



SUSTAINABILITY REPORT

2025

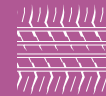
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About the Report

This report is the 13th annual Sustainability Report of Sailun Group Co., Ltd. (Stock Code: 601058.SH, hereinafter referred to as "the Group"). The report adheres to the principles of objectivity and truthfulness, disclosing the Group and its subsidiaries' philosophy and practical achievements in sustainable development, as well as in the areas of environment, social responsibility and governance (ESG). The Group commits that the report's content is free from false records, misleading statements, or material omissions, and assumes responsibility for the authenticity, accuracy, and completeness of its content.

Terminology and Definitions



For ease of expression, the terms "Sailun Group", "the Group", and "we" as used in this report all refer to Sailun Group Co., Ltd. and its subsidiaries¹. The names and abbreviations of the subsidiaries mentioned in this report are detailed in Appendix V.

Report Data



The data and case studies presented in this report are sourced exclusively from Sailun Group's official documents, statistical reports, and media publications, and have been reviewed and approved by the Board of Directors. All financial data contained in this report has undergone independent third-party audit. Unless otherwise specified, all monetary values and amounts in this report are denominated in Renminbi (RMB).

Report Time



The report covers the period from January 1 to December 31, 2025 (hereinafter referred to as the "reporting period"). The report is published annually, in line with the financial reports. To ensure the completeness of the report, certain content has been retrospectively included or extended as necessary.

Report Scope



The report covers Sailun Group and its subsidiaries, consistent with the scope of the Group's consolidated financial reporting.

Preparation Basis



Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial)

Guidelines No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report Preparation (Revised in January 2026)

United Nations Sustainable Development Goals (UN SDGs)

United Nations Global Compact Ten Principles

Global Reporting Initiative (GRI) Standards

Corporate Sustainability Disclosure Standards - Basic Standards (Trial)

External Assurance



This report has undergone independent third-party assurance by SGS-CSTC Standards Technical Services Co., Ltd. The assurance statement can be found in Appendix VI: Independent Assurance Statement.

Contact Information



The report is available in both Chinese and English print and electronic versions. The electronic version can be accessed or downloaded online from the official website of Sailun Group at www.sailungroup.com. In case of any minor discrepancies between the Chinese and English versions, the Chinese version shall prevail.

For any questions or suggestions regarding the content of this report, please feel free to contact us by phone or email

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¹ As used in this report, the terms "Sailun Group," "the Group," and "we" all refer to Sailun Group Co., Ltd. at the group level. When the "Qingdao Factory" is mentioned separately in this report, it specifically refers to the factory of Sailun Group Co., Ltd. located in the Qingdao region (No. 588 Maoshan Road, Huangdao District).

Message from Our Chairwoman



Chairwoman of Sailun Group
Liu Yanhua

In 2025, the global economic recovery remained fraught with uncertainty, as geopolitical tensions and pressures from the green transition intertwined, while AI technology flourished, driving a profound transformation in the competitive landscape of industries. In the face of a complex and challenging external environment, Sailun Group has remained steadfast in its long-term commitment, staying true to its original mission of "making great tires." Anchored by technological innovation on the path toward high-quality development, and with the successive commissioning of the Mexico Factory and Indonesia Factory, the Group has steadily advanced its global strategy, continuously strengthening its core competitiveness and sustainability resilience.

GOVERNANCE UPGRADE & COMPLIANCE SUPPORT – STRENGTHENING THE FOUNDATION OF THE GROUP'S COMPLIANCE MANAGEMENT

In 2025, we positioned "eco-governance" as the core pillar of the Group's sustainable development. The "eco+" sustainable development strategy was integrated into our top-level planning, and a governance structure with clearly defined responsibilities was established. ESG performance was directly linked to the compensation incentives of senior management, and this "key minority" accountability mechanism drove implementation across all employees, comprehensively enhancing the effectiveness of sustainable development governance. The MSCI ESG rating jumped to AA, a milestone representing the high recognition from international capital markets for the Group's sustainability practices.

The Group continuously improved its modern corporate governance system, establishing a management framework covering business ethics, data security, and compliance risk control. Through regular compliance training and integrity education, we fortified a transparent, standardized, stable, and orderly operational baseline. We remain committed to strengthening our organization and institutional systems, continuously enhancing the scientific, systematic, and effective nature of the Group's governance. The Group has received the highest grade 'A' in the Shanghai Stock Exchange's information disclosure evaluation for three consecutive years, while the scope of anti-bribery management system certification has continued to expand, providing global investors with a solid and reliable decision-making basis through highly transparent governance practices and credible information disclosure.

ECO-PLANET & GREEN EMPOWERMENT – BUILDING A NEW LOW-CARBON PARADIGM FOR THE TIRE INDUSTRY

As a proactive advocate for sustainable development in the global tire industry, Sailun Group firmly believes that green is the fundamental foundation of long-term enterprise development. We have embedded ecological responsibility across all dimensions of our corporate growth.

In environmental management, we strictly follow the environmental standards of our operating countries, establishing a robust environmental management system. We rigorously control emissions of waste gas, wastewater, and solid waste, fully implementing pollution prevention measures to safeguard ecological and environmental security. In resource recycling, we have set medium- to long-term water conservation targets for 2030, driving the transformation of our production model towards circularity. Through initiatives such as water resource recycling, we have continuously improved resource utilization efficiency. In climate change tackling, we continue to expand the use of clean energy sources such as photovoltaics and biomass, adopting low-carbon energy types including natural gas, to promote low-carbon upgrades in production processes. During the reporting period, the Group's climate action case study was selected for inclusion in the 2025 Corporate (Park) Climate Action Case Collection and was featured at the 30th Conference of the Parties (COP30) to the United Nations Framework Convention on Climate Change. At the same time, we continue to increase the application of sustainable materials including bio-based materials, working together with supply chain partners to contribute to global climate governance.

TECHNOLOGICAL INNOVATION & SMART CREATION FOR THE FUTURE – DRIVING HIGH-QUALITY INDUSTRY DEVELOPMENT THROUGH TECHNOLOGY

"Focus on self-transcendence and continuous innovation" is the corporate innovation spirit deeply embedded in Sailun Group, and the core engine of the Group's high-quality development. We insist on embedding technological innovation throughout the entire process of the Group's development, continuously increasing investment in fundamental research, and building an innovation ecosystem that integrates the "innovation chain and industrial chain." Driven by the dual engines of "Green Technology" and "Digital-Intelligent Integration," we are achieving high-quality development for the Group.

During the reporting period, we continued to drive the transformation of our products towards higher-end, smarter, and greener solutions. The EcoPoint³ Tire Fashion Series was launched, achieving triple technological breakthroughs in energy efficiency, wear

resistance, and braking distance. These tires are also equipped with self-sealing safety technology, proprietary noise-reduction technology, and RFID intelligent traceability, integrated with seven fashionable colors inspired by Eastern aesthetics, leading the tire industry into a new era of "high aesthetics + high performance."

Digitalization is an inherent 'native gene' of Sailun Group. Led by AI and anchored by our self-developed Eco-Rubber Cloud industrial internet platform as the core foundation, we continue to accumulate corporate data assets and establish an AI application system covering the entire lifecycle of R&D, production, supply chain, marketing, and service. This has formed an overall AI layout characterized by "core leadership, multi-dimensional extension, and full-chain penetration," achieving a strategic leap from "business scenario pilots" to "comprehensive AI empowerment."

VALUE SYMBIOSIS & SHARED RESPONSIBILITY – EMPOWERING SUSTAINABLE DEVELOPMENT WITH HUMANISTIC CARE

We have always believed that "our employees are our most valuable asset." We continue to improve our global talent development system, deepen organizational capacity building and talent echelon cultivation. During the reporting period, the Group organized skills and comprehensive competency assessments for employees, 24,000 person-times including learning, examinations, and skills competitions across multiple dimensions of "learning, testing, practice, and evaluation," accumulating nearly 260,000 multilingual test questions. Upholding the principle that "Our people are our greatest concern," we continuously improve our compensation, benefits, and employee care mechanisms. During the reporting period, we invested over RMB 30 million in the renovation and reconstruction of employee dormitories, paying full attention to employees' work-life balance to ensure that dedicated individuals are treated with dignity, receive due rewards, and feel a strong sense of belonging.

We are committed to building a diverse, equitable, and inclusive workplace ecosystem, respecting different nationalities, cultures, and backgrounds, and ensuring all employees enjoy fair development opportunities. In the process of global expansion, we not only export advanced manufacturing and management expertise, but also deeply embed the corporate culture of "trust and respect," promoting cultural integration and collaborative growth between Chinese and overseas teams, achieving value symbiosis between the Group and its employees.

As a pioneer in the global expansion of China's tire industry, the Group was among the first to join the World Business Council for Sustainable Development (WBCSD), working with global partners to fulfill social responsibility. During the reporting period, we donated over RMB 9 million to public welfare areas such as education support, disaster relief, and rural revitalization, giving back to society through concrete actions, and achieving the synergy and coordinated progress of commercial and social value.

STAYING TRUE TO OUR MISSION, STRIVING TOWARD A SUSTAINABLE FUTURE

Sailun Group remains steadfast in its vision to "Become a global influential tire company Vision" and its mission of "Make great tires," opening a new chapter of global high-quality development. We deeply understand that the true future is not a race for speed, but a contest of sustainable foresight—and we are firmly on this path.

Looking ahead, we will continue to deepen our "eco+" sustainable development strategy, joining hands with global partners to collectively build a green, intelligent, and sustainable mobility ecosystem, making every journey safer, greener, and better.

About Us

Corporate Profile

Sailun Group, established in 2002 and listed on the Shanghai Stock Exchange in 2011 (Stock Code: 601058), was the first privately-owned tire manufacturer in China to be listed on the A-share market. After more than two decades of development, the Group has grown into a global industrial enterprise integrating tire R&D, manufacturing, sales, and services. Currently, the Group has built more than ten tire manufacturing facilities in China (Qingdao, Dongying, Shenyang, and Weifang) and overseas (Vietnam, Cambodia, Indonesia, and Mexico), with three additional tire factories under construction in Egypt, Shenyang, and Dongjiakou (Qingdao). Globally, the Group operates four R&D centers and one vehicle test track, with its product and service network covering more than 180 countries and regions. In the 2025 Global Tire Report Top 75 ranking released by *Tire Business*, Sailun Group ranked 10th globally in terms of sales revenue. In the World's Most Valuable Tire Brands 2025 list released by Brand Finance, the Group's brand value reached the 10th position worldwide, maintaining its position as the top Chinese tire brand. In its released '2025 Global Sustainability Report' for the tire industry, the Group advanced one position in the global sustainability ranking of tire enterprises to rank eighth worldwide, firmly securing the top spot among Chinese tire brands.

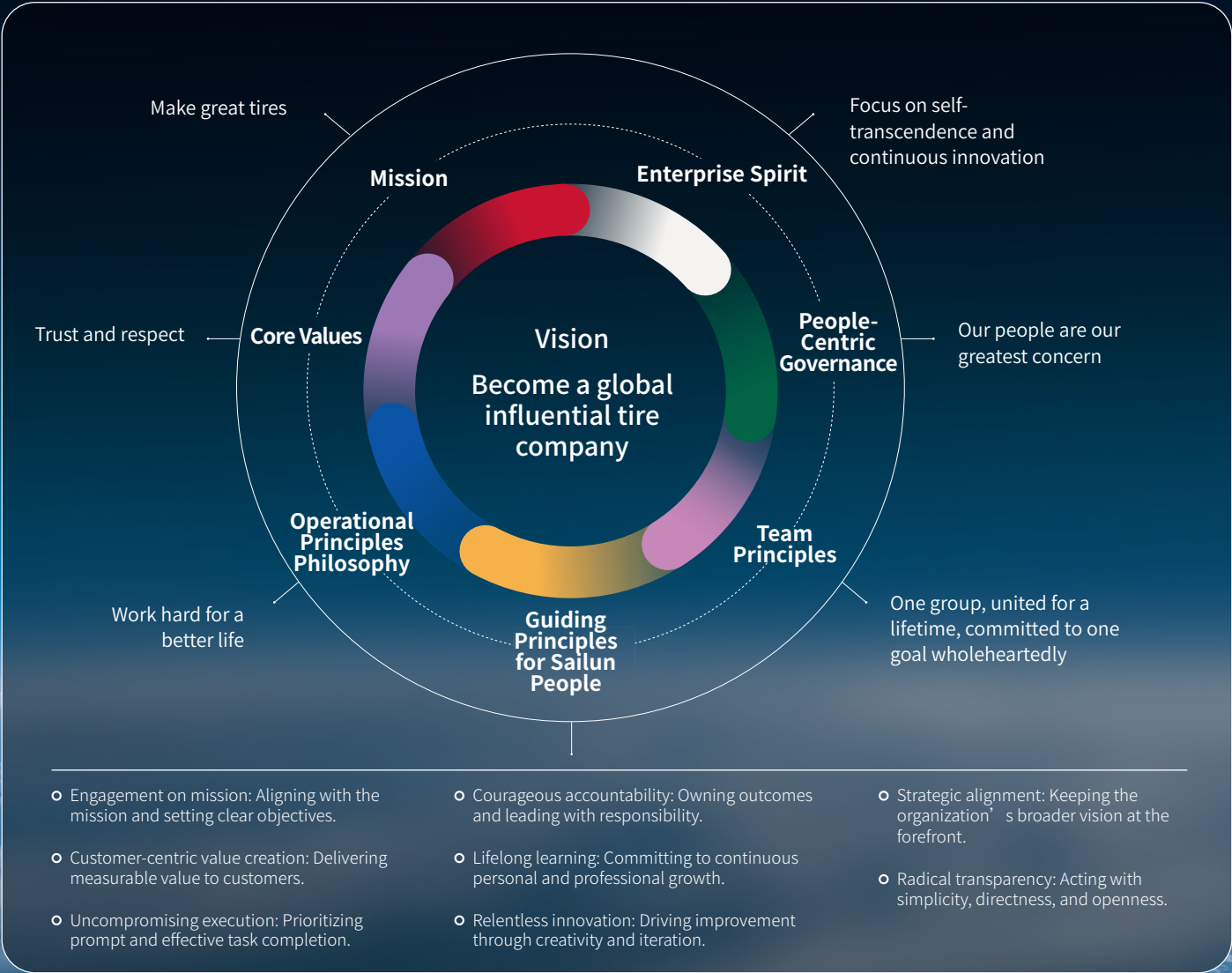
Sailun Group consistently adheres to innovation-driven, high-quality development. It pioneered and launched the world's first operational industrial internet platform for the rubber tire industry—Eco-Rubber Cloud—achieving integrated, platform-based, and diversified business operations. The Group has established three core proprietary technology systems covering Passenger Car Radial Tires (PCR), Truck and Bus Radial Tires (TBR), and Off-The-Road Tires (OTR), all with full proprietary intellectual property rights. Furthermore, it became the first Chinese tire brand to be included in the FIA list of tire suppliers for motorsport events. Leveraging the world's first chemically refined rubber material technology, Sailun Group successfully developed a new generation of green tire products—EcoPoint³. These tires reduce rolling resistance while simultaneously improving wet grip and wear resistance, successfully breaking the long-standing "magic triangle" that has challenged the tire industry for decades. This advancement has made driving safer, more energy-efficient, and more comfortable, and is recognized as the fourth milestone innovation in the global rubber tire industry. In terms of industrial ecosystem development, Sailun Group has

invested in the construction of the East China Intelligent Connected Vehicle (ICV) Test Site. Upon completion, it will become China's premier and a world-class integrated R&D and testing platform for intelligent transportation and autonomous driving, further strengthening the Group's comprehensive capabilities in technological R&D and industrial collaboration, and continuously improving its global R&D, production, sales, and service system.

Looking ahead, Sailun Group will remain steadfast in its corporate mission of "making great tires," continuously providing society with safer, greener, and more sustainable tire products. We are committed to helping people achieve safer and more liberated mobility, and driving societal operations towards greater efficiency and harmony.



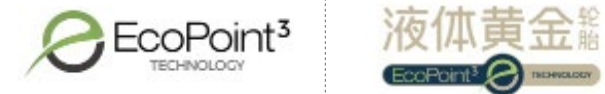
Approval number: GS (2016) 2945, supervised by the Ministry of Natural Resources



Company Product Brand



Company Technology Brand



Awards and Honors

ESG Rating Performance



Received an AA Rating from MSCI ESG



Received a B rating for "Climate Change" and a B rating for "Water Security" Achieved an A- rating in the SEA



Awarded the Silver Medal by EcoVadis



Rated AA by the Wind ESG Rating

Sustainability Commitments



World Business Council for Sustainable Development (China's First Tire Industry Member)



Joined the United Nations Global Compact (UNGC)



Joined the Science Based Targets initiative (SBTi)



Joined the Global Platform for Sustainable Natural Rubber (GPSNR)



Joined the China Carbon Neutrality Action Alliance (CCNAA)

Awarding Body (Government)

Manufacturing Digital Transformation Facilitation Center

Ministry of Industry and Information Technology of the People's Republic of China

National Manufacturing Champion (Single Product Category) – OTR Radial Tires

Ministry of Industry and Information Technology of the People's Republic of China

National Manufacturing Enterprise Quality Management Capability Assessment – Assurance Level

Ministry of Industry and Information Technology of the People's Republic of China

Exemplary Smart Factory

Ministry of Industry and Information Technology of the People's Republic of China

2025 National-Level Green Factory: Dongying Factory

Ministry of Industry and Information Technology of the People's Republic of China

Selected for the 2025 Corporate (Park) Climate Action Case Collection

Center for Environmental Education and Communications of Ministry of Ecology and Environment, China Champions for Climate Action

Gold Award for Best Employer

Royal Government of Cambodia

First Prize for Scientific and Technological Progress in Shandong Province

Shandong Provincial People's Government

Shandong Private Economy High-Quality Development Outstanding Contribution Award

Shandong Provincial Development and Reform Commission, Shandong Provincial Department of Industry and Information Technology

Shandong Province Model "Industrial Brain"

Shandong Provincial Department of Industry and Information Technology

Eighth Qingdao Mayor's Quality Award – Excellence Award

Qingdao Municipal People's Government

Awarding Body (Association)

Top 500 Chinese Private Enterprises (Rank 417)

All-China Federation of Industry and Commerce

Top 500 Chinese Private Manufacturing Enterprises (Rank 289)

All-China Federation of Industry and Commerce

2025 Best Practice for Listed Company Boards of Directors

China Association for Public Companies

2025 Best Practice for Listed Company Boards of Directors Offices

China Association for Public Companies

Awarding Body (Association)

Leading Enterprise in China's Agricultural Machinery Parts Sector

China Agricultural Machinery Industry Association

Shanghai Pudong New Area Sino-Foreign Enterprise Sustainable Development (ESG) Industry Ecology Innovation Competition – Innovation Model Award

Shanghai Pudong Foreign-Invested Enterprise Association, Shanghai Pudong New Area Domestic Enterprise Association

Awarding Body (Media)

2025 Corporate ESG Practice Case

Brand Work Office of Xinhua News Agency, Xinhuanet

Sixth China Auto Awards Gala – Annual Innovation Case

China Media Group

Asia's Top 500 Brands (Rank 316)

World Brand Lab

3rd China Corporate Carbon Neutrality Ranking – Green Supply Chain Management Award

Yicai

Awarding Body (Third Party)

2025 Excellent Case of New Quality Productivity in the Automotive Industry

China Certification & Inspection Group, Xinhua Economic Information Service

Selected for the 2025 China Corporate Carbon Targets Whitepaper

Shanghai Environment and Energy Exchange

Most Attractive Employer for Global Talent

LinkedIn

EY Sustainability Award 2025 - Outstanding Enterprise

Ernst & Young (China) Advisory Ltd.

ESG Highlights Performance

ECO-GOVERNANCE: Strengthening the Foundation of Compliance

Sustainable Development Governance

Continued to advance the "eco+" sustainable development strategy, systematically planning medium and long-term ESG action pathways

In 2025, the completion rate of ESG action pathways for each center/department reached

96.67%

43%

of Board members are independent directors

Business Ethics

100%

of employees received business ethics training

All four major manufacturing bases have successfully obtained **ISO 37001** Anti-Bribery Management System certification

Information Security

0

incidents involving information security breaches or customer privacy leaks

ECO-PRODUCTION: Delivering Excellence in Intelligent Manufacturing

Quality and Safety

100%

of 9 operational factories obtained ISO 9001 Quality Management System certification

Conducted a cumulative total of

1,644

quality training sessions at the departmental level or above

Completed over

900,000

material and formula tests throughout the year

Available certification testing standards cover over **100** countries and regions globally

Total training duration of

164,400 hours

More than

9,200

product performance and regulatory tests

0

number of major liability accidents related to product safety and quality

R&D Innovation

The sustainable material content in tires reached

31.04%

The Group's investment in clean technology achieved an annual growth rate of over

5%

Led the drafting of **3** national standards related to rubber tires and tire and road wear particles (TRWP)

Completed **5** national standards as the lead organization and participated in the drafting or revision of more than **10** national standards

Intellectual property compliance management system certification fully covers the R&D, production, and sales processes of PCR tires, commercial vehicle tires, and OTR tires, achieving

100% coverage

2,441

valid patents

463

newly granted patents

Customer Service

The Group's customer satisfaction score (overseas) was

97.80

The customer satisfaction score (China) was

97.32

Supply Chain Management

100%

of raw material suppliers signed the Quality Assurance Agreement

100%

of procurement personnel participated in sustainable procurement-related training

Established a procurement risk management system and EcoVadis assessment framework

ECO-PLANET: Leading the Low-Carbon Transition

Environmental Management

100%

of all 7 factories maintaining continuous operations have obtained ISO 14001 Environmental Management System certification

Climate Response

Energy consumption per unit of Passenger Car Radial (PCR) tire production decreased by

17.54%
compared to 2022

Energy consumption per unit of Truck and Bus Radial (TBR) tire production decreased by

19.89%
compared to 2022

Energy consumption per unit of Off-The-Road Tire (OTR) production decreased by

30.20%
compared to 2022

Carbon emissions per unit of Passenger Car Radial (PCR) tire production decreased by

22.94%
compared to 2022

Carbon emissions per unit of Truck and Bus Radial (TBR) tire production decreased by

24.34%
compared to 2022

Carbon emissions per unit of Off-The-Road Tire (OTR) production decreased by

37.29%
compared to 2022

Utilized

over 8,000 tonnes
of biomass

Reducing carbon emissions by

12,700 tonnes

Generated

44.90 million kWh
of photovoltaic electricity

Reducing carbon emissions by

23,800 tonnes

ECO-HARMONY: Fostering Organizational Cohesion

Inclusive Workplace

All 7 factories maintaining continuous operations have obtained SA 8000 Social Accountability Management System certification

Achieving certification coverage rate

100%

Talent Development

Provided an average of

19.04

training hours per employee

Achieving training coverage rate

100%

Continuously built a closed-loop mentor management system, with an average satisfaction score of

97

for mentor-led training

Employee Care

Achieved a

94.82%

participation rate in the employee satisfaction survey

Employee satisfaction score

93.81

Occupational Health and Safety

100%

of operational factories obtained ISO 45001 Occupational Health and Safety Management certification

Philanthropy

RMB 9.3871 million

was invested in various public welfare projects

SPECIAL FEATURE

Empowering the Entire Value Chain with AI to Build a Sustainable Future Together

S-Ai

Sailun's Overall AI Strategic Planning

Digitalization is an inherent "native gene" of Sailun Group. Upholding the corporate spirit of "Focus on self-transcendence and continuous innovation", the Group has implemented the AI-led Eco-Rubber Cloud industrial internet platform, serving as an "accelerator" to drive the strategic implementation of the Group. Simultaneously, we established an AI application system covering the entire lifecycle—from R&D and production to supply chain, sales, and service—anchored by the "Eco-Rubber Cloud" industrial internet platform. This initiative creates a comprehensive layout characterized by core leadership, multi-dimensional extension, and full-chain penetration. The Group integrates cutting-edge technologies such as Natural Language Processing (NLP) and Visual Intelligence (VI) to provide comprehensive, end-to-end, and all-scenario intelligent support for the tire industry.

We adhere to the principle of "autonomous control and industrial synergy". Through applying core algorithms and self-developed models, we collaborate with industry ecosystem partners to jointly develop technical solutions and partner with universities to address industry challenges. This approach builds an AI ecosystem integrating computing power, data, models, and applications. We adopted a model of private deployment and intranet data transmission to ensure data security while breaking down data silos across business systems. This approach has facilitated the expansion of AI technology from isolated breakthroughs to scaled, systematic applications. We were the first in the rubber tire industry to achieve a strategic leap from "business scenario pilots" to "comprehensive AI empowerment," elevating our core competitiveness from "manufacturing capability" to "data and intelligence-driven power." Consequently, we can respond more agilely to market changes and meet customer needs more efficiently.

Core Business Scenarios and AI Implementation Practices

Intelligent R&D: Technology Empowering Product Innovation

Supported by a digital R&D platform, Sailun Group has implemented an AI assistant for research and development. By leveraging the system to access vast historical data on formulations, physical model parameters, and test results, the group utilizes AI models based on deep learning to precisely predict the performance of new material combinations. The system simulates tens of thousands of formulation combinations, automatically identifies optimal solutions through algorithms, and recommends the best component ratios, resulting in a 50% reduction in the formula development cycle. It accurately predicted key product performance metrics, providing a scientific basis for decisions on R&D direction planning and product performance iteration.

Intelligent Manufacturing: Building an Intelligent Production System

We have established a comprehensive intelligent manufacturing system featuring "cloud-based AI coordination, edge-side intelligent control, and device-side perception." In quality control, we employ intelligent visual inspection technology to achieve real-time monitoring and intelligent anomaly detection throughout key processes, enabling rapid and precise problem localization. In safety prevention, we have established a comprehensive intelligent security network; through facilities such as electronic fences for personnel intrusion detection, we realize production environment monitoring and risk warning. In process optimization, we utilize intelligent algorithms to dynamically adjust process parameters, such as fabric width, thereby enhancing production stability and resource utilization efficiency. AI and machine vision technologies are comprehensively applied to automate X-ray cord counting and bubble grading via imaging. The accuracy of bubble detection exceeds 99%, and the accuracy of X-ray cord counting also exceeds 99%. As of the end of the reporting period, the relevant initiatives have been promoted and applied across multiple tire factories globally.

Intelligent Logistics Collaboration: Automated Carbon Reduction and Efficiency Enhancement

Sailun Group continues to advance the application of AGV logistics and semi-finished product logistics. Leveraging the MES system, precise transfer instructions are issued to the AGV cluster to enable on-demand automatic delivery of raw materials, semi-finished products, and green tires. This has significantly increased overall equipment utilization, reduced the risk of waiting for materials by 15%, decreased inventory backlog by 15%, and improved production efficiency by 10%.

Workshop Automatic Production Scheduling: Refined Control to Optimize Resources

Sailun Group has fully implemented the Advanced Planning and Scheduling (APS) system alongside an automated logistics system. It has established an order-driven intelligent production scheduling framework across its three major product lines: passenger car tires, commercial vehicle tires, and off-the-road tires, thereby connecting the entire process chain from the master production plan to workshop operations. During the reporting period, the overall production scheduling accuracy exceeded 95%, resulting in a significant improvement in scheduling efficiency. This effectively reduced equipment idling and energy consumption, while continuously promoting green and intensive production operations.

Smart Marketing: Building a New Ecosystem for Comprehensive Marketing

We have established a professional marketing model system to provide 7×24-hour intelligent customer service for end consumers, enabling personalized interactions throughout the entire process from product selection to tire maintenance and repair. We equipped sales personnel with intelligent office assistants that utilize intelligent robots to rapidly respond to channel information inquiries, achieving zero-latency channel collaboration. Simultaneously, we leverage Convolutional Neural Network (CNN) technology to automatically identify tire defects and intelligently assess damages, thereby achieving intelligent audit and service that balances operational efficiency with risk control and security.



Intelligent Office: Building an Efficient and Collaborative Internal Operations System

We have established a group-level comprehensive intelligent office portal, completing multi-terminal deployment and functional upgrades. We launched AI-powered assistants and agent-based application tools covering areas such as collaborative work and enterprise operations, enabling intelligent processing of documents in multiple languages and formats along with key information extraction. We built an enterprise knowledge service system to provide intelligent office support including knowledge retrieval, process assistance, and document processing, comprehensively enhancing office efficiency and collaboration effectiveness. Additionally, we independently developed enterprise digital humans, continuously optimizing core technical capabilities to empower the upgrade of digital office experiences.

Smart Supply Chain: Enhancing End-to-End Collaborative Efficiency

We have established a dedicated intelligent support system for the supply chain, connecting data links across all channels. By leveraging intelligent algorithms and data mining technologies, we achieve demand forecasting and optimized resource scheduling. In logistics coordination, we have realized full-process intelligence for document processing, information entry, and archiving management, facilitating the efficient execution of global operations. Simultaneously, we integrate multi-dimensional business information to provide intelligent support for supply chain and group-wide operational decision-making, driving the transformation of the supply chain toward intelligence, efficiency, and precision.

Intelligent Services: Building a Customer Service Ecosystem

We focus on customer needs throughout the tire lifecycle and have built an intelligent service system centered on tire insurance claims. By replacing traditional manual verification with intelligent identification technology, we effectively enhance service efficiency and quality while improving customer satisfaction. Leveraging smart tires, the Group has established a "Cloud-Edge-Device" collaborative architecture to enable proactive driving safety warnings, precise operational cost control, and digital management across the full lifecycle. Furthermore, addressing industry pain points, the Group expanded AI service scenarios for real-time collection, analysis, and anomaly warning of mining tire tread temperatures. This initiative has significantly reduced the incidence rate of major safety accidents such as blowouts and improved vehicle operational efficiency by 35%.

Future Outlook

From laying the first cornerstone of information technology in 2002 to comprehensively deepening AI construction at the current stage, Sailun Group has consistently integrated "digitalization" into its development DNA, providing replicable and scalable intelligent transformation solutions for the tire manufacturing and related manufacturing sectors. In the future, Sailun Group will continue to increase investment in core AI technology research and development, deepen the research and application of frontier technologies such as large models, multimodal fusion, and digital twins. We aim to co-build an open and win-win industrial AI ecosystem, drive overall efficiency improvements and value co-creation across the rubber tire industry, and support the sector's transition to a new stage of high-quality development.



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ECO-GOVERNANCE

Strengthening the Foundation of Compliance

⊗ Sustainable Development Governance

⊗ Corporate Governance

Sailun Group's high-quality development is underpinned by a continuously improved governance structure. By deepening internal control mechanisms and the proactive management of risks, we fortify our defenses for operational safety, adhere to business ethics, and systematically embed ESG principles into corporate strategy and business processes, thereby driving responsible value creation. We also prioritize two-way communication and collaborative co-creation with all stakeholders, committed to building a transparent, mutually trusting, and win-win sustainable future.

UN SDGs:



02

Sustainable Development Governance

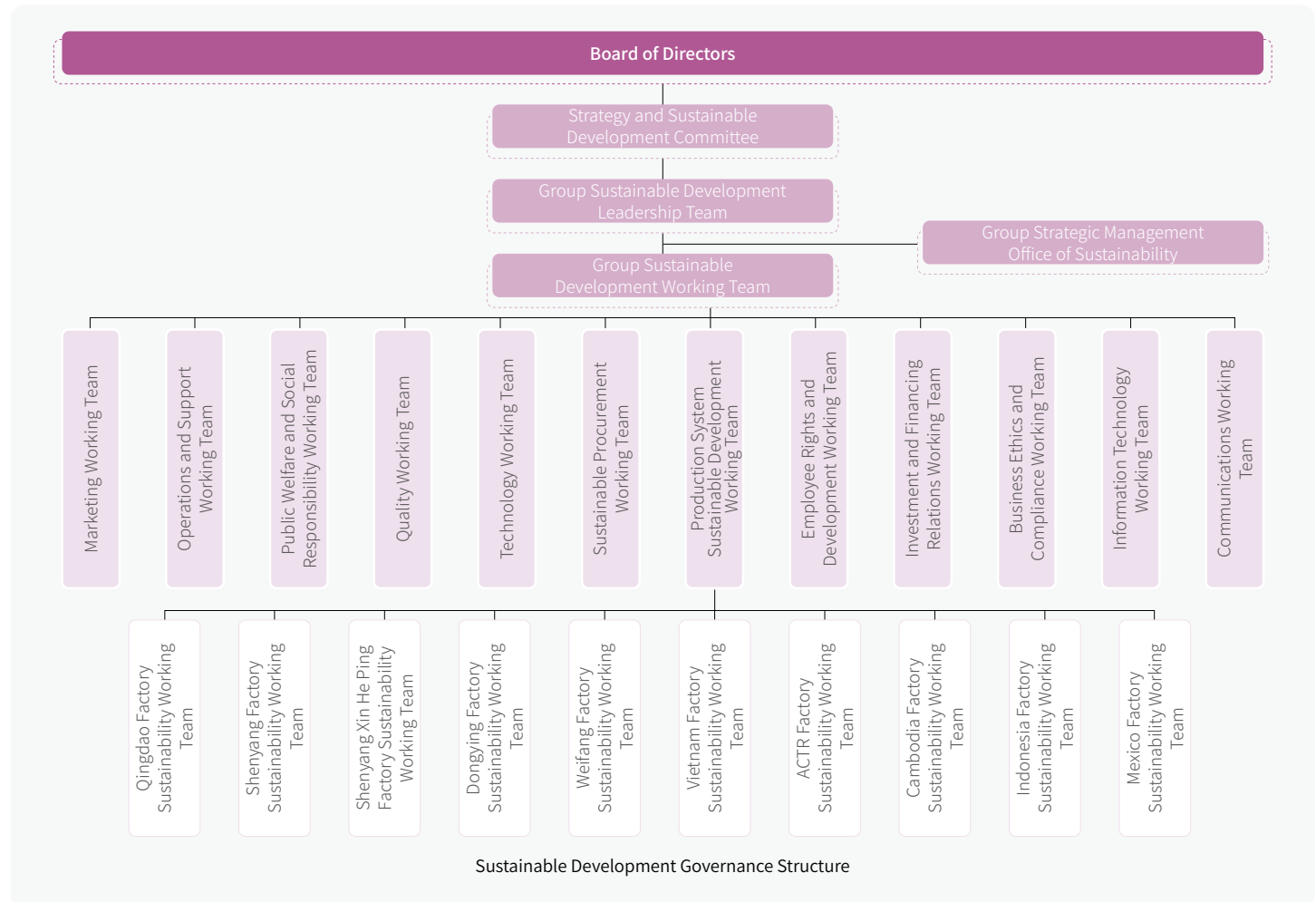
Sailun Group regards sustainable development governance as the core guarantee for promoting high-quality enterprise development and achieving long-term value creation. We are committed to deeply integrating sustainability principles into the top-level design of corporate governance and daily operations, ensuring that the sustainable development strategy resonates with the Group's overall strategic objectives.

Our Governance

We continuously improve our ESG governance structure, with the "eco+" sustainable development strategy serving as a pillar to drive the deep integration of ESG goals and business operations. Through ongoing stakeholder engagement and double materiality assessments, we precisely identify key issues, ensuring the sustainability strategy is effectively integrated into the entire process of corporate decision-making and execution. This comprehensive approach enhances the Group's practical capabilities and responsible influence in the field of sustainable development.

Sustainable Development Governance Structure

To systematically integrate the concept of sustainable development into the Group's operations, Sailun Group has established a sustainable development governance structure with clearly defined responsibilities and efficient operation. The Board of Directors, as the highest decision-making and oversight body, holistically steers the strategic direction of sustainable development, ensuring its deep alignment with the Group's overall strategic objectives. The Strategy and Sustainable Development Committee is responsible for the deliberation, decision-making, and advancement management of specific topics. This forms a long-term governance mechanism featuring top-down guidance and collaborative synergy, providing robust support for the solid implementation of sustainable development goals.



Level	Governance Subject	Personnel Composition	Functions	Monitoring/Reporting Mechanism
Decision-making Level	Strategy and Sustainable Development Committee	Composed of 2 non-independent directors and 1 independent director	Responsible for studying sustainable development strategies and promoting the construction of a sustainable development system Annual review of sustainable development reports and progress on targets	Reporting to the Board of Directors at least once a year
Management Level	Group Sustainable Development Leadership Team	Directly led by the Chairman, composed of business leaders including the President, Vice President and Assistant to the Chairman	Responsible for formulating and implementing the Group's sustainable development strategy, reviewing the performance of commitments on key topics such as climate change response and social responsibility	Reporting to the Board of Directors or the Strategy & Sustainable Development Committee at least 4 times a year
	Group Strategy Management Office of Sustainability	Directly led by the Assistant to the Chairman and composed of the Secretariat of the Working Team	Promoting the implementation and execution of the sustainable development strategy Regularly summarizing sustainability progress, concluding work achievements, and preparing the sustainability report	Monthly reporting of progress and results to the Sustainability Leadership Working Team
Execution Level	Group Sustainable Development Working Team	Composed of relevant personnel from centers, business departments, and factories	Implementing the strategic objectives of the sustainable development strategy and the annual sustainability action pathways	Monthly reporting of ESG-related progress to the Strategy Management Office of Sustainability

Decision-Making and Supervision

To ensure the effective implementation of the sustainable development strategy, Sailun Group continuously optimizes its governance and supervision mechanisms. The Board of Directors and the Strategy and Sustainable Development Committee regularly review the progress of sustainable development goals. Aligned with industry trends and the Group's developmental stage, they conduct in-depth analysis of potential risks and strategic opportunities, and deliberate on related risk response plans. This ensures the deep integration of the "eco+" sustainable development strategy and sustainability issues with the Group's medium- to long-term development plans, solidifying the top-level governance foundation for the Group's sustainable development.

In response to the business layout involving new tire factories, organizational restructuring, and sustainability coordination needs, the Group has dynamically optimized the composition of the Sustainable Development Working Team. Personnel from the newly added tire factories have been incorporated into the working framework. By strengthening overall coordination and inter-departmental collaboration, the efficiency

and management coverage of sustainability-related work have been enhanced, ensuring the effective implementation of relevant requirements at all levels.

To strengthen accountability and execution discipline in sustainable development governance, the Group has incorporated ESG performance into the performance assessment and incentive mechanisms for senior management. Key ESG indicators, including environmental management, occupational health and safety, product quality and safety, climate change tackling, and business ethics, are linked to their compensation incentives, aligned with their respective business responsibilities. Furthermore, we have integrated sustainability indicators into the overall performance management system, cascading them down to key business departments as a significant component of their annual performance evaluations. This performance linkage mechanism drives the systematic implementation and continuous improvement of ESG requirements throughout the organization.



Professional Skills and Abilities

Members of the Board of Directors and the Strategy and Sustainable Development Committee possess diversified professional backgrounds spanning corporate strategic management, auditing, risk management, and financial management, coupled with extensive industry experience and strategic decision-making capabilities. This enables the full and prudent incorporation of sustainability considerations in the formulation of the Group's medium- to long-term development strategies and in the decision-making process for significant matters.

To continuously enhance the professional knowledge and governance capabilities of the Board and committees regarding sustainability issues, members of the Board of Directors and the Strategy and Sustainable Development Committee regularly participate in sustainability-focused training sessions organized by external professional institutions. This ensures they stay updated on the latest regulatory requirements, industry trends, and best practices. During the reporting period, the Strategy and Sustainable Development Committee convened multiple meetings dedicated to sustainability. These meetings reviewed matters including the Group's sustainable development strategy, annual operational and development plans, double materiality assessments, sustainability information disclosure, and significant investments and overseas project layouts. Recommendations on related proposals were formulated and submitted to the Board of Directors for deliberation, ensuring that sustainability requirements are effectively incorporated into corporate governance and major decision-making.

Concurrently, the Group Sustainable Development Leadership Team, Group Strategic Management Office of Sustainability, and Sustainable Development Working Team maintain ongoing communication with external professional institutions and participate in training to enhance sustainable development management capabilities. This continuous absorption of professional knowledge strengthens ESG management and execution competencies, promoting the effective fulfillment of sustainable development governance responsibilities at all levels of the Group. During the reporting period, all members of the Group's Sustainable Development Strategy Management Office participated multiple times in professional capacity-building training sessions organized by regulatory bodies, government agencies, and industry association, including the Shanghai Stock Exchange (hereinafter referred to as "the SSE"). The training covered topics such as ESG disclosure standards for listed companies, case studies on corporate sustainable development systems, and pathways for low-carbon industry transformation. These activities have strengthened the Group's capability to compile its sustainable development report and fostered a culture of internal sustainable development.



Multi-dimensional Empowerment Program: Sustainability Training Drives a New Ecosystem of Internal and External Synergy



In 2025, Sailun Group adopted a dual-driven approach of "deepening internal understanding and enabling external collaboration" to construct an ESG training system covering all employees and the industrial chain. Internally, systematic sustainable development training for all employees and new hires strengthened sustainability awareness. Specialized training on core sustainability topics such as business ethics compliance, product quality, and safety was conducted for highly relevant business departments, solidifying the internal talent base for sustainable development. Externally, the Group extended sustainable development training to its value chain, providing partners with thematic empowerment on sustainable procurement and environmental management, helping them enhance their sustainability management capabilities and jointly driving improvements in the green and responsible performance of the industrial chain. Through this internal-external linkage, the Group promotes the transition of sustainable development concepts from enhanced cognition to practical implementation, fostering a green, collaborative, and win-win sustainable development ecosystem.



Sustainable Development Strategy

In 2025, "eco+" sustainable development strategy. Centered on the four strategic pillars of "eco-planet, eco-harmony, eco-production, and eco-governance," and focusing on the four core areas of environment, social responsibility, governance, and product, the Group established a full-chain sustainability implementation pathway of "strategy anchoring, target decomposition, responsibility binding, mechanism safeguarding, and closed-loop review." This ensures a comprehensive implementation plan that translates top-level design effectively into grassroots execution. With the Sailun Group "eco+" sustainable development strategy at its core, the Group systematically planned its medium-to-long-term ESG action pathway. Aligning with regulatory requirements, market demands, and ESG rating standards, annual targets were decomposed to various centers and business departments, clarifying responsibilities and key tasks. Concurrently, sustainability performance for core positions was linked to assessments, strengthening accountability. The Group established a full-chain governance system encompassing the decision-making level, management level, and execution level. Through monthly progress reporting, process monitoring, and annual specialized reviews, a closed-loop management mechanism was formed, providing solid assurance for the effective implementation of the strategy.

During the reporting period, the completion rate for the ESG action pathways across various centers/departments in 2025 reached 96.67%.



Anchored in the "eco+" Sustainable Development Strategy: Sailun's Global Sustainability Ranking Reaches New Heights



During the reporting period, Sailun Group's "eco+" sustainable development strategy achieved significant results. In the 2025 Global Sustainability Report for the tire industry released by the internationally renowned authority Brand Finance, the Group's global sustainability ranking among tire companies rose by one place to 8th worldwide, ranking first among Chinese tire companies. This marks strong global market recognition of the sustainability practices of Chinese tire brands.



Our Initiatives

The Group promotes the implementation of sustainable development governance through measures such as conducting double materiality analysis and establishing regular stakeholder communication mechanisms. Simultaneously, a continuous communication and feedback mechanism ensures that all initiatives address the concerns of various parties and remain subject to supervision, thereby forming a governance closed loop that spans from issue identification and strategy formulation to execution optimization.

Double Materiality Analysis

Based on industry dynamics, business models, and value chain responsibilities, and combined with annual stakeholder communication and feedback, we comprehensively identify and assess relevant issues. Through a double materiality analysis of issues from both impact and financial dimensions, and subject to final review and approval by the Board of Directors, we have defined the materiality matrix for the current year. This provides a clear and reliable basis for strategic focus and resource allocation.

In 2025, a total of 23 material issues were identified^{2,3,4}. Among these, climate change response, product quality, and safety were recognized as core issues possessing both significant impact and financial materiality⁵. To effectively manage the opportunities and challenges arising from these issues, we have established a management strategy combining short-term (within 1 year), medium-term (within 5 years), and long-term (over 5 years) horizons. A regular monitoring mechanism has been established to periodically assess progress against targets and the effectiveness of management measures, aiming to continuously enhance our response capabilities and mitigate the potential impact of related risks on the Group's operations and stakeholders.

² As of the end of the reporting period, the Group's accounts payable (including notes payable) balance did not exceed RMB 30 billion, accounting for less than 50% of total assets, with no overdue payments to SMEs recorded in the National Enterprise Credit Information Publicity System. Therefore, a separate topic on "Equal Treatment for SMEs" was not established. "Due Diligence" and "Stakeholder Communication" are not listed separately as they are addressed under other issues. See Appendix II for the topic index.

³ "Climate Change Tackling" includes "Energy Utilization"; "Environmental Management" includes "Environmental Compliance, Pollutant Discharge, and Waste Treatment"; "R&D Innovation" includes "Innovation-driven Practices"; "Business Ethics" includes "Anti-Commercial Bribery, Anti-Corruption and Anti-Unfair Competition". See Appendix II for related content.

⁴ The Indonesia and Mexico factories had a relatively minor impact on the Group's business in 2025, therefore the 2024 sustainability topic disclosure applies.

⁵ Issues of double materiality: Climate Change Tackling and Product Quality and Safety; Financial materiality issues: Climate Change Tackling and Product Quality and Safety;

Impact materiality issues: Climate Change Tackling, Product Quality and Safety, Business Ethics, Environment Management, Human Rights, Occupational Health and Safety, Water Stewardship, R&D Innovation, Product Sustainability, Compensation and Benefits, Customer Engagement, Training and Development, Information and Privacy Protection, Circular Economy, Supply Chain Management, Sustainable Supply Chain, Risk Management, Diversity, Equity and Inclusion, Biodiversity Conservation, Corporate Governance.

Corporate Background Analysis



- Conducting an in-depth analysis of the Group's business plan, strategic guidelines, and financial statements, examining the geographical locations of Group activities and product services, and creating a detailed business relationship map to clarify the upstream and downstream value chains.
- Studying relevant laws, regulations, and regulatory policies, analyzing market trends and industry dynamics, and identifying and understanding the needs and expectations of key stakeholders.



Issues Identification and Issue List Establishment



- Benchmarking against regulatory requirements, capital market concerns, and issues prioritized by industry peers, referring to laws, regulations, and industry standards, and making comprehensive analysis on customer demands to identify potential sustainability material issues for Sailun Group, laying the foundation for further evaluating their impact and financial materiality.



Materiality Assessment



Issuing prioritization based on multidimensional analysis of expert opinions, industry peer experiences, feedback from management, investors, and employees.

Impact materiality







- Assessing impact materiality based on factors such as scale, scope, likelihood, severity, and irreversibility of the impact.
- Conducting a comprehensive quantitative evaluation by analyzing multidimensional information from industry peers, external concerns, and internal management perspectives; setting a threshold to evaluate the materiality of the impact, followed by ranking the issues based on their materiality.

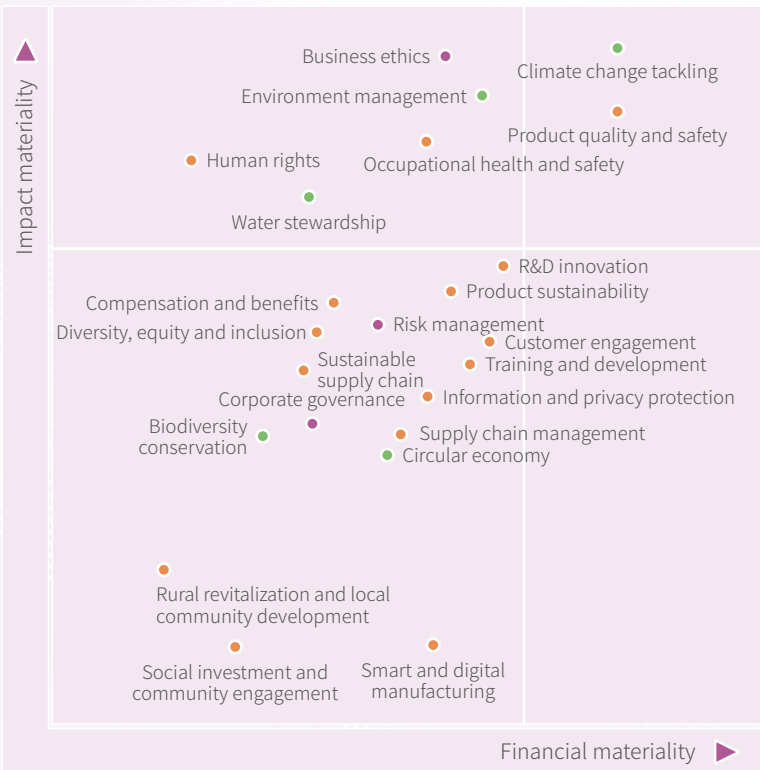
Financial materiality

- Assessing financial materiality based on the impact of the issue on the Group's financial performance, the achievement of strategic goals, and the potential for operational or business disruption.
- Comprehensively evaluating the financial impact of each issue through interviews and surveys with Group's management, and setting thresholds to evaluate financial materiality and ranking the issues accordingly.

Stakeholder Communication

The Group continuously expands diversified communication channels and establishes mechanisms covering multiple groups and scenarios to ensure the timeliness and accuracy of information dissemination. We proactively listen to the voices of stakeholders and, through rapid response and ongoing feedback, enhance their recognition and trust in the Group's ESG philosophy and practices.

Stakeholders	Issues of Concern	Communication Method
 <p>Suppliers</p>	<ul style="list-style-type: none"> Product sustainability Product quality and safety R&D innovation 	<ul style="list-style-type: none"> Supply chain management Business ethics Meetings, exchanges and visits, bidding and tendering, business negotiations, questionnaire surveys, supply chain construction
 <p>Customers</p>	<ul style="list-style-type: none"> Product sustainability Product quality and safety 	<ul style="list-style-type: none"> Customer service Information and privacy protection Providing high-quality products and services, business communication, questionnaire surveys, site visits
 <p>Investors</p>	<ul style="list-style-type: none"> R&D innovation Public welfare service and social contribution Corporate governance 	<ul style="list-style-type: none"> Risk management Business ethics Information disclosure, shareholders' meeting, analyst conferences, performance briefings, research visits by specific entities, dedicated phone number and email address, SSE e-interaction platform, investor relations day activities
 <p>Government, Industry Associations, and Regulatory Agencies</p>	<ul style="list-style-type: none"> Environmental management Climate change tackling Water stewardship Product sustainability 	<ul style="list-style-type: none"> Product quality and safety R&D innovation Business ethics Information and privacy protection Government meetings, special reports, information submission, project collaboration, information disclosure
 <p>Employees</p>	<ul style="list-style-type: none"> Human rights Occupational health and safety Compensation and benefits 	<ul style="list-style-type: none"> Training and development Diversity, equality and inclusion Employee congresses, training and career planning, onboarding programs, employee satisfaction survey, internal communications
 <p>Society and the Public</p>	<ul style="list-style-type: none"> Environmental management Climate change tackling Biodiversity conservation 	<ul style="list-style-type: none"> Rural revitalization and local community development Product quality and safety Public welfare activities, biodiversity conservation activities, social programs, energy conservation and emission reduction initiatives



Sailun Group's Double Materiality Issues Matrix for Sustainable Development in 2025

- Environmental topics
- Social topics
- Governance topics

Corporate Governance

Sailun Group is committed to building a transparent, fair, and integrity-driven governance environment by refining its policy framework and strengthening execution oversight to ensure all business activities comply with laws, regulations, and ethical standards.

Our Objectives

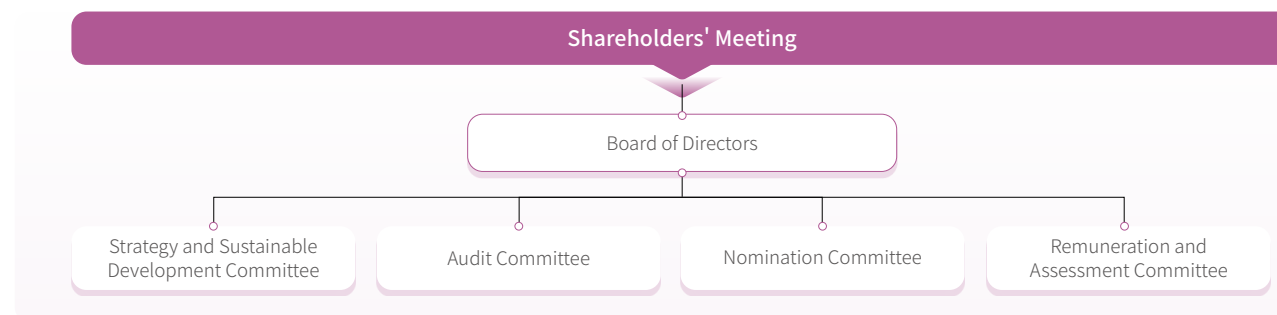
To establish an industry-leading corporate governance system and safeguard the Group's high-quality development through superior governance capabilities, we have established quantifiable objectives covering commercial ethics, compliance risk management, and system construction: **Full Coverage of System Certification: By 2030, all tire factories within the Group eligible for certification shall obtain anti-bribery management system certification.**

Our Governance

Sailun Group consistently operates in full compliance with the laws, regulations, and industry standards of all jurisdictions in which it conducts business. Upholding the bottom line of business ethics, the Group continuously refines its integrated management system covering risk management, internal controls, information security, and customer privacy protection, ensuring sustainable business operations through systematic measures. In alignment with regulatory requirements and governance structure updates, the Group revised 26 internal policies, including the Articles of Association, and introduced 3 new policies, strengthening enforcement to ensure their effective implementation.

Board Governance

Sailun Group strictly adheres to laws, regulations, and supervisory requirements, including the Group Law of the People's Republic of China and the Code of Corporate Governance for Listed Companies, and has established a governance structure centered on the Shareholders' Meeting, the Board of Directors, and the management. The Board of Directors has established four specialized committees: the Strategy and Sustainable Development Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Assessment Committee. Each committee operates with clearly defined responsibilities and professional expertise, assisting the Board in enhancing the scientific rigor and effectiveness of its decision-making.



Corporate Governance Structure

Board Diversity

Sailun Group regards board diversity as a key factor in enhancing decision-making quality and promoting sustainable development. We strictly adhere to director nomination and selection procedures, giving comprehensive consideration to diverse factors such as candidates' industry experience, professional expertise, management capabilities, and cultural background, thereby ensuring diversity in the composition of the Board members. During the reporting period, the Group placed high importance on strengthening the compliance and duty-fulfillment capabilities of directors and senior management (collectively referred to as "senior management"). Through a tiered, categorized, and comprehensive regulatory training system, we continuously enhance the governance layer's compliance awareness and performance level, effectively safeguarding the Group's standardized operation and the legitimate rights and interests of all shareholders.

In February 2025, the Group organized all directors and senior management to participate in the Shanghai Stock Exchange's 2025 Compliance Training for Directors, Supervisors, and Senior Management of Listed Companies, achieving full coverage of compliance training for the governance layer and thus solidifying the theoretical and regulatory foundation for compliant performance of duties by all members. In September 2025, four newly appointed directors and senior management participated in the SSE's initial appointment training for directors and senior management of listed companies. Through this regular compliance training, the Group continuously improves its governance system, strengthens internal control and compliance mechanisms, and consolidates a solid governance foundation for the Group's long-term, stable, and sustainable development.

Sailun Group's Regulations on the Work of Independent Directors clearly define the systems that safeguard the performance of duties by independent directors. It ensures that independent directors constitute no less than one-third of the Board of Directors, including at least one accounting professional. This aims to enable independent directors to effectively participate in decision-making, exercise oversight and checks, and provide professional counsel within the Board, thereby safeguarding the overall interests of the Group and protecting the legitimate rights and interests of minority shareholders.

The Company's profit distribution proposal for 2025 is as follows: Based on the total share capital registered on the record date of the equity distribution, a cash dividend of RMB 0.18 (pre-tax) per share will be distributed to all shareholders, with a total cash dividend amount of RMB 591,858,046.62 (pre-tax). No bonus shares will be issued, and no capital reserve will be transferred to share capital.

The total expected cash dividend for the reporting period of the Company is RMB 1,085,073,085.47 (including the cash dividend for the first half of 2025 that has been implemented).

At the end of the reporting period, the Sailun Group Board of Directors consists of 7 members. This includes 3 independent directors, 1 female director, and 1 employee-elected director.

Our Initiatives

Sailun Group continues to refine its institutional framework and strengthen oversight of their implementation across key areas including risk governance, business ethics, compliance management, and information security. The Group has established risk early-warning mechanisms and internal control processes, standardized codes of business conduct, and advanced the development of a compliance culture. Concurrently, it has enhanced its information security management system by implementing data classification protection and technical safeguard measures. These efforts effectively mitigate various governance risks, ensuring the Group's operations remain stable, compliant, and controllable.

Risk Management and Control

In 2025, Sailun Group completed the establishment of its risk management framework and system, revised the Risk Management Regulations, and fully implemented a risk governance mechanism centered on the "three lines of defense." By fulfilling responsibilities in "building systems, fostering collaboration, driving implementation, and supervising outcomes," the Group promoted the coordinated operation of its three lines of defense for risk management, achieving the objective of precise and integrated risk control. The Board of Directors, as the highest supervisory level for the Group's risk management, comprehensively oversees the effectiveness of the Group's risk management system and reviews and approves major risk-related decisions. Guided by the Board, the Strategy and Sustainable Development Committee exercises comprehensive supervision over the Group's risk management work. The Group's Vice President in charge oversees and coordinates the Group's overall risk management efforts, ensuring they are closely aligned with the Group's overall strategic plan and that risk management strategies are effectively implemented across all business segments.



Three Lines of Defense for Risk Management and Control

Risk Management Mechanism

We have established a full-process risk management mechanism embedded throughout business operations, covering five major risk categories: strategic, market, operational, financial, and legal/compliance. Guided by the Risk/Risk Event Classification Standard, we scientifically categorize risks into high, medium, and low levels, achieving tiered and classified risk management. Through a closed-loop mechanism of "identification, assessment, response, and monitoring," we promote proactive prevention and control of major risks, comprehensively enhancing management efficacy and safeguarding the Group's stable operations and sustainable development.

Risk Identification

The Group has established a regular, structured risk identification mechanism. A comprehensive risk identification exercise is conducted at least every three years. Utilizing methods such as workshops and process analysis, it covers the five major risk categories including strategy and market risks. Led by individual business units with overall coordination by the Legal and Risk Control Department, this process results in a Group-wide risk matrix that is developed and regularly updated.

Risk Analysis

Guided by the Risk/Risk Event Classification Standard, the Legal and Risk Control Department organizes the analysis, flexibly setting weightings based on specific business contexts. This process determines risk levels and designates responsible departments, resulting in the generation of a Risk Matrix and a Material Risk Ranking List. This enables the dynamic re-evaluation and prioritization of high-risk items.

Risk Response

A tiered response mechanism, centered on "proactive prevention and rapid response," has been established. It defines differentiated management processes for high, medium, and low-risk events, ensuring responsibilities are clearly assigned and measures are effectively implemented.

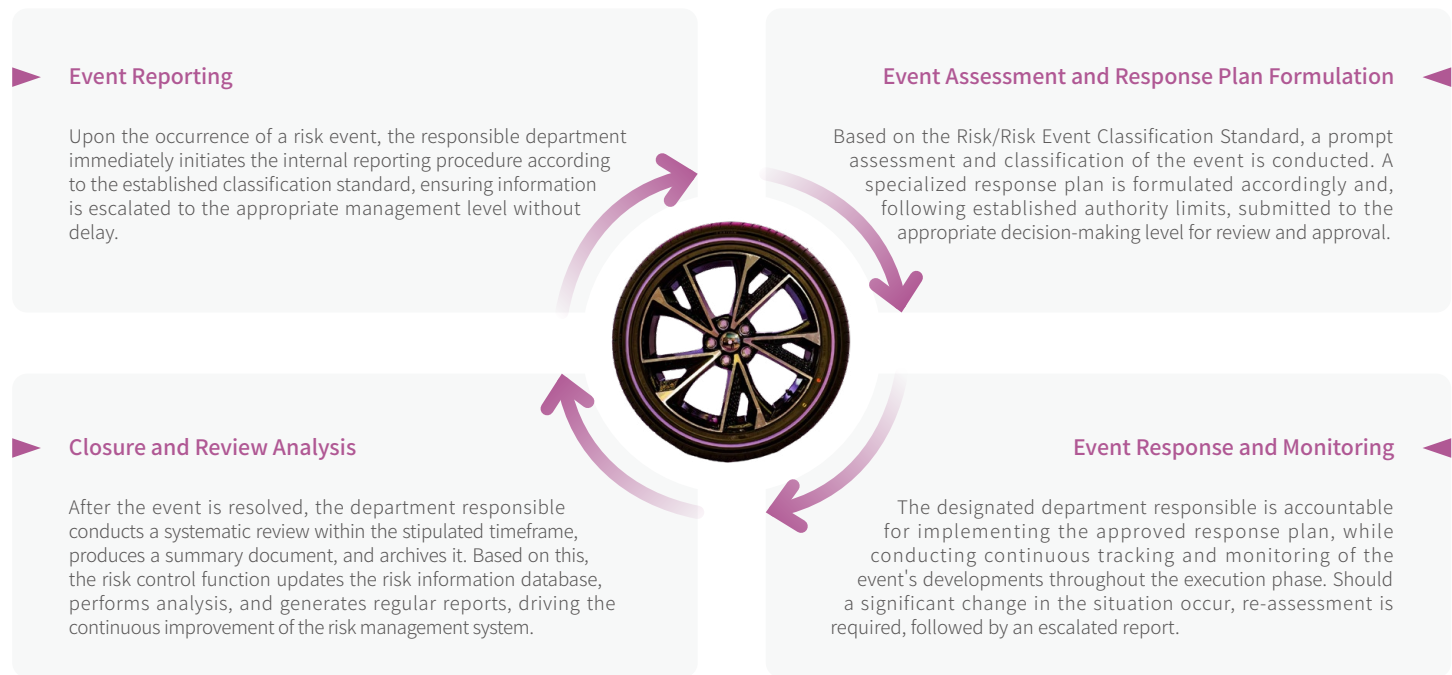
Risk Monitoring

A "dual-track monitoring" system linked to performance assessments is implemented. Business units conduct daily tracking, while the Legal and Risk Control Department provides quarterly oversight and issues circulars. The effectiveness of risk management is incorporated into performance evaluations. A closed-loop management process is formed through monthly reporting and review mechanisms, driving continuous improvement.

Full-Process Risk Management Mechanism

Risk Event Management Process

We have established a standardized, closed-loop risk event management process. It is designed to enhance our response capability to major risk events and improve the level of post-event review and corrective action, ensuring the entire incident handling procedure is traceable, assessable, and continuously optimized.



In 2025, we launched a pilot program for a comprehensive risk review of key business processes. We completed full risk assessments for departments including the Procurement Center, Information Center, Logistics Center, and the Legal and Risk Control Department, identifying a total of 273 high, medium, and low-level risks, along with 42 key work items. A quarterly tracking mechanism was established to follow up on their management and control. Building on this, we concurrently refined the Group's risk matrix, established a historical risk database, and integrated internal and external risk information collection channels, gathering over 200 historical risk data points. By conducting risk-oriented audits across production, sales, R&D, and functional departments, we effectively rectified internal control deficiencies.

While strengthening institutional development, we continued to promote the "Risk and Compliance Updates" and "Risk and Compliance Lecture Hall" columns and conducted specialized risk control and empowerment training for business departments, continuously enhancing all employees' risk awareness and compliance consciousness.

Sailun Group 2025 Risk Control Specialized Empowerment Program



To strengthen the risk identification and response capabilities of frontline personnel and fortify the first line of defense in risk management, Sailun Group systematically implemented the "Risk Control Specialized Empowerment Program" in 2025, targeting key departments such as the Procurement Center, Logistics Center, and Information Center. The training covered a series of topics including risk management, trade sanctions and compliance risks, and software compliance risks. Through deep interpretation of regulatory policies, analysis of typical industry violation cases, and business scenario simulation discussions, we systematically break down specific risk control requirements and embed operational procedures into key business processes such as procurement sourcing, cross-border logistics, and information system operations. This enables business personnel to clearly grasp risk identification points, compliance operation standards, and emergency response pathways. This initiative drives the transition of risk management from "backstage control" to "front-end prevention," significantly enhancing frontline employees' compliance awareness and risk handling capabilities, thereby supporting the Group's stable operations.



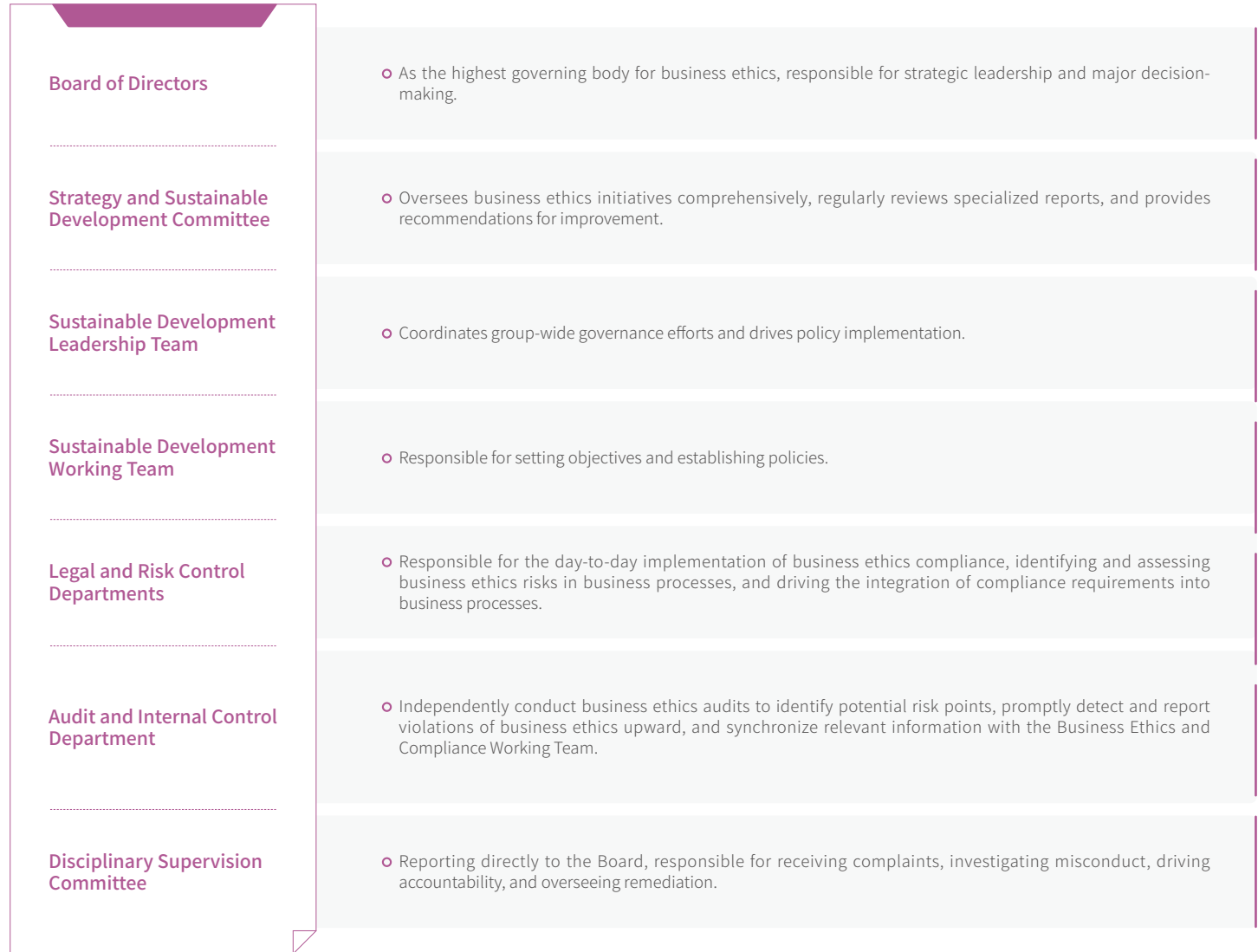
Business Ethics

Sailun Group adheres to the business principle of "integrity as the foundation" and continuously improves its business ethics governance system. Through a sound institutional framework, stringent audit supervision, in-depth cultural cultivation, and unimpeded whistleblowing channels, we foster a clean and upright business environment both within the Group and in its external engagements.

Anti-Commercial Bribery and Anti-Corruption

Sailun Group strictly adheres to the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, and all applicable laws and regulations in its operational jurisdictions. Core internal policies, including the Business Ethics Handbook and a Notice on the Establishment of a "High-Voltage Line", have been established Group-wide. Any form of corruption, bribery, fraud, conflict of interest, or similar misconduct is strictly prohibited.

We have established a business ethics governance architecture characterized by clear authority and responsibility, defined hierarchy, and efficient collaboration. Through a governance system of "Board leadership, Committee supervision, functional department execution, independent audit verification, and disciplinary closed-loop handling," we ensure that integrity and compliance requirements are embedded throughout the entire process of Group decision-making, execution, and oversight.



Business Ethics Governance Structure

In 2025, Sailun Group comprehensively promoted the dissemination and signing of the Business Ethics Handbook. We utilized an online learning platform to communicate the handbook's requirements, ensuring every employee clearly understood the code of conduct and compliance boundaries. This effort achieved a 100% signing rate from all Group employees, including staff at factories, subsidiaries. Building on this foundation, we conduct comprehensive business ethics audits across all operational locations and business lines every three years. This year, in accordance with the Group Internal Audit Management Regulations and the Business Ethics Handbook, we carried out multiple rounds of specialized business ethics audits. These audits covered key areas such as procurement, marketing, communications, supply chain, and anti-corruption policies. Through walk-through tests, sampling inspections, and data analysis, we verified the compliance of critical business processes. A total of 4 key audit projects were completed throughout the year, with no significant business ethics risks identified, achieving a 100% audit remediation closure rate.

We deepened efforts to foster integrity awareness among all employees. We organized 11 integrity awareness sessions throughout the year, covering new graduate hires, and senior, middle, and junior-level employees across the Group and all factories. We also conducted anti-corruption compliance training, achieving a 100% coverage rate for all employees, which effectively enhanced their capabilities to identify and prevent corruption risks.

Employee Business Ethics Training Coverage Rate

100%

Business Ethics Training Coverage Rate for Directors and Management Personnel

100%



"Building Robust Anti-Corruption Defenses to Support High-Quality Development" – Specialized Anti-Corruption Training



In 2025, Sailun Group organized specialized anti-corruption training under the theme "Building Robust Anti-Corruption Defenses to Support High-Quality Development." The training was conducted in a combined "online + offline" format, achieving 100% participation from the board of directors, management, and all employees. The content focused on key issues such as commercial bribery, conflicts of interest, supplier management, and compliance risk identification. Through real-case analysis, policy interpretation, and scenario simulations, the training systematically explained relevant anti-corruption laws, regulations, and internal codes of conduct. This initiative strengthened employees' fundamental understanding of and commitment to maintaining integrity in their work.



To strengthen supply chain integrity management, Sailun Group systematically advanced its supplier compliance governance in 2025, comprehensively updating the Supplier Code of Conduct. Commercial ethics requirements have been integrated into the supplier onboarding process and ESG due diligence procedures, achieving compliance standardization and frontloading of compliance expectations. Simultaneously, during the reporting period, the Group conducted 30 dedicated training sessions on commercial ethics for suppliers, continuously enhancing suppliers' compliance awareness and performance capabilities, and fostering shared value alignment. Building on this foundation, Sailun Group established an audit mechanism covering the entire procurement lifecycle, focusing on critical stages including requirement approval, supplier selection, contract execution, and payment and acceptance. Multiple rounds of targeted audits were carried out using a risk-based approach combining sampling, walkthrough testing, and data analytics to identify potential risk areas. Identified issues were systematically recorded in a closed-loop tracking system for corrective actions, ensuring the compliance, transparency, and efficiency of procurement activities, and continuously reinforcing an ethical, trustworthy supply chain ecosystem.

Category	Targets	Progress in 2025
Business Ethics	By 2030, all tire factories within the Group eligible for certification shall obtain anti-bribery management system certification.	During the reporting period, the Qingdao, Dongying, Shenyang, and Weifang factories have all successfully obtained ISO 37001 Anti-Bribery Management System certification.

Anti-Unfair Competition

Sailun Group strictly complies with laws and regulations such as the Anti-Unfair Competition Law of the People's Republic of China. In 2025, the Group added explicit management requirements prohibiting unfair competition in its Business Ethics Handbook, further integrating the principle of fair competition into its daily operations. Through the Employee Handbook and the Business Ethics Handbook, the Group clearly prohibits all forms of unfair competition. Moreover, it rigorously reviews agreements via a full lifecycle contract management system within business processes to mitigate risks at the source. During the reporting period, the Group was not involved in any litigation or material administrative penalties related to unfair competition.

Violation Whistleblowing

We encourage and protect internal employees and external partners in raising legitimate concerns, ensuring that all reports are addressed in a timely, impartial, and professional manner, thereby continuously promoting a sound business environment.

In accordance with the Working Rules for the Discipline Supervision Committee, the Group has established multiple reporting channels, including a dedicated online reporting page, email (jubatousu@sailuntire.com), a dedicated hotline, and postal mail. These channels are publicly communicated through the official website and internal communications to ensure accessibility. The system clearly defines core principles for protecting whistleblowers, including strict confidentiality and a prohibition against retaliation.

During the reporting period, all reports were centrally received and handled by the Discipline Supervision Committee. Confidentiality requirements were strictly implemented through measures such as limiting information access to a minimal number of designated personnel and assigning dedicated staff to manage reported materials, thereby addressing whistleblowers' concerns. The Committee conducted independent investigations into all reports received and took appropriate action based on the findings. The reporting mechanism operated efficiently, with special oversight carried out in several key business areas, and all reported matters were resolved with a 100% case closure rate.



Information Security

Sailun Group places high importance on information security and privacy protection. In 2025, the Group continued to deepen its information security governance framework, establishing a structure built on "compliance foundation, technology enablement, and collaborative defense" to comprehensively ensure business continuity, the security of data assets, and customer privacy. During the reporting period, the Group was awarded the DCMM Level 3 certification by the China Information Technology Industry Federation. We continue to refine the management mechanism for the full lifecycle of data assets, solidify our data foundation, and strive to build a "Digital Sailun" that is future-oriented and better aligned with industry development requirements.

The Group strictly complies with the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and all applicable laws and regulations in its operating locations. We have continuously improved our internal policy system, including the Management Regulations for Domestic Customer Master Data of the Sales Center and the Management Regulations for International Market Customer Data Maintenance of the Sales Center, strengthening full-chain management of customer privacy protection, proactively mitigating data security risks, and safeguarding customer information security. During the year, the Group formulated and implemented multiple internal regulations, including the Group's Regulations on Information Confidentiality Management, which clarifies requirements for confidentiality management, access control, emergency response, and accountability. Responsibility for confidentiality has been integrated into the reward and discipline system outlined in the Employee Handbook, achieving systematic and standardized confidentiality management.

In 2025, Sailun Group further optimized the top-level structure of its information security management. A global cybersecurity coordination and governance mechanism was established to formulate and implement information security strategies and plans, oversee the effective operation of the security management system, and enhance the Group's overall cybersecurity governance and risk prevention capabilities. A dedicated information security team was set up to oversee technical protection, policy implementation, and daily monitoring. A cross-departmental collaboration mechanism was also built, clearly defining the specific responsibilities of the Legal, Human Resources, Procurement, and various Business Centers in areas such as compliance review, personnel management, and supply chain security. This has enabled vertical integration from top-level design to frontline execution and horizontal collaboration across functions, driving a shift in security management from passive response to active defense and operational validation. During the reporting period, the Qingdao Plant was awarded the title of "Demonstration Enterprise for Trade Secret Protection" by the Qingdao Area of China (Shandong) Pilot Free Trade Zone.

Based on clearly defined strategic objectives and governance structure, the Group established a closed-loop risk management system of "regular scanning + targeted testing + emergency response." Through the deployment of intelligent protection technologies, conducting realistic drills, and deepening organization-wide security awareness, the Group ensures the coordinated implementation of information security and privacy protection efforts at the institutional, technological, and execution levels.

Information Security Initiatives

- AI Unattended Operation and Maintenance:** Leveraging the "Eco-Rubber Cloud" platform, an AI-driven intelligent operation and maintenance system with "cloud-edge-device" collaboration has been built. This enables 24/7 proactive threat monitoring, automatic blocking of abnormal IP addresses, automated virus scanning and removal on endpoints, and automated reporting of security incidents.
- "Eco-Rubber Cloud":** Core security enhancements were implemented on the "Eco-Rubber Cloud" platform. By integrating "image scanning" and "component vulnerability detection," development vulnerabilities were effectively blocked. Continuous behavior monitoring further established a dynamic protective barrier.
- Full Lifecycle Security Management System:** A full lifecycle security management system has been established, covering architecture planning, development and design, deployment testing, security operations, penetration testing, offensive and defensive drills, and emergency response. Through regular group-wide security scanning and the maintenance of a risk register, closed-loop management has been achieved. Building on this, a comprehensive security assessment is conducted every six months, supplemented by two specialized penetration tests, forming a continuously improving security protection mechanism.
- Internal and External Audits:** A comprehensive audit system has been implemented to strengthen compliance oversight. A dedicated task force conducts annual internal audits covering key areas such as policy implementation and software/hardware protection. Additionally, external authoritative organizations are engaged to perform independent compliance audits.

Emergency Response Initiatives

- Offensive and Defensive Drills:** Third-party professional vendors were engaged to conduct a week-long, full-scale penetration test and live-fire offensive and defensive exercise to test and enhance the effectiveness of the defense system.
- Emergency and Phishing Drills:** Regular emergency response drills and phishing email simulations for all employees are organized to improve overall emergency response capability and staff vigilance.
- 24/7 Emergency Response Team:** A dedicated 24/7 emergency response team has been established, conducting quarterly emergency drills and subsequent reviews for continuous optimization.
- Third-Party Strategic Collaboration:** Strategic partnerships have been formed with professional security vendors based on a model of "complementary capabilities and co-built ecosystems," integrating specialized resources to construct a multi-layered defense system.

Privacy and Data Security Protection Initiatives

- Core Data and Business Resilience:** An active isolation "safe harbor" disaster recovery architecture has been established for core business systems. Critical production data from factories worldwide is synchronized to the Group's disaster recovery center to ensure business continuity.
- Technology-Based Control:** Through measures such as unified endpoint management, mandatory bastion host access, and full-link log auditing, data leakage risks are systematically mitigated.
- Global Standard Implementation:** The mature security management system and standards developed domestically have been extended to all overseas factories, achieving unified global information security protection.

Information Security Risk Culture Development

- Company-Wide Training:** Security policies and codes of conduct are communicated to all employees. Mandatory online courses and standardized tests are deployed via a digital platform, using assessments to reinforce learning and solidify organization-wide compliance awareness and knowledge.
- Training for All Information Center Staff:** Specialized training is conducted focusing on the latest threat landscape, internal security policies, and advanced protection practices. This enhances the ability to identify complex cyberattacks and respond effectively, while strengthening security operation protocols for critical roles.
- Training for New Graduate Hires:** Information security training for campus recruits covers the protection of Group information assets, daily office security, and cybersecurity prevention, embedding security awareness from the outset of their careers.

Sailun Group continues to advance the certification of its ISO 27001 Information Security Management System and ISO 27701 Privacy Information Management System. Currently, the Qingdao facility has obtained certifications for both the ISO 27001 and ISO 27701 systems. The relevant management system standards are uniformly followed and implemented across all domestic and international factories within the Group. During the reporting period, no information security incidents or customer privacy breaches occurred.

01

02 ECO-PLANET

Leading the Low-Carbon Transition

⊗ Climate Response ⊗ Environmental Management ⊗ Green Operations

Sailun Group firmly believes that green development is the only path to the future. Environmental protection has been deeply embedded in our strategy and operations as we continuously refine our management practices. We are committed to continuous improvement in compliance-based emission reduction, resource conservation, and ecological harmony. Simultaneously, we actively address climate change by advancing energy management and sustainable product innovation to implement low-carbon transition initiatives, collaborating with all stakeholders to create a shared green future.

UN SDGs:



03

Climate Response

Sailun Group actively responds to the national "Dual Carbon" goals by identifying risks and opportunities through scenario analysis. Energy management and the application of green materials have been incorporated into its strategy. The Group deploys various initiatives around sustainable development goals to continuously enhance its climate response capabilities.

Governance

In terms of climate change governance, Sailun Group strictly advances relevant work in accordance with the Sailun Group Policy on Responding Strategy to Climate Change, fully integrating climate change issues into the Group's sustainable development governance framework. The Board of Directors bears the highest supervisory responsibility for related matters. The Strategy and Sustainable Development Committee provides strategic decision-making support. The Sustainable Development Leadership Team is responsible for reviewing climate performance and planning response measures, while Strategic Management Office of Sustainability promotes the implementation of initiatives and the coordination of targets, reporting progress to management on a regular basis. The Sustainable Development Working Team, composed of business departments, is responsible for the execution and reporting of specific tasks.



Climate Governance Structure



Board of Directors

- Holds the highest governance and oversight authority on climate-related matters



Strategy and Sustainable Development Committee

- Monitors and evaluates the Group's long-term strategy for tackling climate change and supports the Board in decision-making and oversight



Sustainable Development Leadership Team

- Reviews the Group's performance on climate-related issues and proposes measures for managing climate risks and opportunities



Strategic Management Office of Sustainability

- Drives the implementation of climate risk response measures and organizes actions to achieve climate goals
- Conducts organization-level greenhouse gas inventory and product carbon footprint accounting
- Develops policies for tackling climate change, establishes a climate risk management structure, and identifies climate-related risks and opportunities



Sustainable Development Working Team

- Organizes and implements the special action plan for the Group's climate change issues and reports work progress to management as required

Strategy

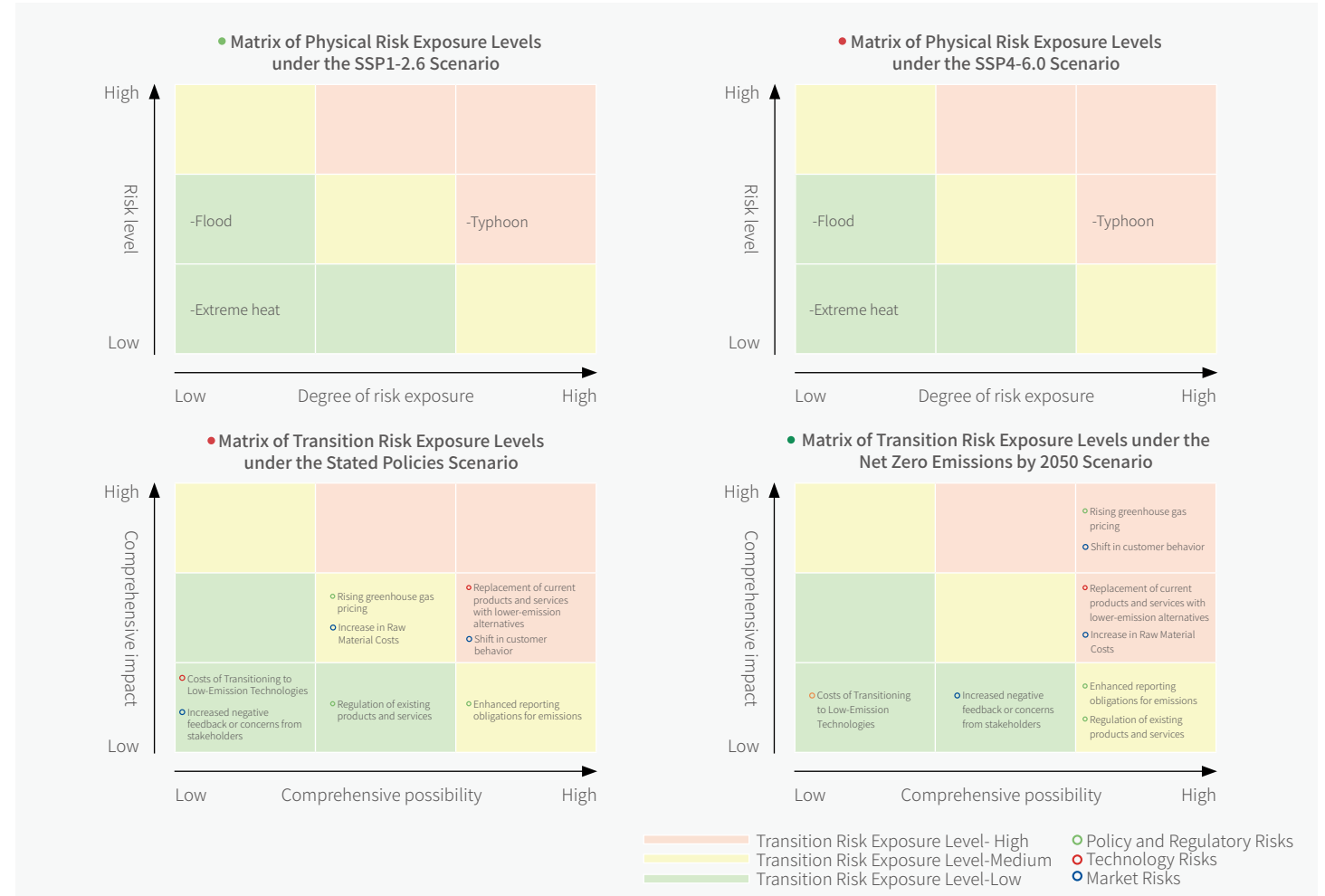
Sailun Group has integrated climate change response into its core strategy and, in accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD), completed the identification and assessment of climate-related risks and opportunities. The assessment covers the production and sales segments of the Group's core tire business^{6,7} and analyzes the potential impacts of various risks across three time horizons: short-term (within one year), medium-term (within five years), and long-term (more than five years). To comprehensively assess the potential impacts of risks, scenarios covering different warming and transition pathways were selected as the basis:

Physical Risks	SSP1-RCP2.6	SSP4-RCP6.0
	SSP1-RCP2.6 (low emission scenario): Achieves net-zero emissions after 2050 through coordinated mitigation efforts, with temperature rise controlled to around 1.8° C by 2100	SSP4-RCP6.0 (medium-to-high emission scenario): Assumes continued global development disparities and uneven mitigation efforts, leading to sustained high carbon emissions throughout the century, with projected global temperature rise reaching approximately 3° C by 2100
Transition Risks	STEPS	NZE
	Stated Policies Scenario (STEPS): Reflects future energy and emission trends under current policy frameworks, used to assess the potential impact of existing policies on climate change	A normative pathway proposed by the IEA, requiring the energy sector to achieve net-zero emissions by 2050 without relying on external offsets

⁶ Scope of Business Covered by Climate Risk Identification: Production and sales of passenger car radial tires, commercial vehicle tires and off-the-road tires. Investment holding and similar businesses are excluded.

⁷ Scope of Operational Locations Covered by Climate Risk Identification: Qingdao Factory, Dongying Factory, Shenyang Factory, Weifang Factory, Vietnam Factory, Vietnam ACTR Factory, and Cambodia Factory.

We assess the comprehensive impact of entity risks based on risk levels and exposure degrees. The comprehensive impact of transition risks is evaluated through likelihood and influence. The identified results are as follows:



Comprehensive Impact Matrix of Climate Risks

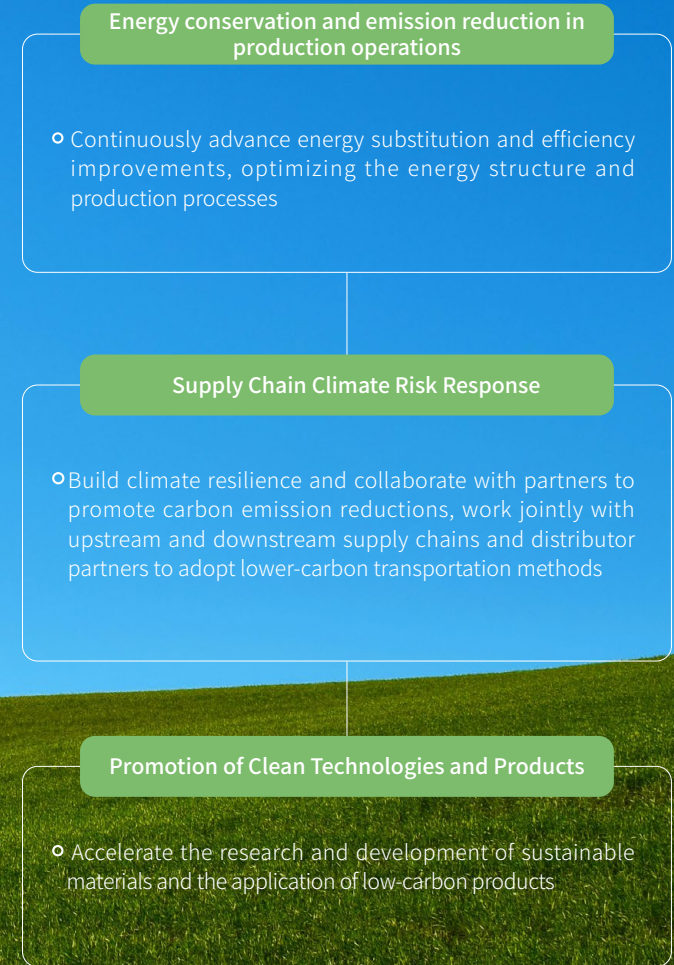
Risk Category	Specific Risk	Impact Period	Impact Description	Response Measures	
Physical Risks	Typhoon	Short-to-Medium Term	Typhoons may damage production and laboratory equipment, disrupt supply chain logistics networks, and trigger environmental risks due to hazardous material leaks, thereby increasing operating costs and compliance pressures	<ul style="list-style-type: none"> Reinforce infrastructure such as factories and warehouses to enhance wind resistance ratings Establish multi-channel procurement and flexible logistics mechanisms to ensure supply stability 	
	Flood	Medium-to-Long Term	Floods may cause damage to factory equipment and interrupt supply chains, while secondary disasters may increase environmental governance risks, leading to higher operating costs and production delays	<ul style="list-style-type: none"> Strengthen emergency response capabilities by developing contingency plans and conducting regular drills Reinforce factory facilities and optimize drainage systems to enhance flood prevention capabilities 	
	Extreme Heat	Medium-to-Long Term	Sustained high temperatures may threaten employee health, increase water and electricity loads, and compromise the stable operation of infrastructure, posing challenges to business continuity and operational efficiency	<ul style="list-style-type: none"> Develop heat stress protection protocols for operations to safeguard employee health Intensify inspections of critical equipment such as power supply and air conditioning systems to ensure stable facility operations 	
Transition Risks	Policy and Regulatory Risks	Rising Greenhouse Gas Pricing	Medium-to-Long Term	If carbon emission costs continue to rise, they may increase energy and operating expenditures in the Group's production processes, creating potential cost pressures	<ul style="list-style-type: none"> Monitor external policy trends timely, refine product carbon management requirements, improve carbon disclosure mechanisms, and solidify the foundation for low-carbon development
		Enhanced reporting obligations for emissions	Short-to-Medium Term	Stricter requirements for carbon emission monitoring and disclosure may increase human and resource investments in data management and compliance, while introducing potential non-compliance risks	<ul style="list-style-type: none"> Increase investment in low-carbon technologies and equipment to drive emission reduction upgrades in production processes
		Regulation on Existing Products and Services	Medium-to-Long Term	Higher environmental standards for tires will drive adjustments in product technology, increasing research and development and compliance expenditures; failure to respond adequately may affect market access and product compliance	<ul style="list-style-type: none"> Prioritize cooperation with environmentally compliant suppliers to jointly build a green supply chain
	Technology Risks	Replacement of Current Products and Services with Lower-Emission Alternatives	Medium-to-Long Term	Developing low-carbon new products may require corresponding R&D resources and adaptive modifications to existing production lines, thereby increasing capital and technical pressures to some extent	<ul style="list-style-type: none"> Optimize product design and production processes, and promote low-carbon materials and clean technologies Collaborate with the industry to conduct R&D on new materials to reduce carbon emissions throughout the product lifecycle
		Costs of Transitioning to Low-Emission Technologies	Short-to-Medium Term	The application of energy-saving or clean production technologies typically involves significant upfront investments, which may impact the enterprise's short-term cash flow	<ul style="list-style-type: none"> Improve carbon data monitoring to enhance energy efficiency and the precision of emission management
	Market Risks	Shift in Customer Behavior	Short-to-Medium Term	As market preference for green tires gradually strengthens, it may prompt the Group to accelerate product structure upgrades, imposing higher requirements on R&D response speed and market adaptability	<ul style="list-style-type: none"> Monitor market and policy trends to enhance product R&D response capabilities Actively respond to market demand for green and low-carbon products to solidify the product foundation for sustainable corporate development
		Increase in Raw Material Costs	Medium-to-Long Term	If environmental policies promote the use of green raw materials or if carbon costs are transmitted through the supply chain, prices of major raw materials may rise, affecting overall production costs and supply chain stability	<ul style="list-style-type: none"> Collaborate with suppliers to control costs and mitigate fluctuations in raw material prices

List of Climate Risks

Opportunity Category	Specific Opportunity	Impact Description	Response Measures
Products and Services	Growing market demand for high-performance and eco-friendly tire products	Drives the upgrade of the product structure towards higher value-added and more environmentally friendly directions, enhances brand advantages, and creates market growth space for the Group	<ul style="list-style-type: none"> Continuously increase investment in clean technology R&D to improve product environmental performance and operational capabilities Provide high-quality eco-friendly tires to enhance consumer recognition
Energy and Resource Efficiency	Increased use of clean energy and improved resource efficiency	Reduces corporate operating costs and carbon emissions by improving energy efficiency and utilizing clean energy	<ul style="list-style-type: none"> Promote the substitution of clean energy in production processes to reduce carbon emissions Enhance internal resource utilization efficiency and collaborate with suppliers to optimize efficiency in raw material usage, logistics distribution, and other links
Resilience	Enhanced ability to cope with climate change	Improves business continuity and stability of the operational system and supply chain under climate-related risks	<ul style="list-style-type: none"> Conduct regular climate risk assessments and formulate corresponding management strategies Build a more resilient supply chain system
Market	Growth in tire demand driven by the promotion of new energy vehicles	Provides clear directions for market growth and business expansion opportunities for relevant company products	<ul style="list-style-type: none"> Closely monitor market trends and adjust product strategies accordingly Strengthen the promotion and brand building of eco-friendly tire products

List of Climate Opportunities

Sailun Group is advancing initiatives across three dimensions—production operations, supply chain collaboration, and low-carbon product innovation—to address climate risks and capitalize on transition opportunities.



Energy Conservation and Emission Reduction in Production Operations

Sailun Group strictly complies with the Energy Law of the People's Republic of China and other applicable energy management laws and regulations in its operating jurisdictions. The Group has established policies including the Energy Management System Manual and the Energy Monitoring and Measurement Control Procedure. During the reporting period, three additional policies were issued: the Energy Usage Management Regulations, the Energy and Energy-Carrying Medium Pipeline Network Management Regulations, and the Provisions on the Allocation of Energy Measuring Instruments. These regulations clarify energy usage standards and operational specifications for each manufacturing stage and standardize the allocation requirements for measuring instruments on key equipment.

We have established an energy management structure comprising top management, management representatives, an energy management team, and relevant functional departments at all operational levels. The responsibilities of members at each level are clearly defined, fostering collaborative efforts to advance energy management. To strengthen the implementation of management practices, we have developed an energy-performance linkage mechanism in accordance with the Energy Baseline and Performance Parameter Control Procedure. The performance evaluations of managers at all levels are linked to indicators such as comprehensive energy consumption per unit product, electricity consumption per unit, and water consumption per unit.

The Group's energy management system spans the entire process of planning, implementation, inspection, and improvement, continuously driving enhancements in management effectiveness. As of the end of the reporting period, all seven factories⁸ under continuous operation by Sailun Group have obtained ISO 50001 Energy Management System certification, achieving a coverage rate of 100%. Furthermore, in compliance with General Rules for the Allocation and Management of Energy Measuring Instruments for Energy-Using Units (GB 17167-2006), energy measuring instruments were allocated to achieve a 100% coverage rate for key energy-using equipment. During the reporting period, building upon the existing ISO 10012 Measurement Management System certification held by four factories in China, the ACTR factory and the Vietnam factory newly obtained this certification, thereby providing a solid metrological foundation for refined management and continuous performance improvement.



Vietnam factory ISO 10012 certification



ACTR factory ISO 10012 certification



Shenyang Factory's Green Electricity Certificates

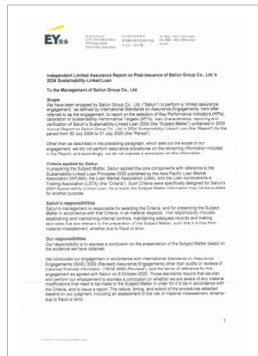


Sailun Group continues to advance the optimization of its energy structure and actively increases the proportion of clean energy usage. In terms of photovoltaic power generation, the photovoltaic projects at the Dongying and Weifang factories have been operating stably, while the Qingdao factory has commenced the construction of the third-phase rooftop photovoltaic project. During the reporting period, the total photovoltaic power generation reached 44.9 million kWh, reducing carbon reductions by approximately 23,800 tonnes. Furthermore, the Qingdao factory and the Cambodia factory utilized over 8,000 tonnes of biomass fuel annually, achieving a carbon reduction of 12,700 tonnes, effectively replacing a portion of fossil fuels and further strengthening the factories' low-carbon operations. Additionally, the Group increased its share of green electricity consumption by purchasing Green Electricity Certificates (GECs). The Shenyang factory procured 9 GECs during the year, corresponding to the consumption of 3.717 million kWh of green electricity, which resulted in a carbon reduction of over 1,970 tonnes, thereby promoting the low-carbon transition of production electricity consumption.

⁸ In 2025, we launched new factories in Mexico, Indonesia. The ISO 50001 energy management system certification for these factories will be carried out as scheduled after the completion of the prescribed operational period.

The Group has integrated the concept of sustainable development into all aspects of its production and operations. In the environmental dimension, it has achieved dual breakthroughs in emission reduction effectiveness and carbon asset management capabilities, realizing full-chain circular value creation through solid waste disposal, energy substitution, and carbon asset appreciation. We achieved source emission reductions at the production stage through substituting clean fuels. By leveraging market-based trading of carbon assets, we established a comprehensive management innovation covering carbon emission accounting, asset development, and market trading, marking the first conversion of the Group's carbon assets into tangible economic benefits. During the reporting period, we sold over 12,000 tonnes of carbon quotas through carbon asset trading, generating approximately RMB 861,100 in sales revenue. This initiative not only facilitated the value realization of carbon assets but also established a standardized carbon asset management system for the Group, laying a solid foundation for future carbon asset development and operations.

Sailun Group has actively positioned itself in the sustainable finance sector to empower its sustainable development strategy through financial innovation. We successfully collaborated with Standard Chartered Bank to launch the first sustainability-linked syndicated loan in China's tire industry, innovatively binding the Group's sustainable development goals with financing terms. During the reporting period, two KPIs for the first year of this loan were fully achieved. The implementation results were independently verified by a third-party institution, successfully triggering interest rate concessions and achieving a win-win outcome for both environmental and economic benefits.



To implement long-term energy consumption targets, Sailun Group executed multiple energy-saving projects during the reporting period, covering 100% of its continuously operating tire factories. We continued to expand and deepen the application of Energy Management Systems (EMS), carrying out specialized initiatives focused on process innovation, waste heat recovery, and efficiency improvements for key equipment.

Upgrade the Energy Management System to Enhance Precision Management and Control

case

Sailun Group established and continuously upgraded the Energy Management System (EMS) to conduct real-time monitoring and data analysis of energy media such as electricity, steam, compressed air, and cooling water. During the reporting period, the system's monitoring scope was further expanded to cover ten global factories with over 10,000 data collection points. The system achieved data linkage with the financial system, providing support for refined control of energy consumption and costs. Through dynamic energy optimization and visualized management, the system assisted each factory in improving energy management efficiency and supported management decision-making.

Energy Cascade Recycling and Carbon Reduction at the Source to Enhance Efficiency

case

The Group consistently upholds the concept of a circular economy, and continuously advances retrofitting projects for waste heat recovery and reuse. By efficiently recovering waste heat from sulfur chemical processes, we replace thermal energy generated by fossil fuel combustion while meeting heating demands in both production processes and employee living scenarios. This achieves closed-loop cascade utilization of energy, reducing fossil fuel consumption and greenhouse gas emissions at the source. Upon project implementation, significant results were achieved in energy saving and carbon reduction. Annual self-consumed steam savings reached 10,626 tonnes, with carbon emission reductions exceeding 3,000 tonnes. These outcomes have significantly improved the Group's energy efficiency, providing core support for achieving annual carbon reduction targets and offering a mature practical pathway for source-level carbon reduction in tire manufacturing.

Focus on Key Equipment and Implement Energy-saving and Carbon-reduction Upgrades

case

Sailun Group continued to advance technical retrofitting for energy saving by upgrading equipment and optimizing systems to reduce energy consumption. In the Dongying Factory, special retrofitting was carried out on tire bead equipment. By replacing high-precision transmission components and optimizing control and speed regulation systems, unnecessary start-stop cycles were reduced by more than 60%, resulting in annual electricity savings of approximately 9,490 kWh. In the Shenyang Factory, lean transformation was implemented for the compressed air system through optimized pipeline connections and upgraded automatic control devices, achieving annual electricity savings of 568,000 kWh. These measures effectively improved energy utilization efficiency and reduced the carbon footprint of production.



Compressed Air System Retrofitting at Shenyang Factory

Establish a Lean Energy Management System and Explore Pathways for Energy Conservation and Carbon Reduction



As the leading enterprise in China's tire industry, the Group proactively assumes its leadership responsibility for driving low-carbon transformation across the sector. The Group has implemented a dedicated "Steam Consumption Reduction" initiative at multiple overseas tire manufacturing facilities. Focusing on enhancing steam energy efficiency during the vulcanization process, the Group deployed standardized and replicable technical retrofitting solutions. This approach achieved breakthrough results in energy conservation and carbon reduction across the entire Group, establishing a new benchmark for large-scale energy retrofitting within the tire industry.

During this special campaign, addressing core energy consumption challenges in the vulcanization process, the Group adopted high-performance insulation materials and innovative structural designs. These measures included implementing innovative fully enclosed thermal insulation for vulcanizing machines and comprehensive coverage insulation for mold shells, effectively suppressing heat loss from equipment surfaces. Simultaneously, the level control valve system was upgraded to enable precise condensate discharge and efficient steam retention, significantly reducing ineffective steam leakage and losses. By minimizing thermal losses throughout the entire process—from steam transmission to production utilization—the overall thermal efficiency of the vulcanization system was comprehensively enhanced. Following project implementation, specific steam consumption per unit of vulcanization output decreased in a stepwise manner. The initiative saved 49,300 tonnes of steam annually and reduced carbon emissions by over 14,600 tonnes. Overall steam consumption was effectively curtailed, thoroughly validating the replicability, stability, and economic viability of the retrofitting solution. This practice not only facilitated the Group's own low-carbon transformation but also drove an improvement in the overall energy efficiency levels of the tire industry, steadily advancing China's tire sector toward high-quality development characterized by green and low-carbon principles.

Furthermore, we consistently enhance employees' awareness of energy conservation through various initiatives, including organization-wide energy-saving training, posting of energy-saving reminders, and specialized recycling campaigns for recyclable materials such as plastic bottles. This integrates low-carbon principles into daily operations and collectively drives improvements in energy consumption management.

Supply Chain Climate Risk Response

We are committed to building a green and resilient supply chain system, collaborating with value chain partners to address climate risks, enhance climate resilience, and seize opportunities for low-carbon transition.

Supply Chain Climate Risk Management

- **Risk Assessment and Route Optimization:** Conduct regular climate risk assessments at all nodes of the supply chain and continuously optimize supplier layout and logistics route design to strengthen supply chain resilience.
- **Emergency Response:** Establish and implement rapid response mechanisms for extreme weather and other climate events, prioritizing the transportation of critical materials and urgent orders to mitigate the risk of operational disruptions.

Strengthening Green Supply Chain Management

- **Accession and Evaluation Guidance:** Incorporate carbon emission-related indicators into supplier accession, evaluation, and assessment processes, increase their weighting, and prioritize partners with superior environmental performance.
- **Data Management and Collaborative Carbon Reduction:** Formulate supply chain climate goals and action plans, regularly review progress, and report to stakeholders; simultaneously, collect and monitor carbon emission data from key suppliers, encourage them to conduct carbon accounting, and implement carbon reduction measures. During the reporting period, we completed the third-party verification of Scope 3 greenhouse gas emissions for the year 2025, providing data support for suppliers to implement emission reduction measures and optimize internal procurement decisions.

Innovating Land-Sea Intermodal Transport to Achieve a Win-Win in Green Logistics Value



Sailun Group has consistently adhered to the sustainable development philosophy of synergizing economic and environmental benefits. By innovating and implementing low-carbon land-sea intermodal transport solutions, the Group has effectively reduced carbon emissions in logistics operations while optimizing logistics operating costs, thereby achieving dual empowerment through both carbon reduction and cost savings.

Addressing the dual pain points of high carbon emissions and high transportation costs inherent in traditional land transport modes, the Group has prioritized the optimization of transport structures. It has vigorously promoted low-carbon and low-cost transport methods, including sea transport, barge transport, and land-sea intermodal transport. For container port consolidation export operations at the Dongying factory, the Group replaced the original long-distance direct trucking mode. During the reporting period, a total of 218 containers were shipped. This initiative not only reduced carbon emissions in the transportation phase but also optimized the transportation cost per container. Simultaneously, the Group is planning and applying clean energy trucks to reduce carbon emissions and energy costs in logistics from a long-term perspective. This has established an integrated green logistics system combining "carbon reduction, cost reduction, and efficiency enhancement," fulfilling the Group's commitment to sustainable development through green logistics practices.

Promotion of Clean Technologies and Products

As one of the core pathways of our sustainable development strategy, "eco-innovation"⁹ has defined the direction for clean technology development and application. We continue to increase R&D investment in this area, launch low-carbon and sustainable tire products, and verify their environmental benefits through product carbon footprint accounting. Simultaneously, we expand circular solutions such as tire retreading and establish an environmentally friendly product lifecycle management system.

Promotion of Green Products

We have independently developed the EcoPoint³ tire, which utilizes a pioneering liquid-phase mixing technology. Throughout its entire lifecycle—from raw material procurement and tire manufacturing to usage and end-of-life processing—we have achieved breakthroughs in making the tire product green, low-carbon, and sustainable.

This technology resolves the "magic triangle" challenge, wherein rolling resistance, wet grip, and wear resistance cannot be improved simultaneously. By applying this technology, the rolling resistance and anti-wet-slip performance of EcoPoint³ passenger car tires both achieve Level A, the highest rating under EU labeling regulations. Furthermore, EcoPoint³ truck and bus tires are the first products to receive the AAA rating under the Tire Grading Standards issued by the China Rubber Industry Association. Additionally, EcoPoint³ tires have obtained authoritative certifications including TÜV Mark and VECTO, as well as the China Green Product Certification, verifying their superior performance in environmental protection, energy conservation, and emission reduction.

EcoPoint³ Tires Awarded "GOOD" Rating in European Authoritative Evaluation

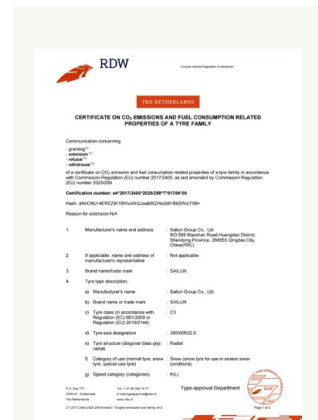


During the reporting period, in the latest all-season tire test conducted by the authoritative European automotive media "Auto Bild," Sailun Atrezzo 4Seasons Ultra tires were awarded the highest "GOOD" rating and ranked first among participating Chinese brands.

Leveraging the Group's independently developed EcoPoint³ technology and innovative tread design, these tires demonstrated balanced and outstanding performance in safety attributes such as dry and wet braking and cornering grip, as well as in comprehensive attributes including rolling resistance, wear, and noise. These evaluation results validate the Sailun Group's innovation capabilities in R&D for high-performance and energy-saving environmental technologies in the tire industry.



TÜV Mark Certificate



VECTO Certificate



China Green Product Certification Certificate



⁹ Regarding the "eco-innovation" and sustainable development strategy, please refer to the "Sustainable Development Strategy" section of this report.



Product Carbon Footprint Management

Sailun Group actively responds to the national "Dual Carbon" strategy and systematically advances product carbon footprint management to scientifically quantify and continuously optimize the full lifecycle carbon emissions of its products.

During the reporting period, we established a full lifecycle product carbon footprint accounting model covering the passenger car radial tires, commercial vehicles tires, and off-the-road tires. Multiple product series have been accounted for, key emission reduction links were precisely identified, and support was provided for low-carbon product design and green transformation of the supply chain.

Simultaneously, we deeply participated in the co-construction of the industry carbon management system. As a primary participating unit, we promoted the compilation, publication, and implementation of the standard: T/SDXJ 001-2024 Guidelines for Carbon Footprint Accounting and Reporting of Products Tires. We also contributed to the drafting of the national standard Greenhouse gases - Carbon footprint of products - Requirements and guidelines for quantification - Tyre and related industry guidelines. Furthermore, as one of the first batch of pilot units in China, we participated in the tire product carbon labeling certification work organized by the State Administration for Market Regulation. Invited by the competent authorities, we served as the sole representative of the tire industry at a symposium on product carbon footprints, sharing practical experiences that provided valuable references for the standardization and improvement of the industry carbon management system.

Circular Economy Practices

As the first "China Tire Resource Recycling Demonstration Base," Sailun Group is committed to innovating tire recycling technologies and continuously enhancing resource recovery rates.

Beijing Public Transport Integrated Service: Co-creating Green Value for Tires



Sailun Group has established a full lifecycle tire service project for Beijing Public Transport. Adopting an integrated model of research, production, sales, and service, the project is deeply aligned with operational characteristics, covering new tire adaptation, in-service maintenance, retreading, and standardized scrapping across all stages to facilitate efficient utilization and compliant disposal of tire resources.

Tailored products are provided for diverse operational scenarios. By combining on-site services, standardized management, the Tire Full Lifecycle Management System, and the scientific application of retreaded tires, the project achieves comprehensive process monitoring and data analysis, significantly enhancing resource utilization efficiency.

In practical application, energy-saving and consumption-reduction effects of products such as EcoPoint³ tires have been significant. These efforts strongly support the green and low-carbon operations of Beijing Public Transport, establishing an industry benchmark for green tire services in the public transportation sector.

Risk and Opportunity Management

Guided by the TCFD framework, Sailun Group has fully integrated climate risk management into its overall corporate risk management process. This integration extends to strategic planning, investment and financing decisions, and daily operations to continuously enhance climate resilience and ensure the Group's stable operation.

To ensure the effectiveness of risk management, the Board of Directors of Sailun Group is responsible for supervising and reviewing the overall progress, major decisions, and outcomes of climate-related risk and opportunity management. Furthermore, the achievement of performance indicators related to climate change has been incorporated into the performance assessments of senior management and department heads to promote accountability.

Risk Identification

- Regularly identify climate-related risks and opportunities for each factory, taking into account external policies, climate change trends, as well as the specific operational realities and business characteristics of each facility.

Risk Assessment

- Evaluate the identified risks by assessing their likelihood of occurrence and potential impact, thereby determining risk priorities and their implications for operations.

Risk Response

- Based on the evaluation results, develop and implement specific response plans. This includes establishing contingency plans to ensure business continuity and integrating climate considerations into long-term strategic planning;
- Drive the organization's low-carbon transition and reduce carbon emissions through sustained investment in green technologies and the implementation of energy efficiency improvements.

Monitoring and Improvement

- Conduct regular reviews and evaluations to monitor the effectiveness of the implemented response measures, and refine the risk management process in response to internal and external changes;
- Organize regular emergency drills and training sessions to enhance the team's awareness of climate risks and their emergency response capabilities.

Climate Risk Management Process

Metrics and Targets

Sailun Group has submitted emission reduction targets to the Science Based Targets initiative (SBTi), committing to integrate climate action across the entire value chain into a science-based decarbonization framework. Aligned with the sustainable development strategy, operational energy conservation and emission reduction targets have been established concurrently. Continued investment in the research and development of clean technologies and green processes will be maintained to advance energy efficiency improvements and carbon emission reductions. During the reporting period, the Group achieved a carbon reduction of 149,700 tonnes through the continued promotion of renewable energy and energy-saving retrofitting of production line equipment. The specific targets and annual progress are detailed as follows:

Category	Targets	Progress in 2025
Energy Consumption	Reduce energy consumption per unit of tire product by 30% from 2022 levels by 2030	<ul style="list-style-type: none"> PCR tires: down 17.54% from 2022 TBR tires: down 19.89% from 2022 OTR tires: down 30.20% from 2022
Carbon Emissions	Reduce carbon emissions per unit of tire product by 30% from 2022 levels by 2030 ¹⁰	<ul style="list-style-type: none"> PCR tires: down 22.94% from 2022 TBR tires: down 24.34% from 2022 OTR tires: down 37.29% from 2022

The greenhouse gas emission data¹¹ for Sailun Group in 2025 are presented in the table below:

Indicator	Unit	2023 ¹²	2024	2025
Scope 1 GHG emissions ¹³	thousand tonnes CO ₂ equivalent	420.17	622.58	1,054.17
Scope 2 GHG emissions ¹⁴ (Location-based)	thousand tonnes CO ₂ equivalent	786.29	825.30	760.90
Scope 2 GHG emissions ¹⁴ (Market-based)	thousand tonnes CO ₂ equivalent	/	/	758.93
Total GHG emissions (Scope 1 + Scope 2) (Location-based)	thousand tonnes CO ₂ equivalent	1,206.46	1,447.88	1,815.07
Total GHG emissions (Scope 1 + Scope 2) (Market-based)	thousand tonnes CO ₂ equivalent	/	/	1,813.10
GHG emission intensity (Scope 1 + Scope 2) (Location-based)	thousand tonnes CO ₂ equivalent / RMB million	0.046	0.046	0.049
GHG emission intensity (Scope 1 + Scope 2) (Market-based)	thousand tonnes CO ₂ equivalent / RMB million	/	/	0.049
Scope 3 GHG emissions ¹⁵	thousand tonnes CO ₂ equivalent	/	4,969.47	6,270.41

¹⁰ Our carbon emission target is based on the year 2022, and each product line is required to achieve a 30% reduction target.

¹¹ The consolidation method of emissions is based on operational control rights.

¹² After publishing the 2023 Sustainability Report, we engaged a third party to verify our 2023 GHG emissions data and issue an assurance report. During the verification process, we updated the electricity emission factors to further enhance data accuracy. As such, the revised 2023 emissions data shall prevail.

¹³ Scope 1 greenhouse gas emissions mainly come from natural gas, diesel, gasoline, liquefied petroleum gas, coal combustion and fugitive sources, with emission factors referenced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories

¹⁴ Scope 2 greenhouse gas emissions mainly come from purchased electricity and steam, with the electricity emission factor referenced from the national average CO₂ emission factor for electric power in the 2023 Announcement on Issuing Carbon Dioxide Emission Factors for Electricity, and the steam emission factor referenced from the Greenhouse Gas Accounting and Reporting Guidelines for Chemical Production Enterprises.

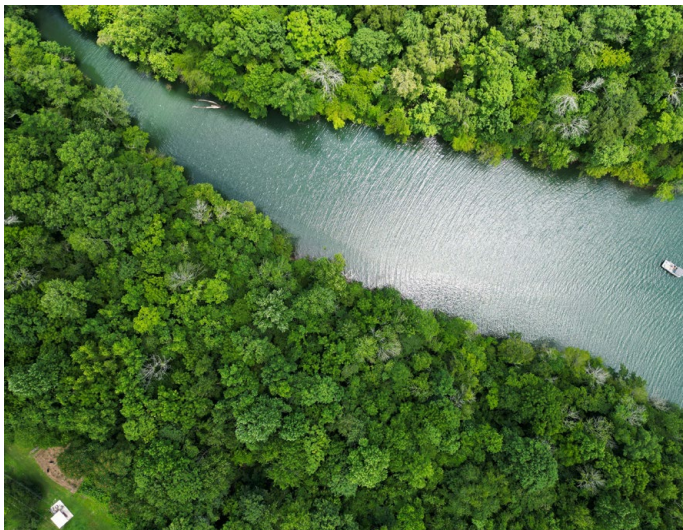
¹⁵ Scope 3 greenhouse gas inventory data covered the following categories: Category 1 Purchased Goods and Services, Category 2 Capital Goods, Category 3 Energy-related Activities (excluding those included in Scopes 1 and 2), Category 4 Upstream Transportation and Distribution, Category 5 Waste Generated in Operations, Category 6 Business Travel, Category 7 Employee Commuting, Category 9 Downstream Transportation and Distribution, and Category 12 End-of-Life Treatment of Sold Products.

Environmental Management

Sailun Group regards environmental compliance as the baseline of its operations, continuously improving its management system, strictly controlling production emissions, and striving to reduce the environmental impact of its operational activities. The Group is committed to fulfilling its environmental responsibilities and contributing to the development of a sustainable ecological environment.

Our Goals

During the reporting period, Sailun Group focused on the core objectives of "strengthening environmental awareness, standardizing solid waste management, and promoting low-carbon development", rigorously implemented various environmental management initiatives, driving deeper and more substantive progress in environmental practices.



Our Governance

Sailun Group has established an environmental management structure comprising the Strategy and Sustainable Development Committee, the Group Sustainable Development Leadership Team, the Production System Sustainable Development Working Team, and the Sustainable Development Working Team at each factory. This framework features clear roles and responsibilities, covering the entire process from strategy formulation to execution, effectively driving the implementation of environmental policies.



Sailun Group Environmental Management Structure

Our Initiatives

Guided by environmental objectives, Sailun Group solidly advances various environmental improvement projects, continuously improves management mechanisms, strengthens compliance foundations, and drives steady enhancements in environmental performance.

Environmental Management

Sailun Group consistently refines its institutional system, strengthens performance guidance, deepens process audits and risk control, and enhance the abilities and literacy of all employees to ensure the effective operation and continuous improvement of the environmental management system.

We strictly comply with the environmental laws and regulations of our operational locations, including the Environmental Protection Law of the People's Republic of China, the Law on Environmental Protection and Natural Resource Management of Cambodia, the Environmental Protection Law of Vietnam and the General Law of Ecological Balance and Environmental Protection of Mexico. Additionally, we rigorously implement internal policies such as the Environmental, Occupational Health, and Safety Management Manual, providing clear execution requirements for environmental management. Building on this foundation, we incorporate indicators such as pollutant emission compliance and emission compliance rates into the performance assessments of factory general managers and heads of safety and environmental departments. The Safety and Environmental Department systematically collects emission data and environmental issues through

regular environmental reviews, ensuring the implementation of environmental objectives and management measures.

During the reporting period, we conducted self-assessments on environmental policy compliance of the Group's subsidiary factories through methods such as document reviews, on-site inspections, and sampling verification. These assessments covered key areas including exhaust gas emissions, hazardous waste management, and the operation of environmental protection equipment. The results provide a clear basis for system optimization and environmental risk management in the following year.

At the same time, we continuously monitor significant environmental factors and major risks through internal management regulations, regularly evaluate compliance with environmental performance indicators, and incorporate the results as one of the bases for adjusting management compensation. In 2025, all factories operational prior to the reporting period¹⁶ carried out environmental risk identification and assessment activities. The efforts covered the entire production and operation process, focusing on multiple levels, including the

implementation of policies, facility operations, and production processes, while further refining specific risk points within the production process to ensure the continuous and effective operation of a standardized environmental risk management system. During the reporting period, the Group's environmental protection investment amounted to RMB 42.16 million.

We conduct on-site review of the environmental management system in accordance with ISO 14001 standards, organizing review meetings and on-site evaluations to ensure continuous compliance of our operations with relevant requirements. Additionally, we engage third-party organizations annually to conduct comprehensive audits of all continuously operating factories¹⁷ based on these standards, verifying the effectiveness of the system's implementation.

Furthermore, we organize environmental training sessions covering all affiliated factories through activities such as policy interpretation, case analysis, and practical exercises. These initiatives are designed to enhance all employees' awareness and capabilities in environmental compliance, energy conservation, and carbon reduction.



¹⁶ In 2025, we commenced operations at our new factories in Mexico, Indonesia. Systematic environmental risk assessments for these facilities will be conducted as planned after they achieve stable, full-capacity production.

¹⁷ In 2025, we commenced operations at our new factories in Mexico, Indonesia. Environmental audits for these facilities will be conducted as planned after they achieve stable, full-capacity production.

Compliant Emissions

Sailun Group strictly complies with the laws and regulations in its operational locations, continuously improves its internal management system, and ensures the compliant management and standard-compliant discharge of pollutants. During the reporting period, we established and improved the Waste Gas Management Regulations, Wastewater Management Regulations, Industrial Solid Waste Management Regulations, and Environmental Protection Project Management Regulations for New, Modified, or Expanded Projects, covering the entire process control of pollutants from generation to disposal, providing a guarantee for consistently enhancing the standardization and long-term effectiveness of the Group's environmental governance.

Wastewater Management

Sailun Group manages wastewater in accordance with the Water Pollution Prevention and Control Law of the People's Republic of China, the Pollutant Discharge Standards for the Rubber Products Industry, the Minister of Env. Decree No. 5 year 2014 Regarding Effluent Standards and the discharge standards of each operational location. Our wastewater mainly includes circulating water discharge and domestic sewage. They are treated through wastewater treatment facilities, and water quality testing is regularly commissioned from qualified third-party institutions. During the reporting period, wastewater discharge from all factories within the Group complied with the legal and regulatory requirements of their respective operational locations.



Waste Gas Management

Sailun Group adheres to the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, the Integrated Emission Standard of Air Pollutants, the Government Regulation no. 22 of 2021 on Environmental Protection, Organization and Management and relevant local emission standards. We implement comprehensive physical and chemical methods to treat pollutants such as VOCs and particulate matter generated during production. Waste gas treatment facilities are equipped with online monitoring systems as required by operational locations, enabling continuous monitoring and tracking of emission data. On this basis, we engaged a third party to conduct quarterly comparative testing to ensure that waste gas management achieves compliant treatment.

In 2025, we continued to advance the upgrading of waste gas treatment technologies. During the reporting period, the Qingdao factory has added multi-stage emulsion spray towers to its existing pollution prevention facilities to reduce pollutant emissions. The Dongying factory completed the upgrade of its waste gas treatment system. To further reduce pollutant emissions from production processes, the factory invested RMB 7.8 million to add multiple sets of emulsion absorption and activated carbon combined treatment technologies, significantly enhancing waste gas purification capacity. Simultaneously, it optimized the emission control system for sulfurization process waste gases, practicing green manufacturing responsibilities through refined environmental management and promoting a deep and substantive low-carbon transformation of the factory. During the reporting period, waste gas emissions from all factories within the Group consistently met the relevant requirements of their operational locations.

Waste Management

Sailun Group strictly implements the laws, regulations, and policy requirements for waste disposal in its operational locations. We have established a waste classification system and standardized disposal processes, implementing full-process management of hazardous waste from generation, storage, to transfer. Each factory develops management plans, ensures the full-lifecycle management of hazardous waste through measures such as maintaining records and standardizing transfer documentation, and commissions qualified third-party entities for compliant disposal to ensure the lawful transfer and treatment of hazardous waste. For general solid waste, we entrust it to professional units permitted by environmental authorities for recycling or incineration for power generation. While improving compliant waste management, we actively promote waste reduction at the source and resource utilization. We set clear waste reduction targets and incorporate them into the annual environmental protection work plan, guiding each factory to reduce waste generation in production through technological improvements, process optimization, and management enhancements.

During the reporting period, all factories within the Group carried out various waste recycling and reduction practices. Regular resource classification and recycling management enabled the large-scale recovery and reuse of solid waste such as waste wood, waste rubber, and scrap metal. During the reporting period, the Qingdao factory utilized waste oil purification equipment to filter used mineral oils for reuse as process oil. This initiative achieved a harmless recovery and disposal volume of 215 tonnes of waste oil, effectively reducing the final disposal volume of hazardous waste. Waste treatment at all factories within the Group complies with relevant requirements in their respective operating locations.

This initiative achieved a harmless recovery and disposal volume of waste oil

215 tonnes



Our Performance

In accordance with the ISO 14001 environmental management system standards, Sailun Group has established an efficient environmental management system and actively promoted environmental certification across its production facilities. As of the end of the reporting period, all seven continuously operating factories of Sailun Group¹⁸ have obtained ISO 14001 environmental management system certification, achieving a 100% certification coverage rate. Meanwhile, wastewater, exhaust gases, and waste materials from continuously and stably operating factories are discharged in compliance with regulations, with no environmental violations or penalties recorded.

01 Qingdao Factory

04 Weifang Factory

02 Dongying Factory

05 Vietnam Factory

03 Shenyang Factory

06 ACTR Factory

07 Cambodia Factory

¹⁸ In 2025, we newly launched and put into operation factories in Mexico, Indonesia. The ISO 14001 environmental management system certification for these facilities will proceed as planned upon completion of the required operational cycles.

Green Operations

Sailun Group integrates green and low-carbon concepts throughout its entire daily operational process, dedicated to achieving efficient resource utilization and circulation. We promote the conservation and recycling of resources such as water and process materials, actively fulfill ecological protection responsibilities, and continuously enhance the green and low-carbon level of operations through practices such as green office management.

Our Goals

Sailun Group is committed to systematically improving resource utilization efficiency and ecological protection levels, continuously advancing sustainable operations. We have established clear water conservation targets: **with 2024 as the baseline, reduce the water consumption per unit of tire product by 15% compared to 2024 by 2030.** Meanwhile, we will continuously improve the recycling rate of packaging and transportation materials, deepen green office practices to reduce energy and resource consumption in daily operations, and actively explore innovative pathways for biodiversity conservation.

Our Governance

The resource conservation, green office management, and biodiversity protection work of Sailun Group are respectively managed by relevant business departments such as the Production Center, the Group Office, and Strategic Management Office of Sustainability. The specific management structure is detailed in "Environmental Management - Our Governance" and "Sustainable Development Governance - Our Governance" of this report.

Our Initiatives

Sailun Group regards reducing resource consumption, minimizing operational carbon footprint, and protecting the ecological environment as the core direction of green operations. Through refined management measures, we comprehensively advance practices in production, office management, and ecological protection to improve resource utilization efficiency and environmental friendliness.

Resource Conservation

Sailun Group continues to refine its water resource management system. During the reporting period, we issued the Provisions on Water Resource Management to standardize the use and management of water resources at the institutional level. This regulation governs the entire process of water withdrawal, usage, recycling, treatment, and discharge across all units, thereby promoting controllable total water consumption, benchmarking efficiency against industry leaders, cascaded utilization of waste heat, and compliant discharge of wastewater.

We actively advance water circulation and water-saving renovation projects across our factories. Through technological upgrades and process optimization, we enhance the efficiency of water resource utilization.

From Passive Descaling to Proactive Prevention: A New Paradigm for Cooling Tower Water Treatment

To address the issue of high hardness in makeup water for cooling towers and the resulting scaling during operation, the Dongying factory installed dedicated softening equipment utilizing ion exchange technology. This effectively removes calcium and magnesium ions from the water at the source, thereby inhibiting scale formation. Following the retrofit, the stability of the cooling tower system has significantly improved. The facility now achieves a daily water saving of 51 cubic meters and reduces system energy consumption by over 7%. These measures not only conserve water resources but also effectively extend equipment service life, achieving a dual improvement in resource utilization efficiency and equipment reliability.



Dongying Factory Water Softening Ion Exchange System

In the management of packaging material resources, Sailun Group has continuously optimized its management practices, dedicated to reducing packaging material usage in tire products and enhancing resource utilization efficiency. By implementing recycling strategies, incentivizing suppliers to use recyclable packaging materials, and promoting automation and technological innovation, the Group reduces packaging waste at the source, establishing a resource-conserving and circular regeneration management model.

Lean Operation Practices: Implementation of Fully Automated Packaging Technology

During the reporting period, the Group practiced the concept of green development through technological innovation, focusing on quality improvement, efficiency enhancement, and resource conservation in the tire packaging process. The Qingdao Factory independently developed a fully automated tire packaging machine, achieving an automated and intelligent upgrade of the entire packaging process to create an efficient green production model.

This equipment features a pioneering modular design based on parametric programming, capable of seamless integration with Warehouse Management Systems (WMS). It automatically adapts to diverse packaging requirements, including full and semi-packaging for tires of all specifications, raising the packaging pass rate to 99% and increasing comprehensive production efficiency by 40% compared to traditional equipment. Equipped with a high-precision visual intelligent decision-making system, it constructs a complete intelligent closed loop from identification to execution and monitoring. With a complete independent intellectual property rights system established, this equipment sets an industry benchmark in the field of automated tire packaging.

Currently, this equipment has been successfully deployed on a large scale in multiple factories, including those in Qingdao, Dongying, Vietnam, and Cambodia. It effectively reduces reliance on manual labor, minimizes packaging material loss, and enhances resource utilization efficiency, driving the transformation of factory operations toward green management through autonomous intelligent manufacturing capabilities.

Increasing

40%

comprehensive production efficiency by compared to traditional equipment



Green Manufacturing Benchmark Practices: Dongying Factory's Circular Empowerment for Sustainable Development

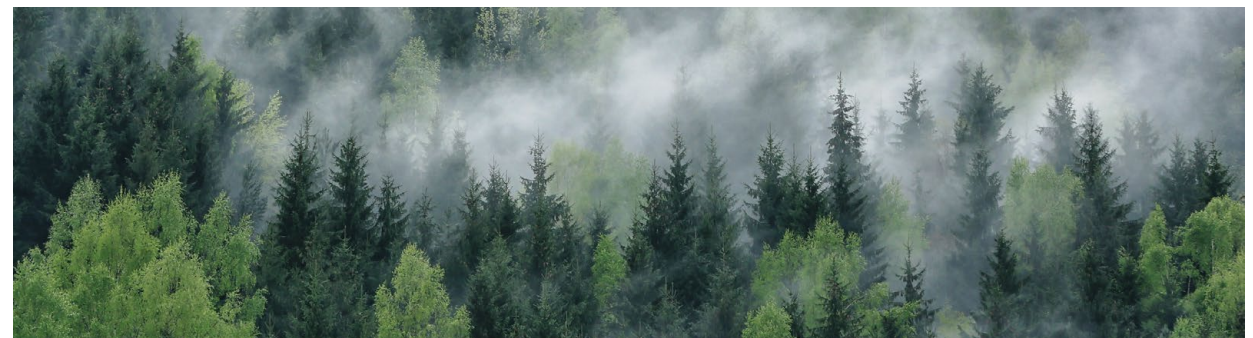
During the reporting period, the Dongying Factory deepened its focus on building a circular economy and green manufacturing system, establishing a comprehensive environmental management system and is committed to building advanced green tire production capabilities. In 2025, it was successfully recognized as a National Green Factory, setting a benchmark for green intelligent manufacturing in the tire industry.

Addressing discarded sheetings generated during the tire production process, the Dongying Factory constructed a full-chain circular management system encompassing "waste recovery, refined processing, quality inspection, and circular reuse." Approximately 130,000 meters of sheetings are recovered daily, effectively mitigating environmental risks associated with traditional landfilling and incineration disposal, significantly reducing solid waste generation, and substantially improving resource recycling efficiency.

In terms of source reduction and control of hazardous waste, the Dongying factory invested 1.2 million RMB in special funds to establish a project for the recovery and recycling of used industrial lubricating oil and waste hydraulic oil. Through regenerative treatment of the discarded oils, the regenerated oils are returned to the production process for reuse, achieving a closed-loop cycle for resource utilization of waste oil. This approach reduces the generation of hazardous waste at the source and strictly prevents the risk of secondary pollution. This initiative further strengthens the enterprise's green manufacturing system across its entire lifecycle and provides a replicable practical model for the tire industry's efforts in reducing, reusing, and sustainably transforming hazardous waste management.



Plastic Sheetting Sorting Machine



Green Office

To institutionalize and popularize the concept of green office practices, Sailun Group launched four quarterly thematic campaigns in 2025: "Low-Carbon Office Season," "Circular Ecology Season," "Climate Empowerment Season," and "Warm Winter Public Welfare Season." These initiatives encompass multi-dimensional measures including double-sided printing, waste battery recycling, allocation of idle assets, green commuting, and water and electricity conservation, effectively reducing resource consumption and carbon emissions. Furthermore, by establishing a carpooling platform and operating shuttle bus services at the Group Headquarters, approximately 1,936 kilometers of travel mileage were reduced monthly. Concurrently, measures such as mandatory double-sided printing have been implemented, cumulatively saving approximately 440,000 sheets of paper and preserving over one hundred trees during the reporting period, thereby demonstrating a concrete commitment to ecological protection responsibilities.

Cumulatively saving paper approximately

440,000 sheets



Biodiversity Conservation

Sailun Group attaches paramount importance to biodiversity conservation throughout the development, construction, and operation phases of projects. Strict adherence is maintained to ecological red lines and environmental access requirements, with all new projects undergoing environmental impact assessments during their development stages.

In tire product research and development, international ecological standards are strictly followed with a focus on biodiversity conservation and hierarchical control of heavy metal substances. Formulas free from heavy metals and eco-friendly additives are prioritized. Trace thresholds for elements such as lead, cadmium, mercury, and hexavalent chromium are established, and a full-process traceability system is implemented. Through optimization of materials and processes, the risk of heavy metal migration is controlled within safe limits, minimizing ecological impacts on soil and water bodies. During the reporting period, continuous efforts were made to advance ecological construction within factory zones and industrial parks, aiming to create green spaces that integrate both ecological benefits and landscape value. Nearly 500 trees, shrubs, and flowers were planted at the Group Headquarters campus. In factories located in Qingdao, Shenyang, and other regions, more than 35,000 trees were planted, and nearly 6,000 square meters of lawn were laid. While improving the ecological environment, these initiatives have fostered a healthier and more livable working environment for employees, integrating green concepts into operational practices.

Safeguarding Aquatic Ecological Security: Sailun North America Partners with 4ocean for Aquatic Ecosystem Restoration



In 2025, Sailun North America partnered with the ocean conservation non-profit organization 4ocean to launch a sustainable project for clean oceans, focusing on responsible management of the entire tire lifecycle. Under this initiative, for every Sailun ERANGE EV¹⁹ tire sold, Sailun North America funded 4ocean's professional teams to remove two pounds of plastic waste from oceans, rivers, and coastlines. During the reporting period, Sailun North America supported the project in cumulatively removing 165,000 pounds of plastic waste from water bodies, directly mitigating the negative impact of plastic pollution on aquatic ecosystems. This effort extends the environmental responsibility of tire products throughout their lifecycle—from manufacturing to ecological restoration—and conveys Sailun's commitment to ecological sustainability to global markets.



¹⁹ ERANGE | EV is a new-generation product developed by Sailun specifically for the electric vehicle market, leveraging EcoPoint³ technology. It represents the global debut of an electric vehicle tire series launched by Sailun in 2022 targeting the North American market. The tire's wet grip performance and rolling resistance performance are both at the forefront of international standards.

Empowering the Future of Communities: Sailun Collaborates with GPSNR to Build a Sustainable Natural Rubber Industry Ecosystem



As a member of the Global Sustainable Natural Rubber Platform (GPSNR), Sailun Group actively responded to the requirements of the shared investment mechanism. It led and partnered with strategic partners in the natural rubber sector to launch the "Sustainable livelihoods and ecological education promotion project for natural rubber smallholders in eastern Thailand" in Thailand. The project invited the Rayong Provincial Office of the Rubber Authority of Thailand (RAOT Rayong) to serve as technical advisors for planting techniques and collaborated with Save the Children Thailand to manage community ecological education, ensuring scientific implementation through professional expertise. Through multi-party collaboration, the project effectively promotes the sustainable development of the natural rubber ecological chain. The project covers 500 rubber smallholder households, 3 schools, and 300 enrolled students in local Thailand.

The natural rubber industry serves as a critical economic pillar for millions of smallholder families in eastern Thailand. Based on this, the project focuses on three precise directions: First, empowering smallholders by conducting training on ecological tapping and compliance for rubber farmers, establishing a compliance consultation network comprising "1 central station + 8 fixed stations + 5 mobile stations," compiling technical materials, and prioritizing support for women and youth to enhance sustainable production capabilities. Second, improving soil quality by designating demonstration plots, distributing soil improvement materials and tools free of charge, promoting ecological planting techniques, optimizing the growth environment of rubber forests, and increasing both yield and income. Third, fostering ecological education by renovating facilities at three schools attended by children of rubber farmers, including Guanghua School and Laizengli School. The project established natural rubber ecological education corners and relevant courses, organized thematic activities, and set up special scholarships to support the growth of rubber farmers' children, thereby building a future for the sustainable development of the natural rubber value chain.



Safeguarding the Boundaries of Green Ecosystems: Supporting Green Forestry Operations and Community Engagement



During the reporting period, MAXAM Tires, a subsidiary of Sailun Group, focused on meeting the ecological needs of the agricultural and forestry sectors by leveraging technological innovation to strengthen environmental protection. Addressing the industry pain point of "soil compaction" commonly encountered in forestry machinery operations—which leads to forest degradation and hinders seedling growth—MAXAM introduced a green solution for forestry tires, and an optimized wide-tread profile design was adopted. Leveraging high buoyancy characteristics to expand the contact area, ground pressure was significantly reduced, thereby preserving the soil pore structure of forests and retaining ecological space for sustainable forest regeneration. Simultaneously, We innovatively adopted steel wire buffer layers and specialized anti-cutting formulation to significantly enhance tire puncture resistance and extend product service life. By reducing tire waste generation at the source through technological innovation, we promote green development in forestry operations.

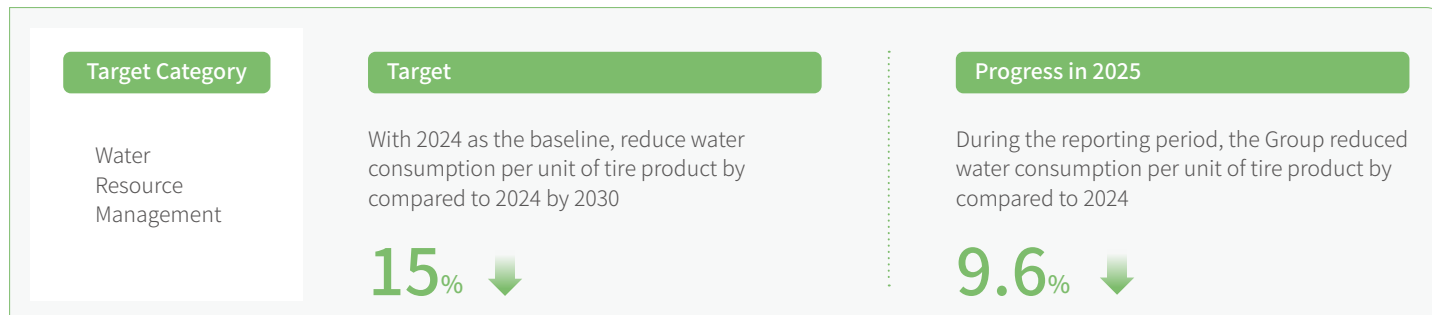
For two consecutive years, MAXAM served as the exclusive tire sponsor, partnering with local distributors to jointly support the "Britain's Fittest Farmer (BFF)" competition initiated by the UK publication Farmers Weekly. The competition covered agricultural practitioners across all regions of the United Kingdom. Through physical challenges related to farming activities, it focused on the physical and mental well-being of farmers, promoting healthy lifestyles within the industry and strengthening community connections. By deeply engaging with the UK agricultural community through this competition, MAXAM not only communicated its product performance advantages but also fulfilled its commitment to agricultural practitioners. This approach achieved a deep integration of brand value and social value, encompassing full lifecycle management from green product design to industrial ecosystem empowerment.



Our Performance

During the reporting period, Sailun Group achieved positive progress in resource management, daily energy conservation and consumption reduction, and biodiversity protection through packaging material recycling, green office initiatives, and biodiversity conservation practices.

All continuously operating factories actively carry out the recycling and reuse of packaging and transportation materials. To date, approximately over 20,000 tonnes of plastic sheeting have been recovered, achieving a carbon reduction of nearly 100 tonnes through reuse. Additionally, 123,300 empty steel bobbin boxes, 137,500 transport boxes, 461,500 plastic and iron pallets, and 146,800 bead wire reels were recovered, which effectively enhancing resource circularity.



03 ECO-PRODUCTION

Delivering Excellence in Intelligent Manufacturing

- ⊗ Quality and Safety
- ⊗ R&D Innovation
- ⊗ Dedicated Service
- ⊗ Responsible Marketing
- ⊗ Supply Chain Management

Sailun Group consistently prioritizes product quality and safety as its primary responsibility, driving product advancement through continuous research and innovation. We value customer needs, are committed to delivering reliable service experiences, and uphold responsible supply chain management. By continuously optimizing our products, services, and partnerships, we strive to build a trustworthy corporate image and create long-term value for the market and society.

UN SDGs:





Featured Topic: Phase I of the East China Intelligent Connected Vehicle Proving Ground Enters Operation, Establishing a World-Class Comprehensive Testing Facility

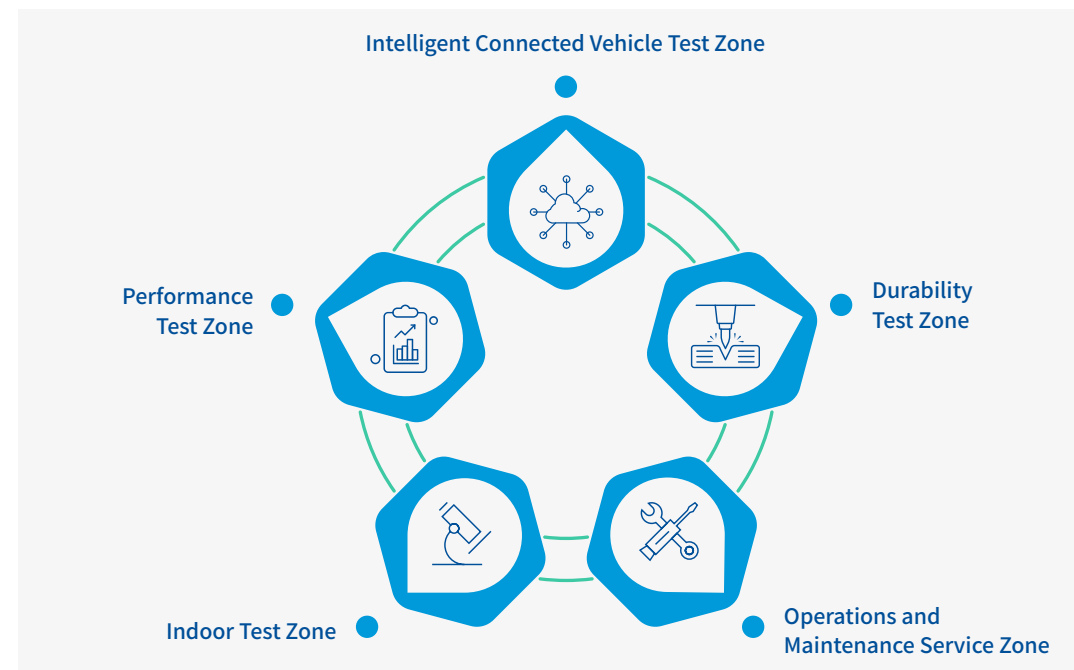
During the reporting period, Sailun Group achieved controlling interest in the East China Intelligent Connected Vehicle Proving Ground through capital injection. The completion and operational launch of Phase I marks a milestone breakthrough in the Group's R&D testing capabilities, fully establishing an end-to-end closed-loop inspection process spanning from tire product design to real-world validation, thereby injecting core technological momentum into the Group's high-quality development.



Aerial view of Phase I of the East China Intelligent Connected Vehicle Proving Ground

Establishing a New Strategic High Ground

The proving ground was established through joint investment by Sailun Group, the Changchun Automotive Test Center Co., Ltd., and China First Highway Engineering Co., Ltd. It is dedicated to building "China's Premier, World-Class" comprehensive proving ground for complete vehicles and components, thereby supporting national automotive industry development and the construction of intelligent transportation systems. The project covers a total planned area of approximately 9,000 mu, with five designated zones and 28 test roads under construction. It encompasses hundreds of typical scenarios for intelligent connected vehicle testing and comprehensive testing facilities, providing all-weather development verification, testing, and inspection services for automobiles and components.



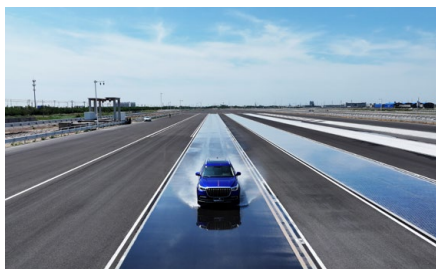
Five Zones of the Proving Ground

Currently, the six test roads and facilities in Phase I have been commissioned. Phase II is advancing steadily. Upon full completion, it will achieve comprehensive coverage for intelligent, performance, and testing capabilities for both complete vehicles and components.

Completed Test Roads



Intelligent Connected Vehicle Test Zone



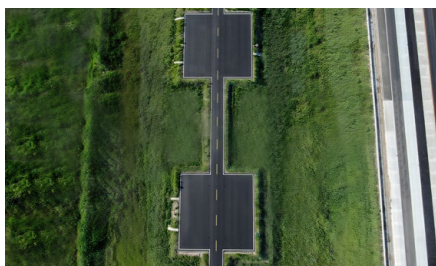
Braking Test Road



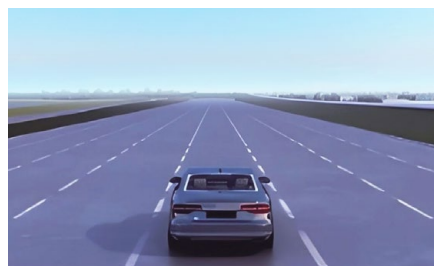
Comfort Test Road



Wet Round Track



Pass-by Noise Test Road



Straight-line Performance Test Road



Off-the-road tire testing platform

Building Core New Capabilities

The proving ground established China's first off-the-road tire (tracked and solid tire) testing platform, filling a gap in the domestic professional testing sector for off-the-road tires and their associated equipment. Concurrently, the proving ground has obtained accreditation from the Ministry of Industry and Information Technology of the People's Republic of China for inspection and testing services, enabling it to provide automakers with one-stop announcement declaration and compliance vehicle testing services. Currently, the braking and noise test tracks have received conformity certification from the internationally authoritative certification body TÜV against UN R117(Vehicle Type Approval Testing) and ISO 10844-2021(Acoustics — Specification of test tracks for measuring sound emitted by road vehicles and their tyres) regulatory standards. The facility's professional capabilities have become a key platform empowering global market collaborations. During the reporting period, Sailun's Kazakhstan subsidiary organized customer representatives at this site for an in-depth experience event of RoadX EcoPoint³ tires. Through comprehensive performance verification across dry/wet braking, noise, and wear resistance, the product's superior performance garnered high recognition from customers. This not only demonstrated the Group's technical strength but also effectively consolidated long-term mutual trust with local partners, laying a solid foundation for deepening operations and development in overseas markets.

Translating Capabilities into New Achievements

The capabilities of the proving ground have been converted into tangible testing service outcomes and customer value. During the reporting period, the proving ground served dozens of industry clients and completed nearly 50 testing cases. Specifically, the intelligent connected vehicle testing zone conducted various R&D tests for ADAS (such as Automatic Emergency Braking and Automatic Parking); the braking testing zone carried out R&D on dry and wet braking performance for multiple tire specifications and OEM matching trials; and the comfort testing zone executed tire selection and chassis validation projects for multiple vehicle models. These efforts provided robust support for the Group to deepen strategic cooperation with major automobile manufacturers and expand into high-end supply markets.

Setting New Industry Benchmarks

The East China Intelligent Connected Vehicle Proving Ground is actively participating in the formulation of industry norms and standards while proactively planning new business areas to enhance its industry influence.

▶ Standard and Policy Formulation

Standards and policies co-developed include:

- Classification and Evaluation of Automotive Test Facilities by the China Association of Automobile Manufacturers
- Measures for the Administration of Road Testing and Demonstration Applications of Intelligent Connected Vehicles in Dongying City (Trial)
- Implementation Rules for Road Testing and Commercial Demonstration Applications of Low-Speed Unmanned Vehicles in Dongying City (Trial)

▶ Frontier Business Layout

- The proving ground's flight test base has been included as a key project in the Dongying City Three-Year Action Plan for High-Quality Development of the Low-Altitude Economy
- In the future, the proving ground will focus on layout for flying car testing, while simultaneously advancing the planning and implementation of testing services for unmanned driving, new energy vehicles, and high-end intelligent agricultural machinery

Embracing New Responsibilities for Development

While pursuing technological breakthroughs, the proving ground proactively assumes its social responsibility for science popularization and education. During the reporting period, the proving ground hosted over one hundred teachers and students from Dongying High-tech Zone Experimental School for on-site visits, actively promoting deep integration among industry, academia, and research to cultivate talent for the long-term development of the sector.



Study Tour and Visit Activities



Quality and Safety

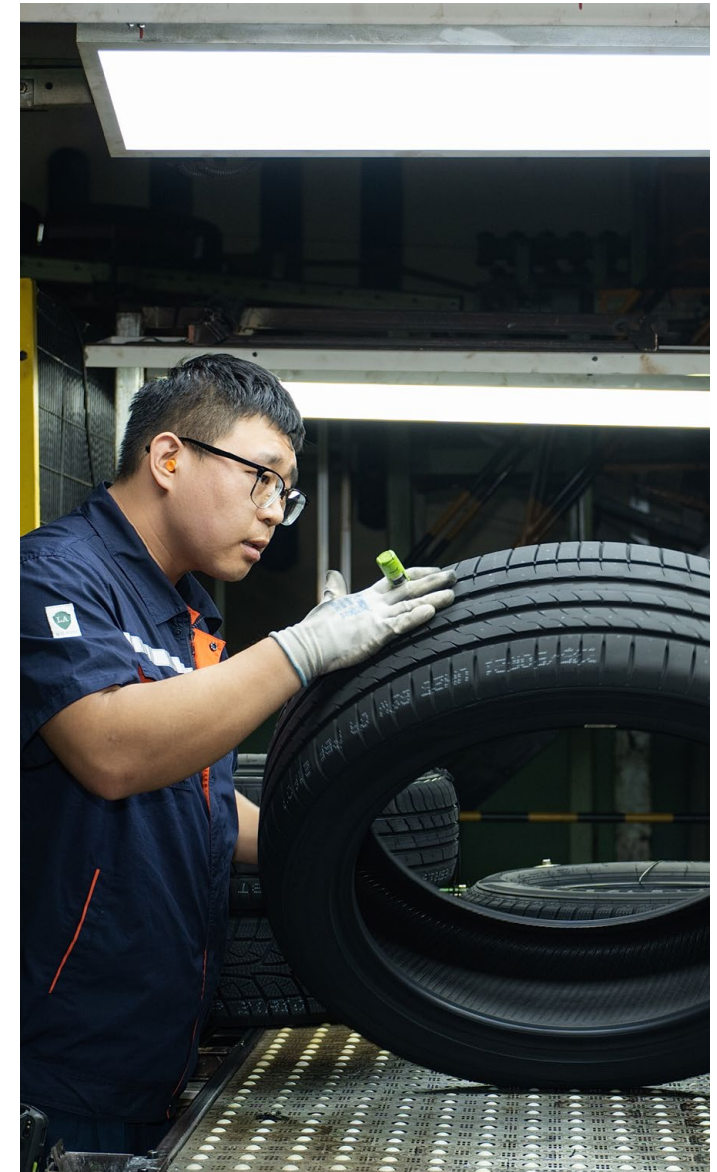
Sailun Group has always adhered to its original aspiration of "making great tires", regarding product quality and safety as the cornerstone of sustainable development. We have established and continuously improved our governance structure to manage quality-related risks and opportunities. By operating management processes covering quality management systems, product testing, recall mechanisms, and quality culture construction, we ensure the safety and reliability of our products, thereby contributing to the high-quality development of the Group.

Governance

Sailun Group has established a comprehensive sustainable development governance structure and incorporated product quality and safety matters within its management scope. The specific composition and mechanisms of this structure are detailed in Sustainable Governance. Under this structure, the Quality Working Team, as a member of the Group's Sustainable Development Working Team, reports monthly to the Group's Sustainable Development Strategy Management Office on the progress of product quality and safety.



Product Quality and Safety Governance Structure



Strategy

Based on our current business operations and strategic planning, we have identified short-term, medium-term, and long-term risks and opportunities in the areas of product quality and safety to assess their potential impact on our business and financial performance. Building on this assessment, we are actively addressing and capitalizing on these risks and opportunities through continuous improvements to our quality management system, product testing, recall mechanisms, and the cultivation of a quality culture.

Key Risk/Opportunity	Definition	Impact
Quality Control Risk	Gaps between manufacturing processes, R&D standards, or personnel capabilities and product quality requirements may lead to the generation and delivery of non-conforming products	Short-term: increased after-sales and recall costs; Medium-term: impacts on brand reputation; Long-term: erosion of market competitiveness
Regulatory Risk	Rapid development of new materials and products introduces uncertainties regarding quality and safety. Additionally, failure to reach effective consensus with key suppliers on upgraded quality standards, or inability to communicate end-product performance requirements and customer requirements accurately, may increase supply chain quality volatility and compliance risks	Short- to medium-term: cost pressure to adapt to new regulations and enhance supply chain compliance. Long-term: continuous investment required to address regulatory changes
Market Risk	If the pace of product performance iteration fails to timely respond to market demands and vehicle model changes—particularly for commercial truck tires and off-the-road tires—it may result in diminished product competitiveness, reduced customer satisfaction, and loss of market share	Short-term: potential missed market opportunities; Medium-term: challenges to customer satisfaction and brand recognition; Long-term: adverse effects on consolidating market share and business growth
Technical Opportunity	The application of new materials and processes provides innovative technical pathways to resolve quality issues in R&D and production, serving as a critical driver for enhancing product performance and safety	Short-term: requires investment in R&D resources; Medium-term: translates into improved product quality; Long-term: contributes to building a sustainable technological advantage
Regulatory Opportunity	The evolution and clarification of regulatory requirements offer avenues for the Group to achieve more efficient compliance and quality enhancement through optimized internal governance and active participation	Short-term: necessitates adaptation to new requirements; Medium-term: supports elevated compliance levels and operational efficiency; Long-term: may secure market recognition through exemplary practices
Market Opportunity	By precisely identifying and responding to genuine customer needs regarding product performance, external feedback can be converted into specific directions for product planning and improvement	Short-term: requires strengthened market insights and customer communication; Medium-term: enhances product-market fit and customer satisfaction; Long-term: facilitates expansion of market share

Quality Management System

To ensure product safety and quality, Sailun Group has established and continuously operates a group-wide quality management system. In accordance with the PDCA (Plan-Do-Check-Act) cycle, we have developed processes for this system and formulated procedure documents covering each process. These documents specify operational steps, role assignments, and monitoring points to ensure effective implementation.

To accommodate business development and enhance quality management capabilities, we optimized the organizational structure of the Quality Management Center during the reporting period. The center now includes the Planning and Operational Quality Management Department, Market and Product Quality Management Department, Manufacturing Quality Management Department, and Delivery and Service Quality Management Department. This refined functional division strengthens end-to-end quality management capabilities spanning planning, production, and delivery services.

Furthermore, we have established a clear product quality safety responsibility system by creating three hierarchical positions: Quality and Safety Officer, Quality and Safety Director, Quality and Safety Supervisor. This structure provides a solid organizational foundation for all quality safety initiatives.

Quality and Safety Officer	<p>Fully responsible for product quality and safety, establishing long-term mechanisms to support the performance of quality management personnel's duties; seeking professional opinions on major decisions; promptly addressing defects and hazards and recalling problematic products; regularly analyzing systemic issues and formulating control measures.</p>
Quality and Safety Director	<p>Assisting the person in charge of quality and safety in managing quality and safety; exercising veto power over defective products; implementing regulations and standards; supervising and guiding safety officers in performing their duties; formulating risk prevention and control measures and conducting regular self-inspections; assessing conditions and exercising veto power; organizing emergency drills and accident response; conducting training and education; and cooperating with regulatory inspections and defect recalls.</p>
Quality and Safety Supervisor	<p>Assisting the person in charge in managing quality and safety; exercising the right to recommend a veto on defective products; urging employees to implement specifications; inspecting raw materials, production processes, and outgoing inspections; controlling non-conforming products and urging rectification; managing safety archives; cooperating with regulatory inspections and recalls; and tracking audit issue ledgers and improvement outcomes.</p>

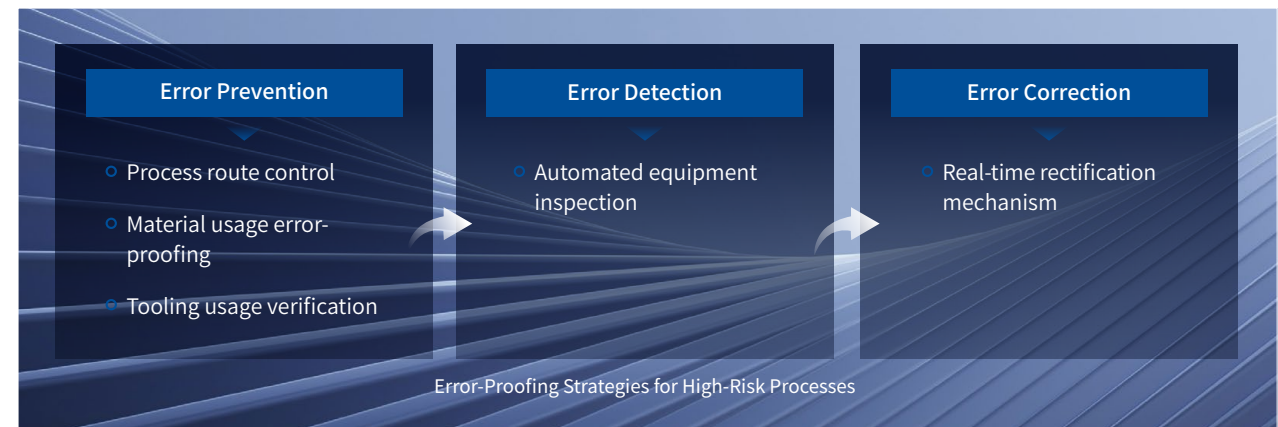
Product Quality and Safety Responsibility System

To ensure effective operation and continuous improvement of our quality management system, we have established a clear mechanism linking quality performance to incentives. In accordance with the Performance Management Control Procedure, we decomposed key quality indicators—such as claim rates and comprehensive defect rates—by product line and manufacturing facility, integrating them into the performance appraisals of relevant departments and personnel to drive the achievement of quality objectives.

Building on our operational quality management system, we have deepened quality management through multiple initiatives. In Advanced Product Quality Planning (APQP²⁰) and R&D control, we established and implemented a quality gate management mechanism, deeply integrating it with the APQP process. This creates dual-layered control during the R&D phase to enhance project delivery reliability while reducing risks associated with Failure Mode and Effects Analysis (FMEA²¹) and project costs.

During the reporting period, we fully executed Quality Gate controls across new product development for three product lines: passenger car radial tires, commercial vehicle tires, and off-the-road tires. We identified a total of 352 issues, all of which have been rectified. Meanwhile, we developed 36 standardized documents and policies, effectively strengthening process control over R&D quality.

At the production process assurance level, we implemented systematic error-proofing strategies for high-risk stages and drafted the Key Process Error-Proofing Management Policy to further standardize error-proofing controls in the production process.



²⁰ APQP (Advanced Product Quality Planning): A systematic quality management method to ensure quality standards are met during product development and manufacturing processes.

²¹ FMEA (Failure Mode and Effects Analysis): A systematic quality management tool that identifies, analyzes, and prevents potential failure modes in products and processes as well as their possible impacts, thereby supporting the implementation of risk mitigation measures.

Concurrently, we innovatively developed the Total Quality Management Intelligent Control System (TQMIS), significantly enhancing intelligent control and closed-loop improvement capabilities.

Establish the "Total Quality Management Intelligent System (TQMIS)" to Drive the Digital Transformation of Quality Management



To respond to the trend of digital transformation in quality management, Sailun Group established the "Total Quality Management Intelligent Control System (TQMIS)" to promote intelligent upgrades in quality management. Built upon a low-code platform and microservices architecture, the project incorporates advanced algorithms to achieve a strategic shift from "post-event correction" to "pre-event prevention." By leveraging the three-tier collaborative mechanism of "Group-Center-Factory", we identified and optimized critical pain points, challenges, and risk areas within the full value chain quality management processes. Through digitalization tools, we promoted data-driven intelligent decision-making, effectively enhancing the timeliness of response to and handling of quality anomalies. This initiative has established a practical benchmark for the digital transformation of the manufacturing industry.

In the quality supervision phase, we developed the Quality Safety Audit Management Regulations and conducted daily safety inspections of the manufacturing process in accordance with national regulatory requirements. We implemented a mechanism for daily checks, weekly reporting, and monthly summaries on abnormal items to identify and mitigate risks proactively.

As of the end of the reporting period, all nine operating factories of Sailun Group have obtained ISO 9001 Quality Management System certification, achieving 100% coverage of international quality standards. Among them, eight factories have secured IATF 16949 Automotive Industry Quality Management System certification, ensuring 100% coverage for applicable factories²².

We actively responded to updates in external regulations and completed multiple certifications during the reporting period. Indonesia factory achieved SNI new regulation certification at the fastest speed in the industry, becoming the first tire enterprise globally to obtain this certification. In the high-end market, the winter tire ICE BLAZER Alpine 2 received German TÜV MARK certification. In accordance with sales market requirements, our products have respectively passed more than 20 global market access certifications, including China CCC certification, US DOT certification, European ECE certification, South Korea KC certification, and EU VECTO certification.

²² The Weifang Factory produces OTR tires, which are not included in the IATF 16949 product scope and therefore do not require IATF 16949 certification.



Product Testing

Sailun Group strictly adheres to the Product Audit Control Procedure. In the mass production phase, we implement monthly and quarterly sampling tests and audit verifications to continuously monitor and ensure product quality. During the reporting period, we revised the CTL²³ Routine Inspection Management Regulations, optimized measurement standards and alarm indicators for passenger car and commercial vehicle tire product lines, and promoted continuous improvement in process control through analysis of finished product results.

We have established a comprehensive laboratory system. Laboratories of all factories maintaining continuous operations are CNAS-accredited²⁴, possessing full-process autonomous testing capabilities from raw materials to finished products. In 2025, we continued to strengthen our testing infrastructure. On the hardware front, we added new laboratories in Mexico, Indonesia, and Shenyang Xin He Ping, introducing 51 sets of large-scale research and validation equipment. Regarding soft power, the Experimental Center conducted 44 research projects, added or revised 71 testing methods, and delivered over 30 proprietary technical outcomes. Additionally, the commissioning of the East China Intelligent Connected Vehicle Proving Ground further enhanced our on-vehicle validation capabilities under various operating conditions. For details, please refer to the featured topic "Phase I of the East China Intelligent Connected Vehicle Proving Ground Enters Operation, Establishing a World-Class Comprehensive Testing Facility" preceding Quality and Safety.

During the reporting period, testing activities were comprehensively carried out. We completed over 900,000 material and formula tests and more than 9,200 product performance and regulatory tests throughout the year. Our available certification testing standards cover over 100 countries and regions globally.

Product Recall

We formulated and implemented the Product Recall Management Regulations, clarifying management responsibilities and recall procedures for relevant personnel. We also concurrently executed the Non-Conforming Product Control Procedure to prevent the unintended use of non-conforming products and standardize the recall management of defective tires.

During the reporting period, we piloted an online management system for non-conforming products at our Qingdao factory, enhancing the efficiency and accuracy of their control. All facilities concurrently revised the Non-Conforming Product Management Policy to refine the containment process for such products. Simultaneously, we continued to strengthen emergency response capabilities by organizing a full-process recall drill for the commercial vehicle product line at the Qingdao factory.

Qingdao Factory Recall Drill

In July 2025, Sailun Group's Qingdao Factory conducted a recall drill for the SAILUN brand 7.00R16LT-SAR31 (DOT: 2125-2225) product within the commercial vehicle product line. The drill executed the entire process, including team formation, plan formulation, public announcement issuance, and recall compensation. This exercise translated the requirements of the Product Recall Management Regulations into standardized operations, achieving standardized response mechanisms, coordinated collaboration mechanisms, and normalized information dissemination, thereby improving the Group's efficiency in handling defective products.



case

Quality Culture

To enhance the quality literacy of all employees, we have established a three-tier training system comprising Group-level, Center-level, and Department-level tiers. Annually, we conduct specialized annual training and thematic cultural activities covering various positions for all staff. During the reporting period, we remained steadfast in our mission to "making great tires". Taking the enhancement of quality capabilities across all employees as our core focus, we conducted a cumulative total of 1,644 quality training sessions at the departmental level or above, with a total training duration of 164,400 hours.



²³The arrangement patterns of the tread, sidewall and core materials in the tire section.

²⁴China National Accreditation Service for Conformity Assessment.

During the reporting period, we delivered training to employees from multiple departments, including Quality Management, R&D Centers, and Factory Quality Technology Departments, focusing on original equipment manufacturer (OEM) supporting audits, control plans, and product regulations. This initiative translates system requirements into professional competencies. Simultaneously, all factories actively promoted quality culture construction activities involving full staff participation to foster a positive atmosphere.

Enhancement of Quality Awareness Among Employees at the Qingdao Factory



The Qingdao Factory developed "One Point, One Lesson" training materials based on internal and external quality anomaly cases, focusing on standard implementation and quality requirements. The factory organized a total of 283 training sessions across all levels during post-shift meetings and weekly meetings. Additionally, over 10,000 reinforcement training sessions using the "Pointing and Calling" method were conducted, along with 26 quality knowledge quiz competitions. Through these high-frequency and interactive formats, the factory continues to enhance employees' quality awareness.



Shenyang Factory's Multi-dimensional Empowerment for Quality Month



The Shenyang Factory launched its Quality Month in September 2025, organizing eight initiatives including process site visits, Voice of Customer sessions, and quality risk reporting. These activities resulted in the collection of 942 employee-submitted quality risks and 1,312 standard improvement suggestions, while generating 41 on-site improvement plans. This initiative has strengthened quality awareness across all staff and enhanced the capability to resolve issues at the operational level.



Quality Culture Construction at Weifang Factory



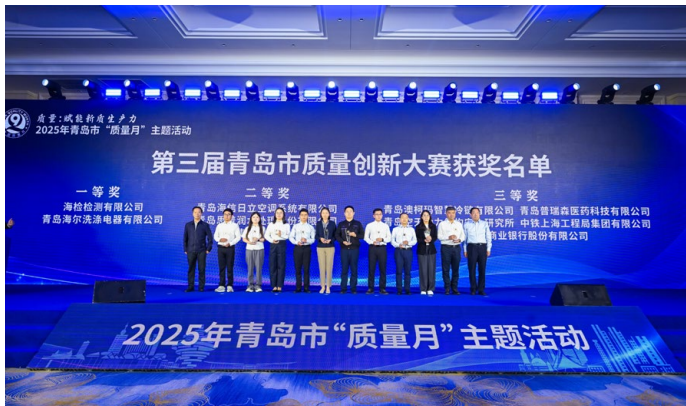
The Weifang Factory actively innovates its quality culture initiatives by organizing the selection of "Individuals and Teams with Outstanding Quality Performance," reporting quality risks, and hosting a series of "Quality Day" events to stimulate frontline employee engagement. During the reporting period, a total of 168 individuals and 2 teams were recognized for their excellence. Additionally, 177 improvement suggestions from employees were adopted, and 34 department-level "Quality Day" events were organized, effectively enhancing employees' quality awareness and sense of participation.



Risk and Opportunity Management

Our quality practices and innovation capabilities have received widespread external recognition. During the reporting period, we were invited to participate in the "Manufacturing Enterprise Quality Management Capability Assessment" organized by the Ministry of Industry and Information Technology of the People's Republic of China, where we were awarded the high-level "Assurance Level" certification. This marks that our quality management capabilities have reached an advanced level domestically.

Furthermore, our project titled "Intelligent Control Platform for Comprehensive Quality Management" won the Second Prize at the Qingdao Quality Innovation Competition, demonstrating the Group's technical accumulation and practical achievements in the digital transformation of quality management.



Awarded at the Qingdao Quality Innovation Competition

Sailun Group continues to refine its product quality and safety risk management system. We systematically manage product quality risks by regularly identifying and updating the list of quality and safety risks and opportunities based on external trends in the market, technology, and regulations. We assess their probability of occurrence and potential impact to determine management priorities. The management processes related to product quality risks have been integrated into the Group's overall risk control framework; please refer to "Corporate Governance" of this report for details.

In terms of risk response, we apply the Failure Mode and Effects Analysis (FMEA) method systematically for preventive management. To enhance the foresight and precision of risk identification and assessment, during the reporting period, we optimized the logic for transferring quality risks from the front-end planning stage (QFD) to the design stage (DFMEA²⁵) and production stage (PFMEA²⁶). We updated the Provisions on DFMEA Management and Provisions on PFMEA Management, incorporating the latest methods (the seven-step approach) and evaluation criteria (AP values) from the fifth edition FMEA manual into the existing risk assessment process, thereby improving the systematic nature of quality risk assessment.

Furthermore, to meet the quality requirements for entry into international high-end customer systems, representatives from the Group Quality Center have completed product safety and compliance training and obtained the Product Safety and Compliance Representative (PSCR) certification. Concurrently, we continue to conduct functional, structural, and failure analyses on tire products to gain a deeper understanding of product performance, optimize design solutions, and identify and prevent potential risks at an early stage. Through the implementation of standardized processes and continuous improvement mechanisms, we have achieved full lifecycle monitoring and recording of product quality risks.

Functional Analysis



Tools such as parameter diagrams²⁷ are used to identify the tire's operating environment, load conditions, and interactions with vehicle systems. This enables us to pinpoint potential abnormal sources of variation in the production process, providing a basis for design optimization

Structural Analysis



By disassembling tire components and using tools such as block diagrams²⁸, structure trees, and QFD (Quality Function Deployment), we have established clear relationships between structure and function, ensuring optimal component synergy and functional performance

Failure Analysis



A three-level failure chain is constructed to match failure effects, modes, and causes. We conduct in-depth analysis of failure modes and design factors and strictly control key parameters through standardized design documents to prevent failures at the source

Methods for Identifying Tire Product Risks

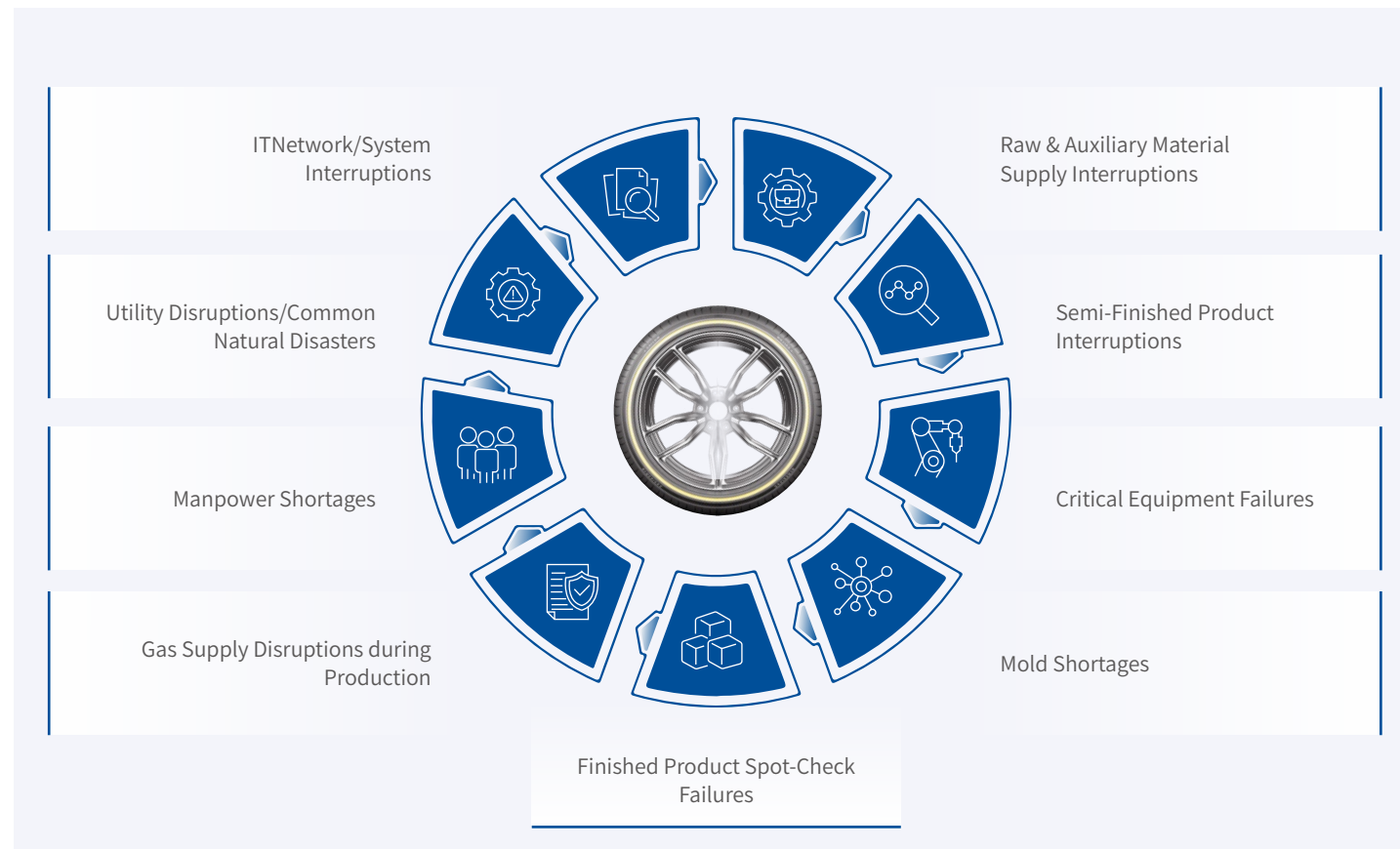
²⁵ DFMEA stands for Design Failure Mode and Effects Analysis.

²⁶ PFMEA stands for Process Failure Mode and Effects Analysis.

²⁷ A parameter diagram, or P-diagram, is a structured chart used to describe inputs, outputs, and influencing factors of a system or component in a specific functional context. It focuses on key variables in the functional realization process, helping identify and control factors that influence functional performance.

²⁸ A block diagram, or boundary diagram, is a system analysis tool used to define the scope of the analyzed object and illustrate its interfaces and interactions with external systems, the environment, and users. By providing a visual representation of system boundaries, it helps identify key elements to be evaluated in structural decomposition and functional analysis.

To address potential risks in production operations, each facility has formulated and implemented emergency management regulations for production, specifying response measures for abnormalities and quality issues during the tire manufacturing process. For instance, in the event of critical equipment failure, the maintenance department assesses the repair timeline while the production management department adjusts the production schedule accordingly. Upon equipment restoration, the technical department verifies the compliance of products resuming production to ensure that delivered products meet quality standards.



Emergency Response Plans for Production Anomalies and Quality Issues

Metrics and Targets

Sailun Group is committed to translating quality commitments into concrete actions, providing customers with safe and reliable products while continuously enhancing overall quality levels. The Group has established forward-looking product quality and safety management objectives and tracks their annual progress.

Our Targets

By 2030

100%

of stably operating and certified tire factories will consistently pass international quality system certification

Progress in 2025

All stably operating and certified factories of Sailun Group have obtained ISO 9001 Quality Management System certification, achieving

100%

coverage of international quality standard certifications



R&D Innovation

Sailun Group adheres to innovation-driven development and upholds the corporate spirit of 'Challenge Ourselves, Innovate Continuously'. Grounded in market demand, we deepen basic research, focus on breakthroughs in core technologies and intelligent upgrades, and build a globally leading autonomous technical system for tire products. We continue to drive innovation across three key product categories: Passenger Car Radial Tires, Commercial Vehicle Tires, and Off-The-Road Tires, and establish a quality benchmark for the Group's products, consolidating our leadership and competitiveness in the global rubber tire industry.

Our Goals

Sailun Group integrates the sustainable philosophy of respecting nature and protecting ecosystems throughout the entire process of product research and development and innovation.

We extensively utilize renewable materials such as natural rubber and rayon, and collaborate with suppliers to expand the application of sustainable materials in fields including synthetic rubber, fillers, additives, and carcass materials. In the synthetic rubber sector, bio-based and recycled butadiene sourced from non-petroleum origins have been adopted to replace petroleum-based feedstocks for the production of polybutadiene rubber and styrene-butadiene rubber. Additionally, halobutyl rubber produced using bio-based isobutene as a raw material has been tested and verified to meet conditions for mass application. Regarding fillers, through collaborative development with upstream carbon black manufacturers, carbon black prepared using bio-based oils or pyrolysis oil derived from waste tires has demonstrated performance meeting usage requirements; it has passed verification and is ready for mass use.

In terms of additives, multiple green substitution technologies have been reserved: high specific surface area recycled zinc oxide replaces traditional indirect-method zinc oxide, enhancing material sustainability while effectively reducing zinc consumption in compliance with future trends in environmental regulations. Evaluation and technical reserves for lignin-based materials have been completed. Hardwood lignin, after treatment via bio-based processes, can serve as a reinforcing filler. Softwood lignin, leveraging its polyphenol structure, undergoes modification treatments such as demethylation and hydroxylation to substitute petroleum-based anti-tear resins and reinforcing resins, achieving comparable performance levels.

Building upon the achievement of 75% and 80% sustainable material usage ratios for passenger car tires and commercial vehicle tires respectively, we have established forward-looking product innovation and R&D goals to drive technological upgrades and value enhancement.

The Target for the Proportion of Sustainable Materials

2030

All Product Lines

The Target for the Proportion of Sustainable Materials Used

40%

2050

All Product Lines

The Target for the Proportion of Sustainable Materials Used

100%

Investment Target for Clean Technology Opportunities

2030

Achieve an annual growth rate of investment not less than

5%

To support the achievement of the aforementioned core material objectives, we have established the following key product and technology development goals:

Key Product Performance Targets

Enhance Product Durability

Launch product series with wear mileage exceeding current products by more than 10%; develop mass-produced retreadable truck tire series capable of being retreaded 2-3 times.

Expand Sustainable Materials

Advance the validation and reserve of sustainable synthetic rubber, sustainable additives (such as anti-aging agents and adhesives) based on existing sustainable materials.

Apply Eco-Friendly Materials

Adopt new anti-aging agents to replace 6PPD²⁹ for tire product evaluation and verification; promote the application of eco-friendly impregnated polyester cord.

Achieve Product Lightweighting

Conduct research on the application of higher-strength and new skeleton materials to reduce material usage while ensuring performance.

²⁹ 6PPD refers to N-(1,3-dimethylbutyl)-N'-phenyl-p-phenylenediamine.

Our Governance

To rapidly respond to market demand fluctuations and continuously enhance product competitiveness through innovation, the Group has established a R&D governance architecture centered on "Technology Integration." By fostering organizational synergy and process integration, we have built an agile response mechanism that enables bidirectional linkage between market needs and technology, achieving synchronized resonance between market demands and technological iterations.

The Technology Integration Working Group has bridged all stages from market, R&D, to production. We have constructed a closed-loop system for the entire product lifecycle, encompassing market requirement input, R&D implementation, mass production delivery, data feedback, and continuous optimization. This approach ensures efficient linkage and iterative refinement between market demands and the R&D-production system, establishing a positive cycle where "market drives technology, technology supports products, and products feed back into the market."

Our Initiatives

Sailun Group is committed to building an innovation ecosystem characterized by "technological leadership, digital drive, and a talent-driven foundation". We continuously refine our innovation management mechanisms and strengthen professional team development to lay the groundwork for technological innovation. Through deep application of intelligent platforms, we have significantly enhanced R&D efficiency and achieved breakthrough progress in key technical areas. Simultaneously, we have established an intellectual property protection system to provide robust support for the transformation of innovation outcomes, thereby consolidating our leading position in technology within the industry.

R&D Capability Building

Sailun Group continuously enhances its R&D innovation capabilities by "cultivating a composite technical team and establishing market-oriented incentive mechanisms. The Group has formulated policies such as the Provisions on R&D Project Management Regulations to standardize the full-process management of R&D projects. Additionally, the Group updated the Provisions on R&D Quality Management, incorporating stricter control requirements at critical stages of product development and manufacturing changes, refining review processes to systematically reduce quality fluctuations, and continuously improving R&D quality and efficiency. Furthermore, the Group formulated and implemented the Group Patent Reward Management Regulations, directly linking innovation outcomes with incentives to effectively stimulate creativity across all employees.

We continue to recruit high-level R&D talent, optimized the mentorship mechanism for new employees, and conducted training programs to accelerate talent growth. Furthermore, we actively promoted industry-academia cooperation, advancing the Excellent Engineer Joint Training Program with universities such as Qingdao University of Science and Technology to explore collaborative education models and provide sustainable talent reserves for the R&D system. To better support R&D operations, we upgraded the office and residential environments of the R&D Center, creating more convenient and comfortable work and living spaces.

Deepening the Construction of R&D Talent Echelons to Inject Sustained Momentum into Technological Innovation



Focusing on core R&D capability building, we conducted specialized training for different levels of personnel within the R&D team.

Project Manager Qualification Certification:

Systematically conducted training for project manager qualification certification, covering areas such as project management and Advanced Product Quality Planning (APQP), thereby enhancing operational efficiency and value creation capabilities.

Expert Lecture Series:

Invited industry experts to deliver multiple thematic training sessions focused on rubber raw materials and formula design, establishing a professional growth platform for technical talent.

Patent Empowerment Training:

Fully implemented specialized patent empowerment training covering R&D innovation protection, patent technology retrieval, and achievement transformation. This initiative activates the internal driving force for innovative development within the Group while building a robust intellectual property safeguard system.

New Employee Training:

To facilitate the rapid integration of new R&D members into the team, we continue to conduct "Yilu Xiangqian" new employee training programs. These programs cover project management, patent knowledge, and company policies, providing a continuous reserve of talent for the Group's long-term development.



Digital R&D Practices

While strengthening talent development, we enhance product performance under extreme conditions through simulation technology, optimized product structures, and innovative material formulations, supporting high-end applications and global market expansion. Leveraging PLM³⁰, Gentyre³¹, and LIMS³², we have integrated platforms to close the "requirements–design–verification–production" loop, enabling precise R&D and agile delivery under the APQP framework.

During the reporting period, we advanced the design-simulation integrated platform, which covers the entire chain from concept to production preparation. Parametric design increased drawing efficiency by over 50%, and simulation process automation reduced verification tasks from hours to 5 minutes, significantly boosting R&D efficiency. The platform's built-in AI assistant and database, drawing on the Group's historical data assets, support R&D decision-making and transform insights into corporate knowledge, improving information flow and decision efficiency, and shifting R&D from experience-driven to data-driven intelligent iteration.

Leverage the Simulation Integrated Platform to Improve R&D Efficiency and Market Responsiveness



Regarding physical emissions, we studied the potential impact of tire wear particles (TWPs) on soil ecology. Beyond traditional focus on carbon black formulations, our research includes silica-based green tires. Through simulated wear and soil pot experiments, we compared effects of TWPs with different fillers (carbon black vs. silica) and wear levels to evaluate the environmental friendliness of silica technology.

The simulation integrated platform substantially improved R&D efficiency and market responsiveness. It supported the development of over 20 products during the reporting period, enabling multiple truck tire products to enter the market. In a tire extension project involving more than 100 specifications, the platform ensured efficient design and timely launches through contour expansion and automated simulation.



Simulation Integrated Platform

To advance research on tire environmental impact, we engaged with ISO standards on tire wear particles testing and assessment frameworks, adapting international standards locally. We led the drafting of three national standards related to tire and road wear particles (TRWP), laying a technical foundation for Chinese tire companies to manage product environmental impact and lead high-quality industry development.

³⁰ Sailun Group's Product Lifecycle Management System.

³¹ Sailun Group's Tire Design Optimization Platform.

³² Sailun Group's Laboratory Information Management System.

Leading Through Innovation

Sailun Group continues to drive technological innovation, focusing on breakthroughs in key technologies, intelligent product enhancement, and industrial ecosystem development. Through innovative R&D, the Group addresses global challenges, pioneers new markets with smart products, and fosters open collaboration to pool innovation resources. It effectively transforms innovation outcomes into market competitiveness and industry influence, building a leading force in innovation-driven development.

Proactively Addressing Global Regulatory Upgrades with Technological Innovation



By breaking through global trade barriers with technological innovation and adhering to green, low-carbon development principles, the Group has upgraded its high-performance tire products for the European market. The project focuses on the synergistic improvement of rolling resistance, wear resistance, and wet grip performance. Through iterative optimization of the tread compound system and breakthroughs in key processes, the product has achieved advancements in safety, energy efficiency, and durability. Leveraging cutting-edge technological reserves, the project solidifies the product's core strengths and significantly enhances its competitiveness in the international market.



While addressing the challenges of general regulations, our innovation focuses on the sustainable development of key industries. Through systematic product layout and targeted technological breakthroughs, we provide high-performance, low-impact tire solutions for specific application scenarios.

Sailun MAXAM Tires Win Prestigious Certification, Leading Agricultural Tire Innovation with Outstanding Performance



At Agritechnica 2025, Sailun Group's MAXAM brand agricultural tires, AgriXtra XL and AgriXtra XL VF, were awarded the "DLG Certified" quality mark by the German Agricultural Society (DLG) for their excellent performance. Based on rigorous testing under this certification, Sailun agricultural tire products demonstrated outstanding performance in core indicators such as resource conservation, fuel economy, and traction, fully aligning with the trends of smart and green agriculture. This international certification highlights the Group's technological expertise and innovation capabilities in the agricultural tire sector, laying a solid foundation for Chinese tire brands to support global agricultural modernization.



"New Journey, Future Ahead": Sailun Group 2026 Commercial Vehicle Tire Launch



We successfully held the "New Journey, Future Ahead" commercial vehicle tire launch event, introducing six high-end tire series covering all scenarios, including long-haul logistics, new energy, and heavy-load transportation. The new products are based on the Group's independently iterated third-generation commercial vehicle tire technology platform, showcasing the Group's breakthroughs in high-end, new energy, and heavy-load specialization, as well as its leading product portfolio in the commercial vehicle tire field.

Taking the electric truck-specific tire series as an example, the product addresses the unique operating conditions of new energy commercial vehicles. It leverages three core technologies to effectively solve industry pain points such as shortened tire lifespan and abnormal tread wear. Validated through nationwide road tests, the product demonstrates significant improvements in overall performance, safety, and wear resistance, providing robust technical support for the development of the new energy commercial vehicle industry.



During the reporting period, Sailun Group actively engaged in industry-university-research collaborations with institutions such as Peking University, Shandong University, Shandong University of Science and Technology, Qingdao University of Science and Technology, and Tianjin University of Technology. These partnerships focus on co-developing key industry technologies, effectively driving technological innovation and the transformation of achievements.

In collaboration with Shandong University of Science and Technology, Tianjin University of Technology, and other institutions, we have co-developed an intelligent tire system capable of monitoring tire pressure, temperature, and wear status. By maintaining optimal tire pressure, the system effectively reduces rolling resistance and tire particle emissions, improving vehicle fuel efficiency and range. Additionally, the smart tires can provide early warnings for potential safety hazards, reducing accident risks. Based on this technology, we have developed the Tire Intelligent Management Platform (TIMP), which has achieved promising results in operation.

Sailun Intelligent Tire Full Lifecycle Management Platform (TIMP)



Against the backdrop of accelerating intelligent transformation in the logistics and transportation industry, Sailun Group has launched the Intelligent Tire Full Lifecycle Management Platform (TIMP), centered on the core values of "safer, more efficient, and smarter." The platform aims to establish a digital data link throughout the entire tire lifecycle, providing critical data support and operational decision-making assistance for vehicle drivers and fleet managers.

By installing TIMP devices on vehicles, the platform can collect key data such as tire temperature, pressure, mileage, and wear in real time, synchronize it to cloud servers. This enables remote monitoring and intelligent analysis of tire conditions, forming an integrated service chain of "perception-assessment-early warning-decision-making" to address challenges in commercial vehicle operations, such as difficult asset control, unpredictable safety risks, and suboptimal cost management.



The platform's core strengths stem from Sailun Group's long-term expertise in tire manufacturing, in-depth experience across diverse application scenarios, and comprehensive technical capabilities across the entire value chain. Leveraging over two decades of tire manufacturing experience and implementation outcomes in fields such as logistics, ports, and mining, the platform provides highly tailored solutions to address complex needs. Simultaneously, by deeply integrating key technologies such as artificial intelligence, big data, and cloud computing, the platform has established a complete technical system and service capability spanning from smart hardware development to platform-based services.

Core Features

Tire Management

Abnormal Warning Management

Vehicle Management

Fuel Consumption Data Management

Intelligent Voice Prompt

Statistical Analysis Management

Application Case – A large petrochemical logistics enterprise

Faced with challenges such as difficulty in monitoring tire conditions and real-time control of trailers in hazardous chemical transportation, the Petrochemical Logistics Enterprise implemented Sailun's TIMP commercial vehicle integrated solution and intelligent drop-and-hook solution, which enables real-time monitoring of tire temperature and pressure, intelligent wear warnings, and automatic matching of tractors and trailers. To date, the system has been deployed on over 100 vehicles, monitoring more than 3,000 tires, and issuing over 23,000 warnings, significantly enhancing transportation safety management and fleet operational efficiency.

We not only apply innovative achievements to our own products but are also committed to promoting industry consensus and standardization. We actively engage in the development of industry standards, serving as the lead unit in formulating 5 national standards and participating in the formulation or revision of more than 10 national standards. In the field of tire retreading, we spearheaded the development of the national standard for Retreaded Tires for Construction Machinery and integrated "EcoPoint³" materials into retreaded products. This effort has established a closed-loop system of "technology-standards-industry-ecosystem," driving the tire industry toward greater sustainability and higher value.

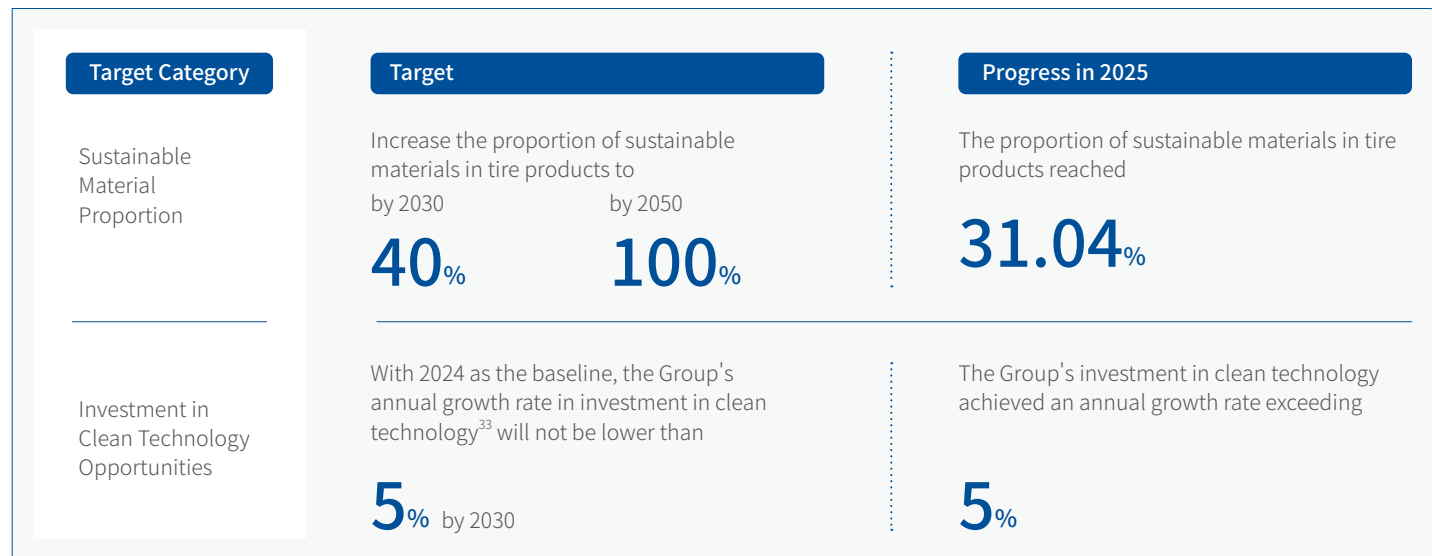
Protecting Intellectual Property

Sailun Group continues to strengthen the construction of its intellectual property protection and management system. Through portfolio patent applications centered on multiple key technologies and core product lines, the Group has enhanced its responsiveness to market demands and fortified its core competitiveness.

At the management level, we continuously improve intellectual property protection by refining systems, enhancing process management, building supporting platforms, and mitigating supply chain risks. We have revised management regulations such as the Patent Management Regulations, the Intellectual Property Compliance Management Control Procedures, and the Patent Risk Early Warning Control Procedures, standardizing the entire lifecycle management of patents from application and maintenance to utilization. These revisions clarify compliance obligations and control measures across all operational stages.

Our Performance

During the reporting period, we achieved significant results in technological innovation and smart manufacturing, earning multiple national and provincial honors. These recognitions demonstrate our strength in high-end tire R&D, manufacturing, and digital transformation. Additionally, our intellectual property compliance management system certification comprehensively covers the entire R&D, production, and sales processes of passenger car radial tires, commercial vehicle tires, and off-the-road tires, achieving 100% coverage.



Awards and Honors



National Manufacturing Single Champion - Radial Tire for Construction Machinery

Ministry of Industry and Information Technology of the People's Republic of China

Excellent-Level Smart Factory

Ministry of Industry and Information Technology of the People's Republic of China

Digital Transformation Promotion Center for Manufacturing

Ministry of Industry and Information Technology of the People's Republic of China

Total Number of Accepted Patent Applications in 2025: **528**, among which,

Invention Patents

134

Utility Model Patents

230

Design Patents

164

³³ The R&D investment in clean technology disclosed in this report is centered on the Group's core tire business, covering areas such as the development of advanced tire materials and formulations and the design of specifications for new energy vehicle tires.

Commitment to Service Excellence

Sailun Group consistently adopts a customer-centric approach, with a strategic focus on addressing user needs as a core pillar of the Group's development. The Group continuously improves its end-to-end customer management and service mechanisms, supported by a systematic governance structure and clearly defined responsibilities. Through these efforts, it steadily enhances service capabilities and response efficiency, creating a stable and sustainable cooperation experience for customers. At the same time, the Group actively upholds the principles of responsible business conduct. Building on a solid foundation of standardized and systematic operations, it strengthens its brand through a long-term approach and continues to enhance market trust and social recognition.

Our Goals

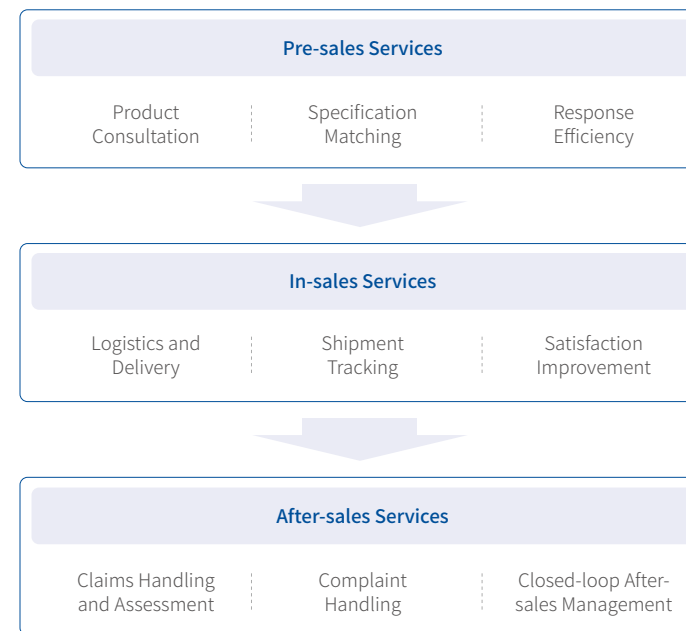
We remain committed to a customer-centric approach and will continue to enhance customer satisfaction through institutionalized processes and the development of digital platforms. **By 2030, Sailun Group aims to consistently maintain a customer satisfaction score of 95 points or above.**

Our Governance

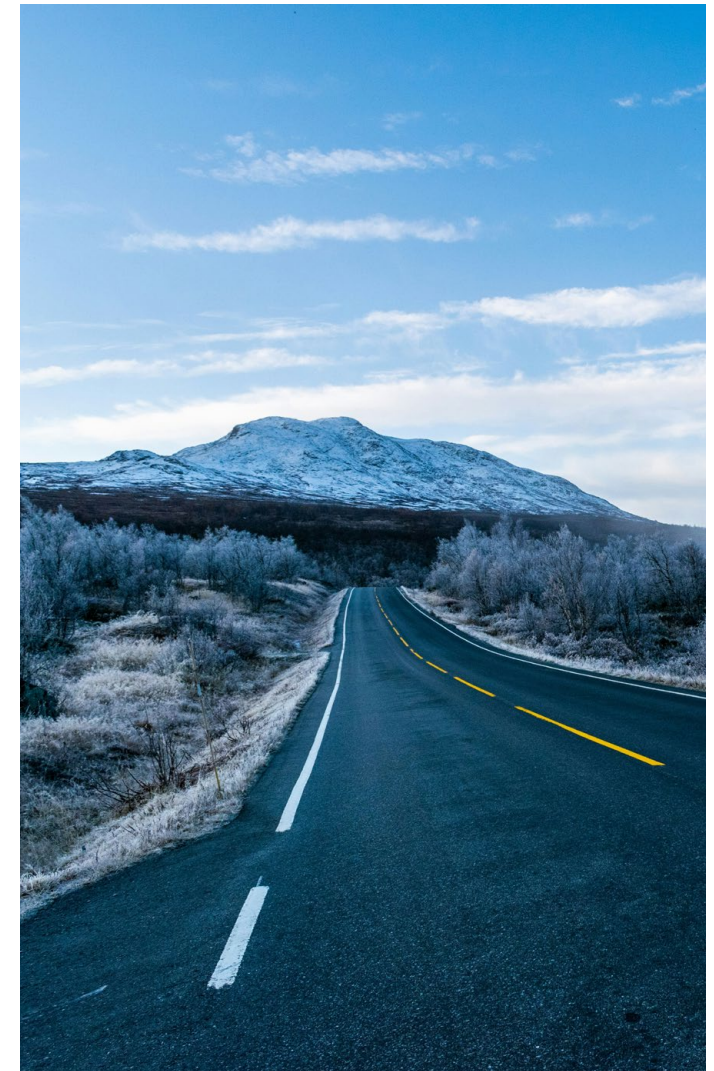
To better respond to customer needs and enhance service experience, Sailun Group has established the Global Tire Service Center as the core body responsible for coordinating the global deployment and operation of its tire service business. Centered on the full life cycle of tires and guided by global market demand and the Group's development strategy, the Center is responsible for the establishment, operation, and supporting functions of domestic and overseas market service systems. It also undertakes integrated projects spanning research, production, sales, and service, ensuring the efficient and coordinated operation of the global service system.

The Group Quality Center's Delivery and Service Quality Management Department is responsible for formulating market claim standards and the identification of claims tires, developing the complaint closure management process, as well as responding to major market anomalies, claims, and complaints analysis and supervisory improvements. This ensures the effective implementation of the claims and complaint processes, with accountability for quality.

With customer lifecycle management at its core, Sailun Group has systematically reviewed the management requirements across the pre-sales, in-sales, and after-sales stages, and achieved consistency and alignment in service standards through institutionalized processes, thereby providing governance support for the efficient operation and stable delivery of customer services.



Customer Lifecycle Management System



Our Initiatives

Customer Service Quality

Sailun Group standardizes customer service management through internal policies such as the Service Management Control Procedure, the Complaint Control Procedure, and the Emergency Management Regulations for Major Product Risks, covering service request handling, complaint resolution, and responses to major product-related market risks. During the reporting period, we updated the Complaint Control Procedure in line with organizational and business changes, further clarifying requirements for cross-functional coordination, response categorization, and processing timelines. These efforts strengthened accountability and timeliness, improved complaint-handling efficiency and closed-loop issue resolution, and ensured timely and effective responses to customer feedback.

At the same time, we developed and implemented service guidelines such as the 400 Hotline Customer Service Operating Manual and the 400 Hotline Call Handling Guidelines based on actual service needs. By standardizing service scripts and operating procedures, these guidelines improved the consistency and professionalism of customer communication and supported the continuous enhancement of service management.

Sailun Group systematically restructured its customer service communication channels and complaint-handling mechanisms to optimize and upgrade its customer complaint management model. It gradually shifted from an approach focused primarily on quality assessment to a full-process service management model covering request intake, verification, coordination, and feedback, thereby improving response efficiency in resolving customer issues and further standardizing service management.

We continuously optimized our service processes to ensure that customer issues were handled in a timely and accurate manner. Through a series of targeted customer follow-up and claims services, we not only addressed customers' practical concerns, but also strengthened brand credibility and customer satisfaction, reflecting our continued efforts to enhance service quality and fulfill social responsibility.

Expanded Communication Channels

- The 400 hotline added new service access points, including the Didi platform and WeChat channels for out-of-region claims.
- Online customer service expanded to include additional communication channels such as the Xiaomi Youpin app and WeCom.

Complaint Handling Mechanism

- After receiving tire-related complaints, the customer service center works with the business team to verify the situation on site, responds proactively to reasonable customer requests, seeks to reduce the risk of complaint escalation, and safeguards customer rights and brand image.
- Sailun Group established a monthly dissatisfaction analysis mechanism for each business team to regularly review complaint cases and promote the continuous implementation of service improvements.

Initiatives to Improve Customer Service Quality

Technical Support for Mining Operations: Maxam Team Safeguards Safety Across the Value Chain



During the reporting period, the Maxam technical service team made multiple visits to mining sites to provide tire inspections and technical support, helping customers improve tire lifecycle management. The team conducted on-site ride-along investigations under heavy-duty operating conditions, collected data on haul distance and road conditions, and carried out standardized inspections of tires in service, including tread depth and tire pressure, to assess remaining tire life. Based on inspection results and site conditions, the team developed tailored maintenance solutions, such as standardized tire pressure management and regular road cleaning. These efforts helped extend tire life, reduce tire waste, and lower customers' operating costs and resource consumption. The service also strengthened long-term customer partnerships and demonstrated the team's professional expertise and end-to-end service capabilities.



Sailun Group Again Recognized as an "Excellent Supplier" by Weichai Lovol Smart Agriculture

case

At the 2026 Global Supplier Conference of Shandong Heavy Industry · Weichai Lovol Smart Agriculture held in Hefei, Anhui, Sailun Group was named an Excellent Supplier for 2025 in recognition of its outstanding product quality, stable supply capacity, and strong technical support. This marks another year that Sailun Group has received this honor, reflecting the customer's continued recognition of the Group's overall strengths and long-term partnership value. MAXAM remains focused on the agricultural sector and committed to customer needs. With strong wear resistance and puncture resistance, MAXAM products are widely used in Weichai Lovol's agricultural equipment, including tractors and harvesters. Looking ahead, Sailun Group will continue to work with partners to advance the global development of agricultural mechanization and intelligence, providing reliable and efficient support for modern agricultural production.

Customer Service Upgrade

Sailun Group continued to advance the digital upgrade of customer service. In 2025, leveraging its existing 400 hotline and online customer service system, the Group launched new features on the customer complaint platform and brought channels such as Yaoling Store Manager, Yaoling Palm Link, Yaoling Business Link, and the DMS system³⁴ under unified management, enabling centralized complaint handling and standardized case processing.

At the same time, we upgraded our existing B2B platform by adding functions such as intelligent alerts, assisted review, and claims file linkage. These enhancements strengthened internal review and risk control, reduced invalid submissions, improved processing efficiency, eased workload pressure during peak periods, and further enhanced the customer service experience.

To further improve employee professionalism and customer service capabilities, we carried out a range of training initiatives during the reporting period. These efforts were designed to strengthen employees' skills in key business areas and, through professional qualification training, enhance their ability to handle complex after-sales issues such as tire claims, thereby continuously improving the professionalism and competitiveness of our customer service.

³⁴ DMS System: Dealer Management System, specifically designed to manage a company's dealers and help coordinate sales and inventory.

Systematic Training to Strengthen Customer Service Capabilities

case

- **Building a comprehensive training system:** Focusing on three core modules—400 hotline, online customer service, and tire claims review—we organized 19 specialized training sessions throughout the year. Through module-based training on service scripts, business processes, and system operations, we continued to improve service professionalism and standardization.
- **Enhancing professional claims handling capabilities:** We organized employees to participate in professional qualification certification training and examinations for tire distribution claims. This initiative systematically strengthened product knowledge and the ability to determine claims standards. As of the reporting period end, all personnel engaged in tire distribution claims business have obtained the Tire Distribution Claims Appraiser Certificate, progressively enhancing their capacity to handle complex after-sales issues.



In addition, to strengthen service capabilities in overseas markets, Sailun Group extended its customer service upgrade initiatives to overseas sales and service teams. By launching the iLearning online learning platform, the Group provided foreign employees with training on corporate culture and tire-related expertise, helping them integrate more quickly and build a solid business foundation. At the same time, based on the characteristics of regional markets, Sailun Group organized specialized training on sales and customer service in its Asia and Europe theaters, enhancing overseas teams' product knowledge, service responsiveness, and coordination capabilities, and enabling more consistent and professional service support for customers worldwide.

Conduct regional sales skills training to enhance market service capabilities



Asia: Sailun Group held a sales skills training camp in Ho Chi Minh City, Vietnam, focusing on product knowledge, service support, and team collaboration. Regional heads and key sales staff from Southeast Asia participated, further strengthening regional coordination and market service support capabilities.

Europe: Specialized training sessions on customer service and sales skills were delivered in phases to frontline teams across Europe. Focusing on customer needs and the coordination of products and services, the training was led by experienced regional staff based on local practices, continuously improving professional service capabilities and response efficiency.



Customer Satisfaction

Sailun Group continues to follow the Sailun Group Customer Satisfaction Measurement Management Regulations, under which customer satisfaction is treated as a key indicator of service quality and incorporated into the daily management and performance focus.

We further strengthened routine and real-time customer feedback mechanisms based on different service scenarios. Real-time satisfaction evaluation mechanisms have been established and steadily operated through both the 400 hotline and the online customer service team. Within the "golden five minutes" after each service interaction or call, customers are invited to submit feedback through a three-level satisfaction rating system, with the results synchronized in real time to the customer service system for immediate collection and dynamic monitoring. During the reporting period, the customer satisfaction score for the 400 hotline was 97.6, while the online customer service satisfaction score was 91.4. This helped shift customer feedback from post-service review to real-time insight, continuously improving service methods and response quality, and further enhancing overall customer satisfaction and service experience.

Strengthening and Empowering the Global Distributor Network

Sailun Group continued to improve two-way communication with distributors to enhance service coordination and market responsiveness, promoting a shift toward full-process and routine distributor engagement. We maintained close communication with distributors and fleets across the pre-sales, in-sales, and after-sales stages. Through on-site visits by market service engineers, usage diagnostics, and technical exchanges, we provided targeted training and guidance based on actual operating conditions, while promptly communicating product performance and improvement suggestions. At the same time, we kept multiple feedback channels open, including telephone, WeChat, the 400 hotline, and online customer service. Customer service and technical teams worked together to ensure rapid response and closed-loop resolution, continuously improving the distributor experience and end-user service satisfaction.

Building a Distributor Training System to Improve Service Consistency



Sailun Tire Americas in collaboration with U.S. Distributors, continued to carry out distributor training programs to strengthen the professionalism and service capabilities of distributor teams in areas such as product knowledge, sales practices, and brand values. The training covered product applications, consultative selling, after-sales and claims procedures, and brand positioning, with tailored content designed for different channels and team needs. During the reporting period, the programs were delivered through a combination of on-site training, regional workshops, online courses, and ride-along support, reaching more than 95% of distributor sales teams over the year. These efforts continued to enhance management standards and service quality across the distribution network, providing customers with a more consistent and standardized service experience.



Our Performance

Sailun Group regards customer satisfaction as a key performance indicator for customer service quality and operational effectiveness, and continues to improve service standards through quantitative management. Supported by a routine customer satisfaction evaluation mechanism, we continuously monitor and analyze the customer service process. Our professional and reliable service capabilities have also been recognized by key customers and partners. In 2025, Sailun Group achieved broad breakthroughs in the passenger vehicle OE market, securing supply for multiple vehicle models from major domestic automakers, including FAW-Volkswagen, BYD, Chery, Geely, Changan, NIO, BAIC, and Nanjing Iveco. During the reporting period, the Group was honored with several prestigious awards, including the 2025 Quality Excellence Award from Shaanxi Automobile Commercial Vehicle. This recognition not only highlights Sailun's strong support capabilities but also serves as an important testament to the enhanced strategic cooperation with numerous customers. With a steadfast commitment to our original intent, we will continue to strengthen the quality system, optimize tire product performance, and provide the market with safer, more efficient, and more competitive tire solutions through higher standards, better quality, and faster response.

Ecosystem Co-building: Distributor Tire Testing Experience Event



In September 2025, Sailun Group, together with a local distributor in Poland, held a customer engagement and tire testing event at the Kielce circuit. The event brought together 50 key B2B customers from across the value chain and combined product and technical exchanges, customized track test drives, and professional driver training. It showcased the technological innovation of the Sailun, RoadX, and MAXAM brands, strengthened customer engagement and recognition, enhanced the Group's brand influence in the Polish market, and deepened collaboration across the industry ecosystem. Through this responsible brand initiative, Sailun Group also supported the high-quality and sustainable development of the regional tire industry.



Target Category

Target

Customer Service

Achieve a continuous customer satisfaction score of by 2030

95 or above

Progress in 2025

During the reporting period, customer satisfaction in the Overseas Region reached **97.80 points**, while customer satisfaction in the China Region reached **97.32 points, achieving the annual target**

Responsible Marketing

Sailun Group has always adhered to the principle of responsible marketing, committed to following principles of integrity, transparency, and compliance in product promotion and brand development. By establishing a sound marketing system, we drive the healthy growth of our brand while actively fulfilling social responsibilities in market competition. Through continuous optimization of marketing strategies and service models, Sailun Group not only focuses on meeting customer needs but also emphasizes sustainable social and environmental development, striving to establish a trustworthy brand image.

Our Goals

We uphold integrity and compliance in responsible marketing and remain committed to creating customer value. We continue to improve our policies and management mechanisms, strengthen brand building and communication transparency, and safeguard consumer rights and market trust.

Our Governance

Sailun Group continues to improve its compliance governance structure for responsible marketing, with clear responsibilities assigned to relevant departments and compliance requirements embedded throughout brand communication and marketing activities. As the frontline of compliance management, business departments are responsible for overseeing the compliance of relevant activities. The Brand and Culture Management Department, together with the Legal and Risk Control Department and other departments, reviews and provides guidance on external communications, forming a multi-level and coordinated compliance management mechanism and continuously enhancing the standardization and robustness of brand communication management.

Our Initiatives

Sailun Group continued to strengthen the standardized management of marketing and brand communication activities, embedding compliance requirements throughout external communication and brand management. During the reporting period, the Group further improved its brand and public opinion governance mechanism on the basis of its existing compliance framework. By revising the Brand Public Opinion Management Manual, it enhanced its capabilities in risk identification, response, and coordinated management, strengthened the proactive prevention and control of brand communication risks, and ensured the standardization, consistency, and robustness of external communications.

In responsible marketing practice, Sailun Group regards the regulation of market communication activities and the prevention of communication risks as key management priorities, and continues to improve the prudence and compliance of brand communication. During the reporting period, in response to the communication risk management needs arising from global operations, the Group launched the development of a global brand monitoring system to safeguard brand reputation, enhance global brand trust, and reduce public opinion risks across international markets.

In building this system, Sailun Group adhered to the principles of proactive prevention, agile response, and localized adaptation. The Group established a routine monitoring and early warning mechanism to strengthen its ability to identify and respond to potential public opinion risks. At the same time, taking into

account differences in culture, legal requirements, and market conditions across countries and regions, the Group adopted differentiated management of brand communication content and communication methods to ensure that marketing activities comply with local social, cultural, and regulatory requirements.

In practice, Sailun Group strengthened the language and cultural adaptability of its communication content through multi-platform reputation management and localized communication strategies, along with a sound contract compliance management system and a collaborative intellectual property protection mechanism. During the reporting period, the Group's Legal and Risk Control Department conducted multiple contract compliance training sessions for key business departments such as the sales China region. These sessions were delivered in a combination of online and offline formats, using real business cases to systematically explain risk points throughout the contract lifecycle, helping frontline employees improve their risk identification and prevention capabilities, and embedding compliance awareness into every stage of the business process. Meanwhile, the Group also enhanced intellectual property training for frontline employees, clarifying the usage regulations for trademarks and copyrights to ensure that employees correctly use brand logos when creating promotional materials and interacting with customers, respecting others' intellectual property. This conveyed the brand philosophy of "making a good tire" to the market and actively gained broad recognition from global customers and partners.

Sailun Qingdao Airport Experience Center: Innovative Interaction Showcasing Sustainable Value



Sailun Group established a brand experience center at Qingdao Jiaodong International Airport as an important platform for engaging global travelers and showcasing innovation. Through an immersive F4 racing tire-change display and customized interactive experiences, the center presented a full-scenario product portfolio represented by EcoPoint³ tires, while clearly communicating their safety, energy-saving performance, and sustainability value to the public. This initiative reflects the Group's innovative approach to customer engagement and promotion of sustainable mobility solutions, while effectively conveying its technological strength and responsible brand image.



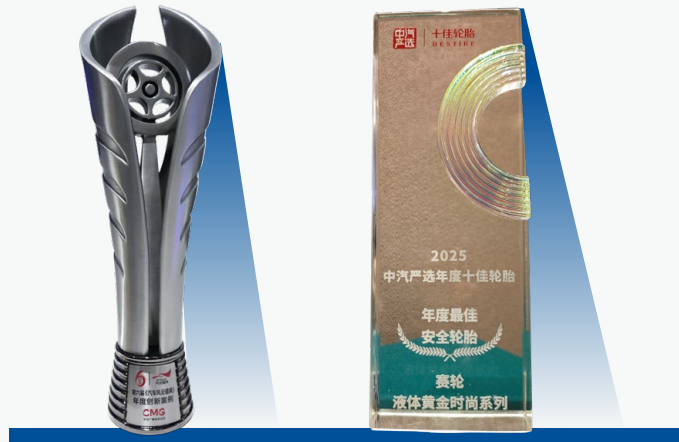
Global Launch of Sailun EcoPoint³ Color Sidewall Tires: Driving Sustainable Industry Development Through Technological Aesthetics



During the reporting period, Sailun Group stayed true to its mission of "making great tires" and launched the world's first color sidewall tire integrating Eastern aesthetics with advanced technology—the EcoPoint³ Fashion Series. Centered on user needs, the product marks a new step for the tire industry toward the integration of high visual appeal and high performance.

Focusing on customers' dual expectations for both aesthetics and performance, Sailun drew inspiration from traditional Chinese color aesthetics and partnered with Vogue Tire, a global premium tire brand. After more than a decade of technical development, the Group overcame key industry challenges in formula compatibility and color durability under heat, secured eight core patents, and developed seven premium customized color options. The product builds on the low-carbon strengths of EcoPoint³ tires in energy efficiency, wear resistance, and safety, while also incorporating self-sealing safety technology, patented noise reduction technology, and RFID-enabled traceability technology, achieving the integration of aesthetics, safety, low-carbon performance, and intelligent features.

Following its global launch in 2025, the product received multiple industry awards, including Top 10 Tire of the Year, and was also recognized by CCTV as an Annual Innovation Case. The launch not only marked an important milestone in Sailun's premium brand development, but also reflected the Group's efforts to drive greener industry upgrading through innovative products and create a better mobility experience for users.



Technology-led Brand Advancement Showcasing the Innovation Value of Chinese Tires



In 2025, Sailun Group communicated its approach to technological innovation and brand development through Moganshan Brand Dialogue, a program produced by Xinhua Net. Chairman Liu Yanhua introduced the R&D background of the EcoPoint³ tire material and its technical value in enhancing overall product performance. He also shared how Sailun Group is advancing its brand toward the high-end and international markets through collaborative research. In addition, the Group outlined its global approach to promoting green, low-carbon, and sustainable development across the product lifecycle.



Our Performance

Sailun Group continued to strengthen employees' understanding and implementation of compliance requirements through ongoing training and communication on compliant marketing, promoting the integration of compliance principles into brand communication and marketing activities. During the reporting period, the Group found no major violations related to marketing compliance, and its management measures played a positive role in standardizing marketing practices and preventing communication risks.

Building on its systematic internal compliance efforts, Sailun Group's responsible marketing practices and brand image also received recognition from an authoritative national institution. During the reporting period, the Group's SAILUN and MAXAM brands were named AAA National Well-known Trademark Brands by the China Trademark Association, making Sailun Group the first company in the industry to receive this recognition. The certification evaluates performance across five dimensions—legal, management, market, financial, and social responsibility—and provides authoritative recognition of the Group's long-standing commitment to compliant operations and honest communication, further strengthening its market credibility and brand reputation.

Track Experience Events: Standardized Product Experiential Marketing



In 2025, Sailun Group supported a series of premium track experience events organized by the Xiaomi Ultra Club in six locations across China, including Beijing, Zhejiang, Chengdu, and Zhuhai. During the events, the Group provided high-performance tires for selected vehicle models, allowing users to experience product performance in a professional track environment. Based on real-world application scenarios, these activities communicated product features to target users through standardized and transparent experiential interactions, reflecting the Group's prudent and responsible approach to marketing.



Supply Chain Management

Sailun Group continues to strengthen its supply chain management system by integrating sustainable development and responsible sourcing principles throughout the supply chain. The Group works closely with partners to build a stable, resilient, and sustainable supply chain system.

Our Goals

Our goal is to continuously improve supplier management and build a robust and sustainable supply chain. We work closely with suppliers and partners to fulfill social responsibilities and promote the sustainable development of the supply chain ecosystem.

To support a stable, resilient, and sustainable supply chain, the Group continues to improve supplier management and responsible sourcing mechanisms, and gradually integrates sustainability principles into supply chain management and procurement decisions. While ensuring supply chain security and stable operations, the Group is committed to working with suppliers and partners to advance compliant operations, risk management, and capability building, and to promote the long-term sustainable development of the supply chain ecosystem.

To support these goals, we have set phased and long-term targets for supplier ESG management and sustainable sourcing:

Sustainable Procurement

By 2030

annual participation in sustainable procurement training among all employees of the Procurement Center will remain at

100%

continuously strengthening internal understanding and implementation of responsible sourcing and ESG requirements

By 2030

ESG compliance due diligence will cover

100%

of major suppliers, further strengthening the foundation of ESG management across the supply chain



Our Governance

Sailun Group incorporates sustainable supply chain governance into its overall governance framework and strengthens supply chain ESG management through strategic guidance, institutional development, and cross-functional collaboration. The Group integrates responsible procurement, risk control, and supplier management into daily operations, and has established mechanisms for risk assessment, supplier admission, periodic audits, and continuous improvement. Relevant sustainable development indicators are also included in supplier performance evaluation. At the same time, Sailun Group continues to strengthen internal coordination and supplier communication to enhance ESG performance, supply chain resilience, and long-term sustainability.



Our Initiatives

Full Lifecycle Supplier Management

Sailun Group strictly complies with the Government Procurement Law of the People's Republic of China, the Tendering and Bidding Law of the People's Republic of China, and other applicable laws and regulations in the regions where we operate. We continue to manage suppliers and procurement in accordance with internal policies such as the Procurement Control Procedure and the Raw Material Supplier Management Regulations. During the reporting period, we further improved the supplier management system by updating and implementing policies such as the PPAP³⁵ Management Regulations for Raw Materials, Auxiliary Materials, and Tire Components Suppliers, providing stronger institutional support for building a robust and sustainable supply chain.

Supplier Onboarding

At the supplier onboarding stage, we apply unified evaluation standards and differentiated quality management system requirements. Suppliers of key carcass materials must pass third-party audits and obtain IATF 16949 certification, while other material suppliers must hold ISO 9001 certification. Natural rubber suppliers must pass the Group's second-party audit and meet relevant ISO 9001 requirements. Relevant qualifications and certification documents are centrally managed in the SRM system, with continuous monitoring of certificate validity to ensure ongoing compliance with supplier admission requirements.

Potential Supplier Risk Assessment

We prepare systematic assessment reports on potential suppliers, comprehensively analyzing their global supply footprint, existing cooperation basis, industry competitive landscape, and potential risks to support risk-informed admission decisions.

Potential Supplier Development Feasibility Analysis

After the risk assessment is passed, we review suppliers' management system certifications and process capabilities based on the category of raw materials, and define PPAP submission requirements accordingly. This helps assess their quality assurance capability and the feasibility of stable supply.

Supplier Selection and Systematic Management

Only suppliers that pass the comprehensive evaluation may proceed to the PPAP review and final confirmation stage and be included in the qualified supplier system. Supplier information is managed systematically, with key details such as technical standards and testing methods clearly defined to ensure data integrity and traceability.

Supplier Development and Onboarding Process

In the supplier selection process, we consider both local and global suppliers equally, without discrimination based on geographical location or size. Under equal competitive conditions, we prioritize suppliers who are more proactive in carbon reduction efforts and demonstrate superior sustainable development performance, in alignment with the Group's green supply chain strategy.

Supplier Assessment

Sailun Group has established a classified and tiered management system for existing suppliers in accordance with the Raw Material Supplier Management Regulations. Suppliers are categorized into four groups based on their roles in the business chain: manufacturers, production plants, agents, and traders. They are also managed by material criticality, including Tier 1 (critical materials) suppliers and Tier 2 (non-critical materials) suppliers, with differentiated control requirements applied accordingly.

For approved suppliers, we implement an annual performance evaluation mechanism. On a yearly basis, we use cross-year data to quantitatively assess supplier performance in quality, delivery, and overall management, and assign evaluation ratings to support subsequent cooperation and management decisions.

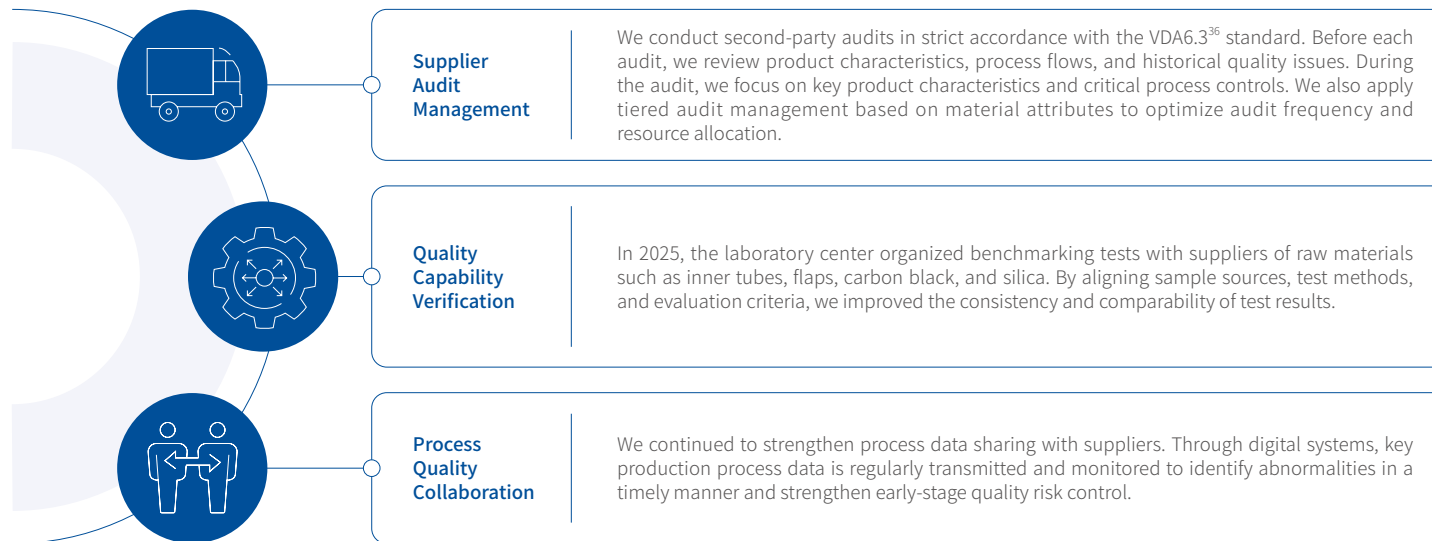
To strengthen process oversight, we conduct onboarding audits, periodic audits, and issue-based audits in accordance with the Second-Party Audit Management Regulations for Raw Materials, Auxiliary Materials, and Tire Components Suppliers. Audit frequency and methods are determined based on risk levels and may include on-site audits and supplier self-assessments. In 2025, the Group further improved its audit requirements by incorporating social responsibility and ESG factors into the audit scope, strengthening standardized and sustainable supplier management.

Based on annual evaluations and audit results, suppliers with major non-conformities or persistent underperformance are subject to corrective actions, cooperation restrictions, or phase-out.

³⁵ Production Part Approval Process, one of the five core tools of IATF 16949, used to confirm whether a supplier is capable of consistently producing qualified products at scale.

Supply Chain Quality Management

Sailun Group has established a supply chain quality management mechanism covering the receipt, inspection, use, and handling of raw materials and components. All materials are subject to batch sampling inspection, and the results serve as the basis for warehousing and use. In 2025, we revised relevant policies to strengthen quality control, improve audit effectiveness, and enhance performance evaluation and quality accountability. For non-conforming materials and components, the Group implements standardized disposal and corrective actions to support closed-loop quality management and improve supply chain stability and reliability.



To strengthen supply chain quality control, Sailun Group continued to use the Quality Assurance Agreement as a core management tool. In 2025, the Group systematically optimized the agreement, improved its structure, and expanded its scope of application. The updated agreement strengthened requirements on quality system standards, differentiated quality indicator management, quality claims, quality early warning, and laboratory benchmarking, promoting closer alignment with Sailun's standards in production and quality control.

³⁶ VDA6.3: A standardized document issued by the German Association of the Automotive Industry (VDA) for quality management systems in the automotive sector. VDA6.3 is a dedicated audit standard covering the entire automotive supply chain.

During the reporting period

100%

of our raw material suppliers signed the Quality Assurance Agreements

Supplier Quality Empowerment

To enhance supplier quality capabilities, Sailun Group strengthened multi-level training and communication based on updated quality management requirements. In 2025, the Quality Center completed revisions to multiple quality management documents, which were then signed by suppliers under the coordination of relevant procurement departments. The Group also provided systematic communication and Q&A through online meetings to support effective understanding and implementation.

In daily management, we integrated quality empowerment into supplier audits and collaboration. On-site quality training was conducted alongside second-party audits, and targeted guidance was provided to key suppliers to improve process control capabilities. For suppliers with serious quality issues or repeated warnings, we established a quality interview mechanism, under which the Quality Center organized root cause analysis and corrective action review to ensure effective implementation. In 2025, we conducted 32 supplier quality interviews, and all identified issues were rectified and closed. We also strengthened communication and alignment on quality requirements through offline exchanges and other channels.

In 2025

we conducted

32

supplier quality interviews, and all identified issues were rectified and closed

Sustainable Procurement

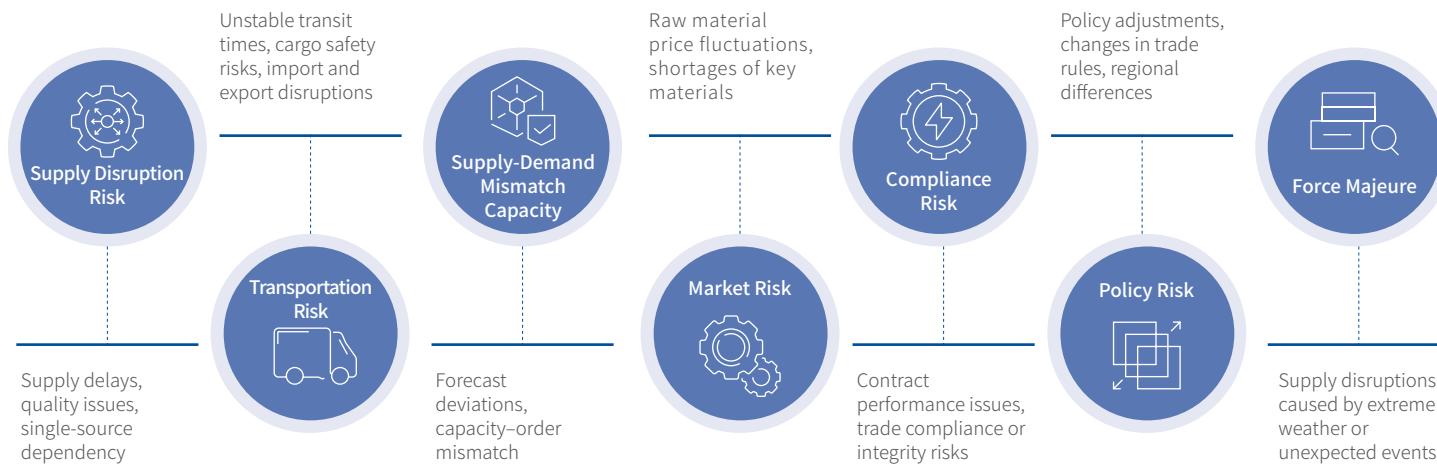
To strengthen sustainability risk management in the supply chain, Sailun Group continued to improve its procurement policies and management mechanisms. In 2025, we revised the Sustainable Procurement Policy and updated related management requirements, setting clear expectations on environmental protection, health and safety, labor rights, business ethics, and conflict minerals management. These requirements are embedded throughout supplier onboarding, cooperation, and evaluation, providing policy support for sustainable procurement.

For key raw materials such as natural rubber, Sailun Group continued to implement sustainable procurement requirements and guide suppliers to improve environmental and social responsibility management through ongoing monitoring and follow-up, thereby enhancing supply chain stability and sustainability.

The Group also continued to identify and assess supply chain risks. In 2025, we systematically reviewed key control points across procurement processes and identified risks related to sourcing, supplier management, compliance, and integrity, covering the full process from supplier selection and contract execution to settlement.

On this basis, risk identification was further refined to specific business scenarios. Key points such as tendering management, quotation comparison, and non-conforming product feedback were analyzed one by one, forming a three-tier risk list for more precise risk mapping.

Based on the identified risks, we assessed their likelihood and potential impact, and developed risk grading and prioritization results. Focusing on major and important risks, we formulated corresponding response and control measures and developed a Group-level risk matrix to support procurement and supply chain management decisions.



Supply Chain Risk Matrix

Supplier ESG Management

To strengthen supplier ESG management, Sailun Group continued to improve related policies and mechanisms and embedded sustainable development requirements into supplier onboarding and management. We established an ESG review framework centered on process oversight, risk identification, performance evaluation, and result application. By integrating social responsibility, environmental protection, and compliance requirements throughout supplier onboarding, cooperation, and evaluation, we continued to identify and manage supplier ESG risks and promote effective implementation across the supply chain.



Process Oversight

- We conduct on-site CSR audits alongside second-party audits to strengthen oversight of suppliers' social responsibility performance. Key areas include labor management, occupational health and safety, and training implementation. Through employee interviews, on-site evidence collection, and targeted audits, we assess supplier management practices and require corrective actions for identified issues.

Risk Identification

- We implement an ESG due diligence mechanism during supplier onboarding and cooperation. Reviews cover sanctions and export controls, supply chain compliance, anti-corruption, and internal compliance management. Risk ratings are used to identify potential ESG risks and support cooperation decisions.

Performance Evaluation

- ESG requirements are included in the annual supplier performance evaluation system. With reference to international frameworks such as EcoVadis, we assess suppliers' performance in labor and human rights, environment, sustainable procurement, and business ethics. Certifications such as ISO 14001, ISO 45001, and SA 8000, as well as relevant ESG ratings, are also used as key evaluation inputs.

Result Application

- ESG items are incorporated into supplier evaluations through a bonus-and-penalty mechanism linking ESG performance with overall results. Suppliers with violations or major risks receive score deductions and are required to take corrective actions, while those with strong performance receive positive incentives to drive continuous improvement across the supply chain.

For issues identified during the assessment process, the Group has established a corrective action mechanism. Non-conformities are addressed in a timely manner, with follow-up to ensure implementation. Under the environmental protection requirements of the Supplier Code of Conduct and Compliance Commitment, suppliers are required to develop remediation plans for excessive pollutant emissions and meet standards within a specified timeframe. By linking corrective actions to performance evaluation and management, we promote continuous improvement in suppliers' environmental and social performance.

Building on improved supplier ESG management and evaluation mechanisms, Sailun Group promotes understanding and implementation of sustainable development requirements through audits, guidance, and communication, and continues to strengthen supplier capability building and collaborative improvement.

Integrated CSR Audits and Training to Strengthen Supplier ESG Management

In 2025, Sailun Group integrated CSR on-site audits with training in second-party audits, combining compliance checks with ESG capability building. Procurement staff conducted on-site audits using standardized procedures and provided guidance on sustainable procurement, compliant operations, and social responsibility requirements. This created a closed loop of issue identification, feedback, training, and corrective action follow-up. During the reporting period, the Group completed 30 CSR on-site audits, helping suppliers move from passive compliance to proactive improvement.

Strengthening Face-to-Face Communication to Advance Supply Chain ESG Collaboration

To strengthen alignment with suppliers on ESG goals, Sailun Group continued to organize one-on-one, on-site exchanges with suppliers. These sessions communicated ESG principles, the Sustainable Procurement Policy, and related management requirements, while also providing a forum to discuss suppliers' progress and challenges in environmental, social, and governance practices and offer targeted improvement suggestions. In 2025, the Group conducted 60 face-to-face exchanges with suppliers, supporting ESG communication and joint capability building.

To promote the implementation of sustainable procurement and business ethics in procurement activities, Sailun Group provided sustainable development training to all procurement staff, covering ESG fundamentals, business ethics, sustainable procurement requirements, procurement responsibilities, and industry trends, to strengthen execution in sustainable development management. At the same time, with responsible procurement as a key focus, the Group continued to extend sustainability principles further upstream in the value chain. The Procurement Center, together with the Legal and Risk Control Department and the Sustainable Development Strategy Management Office, conducted a special questionnaire survey of major suppliers of key raw and auxiliary materials, covering areas such as business ethics and sustainable development practices. This work helped review the current state of sustainability management in the upstream raw material supply chain, identify baseline conditions and risks among core suppliers, and lay a solid foundation for future supplier empowerment, supply chain sustainability management optimization, and upstream-downstream collaboration.

Sustainability Training for Procurement Staff to Strengthen Responsible Sourcing Capabilities



During the reporting period, Sailun Group provided sustainable development training to all procurement staff, clarifying the Procurement Center's role in sustainable procurement and the key priorities for the year. The training helped procurement staff embed ESG requirements into supplier management and procurement decisions. Through unified understanding and clarified accountability, the procurement team has strengthened its comprehension and execution of sustainable sourcing requirements, laying a solid foundation for supplier management and external communication.



Our Performance

During the reporting period, Sailun Group continued to strengthen policy implementation and process control around supplier lifecycle management and sustainable procurement goals. Through quantitative performance tracking, we drove steady improvement in supply chain compliance, quality, and sustainability. During the reporting period, the specific objectives and annual progress are summarized as follows:



04 ECO-HARMONY

Fostering Organizational Cohesion

- ⊗ Inclusive Workplace
- ⊗ Occupational Health and Safety
- ⊗ Talent Development
- ⊗ Shared Success Through Collaboration
- ⊗ Employee Care
- ⊗ Philanthropy and Public Welfare

Sailun Group always regards its employees as a vital resource for enterprise development. Through a fair recruitment process, competitive compensation system, and comprehensive training and development mechanism, we continuously enhance employees' professional capabilities and welfare. Meanwhile, we prioritize employee health and safety, create a supportive work environment, and strive to build an efficient and cohesive team. We also actively fulfill our social responsibilities by participating in public welfare initiatives, contributing to the sustainable development of society.

UN SDGs:



Inclusive Workplace

We insist on compliant employment in accordance with the law, continuously improve employment management mechanisms, and foster a diverse, equitable, and respectful work environment. We attract and select suitable talent through standardized recruitment and hiring processes, promote an inclusive communication and collaborative atmosphere in daily management, while continuously strengthening employee rights protection measures to effectively safeguard employees' legitimate rights and interests as well as job stability.

Our Goals

We are committed to fostering a diverse and inclusive workplace environment, ensuring that every employee can realize their full potential in an equitable and fair atmosphere. We strive to optimize recruitment processes, provide equal opportunities, support women's career development and the employment of special groups, and drive continuous improvement in our corporate culture and management mechanisms, thereby creating a work atmosphere that respects differences and embraces diversity. To further strengthen support for women's employment, we have set clear diversity goals for recruitment: **from 2025 to 2030, the proportion of women among newly recruited employees in the Group's functional centers will reach a cumulative 40%.**

Our Initiatives

Sailun Group continues to strengthen its compliant employment and human rights protection system, strictly adhering to applicable laws and regulations in all operating locations, including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. Drawing on international standards such as the United Nations Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) conventions, and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the Group has improved its mechanisms for the prevention, verification, handling, and rectification of child labor. In 2025, Sailun Group published the Sailun Group Global Human Rights Policy, which clearly sets forth requirements for human rights protection, compliant recruitment, and equality and diversity, covering the entire lifecycle of recruitment and employment. Concurrently, the Group updated its Recruitment Guidebook, reinforcing non-discriminatory recruitment requirements, adopting a "blind recruitment" mechanism and structured assessment tools to enhance recruitment fairness, while improving training, evaluation, and grievance mechanisms to ensure recruitment compliance and rights protection.

Diversity and Equality Guarantee

Sailun Group integrates the principles of equality, respect, and inclusion into all aspects of employment management, explicitly opposing discrimination based on gender, ethnicity, region, religion, or other factors, and ensuring equal opportunities for employees in recruitment, compensation, training, and career development. Concurrently, we prohibit child labor and oppose forced labor, enforce mandatory identity verification during onboarding and dynamic monitoring during employment, and have established standardized remediation and accountability procedures covering termination of employment, health protection, full compensation, and escort and handover arrangements. Through multi-channel, confidential complaint and reporting mechanisms, we strive to build a diverse and equitable workplace. During the reporting period, to further promote the construction of a strong corporate culture, the Group advocated cultural values that are embraced by all employees and aimed to unite the cultural consensus of its global workforce. The bilingual Chinese-English version of the Sailun Cultural Philosophy was released, enhancing the pride and sense of mission among Sailun employees. This initiative continues to inspire innovation and entrepreneurial enthusiasm within the Group, providing a constant source of powerful momentum for Sailun's sustainable development.

The Group is committed to creating a warm and inclusive workplace for employees with diverse needs and backgrounds. While continuously improving customer service professionalism, we also push for the optimization of our employee-friendly labor policies. In 2025, the Group focused on addressing the differentiated demands of customer service center employees by piloting a flexible work system combining "flexible scheduling and remote work." This system tailors work schedules and office models to the personalized needs of different groups, ensuring full coverage of customer service while maximizing work-life balance for employees. It effectively reduces commuting pressure and lowers safety risks associated with nighttime travel, truly embedding the human-centered philosophy of "what matters to Sailun people is our top priority" into employees' daily work.

We fully address the differentiated needs of various employee groups and continuously improve our humanistic care system. To support the integration of overseas employees, we provide English-language onboarding kits and expand recruitment formats for overseas students. We prioritize special protections for female employees in medical examinations, safeguard women's health rights and interests, and are gradually establishing "Mother's Rooms" at the Group's headquarters and various continuously operating factories to create a more friendly and supportive work environment for female employees. In 2025, we launched the "Career Consultation Column for Female Job Seekers" and initiated the "Female-Specific Internship Program," continuously expanding career development opportunities for women and steadily advancing diverse employment practices.

"Sailun Reception Hall" Open Day event exclusively for Indonesian international students



Sailun Group hosted the "Sailun Reception Hall" Open Day event exclusively for Indonesian international students, systematically showcasing the development practices and employment environment of Chinese enterprises through on-site visits, executive exchanges, and presentations on the talent development system. Centered on open communication, the event helped overseas young people understand corporate culture and career paths, broadening their access to career information and development opportunities. By building a cross-cultural talent exchange platform, Sailun Group organically integrates its global talent strategy with the principles of diversity and inclusion, promoting cultural mutual learning and the realization of shared value.



Global Employer Brand Video: Growth Stories of Diverse Talent



Sailun Group, in collaboration with China Global Television Network (CGTN) and LinkedIn, released a global employer brand promotional video. Centered on the career growth journey of a Cambodian international student at Sailun, the video showcases her career development path from graduate to mid-level manager, reflecting the Group's long-term development mechanism for international talent. Through this real-life story, Sailun Group conveys to the world an employer philosophy that respects diversity, values growth, and ensures fair opportunities, demonstrating its inclusive and open corporate culture and global brand image.



Women's Employment Support Program



Sailun Group launched the Women's Employment Support Program to support women's career development and attract diverse talent through targeted initiatives. We carried out women-focused career guidance activities at universities and set up a Women's Career Support section, with each event serving more than 100 students. We also launched the Women-focused Internship Program, offering frontline internship opportunities to help female candidates strengthen professional skills and better understand job roles. The program has supported 86 female students in gaining internship experience at Sailun Group.



Women's Career Development and Leadership Enhancement Program



In March 2025, Sailun Group launched the online learning program "Women's Career Development and Leadership Enhancement" in observance of International Women's Day. Designed around the diverse needs of female employees in career growth and personal development, the program offers course content such as women's leadership and workplace social etiquette. Delivered through online learning, the program has attracted a total of 870 participations, continuously empowering female employees in their professional competence enhancement and personal well-being, while fostering a more inclusive organizational environment that supports women's development.



Unblocking Recruitment Channels

To support its globalization strategy, Sailun Group continuously optimizes its campus recruitment and social recruitment systems, attracting high-quality talent to ensure the Group's sustainable development. We strictly adhere to the principles of compliant employment and have established standardized procedures covering recruitment, hiring, and active employment management. In 2025, we standardized the release of recruitment information, ensuring that job descriptions are objective and non-discriminatory, and conducted recruitment through multiple platforms in an open manner. Additionally, we have established unobstructed complaint and reporting channels, handling issues such as discrimination, harassment, or forced labor in accordance with laws and regulations and with strict confidentiality, thereby effectively safeguarding employee rights and eliminating retaliation.

Campus Recruitment for a Shared Future



case

The Talent Week program has been successfully held for five consecutive years and has become a signature recruitment event among local universities. In 2025, the program further expanded to key universities such as Qingdao University of Science and Technology and Ocean University of China, attracting more than 5,000 students. The event effectively supported graduate employment and enhanced Sailun Group's employer brand. Going forward, the Group plans to extend this model to more regions.



Deepening University-Enterprise Cooperation to Build a Global Talent Deepening University-Enterprise Collaboration to Build a Global Talent Development Platform



case

In 2025, Sailun Group continued its Workplace Roundtable campus series. Going beyond traditional recruitment, the program brought senior executives and alumni into universities such as Shandong University, Jilin University, Dalian University of Technology, and Ocean University of China to engage with students on career planning and industry insights. More than 300 students participated, helping promote closer industry-academia collaboration and talent development.



Advancing Industry-Academia-Research Collaboration and Exploring Industry Frontiers



case

In 2025, Sailun Group launched the Tire+ Lab program. Through R&D center visits and technical exchanges, the Group shared the latest industry technologies and future trends with teachers and students from China University of Petroleum (East China). The program reflected the Group's commitment to education and knowledge sharing, while also helping young talent gain industry insight and career inspiration and supporting the Group's long-term talent pipeline.

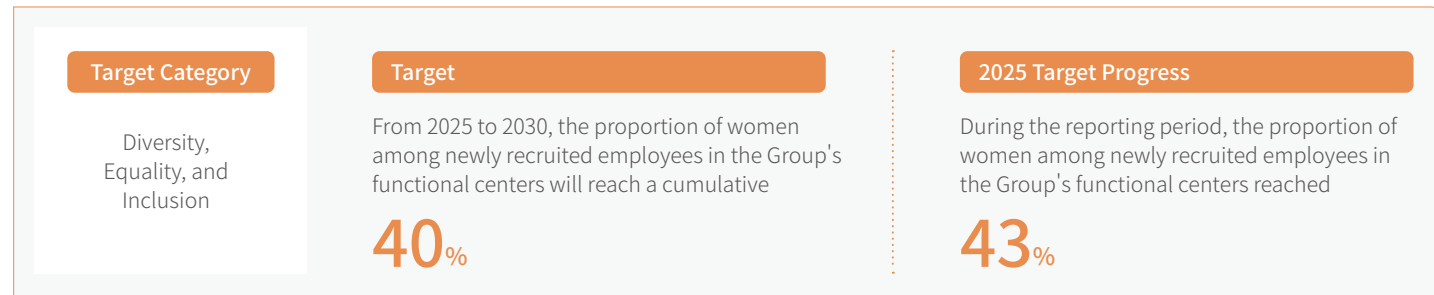


Strengthening Talent Inventory

Sailun Group continued to deepen its talent review process and systematically mapped responsibilities, roles, and talent structure from the perspectives of strategy, business, and organizational alignment, gradually building a competency-based talent management framework. In 2025, the Group further advanced its job qualification system, upgrading talent review from identifying the current workforce to better supporting talent development, strategy execution, and sustained business growth.

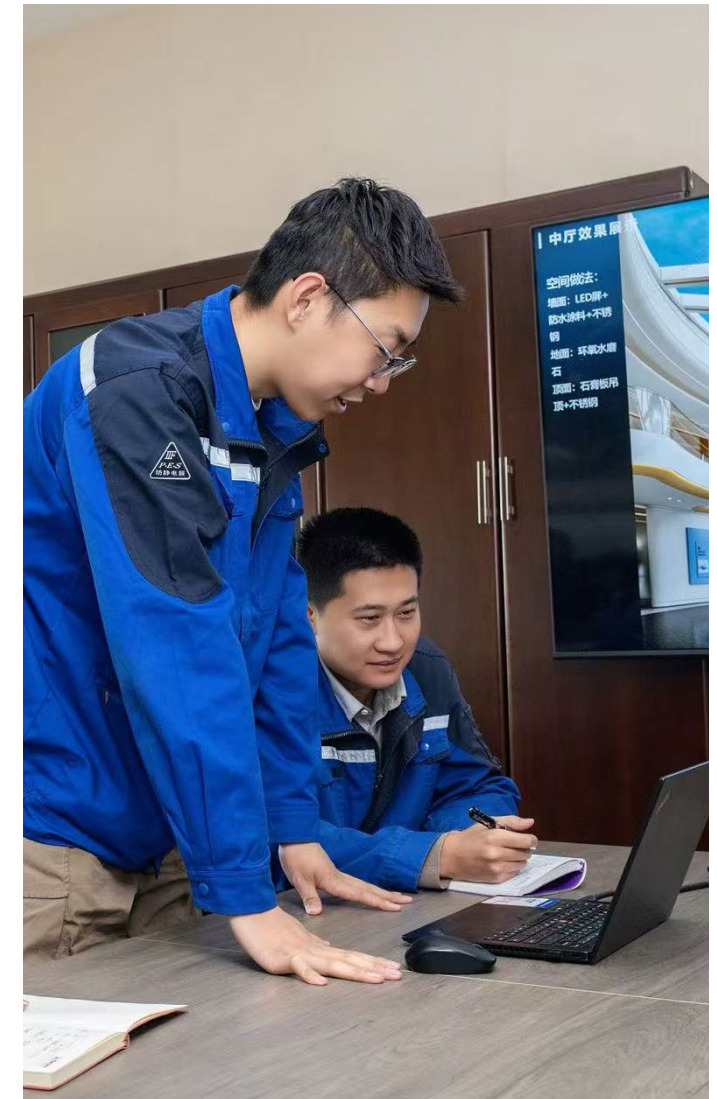
To build a scientifically sound and standardized talent management system that supports organizational strategy execution and sustained business growth, in 2025, the Group launched the job qualification system development, outputting qualification standards for 269 positions based on the professional job mapping. The core framework of the qualification standards includes three parts: basic conditions, professional contributions, and key capabilities. These standards serve as the capability blueprint for the development of professional talent, driving the alignment of employee capabilities with the key competencies of the positions and guiding the development of talent and organizational capabilities.

Our Performance



Employee Employment Overview Table

Indicator	Unit	2025
Regular Employees	Persons	25,128
Number of Employees by Gender		
Female Employees	Persons	4,348
Percentage of Female Employees	%	17.30
Percentage of Women on the Board	%	14.29



During the reporting period, Sailun Group continued to improve its talent recruitment and development system, steadily enhancing overall human resources management. These efforts delivered solid results, and the Group received multiple employer branding awards in recognition of its strong performance in employer branding.

As of the end of the reporting period, a total of

7 factories in operation under the Group had obtained SA8000 Social Accountability Management System certification, providing solid safeguards for talent recruitment, stable development, and employee training.



Talent Development

Sailun Group has always regarded talent development as a key pillar supporting the organization's sustainable growth. Focusing on employee capability enhancement and career development, the Group continuously improves its training and development systems, career pathways, performance management, and incentive mechanisms, fostering an organizational environment conducive to talent growth and promoting the coordinated development and shared progress of employees and the enterprise.

Our Goals

Centered on employee growth and organizational capability enhancement, Sailun Group is committed to providing employees with clear career pathways and fair, transparent growth opportunities. The Group will continue to improve its training and development systems, qualification and promotion mechanisms, performance appraisal, and incentive systems, enhancing employees' professional capabilities and job competencies, stimulating organizational vitality, and building a high-quality, sustainable talent pipeline aligned with the Group's strategy to support its high-quality development. During the reporting period, the Group set medium- and long-term goals for employee career development and planning: **By 2030, the average annual training hours per employee across the Group will reach 25 hours.**

Our Initiatives

Employee Training

To continuously improve the talent training system and enhance the professional level of training management, Sailun Group has further strengthened its training management mechanisms based on the Training Management Regulations and Training Resource Management Regulations. In 2025, the Group revised the Internal Trainer Management Regulations, systematically improving full-process management requirements covering internal trainer selection and admission, tiered development, and professional evaluation. It further optimized the teaching incentive mechanism, clarified grade advancement pathways and exit management standards, ensuring the standardized operation of the internal trainer team and the continuous enhancement of their capabilities.

Training System Development

We continue to advance process standardization and digitalization, systematically improving key stages such as training needs identification, training plan formulation, implementation and organization, and effectiveness evaluation.

Training Needs Management

We have defined and standardized the five major sources of training needs, established a unified and standardized needs submission mechanism, and ensured the comprehensiveness and accuracy of annual training needs identification.

Training Plan Formulation

We provide training enablement to all units of the Group, reviewing and guiding the translation process from training needs to training plans, thereby enhancing the scientific basis, relevance, and feasibility of training plans.

Training Implementation and Evaluation

We have launched the HRIS training module, enabling full-process online management of training plan confirmation, attendance tracking, examinations, evaluation, and summary. Leveraging the organizational structure, we have implemented step-by-step approval processes to strengthen process control.

End-to-End Training Management System

By the end of the Reporting Period, the HRIS³⁷ training module had been rolled out across all domestic entities. For overseas plants, training implementation was tracked through offline delivery and follow-up on training plans, data, and supporting documents to ensure effective execution.

We also continued to invest in employee training and capability building by establishing a systematic training framework covering key roles and compliance requirements. For special operations and critical business certifications, we provided paid training and reimbursement support. We also encouraged employees to pursue degree programs, skills training, professional title evaluation, and qualification certifications, helping enhance professional capabilities and career competitiveness while building a talent team with a global mindset and long-term development capabilities.

Talent Training and Development System

Sailun Group has built a tiered and categorized training system centered on new employee training, professional line training, and management line training, addressing employees' full-cycle development needs. New employee training facilitates rapid integration and foundational capability building; professional line training strengthens job-specific competencies and technical accumulation; management line training enhances management aptitude and leadership capabilities. Through systematic and progressive development, we continuously improve employees' professional skills and management capabilities, providing stable talent support for the Group's high-quality development.

During the reporting period, to deepen the "people-centered" philosophy and support its globalization development, Sailun Group launched a special initiative on employee skills and comprehensive competency assessment. The program follows a closed-loop approach of learning, testing, practice, evaluation, selection, recognition, and application, and is structured around three dimensions: culture, discipline, and professionalism. It systematically mapped more than 5,000 detailed job positions and developed extensive test banks and learning materials. Through company-wide learning, standardized testing, and skills competitions, the program reached about 24,000 attendances during the year. The results were closely linked to talent review, recognition, and development, helping build a fair and science-based talent evaluation and development system, support continuous employee growth, and strengthen the talent foundation for the Group's sustainable development.

³⁷ HRIS: Human Resources Information System.

Strengthening the New Employee Training System



Campus Graduate Onboarding Training

For new graduates joining in 2025, Sailun Group organized an eight-day onboarding training program. The program covered corporate culture and mission, strategy and planning, organizational strengthening, and other related topics, while also introducing workplace transition and tire manufacturing processes. Through classroom learning, thematic discussions, hands-on practice, and on-site production training, the program helped new employees better understand the Group's development approach and business operations.

Vietnam Site Local Graduate Development Program

To support the development of locally recruited university graduates in Vietnam, Sailun Group built on its unified 2.5-year graduate training program and added localized requirements based on local needs. The program provides targeted development in job skills, career growth, and organizational integration, helping build a stable local talent pipeline and support business growth and talent development at the overseas site.



Strengthening Professional Capability Building



IT Product Manager Training: Building Digital Talent

Sailun Group carried out a dedicated training program for IT product managers to strengthen professional capabilities for digital transformation. Through classroom learning and thematic discussions, the program systematically improved participants' understanding of product manager responsibilities, methodologies, and tool application. After two rounds of intensive training and practical exercises, participants delivered multiple product solutions and tool templates, achieving clear improvement in both mindset and professional skills and helping build digital talent for the Group's transformation.



Targeted Recruitment Workshop: Strengthening Professional Capability and Compliance Awareness

In 2025, the HR Center organized a targeted workshop to strengthen recruitment capabilities. The program covered recruitment policies and process standardization, risk prevention and compliance management, and professional skill development. Through interviewer certification training, structured interview skills training, and in-depth analysis of typical recruitment cases, the Group further standardized recruitment practices and improved recruiters' ability to assess and select talent objectively.



Advancing the Management Talent Pipeline

case

"Milian Camp" Program: Supporting the Transition of New Managers

For newly promoted managers, the Group launched the Milian Camp development program. Covering mindset shift, capability assessment, intensive training, capability building, improvement practice, and self-development, the program combined classroom learning, discussions, and practical application. It focused on cultural alignment, management mindset, and core management skills, helping new managers transition effectively from individual contributors to management roles and better support business development.



To support global expansion and the stable operation of overseas businesses, we continued to strengthen our localized overseas talent development system. Based on different plant development stages and business needs, we set differentiated talent management goals and implemented systematic development programs to enhance the professional capabilities, cultural alignment, and management potential of overseas employees, gradually strengthening the local talent foundation for overseas plants and markets.

For recent graduates, the Group strengthens localization training requirements based on the 2.5-year university student development plan, reserving young talent for overseas factories. The "Eagle Program" is implemented for newly appointed team leaders to enhance management awareness and job performance capabilities. Additionally, Six Sigma Yellow Belt training is conducted for frontline employees and key business personnel to improve systemic thinking and continuous improvement capabilities. Through multi-level, progressive talent development, the Group continues to improve the construction of local talent teams overseas, promoting team stability and cross-cultural integration.

"Banmo Academy" Program: A New Model for Local Talent Development

case

Sailun Group, together with Qingdao Technical College, the Government of Indonesia, and local universities, launched the Indonesia-Banmo Academy program. Oriented toward long-term human capital investment, the program supports local youth in improving employability, promotes the modernization of vocational education, and strengthens industrial and cultural exchange between China and Indonesia. It also reflects the Group's active role in supporting inclusive growth and cross-cultural collaboration.



Development for Successors and New Managers: Strengthening the Local Management Pipeline

case

At the Vietnam site, Sailun Group launched the "Hundred Talents Program" to develop high-potential employees for the management pipeline. At the same time, drawing on the domestic Milian Camp model, the Group provided systematic training for newly promoted Vietnamese managers, covering nearly 200 employees in total. These efforts supported role transition and strengthened management awareness, cultural understanding, and job readiness, laying a stronger foundation for the stable operation and sustainable development of overseas plants.



Employee Promotion

Sailun Group continued to improve its career development and promotion system, building dual career paths for both management and professional talent. This includes further standardizing role mapping, job sequences, grade levels, and titles, and clarifying career paths and promotion standards to enhance transparency and consistency.

At the same time, we continued to improve our closed-loop mentoring system, covering cultural guidance, standards, capability building, practical projects, and incentive-based evaluation. This helped make mentoring more systematic and scalable. In 2025, average satisfaction with mentoring reached 97 points, providing strong support for key talent development and continuous organizational capability building.



Annual Teachers' Day Event



Standardizing and Solidifying Standards

Optimize the Mentor Management System, strengthen mentor profiling and behavioral requirements

Systematically Enhancing Mentor Mentoring Skills

Standardize mentoring experience through the development of outputs such as the Mentor Case Collection, Mentor Mentoring Checklist, and Mentor Learning Map

Accumulating Mentoring Experience Through Project Practice

Accumulate experience through development programs such as New Graduate Onboarding Training and the Milian Camp

Systematic Mentor Management Mechanism

Compensation and Incentives

Sailun Group continued to improve its compensation management system through policies such as the Compensation Management Regulations and the Regulations on Compensation and Benefits Management Regulations for International Assignees. The Group has established a globally aligned compensation system that balances fairness and incentives, with clear structures and mechanisms for compensation determination and adjustment. Employees receive both fixed and variable pay linked to performance. At the same time, the Group continued to implement a medium- to long-term equity incentive plan for key talent, covering directors, mid- and senior-level managers, and core employees, to strengthen talent attraction and retention. In 2025, the Group revised the Compensation Management Regulations for Directors and Senior Management of Sailun Tire, further standardizing compensation structure, performance linkage, payroll calculation and payment, and clawback mechanisms, and continuing to improve its compensation framework with both incentives and accountability.

Performance Assessment

In 2025, we revised and improved the Performance Management Control Procedure and the Performance Bonus Assessment Management Regulations based on our strategic development. These revisions clarify monthly, quarterly, semi-annual, and annual appraisal cycles, establish key performance indicators (KPIs) across dimensions including customer, financial, internal operations, and learning and growth, combining quantitative and qualitative metrics, and conduct root cause analysis and improvement for underperforming items, thereby enhancing the scientific basis and execution capability of performance management.

At the same time, we have signed Employee Performance Responsibility Letters with all employees, institutionalizing job responsibilities, performance targets, and evaluation criteria to achieve fully traceable management. During the reporting period, the signing rate for Performance Responsibility Letters reached 100%, effectively promoting the alignment of individual goals with organizational strategic objectives and enhancing management consistency and transparency.

Our Performance

During the reporting period, Sailun Group continued to conduct multi-level, multi-format training activities focused on employee training and career development. The specific targets, annual progress, and relevant training data are disclosed as follows:



Indicator	Unit	2025
Total Number of Employees Trained	Persons	25,128
Total Number of Training Participant-Takes	Attendances	454,242
Percentage of Employees Trained	%	100
Employee Training and Development Expenditure	RMB	8,560,638.30
Number of Employee Training Sessions	Times	4,934

Employee Care

Sailun Group leverages a comprehensive employee care system and open communication mechanisms as a bridge to continuously enhance mutual understanding and trust between the enterprise and its employees, fostering an open, inclusive, and collaborative work atmosphere. This supports employees in achieving shared growth through stable support and positive interaction, pooling development synergy to move together toward a sustainable future.

Our Goals

We are committed to creating a caring, supportive, and respectful work environment by comprehensively enhancing the employee welfare system, focusing on employee health, psychological care, and work-life balance. Concurrently, we strive to strengthen democratic communication channels, ensuring that employee voices receive effective feedback and responses, promoting positive interaction between employees and the Group, and fostering employees' holistic development and enhanced career well-being. During the reporting period, the Group set medium- and long-term goals around employee care: **With 2024 as the baseline, by 2030, the Group aims to achieve an employee satisfaction survey score of 94 or above.**

Our Initiatives

Employee Benefits

To improve the employee care and welfare protection system, Sailun Group has formulated and implemented the Regulations on Employee Benefits Management and the Regulations on Employee Care and Assistance Management, establishing unified standards for employee benefits and care. While providing basic protections such as social insurance, paid leave, and holiday benefits in accordance with laws and regulations, the Group has built a multi-tiered employee welfare and assistance mechanism covering health care, hardship assistance, work support, and humanistic care. Through institutionalized and regularized initiatives, the Group enhances employees' sense of fulfillment and belonging, fostering a stable and harmonious labor relationship.

Work-Life Balance

- o **Leave Care:** Provide paid leave for accompanying children during high school and college entrance exams, exceeding legal requirements; offer equal parental leave
- o **Facilities and Amenities:** Improve employee living conditions by upgrading dormitory furniture and appliances; upgrade employee catering services
- o **Flexible Attendance:** Provide flexible work arrangements and remote working mechanisms for certain roles, breastfeeding female employees, and overseas employees
- o **Holiday Care:** Organize activities such as Family Day, Open Day, care and support visits, and Family Visit Day

Health Benefits

- o **Holiday Care:** Organize activities such as Family Day, Open Day, care and support visits, and Family Visit Day
- o **Holiday Care:** Organize activities such as Family Day, Open Day, care and support visits, and Family Visit Day

Employee Care

- o **Targeted Assistance:** Provide marriage subsidies, bereavement allowances, family member medical subsidies, children's education assistance, and recuperation and rest leave
- o **Overseas Employee Care:** Provide specialized care including health checkups and care visits for overseas employees and their families
- o **Retired Employee Care:** Organize honorary retirement ceremonies

During the reporting period, we established a special task force for dormitory renovation and improvement, comprehensively advancing facility upgrades for employee dormitories to enhance living conditions and improve employees' quality of life. The dormitory renovation project covers infrastructure renovation, furniture and appliance replacement, and information system construction, aiming to create a warmer and more comfortable living environment for employees.

Smart Upgrade of Employee Dormitories Worldwide to Enhance Employee Well-being



To put its people-centered philosophy into practice and better protect employee well-being, Sailun Group launched an employee dormitory upgrade program guided by the belief that working hard is for a better life. During the reporting period, with an investment of over RMB 30 million, the Group completed the renovation and construction of dormitories at multiple domestic and overseas, including Qingdao and Shenyang, creating living spaces that are more convenient, comfortable, safe, and smart.

The program covers dormitory renovation, reconstruction, expansion, smart home and appliance upgrades, and the development of smart management systems. For infrastructure upgrades, Sailun Group worked with professional design firms to develop standardized plans, with construction carried out by professional teams under closed-loop supervision to ensure project quality. For furniture and appliance upgrades, the Group adopted centralized procurement to ensure consistent standards and invited employee representatives from multiple departments to participate in on-site product selection and evaluation, balancing product quality with employees' practical needs. On the digital side, Sailun Group launched a Group-wide smart dormitory management system covering the full process from move-in and room transfer to move-out. Compared with traditional methods, this significantly improved efficiency. Supported by smart IoT devices, the system also enhanced management efficiency and employee experience, creating a new dormitory management model featuring online services, smart management, and refined operations.

As of the end of the reporting period, the dormitories at the Qingdao and Weifang plants had been renovated and put into use, the Shenyang plant had entered the acceptance stage, and work at the Dongying plant was progressing in phases. Employee satisfaction with completed and operational dormitory projects exceeded 85 points, with the highest score reaching 90.18 points. The program not only helped shift dormitory management from a broad approach to refined management, but also addressed frontline employees' key housing needs, strengthened their sense of belonging, and enhanced organizational cohesion. It is a key example of the Group's commitment to employee care and social responsibility, and provides strong support for talent attraction and long-term development.



We have established a care system covering the entire cycle from application to onboarding, providing comprehensive support for campus hires. For the 2025 cohort of campus hires, we prepared signing gift boxes and Chinese New Year gifts, and compiled the Onboarding Guide to help new employees transition smoothly into the workplace. The guide covers mindset transformation, psychological preparation, common work methods, and other topics, assisting them in quickly adapting to the professional environment.

Additionally, we actively organize diverse cultural activities to enhance employees' sense of belonging and team cohesion. During the reporting period, the various activities we conducted are as follows:

Cultural Activities

EcoPoint³ Ambassador, Photography Competition, Speech Contest, Waste Tire Creative Competition, etc.



Sports Activities

National Rubber Sports Games, 3V3 Group Headquarters Basketball Tournament, EcoPoint³ Cup Table Tennis Tournament, Mini Marathon, Fun Run, etc.



Festival Activities

International Women's Day Fun Sports Day, Lantern Festival Riddle Guessing, Mid-Autumn Festival Gala, etc.



Intellectual Exchange Activities

Symposiums, Reading Clubs, Co-creation Workshops, Sharing and Exchange Sessions, etc.



Bringing Global Teams Together Through Sports and Cultural Integration

case

To support employee well-being, strengthen team cohesion, and deepen cultural connection, Sailun Group encouraged employees worldwide to take part in the Second Sports Games organized by the National Engineering Research Center for Rubber and Tire. The Group formed 19 teams from R&D, production, sales, and functional departments across its global operations. The event provided a platform for employees to stay active and connect with one another. A family participation segment for employees' children further extended care to employees' families. This event reflected the Group's people-centered values and helped enhance employees' sense of belonging and organizational cohesion.



"Sailun Family Carnival: The Wonderful World of Tires" Parent-Child Study Tour

case

In 2025, the Sailun Group labor union organized the "Sailun Family Carnival: The Wonderful World of Tires" parent-child study tour. Centered on tire technology, the program included showroom and factory visits, tire knowledge sessions, and hands-on activities, offering employees' children an engaging and educational experience. It also helped them better understand their parents' work environment and the Group's culture, further strengthening family identification and sense of belonging.



Democratic Communication

We continued to improve channels for employee feedback and grievance handling, supporting communication and appeals through email, telephone, and other channels. We also protect the privacy of those who raise concerns and have established standardized procedures to ensure timely and fair responses. In addition, we signed a renewed collective agreement with employees in accordance with the law in June 2025. The agreement covers employment standards, freedom of association, working hours and leave, compensation and benefits, occupational health and safety, and employee development, providing institutional support for employee rights and stable labor relations.

At the same time, Sailun Group continued to strengthen corporate culture through value communication, cultural activities, and exchange programs. During the reporting period, we launched and phased in the employee anniversary badge program, further strengthening employees' sense of belonging and organizational cohesion.



Improving Employee Communication Channels to Drive Continuous Service Quality Enhancement



case

We continuously strengthen employee communication through forms such as the Employee Representative Congress, administrative tea sessions, thematic symposiums, and employee cultural activities, focusing on areas of employee concern including travel management, logistics services, dormitory management, property security, and catering services. During the reporting period, the Group headquarters held administrative tea sessions and "Sailor Walk" themed exchange activities, conducting face-to-face communication on the operation of business platforms and logistics services, and collecting and responding to opinions and suggestions on-site. Additionally, interactive activities such as Dormitory Dragon Boat Festival events and barbecue festivals were organized to enhance employees' sense of participation and identification. We will continue to integrate employee feedback into management optimization, continuously improving service quality and satisfaction to establish a closed-loop communication process.



Employee Satisfaction

To systematically listen to employee voices and assess organizational performance, Sailun Group conducts annual employee satisfaction surveys for all domestic and international employees. During the reporting period, we carried out an employee satisfaction survey covering eight dimensions, including strategy and business objectives, organizational management, mechanisms and processes, resource support, corporate culture, humanistic care, mechanisms and processes, team management, and talent management, comprehensively identifying organizational strengths and areas for improvement to provide data-driven support for management optimization.

The survey adopted an anonymous questionnaire format, covering all employees of the Group, and included an open-ended feedback section, receiving over 22,000 valid questionnaires and more than 2,000 suggestions. The survey results showed that employees maintained high ratings regarding the clarity of the Group's strategic objectives, identification with corporate culture, and stability of organizational operations. The Group simultaneously analyzed feedback from employees across different job types, tenure levels, educational backgrounds, and age groups, and developed targeted improvement plans based on the survey findings. These efforts continuously optimize management mechanisms, employee care initiatives, and development support systems, promoting the collaborative growth of employees and the organization.



Employee Satisfaction Survey Results

Our Performance

During the reporting period, we signed a collective agreement with all employees, with 100% coverage. The overall participation rate in the 2025 employee satisfaction survey increased from 92.71% to 94.82%. During the reporting period, the specific objectives and annual progress are summarized as follows:

Target Category	Target	2025 Target Progress
Human Rights	Based on 2024 as the baseline, by 2030 the Group aims to achieve an employee satisfaction survey score above 94	During the reporting period, improvements were made based on employee satisfaction feedback from the previous year, resulting in an overall satisfaction score of 93.81 This not only enhanced employee happiness and sense of belonging but also fostered the cohesion necessary for the Group's development

Occupational Health and Safety

Sailun Group has always prioritized employee occupational health and safety as a key management issue, continuously improving its occupational health and safety management system and related measures to systematically prevent and reduce safety risks, effectively safeguard employee health and safety, and lay a solid foundation for the Group's sustainable and stable development.

Our Goals

We place employees' health and safety at the center of our efforts and continue to improve our occupational health and safety management. By strengthening our production safety management system, implementing occupational health policies, and improving emergency response mechanisms, we work to prevent and control safety risks effectively. At the same time, we continue to promote a strong safety culture, enhance employees' safety awareness and self-protection capabilities, integrate occupational health and safety management into daily operations, reduce workplace risks, and set medium- and long-term targets: **By 2030, with 2024 as the baseline, the Group aims to reduce the lost work rate per million man-hours by 50%.**

Our Initiatives

Sailun Group strictly complies with the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Law on Occupational Safety and Hygiene of Vietnam, the Labor Law of the Kingdom of Cambodia, Regulation of the Minister of Manpower and Transmigration of the Republic of Indonesia Number 15, and other applicable laws and regulations in the countries and regions where we operate. We implement safety procedures, risk control, and emergency management in accordance with internal policies such as the Regulations on Safety Production Rewards and Punishments and the Emergency Safety Management Regulations. During the reporting period, we revised multiple occupational health and safety policies, including the Regulations on Change Management for Work Safety and the Regulations on Work Safety Training Management, to further strengthen occupational health management. We also maintained a safety responsibility system covering all employees, with clear safety duties at each level. By setting safety targets and carrying out tiered assessments, we embedded safety management requirements into daily operations.

Work Safety

Sailun Group continues to improve its workplace safety governance system, driving the transformation of safety management from system control to organization-wide participation. The Group has established an organization-wide safety management mechanism, clarifying safety responsibilities for managers at all levels and integrating safety management responsibilities into daily operations. Through monthly safety performance evaluations, the Group strengthens objective decomposition and process control, enhancing the execution capability of safety management. Additionally, through incentive mechanisms, the Group encourages employees to actively participate in safety management,

regularly conducting the "Take Photos of Safety Hazards" campaign to promptly identify and report hazards, thereby improving the coverage and effectiveness of hazard identification.

To advance the upgrade of safety management from "institutional constraints" to "cultural awareness," the Group uses KYT (Hazard Identification Training) activities as one of the key methods for promoting safety culture. The KYT activities focus on work teams as core units and are conducted regularly every month, making safety management a fixed part of the daily operations of work teams, ensuring that risk identification and safety precautions become habitual for employees. The activities involve full participation in on-site observations, risk discussions, countermeasure formulation, and hand signaling, allowing every employee to be an active participant, builder, and promoter of the safety culture. Currently, the KYT activities have been extended to cover front-line teams, effectively enhancing employees' risk identification and safe operating skills. At the same time, the Group promotes the JSA (Job Safety Analysis) tool at its factories, turning safety culture principles into standardized, executable work actions. The core of the JSA tool is to guide employees to proactively conduct risk identification, develop preventive measures, and adhere to safety regulations before every task. This aligns closely with the Group's safety culture philosophy of "Safety First, Prevention First, Full Participation, and Continuous Improvement."

In line with the safety compliance management system for equipment operations, the Group has adopted the LOTO (Lockout-Tagout) system as a mandatory compliance standard for equipment safety management. The Group has developed a unified LOTO management system, standardized operating procedures, and rigid evaluation mechanisms to ensure consistent and compliant implementation across all factories. The LOTO system is a mandatory safety regulation at all factories, requiring 100% adherence to the LOTO process for all operations involving equipment entry or proximity to moving parts. Regular compliance training and practical assessments are conducted for LOTO, ensuring that all equipment operators and maintenance personnel in the factories are fully proficient in the operating procedures and compliant with the requirements. This eliminates the physical risks of unintended equipment startup, effectively safeguarding the life and health of workers in all factories.

AI-Empowered Smart Safety

To continuously enhance workplace safety management and strengthen the defense line for safe production through digital and intelligent technologies, the Group actively applies cutting-edge technologies such as AI vision, deep learning, and intelligent sensing. Focusing on multiple application scenarios, including human-machine interaction risks, vehicle operation risks, and the digitalization of safety management, we are driving the upgrade of safety management from a model based on "human prevention + physical prevention" to one based on "technological prevention + intelligent prevention." These efforts effectively reduce the risk of safety incidents and comprehensively improve safety governance capabilities and operational standards.

In terms of intelligent control over area intrusion, the Group adopts AI visual recognition and deep learning algorithms, deploying high-definition cameras in high-risk areas to capture real-time images and transmit them to AI servers for analysis and processing. The system is preset with protection boundaries and intrusion rules. Once personnel or objects are identified as entering restricted areas, the system immediately triggers equipment shutdown and audible and visual alarms, preventing injuries caused by contact with hazardous parts.

The forklift intelligent collision warning system, powered by AI vision fusion technology, is equipped with intelligent cameras mounted on forklifts to accurately identify and track surrounding personnel. When a person enters the warning range, the system proactively issues alerts; when the person reaches the danger range, the system automatically stops the forklift, preventing collision accidents at the source.

Meanwhile, the Group has established an EHS digital safety information platform to enable interconnected sharing and intelligent analysis of safety data and to automatically generate management reports. Through coordinated operation across different modules, the platform records duty performance data, pushes tasks, and tracks follow-up actions in a closed-loop manner. It will serve as an intelligent hub for safety management integrating risk monitoring, information processing, and intelligent analysis, thereby reinforcing the safety foundation for the Group's sustainable development.



Risk-Tiered Management Mechanism

We continuously strengthen accident warning education and closed-loop rectification management. On the basis of daily workplace safety communication and regular specialized training, we also ensure the effective implementation of preventive measures through accident case studies, rectification measure verification, and implementation tracking. During the reporting period, Sailun Group factories regularly conducted safety education and emergency drills for all employees, continuously enhancing employee safety awareness and emergency response capabilities, driving the continuous improvement of safety management levels.

Special Initiative to Enhance Emergency Response and First Aid Capabilities



During the reporting period, Sailun Group's ACTR factory organized and conducted 36 emergency response and on-site first aid drills focusing on mechanical injuries and electric shock incidents, with a total of over 900 employee participations. The drills focused on strengthening skills such as initial incident response, hemorrhage control and bandaging, and basic first aid procedures, effectively enhancing employees' emergency reaction capabilities and self-rescue and mutual aid skills in response to sudden accidents.



Occupational Health and Safety Management

Sailun Group has continuously strengthened occupational health management. Every year, the Group engages third-party institutions to conduct testing of occupational hazard factors in the workplace, dynamically updating the Job Position Occupational Hazard Notification Cards to ensure that employees fully understand job-related risks and protective requirements before commencing work. We continue to strengthen personal protective equipment (PPE) management and improve occupational health facilities. Each of Sailun Group's factories provides employees with PPE that meets standards, based on the specific risks of their positions, and has established a "demand-based allocation and dynamic adjustment" mechanism. Regular training on the proper use of PPE is conducted to ensure that employees wear it correctly and receive effective protection. During the reporting period, Sailun Group's Weifang factory constructed new facilities, including employee changing rooms, shower rooms, and rest areas, ensuring that employees in positions exposed to harmful substances can clean and change clothes in a timely manner. Additionally, emergency equipment such as eye wash stations, alarm systems, emergency protective gear, first aid supplies, AEDs, and self-service health monitoring devices have been installed at production sites to improve emergency response capabilities. During the reporting period, no occupational diseases or major safety incidents occurred.

New Employee

- Strengthening Pre-Job Three-Level Safety Education

Personnel working in confined spaces

- Hands-On Drills and Qualification Management

Main responsible persons and safety management personnel

- Responsibility Implementation and Dual Prevention Mechanism Development

Personnel from External Partners

- Implement the Principle of "Same Standards, Same Training, Same Assessment"

Sailun Group continues to strengthen its occupational health management. Each Through pre-job training and on-site communication, the Group enhances occupational health awareness, develops special emergency response plans for potential occupational hazards, and conducts regular drills. We regularly organizes occupational health and safety training covering key groups such as new employees, workers in special and confined space operations, managers, and personnel from external partners. The training adopts a tiered and categorized approach, covering safety regulations, operating procedures, risk identification, emergency response, and the use of personal protective equipment.

At the same time, the Group continues to organize occupational health checks and strengthens health monitoring and management for employees in positions with occupational hazards, effectively safeguarding the employees' occupational health.

Strengthening Occupational Health and Emergency Rescue Capabilities



In 2025, Sailun Group's Weifang factory, in collaboration with medical institutions and professional lecturers from the Red Cross Society of China, conducted hands-on training in cardiopulmonary resuscitation (CPR) and AED usage. By combining theoretical instruction with on-site drills, the training systematically enhanced employees' emergency rescue skills and incident response capabilities, further strengthening the safety competency of all employees and laying a solid foundation for building an inherently safe enterprise.



Our Performance

As of the end of the reporting period, Sailun Group has maintained continuous operations at seven tire factories that have obtained ISO 45001 Occupational Health and Safety Management System certification.

Target Category

Occupational Health & Safety

Target

Based on 2024 as the baseline, by 2030, the Group aims to reduce the lost work rate per 10,000 man-hours by

50% ↓

2025 Target Progress

During the reporting period, the Group's lost work rate per 10,000 man-hours decreased compared to the year 2024 by

27.27% ↓

Shared Success Through Collaboration

Based on the high-quality development needs of the tire industry, Sailun Group continues to promote open collaboration and resource sharing. We actively participate in industry exchanges and capacity building, and support professional development and industry progress through industry cooperation and university-enterprise partnership programs. Focusing on technical exchange, talent development, and industry-academia-research collaboration, the Group continues to expand cooperation, promote knowledge sharing and mutual learning, inject collaborative momentum into sustainable industry development, and create shared value for all parties.

Our Goals

By deepening industry collaboration and university-enterprise cooperation, we aim to promote industry exchange and knowledge sharing and enhance the professional skills and overall capabilities of industry practitioners. We are committed to working with industry associations, academic institutions, and business partners to advance technological innovation and talent development, support sustainable industry development, and build a collaborative and mutually beneficial ecosystem.

Our Initiatives

Leveraging stronger R&D capabilities and a growing global presence, Sailun Group actively engaged in industry cooperation and exchange. Through motorsports, industry exhibitions, and value chain collaboration, we promoted technology application and industrial coordination and supported the high-quality development of the tire industry.

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In industry exchange, we actively participated in major domestic and international exhibitions, including the GAIKINDO Indonesia International Auto Show (GIIAS) and Autopromotec in Bologna, Italy, to strengthen global market engagement and brand influence. We also deepened value chain collaboration through strategic or long-term cooperation with partners including Guangdong Rising Mining Group, Rio Tinto, and other industrial customers in mining and transportation, supporting resource security and coordinated application across the value chain.



Sailun Group x Guangdong Rising Mining Group



Sailun Group x Rio Tinto



Sailun Group x Vang Tat Gold Mine



Sailun Group X Toyota (China)



Sailun Cup Off-Road Challenge



Launch of EcoPoint³ Tires in the Thailand Market



Bologna International Auto Parts and Tire Exhibition



GAIKINDO Indonesia International Auto Show (GIIAS)



MAXAM Stand at BAUMA exhibition

Leading Green and Smart Transformation in the Rubber Industry Through AI-enabled Sustainable Development



At the 20th China Rubber Annual Conference, Yuan Zhongxue, Honorary Chairman of Sailun Group, shared insights on the application of AI in the sustainable development of the rubber and tire industry under the theme of green innovation and intelligent manufacturing. He outlined the potential of AI in tire compound design, structural optimization, intelligent manufacturing, and supply chain management, and highlighted how data and algorithms can support green material recycling and production efficiency. Sailun Group's approach offers a practical path for advancing resource efficiency, low-carbon manufacturing, and intelligent transformation in the tire industry, reflecting the Group's active role in driving technological progress and sustainable development.



Joining the WBCSD Global Network to Deepen Integration with International ESG Governance



In 2025, Sailun Group officially joined the World Business Council for Sustainable Development (WBCSD), becoming the first member from China's tire industry. Leveraging this milestone, Sailun Group will further align with international sustainability concepts and governance frameworks, participate in global collaboration on climate action, resource efficiency, and industrial transformation, and deepen cooperation in digital and intelligent transformation, green materials innovation, and the circular economy. Through these efforts, the Group will continue to support the implementation of sustainable industry solutions and contribute Chinese experience and corporate strength to global sustainable development.

Selected for the COP30 Climate Action Case Collection, Setting a New Benchmark for Climate Governance in the Tire Industry



During COP30—the 30th meeting of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC)—Sailun Group's case, "Climate Action Pathway Under the eco+ Sustainability Strategy," was included in the 2025 Corporate (Park) Climate Action Case Collection. It was the only case from the tire industry selected, reflecting Sailun Group's leadership in climate governance. Driven by technological innovation, the case highlights the Group's progress in green manufacturing and product upgrading, and shows how climate action is embedded into business development. It also demonstrates the practical role Chinese tire companies can play in climate governance and in supporting China's dual-carbon goals.



Deepening Strategic Collaboration to Create Shared Value Through Technology and Responsibility



case

Sailun Group continued to deepen its strategic partnership with global mining company Vale. During the reporting period, the two sides held a giant OTR tire technology seminar in Vale's mining area in Brazil, showcasing advanced products and localized service capabilities. Their collaboration in low-carbon operations and green supply chain practices was also recognized with the Innovation Model award at the Pudong New Area Industry Ecology Innovation Competition for Chinese and Foreign Enterprises in Shanghai. Covering high-performance, high-safety tire solutions and joint efforts to improve efficiency and reduce emissions, the partnership reflects a long-term commitment to building a safe, efficient, and sustainable industrial ecosystem through technological innovation and shared responsibility.



Partnering with Xiaomi Automotive to Co-Develop High-Performance Tires and Drive Technological Breakthroughs in the Premium Tire Sector



case

Sailun Group co-developed the PT01 high-performance track tire with Xiaomi EV, marking a breakthrough for Chinese brands in the high-performance track tire segment. Integrating race-proven technology, the product focuses on high grip and precise handling while meeting both track and daily driving needs. By bringing advanced motorsports technology into consumer applications, the collaboration supports the intelligent, green, and premium development of China's automotive industry and contributes to more sustainable and smarter electric mobility.



Full Localization in Manufacturing, Creating Shared Value with Partners in Indonesia



case

Sailun Group successfully held a full-category product launch and partner conference in Indonesia, marking a new stage of coordinated growth and high-quality development in the local market. The event showcased a complete product portfolio based on the Indonesia plant and brought together local government representatives, industry stakeholders, and key partners, resulting in multiple annual cooperation agreements on site. By strengthening local operations and collaboration, Sailun Group not only improved service efficiency in the regional market, but also demonstrated its commitment to building a sustainable future with the local business ecosystem.



Sailun Group continued to deepen cooperation with industry partners across multiple fields, using motorsports, international market engagement, and strategic partnerships to drive technology innovation, product application, and global brand influence, and to support the high-quality development of the tire industry. In international motorsports, we participated in events such as the ADAC RAVENOL Nürburgring Langstrecken-Serie, the Taklimakan Rally, and the F4 Chinese Championship. These events provided an important platform to validate tire durability, grip, and handling under extreme conditions, showcasing the strength of Chinese tire technology and supporting the global recognition of Chinese manufacturing on the racing stage.



In April 2025, Sailun's PF01 high-performance slick tires set a new lap record at the opening round of the F4 Chinese Championship, providing valuable data support for the event and further technology iteration.



In 2025, Sailun's TERRAMAX RT off-road tire, as the official designated tire, supported multiple factory teams in the Taklimakan Rally. With its unique wear-and-tear-resistant compound, it helped one of the teams secure the championship.



In June 2025, the all-Chinese lineup equipped with Sailun's dedicated racing tires achieved outstanding results in the Nürburgring endurance race, demonstrating the competitiveness of China's tire technology under extreme endurance challenges.

Our Performance

During the reporting period, Sailun Group continued to deepen collaboration and open cooperation across the industry, strengthening exchanges and partnerships with international organizations, industry partners, and professional institutions, and actively participating in industry development and sustainable transformation. These efforts received broad recognition during the reporting period, and the Group received multiple awards and honors related to industry collaboration and sustainable development.

China Corporate Carbon Neutrality Performance List – Green Supply Chain Management Award

China Business Network (CBN) / Institute of Carbon Neutrality Development, Shanghai Jiao Tong University / Shanghai Environment and Energy Exchange



EY Sustainability Awards 2025 – Outstanding Enterprise

Ernst & Young



2025 ESG Practice Case

Brand Work Office of Xinhua News Agency, Xinhuanet



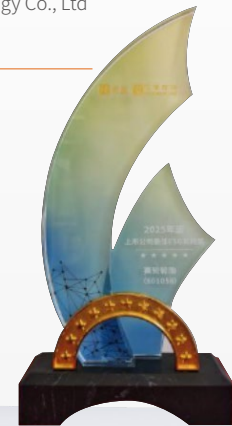
Top 20 Innovation Model Award, Shanghai Pudong ESG Innovation Competition

Shanghai Pudong Foreign Investment Enterprise Association / Shanghai Pudong New Area Domestic Enterprises Association



2025 Best ESG Practice Award for Listed Companies

Shenzhen Value Online Information Technology Co., Ltd



Philanthropy and Public Welfare

Sailun Group has consistently integrated social responsibility into its development strategy, actively responded to societal concerns, and continuously created shared value. Leveraging its industry advantages and resource endowments, the Group adheres to a responsibility-driven approach guided by social needs. It has steadily carried out public welfare and charitable initiatives focused on key areas such as rural revitalization, educational support, emergency rescue, and cultural and sports development. These efforts aim to effectively return development outcomes to society, contributing corporate strength to promote social harmony and sustainable development.

Our Goals

We are committed to supporting vulnerable groups, advancing sustainable development initiatives, and working with partners and broader society to improve social well-being and help build a more harmonious and better society.

Our Initiatives

Sailun Group has always adhered to the philosophy of giving back to society. Through diversified public welfare initiatives, we actively fulfill our social responsibilities, focusing on improving people's livelihoods and supporting education. We are committed to promoting sustainable social development and harmonious progress.

Public Welfare Contributions

The Group actively encourages employees to take part in public welfare activities, including voluntary blood donation and charitable giving, to support public causes and people in need. We encourage employees to integrate social responsibility into their daily actions and respond to social needs through practical efforts, helping foster a caring and supportive social environment.

Science Education Enters Campuses to Ignite Scientific Dreams

case

Sailun Group partnered with local community schools to launch the "Tire Lecture Hall" science popularization series at Jिंगgangshan Road Primary School in Qingdao West Coast New Area. Guided by the mission of "Exploring the Mysteries of Tires and Creating Infinite Possibilities", this activity combines lectures, interactive sessions, and hands-on practice to systematically educate students on rubber and tire knowledge. It also vividly demonstrates the scientific appeal of cutting-edge technologies such as "EcoPoint³".



Focus on the protection of minors and empower the growth of adolescents in the community

case

Sailun Group Headquarters prioritized the protection of minors as a core concern. Actively collaborating with local communities and public welfare organizations, it implemented targeted measures such as material donations to empower the healthy growth of adolescents within the community. This initiative not only demonstrates the concrete fulfillment of community responsibilities but also reflects its long-term commitment to deep integration with the community and joint development.

Charitable Education Donation Campaign, Supporting Students in Need

case

To turn the concept of sustainable development into daily actions that all employees can participate in, the Group's headquarters, in collaboration with Qingdao Fanxing Student Aid Public Service Center, launched the 'Warm Delivery' donation initiative for children in Gansu." The initiative collected over 200 books and various practical clothing items. After sorting and categorizing, these donations were directed to schools in the relevant areas. This activity not only conveyed the value of charity and goodwill but also united the team, making sustainable development a collective responsibility for all employees.



Donated to the 'She Fund' to care for women and children in difficult circumstances



case

During the International Women's Day celebration in March 2025, Sailun Group actively participated in the 'She Fund' charitable project in Dongying City. The Group donated RMB 50,000 to the Municipal Charity Federation to support women and children in local difficulties facing urgent challenges. This donation has been incorporated into the annual centralized fundraising campaign. The initiative aims to mobilize social compassion and provide more accessible and tangible care services for specific groups. It represents a direct action by the Group to genuinely give back to the community and convey social warmth.

The Vietnam factory supported the construction of the 'Warmth Room'



case

In 2025, the People's Committee of Tay Ninh Province and the Fatherland Front of Tay Ninh Province jointly issued a notice. Given that the existing housing for households lifted out of poverty in the area is generally aging and deteriorated, posing safety hazards, the Provincial Government intends to launch the 'Warmth House' construction project. This initiative aims to rebuild or reinforce houses for eligible families to effectively safeguard the lives and property of the people while conveying the care and warmth of the Party and the Government. The project also issues a call for charitable support from the public.

As a foreign-invested enterprise rooted in Xining Province, the Vietnam factory has actively responded to government calls and proactively fulfilled its corporate social responsibility by taking concrete actions to promote the core values of honoring martyrs and caring for vulnerable groups. This donation of 350 million Vietnamese dong to the Xining Provincial Government is designated specifically for the construction of "Warmth Houses". It demonstrates the enterprise's firm support for local development and further enhances brand reputation and community recognition.

Supporting Education and Cultivating Talent

We actively promote talent development and career growth by establishing scholarships and supporting college students in entrepreneurship and employment. Through multi-dimensional educational support, the Group promotes industry-academia collaboration and talent ecosystem development while continuously fulfilling its corporate social responsibilities.

Education Support Donation Initiative: Advancing Industry-Academia Collaboration and Talent Development



case

In 2025, Sailun Group made cumulative donations of RMB 160,000 through the Qingdao Sailun Charity Foundation and actively carried out public welfare services such as medical assistance and educational support. Among these, RMB 100,000 was donated to the Qingdao Charity Federation to support educational assistance and rural revitalization initiatives; RMB 60,000 was designated specifically for student activities and career development programs at the Business School of Qingdao University. Through these initiatives, Sailun Group has supported educational public welfare, promoted industry-academia cooperation, and advanced talent ecosystem development, demonstrating the Group's concrete actions in fulfilling its social responsibilities.

Aid to disaster-stricken areas

Sailun Group actively responded to the disaster by launching relief operations, promptly providing necessary materials and financial support to the affected areas. These efforts helped victims overcome difficulties and resume their normal lives.

Deepen local connections and practice multi-dimensional public welfare



case

In Vietnam, Sailun Group actively fulfilled its local social responsibilities. In 2025, during the 17th Anniversary Celebration of the BMW Car Club Vietnam, the Group responded to local typhoon disasters by raising VND 165 million through donations and a charity tire auction, and organized employees to deliver relief supplies to affected areas to support emergency response efforts. In addition, at the opening of its first Autopro service store, Sailun donated school supplies to underprivileged students to support community education. These efforts show that Sailun Group is committed not only to business operations, but also to supporting local communities through both emergency relief and long-term care, helping build a warm and responsible brand image.



Every Tire Carries a Heart of Compassion: Partnering with Cambodian Dealers to Build a Path of Charity



Sailun Group has always been committed to linking corporate development with social responsibility, actively engaging in public welfare and charity endeavors, and spreading warmth and positive energy through tangible actions.

In July 2025, Sailun Group, together with its Cambodian distributors, initiated a long-term charitable initiative in Cambodia. For every tire sold, 400 Riels (equivalent to 0.1 USD) will be donated to charity, turning each purchase into an act of kindness. This heartfelt initiative has been widely promoted, with relevant charity posters displayed in storefronts along streets, making the concept of charity visible and recognized by the public. From the preparation of donations to the implementation of public welfare, from market development to fulfilling social responsibility, the Group and its Cambodian partners have always stood together, sharing both honor and challenges. Through cooperation, they have created a strong force, working hand in hand towards a common mission. To date, the initiative has raised 20,000 USD, awaiting the right opportunity for formal donation. This gesture of goodwill not only reflects their commitment to charity but also symbolizes the joint efforts of both parties in giving back to society.

Looking ahead, Sailun Group and its local distributors will continue to uphold their steadfast determination to progress together. While deepening market penetration and growing together, they will continue to spread warmth through public welfare, write responsibility with a spirit of cooperation, and move towards a brighter future filled with compassion.



Culture and Sports for Shared Progress

Sailun Group promotes the integrated development of culture and sports and actively supports cultural communication and sports development. Through cultural events and sports competitions, the Group showcases urban culture and corporate spirit while contributing to the growth of sports. These efforts also help enrich the cultural vitality and soft power of the city.

Double Titles in Bridge Highlight Excellence in Mind Sports



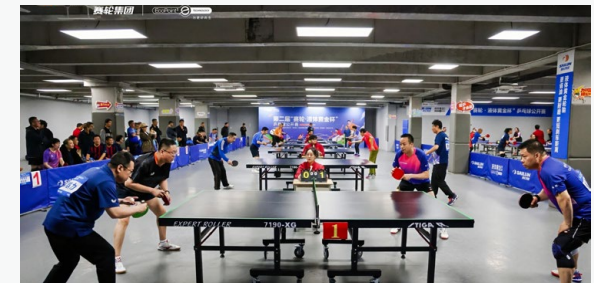
In 2025, Sailun Group achieved a historic breakthrough in bridge. Qingdao Sailun Bridge Club came from behind to win its first overall championship in the final of China's top-tier Category A Club League. At the same time, the Qingdao Sailun reserve team won the U26 title in the youth team event of the National Bridge Championship. These achievements not only showcases the team's superb skills and fighting spirit but also reflects the Group's long-standing support for the development of intellectual sports and the establishment of a comprehensive youth training system. It vividly embodies the corporate culture of "balancing both literature and martial arts."



Promoting Sports Charity through Professional Events, Building a National Fitness Platform



In April 2025, Sailun Group hosted the second "Sailun · EcoPoint³ Cup" Table Tennis Open in Qingdao. The event attracted nearly 300 players from across China and invited several former national team players, further raising its competitive level and influence. With professional organization and broad public participation, the event created a platform for exchange between professional athletes and amateur enthusiasts. Online livestream views exceeded 320,000 attendances. The event reflects the Group's commitment to integrated cultural and sports development and its support for public fitness and sports culture.



Our Performance

Sailun Group continued to increase investment in public welfare, education support, disaster relief, and cultural and sports development. During the reporting period, the Group invested a total of RMB 9.3871 million through various public welfare programs. These funds were mainly delivered through legally compliant charitable organizations and public welfare platforms to ensure standardized, transparent, and effective use.

Appendix I Quantitative Performance Table

Governance Data

Indicator	Unit	2024	2025
Operating income of the Group	RMB 100 million	318.02	367.92
Business Ethics			
Number of regular employees participating in training related to business ethics	Person	21,077	25,128
Percentage of employees trained in business ethics	%	100	100
Number of directors trained in business ethics	Person	7	7
Percentage of directors trained in business ethics	%	100	100
Unfair competition leading to litigation or major administrative penalties	Case	0	0
Information Security and Privacy Protection			
Number of information security incidents	Case	0	0
Number of customer privacy disclosure events	Case	0	0
Number of information security trainings provided to employees	Session	6	8

Environmental Data

Indicator	Unit	2024	2025
Wastewater³⁹			
COD	Tonne	98.29	60.34
Ammonia nitrogen	Tonne	12.08	7.44
Exhaust Gas			
Particulate matter	Tonne	2.13	2.30
Sulphur dioxide	Tonne	15.38	18.63
Nitrogen oxides	Tonne	48.38	53.87
VOCs	Tonne	81.14 ⁴⁰	78.20
Waste			
General solid waste	Tonne	70,126.15	80,858.15
Hazardous waste	Tonne	382.53	552.94

³⁹In accordance with Article 30 of the SSE Guidelines, the 2024 statistics for wastewater, exhaust gases, and waste include factories listed in the mandatory environmental information disclosure catalog.

⁴⁰During the reporting period, the Group updated its statistical methodology and calculation logic for waste gas emissions. To ensure consistency in data calculation scope, a retrospective adjustment was simultaneously made to the baseline data for VOCs emissions for the fiscal year 2024.

Indicator	Unit	2024	2025
Water Resources Utilization⁴¹			
Total water consumption	Tonne	3,994,254.00	3,260,121.91
Total water consumption intensity	Tonne/RMB million	125.60	88.61
Direct energy use⁴²			
Natural Gas	m ³	16,210.40	620,937.79
Diesel	Tonne	1,384.93	3,098.53
Gasoline	Tonne	32.61	38.13
Liquefied petroleum gas	Tonne	0.79	0.96
Self-generated green electricity	Megawatt hour	43,483.07	44,906.60
Coal	Tonne of standard coal equivalent	208,112.55	272,328.37
Biomass	Tonne of standard coal equivalent	8,606.84	8,145.15
Indirect Energy Use			
Purchased electricity	Megawatt hour	1,039,443.27	1,076,126.69
Purchased steam	GJ	2,003,694.26	2,174,469.36
Total Energy Consumption			
Direct energy consumption	Tonne of standard coal equivalent	224,149.21	287,454.12
Indirect energy consumption	Tonne of standard coal equivalent	205,657.27	206,405.38
Total energy consumption	Tonne of standard coal equivalent	429,806.49	493,859.50
Energy consumption intensity	Tonne of standard coal equivalent/RMB million	13.51	13.42

Indicator	Unit	2024	2025
Percentage of renewable energy use	%	3.25	2.00
Total renewable energy consumption	Tonne of standard coal equivalent	13,950.91	9,870.11
Non-renewable energy consumption	Tonne of standard coal equivalent	415,855.58	483,989.39
Climate change tackling⁴³			
Scope 1 GHG emissions	tCO ₂ e	622,575.62	1,054,171.49
Scope 2 GHG emissions (location-based)	tCO ₂ e	825,303.85	760,898.22
Scope 2 GHG emissions (market-based)	tCO ₂ e	/	758,925.98
Total GHG emissions (Scope 1 + Scope 2) (location-based)	tCO ₂ e	1,447,879.47	1,815,069.71
Total GHG emissions (Scope 1 + Scope 2) (market-based)	tCO ₂ e	/	1,813,097.47
GHG emission intensity (Scope 1 + Scope 2) (location-based)	tCO ₂ e/RMB million	45.53	49.33
GHG emission intensity (Scope 1 + Scope 2) (market-based)	tCO ₂ e/RMB million	/	49.28
Scope 3 GHG emissions	tCO ₂ e	4,969,465.17	6,270,409.97

⁴¹The statistical scope of water resources, energy, and greenhouse gas-related data covers seven operational factories, the Group headquarters, and the R&D center.

⁴²In 2025, due to the addition of tire manufacturing facilities both domestically and internationally, the scope for statistics on water resources and energy-related data includes operational factories, the Group headquarters, and the research and development center.

⁴³In 2025, to promote the low-carbon transition of the energy structure, newly constructed factories selected lower-carbon energy sources and adopted natural gas as the direct energy supply for production and operations to reduce carbon emission intensity in the production process; meanwhile, the commissioning of new factories increased the consumption of diesel and coal.

⁴⁴In 2025, due to the addition of tire manufacturing facilities both domestically and internationally, as well as capital increases and mergers and acquisitions involving the East China Intelligent Connected Vehicle Test Field, the scope for greenhouse gas statistics includes, in addition to operational factories, the Group headquarters, and the research and development center, Shenyang Hengtong Energy and the East China Intelligent Connected Vehicle Test Field.

Social Data

Indicator	Unit	2024	2025
Employee Hiring			
Regular employees	Person	21,077	25,128
Interns	Person	260	70
Number of employees by type of management			
Total number of management staff	Person	601	729
Number of ordinary employees	Person	20,476	24,399
Number of employees by gender			
Male employees	Person	17,475	20,780
Female employees	Person	3,602	4,348
Percentage of female employees	%	17.09	17.30
Number of employees by age group			
<30 years	Person	8,964	10,794
30-60 years	Person	12,080	14,303
>60 years	Person	33	31
Diversified employees			
Number of minority employees	Person	460	621
Number of newly recruited employees(the number of jobs absorbed)	Person	5,465	9,886
Total employee turnover rate	%	29.15	25.26
Employee turnover rate by gender			
Male employees	%	29.77	24.77
Female employees	%	25.96	27.60

⁴⁴In the 2025 employee training and development data, the statistical scope for the number of trainees, average training hours, and number of training sessions has been expanded to include department-level training and above, whereas previously it was limited to section-level training and above.

Indicator	Unit	2024	2025
Employee Training and Development⁴⁴			
Total number of trainees	Person	21,077	25,128
Total training participation	Attendance	452,655	454,242
Percentage of employees trained	%	100	100
Average training hours per employee	Hour/person	42.95	19.04
Staff training and development expenditures	RMB	6,320,403.13	8,560,638.30
Number of skills training sessions conducted	Session	5,732	4,934
Occupational Health and Safety			
Total hours of employee safety training	Hour	282,000	164,348
Total work-related injury insurance coverage	RMB	8,334,349.58	8,638,451.54
Coverage rate of work-related injury insurance	%	100	100
Coverage rate of employee health and safety risk assessments	%	100	100
Employee Rights and Benefits			
Signing rate of labor contracts	%	100	100
Social security coverage	%	100	100
Collective contracts coverage	%	100	100
Safety and Quality of Products and Services			
Number of product recall batches	Time	0	0
Percentage of product recalls	%	0	0
Complaint handling rate	%	100	100
Number of major liability accidents related to product safety and quality	Case	0	0

Indicator	Unit	2024	2025
Customer Service			
Customer satisfaction (overseas)	%	97.49	97.80
Customer satisfaction (China)	%	98.50	97.32
R&D Innovation			
R&D expenditure	RMB 10,000	101,281.40	114,738.32
R&D intensity (R&D/revenue)	%	3.18	3.12
Involvement in developing and distributing advanced materials	RMB 10,000	2,436.00	2,532.00
Involvement in development and distribution of reused products or products using recycled waste	RMB 10,000	6,086.73	7,320.28
Certified high-tech enterprises	Number	3	4
National-level R&D platforms	Number	4	4
R&D personnel headcount	Person	2,764	3,078
R&D personnel ratio	%	13.11	12.25
Total valid patents	Number	2,008	2,441
Invention patents	Number	177	212
Utility model patents	Number	1,086	1,314
Design patents	Number	745	915
Valid software copyrights	Number	116	118
New patent applications	Number	577	528
New invention patent applications	Number	99	134
New utility model patent applications	Number	253	230
New design patent applications	Number	225	164
New software copyright applications	Number	3	2
New authorized patents	Number	315	463
New authorized invention patents	Number	43	35
New authorized utility model patents	Number	156	232
New authorized design patents	Number	116	196

Indicator	Unit	2024	2025
New authorized software copyrights	Number	3	2
Valid trademarks	Number	1,126	1,184
New trademark applications	Number	93	32
New authorized trademarks	Number	116	58
Infringement cases initiated	Number	0	0
Infringement cases received	Number	0	0
Responsible Supply Chain Management			
Total suppliers	Number	810	960
Domestic suppliers	Number	705	864
Overseas suppliers	Number	105	96
Percentage of domestic suppliers	%	87.04	90.00
Percentage of overseas suppliers	%	12.96	10.00
Percentage of suppliers with signed code of conduct	%	68.89	85.52
Percentage of suppliers with contracts containing environmental, labor, and human rights clauses	%	68.89	85.52
Number of suppliers that have been assessed by CSR (e.g. questionnaires)	Number	15	30
Procurement Personnel Training			
Percentage of procurement personnel participating in sustainable procurement-related training	%	100	100
Supplier Certification			
Percentage of suppliers certified to ISO 9001	%	53.46	54.69
Percentage of suppliers certified to ISO 14001	%	35.68	36.15
Percentage of suppliers certified to ISO 45001	%	29.88	30.52
Percentage of suppliers certified to IATF 16949	%	14.94	17.19
Rural Revitalization & Social Contribution			
Total investment in rural revitalization and social donations	RMB 10,000	434.06	938.71









Appendix II SSE Guidelines Content Index










Dimension	Serial Number	Issues	Location
General Provisions	1	Article 4	About the Report
	2	Article 5	Sustainable Development Governance
	3	Article 6	Report Note Appendix I: Quantitative Performance Table
	4	Article 7	Not Applicable
	5	Article 8	Climate Response
	6	Article 9	Sustainable Development Governance
	7	Article 10	Quality and Safety Climate Response
Sustainability Disclosure Framework	8	Article 11	Quality and Safety Climate Response
	9	Article 12	Sustainable Development Governance
		Article 13	Articles XIV through XVII.
	10	Article 14	Sustainable Development Governance Climate Response
			Corporate Governance
	11	Article 15	Quality and Safety Climate Response
	12	Article 16	Climate Response
	13	Article 17	Not Applicable
	14	Article 18	Corporate Governance Climate Response
	15	Article 19	Quality and Safety Dedicated Service Supply Chain Management

Dimension	Serial Number	Issues	Location	
Environment	16	Climate response	Climate Response	
	17	Pollutant discharge	Environmental Management	
	18	Waste disposal	Environmental Management	
	19	Ecosystem and biodiversity protection	Green Operations	
	20	Environmental compliance management	Environmental Management	
	21	Energy utilization	Climate Response	
	22	Water resources utilization	Green Operations	
	23	Circular economy	Green Operations	
	24	Rural Revitalization ⁴⁵	Philanthropy and Public Welfare	
	25	Social contributions	Philanthropy and Public Welfare	
Social	26	Innovation	R&D Innovation	
	27	Ethics of science and technology	Not Applicable	
	28	Supply chain security	Supply Chain Management	
	29	Equal treatment of small and medium-sized enterprises	Supply Chain Management	
	30	Product and service safety and quality	Quality and Safety	
	31	Data security and customer privacy protection	Corporate Governance	
		32	Employees	Inclusive Workplace Talent Development Employee Care Occupational Health and Safety
	Governance Related to Sustainable Development	33	Due diligence	Corporate Governance Supply Chain Management
		34	Stakeholder engagement	Sustainable Development Governance
		35	Anti-commercial bribery and anti-corruption	Corporate Governance
36		Fair competition	Corporate Governance	

⁴⁵Rural revitalization is not classified as a material issue.

Appendix III Contributing to UN SDGs

UN SDGs	Specific contributions	Location
	We advocate a human-centric management philosophy, strictly complies with legal and regulatory requirements, promotes freedom of employment, manages working hours reasonably, and provides employees with competitive compensation and benefits packages that comply with labor laws.	Inclusive Workplace Talent Development Employee Care Fostering Shared Success
	We have formulated and implemented a competitive compensation scheme to attract, motivate, and retain talent. The compensation structure consists of base salary combined with short-term and long-term incentive plans.	Inclusive Workplace Talent Development Employee Care
	We rubber place strong emphasis on effectively safeguarding employee interests. The Group conducts regular testing of occupational hazard factors at work sites, provides hazard notifications, implements preventive and control measures, and carries out periodic health examinations for employees in positions exposed to occupational hazards. It also establishes and maintains health surveillance archives for all levels of positions, ensuring that occupational health and safety management remains controllable and under control.	Employee Care Occupational Health and Safety
	We have established a comprehensive management system covering multiple dimensions, including employee career development, curriculum system construction, instructor management, and training operation management. The Group has systematically standardized the education and training requirements for employees, formulated employee education and training plans, developed targeted training materials, built an internal instructor team, and formed an education and training system that aligns with the Group's actual development needs.	Talent Development
	We have established policies and procedures, including the 'Global Human Rights Policy' and the 'Employee Handbook', to ensure that employees are treated without discrimination based on race, ethnicity or social origin, social status, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, membership in a group, political opinion, age, or other factors.	Inclusive Workplace
	We continue to manage water conservation by optimizing production processes, improving quality and efficiency, and upgrading equipment to control total water consumption. The Group refines water usage methods and implements precise management of process water volumes. Additionally, a recycled water mechanism has been established for production stages with lower water quality requirements to enhance the recycling rate of water resources.	Green Operations
	We actively respond to the national call for the "Dual Carbon" policy by adopting photovoltaic power generation to reduce consumption of non-renewable energy resources and gradually increasing the proportion of photovoltaic power generation.	Climate Response
	Based on local regulations, market standards, and the Group's operational status, we have designed an incentive-based compensation policy and established a fair performance bonus system. For outstanding and core employees, the Group further provides incentives such as bonus payments and equity grants to ensure a dignified work and life for all staff.	Talent Development

UN SDGs	Specific contributions	Location
	As of December 31, 2025, we held a total of 2,441 authorized patents globally.	R&D Innovation
	We adhere to a human-centric employment management system, comply with the laws and regulations of its operating locations, and promotes employment rates in accordance with the principles of openness, fairness, and impartiality. The Group respects every employee and does not provide different considerations in the hiring and promotion processes based on race, skin color, religion, gender, disability, or other factors.	Inclusive Workplace
	We ensure that all waste gases generated during the production process meet emission standards and eliminates all forms of fugitive emissions. Simultaneously, the Group places high emphasis on waste management. It has established and improved management regulations such as Waste Gas Management Regulations, Wastewater Management Regulations, Industrial Solid Waste Management Regulations. On the basis of legally disposing and recycling, we strive to minimize the environmental impact to the greatest extent possible.	R&D Innovation Climate Response
	To enhance supply chain competitiveness while ensuring supply security, reducing costs, improving efficiency, and controlling risks, we established the Sustainable Procurement Policy in accordance with sustainable management principles. This policy requires suppliers to not only provide products and services that meet our requirements but also fulfill their social responsibilities.	Supply Chain Management Environmental Management Climate Response
	To standardize greenhouse gas (GHG) information management and effectively manage GHG tracking and reduction performance, we have established a carbon inventory implementation plan for each factory. The Group expects to complete carbon inventory work at all production bases by 2025, after which an annual GHG inventory ledger and report will be produced.	Climate Response
	Not applicable	Not applicable
	We have strengthened its biodiversity social responsibility by committing to integrate biodiversity into the Group's decision-making processes and operations, and strives to apply biodiversity policies across all production bases and suppliers at all levels.	Green Operations
	We adhere to the principles of integrity and lawful operation. It has established and improved a compliance system in areas such as clean business operations, fair competition, labor protection, environmental protection, information security, intellectual property protection, and consumer protection to ensure that the Group's commercial activities are standardized.	Corporate Governance Responsible Marketing
	We have always adhered to the business philosophy of 'long-term cooperation and mutual benefit', focused on the interests of multiple stakeholders, integrated advantageous resources, and built an ecosystem for mutual benefit, leading the rubber tire industry toward healthy development.	Sustainable Development Governance Collaborating for Mutual Success

Appendix IV GRI Content Index

Statement of Use	Sailun Group has reported with reference to the GRI Standards from January 1, 2025, to December 31, 2025.
GRI 1 Applied	GRI1: Foundation 2021

GRI Standards	Disclosure	Location
GRI 2: General Disclosures (2021)	2-1 Detailed Organizational Information	About Us
	2-2 Entities Included in the Organization's Sustainability Report	About the Report About Us
	2-3 Reporting Period, Reporting Frequency, and Contact Person	About the Report
	2-4 Restatement of Information	About the Report
	2-5 External Assurance	Appendix VI Independent Assurance Statement
	2-6 Activities, Value Chain, and Other Business Relationships	About Us
	2-7 Employees	Appendix I: Quantitative Performance Table
	2-9 Governance Structure and Composition	Appendix I: Quantitative Performance Table
	2-10 Selection and Nomination of the Highest Governance Body	Corporate Governance
	2-11 Chair of the highest governance body	Corporate Governance
	2-12 Oversight Role of the Highest Governance Body in Managing Impacts	Corporate Governance
	Authorization of responsibility for management impact (2-13)	Sustainable Development Governance
	2-14 Role of the Highest Governance Body in the Sustainability Report	Sustainable Development Governance
	2-15 Conflict of Interest	Corporate Governance

GRI Standards	Disclosure	Location
GRI 2: General Disclosures (2021)	2-16 Communication on Key Concerns	Sustainable Development Governance
	2-17 Shared Knowledge of the Highest Governance Body	Sustainable Development Governance
	2-18 Performance Evaluation of the Highest Governance Body	Sustainable Development Governance
	2-19 Compensation	Talent Development
	2-20 Procedures for Determining Compensation	Talent Development
	2-21 Proportion of Total Annual Compensation	Information is incomplete; omitted.
	2-22 Statement on Sustainable Development Strategy	Message from Management
	2-23 Policy Commitments	Corporate Governance
	2-24 Integration of Policy Commitments	Corporate Governance
	2-25 Procedures for Remediating Negative Impacts	Corporate Governance Dedicated Service Inclusive Workplace
	Mechanisms for Seeking Advice and Raising Concerns	Corporate Governance Dedicated Service Inclusive Workplace
	2-27 Compliance with Laws and Regulations	Appendix I: Quantitative Performance Table
	2-28 Membership in the Association	Awards and Honors
	2-29 Methods for Stakeholder Engagement	Sustainable Development Governance
	2-30 Collective Bargaining Agreement	Employee Care

GRI Standards	Disclosure	Location
GRI 3: Material Topics (2021)	3-1 Process for Identifying Material Topics	Sustainable Development Governance
	3-2 List of Material Topics	Sustainable Development Governance
	3-3 Management of Material Issues	Sustainable Development Governance
GRI 304: Biodiversity (2024)	304-1 Operating points owned, leased, or managed by the organization in areas rich in biodiversity located within or adjacent to protected areas	Green Operations
	304-2 Activities, Products and Services with Significant Impacts on Biodiversity	Green Operations
	304-3 Protected or Restored Habitats	Green Operations
GRI 201: Economic Performance (2016)	201-1 Directly Generated and Distributed Economic Value	Appendix I Quantitative Performance Table
	201-2 Financial Impacts of Climate Change and Other Risks and Opportunities	Climate Response
	201-3 Obligations under Defined Benefit Plans and Other Retirement Plans	Employee Care
	201-4 Government Financial Subsidies	The Group has already disclosed the relevant information in its annual report; therefore, such information will not be repeated in this report.
GRI 203: Indirect Economic Impacts (2016)	203-1 Infrastructure Investment and Supportive Services	Philanthropy and Public Welfare
	203-2 Significant Indirect Economic Impacts	Philanthropy and Public Welfare
GRI 205: Anti-corruption (2016)	205-2 Communication and Training on Anti-Corruption Policies and Procedures	Corporate Governance
	205-3 Confirmed Instances of Corruption and Actions Taken	Corporate Governance
GRI 301: Materials (2016)	Weight or volume of materials used in 301-1	Green Operations
	301-2 Recycled Input Materials Used	Green Operations
GRI 302: Energy (2016)	302-1 Energy consumption within the organization	Appendix I: Quantitative Performance Table
	302-2 Energy consumption outside the organization	Appendix I: Quantitative Performance Table

GRI Standards	Disclosure	Location
GRI 302: Energy (2016)	302-3 Energy Intensity	Appendix I Quantitative Performance Table
	302-4 Reduction of Energy Consumption	Climate Response
	302-5 Decrease in energy requirements of products and services	Climate Response
GRI 303: Water and Effluents (2018)	303-1 Interactions between the Organization and Water as a Shared Resource	Green Operations
	303-2 Management of Impacts Related to Drainage	Environmental Management
	303-3 Water Withdrawal	Green Operations
	303-4 Drainage	Green Operations
	303-5 Water Consumption	Green Operations
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) Greenhouse Gas Emissions	Climate Response
	305-2 Indirect (Scope 2) Greenhouse Gas Emissions	Climate Response
	305-3 Other Indirect (Scope 3) Greenhouse Gas Emissions	Climate Response
	305-4 Greenhouse Gas Emission Intensity	Climate Response
	305-5 Greenhouse Gas Emission Reduction (Biomass Carbon Reduction)	Climate Response
	305-6 Emissions of Ozone Depleting Substances (ODS)	Not yet calculated
	305-7 Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions	Appendix I Quantitative Performance Table
GRI 306: Waste (2020)	306-1 Generation of Waste and Significant Impacts Related to Waste	Environmental Management
	306-2 Management of Significant Impacts Related to Waste	Environmental Management
	306-3 Generated Waste	Appendix I Quantitative Performance Table
GRI 306: Waste (2020)	306-4 Waste Transferred from Disposal	Appendix I: Quantitative Performance Table
	306-5 Waste Disposed	Appendix I Quantitative Performance Table

GRI Standards	Disclosure	Location
GRI 308: Supplier Environmental Assessment (2016)	New Suppliers Selected Based on the Environmental Assessment Dimension	Supply Chain Management
	308-2 Negative Environmental Impacts of the Supply Chain and Actions Taken	Supply Chain Management
GRI 403: Occupational Health and Safety (2018)	401-1 New Employee Hiring Rate and Employee Turnover Rate	Appendix I Quantitative Performance Table
	401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	Employee Care
	401-3 Parental Leave	Employee Care
	403-1 Occupational Health and Safety Management System	Occupational Health and Safety
	403-2 Hazard Identification, Risk Assessment, and Accident Investigation	Occupational Health and Safety
	403-3 Occupational Health Services	Occupational Health and Safety
	403-4 Occupational Health and Safety Management: Workers' Participation, Consultation, and Communication	Occupational Health and Safety
	403-5 Occupational Health and Safety Training for Workers	Occupational Health and Safety
	403-6 Promote Worker Health	Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relationships	Occupational Health and Safety
GRI 403: Occupational Health and Safety (2018)	403-8 Workers covered by the occupational health and safety management system	Occupational Health and Safety
	403-9 Work-related Injury	Occupational Health and Safety
GRI 403: Occupational Health and Safety (2018)	403-10 Work-related Health Issues	Occupational Health and Safety
	404-1 Average number of hours of training provided per employee per year	Appendix I Quantitative Performance Table

GRI Standards	Disclosure	Location
GRI 404: Training and Education (2016)	404-2 Employee Skills Enhancement Program and Transition Assistance Program	Talent Development
	Percentage of employees who regularly undergo performance and career development assessments	Talent Development
GRI 405: Diversity and Equal Opportunity (2016)	405-1 Diversity of the Board and Employees	Appendix I: Quantitative Performance Table
	405-2 Policies and Plans for Diversity and Equal Opportunity	Inclusive Workplace
GRI 406: Non-discrimination (2016)	406-1 Discrimination Incidents and Corrective Actions Taken	Inclusive Workplace
	GRI 408: Child Labor (2016)	Operational sites and suppliers with significant risk of child labor incidents
GRI 409: Forced or Compulsory Labour (2016)	409-1 Operating points and suppliers with significant risk of forced or compulsory labor incidents	Supply Chain Management Inclusive Workplace
GRI 413: Local Communities (2016)	Operating sites with local community engagement, impact assessment, and development plans	Green Operations
GRI 414: Social Assessment of Suppliers (2016)	New suppliers selected using the social evaluation dimension	Supply Chain Management
GRI 416: Customer Health and Safety (2016)	416-1 Assess the health and safety impacts of product categories and service categories	Quality and Safety
GRI 417: Marketing and Labelling (2016)	417-1 Requirements for Service Information and Labels	Responsible Marketing
GRI 418: Customer Privacy (2016)	418-1 Confirmed complaints regarding infringement of customer privacy and loss of customer data	Corporate Governance Appendix I Quantitative Performance Table

Appendix V Main Subsidiaries and Abbreviations

The names of subsidiaries and their abbreviations appearing in this report are compared as follows:

Name of Subsidiary	Abbreviation	Name of Subsidiary	Abbreviation
Sailun Group Co., Ltd. ⁴⁶	Qingdao Factory	SL&TD TIRE MANUFACTURING CO.,LTD.	Mexico Factory
Salun (Dongying) Tire Co., Ltd.	Dongying Factory	Shams El sherouk Tyre Co., Ltd	Egypt Factory
Salun (Shenyang) Tire Co., Ltd.	Shenyang Factory	Sailun Xin He Ping(Shenyang) Tire Co., Ltd	Xin He Ping Factory
Zhu Cheng Yong An Rubber Technology Co., Ltd.	Weifang Factory	Qigndao Sailun Tire Co.,Ltd	Dongjiakou Factory
Salun (Vietnam) Co., Ltd.	Vietnam Factory	Shenyang Heng Tong Energy Co., Ltd.	Heng Tong Energy
Actr Co., Ltd.	ACTR Factory	East China (Dongying) Intelligent Connected Vehicle Proving Ground Co., Ltd.	East China Intelligent Connected Vehicle Test Site
Cart Tire Co., Ltd.	Cambodia Factory	Sailun Tire North America Inc.	Sailun North America
PT SAILUN MANUFACTURING INDONESIA	Indonesia Factory	Sailun (Kazakhstan) Tire Co., Ltd.	Sailun Kazakhstan

⁴⁶As used in this report, the terms "Sailun Group," "the Group," and "we" all refer to Sailun Group Co., Ltd. at the group level. When the "Qingdao Factory" is mentioned separately in this report, it specifically refers to the factory of Sailun Group Co., Ltd. located in the Qingdao region.

Appendix VI Independent Assurance Statement



ASSURANCE STATEMENT

REPORT ON SUSTAINABILITY ACTIVITIES IN THE SAILUN GROUP CO., LTD.'S SUSTAINABILITY REPORT FOR 2025

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by SAILUN GROUP CO., LTD. (hereinafter referred to as Sailun Group) to conduct an independent assurance of the Sustainability Report for 2025 (Chinese version) for the period of January 1, 2025 to December 31, 2025.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Sailun Group's Stakeholders.

RESPONSIBILITIES

The sustainability information in the Sustainability Report for 2025 and its presentation are the responsibility of Sailun Group's Strategic Management Office of Sustainability and the management. SGS-CSTC has not been involved in the preparation of any of the material included in the Sustainability Report for 2025.

Our responsibility is to express an opinion on the sustainability performance information within the scope of assurance based upon sufficient and appropriate objective evidence.

SGS-CSTC hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS Group ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the ISAE 3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard	Level of Assurance
ISAE 3000	Limited

SCOPE OF ASSURANCE

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria
GRI Standards 2021 (With Reference to)
Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at No. 43, Zhengzhou Road, Shibei District, Qingdao City, Shandong Province, P. R. China, including documentation and record review and validation where relevant. This assurance engagement was restricted to the group level of Sailun Group and did not include traceability of all original data from subordinate institutions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



LIMITATIONS AND MITIGATION

Data drawn directly from independently audited financial accounts and intensity data calculated based on financial data has not been checked back to source as part of this assurance process.

The greenhouse gas emission related data in the Sustainability Report for 2025 has been directly adopted from the independent third party verification data and has not been double verified in this audit.

This verification only conducted interviews with a part of staff of related departments and access to relevant materials, the external stakeholders were not involved.

This assurance engagement was restricted to the group level of Sailun, and did not include traceability of original data from other subordinate institutions.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. As an affiliate of SGS Group, SGS-CSTC affirm our independence from Sailun Group, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance engagement performed, no inaccuracies or reliability issues were identified within the scope of the sustainability performance information covered by the Sailun Group's Sustainability Report for 2025.

ADHERENCE TO GRI STANDARDS 2021

The assurance team concludes that the Sailun Group's Sustainability Report for 2025 has been prepared with reference to the requirements of GRI Standards 2021.

ADHERENCE TO GUIDELINES NO. 14 OF SHANGHAI STOCK EXCHANGE FOR SELF-REGULATION OF LISTED COMPANIES—SUSTAINABILITY REPORT (TRIAL)

The assurance team concludes that the Sailun Group's Sustainability Report for 2025 has been prepared in accordance with the requirements of Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial).

Signed:

For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Haidian District, Beijing, P.R. China

Apr. 22nd, 2026
WWW.SGS.COM



CN26/00002871

Appendix VII Feedback Form

Dear readers,

Thank you very much for your attention and support to the sustainable development of Sailun Group. In order to provide you with more professional and valuable information on the environment, society, and corporate governance, and further enhance the quality of the sustainability report of Sailun Group, we welcome you to answer the relevant questions in the reader feedback form.

Which stakeholder group do you belong to?

- Government and regulatory authorities
- Suppliers
- Customers
- Research institutions
- Other
- Employees

Your evaluation of the report:

1、 What is your overall evaluation of this report?

- Very good
- Good
- Average
- Poor
- Very poor

2、 Do you think the information, data, and indicators disclosed in this report are clear, accurate, and complete?

- Very good
- Good
- Average
- Poor
- Very poor

3、 What do you think about the report's layout design and presentation style?

- Very good
- Good
- Average
- Poor
- Very poor

4、 In which of the following aspects do you think this report can be improved?

- Report theme
- Design layout
- Content logic
- Language expression

5、 Do you have any further suggestions for our future social responsibility work and report preparation?

Our contact information:

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Phone: +86 4006608329

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