interests	GRI 2: General Disclosures 2021 GRI 201: Economic Performance 2016 GRI 202: Market Presence 2016 GRI 401: Employment 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non-discrimination 2016 GRI 407: Freedom of Association and Collective Bargaining 2016 GRI 408: Child Labor 2016 GRI 409: Forced or Compulsory Labor 2016	Employee
		GRI 403: Occupational Health and Safety 2018	
	Care about Health	GRI 404: Training and Education 2016	
	Training and Development	/	
	Care and Concern	/	
STEADY PIOTECH	Improving the Efficiency of Sustainable Governance	GRI 2: General Disclosures 2021	Due Diligence Stakeholder Communication
	Fulfilling Responsible Business Commitments	GRI 2: General Disclosures 2021 GRI 204: Procurement Practices 2016 GRI 205: Anti-corruption 2016 GRI 206: Anti-competitive Behavior 2016 GRI 207: Taxation 2019 GRI 418: Customer Privacy 2016	Anti-unfair Competition Equal treatment of Small and Medium-sized Enterprises (SMEs) Anti-Commercial Bribery and Anti-Corruption Data Security and Customer Privacy Protection
APPENDIX	Index of Indicators	/	/
	Feedback Form	/	/

▶ FEEDBACK FORM

Thank you for reading 2025 Environmental, Social and Governance (ESG) Report of Pitech Inc.. If you have any comments or suggestions during your reading of this Report, please do not hesitate to raise them to help us further enhance our corporate sustainability management in the future.

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Shareholder or investor	☐
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What other aspects would you like to learn about through Pitech's ESG Report?