

An aerial photograph of a dense green forest bordering a dark blue lake. The forest is reflected in the water. The image is used as a background for the report cover.

KSTAR 科士达

2025

Environmental, Social and
Governance (ESG) Report

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About this report

Summary

This report is the Environmental, Social and Governance Report (hereinafter referred to as the "ESG Report") published by Shenzhen KSTAR Science and Technology Co., Ltd. It systematically explains the Company's environmental, social and governance (hereinafter referred to as "ESG") management, as well as its practices and related performance in corporate governance, product and service quality, environmental protection, employee rights and development, supply chain management, social welfare, etc. The report aims to help stakeholders understand the Company's ESG performance more clearly, intuitively and transparently.

Basis of Preparation

This report is prepared in accordance with the Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report ((For Trial Implementation) (hereinafter referred to as the "Guidelines"), with reference to the Guidelines on Self-Regulation of Listed Companies of Shenzhen Stock Exchange No. 3 for Preparation of Sustainability Reporting (hereinafter referred to as the "Guidelines on Self-Regulation of Sustainability Reporting"), the Sustainable Development Reporting Standards of the Global Reporting Initiative (GRI Standards), the United Nations Sustainable Development Goals (SDGs), and the International Sustainability Standards Board (IFRS S2) .

Scope of Report

Unless otherwise stated, the scope of disclosure in this report is consistent with the scope of Shenzhen KSTAR Science and Technology Co., Ltd. (hereinafter referred to as "KSTAR," "the Company," or "we")'s 2025 annual report. The abbreviations of subsidiaries whose names appear in the main body of this report are listed as follows :



Name of subsidiary	Abbreviation in this report
Shenzhen KSTAR New Energy Co., Ltd.	
Shenzhen KSTAR Software Technology Co., Ltd	
Shenzhen KSTAR Integration Co., Ltd.	Collectively refer to as "Guangming Park" with Shenzhen KSTAR Science and Technology Co., Ltd.
Shenzhen KSTAR Electrical System Co., Ltd.	
Shenzhen Yikeda Energy Investment Co., Ltd.	
Shenzhen KSTAR Power Sales Co., Ltd.	
Guangdong KSTAR Qingneng Technology Co., Ltd.	"Guanlan Park"
Guangdong KSTAR Industrial Science & Technology Co., Ltd.	"Huizhou Park"
CATL-KSTAR Technology Co., Ltd.	"Xiapu Park"
Jiangxi Changxin Golden Sun Power Co., Ltd.	"Jiangxi Park"
Anhui KSTAR PV Co., Ltd	Collectively refer to as "Jinzhai Park"
Anhui KSTAR New Energy Technology Co., Ltd.	

This report is an annual report with a time span from January 1, 2025 to December 31, 2025. In order to enhance the comparability and forward-looking nature of the report, the time of some contents is extended as appropriate.

Data Source

The financial data cited in this report are derived from the audited Shenzhen KSTAR Science and Technology Co., Ltd. annual report, and other data sources include but are not limited to the original data of the company's actual operation, internal statistical data, public data from third-party organizations. Unless otherwise specified, the monetary amounts involved in the report are measured in RMB.

Access to this Report

This report is published in Simplified Chinese and English. To support environmental protection, this report is published in electronic form, which you can download and read from the company's official website www.kstar.eu. In case of ambiguity in the understanding of the Chinese and English texts, please refer to the Chinese text. If you have any questions or suggestions about the content of the report, please contact us at the email address: marketing@kstar.com.

Chairman's Statement



In 2025, the global energy transition accelerated, and the explosive growth in demand for AI computing power ushered in a historic opportunity for the data center and energy storage industries. With over three decades of expertise in power electronics, KSTAR has always adhered to the core mission of "providing highly reliable integrated smart energy solutions to meet customers' high-quality energy needs". ESG principles are deeply integrated into our corporate values and operations. At this new historical juncture, we are driving forward with technological innovation and grounded in responsibility, striving to become a global leader in the field of smart energy.

Forging Sustainable Value Through Enhanced Governance

Guided by our vision of "Generating superior solutions for energy and more", we have strengthened our ESG governance structure and embedded the concept of sustainable development in the whole decision-making process. In 2025, our ESG performance received significant recognition. We achieved an AA rating and were listed among the Top 20 ESG performers within the industrial sector as assessed by Sino-Securities. We also earned a Silver with a score of 70 in the EcoVadis assessment, surpassing the advanced industry benchmarks set by the world's top 500 customers. The Company's strong performance across the four dimensions of environment, labor and human rights, business ethics and sustainable procurement, demonstrates that our governance standards and commitment to responsibility have received high recognition from international authorities. On this basis, we leverage our ongoing stakeholder engagement mechanism to actively solicit input from shareholders, customers, partners and employees. By aligning our strategies with their evolving expectations, we are committed to co-creating and sharing long-term value.

Driven by Innovation and Anchored in Quality

Adhering to the concept of "customer focused, quality oriented", we implement rigorous quality control across the entire product lifecycle—from manufacturing, sales to service. We enhance production through digitalization and precisely identify the specific needs of customers across various sectors through scenario-based research and in-depth interviews, constantly improve response efficiency and service quality, and integrate product and service responsibilities throughout the value chain. The Company continued to strengthen its scientific and technological innovation system. We actively pursue strategic collaborations with universities, research institutions and industry partners to share R&D resources and achievements, building a cross-domain collaborative network, promoted the efficient transformation of R&D, and consolidated its market leading position in key fields such as data centers, new energy photovoltaics, energy storage and EV charging stations. In 2025, our innovation achievements received high industry recognition, earning honors including "Top Innovation Award in Storage" and the title of "New-Generation Technology Innovation Enterprise". These accolades demonstrate our R&D strength and industry influence.

Driving Low-Carbon Growth, Protecting Our Green Home

We actively responded to the national strategy of "achieving carbon peak before 2030 and achieving carbon neutrality before 2060" ("Dual Carbon"), and have made green development a core part of our strategic identity. With a forward-looking vision, we are proactively advancing our low-carbon. Relying on our technological advantages in the field of smart energy, we consistently provide strong momentum for energy conservation and emission reduction through our high-efficiency products. During our operations, we have reduced our carbon footprint in all aspects by building photovoltaic facilities, upgrading energy-saving equipment, optimizing water resources utilization, standardizing waste disposal and promoting green office. Currently, the Company has built photovoltaic power generation systems across multiple parks, with annual renewable energy generation exceeding 57 million kWh this year, and the cumulative generation continues to grow. Moving forward, we will further expand our green energy infrastructure and work toward achieving comprehensive and in-depth adoption of renewable energy across all our operational sites.

Pooling Partner Strengths to Co-create a Development Blueprint

We adhere to the strategic philosophy of "enterprise development, talents first" and strive to foster a diverse, inclusive and equitable working environment for our employees. In terms of incentives and employee care, the Company has established comprehensive compensation and motivation system, which includes virtual equity, project co-investment, and special rewards. This system is integrated with career development pathways, health protection, and support mechanisms for those facing difficulties, ensuring that every dedicated individual here finds room for growth and a sense of belonging. At the same time, we extended the scope of our responsibilities by strengthening collaboration with suppliers and implementing a rigorous supply chain environmental and social risk management system, where human rights, labor rights, and environmental protection are treated as "non-negotiable red line". Currently, the Company has established a systematic green supply chain management system and set clear green procurement targets. These measures demonstrate our solid progress in working together to build a mutually beneficial, prosperous, and sustainable industrial ecosystem.


Forging Ahead with Unwavering Execution


Mindful of our origins and resolute in our mission, we press forward with unwavering determination. Guided by our core values and driven by innovation, we are poised to capitalize on the global energy transition. Through safer, more efficient, and greener products and solutions, we will partner with stakeholders worldwide to pioneer a new chapter in smart energy, fostering comprehensive and sustainable societal progress.


Liu Chengyu
Chairman of Shenzhen KSTAR Technology Co., Ltd.
April 20, 2026

2025 ESG Highlights

Consolidate Governance Foundation, Anchor Sustainable Development


 **No violations** related to information disclosure occurred in the Company

 Received **0** complaints related to business ethics


 The Company carried out on-site assessment on a total of **76** suppliers, with a passing rate of **99%**

Fulfill Environmental Responsibilities, Safeguard Green Home


 **100%** coverage of **ISO 14001** Environmental Management System Certificate at core operating sites


 The greenhouse gas emissions (Scope 1 and Scope 2) of Guangming Park in 2025 have decreased by **52.66%** compared to 2021


 Approximately **57,156,000** kWh of photovoltaic power generated


 **14** environmental management training sessions were carried out, with over **384** employees participating, and the cumulative training duration exceeded **258.5** hours


Create Excellent Products, Pursue Quality Service

 R&D investment of RMB **294** million, with a cumulative investment of over RMB **1.855** billion in the past 10 years


 As at the end of the 2025, the R&D team had a total of **759** employees, accounting for **16.8%** of all employees


 **100%** coverage of **ISO 9001** Quality Management System Certificate for operating sites

 **71** new authorized patents and **38** invention patent applications


 As at the end of the 2025, he chaired or participated in the formulation of a total of **144** national, industry and association group standards


Pool Efforts for Prosperity, Stride Toward a Brighter Future

 **0** incidents related to misuse of child labor, forced labor and labor disputes

 **100%** of the total number of employees covered by collective contracts

 The Yun Xue Tang platform has uploaded more than **300** diverse courses, with total course hours reaching **435** hours; accumulative learning hours have exceeded **4,000** hours, and active platform usage duration has topped **5,900** hours

 The compliance rate of occupational hazard monitoring is **100%**

 **No** major fire and explosion accidents, death and serious injury accidents, and occupational hazard accidents occurred

2025 Annual Events

Market Performance

- The fifth place among global UPS suppliers for 5 consecutive years (Source: Omdia)
- Ranked first in the domestic UPS market share for 24 consecutive years. (data source: CCID Consulting)


Global layout

- In 2025, the business footprint expanded to cover 7 more countries and regions


Product Innovation

- Introduced new 50 kW/107 kWh, 50 kW/197 kWh, 125 kW/233 kWh all-in-one ESS with built-in off-grid backup power interfaces, providing new industrial and commercial energy storage solutions, which are highly adaptable to the diverse application scenarios
- Introduced new generation of 3.68-6kW, 4-6kW and 8-12kW Residential All-in-one ESS, with the core concept of "minimalist design, high security and intelligent ecology", and deeply integrated aesthetics with energy technology to create a green and intelligent new life for users


Sustainability Development



Wind ESG
2025评级
ESG综合得分行业排名:
6 / 408 (电气设备III)



SILVER | Top 15%
ecovadis
Sustainability Rating
MAR 2025



KSTAR
AA
94.6
GICS Level 3 Industry Classification: Electrical Equipment
The company's ranking in GICS Level 3 Industry is: 7/334

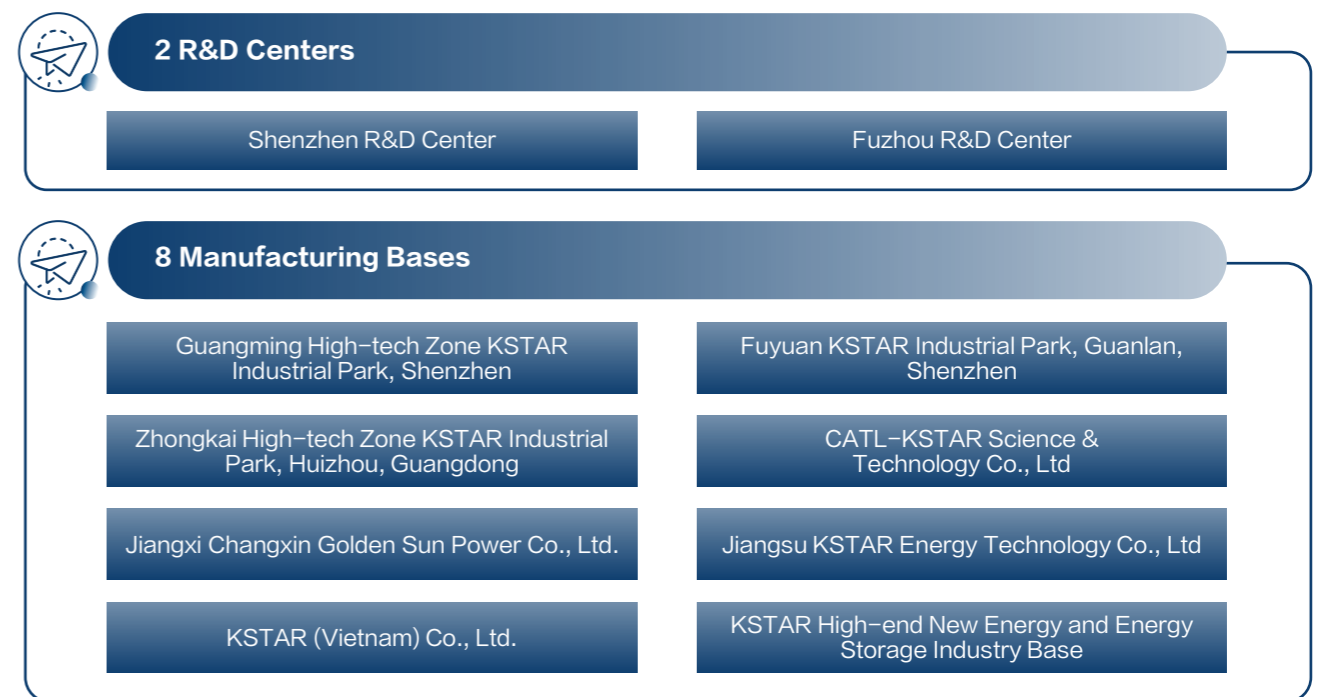
- Wind ESG rating AA, ranked 6/408 in the industry
- EcoVadis Silver, 70 points
- Sino-Securities ESG rating is AA, ranking 7/334 in the industry

About KSTAR

Company Profile

KSTAR (stock code: 002518) was founded in 1993 and listed on the Shenzhen Stock Exchange in 2010. For more than 30 years, the Company has been deeply involved in the core field of smart energy, focusing on the R&D and manufacturing of UPS, precision air conditioners and micro modules, batteries, photovoltaic inverters, energy storage, electric vehicle charging piles and other products, continuously providing high-quality products and all-round services to customers in more than 180 countries and regions around the world, and has become an all-round solution provider in the field of smart energy.

The Company has set up its headquarters in Nanshan District, Shenzhen, with two R&D centers and eight manufacturing bases.



The Company has won a number of authoritative qualifications such as "National Technological Innovation Demonstration Enterprise", "State Key Software Enterprise" and "National Green Factory", and its new energy subsidiary has been recognized as a National-level Specialized and Innovative "Little Giant" Enterprise. The Company Technology Center has been recognized as a national enterprise technology center by five departments including the National Development and Reform Commission. Its internal laboratory has passed the ISO/IEC 17025 accreditation of China's National Accreditation Commission for Conformity Assessment (CNAS). At the same time, it has TÜV Rheinland Witness Laboratory, Guangdong Provincial Enterprise Engineering and Technology Research Center for Solar Photovoltaic Power Generation and Shenzhen Enterprise Engineering Laboratory, which provide solid and reliable authoritative technical support for product research and development, performance verification and quality control. In terms of technological innovation and standard leadership, KSTAR has accumulated 649 valid national patents, international patents, integrated circuit layout design and computer software copyrights, and presided over or participated in the drafting or revision of 144 national standards, industry standards and association/group standards.

Global Layout





With business in more than 180 countries and regions, KSTAR brings high-quality services to all parts of the world and creates greater value for customers with the concept of "Customer Focused, Quality Oriented". We have obtained a number of domestic and overseas certifications and qualifications (please refer to each section of the Report for details), demonstrating our strength in product quality, green production and technological innovation.



Company Strategy

With more than thirty years of efforts and endeavors in the power electronics industry, KSTAR has produced first-class and cost-effective products and established excellent lean manufacturing supply chain systems. On this basis, KSTAR is committed to building itself into a globally influential enterprise in the power electronics industry and delivering smart and clean energy solutions. KSTAR has made cleantech innovation a core strategy.

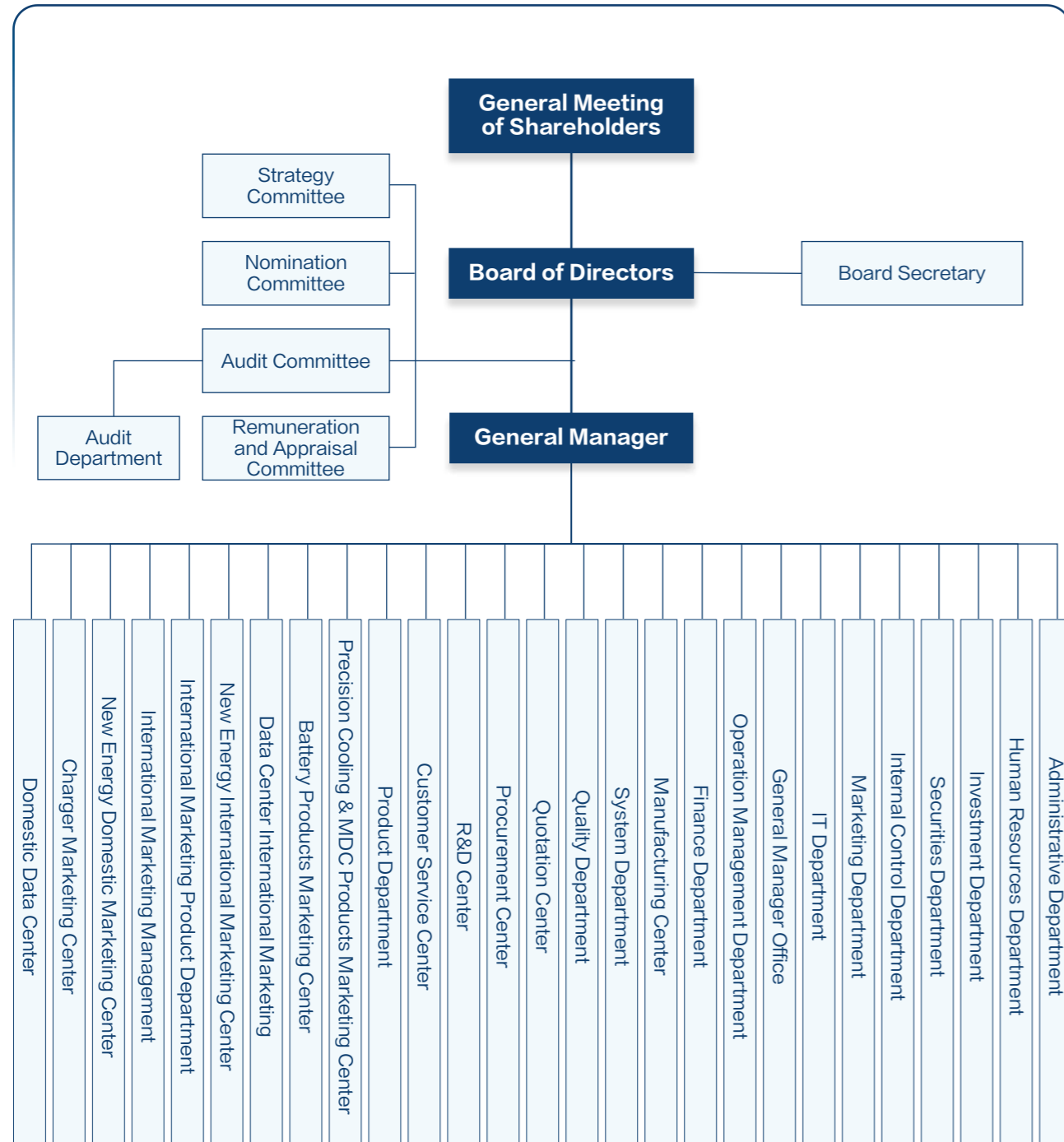
Corporate Culture

- 
Mission
 Provide highly reliable and integrated smart energy solutions, satisfy customers' demand for high-quality energy
- 
Vision
 A reliable provider in the smart energy field that creates value for the society, customers, investors and employees
- 
Position
 Become an enterprise with global influence in the smart energy field
- 
Concept
 Customer Focused, Quality Oriented



Organizational Structure

KSTAR has established a sound corporate organizational structure. To achieve the Company's strategic objectives, we have made organizational arrangements for the division of labor and collaboration, with clear hierarchies and defined responsibilities, so as to increase the Company's external competitiveness and operational efficiency.



Product Portfolio

KSTAR has a wide range of products covering four major segments: data centers (UPS, Cooling & MDC and batteries), PV inverters, energy storage, and EV chargers. KSTAR has made efforts and endeavors in the data center industry for more than 30 years, providing various products such as UPS, batteries, precision air conditioners and modular data center system integration. Meanwhile, KSTAR also explores the field of new energy, providing products such as residential PV inverters, commercial and industrial (C&I) PV inverters, PV inverters for large-scale ground power stations, residential/industrial and commercial energy storage inverters, and energy storage system integration, as well as AC/DC chargers, and charging modules. Since the establishment, KSTAR has focused on the core needs of customers, and adhered to the technological innovation to create a new productive force, and shape the core competitiveness of products, striving to become a globally influential enterprise in smart energy field.

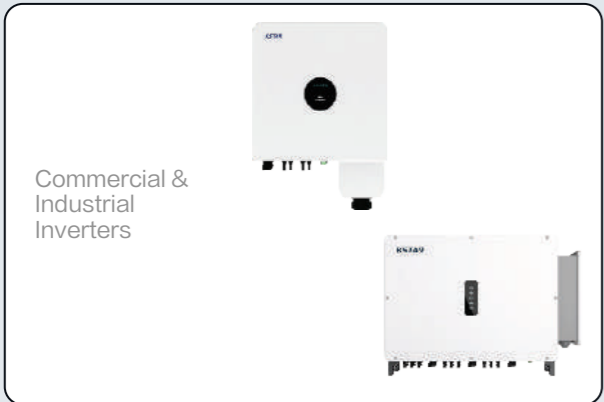
Data Center Infrastructure

- High Frequency UPS
- Power Frequency UPS
- Power Module UPS
- Lingxi intelligent IDU Micro Data Center
- Data Center Infrastructure Intelligent Monitoring Platform
- Precision Air Conditioning
- Fully liquid-cooled solution
- Sealed Battery
- Lithium Battery

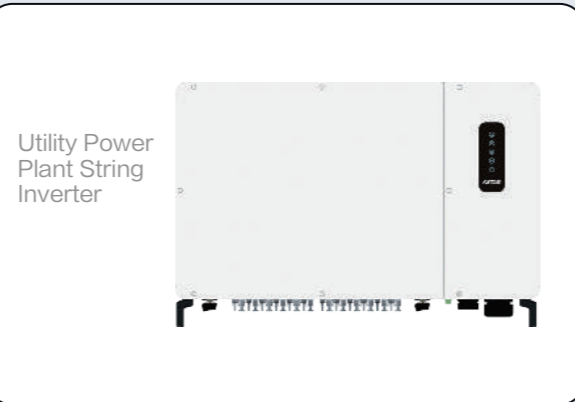
PV Inverter



Residential PV Inverters



Commercial & Industrial Inverters



Utility Power Plant String Inverter



Centralized Inverter and Combiner Box Products



Inverter and Booster All in One



Intelligent Monitoring Products and Cloud Platform

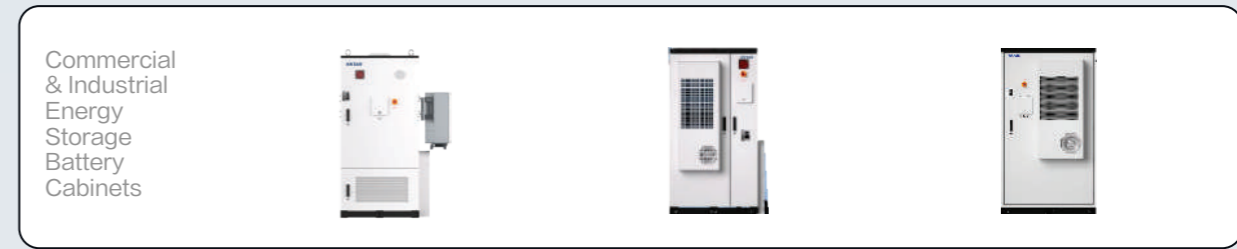
Energy Storage



Residential ESS



Commercial & Industrial ESS



Commercial & Industrial Energy Storage Battery Cabinets



Commercial & Industrial Energy Storage Solutions



Power Plant Energy Storage Grid Connection Solution

EV Charger



EV Charger Operation Management Platform



IP65 40kW Charging Modules



80kW-400kW High Protection DC Charger



480kW-1600kW High Protection Distributed DC Charger



480kW-960kW Liquid-cooling Distributed DC Charger



7kW AC Charger



30kW Charging Modules



40kW Charging Modules



20kW-400kW DC Integrated Charger



240kW-2560kW DC Distributed Charger



Awards and Recognitions

2025 Honours Recognition (Partial)

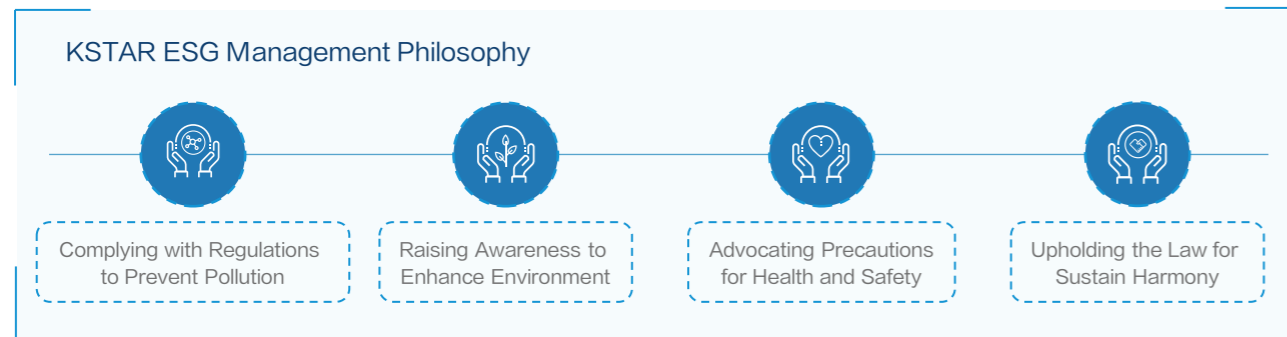
 <p>Selected in the "Top 500 Global New Energy Enterprises"</p> 	 <p>Received the EUPD Research "2025 Europe's Top Innovative Energy Storage" Award</p> 	 <p>Awarded the "Polaris Cup Industrial and Commercial Energy Storage Solution Provider"</p> 	 <p>Awarded the "Polaris Energy Storage Influential Overseas Energy Storage Supplier"</p> 
 <p>Selected in the "Top 100 Brands of China's New Energy Storage"</p> 	 <p>Selected in the "Top 20 China Energy Storage System Enterprises 2025"</p> 	 <p>Awarded the "Top 100 Global PV Brands Value Certificate"</p> 	 <p>Selected in the "Top 15 Listed China PV Inverter Enterprises 2025"</p> 
 <p>Retained the title of "Top 10 Influential Inverter Brand"</p> 	 <p>Retained the title of "2025 Influential PV Inverter Brand"</p> 	 <p>Awarded the "2025 Influential Distributed PV Brand"</p> 	 <p>Listed in the "Top 10 Heavy-duty Truck Charging Pile Brands in China's Charging and Swapping Industry 2025"</p> 
 <p>Listed in the "Top 10 Ultra-fast Charging Pile Brands"</p> 	 <p>Ranked 9th in the "Huazheng ESG Top 20 Industrial Enterprises"</p> 	 <p>Obtained EcoVadis Silver Medal Certification (Score: 70)</p> 	 <p>Awarded the "2024-2025 New Generation Information Technology Innovative Product"</p> 
 <p>Awarded the "2024-2025 New Generation Information Technology Innovative Enterprise"</p> 	 <p>KSTAR IDM Intelligent Micro-module Solution won the Technology Innovation Award</p> 	 <p>KSTAR IDM Air-liquid Cooling Integrated Micro-module won the Digital-Intelligent Integration · Technology Innovation Award</p> 	

Sustainability Management

KSTAR has always upheld the concept of sustainable development, actively responded to the UN Sustainable Development Goals, and promoted the coordinated development of economy, environment and society by taking business operations and value creation as the path. The Company continued to improve its ESG management system, embedded ESG considerations in the whole process of major and key decisions, strengthened ESG risk management and control, and ensured the implementation and effectiveness of sustainable development strategies. At the same time, the Company attaches great importance to communication with stakeholders, proactively contacts and responds to the demands of all parties in a timely manner, constantly improves the transparency of information disclosure and the maturity of ESG management, and works with all parties to build a sustainable future.

ESG Governance System

KSTAR has deeply embedded the concept of sustainable development in strategic planning, decision-making mechanism, management process and daily operation scenarios, implemented the national "carbon peak and carbon neutrality" goal with practical actions, committed to building a benchmark enterprise with global influence in the field of smart energy.



KSTAR ESG Management Philosophy

KSTAR has established a four-tier ESG management structure consisting of the Board, the ESG Committee, the ESG Working Group, and various business lines and functional departments, and clarified the main responsibilities of each level to form a top-down, collaborative sustainable development management system to ensure the smooth progress of the Company's ESG work.

KSTAR's ESG Management Structure



ESG Risk Management

The Company has integrated sustainable development management into all internal operational processes and established a closed-loop management mechanism for ESG risk identification and assessment, response, monitoring and improvement, therefore consolidating the foundation of governance, exploring synergy value and contributing to the sustainable development of enterprises and society.

<p>Risk Identification and Assessment</p>	<ul style="list-style-type: none"> Combined with industry benchmarking analysis, interpretation of policies and regulations and other contents, identify potential ESG risks in all aspects of the Company operations. Invite internal and external stakeholders to participate in the research on the materiality of issues, and assess ESG risks based on the research results.
<p>Risk Response</p>	<ul style="list-style-type: none"> Formulate control measures and response plans for ESG risks and opportunities, and regularly sort out and report the implementation progress to ensure that the implementation process is controllable.
<p>Risk Monitoring</p>	<ul style="list-style-type: none"> Establish an internal supervision and reporting mechanism, and carry out risk monitoring and inspection.
<p>Continuous Improvement</p>	<ul style="list-style-type: none"> Summarize the implementation effectiveness of risk response measures and solutions, identify existing deficiencies and areas for improvement, formulate a continuous improvement list, and optimize the management and control system, response solutions and execution processes.



Communication with Stakeholders

The Company identifies major stakeholders such as shareholders, customers, partners, employees, government agencies, local communities, media and the public, and thoroughly understands the expectations, demands and suggestions of each stakeholder through a regular communication mechanism. On this basis, the Company carries out targeted communication and response, and improves relevant issues in a timely manner, so as to comprehensively improve the performance of sustainable development and realize common development and value creation with all stakeholders.

Stakeholders	Demands and Expectations	Communication and Response
Shareholders / Investors	<ul style="list-style-type: none"> Corporate governance Stable operating performance and profitability of the Company Return on investment Periodic information disclosure 	<ul style="list-style-type: none"> General Meeting of Shareholders Annual reports, interim reports and announcements of the Company Investor meeting, performance report meeting, and underwriter strategy exchange meeting On-site survey, hotline, email, and online feedback platforms
Customers	<ul style="list-style-type: none"> Brand recognition Business size Cost performance of products Product quality and reliability 	<ul style="list-style-type: none"> Customer satisfaction surveys Websites, annual reports, interim reports and announcements of the Company Customer activities, market insights, customer insights, customer service hotline and technical discussion meetings Plant visits, benchmark case studies, on-site or remote technical training
Partners	<ul style="list-style-type: none"> Long-term cooperation Fair prices Business integrity and mutual benefits 	<ul style="list-style-type: none"> Supplier survey Business negotiation Social responsibility assessment activities
Employees	<ul style="list-style-type: none"> Employees' rights and interests, and prevention of child labor and forced labor Training and development Health and safety Remuneration and benefits 	<ul style="list-style-type: none"> Labor union and workers' congress Employee care and suggestion box Employee training and monthly communication meetings KSTAR SPACE WeChat group for employee activities Societies and Associations
Government / Regulators	<ul style="list-style-type: none"> Compliant operations and timely tax payment Job creation and contribution to the economic development Environmental protection, energy conservation, and emissions reduction Targeted poverty alleviation and charitable donation Less negative impact on communities Corporate governance 	<ul style="list-style-type: none"> Websites, social media identification, and regulatory compliance Information disclosure Involvement in standard development Institutional visits, daily communication and reports, meetings, forums and exchanges
Local Communities	<ul style="list-style-type: none"> Community development and community public welfare Environmental protection, and harmonious and civilized atmosphere 	<ul style="list-style-type: none"> Community services Public welfare activities
Media Public / Industry Professionals	<ul style="list-style-type: none"> Technology R&D and industry development promotion 	<ul style="list-style-type: none"> Websites, social media, and forum activities Visitor reception and interview

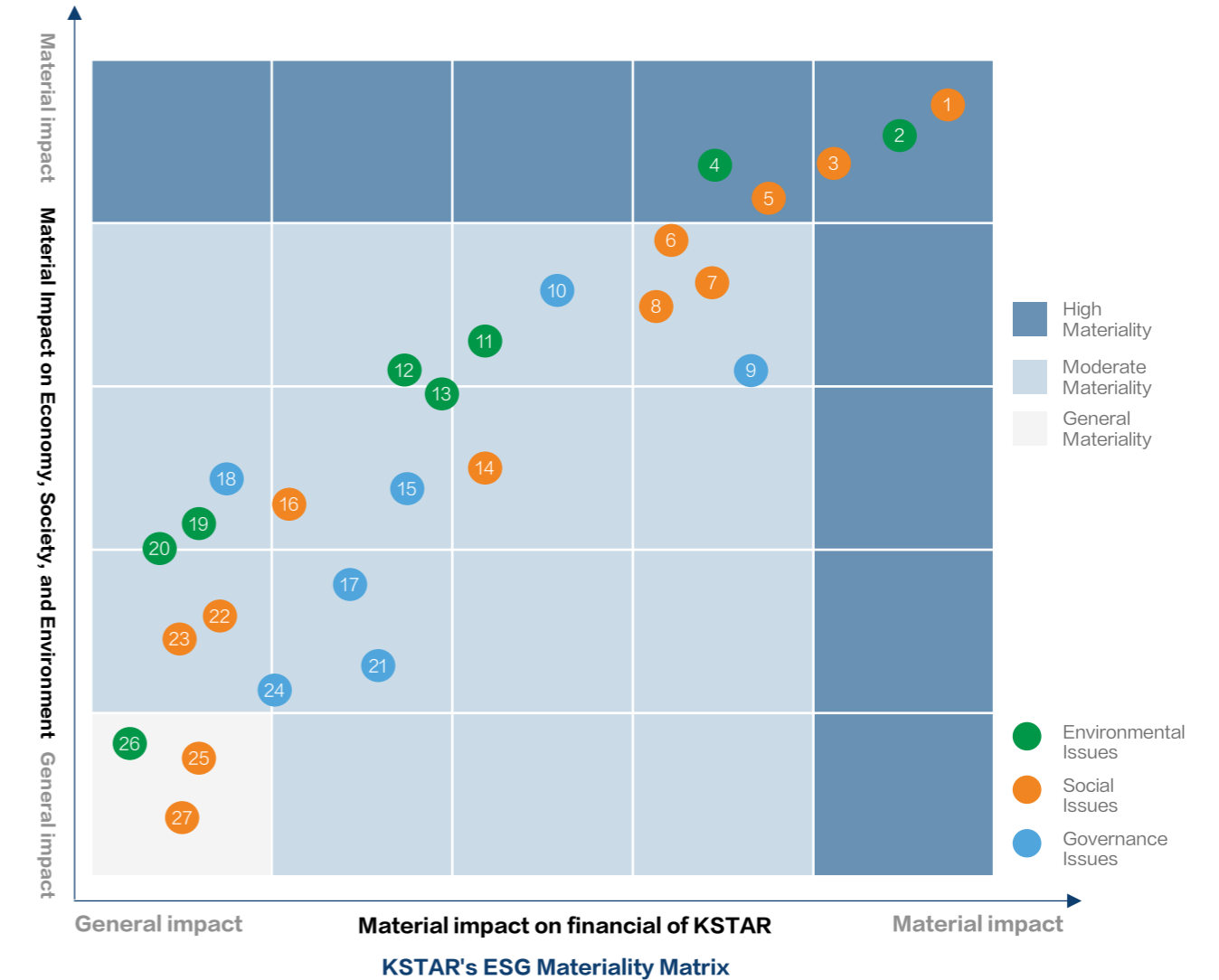
Materiality Assessment

In order to continuously improve the level of ESG management, the Company comprehensively identifies ESG issues that are of financial materiality and impact materiality to the Company (hereinafter referred to as "dual materiality") based on research on ESG reporting standards at home and abroad, industry characteristics, stakeholder concerns and the Company's development strategy. The materiality assessment is carried out in the following steps:

Corporate Activities and Business Operations Background	Analyze the impact of macro policies, industrial policies, regulatory requirements, industry hotspots, upstream and downstream value chains on the Company's sustainable development, and sort out the main affected internal and external stakeholders.
Build a List of Issues	On the basis of domestic and overseas sustainable development frameworks and goals (Guidelines, GRI standards, SDGs), and combined with macro policies, regulatory requirements, industry hotspots, business operations and strategic development directions, the Company comprehensively identified the sustainable development-related issues involved in the Company and formed a list of issues.
Materiality Assessment of Issues	<p>Financial Materiality Assessment</p> <p>Invite shareholders, relevant senior management and department heads to evaluate the "degree of financial impact" and "possibility of impact" of each issue, identify the potential impact of each issue on the Company's financial position, operating results, cash flow, financing methods and costs, etc., and combine the opinions of internal and external experts to form the financial materiality assessment results for all issues.</p> <p>Impact Materiality Assessment</p> <p>Through communication channels such as research, inquiry and meetings, stakeholders are solicited to assess the "severity of impact" (impact scale, scope, irreparability) and "possibility of impact" of each issue, and the opinions of internal and external experts are combined to form the impact materiality assessment results for all issues.</p>
Review and Confirmation of Issues	The results of the dual materiality assessment are reviewed and confirmed by the Board of Directors, and will serve as the basis for the Company's sustainable development information disclosure.

This year, we summarized 27 ESG issues from the three major areas of environment, society and governance, among which, we identified 3 ESG issues of financial materiality, namely safety and quality of products and services, addressing climate change and innovation-driven. For relevant disclosure and response, please refer to the chapters of "Safe Product Creation", "Addressing Climate Change" and "Innovation-driven Development". In addition, five ESG issues, including safety and quality of products and services, addressing climate change, innovation-driven, energy utilization and supply chain security, are regarded as the most important issues in the sustainable development of the Company. We have provided a focused disclosure of the management approaches and annual performance results related to these issues in this report.

This year, the KSTAR's ESG materiality matrix is as follows:



No.	Issues	Category
1	Safety and quality of products and services	Society
2	Addressing Climate Change	Environment
3	Innovation-driven	Society
4	Energy usage	Environment
5	Supply chain security	Society
6	Occupational health and safety	Society

No.	Issues	Category
7	Employee training and development	Society
8	Protection of Employee Rights and Interests	Society
9	Anti-commercial bribery and anti-corruption	Governance
10	Anti-unfair competition	Governance
11	Environmental compliance management	Environment
12	Waste disposal	Environment
13	Pollutant discharge	Environment
14	Employee remuneration and benefits	Society
15	Communications with stakeholders	Governance
16	Industry cooperation and development	Society
17	Company governance	Governance
18	Data security and customer privacy protection	Governance
19	Circular economy	Environment
20	Usage of water resources	Environment
21	Protection of intellectual property rights	Governance
22	Rural revitalization	Society
23	Contributions to the society	Society
24	Due diligence	Governance
25	Equal treatment to small and medium-sized enterprises	Society
26	Ecosystem and biodiversity protection	Environment
27	Ethics of science and technology	Society

Responding to the UN SDGs

In active response to the SDGs, the Company has formulated ESG targets and monitoring indicators applicable to the Company based on the actual business operation. In this way, we deeply incorporate the sustainability concepts into the Company's operation and business, and continuously optimize the direction and path of action.

Chapter	SDGs	Key Actions
Consolidate Governance Foundation, Anchor Sustainable Development	 	<ul style="list-style-type: none"> Establish a standardized and effective management framework, strengthen investor relations management through multiple channels, protecting investors' rights and interests Continuously improve the whole-process risk management system and deepen the construction of risk control and compliance culture Optimize the construction of business ethics, build diversified reporting channels and actively promote the construction of integrity culture Attach importance to information security and customer privacy protection, and strengthen information security management and training
Forge Excellent Products, Deliver Quality Services	   	<ul style="list-style-type: none"> Build an innovative R&D management system, deepen the core areas of smart energy, continuously improve the capacity of innovative R&D and improve intellectual property management Optimize the quality management system, strictly control the quality of all aspects of the product life cycle, and strengthen the control of hazardous substances in the product life cycle Establish standardized service procedures to improve customer satisfaction, and establish a publicity and compliance management mechanism to practice responsible marketing Build a stable, safe and sustainable supply chain, implementing supplier ESG management and green procurement
Fulfill Environmental Responsibilities, Safeguard Our Green Home	   	<ul style="list-style-type: none"> Establish environmental objectives and a sound management system, comprehensively improve the standardized management and control of "wasted gas, wasted water and solid waste" and noise, and conduct environmental protection training regularly Incorporate climate change issues into strategic planning, improve climate management mechanisms, set quantitative GHG emission reduction targets, continuously monitor the progress of targets, comprehensively strengthening the climate resilience of the value chain Continuously optimize resource utilization efficiency and promote green exploration and practice of products in all aspects of the whole life cycle Implement the concept of green design and continuously enhance the environmental protection attributes and sustainable performance of products Attach importance to biodiversity conservation, carry out environmental impact assessment, and continuously monitor and mitigate the ecological footprint during operation
Pool Efforts for Prosperity, Stride Toward a Brighter Future	    	<ul style="list-style-type: none"> Protect the rights and interests of employees and democratic management, optimize the talent structure of the Company, attach importance to production safety and employee health management, and create an equal, inclusive and safe workplace Actively promote various social welfare undertakings and gather the strength of all parties to build a bright future together

01

Consolidate Governance Foundation, Anchor Sustainable Development

KSTAR has always regarded sound and efficient corporate governance as the fundamental support for long-term sustainable development and the enhancement of core competitiveness. During this year, we continued to optimize our governance system, strengthened the whole-process risk prevention and control mechanism, clarified the boundaries of powers and responsibilities between the decision-making body and the management, carried out regular business ethics and compliance training, continuously enhanced information security and privacy protection, and integrated the concept of integrity and compliance into daily operations. Through compliant and transparent governance practices, we have built a solid foundation for the high-quality and sustainable development of the company.

The SDGs covered in this chapter



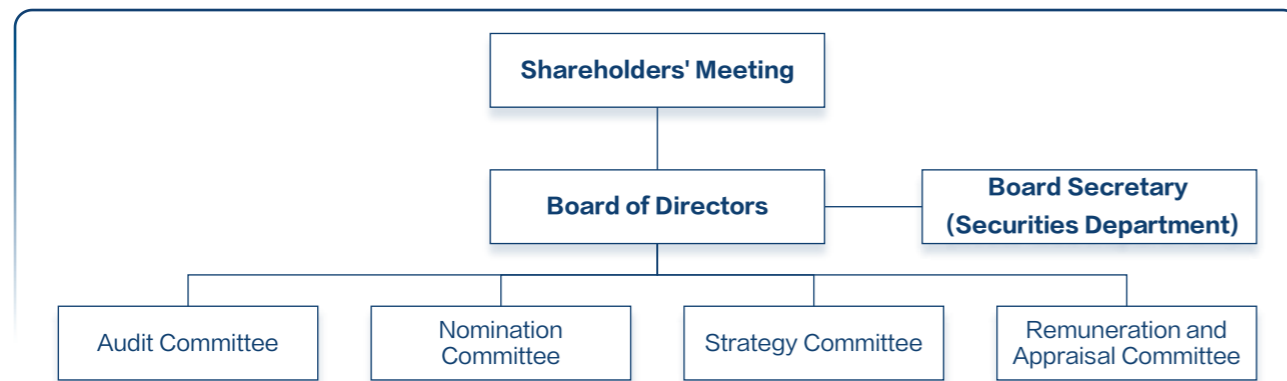
Optimizing Governance Environment

Adhering to the concept of "governance empowers development", the Company continues to refine its corporate governance system, ensuring clear powers and responsibilities and coordinated operation between the shareholders' meeting and the board of directors, and establishing a standardized and effective operation and management framework. Abiding by the principles of compliance, equality, proactivity and integrity, the Company has strengthened investor relations management through multiple channels, protecting investors' rights and interests, and continuously improving its corporate governance environment, laying a solid foundation for sustainable development.

Governance Structure

KSTAR strictly complies with the requirements of laws, regulations and normative documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Shares on Shenzhen Stock Exchange, etc., and continuously improves the Company governance structure to form a scientific and standardized governance system with clear rights and responsibilities and efficient operation. During the Reporting Period, the directors and senior management of the Company performed their duties with loyalty and diligence, effectively ensuring the effective operation of the board of directors.

KSTAR Governance Structure



Operation of the Shareholders' Meeting and the Board

The Company has established a governance structure with the Meeting of Shareholders as the supreme authority, the Board of Directors as the core business decision-making body, and the management as the executive body for daily operations. The three parties perform their respective duties with effective checks and balances and coordinated operation, facilitating the efficient, sound and standardized conduct of all production and business activities, to balance the interests of stakeholders including shareholders, customers and employees and drive sustainable development. In addition, the Company amended its Articles of Association this year to abolish the Board of Supervisors, with its functions and powers transferred to the Audit Committee under the Board of Directors.

Shareholders' Meeting

Shareholders' Meeting, as the highest authority, decides the Company's business policies and investment plans according to law, approves the Company's profit distribution plan and loss compensation plan, and amends the Company's articles of association.

Board of Directors

The Board of Directors is the decision-making institution of the Company and reports to the Shareholders' Meeting. Under the Board of Directors, there are the Audit Committee, the Remuneration and Appraisal Committee, the Strategy Committee and the Nomination Committee, all of which are staffed by a majority of independent directors who serve as chairpersons, except for the Strategy Committee. In addition, the Company aims to establish a diverse board and continues to enrich the board with members from diversified backgrounds. At present, there are 7 directors, of which 3 are independent directors, accounting for 43%, and 3 are female directors, accounting for 43%.

For detailed information on the Company governance, please refer to the 2025 Annual Report of KSTAR. The Meeting of Shareholders of the Company, the Board of Directors and special committees of the Board of Directors are responsible for considering major matters related to the Company development. In 2025, the Company convened 3 shareholders' meetings, 7 board meetings and 16 special committees.

Investor Relations

We actively communicate and interact with investors, timely publish the Company's dynamic information on the Company's official website and official account, strengthen communication with investors through diversified channels such as Shenzhen Stock Exchange Interactive and other platforms, investor hotline, investor mailbox, on-site survey and performance briefing, and listen carefully to investors' valuable opinions on the Company, so as to further help us improve and improve our management and operation level. In 2025, there were no violations related to information disclosure in the Company.

2025 Communication with Investors	
25 on-site surveys	More than 10 underwriter exchange meetings attended
2 online performance report meetings	Averagely 2 calls per day through investor hotline
100 investor's questions answered	4 regular reports and 118 temporary announcements issued

Comprehensive Risk Management

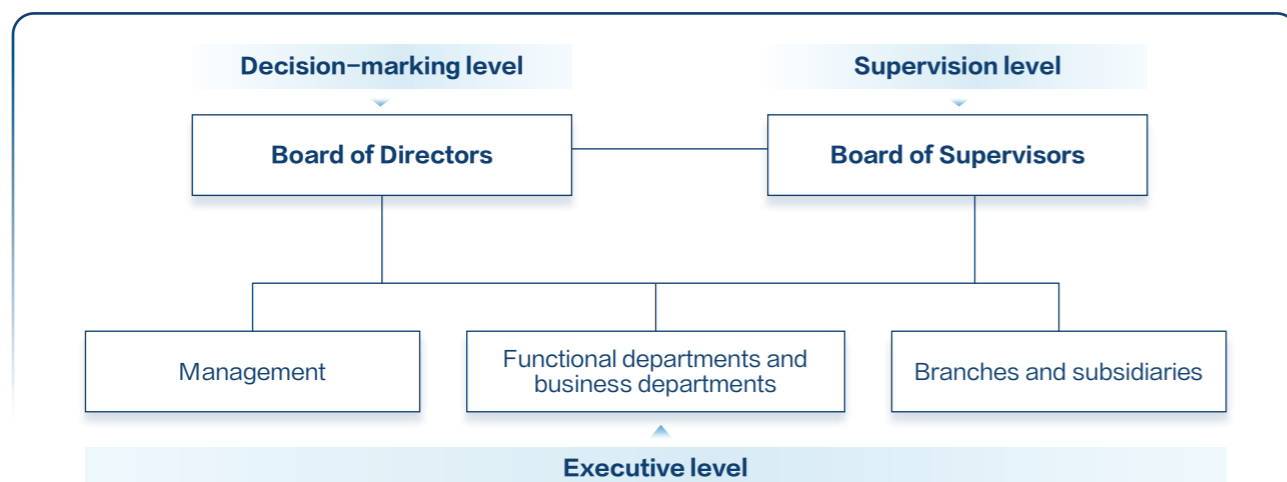
We have always regarded risk management as the core cornerstone underpinning the long-term and stable development of the Company. We continuously improve the whole-process risk management system, comprehensively identify and accurately assess all types of risks across every link of the Company's business operations, and develop targeted response strategies tailored to such risks. Meanwhile, we devote sustained efforts to fostering a risk control and compliance culture, and continuously strengthen all employees' awareness of risk management and control through regular training, so as to consolidate a solid foundation for the Company's sustainable development.

Enhancing Risk Control

Risk Control System




We have always placed risk prevention and control in a prominent position in our operation and management, continuously optimized the risk and compliance management structure, clearly defined the boundary of responsibilities of each entity, strengthened the dynamic tracking and precise prevention and control of risk events throughout the process, and made every effort to improve the efficiency of risk prevention and management, so as to build a solid barrier for the stable operation of the Company.

Risk and Compliance Management Structure






To implement the risk management initiatives, the Company clearly defines the risk management responsibilities of each accountable department, and establishes smooth and efficient cross-departmental information communication channels to ensure the timely, accurate and complete transmission of information among departments. Meanwhile, we require all accountable departments to carry out regular internal self-inspections and effectiveness assessments, and promptly rectify and optimize the problems identified during the screening process, so as to comprehensively enhance the Company's risk defense capabilities.




Risk Management Responsibilities of the Management and Departments

 <p>Internal Control Department</p> <p>Developing risk management policies, conducting internal control assessments, and issuing annual internal control assessment reports.</p>	 <p>Audit Department</p> <p>Regularly monitoring and evaluating whether business units implement risk management as required and the effectiveness of their implementation</p>	 <p>The Board of Directors</p> <p>Directing the building of risk management systems, etc.</p>
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Risk Management and Control

The Company has formulated the Risk Control Management Policy in accordance with the Company Law of the People's Republic of China, the Basic Internal Control Norms for Enterprises, and other laws and regulations to further clarify the process and mechanism of risk management. On this basis, we conduct full-scope identification and precise assessment of all types of risks related to the business operations of the Company, covering multiple dimensions including strategic risk, legal risk, financial risk, climate risk, operational risk, market risk, etc. We also develop differentiated and efficient response plans for different risks, so as to effectively avoid or mitigate the potential negative impacts that may arise.

 <p>Strategic risk</p>	<ul style="list-style-type: none"> Identification: The technical level of the industry and the performance requirements of products are continuously increasing. Facing increasingly intensified market competition, technologies and products iterate faster than ever. Response: Adopting customer-centric strategies and meeting customer needs by developing better products and services.
 <p>Legal risk</p>	<ul style="list-style-type: none"> Identification: As our global business grows, we are confronted with complex laws in different countries and regions. Response: Making proactive assessments and taking preventive measures to respond to relevant risks.
 <p>Financial risk</p>	<ul style="list-style-type: none"> Identification: Increasing accounts receivable and disputes over product sales contracts. Response: Speeding up payment collection from customers, enhancing credit assessment on them, and protecting the Company's interests through legal means.

 <p>Climate risk</p>	<ul style="list-style-type: none"> • Identification: Based on the situation of business activities, systematically identify and assess the impact of climate risks • Response: Establishing a climate governance mechanism and formulating and implementing targeted response measures
 <p>Market risk</p>	<ul style="list-style-type: none"> • Identification: Uncertainty in the market and related external environment impedes the Company from achieving the intended targets. • Response: Keeping track of changes in market trends and developing countermeasures in advance
 <p>Exchange rate fluctuation risk</p>	<ul style="list-style-type: none"> • Identification: The increasing proportion of overseas business will expose the Company to greater exchange rate uncertainty. • Response: Where appropriate, hedging foreign exchange, agreeing on a fixed exchange rate in contracts, and negotiating prices.

Building a Compliance Culture

Adhering to the core values of honesty, trustworthiness and compliance management, the Company embedded the compliance concept in the whole chain of operation and management, integrated internal and external training resources to build a hierarchical and classified normalized training system, and promoted employees' risk management and control awareness from "passive execution" to "active practice". For new employees, we have created a training model of "onboarding guidance + on-the-job training": onboarding guidance conveys the compliance culture, management norms and safety knowledge of the Company through case review and scenario simulation, and helps them quickly clarify the compliance bottom line and code of conduct; On-the-job training is customized by the business department, focusing on job compliance requirements, risk identification and fair trading guidelines, and combined with "mentor teaching + scenario drill" to help improve the ability to perform duties in compliance. At the same time, we have established a closed-loop mechanism of "learning-practice-assessment-revival", which requires new employees to complete compliance training and pass the assessment within six months of joining the employment, so as to achieve a smooth transition from joining the employment to starting the job, and make the compliance concept deeply rooted in the hearts of the people.



Maintaining Business Ethics

We consistently uphold integrity and compliance as our core business principle, deepen business ethics development, improve the anti-corruption management system, and conduct regular special internal and external anti-corruption audits. Meanwhile, we keep diversified reporting channels unobstructed, handle all corruption-related clues and cases in line with laws and regulations under the principles of fairness, openness and impartiality, and actively promote the cultivation of a clean culture to foster a sound, upright business environment.

Strengthening Integrity Building

Business Ethics System

We continued to build a solid foundation for business ethics management and control, strictly complied with the requirements of laws and regulations such as the Anti-Unfair Competition Law and the Interim Provisions on Banning Commercial Bribery, and continuously optimized and implemented a series of management systems such as the Management System of Anti-Corruption and Whistle-blowing Management Policy¹, the Administrative Regulations on Business Ethics Policy, the Code of Business Ethics and Integrity and the Administrative Regulations on Fair Trading, Advertising and Competition, so as to clarify control standards and enforcement mechanisms. At the same time, we require all employees to commit to and abide by anti-corruption related laws and regulations and the Company management systems, explicitly prohibit any form of commercial bribery, fraud and corruption, and strengthen daily behavior restraints. During the Year, there were no major corruption-related litigation cases in the Company.

As the highest decision-making body, the Board of Directors of KSTAR assumes the ultimate management responsibility for business ethics and anti-corruption matters, and is responsible for overall leadership and supervision of relevant management effectiveness. The specific structure and division of responsibilities of the anti-corruption management system in the Company are as follows:

Main Anti-corruption Responsibilities at the Board Level

The Board of Directors	Audit Committee of the Board of Directors
Urging management to foster a company-wide anti-corruption culture and establish a robust internal control system covering corruption and fraud prevention, reports reception, and investigation and punishment	Guiding the Audit Department in anti-corruption and anti-fraud efforts and monitoring the effectiveness of these efforts

Anti-corruption Responsibilities of the Management and Departments

Management	Audit Department
Establishing and improving internal control mechanisms, including anti-corruption and anti fraud mechanisms, providing whistleblowing channels to prevent and detect corruption and fraud incidents, and ensuring ongoing monitoring of corruption and fraud in day-to-day control activities	Focusing on monitoring and managing the integrity performance of personnel in key positions and areas; and preventing and addressing integrity issues at source, improving relevant policies, and recording the integrity performance of personnel in key positions and areas

¹Details of the Anti-Corruption and Whistle-blowing Management Policy are available on the public link: <https://www.kstar.com.cn/bocupload/2026/03/19/17739107219737377ft.pdf>

Anti-corruption Responsibilities of the Management and Departments

Legal Department	Human Resources Department
Transferring corruption and fraud cases that meet the requirements for filing to judicial authorities	Addressing issues related to salaries, bonuses and remuneration of staff involved in corruption and fraud

Business Ethics Audit

The Company attaches great importance to commercial ethics audit and has incorporated commercial ethics and anti-corruption audit into the core scope of internal audit. Each year, the audit department carries out internal control audit, economic responsibility audit and special audits in a coordinated manner in accordance with the plan approved by the audit committee. The audits cover the whole process of corporate culture building, production and operation, as well as external business scenarios, including government-business communication, order negotiation, procurement and sales, engineering operation and maintenance, etc., with a focus on evaluating the implementation effect of commercial ethics management measures. For problems identified in audits, we promptly follow up on rectification, and regularly review the progress and effect of rectification to ensure that anti-corruption, anti-bribery and other compliance requirements are implemented throughout the entire chain, and continuously consolidate the Company's risk prevention and control system.

Anti-unfair Competition

The Company has formulated and implemented the Administrative Regulations on Fair Trading, Advertising and Competition, continuously improved the anti-unfair competition management system, and comprehensively regulated market transactions and competitive behaviors. We strictly prohibit unfair competition such as counterfeiting of registered trademarks, counterfeiting of well-known goods, commercial bribery, dumping below cost price, defaming the goodwill of competitors, infringement of trade secrets, etc., and clarify that discounts and commissions should be openly and transparently recorded truthfully, so as to prevent secret-box operations. At the same time, we encourage employees and business partners to monitor and report unfair competition, conduct compliance reviews on a regular basis, build a strong line of defense against compliance, maintain a fair and orderly market competition environment, and effectively protect the legitimate rights and interests of ourselves and our partners. During the Reporting Period, there was no litigation or major administrative penalty due to unfair competition in the Company.

Whistle-blowing Channels and Whistle-blower Protection

The Company continued to improve compliance systems such as the Anti-Corruption and Whistle-blowing Management Policy, strictly implements the whistleblower protection mechanism, and earnestly safeguards the legitimate rights and interests of whistleblowers. The Company has established diversified reporting channels covering letters, telephone, intranet mailbox, email and on-site visits. Through training and promotion, it timely updates employees on system adjustments and reporting paths, and encourages employees, partners and stakeholders to report corruption and violations in accordance with regulations. Throughout the whole process of reporting acceptance, investigation and feedback, the Company strictly keeps whistleblower information and reporting contents confidential, prohibits any form of retaliation, and will hold those who conduct retaliation in violation of regulations seriously accountable. For verified reports, the Company will submit them to the audit committee immediately, urge responsible parties to rectify violations and handle them in accordance with rules; those involving criminal offences will be directly transferred to judicial authorities. During the reporting period, the Company received no relevant complaints or reports.

Whistle-blowing Investigation and Handling Mechanism

- After receiving a valid whistleblowing matter, the Audit Department will fill out the Whistle-blowing Registration Form, and organize personnel to conduct investigation according to the content of the whistleblowing. .
- Investigators must conduct the investigation in a confidential manner and must not disclose the progress of the investigation on any occasion. If the incident handled by the investigator has an interest in himself or his relatives (including but not limited to close relatives and immediate family members), he should take the initiative to withdraw.
- After investigation and verification, the contents of the report or complaint are true, the investigator will report to the audit committee, and the responsible person will be punished after the approval of relevant procedures; After investigation and verification, if the content of the report or complaint is not established, the investigator will make a realistic explanation and clarify the facts.

Whistle-blowing Channels

Whistle blowing hotline: 0755-21389008-8573
 Whistle blowing e-mail: SJB@kstar.com.cn
 Whistle blowing address: The Audit Department, Guangming High tech Zone KSTAR Industrial Park, Shenzhen, Guangdong

Promoting Integrity Culture

We focus on pre-emptive prevention and control of corruption risks, continuously improve the integrity culture publicity and training system, publicize and implement anti-corruption policy requirements and compliance guidelines through diversified channels, conduct training on laws, regulations and professional ethics, and develop customized courses for employees of different ranks and positions to build a solid line of defense for all employees to work with integrity. At the same time, we include anti-corruption and business ethics related contents in the induction training for new employees to effectively enhance the awareness of integrity and practice the integrity culture of new employees.



Integrity Procurement Management

We attach great importance to clean procurement management, formulate and publicly publish the Supplier Code of Conduct², and promote the upstream and downstream to build a sunny and transparent clean ecosystem. We require all cooperative suppliers to abide by the highest ethical standards, strictly abide by anti-corruption and anti-commercial bribery-related laws and regulations, and put an end to any form of bribery, bribery and unfair competition. We also signed a Letter of Commitment for Suppliers with all suppliers, specifically requiring suppliers to establish their own business ethics and anti-corruption internal control systems to ensure compliance with the Company compliance requirements. We carry out daily performance verification and special risk investigation for all suppliers. Once suppliers are found to have violated regulations, they will be held accountable in accordance with laws and regulations, and if the circumstances are serious, they will terminate cooperation, so as to effectively maintain the integrity and fairness of the supply chain. At the same time, we conduct on-site audits of suppliers every year, formulate and implement the Supplier Due Diligence Management System, set up cross-departmental professional teams to review the operation and quality system of suppliers, carry out on-site inspections of production, warehouse and quality control, issue audit reports and continuously track the rectification progress of suppliers. During the Year, the Company conducted on-site audits on a total of 76 suppliers to assess their compliance with relevant requirements on business ethics and the establishment of integrity management system.

Information Security and Privacy Protection

We strictly abide by the Personal Information Protection Law of the People's Republic of China, the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China and other laws and regulations related to information security and privacy protection, and constantly improve the construction of information security management system. During the Year, we optimized, updated and implemented internal policies and systems such as the Information Security Incident Management Procedures, the Information Security Business Continuity Management Procedure, and the Policy for Security Configuration Management of Network Equipment. During the Reporting Period, the ISO/IEC 27001 information security management system certification of the Company continued to be valid.



²For details of the Supplier Code of Conduct, please refer to the public link: <https://www.kstar.com.cn/bocupload/2026/03/19/17739107478015ccv2h.pdf>

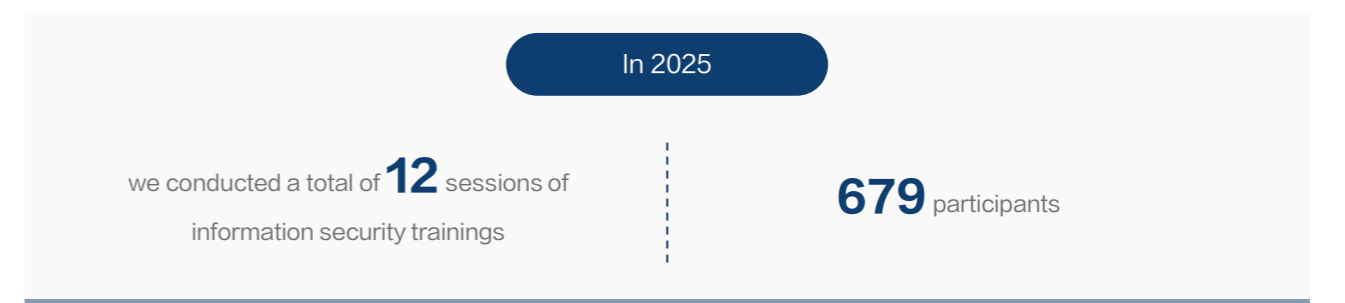


ISO/IEC 27001 Information Security Management System Certificate

We also continuously optimize the hierarchical and classified management mechanism of information security incidents, formulate appropriate emergency plans for different types and levels of information security incidents, and ensure that emergency response measures are taken in a timely manner. In addition, we conduct information security emergency drills every year and organize relevant departments to simulate information security crisis scenarios such as business interruption and database intrusion, so as to continuously strengthen our information security emergency response capabilities.

During the Year, we have strengthened information security management through multiple measures to build a robust data security defense line. For core business systems, automatic backups are implemented using professional tools, and an off-site backup project is carried out to comprehensively ensure data integrity and availability. Simultaneously, we strictly enforce access control policies, adhering to the principle of "deny by default and minimize permissions", granting employees only the necessary information access required to complete their tasks. Data leakage prevention and encryption measures are deployed on terminal devices involving commercial secrets, and research and development network segments are isolated to further enhance data security protection.

In terms of information security training, we conducted information security-related training for all employees through a combination of online and offline forms, and added information security knowledge to the induction training for new employees to enhance employees' awareness of information security and privacy protection.



02

Create Excellent Products, Pursue Quality Service

KSTAR adheres to the core innovation-driven strategy and the concept of quality first, focuses on the research and development of high-performance environmentally friendly products, accurately anchoring market demand, and promoting the transformation of green economy. The Company has established a sound quality management system, empowered the whole production process with digitalization, accurately captured customers' individual demands, improved response efficiency and service quality, and continuously improved the science and technology innovation system, strengthened intellectual property protection, actively participated in the formulation of industry standards, and continuously created value for customers. At the same time, we have also built a supply chain system of "lean management + intelligent manufacturing" to share social responsibilities with global partners and create a green and efficient supply chain ecosystem.

The SDGs covered in this chapter



Innovation-driven Development

KSTAR is well aware that technological innovation is the core engine of high-quality development. Guided by market demand, we continuously iterate our technological innovation management system, foster an open and dynamic R&D ecosystem, and implement fair and effective innovation incentive mechanisms, steadily strengthening our technological foundation. In core areas such as power supply technology, energy storage systems, and photovoltaic applications, we integrate scientific and technological ethics throughout the entire process of R&D, production, and application. Through internal training and case studies, we deepen all employees' understanding of ethics to ensure that product development and production processes balance safety, reliability, and environmental friendliness. During the reporting period, all scientific and technological activities were conducted in compliance with regulations, with no instances of ethics-related violations. In 2025, the Company invested approximately 294 million RMB in clean technology R&D and will continue to provide solid technological support for the transition to a green economy and the construction of a new power system.

In 2025, the Company invested approximately **294** million RMB in clean technology R&D

Governance

KSTAR attaches great importance to the construction of scientific and technological innovation system, adheres to the goal of "lead the digital energy sector with first-mover technological advantages", anchors the innovative R&D strategy of "market-oriented + technology-driven", continuously improves the R&D management mechanism and process, continuously optimizes and strictly implements the innovation management system according to the market and production and operation conditions, and realizes a scientific and effective incentive mechanism for R&D personnel. At the same time, we have established a comprehensive innovation R&D governance structure with clear responsibilities, scientifically coordinated and planned the work related to innovation R&D, and strived to enhance our innovation R&D capabilities.

R&D Governance Structure

Board of Directors	Responsible for formulating innovative R&D strategy, coordinating and leading innovative R&D work.
Management	Responsible for coordinating and advancing innovation and R&D efforts, identifying, assessing impacts, risks and opportunities during the R&D process, and overseeing the achievement of innovation and R&D objectives.
R&D Center	The R&D Center is responsible for executing the day-to-day work of innovation and R&D. This includes conducting key technology research and development, project feasibility studies, and product iteration. It also actively promotes industry collaboration and university-industry-research partnerships to facilitate the translation of R&D achievements into practical applications.

Strategy

In terms of innovation and R&D strategic layout, the Company has consistently focused on core areas of smart energy, with technology-driven as its core orientation. It concentrates on key products such as Uninterruptible Power Supply (UPS), temperature control and micro-modules, batteries, photovoltaic inverters, energy storage systems, and Electric Vehicle Charging Piles, continuously increasing R&D investment and optimizing manufacturing technologies. This approach aims to build a comprehensive smart energy technology system and become a full-spectrum solution provider in the smart energy field, supporting the efficient and sustainable development of the energy industry through technological innovation.

The global smart energy market currently faces risks and challenges such as frequent geopolitical friction, intensifying trade conflicts, and fierce competition driven by rapid technological iteration, leading to price volatility in upstream core raw materials like energy storage battery cells and semiconductors. Concurrently, opportunities arising from the accelerated deployment of new power systems under China's "Dual Carbon" goals, the rising energy demands of data centers fueled by computing power network construction, and the nationwide coverage of public fast-charging networks are providing the Company with broad market prospects. We systematically assess the impacts of R&D and innovation-related risks and opportunities on the Company across short-term (1-3 years), medium-term (3-5 years), and long-term (5-10 years) horizons. By proactively advancing next-generation technologies such as photovoltaic inverters and liquid-cooled energy storage, and deepening collaborative efforts across the industrial chain, we are committed to achieving stable, high-quality development.

Type of Risk	Impact on Business and Value Chain	Impact on Finance	Time Range of Impact	Countermeasures
Shortage or loss of R&D talents	<ul style="list-style-type: none"> The advancement of core technology research and development projects is delayed, the iteration speed of key technologies slows down, and it is difficult to keep up with the cutting-edge technology trends in the industry, resulting in a decline in product competitiveness and a possible loss of some market segments. 	<ul style="list-style-type: none"> The investment in R&D manpower training in the early stage faces the risk of waste, and at the same time, it is necessary to increase the training cost of recruiting new employees, which squeezes the profit margin for the current period. Delays in core projects may also lead to longer payback periods for R&D inputs. 	Medium and long-term	<ul style="list-style-type: none"> Continuously optimizing incentive measures for R&D personnel, improving the channels for exceptional promotion and priority promotion of R&D personnel, and strengthening special rewards for outstanding scientific and technological achievements to attract and retain core R&D talents; Deepening university-industry-research partnerships with higher education institutions to cultivate specialized R&D personnel tailored to the Company's specific needs.
Intellectual property infringement and being infringed	<ul style="list-style-type: none"> In case of infringement upon others' intellectual property rights, products may face such risks as launch obstruction and product recall, accompanied by damage to brand reputation; In case of infringement upon the company's core patents, it will lead to the loss of technological leadership and the seizure of market share by competitors. 	<ul style="list-style-type: none"> Infringement disputes incur compensation payments and rights protection costs, which will increase operating expenses; Product recalls or delayed market launch will lead to losses in sales revenue, while infringement of core patents will erode the profit margin of high-premium products. 	Medium and long-term	<ul style="list-style-type: none"> Upgrade the intelligent risk early warning function of the internal patent information database, optimize the patent layout strategy, improve the classified management process for technology confidentiality, and perfect the intellectual property review mechanism covering the whole life cycle of R&D projects; Conduct regular intellectual property compliance training for R&D personnel, and strictly implement relevant systems for intellectual property and patent protection; Cooperate with professional intellectual property service agencies to carry out patent search and infringement risk assessment in advance, and take legal measures to protect rights against infringement in a timely manner.

Type of Opportunity	Impact on Business and Value Chain	Impact on Finance	Time Range of Impact	Countermeasures
Policies and cooperation brought about by innovation platform qualifications	<ul style="list-style-type: none"> Government R&D subsidies and support for major science and technology projects can be obtained by virtue of authoritative domestic and foreign R&D qualification certifications, while more scientific research institutions and leading enterprises in the industrial chain can be attracted to carry out in-depth cooperation, so as to expand the technological innovation network. 	<ul style="list-style-type: none"> Government subsidies reduce the pressure of R&D investment, while industry-university-research cooperation enables the sharing of R&D resources and apportionment of R&D costs; Technology commercialization of cooperation projects brings additional revenue and improves the company's overall profitability. 	Medium and long-term	<ul style="list-style-type: none"> Continuously maintain and upgrade the qualifications of existing R&D platforms, make full use of policy dividends, and apply for special R&D funding support in green, low-carbon and new energy fields; Establish a cross-domain cooperation and docking mechanism, and regularly carry out technical exchanges with universities and scientific research institutions.
High-end market expansion driven by core technological leadership	<ul style="list-style-type: none"> Relying on technology-leading products and solutions, we will seize high-end markets in green data centers and new energy, acquire more high-quality customers, and further consolidate our leading position in the industry 	<ul style="list-style-type: none"> High-end products have higher market premium capabilities, driving revenue and profit growth in the Company. 	Long-term	<ul style="list-style-type: none"> Continuously increase R&D investment, and focus on in-depth research in the areas of green, low-carbon and intelligent technologies; Strengthen industry-university-research cooperation, promote the implementation of core projects, and accelerate the commercialization of technological achievements; Rely on the qualification of national-level R&D platforms to actively participate in the formulation of industry standards, and enhance industry influence and discourse power.

Moreover, we have established advanced experimental and testing platforms. Our laboratories have obtained "China National Accreditation Service for Conformity Assessment (CNAS)" Certificate, and our R&D and Testing Center has been awarded the "TÜV Rheinland Witness Laboratory" Certificate.



Impact, Risk and Opportunity Management

Taking the integrated product development (IPD) model as the core, we build a market-oriented innovation mechanism, continuously monitor market trends, keep abreast of the development trend of advanced technologies, and ensure that the R&D direction is always at the forefront of the industry. We have formulated and implemented a series of internal policies and management systems related to innovative research and development, such as the Design and Development Management Procedures, the Outlines for the Implementation of Mentorship in KSTAR R&D System and the Knowledge Management Procedures, continuously improved the requirements for product life cycle management. On the R&D project side, we implemented a hierarchical management and control mechanism to implement more accurate and differentiated management for three types of projects: technology pre-research, new product development and derivatives development. The expert evaluation team under the expert committee conducted professional evaluation on project establishment, achievement appraisal and acceptance, and applied advanced project management tools to fully implement the agile development model, striving to simultaneously improve the delivery efficiency and quality of R&D projects.

Meanwhile, we continued to build a solid bottom line of scientific research integrity, continuously optimized the whole-process supervision mechanism and the traceability management system of scientific research results, and carried out integrity R&D training for all R&D personnel to fully protect scientific research ethics and academic ethics. The Company adheres to a zero-tolerance attitude towards dishonest behavior in scientific research, clarifies the graded punishment standards, gives written warnings to minor violators, and holds serious violators accountable in accordance with laws and regulations. During the reporting period, no academic misconduct occurred in the Company.



By the end of the reporting period, KSTAR has received multiple national-level honors for technological innovation, including titles such as National-level "Specialized, Refined, Distinctive, and Innovative" (Little Giant) Enterprise by the Ministry of Industry and Information Technology, National Key Software Enterprise, National Accredited Enterprise Technology Center, Shenzhen Green and Low-Carbon Enterprise, and Shenzhen High-tech Enterprise.

KSTAR Science and Technology Innovation Honors and Certifications (Partial)



National Accredited Enterprise Technology Center



High-tech Enterprise Certification



National Technological Innovation Demonstration Enterprise



National Green Factory



Specialized, Refined, Distinctive, and Innovative (Little Giant) Firm by the Ministry of Industry and Information Technology



Shenzhen High-tech Enterprise

Product Innovation

KSTAR has always regarded technology, innovation and efficiency as its core development driving force, continued to deepen the two core fields of green data center and new energy, and relying on the professional technology accumulation of high-quality R&D team, continued to explore breakthroughs in improving product energy saving level, strengthening operational reliability, optimizing intelligent operation and maintenance, accelerating the iteration of core technologies and upgrading of product systems, and continuously injecting innovation power into the green and low-carbon transformation of the industry.

In 2025, our innovation achievements were widely recognized by the industry and awarded a number of innovation honors, further demonstrating the technological research and development capabilities and industry influence of the Company.

Innovation Awards 2025 (Partial)



New Generation Technology Innovation Enterprises 2024-2025



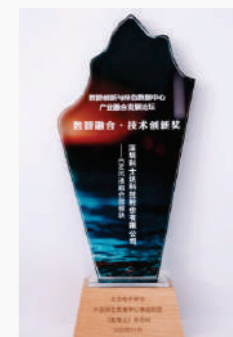
EuPD Research TOP Innovation (Storage) Europe



Wood Mackenzie "Grade A" PV Inverter Manufacturer



KSTAR IDM Micro Module Solution Wins Technological Innovation Award



KSTAR IDM Air-Liquid Cooling Integrated Micro Module Wins Technological Innovation Award

During the Year, we invested heavily in R&D and innovation, optimized and upgraded a variety of photovoltaic and energy storage products and data center solutions, kept abreast of market demand and continuously improved product performance and quality.

Grid-tied Photovoltaic Inverters

In 2025, KSTAR launched its independently developed high-power grid-tied photovoltaic inverter, which provides core support for the efficient utilization of photovoltaic energy with its high-efficiency and reliable performance. This product adopts an advanced circuit topology design, with an energy conversion efficiency exceeding 99%, which can maximize the conversion of photovoltaic energy into usable power and greatly reduce energy loss. It adopts an outdoor wall-mounted design with IP66 high protection rating, passes the C5 anti-corrosion test, and is equipped with a heat dissipation solution combining intelligent speed-adjustable fans and natural heat dissipation, enabling stable operation in high-temperature environments. Meanwhile, the product has built-in PV insulation detection and leakage current detection functions, coupled with multiple safety protection mechanisms such as grid over/under voltage protection and anti-islanding effect, which comprehensively guarantees the safety of equipment and power grids, and provides efficient and safe energy conversion solutions for various photovoltaic power station scenarios.



Grid-tied Photovoltaic Inverters

IT Cube Series New Generation Micro-Module Data Center Solutions

In 2025, KSTAR launched a new generation of micro-module data center solution tailored to the needs of high-computing-power intelligent computing centers, facilitating the low-carbon transition of digital computing scenarios with its green, efficient, intelligent and reliable features. Adopting a modular design, the product supports factory prefabrication and on-demand elastic expansion, cutting on-site installation cycles by 50%. It employs a cooling scheme combining cold-hot airflow isolation and air-liquid hybrid cooling, paired with AI intelligent calculation of cooling demand and linked adjustment, which greatly improves cooling utilization, reduces the Power Usage Effectiveness (PUE) of a single module to below 1.2, and saves more than 20% energy compared with traditional solutions. Meanwhile, the product is compatible with various high-computing-power equipment, has Grade 9 seismic resistance, and supports multi-terminal remote monitoring via web pages, apps and WeChat Official Accounts. It displays core indicators such as energy consumption and environment in real time through 2D/3D visual interfaces, realizing efficient and intelligent management across all scenarios, and fully meeting the requirements of green, low-carbon and stable operation for high-computing-power scenarios.



IT Cube Series New Generation Micro-Module Data Center Solutions

Industrial and Commercial Grid-Tied/Off-Grid Integrated PV-ESS System

In 2025, KSTAR launched a new generation of industrial and commercial grid-tied/off-grid integrated PV-ESS all-in-one systems, creating efficient green energy solutions for industrial and commercial users across multiple scenarios. This product integrates PV access, energy storage and power supply functions: it can either directly store the electricity converted from solar energy into batteries, or convert it into stable alternating current for equipment use; equipped with high-efficiency solar tracking technology, it can capture and utilize solar energy to the maximum extent to reduce energy waste. When photovoltaic power generation is insufficient, the product can intelligently link photovoltaics and batteries for joint power supply, and also automatically coordinate with the power grid and diesel generators to realize seamless switching between grid-tied and off-grid modes, ensuring uninterrupted and stable operation of loads and providing strong support for smart grids. At present, it has been widely adapted to diverse scenarios such as hotels, industrial parks and islands, helping users reduce carbon emissions and accelerate the green energy transition.



Industrial and Commercial Grid-Tied/Off-Grid Integrated PV-ESS System

2.56MW Split-Type DC Charger

During the Year, KSTAR launched a 2.56MW split-type DC charger tailored for medium and large heavy-duty truck charging station scenarios. Equipped with liquid-cooled dual guns with a 2,000A configuration, it enables megawatt-level fast energy replenishment. It adopts Silicon Carbide MOSFET (SiC MOS) modules, with the peak efficiency of the modules reaching over 97%, and further improves efficiency in combination with intelligent charging curve optimization. In addition, the device is equipped with more than 100 active protection mechanisms to ensure charging safety, supports remote operation and maintenance and OTA upgrades to reduce maintenance costs, and also supports parallel expansion of multiple units and is compatible with PV-storage-charging coordination, adapting to the development of charging stations and energy utilization needs.



2.56MW Split-Type DC Charger

In terms of external cooperation, we have actively established strategic cooperative relationships with universities, scientific research institutions, and partners across the upstream and downstream of the industrial chain, to share R&D resources and innovative technologies, build a cross-domain cooperation network, and promote the rapid implementation and commercialization of R&D projects.

Case: Industry-university-research Cooperation with Top Domestic Universities

During the Year, we jointly launched the industry-university-research cooperation project of "Solid-state Transformer System Scheme Evaluation and Key Technology Research" with top domestic universities, focusing on the needs of new power consumption scenarios such as data centers, and jointly developing solid-state transformers suitable for green and efficient power consumption scenarios. We focus on the core links of equipment architecture design, operation control and safety protection to carry out technical research, and build a new type of power equipment with traditional transformer functions, which is more intelligent and reliable. This equipment can not only ensure stable power supply, but also have the ability to self-heal faults. Even if there are problems in individual units, it can automatically isolate fault modules, ensure the continuous operation of the whole machine, provide technical support for the construction of new power systems, and help green and low-carbon power consumption scenarios land.

Protection of Intellectual Property

The Company regards intellectual property management as a solid cornerstone of innovation-driven, and continues to promote the refinement and upgrade of the protection and operation system. We strictly abide by laws, regulations and industry standards such as the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Intellectual Property Management Standards for Enterprises, the Intellectual Property Management Guidelines for Industrial Enterprises, and the Working Measures Relating to External Transfer of Intellectual Property (Trial), optimized the internal management systems such as the Intellectual Property Management Measures, the Intellectual Property Management Procedures and the Patent Management Working System, strengthened management measures such as intellectual property value evaluation and compliance review of external transfer, clarified internal intellectual property management responsibilities, further increased the amount of rewards for R&D personnel to successfully obtain applications for inventions, designs and software copyrights, and improved the intellectual property protection system driven by strengthening protection and incentives.

At the same time, adhering to the principles of unified management, division of labor and collaboration, standardization and order, we upgraded the intelligent risk warning function of our internal patent information database, optimized the global patent layout strategy and technical confidentiality hierarchical management process, and improved the tort liability traceability and rapid response mechanism. In addition, we also cultivate a corporate culture that respects intellectual property rights and encourages innovation through thematic training, compliance promotion and other activities. During the Reporting Period, there were no major intellectual property infringement disputes in the Company.



Promoting Industry Development

Relying on technology accumulation and industry influence, KSTAR deepened cross-border collaboration, deeply participated in the formulation of standards in many fields, shared R&D and innovation achievements at domestic and foreign industry summits and professional forums, and promoted mutual learning of industry experience. As a member of the United Nations Global Compact (UNGC), we actively respond to the global sustainable development goals, integrate ESG concepts into the whole chain of industry collaboration, empower the green transformation of the industry with our own practices, and contribute to global sustainable development.

Participation in standard development: We actively contribute to the standardization construction of the industry, actively participate in the formulation and revision of industry standards, and play an active role in leading and regulating the development of the industry and enhancing the voice of Chinese enterprises. As at the end of the 2025, the Company had chaired or participated in the formulation of 144 standards, the details of which are as follows:



Exhibition activities: the Company actively participated in industry forums and exhibitions, shared technical experience in the fields of new energy and data centers, discussed cutting-edge technologies and development trends in the industry with industry partners, actively seized development opportunities, and joined hands to build a clean and efficient industrial ecology.

KSTAR Made Appearance at CHCC2025

In May 2025, the 26th National Hospital Construction Conference & International Hospital Construction, Equipment and Management Exhibition (CHCC2025) opens in Wuhan. KSTAR attends the event with its medical industry-tailored "full-scenario digital energy solution" to support the stable and efficient digital transformation of modern healthcare. To meet the strict power supply stability requirements of medical equipment, we have launched high-frequency modular UPS featuring high energy conversion efficiency, low energy consumption and flexible expansion, which is applicable to radiology, ultrasound and other scenarios to secure the bottom line of medical power safety. We also display IDM double-row micro modules, IDU micro units and PowerFort integrated power modules: their integrated, modular design enables intelligent O&M and low energy consumption, adapting to medical data center construction needs of different scales and emergency response demands, and has garnered strong attention from customers and industry.

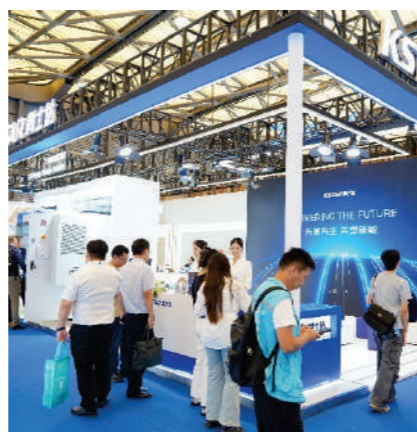


CHCC2025

KSTAR Participated in the 11th International Energy Storage and Battery Technology and Equipment (Shanghai) Exhibition (SNEC ES +2025)

In October 2025, KSTAR participated in the SNEC ES +2025. Under the theme of "Symbiosis of Solar and Storage, Co-building New Energy Future", the company unveiled four major solutions at the event: residential solar-storage systems, industrial and commercial energy storage, utility-scale energy storage, and UPS supporting new energy applications.

Among them, in response to the higher requirements for energy storage system efficiency, response speed and environmental adaptability brought by large-scale new energy grid connection, we launched a new generation of outdoor energy storage converters and integrated energy storage converter-booster units. Adopting advanced topological design, these products boast industry-leading energy efficiency, millisecond-level fast charge-discharge switching capability that can accurately respond to power grid dispatching instructions, dual-network redundant design to ensure stable transmission of control signals, and a medium-voltage integrated solution that greatly reduces project deployment complexity and costs. They also have exceptional all-round environmental adaptability, capable of handling harsh working conditions such as high altitude, extreme cold and high salt spray, setting a new benchmark for the safe and efficient operation of large-scale energy storage projects. The products drew in-depth inquiries from a large number of domestic and overseas customers at the exhibition, fully demonstrating the company's leading technological position in the grid-side energy storage sector.



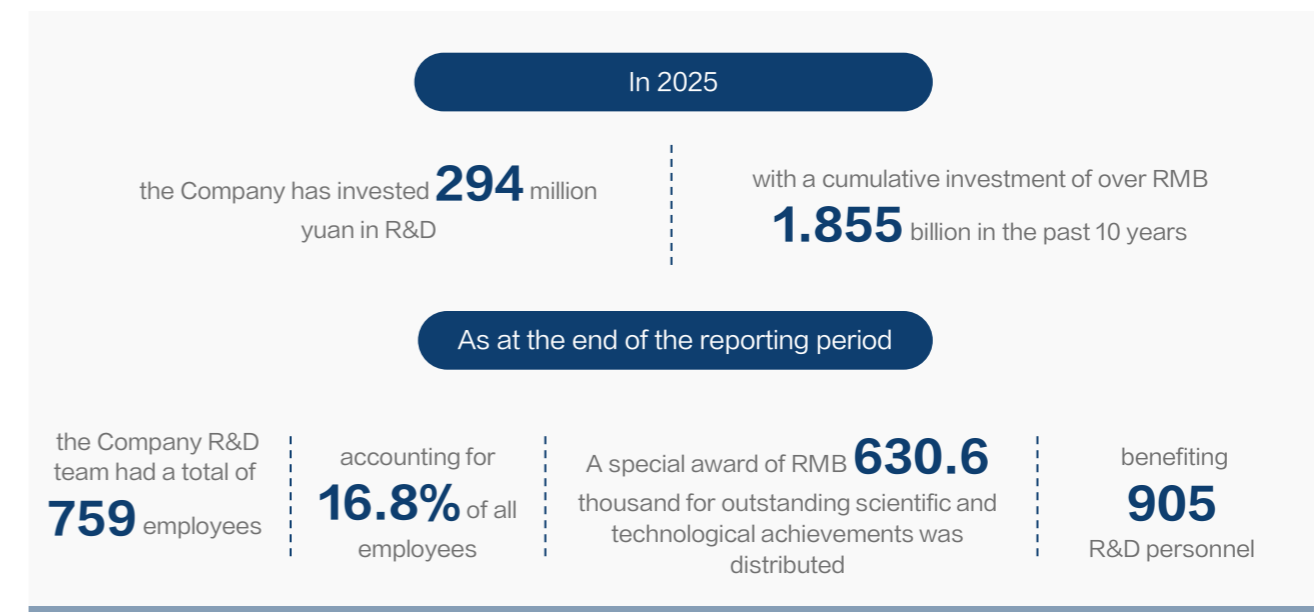
The 11th International Energy Storage and Battery Technology and Equipment (Shanghai) Exhibition

Metrics and Targets

We continued to improve the level of innovative research and development, and set the following innovative research and development objectives:

- Focus on core sectors of digital energy and green low-carbon industry, reinforce technological first-mover advantages, achieve breakthroughs in key technologies such as solid-state transformers and high-efficiency PV-storage systems, and retain industry-leading standing;
- Deeply rooted in the smart energy field, upgrades core products including PV inverters and micro-module data centers to precisely fit multi-scenario demands and boost market competitiveness;
- Optimize the "market-oriented + technology-driven" innovation system, deepens the IPD R&D model and talent incentive mechanism, expand the core R&D team, and accelerate the efficient commercialization of scientific research achievements;
- Strengthen the whole-industry-chain intellectual property protection and layout system, deepen industry-university-research collaborative innovation, participate in the formulation of industry standards, and enhance brand influence and industry discourse power.

We are also well aware of the importance of building an innovation platform, continue to increase investment in R&D, and set up two R&D centers in Shenzhen and Fuzhou to cultivate R&D talents steadily, and are committed to cultivating a professional R&D team with rich R&D experience and strong independent innovation capability.






Safe Product Creation

KSTAR adheres to the concept of "quality-oriented, winning customer trust with high-quality products", establishes a sound quality management system, strictly controlled the quality of all aspects of the product life cycle, and comprehensively improved the quality level through digital empowerment, compliance control of hazardous substances. Moreover, by promoting a quality culture with full participation, we comprehensively improve the quality atmosphere and create products with reliable performance and provide customers with the positive user experience.

Governance

We have established a quality management governance system structured as "Board of Directors – Group Quality Management Department – Divisional Quality Departments" in alignment with our business development and corporate operations. The Board of Directors, as the highest-level body, is responsible for coordinating and leading overall quality management, the Group Quality Management Department is responsible for establishing the quality management system and mechanisms and supervising their implementation, the Divisional Quality Departments, as the executive team, are responsible for carrying out day-to-day quality management work..

 <p>Board of Directors</p>	<p>As the highest body responsible for product quality and safety, the Board of Directors is responsible for formulating product quality and safety strategies and supervising management's implementation of quality and safety responsibilities.</p>
 <p>Group Quality Management Department</p>	<ul style="list-style-type: none"> Establish and improve the life cycle quality management system and formulate relevant management systems and processes; Set the overall quality control plan, work plan and quality objectives of the Company, and decompose tasks based on actual quality control requirements; Combined with the control requirements of the Company quality management system, allocate appropriate resource system to ensure the resource requirements of quality system control.
 <p>Divisional Quality Departments</p>	<p>It is composed of the quality department of R&D and supply chain system.</p> <ul style="list-style-type: none"> Perform the daily work of quality management, statistically analyze the market quality data of each product line every month, output the monthly quality report, and track the quality performance assessment data of each product line; Focusing on the product line, organize monthly quality meetings for each product line to continuously track the implementation of quality improvement projects; Conduct statistical analysis on major market quality problems and market retrofit problems, track the timely handling of problems and the closed-loop resolution of problems.

At the same time, the Company has always strictly complied with the laws, regulations and relevant standards in the areas where products are sold, publicly disclosed matters related to product quality and safety, established a quality and safety management system covering the whole product life cycle. We have formulated and implemented policies and systems such as DFMEA³ Management Specification, Product Reliability Testing System, Product Monitoring and Measurement Control Procedure, IQC Incoming Inspection Code, IPQC Inspection Code, First Inspection Operation Code, Finished Product Inspection Code, Non-conforming Product Control Procedure, Monitoring and Measurement Resource Management Procedure, Quality Department Job Description, etc., and updated the policies based on product quality management system requirements and business requirements to ensure that it is consistent with actual management needs, promote the continuous improvement of product management quality.

In 2025, there were **no** major quality and safety liability accidents related to products and services in the Company.



³ DFMEA (Design Failure Mode and Effects Analysis) means that, at or before the formation of a design concept, and at all stages of product development, if the design changes or other information is available, amendments should be made timely and continuously before the drawing is completed. DFMEA evaluates and analyzes the final product and each of the systems, subsystems and components associated with it.

Strategy

The Company adheres to the mission of "Provide highly reliable and integrated smart energy solutions, satisfy customers' demand for high-quality energy" and practices the concept of "Customer Focused, Quality Oriented" and is committed to creating excellent products and services. Focusing on leading technology, excellent operation and high-quality service, we have built a quality management model with unique KSTAR characteristics to build a solid foundation for excellent product quality and continuously improve product competitiveness and customer satisfaction. Meanwhile, we actively identify and assess the short-term (1-3 years), medium-term (3-5 years) and long-term (5-10 years) impacts of product quality and safety-related risks and opportunities on the Company and implement targeted response measures to support data-driven decision-making for strategic optimization.

Type of Risk	Impact on Business and Value Chain	Impact on Finance	Time Range of Impact	Countermeasures
Compliance risk	Products that do not meet the certification standards and quality regulations will lead to risks such as restricted market access, regulatory penalties and brand damage.	New products cannot enter the target market, and operating income declines; Listed products are subject to removal, recall and penalties.	Medium and long-term	Benchmarking domestic and foreign quality regulations, industry certification standards and customers' special compliance requirements, sorting out and improving the compliance control list, embedding compliance requirements into R&D, raw material procurement, production and other processes to avoid compliance deviations from the source.
Quality risk	Product quality defects or safety issues can directly lead to operational and reputational risks.	Leading to the loss of orders and the decline of operating income; Client claims are triggered and litigation costs rise.	Short, medium and long-term	It strengthened demand insight and quality risk prediction, established a whole-process quality control system, and handled customer complaints in a timely and high-quality manner.

Type of Opportunity	Impact on Business and Value Chain	Impact on Finance	Time Range of Impact	Countermeasures
Brand opportunity	High-quality and advanced products strengthen the industry-leading brand image of the Company, enhance customer trust and promote business expansion.	High-quality products bring positive word-of-mouth effect, drive profitability and enhance product market premium ability.	Medium and long-term	We established a closed-loop quality improvement mechanism, continuously optimized the management and control process based on customer feedback and production data, and simultaneously carried out quality capability improvement training for all employees to promote the continuous improvement of quality management level.

Impact, Risk and Opportunity Management

Quality Management System

KSTAR carried out quality management system certificate in the form of the Group, and comprehensively integrated, optimized and upgraded the quality management system through intensive, standardized and collaborative management.

Group-wide Quality Management System Certificate

Unified management standards	Optimize resource allocation and processes	Strengthen risk prevention and control and compliance management
Each subsidiary will no longer independently operate differentiated quality management systems. Instead, we will establish a highly consistent unified management framework to guarantee the stability and compliance of the Group's overall output.	Through the overall planning at the Group level, the Group broke down the barriers between regions, deeply sorted out and reengineered the management process, reduced the repetitive construction of governance and management system, realized the efficient sharing and synergy of technical resources, human capital and management experience, and greatly improved the overall operational efficiency.	From a strategic perspective, the Group can formulate unified risk control measures based on the results of quality risk assessment, which makes the identification and assessment of compliance obligations more systematic and provides a solid guarantee for the steady expansion of the business. At the same time, we formulate emergency response procedures for product quality and safety issues, and ensure that emergency plans can be activated quickly and effectively when problems occur through regular drills or tests. Once a product quality and safety related incident occurs, we will systematically conduct incident investigation to determine the cause and take targeted measures to prevent the problem from happening again.

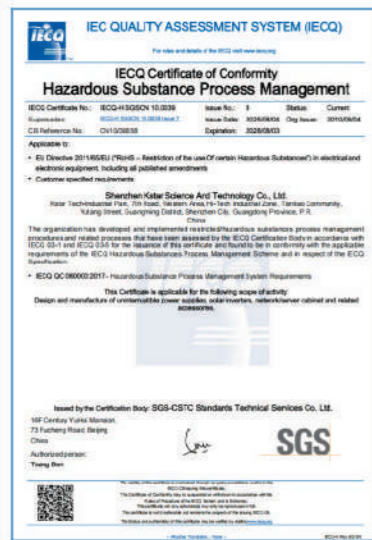
As at the end of the 2025, we have obtained a number of quality management-related certificates, including ISO 9001 Quality Management System Certificate, IATF 16949 Automotive Quality Management System Certificate, IECQ QC 080000 Certificate of Conformity Hazardous Substances Process Management, ISO/IEC 17025 Laboratory Accreditation Certificate, ISO 22301 Business Continuity Management System Certificate, etc., and the quality management system is regularly audited by an independent third party organization to systematically achieve standardized and efficient operation. The coverage rate of ISO 9001 quality management system Certificate for operating sites in the Company is 100%.



ISO 9001 Quality Management System Certificate



ISO 22301 Business Continuity Management System Certificate



IEC QC 080000 Certificate of Conformity Hazardous Substances Process Management



ISO/IEC 17025 Laboratory Accreditation Certificate



- Consider the problems that may be involved in the production, transportation and use of products at the R&D and design stage, and develop preventive measures and solutions in advance..
- Assess the potential failure mode of products in the usage stage from the dimensions of severity, incidence and difficulty in problem detection in accordance with the DFMEA Management Specifications under specific operating environment conditions and usage conditions. After the potential failure mode is identified, the best improvement method should be determined to improve the process to avoid the occurrence of failure.

- Develop and implement the IQC Incoming Material Inspection Specifications, set up quantitative inspection indicators for incoming materials and key parts, clarify the inspection items and acceptance standards of each raw material, intercept unqualified products from the source, and ensure that the final product quality meets customer needs.

- The company has integrated eight core systems including PDM, CRM, ERP, SRM, WMS, MES, QMS and BI to form a digital collaborative network with quality data as the core backbone. Among them, Visualization: Through real-time dashboards built by MES and BI, it dynamically presents production status, quality indicators and abnormal early warnings; Traceability: Based on data association of PDM, ERP, WMS, MES and QMS, it realizes complete two-way traceability from raw materials, process parameters, equipment status to finished product inspection records; Controllability: With the closed-loop control mechanism of QMS and MES, it implements real-time monitoring and automatic intervention for key quality characteristics. Meanwhile, two-way feedback of quality information between suppliers and customers is realized through CRM and SRM. The above-mentioned system integration and data integration make the quality management of the Company production process reach the digital control level of "transparent state, traceable source and controllable deviation".

- In order to ensure the continuous stability of process capabilities and high reliability of product quality, the Company has comprehensively and systematically applied core quality management tools such as FMEA (Failure Mode and Effects Analysis), CP (Control Plan), MSA (Measurement System Analysis) and SPC (Statistical Process Control) in the manufacturing quality management system, and built a complete closed-loop management and control mechanism from risk prevention to process monitoring.
- FMEA-based Risk Identification: In the product and process design stage, the Company systematically conducts FMEA analysis to identify key characteristics and potential failure modes, evaluate Risk Priority Number (RPN), and formulate preventive and detective control measures to avoid quality risks from the source.
- CP-based Control Planning: Converts the output of FMEA into an executable Control Plan, which clarifies the control methods, inspection frequency, response plans and responsible subjects for each process, making operations and inspections well-documented and standardized.
- MSA-based Data Assurance: Conducts MSA analysis (bias, linearity, stability, repeatability and reproducibility) for all critical measurement systems to ensure the collected data is true and reliable, providing a credible foundation for subsequent statistical judgment.
- SPC-based Process Monitoring: Implements SPC control chart monitoring for key process characteristics, identifies abnormal fluctuations in real time, and quickly triggers early warning and corrective measures. Meanwhile, the company regularly conducts process capability (Cpk/Ppk) analysis to promote continuous improvement.

- Relying on the customer service center, regional maintenance center and authorized service station to establish a three-level maintenance system, clarify the responsibilities of service management, 400 calls, spare parts management, on-site service and authorized service station departments, and handle customer complaints according to procedural procedures to ensure clear responsibilities and standardized disposal.
- In strict accordance with the Customer Service Procedures, standardized handling of customer complaints and suggestions is carried out to ensure that each demand is recorded, followed up and closed-loop.
- Customer complaint data is recorded online and automatically counted, and after-sales, quality and R&D collaborate to analyze and close-loop market problems, and continue to optimize and iterate products based on data.

Lifecycle Product Quality Management

We implement life cycle product quality management, identify and avoid quality risks from four major aspects of R&D and design, incoming materials, manufacturing and after-sales, and continuously improve product quality by combining quality management tools and methods such as APQP, FMEA, CP, MSA and SPC, with the following specific measures:

At the same time, the Company has established a dual internal supervision mechanism of "annual centralized audit + dynamic rolling audit. We organize at least one centralized annual internal quality audit covering all products, and conduct irregular rolling special inspections/special audits based on product quality fluctuations, customer complaint feedback or customer audit requirements.. This year, we completed the following two audit tasks:

- In September 2025, the centralized internal audit identified and promoted the rectification of 470 quality-related issues and risks;
- In November 2025, the Customer SE conducted a special audit before the annual audit, and found and promoted the rectification of 31 quality-related issues and risks.

The Company products are distributed in 180 countries and regions around the world. In order to ensure that the products meet the quality standards of various countries, we have engaged and invited professional testing institutions such as TÜV Rheinland, TÜV North Germany and TÜV South Germany to certify the products, including State Grid High/Low Voltage Through Certification, Golden Sun Certification, Thiel Certification, Energy Saving Certification and 3C Certification; CE certification in Europe, UL certification in the United States, SAA certification in Australia, ENEL certification in Italy, BV certification in France, and SK certification in Korea, etc., to ensure that the products meet the health, safety and environmental protection requirements.

Digitalization Empowers Product Quality

The Company actively promotes digital construction and transformation, and takes a series of measures to improve the overall operation, production efficiency and product quality control level, and successfully passed the digital pilot enterprise evaluation and was certified to meet the requirements of Q/ISI001-2024 Digital Economy Pilot Enterprise Evaluation Specifications.

KSTAR focuses on the deep integration of digitalization and intelligence by introducing the advanced MES (Manufacturing Execution System) system. The MES system comprehensively covers key production links such as warehousing, production, quality control and equipment management. With its excellent data analysis and intelligent decision support functions, it provides strong support for the company's digital transformation and intelligent upgrading, and significantly improves operational efficiency, product quality and equipment utilization.



Digital Pilot Enterprise Evaluation Certification

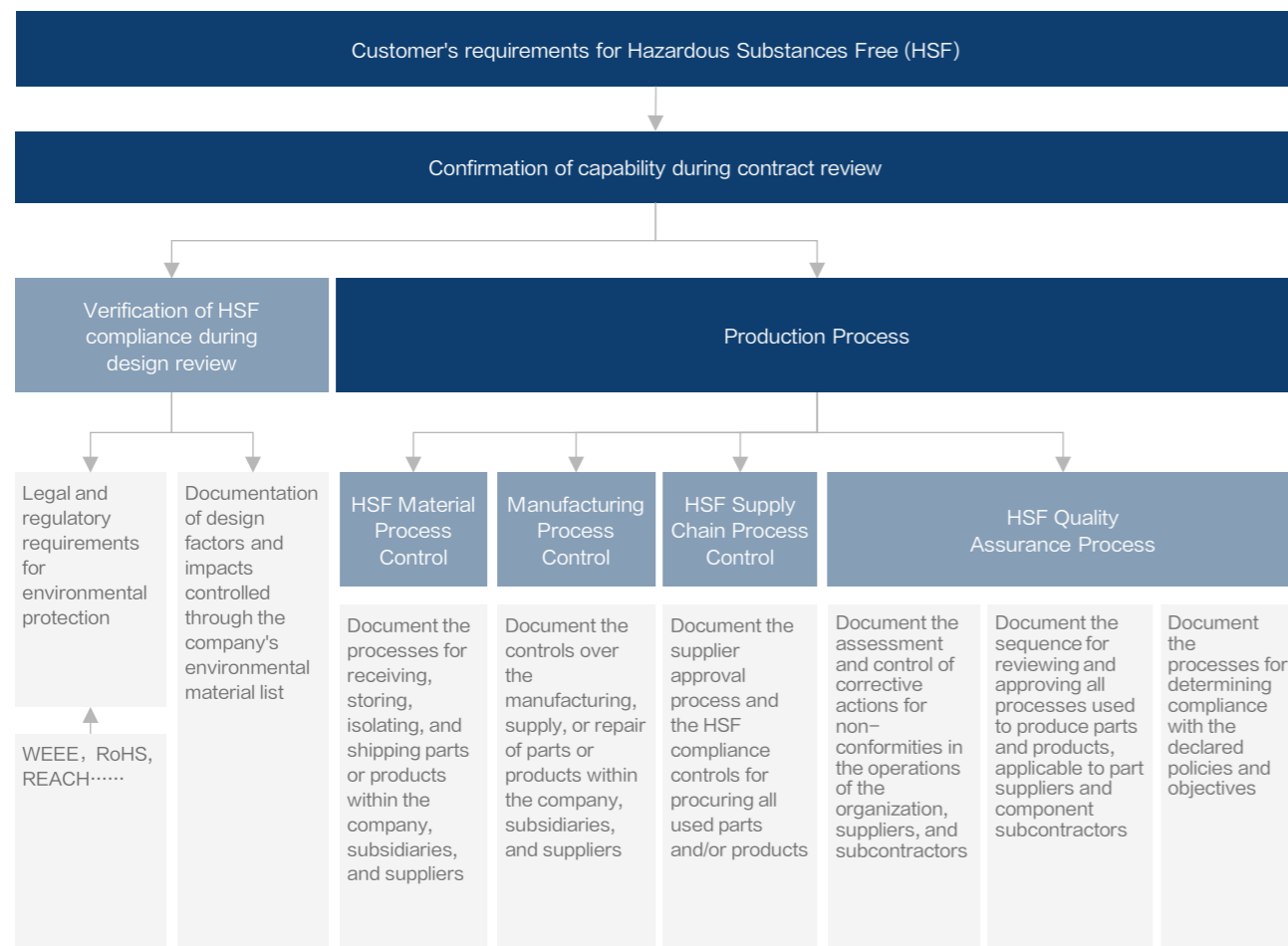
<p>Warehouse Management</p> <ul style="list-style-type: none"> • Real-time monitoring and precise traceability • Automated storage and retrieval • Inventory optimization 	<p>Production Management</p> <ul style="list-style-type: none"> • Intelligent scheduling and dispatch • Transparent production process • Production traceability
<p>Quality Management</p> <ul style="list-style-type: none"> • Online quality inspection • Quality traceability and analysis • Standardized quality inspection processes 	<p>Equipment Management</p> <ul style="list-style-type: none"> • Real-time equipment condition monitoring • Preventive maintenance • Equipment efficiency analysis

	<p>Digital Factory</p> <p>We built digital factories, integrated PLM (Product Data Management), CRM (Customer Relationship Management), ERP (Enterprise Resource Planning), SRM (Supplier Relationship Management), WMS (Warehouse Management System), MES (Manufacturing Execution System) and QMS (Quality Management System). By doing so, we aim to achieve closed-loop management and real-time monitoring of the entire value chain. With these efforts, the Company managed to lay the groundwork for digital production in key regions such as Guangming, Huizhou, Ningde, Yichun in China and Vietnam, and won the National Intelligent Manufacturing Maturity Level 3 Certificate and the title of Shenzhen Advanced Intelligent Factory.</p>
	<p>Barcode Management</p> <p>We implement barcode management to ensure reliable product quality, control the production process and track the deliverables, as well as to promote refined warehouse management.</p>
	<p>Visualization Technology</p> <p>Backed by the visualization technology, dashboards for digital management of the supply chain have been created to present key manufacturing data and production situations in the workshops. The technology has helped to achieve real-time collection and sharing of production information, and to establish a command system with rapid response. At the same time, some PCBA (Printed Circuit Board Assembly) workshops have adopted 3D digital twin technology for display and warning.</p>
	<p>Total Production Maintenance</p> <p>We have implemented the TPM (Total Productive Maintenance). A series of measures such as preventive maintenance, equipment cleaning, and employee training were adopted to reduce equipment failures and downtime, ensure standardized operation process to prevent defective products from entering the production lines, and improve production efficiency and product quality. In addition, we have achieved real-time acquisition of process information, ensuring that the production information is traceable throughout the entire production process.</p>
	<p>Intelligent Enterprise</p> <p>KSTAR is committed to building itself into an intelligent enterprise. The Company keeps constantly optimizing enterprise resource planning (ERP), customer relationship management (CRM) and business intelligence (BI) system processes, and works to remove information barriers in sales, finance, and after-sales services. These efforts have supported the Company in achieving online display of data and integration of business and finance, enhancing the Company's capabilities in resource allocation, risk control, and financial analysis, as well as achieving the goal of going paperless.</p>

Hazardous Substance Management

KSTAR strictly complies with the National Measures for the Administration of the Restricted Use of the Hazardous Substances Contained in Electrical and Electronic Products, the European Union's Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) and the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). We also formulate and implement internal management standards such as the Eco-friendly Substance Control Procedures, the Eco-friendly Substance Supplier Management Specification, the PCBA RoHS Process Management Measures, the Complete Machine RoHS Process Management Measures and the Hazardous Substance Management Conformity Assessment Procedures, and is committed to building a system that meets the requirements of international environmental protection regulations (such as RoHS, REACH, etc.) to ensure the compliance and consistency of hazardous substance control and realize the transformation from "passive detection" to "active prevention".

Control of hazardous substances in the product life cycle: In order to implement the control measures for hazardous substances in products, the Company has established a control mechanism for hazardous substances in products with clear division of labor among various departments, coordinated the control of hazardous substances and materials in all aspects of the life cycle such as product research and development, procurement of raw materials, manufacturing, shipment and delivery. We also formulate annual testing plans for mainstream products and carry out annual compliance verification to ensure that products continuously meet the environmental protection access standards of target markets (such as the European Union and the PRC).



Control Mechanism of Hazardous Substances in Products



Research and development

- Conduct conformity confirmation assessment on hazardous substances in accordance with regulations or requirements such as the RoHS 2.0 to exclude nonconforming hazardous substance.



Procurement of raw materials

- The SRM (Supplier Relationship Management) system is launched, and all RoHS test reports and other hazardous substance test reports of suppliers are uniformly incorporated into the system for online submission and approval, and the timeliness and accuracy of each report are strictly controlled through the approval flow set by the system.
- Suppliers must provide valid third-party hazardous substance testing reports for cross-validation.
- Conduct regular sampling inspections on key components and raw materials to verify whether the content of harmful substances exceeds the standard.



Manufacturing

- Regularly test the materials, auxiliary materials and equipment used in all stages before and during production, to avoid contamination with hazardous substances in the manufacturing process.
- Identify cross-contamination risks in supplementary materials, tooling, and key positions, and regularly train employees in these positions..



Shipment and delivery

- Check the adhesion of environmental protection labels/logos for each batch of products.
- New products and batch products are tested for hazardous substances by third-party laboratories, the content analysis of 10 hazardous substances such as lead, mercury, cadmium, hexavalent chromium and polybrominated biphenyls, so as to ensure that the products meet the hazardous substance restriction requirements of laws, regulations and customers before shipment.

Control Measures for Hazardous Substances in the Product Life Cycle

Restricted use of hazardous substances: We continuously track the development of domestic and overseas laws and regulations, and align with the latest standards and requirements to identify improvements in the management of restricted substances. During the Reporting Period, we revised the Environmental Protection Materials Control Procedure in line with REACH Regulation's SVHC requirements, Annex 14 and Annex 17. By December 2025, a total of 251 Substances of High Concern (SVHC) were specified.

Substitution and reduction of hazardous substances in products: KSTAR takes the reduction of Hazardous Substance Free (HSF) in products as a long-term goal, formulates a hazardous substance reduction plan, and actively seeks alternatives to reduce and eliminate the use of hazardous substances. We strive to achieve the goal of replacing and reducing hazardous substances by taking multiple measures:



We will increase our investment in the research and development of new eco-friendly materials and processes, and propose alternatives to traditional hazardous materials. At the same time, we will consider more about the possibility of recycling and disassembling products for subsequent recycling and reuse, so as to minimize the impact of wastes on the environment and recycle valuable materials. In the future, we will continue to learn from international advanced hazardous substance management technologies and align ourselves with global industry standards. Furthermore, we will utilize the substitution catalog of hazardous raw materials (products) recommended by the state, develop and apply low-toxic and low hazardous or non-toxic and non-hazardous raw materials to cut down on poisonous and hazardous substances and pollutant emissions in production.

Product Recall Management

We carry out product recall management in strict accordance with the laws and regulations of the locations where products are sold, and formulate and implement policies and management documents such as the Measures for the Management of Eco-friendly Product Recall, the Implementation Instruction Eco-friendly Product Recall Plan, the Handling Form for Eco-friendly Protection Unqualified Products, and the Recall Registration Form for Eco-friendly Protection Products. Those policies ensure that when the delivered products may have serious environmental protection unqualified or safety hazards in batches, relevant information can be notified to relevant parties in a timely manner and product recall can be implemented, so as to quickly and completely control the relevant products and avoid or reduce losses. This year, we did not have any product recalls.

Product Recall Mechanism



Quality Culture Cultivation

KSTAR is dedicated to strengthening the quality awareness of employees, regularly conducting product quality training and publicity. Through the construction of quality culture, we pass on the quality concept to every employee. In 2025, we organized a total of 113 quality management trainings covering 3,811 employees. The training topics included "Quality Management System", "Hazardous Substances Management" and "Non-conforming Product Control". These initiatives aim to enhance employees' ability to use quality tools and handle and solve quality problems on site. At the same time, we actively carried out quality theme learning month and quality optimization interactive activities within the Company, and received 115 improvement proposals and more than 100 QCC quality improvement cases.



Quality Management Training

Metrics and Targets

We set clear and quantifiable annual quality targets in line with business development, industry standards and customer needs. And we incorporate targets into performance management, and continuously track key performance related to product quality and safety to evaluate the effectiveness of quality management system. At the same time, we monitor, analyze and evaluate the achievement of quality targets through daily quality inspections and monthly quality meetings to ensure the smooth completion of the annual targets.

Quality Targets	Description
Zero hazardous substance returns	Strictly implement the control of hazardous substances in products to avoid customer returns caused by excessive hazardous substances in products.
Qualification rate of finished product inspection ≥99.3%	Strictly implement self-inspection, mutual inspection and other inspection actions, so as to not receive or outflow defective products, and steadily improve the inspection qualification rate of finished products.
100% certified employment rate	Supervise the assessment of the job certificate, new employees are required to undergo on-the-job training, submit on-the-job training record sheet and strictly implement on-the-job assessment. At the same time, the skills of employees in relevant positions are re-evaluated every two years, and employment certificates are re-issued to ensure that the professional ability of employees continues to meet the job requirements.

Achieving Customer Satisfaction

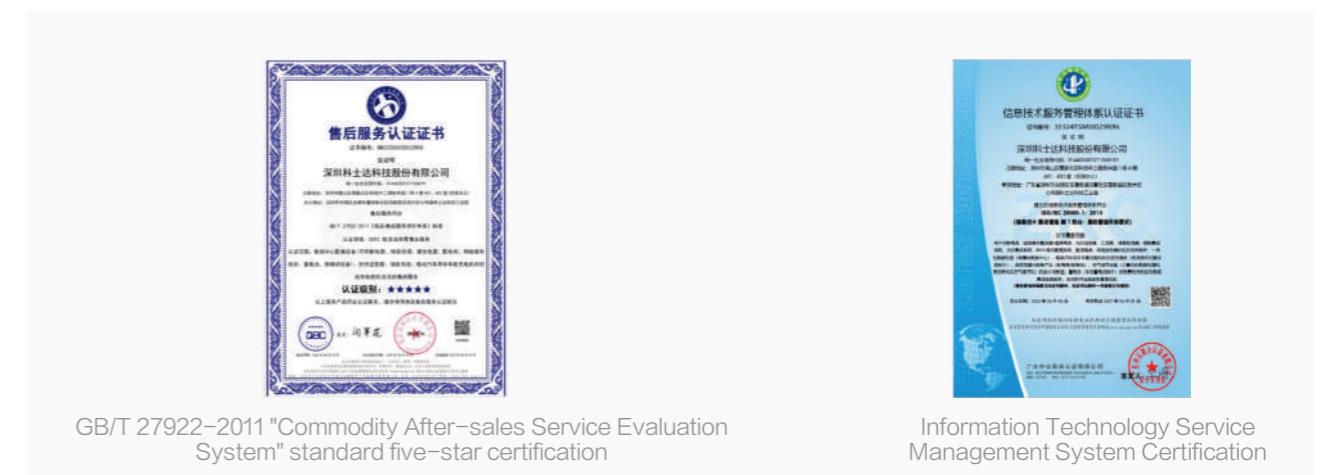
KSTAR always takes customer value as its core priority. It accurately captures the personalized demands of customers across various fields through scenario-based research and in-depth interviews, and continuously improves response efficiency and service quality. Meanwhile, the company integrates customer rights protection into the entire service cycle, consistently standardizes service protocols, resolutely safeguards the legitimate rights and interests of customers. It also builds a solid barrier for data security and privacy protection by virtue of technological means, adheres to the bottom line of integrity to carry out responsible marketing, and is committed to forging long-term trusted partnerships with customers to realize collaborative growth.

Customer Service and Satisfaction

We continue to deepen our full-cycle customer service capabilities, build an integrated service system covering pre-sales, in-sales and after-sales links, establish standardized service procedures, and deploy on-site and on-demand door-to-door quality service teams to respond promptly to customer complaints and suggestions and follow up on solutions in a timely manner. In parallel, we regularly conduct multi-dimensional customer satisfaction surveys, collect feedback extensively through online and offline channels, and continuously optimize product performance and service processes to improve customer experience.

Providing Quality Service

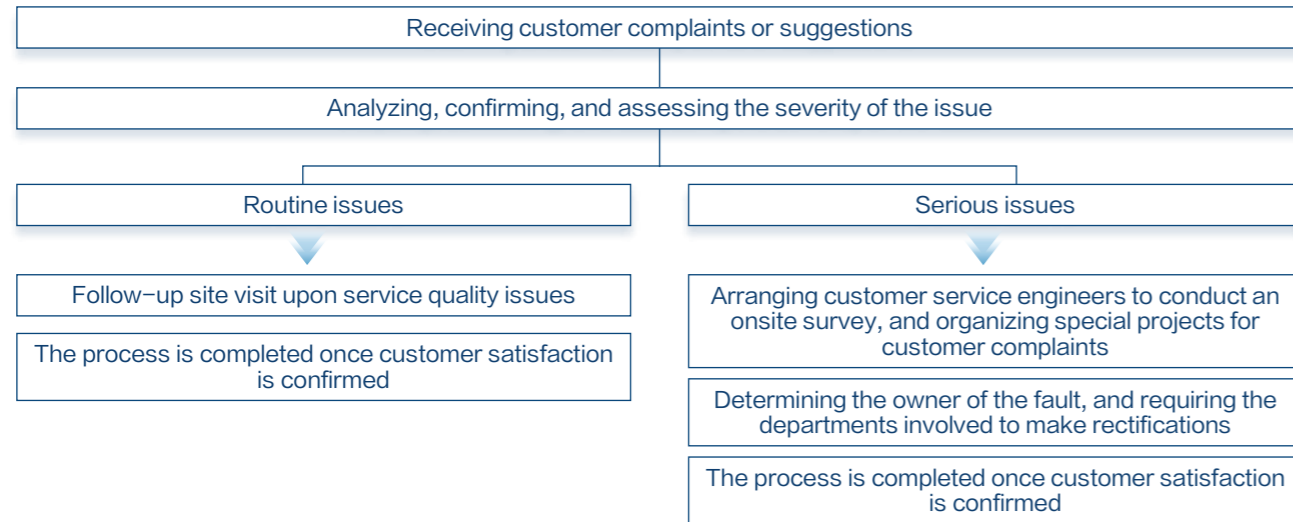
We keep improving the customer service system, optimize and implement the Customer Service Procedures, and strengthen the standardized management of customer service processes. We have developed a differentiated service system for different categories of customers: relying on the "three-level maintenance system", we have built an inclusive service network covering customer service centers and regional maintenance stations, to ensure timely and efficient resolution of all kinds of customer complaints and feedback. For strategic cooperation clients, we further implement the Guidelines for Key Client Services: by opening a "green channel" for services and assigning an exclusive team of senior technical experts, we offer targeted responses to core demands such as troubleshooting of major equipment failures and resolution of personalized complex needs, provide customized solutions, and consolidate the trust bond of long-term cooperation, so as to deliver tiered, categorized and precise services. During the year, the Company's GB/T 27922-2011 "Commodity After-sales Service Evaluation System" standard five-star certification and Information Technology Service Management System Certification remained valid.



GB/T 27922-2011 "Commodity After-sales Service Evaluation System" standard five-star certification

Information Technology Service Management System Certification

In terms of demand handling and capability upgrading, we have established a full-cycle management mechanism featuring "rapid response, accurate closed-loop processing, and continuous optimization". After customer demands are collected in a unified manner through various liaison windows, the service team will contact customers at the first instance to verify the situation and carry out emergency handling, conduct demand classification and cause analysis in a timely manner, and deliver targeted rectification through standardized disposal processes. Meanwhile, we conduct a quarterly review of demand data, notify relevant responsible parties of the collection and resolution of customer demands, and promote special capability training for front-line service positions. We are committed to continuously improving our service capabilities and earnestly fulfilling our customer-centric responsibility commitment.



Customer Complaints or Suggestions Handling Process

Enhancing Customer Satisfaction

We continued to deepen the customer-centric communication system, timely obtain customer feedback on product usage and service experience through multi-touch channels such as intelligent customer service real-time response platform, exclusive docking channel for core customers, quarterly industry customer communication meetings, and strictly implement the Customer Satisfaction Management Procedure to clarify the boundary of responsibilities of each department, so as to achieve closed-loop management and continuous improvement of customer demands.

We carry out regular satisfaction surveys covering core agents and end users, adopting diverse forms including online questionnaires, offline visits and telephone follow-ups. The surveys cover key dimensions such as product performance, service response efficiency and logistics service quality. In response to the common problems collected through the surveys, we organize relevant departments to roll out targeted improvement measures, so as to continuously optimize product and service experiences. In 2025, the company's product lines of data centers, charging piles and new energy all conducted customer satisfaction surveys for agents and direct users, with all survey scores exceeding 90 points.

2025 customer satisfaction survey results

Data Center Infrastructure product line: **95.45/100**

EV Chargers product line: **95.82/100**

New Energy product line: **90.21/100**

Responsible Marketing

The company strictly abides by the requirements of the Advertising Law of the People's Republic of China and other relevant laws and regulations, integrates compliance control into the whole process of marketing promotion and sales activities, eliminates false and exaggerated publicity, and commits itself to maintaining a fair and integrity-based industry marketing environment. We have established a promotion compliance management mechanism of "pre-audit at the planning stage, final review and confirmation before release", and implemented dual supervision over all external publicity materials including online advertisements, product brochures and digital marketing content. We focus on verifying the authenticity and accuracy of core information such as product performance, full-lifecycle low-carbon attributes and service commitments, to ensure that all publicity content is truthful and reliable. In addition, we carry out compliance marketing training for sales staff to ensure that they are familiar with laws, regulations and management procedures related to responsible marketing, and continuously improve the compliance awareness of front-line sales personnel. In 2025, the company did not receive any notification or penalty from regulatory authorities due to illegal advertising, nor did it encounter any business violations or incidents violating marketing and publicity regulations.



Building a Responsible Supply Chain

KSTAR is committed to building a stable, safe and sustainable supply chain, continuously deepening collaboration with suppliers, building a strategic partnership of mutual trust and win-win, and promoting high-quality and sustainable development of the whole value chain.

Supplier Management

KSTAR has built a complete and effective supplier management system, continuously optimized supplier management systems and policies, covering the entire process of entry, evaluation and exit, and continuously deepened the capacity building of suppliers to empower partners to grow in all aspects.

Supplier Management System

We optimized and implemented policies and systems such as Supplier Development and Management Standards, Procurement Control Procedures, Supplier Performance Appraisal and Grading Management Measures, and continuously improved the standardized and systematic supplier management mechanism.



Supplier Capacity Building

With layered empowerment and ecological linkage as the core, we continued to deepen the capacity building of suppliers and promoted the synergistic development of quality and ESG among supply chain partners. In response to the key issues of quality management, we carried out special training and technical support, strengthened the ability of suppliers to implement the quality management system through case review and practical guidance, and improved the accuracy and stability of quality control. At the same time, we pay close attention to the building of suppliers' ESG capabilities, regularly hold supplier forums such as supply chain partner conferences, publicize ESG management requirements to suppliers, share experience in sustainable supply chain construction, and create an efficient supplier communication platform to jointly build a sustainable supply chain.


Sustainable Supply Chain

KSTAR insists on integrating ESG factors into the whole process of supply chain management to build a sustainable supply chain that is environmentally friendly, socially responsible and compliant with governance. We continued to optimize the Supplier Code of Conduct to clarify the compliance requirements in core areas such as human rights and labor rights, occupational health and safety management, environmental protection, business ethics and responsible minerals, and required all cooperative suppliers to sign a Letter of Commitment for Suppliers, to comprehensively promote suppliers to fulfil their corporate social responsibilities.

Supply Chain ESG Management


When selecting suppliers, we thoroughly assess their performance in environmental responsibility, social responsibility, and business ethics, and incorporate relevant indicators into supplier investigations, on-site assessments and performance appraisals. We conduct annual on-site audits on our suppliers to evaluate their ESG management and performance. The metrics covered include:

Environmental




- **Environmental Protection:**
Suppliers must have valid environmental impact assessment (EIA) certificates, environmental permits, and emission control facilities. They must also regularly monitor and manage hazardous gases, noise, hazardous solid waste, and hazardous waste, and keep appropriate records.

Social



- **Human rights and labor rights :**
Suppliers must establish policies that prohibit child labor and protect underage workers. They are required to sign legal labor contracts with all employees, schedule working and resting hours reasonably and provide appropriate compensation.
- **Anti-discrimination :**
Suppliers shall not engage in discrimination against employees based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religious belief, political affiliation, union membership, marital status, or any other factors.
- **Freedom of association and collective bargaining :**
Suppliers have trade unions or other workers' organizations and hold regular events. Suppliers shall respect the rights of employees to freely join, form, or refrain from joining trade unions or other worker organizations.
- **Responsible minerals :**
Suppliers must provide documentation for 3TG (tin, tantalum, tungsten and gold), conduct 3TG investigations on their suppliers, and clarify whether their products contain 3TG metals.
- **Occupational health and safety :**
Suppliers must conduct regular evaluations to identify and assess occupational disease hazards and safety risks. They should disclose information about occupational hazards (including toxic and harmful gases, noise, and dust), to their employees and relevant stakeholders. Suppliers are also required to provide necessary safety facilities, protective devices, and comprehensive safety training to all employees, as well as offer free personal protective equipment at no cost.

Governance



- **Business ethics :**
All suppliers are required to sign a Letter of Commitment. Suppliers must adhere to ethical business standards, establish an integrity and anti-corruption system, and prevent any form of corruption, extortion, embezzlement, bribery, or other unethical acts.
- **Information security management :**
Suppliers must establish information security management processes and have the qualifications and technical capabilities that meet information security requirements.


For issues identified during audits, we have established a Rapid Response Rectification Mechanism. Suppliers are required to submit root cause analysis and rectification plans within 5 working days upon receiving the audit nonconformance report. Relevant departments will follow up on rectification verification in a timely manner to ensure the efficient resolution of issues. In particular, human rights and labor rights and interests, as well as environmental protection compliance, are designated as the "one-veto red lines" in our ESG management. If suppliers fail to meet the relevant requirements, they will be deemed to have failed the audit, and the cooperation termination procedure will be initiated accordingly.

In 2025


we conducted on-site audits on environmental protection, labor rights and interests of **75** suppliers concerned by ESG.

Green Procurement

KSTAR actively implements green procurement, has formulated the Environmental and Safety Management Agreement for General Stakeholders, puts forward requirements and expectations for suppliers' environmental performance in the procurement process, and works with suppliers to build a green supply chain. We have established a green supply chain management system, clarified the management requirements for green materials, green products and green suppliers in the procurement phase, set green procurement targets, and continuously strengthened green procurement management. In addition, our packaging material suppliers also comply with the requirements of the EU Packaging and Packaging Waste Regulation (EU 2025/40).



KSTAR Green Procurement Targets



- The qualification rate of procured eco-friendly materials reaches 100%;
- No non-conformity incidents involving harmful components exceeding regulatory limits in eco-friendly raw materials occurred during the year.

Green Requirements for Suppliers



- Implement measures in their production to reduce environmental pollution, strive to minimize or eliminate solid waste, wastewater, and air pollutant emissions, and properly manage and dispose of the three types of waste(wastewater, waste gas, and solid waste).



- Reduce resource consumption by decreasing the use of water and energy through improved production processes, material replacement, conservation of natural resources, and by recycling and reusing materials.



- Adopt energy-saving measures, such as using clean energy to reduce carbon emissions.

Management of Hazardous Substances in Supply Chain

KSTAR strictly implements whole-chain hazardous substance control to ensure that its products meet the requirements of relevant environmental protection regulations. At the access stage, we sign the Agreement on the Management of Environmental Contaminants with suppliers to further clarify the responsibilities and obligations of suppliers in hazardous substance control, and require all suppliers to submit documents including the RoHS Declarations (product ingredients declarations), the REACH-SVHC Declarations (green product ingredients declarations), the Material Safety Data Sheet (MSDS), the Third-party Report on Environmental Contaminants Testing, and the Environmental Compliance Declaration, so as to comprehensively inspect the hazardous substance content of raw materials. In 2025, the use of hazardous substances by all suppliers was 100% compliant with the company's requirements.

We also benchmark against the hazardous substance control standards and relevant laws and regulations of major overseas markets, and require suppliers to strictly comply with a series of international standards, including the EU Restriction of Hazardous Substances in Electrical and Electronic Equipment Directive (RoHS 2.0, 2011/65/EU) and its amending directive (EU 2015/863, EU Packaging and Packaging Waste Regulation (EU) 2025/40, EU REACH Regulation (EC) No 1907/2006 and its supplementary provisions, as well as the EU Batteries and Waste Batteries Regulation (EU) 2023/1542, to ensure that the use of hazardous substances in products complies with relevant regulations. In addition, we have standardized the environmental label management for suppliers, requiring all suppliers to affix RoHS labels and other environmental labels in accordance with regulations, so as to realize visual traceability of hazardous substance control.

Responsible Mineral Management

KSTAR continuously strengthens responsible mineral management. We have published the Declaration of No Use of Conflict Minerals on the official website, formulated the Conflict-Free Minerals Policy, and incorporated relevant clauses on responsible mineral management into the Letter of Commitment for Suppliers. We require suppliers to formulate corresponding management policies to ensure that the tantalum, tin, tungsten and gold (3TG) contained in products are not sourced from mines that directly or indirectly finance or benefit armed groups committing grave human rights violations in the Democratic Republic of the Congo (DRC) and its adjoining countries and regions, and conduct due diligence on the source and chain of custody of the aforementioned minerals. We also require suppliers to submit the Conflict Minerals Reporting Template (CMRT)⁴ every January and July and issue the Conflict Minerals Survey Questionnaire to suppliers to carry out regular verification of their conflict minerals management performance. During the Reporting Period, no incidents of suppliers violating conflict minerals regulations were identified by the Company.



⁴The Conflict Minerals Reporting Template (CMRT) is a standard reporting template developed by the Responsible Minerals Initiative (RMI).

03

Fulfill Environmental Responsibilities, Safeguard Green Home

Guided by the core principles of resource conservation and environmental sustainability, KSTAR deeply integrates environmental protection into its corporate strategy and daily operations. We continuously strengthen our capability to identify, assess and mitigate climate risks, thereby enhancing our operational resilience and long-term competitiveness in the face of climate change. At the same time, the Company actively fulfills its ecological responsibilities by supporting marine ecological research and biodiversity conservation practices, fostering harmonious coexistence between business and nature for sustainable.

The SDGs covered in this chapter



Environmental Compliance Management

The Company places a high priority on environmental compliance management, continuously allocating resources and implementing diverse measures to minimize the environmental impact of its operations. We have established clear environmental objectives and a robust management system that ensures standardized control over solid waste, wastewater, air pollutant emissions, and noise. At the same time, we regularly conduct environmental protection training to enhance employees' environmental consciousness and technical proficiency, ensuring that environmental stewardship is embedded in daily operations.

Environmental Management Objectives

To systematically mitigate environmental impact and enhance environmental performance, the Company has established clear environmental management objectives and quantitative targets. Dedicated departments monitor and record environmental performance and target achievement on a monthly/quarterly basis, ensuring rigorous tracking, evaluation and verification of environmental management effectiveness. Furthermore, the Company regularly monitors pollutant emission and conducts environmental emergency risk assessment for key pollution-generating process to minimize the release of toxic and hazardous emissions and wastes in production and operation. Environmental management objectives are integrated into the annual performance appraisal of relevant responsible personnel to guarantee compliance with management requirements, while accountability mechanisms are enforced for any environmental incidents. During the Reporting Period, the Company's environmental monitoring and risk management systems operated effectively, with no violation of environmental laws and regulations or penalties by regulatory authorities.

Category	Index	Target value	Compliance in 2025
Energy management	Per capita electricity consumption	No more than 25kWh/day	Compliance
Water resources management	Per capita water consumption	No more than 0.15 t/day	Compliance
Wastewater management	Compliance rate of domestic wastewater discharge	100%	Compliance
	Legal treatment rate of waste engine oil and oily wastewater discharge during operation of air compressor	100%	Compliance
Waste gas management	Emission compliance rate of production waste gas such as wave soldering/reflow soldering/PCBA solidification smoke	100%	Compliance
	Generator exhaust emission compliance rate	100%	Compliance
	Canteen fume emission compliance rate	100%	Compliance
Noise management	Generator/air compressor starting noise compliance rate	100%	Compliance
Waste management	Legal treatment rate of food waste discharge such as leftovers	100%	Compliance
	Legal treatment rate of hazardous waste	100%	Compliance
Chemical management	Number of chemical spill incidents	0	Compliance


To continuously enhance the performance of environmental management, the Company engages independent third-party professional organizations annually to conduct objective audits and assessment of wastewater, waste gas and solid waste management processes of all production bases.

Environmental Management System

KSTAR has implemented the environmental protection management policy of "complying with environmental regulations, preventing environmental pollution, enhancing environmental awareness, and improving environmental quality". The Company strictly complies with laws, regulations, and industry standards including the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, the Guangdong Provincial Local Standard for Atmospheric Emission Limits DB44/27—2001, the Guangdong Provincial Standard for Water Pollutant Emission Limits DB44/26—2001, and the Industrial Enterprise Boundary Environmental Noise Emission Standard (GB12348—2008) Category 3 Standard. The company has formulated and publicly disclosed the Environmental, Occupational Health, and Safety Management Policy⁵ of management and various departments, thereby systematically advancing the construction of its environmental management system.

In accordance with the Technical Assessment Guidelines for Emergency Plans for Sudden Environmental Incidents in Guangdong Province and the Administrative Measures for Filing Emergency Plans for Sudden Environmental Incidents by Enterprises and Institutions, and tailored to its specific environmental risk profile, the Company has formulated an Emergency Plan for Sudden Environmental Incidents. This plan establishes a comprehensive management system covering emergency preparedness, response, reporting, and disposal, while clearly defining accident classification, role responsibilities, response procedures, and resource allocation. The plan has passed expert review and been filed in Guangming Administration of Shenzhen Municipal Ecological Environment Bureau. To ensure its continued effectiveness, the Company mandates a systematic assessment and update of the Plan at least every three years. During the Reporting Period, the Company organized three emergency drills, with cumulative participation exceeding 1,000 person-times.

During the year, in accordance with the annual audit plan, KSTAR conducted internal and external environmental risk audits on the Company's core operations(including Guangming Park, Guanlan Park and Jiangxi Park). The internal audit were organized by the Company, and the external audit were performed by an independent third party. The scope of these audit covered key areas such as environmental compliance, pollutant emission control, waste management, resource and energy consumption, and the operation performance of the environmental management system. For all environmental findings identified during the audits, the Company implemented corrective actions to ensure closed-loop management. All rectification plans and their implementation status have been documented and archived in compliance with requirements, effectively driving the continuous improvement of the environmental management system. 100% of the Company's core operational sites are certified under the ISO 14001 Environmental Management System standard.



KSTAR ISO 14001 Environmental Management System Certificate

In 2025

The Company invested a total of RMB **3,114,300** in environmental protection.

Conducted **14** environmental management training sessions

with over **384** employees participating

the cumulative training duration exceeded **258.5** hours

⁵For details of the Environmental, Occupational Health and Safety Management Policy, please refer to the public link: <https://www.kstar.com.cn/bocupload/2026/03/19/177391066975792dmv5.pdf>

Environmental Information Disclosure

KSTAR continuously conducts independent monitoring and systematic evaluation of environmental data, track progress in environmental performance, disclose information to stakeholders through diversified channels, and proactively accept the supervision from all parties.

Regular reporting to the ecological and environmental authorities	Declaration and registration to the ecological environment department	Regular disclosure via ESG reports
<p>In accordance with the requirements of local ecological and environmental authorities, each subsidiary reports environmental monitoring data from the online monitoring systems for wastewater and exhaust gas to the authorities at frequencies of real-time, monthly or annually, based on the type of pollutants</p>	<p>In accordance with the requirements of local ecological and environmental authorities, each subsidiary completes the declaration and registration of hazardous waste, submits the hazardous waste management plan, and files the environmental pollutant monitoring plan on an annual basis</p>	<p>The Company regularly discloses information on the discharge of wastewater, waste gas, waste and other pollutants, as well as resource consumption, to the public through its ESG reports</p>



Waste Management

The Company strictly abides by the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and other relevant laws and regulations. We have established and continuously improved internal policies and management systems including the Waste Management Operation Instruction and the Solid Waste Control and Management Rules, under which waste is properly categorized, clearly labeled and accurately stored, to ensure the standardized management and control throughout the entire lifecycle of waste generation, storage, transfer and disposal. For wastes that need to be transported for disposal, the Company entrusts qualified professional entities with legitimate qualifications and processing capacity to carry out standardized transfer and final disposal, forming a fully compliant closed-loop management process.

Guided by the management principle of "reduction, resource utilization and harmlessness processing", we deeply integrate waste management into our daily operation and production process, and in accordance with the Standard for Pollution Control on Storage and Disposal Sites for General Industrial Solid Waste (GB 18599) and the Standard for Pollution Control on Hazardous Waste Storage (GB 18597), the Company classifies solid waste generated during production and operation into the following categories for targeted management:

Waste category	Main types	Handling initiatives
	<p>Recyclable: waste cardboard boxes, waste paper, scrap metal parts, etc.</p>	<p>After classification and collection, qualified renewable resources units are entrusted for recycling.</p>
<p>Non-hazardous waste</p>	<p>Non-recyclable: office waste, kitchen waste, etc.</p>	<p>After the office waste is collected in bags, it will be handed over to the sanitation department for timely clearance and transportation; Kitchen waste is centrally stored and managed in designated areas, and agreements are signed with qualified kitchen waste disposal the Company and transferred regularly.</p>
<p>Hazardous waste</p>	<p>Waste fluorescent tubes, waste empty containers, waste office supplies, waste PCB boards (including electronic components), waste rags/gloves/wiping paper, waste activated carbon, waste engine oil, waste nickel-cadmium batteries, etc.</p>	<p>Place it in the hazardous waste transfer warehouse for temporary storage separately. After storage to a certain amount, it will be centrally disposed of by an institution with hazardous waste treatment qualifications.</p>

The Company regularly checks the volume of waste generated, storage conditions, and disposal records to ensure full compliance and safe disposal throughout the process, and prevents illegal discharge and improper disposal. In addition, the Company continued to enhance employees' awareness of waste classification and operation standardization through special training, to ensure the sustained and effective operation of the management system from the source.

At the same time, the Company formulates and submits a Hazardous Waste Management Plan on annual basis and uploads it to the National Hazardous Waste Information Management Platform. For pollution prevention and control, the Company has equipped and stably operated effective pollution control facilities to ensure that waste discharge continues to meet the standards through regular monitoring. During the Year, the Company did not incur any material administrative penalties or criminal liability related to excess waste discharge.

Wastewater Management

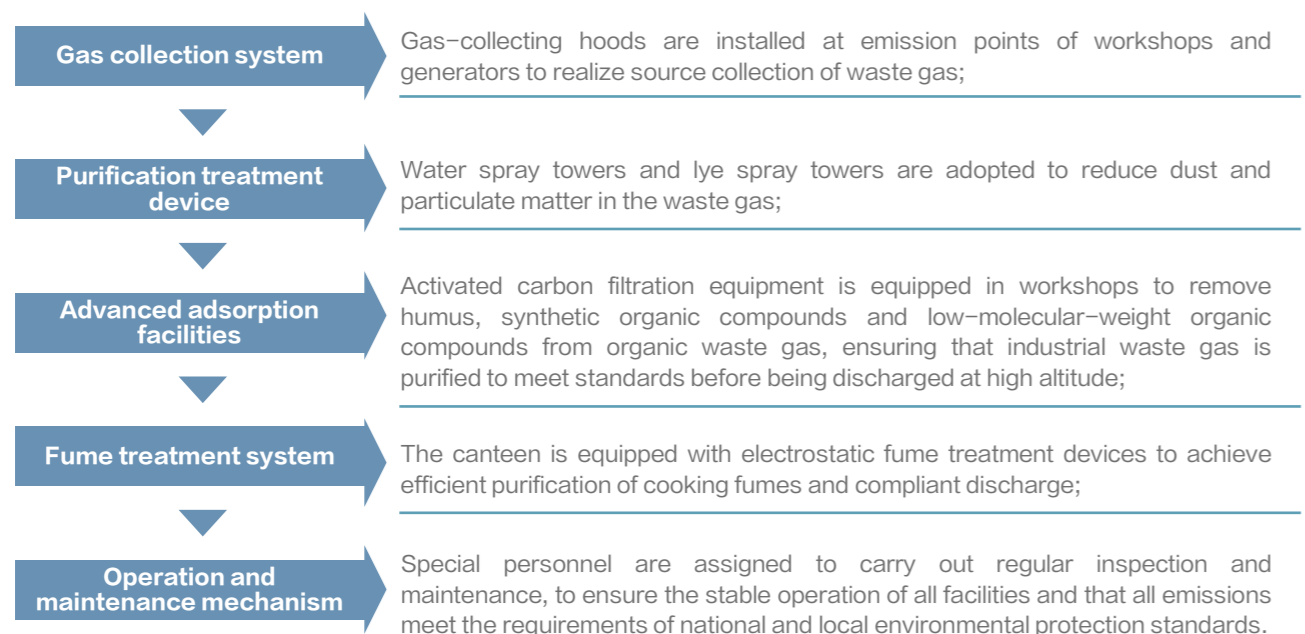
The Company strictly complies with laws and regulations such as the Water Pollution Prevention and Control Law of People's Republic of China and the Water Pollutant Discharge Limits, and formulates and implements policies and systems such as the Wastewater Discharge Control and Management Rules to standardize the wastewater treatment and recycling process. In addition, we require all production units to conduct regularly water quality monitoring and obtain compliant Environmental Monitoring Reports to ensure that the discharge continues to meet the standards.

No industrial wastewater is generated during the production process of the Company, and the main source of wastewater is domestic sewage. After treatment, domestic sewage is discharge into the municipal pipe network, with control indicators including pH value, suspended solids, chemical oxygen demand, five-day biochemical oxygen demand, animal and vegetable oils, etc. Meanwhile, in order to strengthen the environmental risk management of special production links, the Company's Guangdong production base has equipped an integrated wastewater treatment system, which adopts coagulation sedimentation + inclined pipe sedimentation + mechanical filtration process to treat the wastewater generated by oil and rust removal, and deepens the treatment of specific production wastewater to achieve standard discharge and resource reuse. This treatment system implements a regular maintenance mechanism to ensure the continuous and stable operation of facilities, ensure that water quality control meets the regulatory requirements, and fully implement the concept of clean production and circular economy.

Waste Gas Management

The Company complies with the laws and regulations such as the Air Pollutant Emission Limits and Catering Fume Emission Standards, and formulates and implements policies and systems such as the Waste Gas Emission Control Management System in order to strengthen the control, monitoring and management of waste gases and to ensure that the waste gases are emitted in a compliant manner.

The waste gas generated in the Company mainly consist of industrial waste gas generated in the production process and canteen fume generated in supporting living facilities. Industrial waste gas originates from workshop process operation and the operation of backup generators, and mainly contains non-methane total hydrocarbons, particulate matter, nitrogen oxides, sulfur dioxide, tin and other compounds. In order to effectively control exhaust gas emissions, the Company adopts multiple measures for comprehensive treatment:



In addition, the Company attaches great importance to waste gas emission management and implements standardized control over all emission outlets. For organized waste gas emissions, the unified record includes key information such as discharge port parameters (height, inner diameter), discharge flow rate, main pollutant indicators and activated carbon replacement cycle. For unorganized waste gas emissions, comprehensive measures such as dust removal, absorption and isolation are taken to effectively control and manage waste gas emissions and reduce the impact on the atmospheric environment. During the Year, the Company continued to carry out emission monitoring and management to ensure that all waste gas emissions met the requirements of relevant laws, regulations and standards, with no instances of excessive emissions.

Noise Management

The Company strictly follows relevant laws and regulations such as the Environmental Protection 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, and the Emission Standards for Industrial Enterprises Noise at Boundary, and formulates and implements policies and systems such as the Noise Pollution Control and Management Rules to ensure that the noise generated during operation continues to meet the national emission standards. During the year, the Company did not receive any noise pollution complaints.

The main noise sources of the Company come from production equipment, such as automatic solder machines, terminal machines, baler, air compressors, motors and other equipment. In order to effectively reduce the impact of noise on employees and the surrounding environment, we have adopted the following comprehensive control measures to strengthen the management of operational noise and factory boundary noise:

- Give priority to power equipment and mechanical equipment with low noise to control noise from the source
- Scientifically manage noise sources and equip noise isolation facilities in critical areas to stop the spread of noise
- In compliance with regulations on industrial equipment installation, adopt vibration reduction and noise isolation devices, select aluminum alloy structures with good performance on noise isolation for workshop's doors and windows, so as to efficiently reduce the mechanical noise
- Install all production equipment in closed buildings and effectively isolate the noise
- Enhance the repair and daily maintenance of production equipment, so as to ensure its proper operation and reduce the additional noise produced by old equipment
- Control and adjust the working hours of workers on site in strict accordance with related laws
- Require workers on site must wear protective gears such as earplugs

During the Year, the Company entrusted a qualified third-party testing institution to conduct professional monitoring of the noise at the factory boundary. The monitoring results showed that the noise values at all measuring points of the Company's factory boundary met the requirements of relevant national and local standards, which effectively confirms the actual achievements of systematic noise control in KSTAR.


Addressing Climate Change

Climate change is a major global challenge and a key factor affecting the sustainable development of the Company. In order to effectively reduce climate-related risks, we actively participate in global climate governance, respond to the national “Dual Carbon” strategy, incorporate climate change issues into strategic planning, and refer to the disclosure framework of the Task Force on Climate-Related Financial Disclosure (TCFD) to improve climate-related management mechanisms of governance, strategy, risk management, and metrics and targets. We also strengthen the identification, assessment and addressing of climate-related risks and opportunities, so as to enhance the climate resilience of the value chain comprehensively and promote the green and low-carbon transformation steadily.

Governance

KSTAR has established a climate governance framework with clear responsibilities to coordinate, integrate, implement, and monitor work related to climate change. At the same time, we regularly conduct internal training sessions and sharing meetings on climate change for the board of directors and management, and invite industry experts and institutions to hold special seminars on climate-related topics. This ensures that the board of directors and management have the appropriate skills and capabilities to supervise and address climate-related risks and opportunities.

Climate Governance Framework

 <p>Board of Directors</p>	<p>It is the highest governance and decision-making body in the Company in addressing climate change.</p> <ul style="list-style-type: none"> Formulate a strategic plan for climate action that integrates climate-related risks and opportunities with the overall strategies, policies and business plans of the Company; Review the results of assessment and management of climate risks and opportunities.
 <p>ESG Committee</p>	<ul style="list-style-type: none"> Formulate relevant policies and systems to address climate change; Assess the business impact of climate change risks and opportunities; Monitor climate targets and progress in implementation.
 <p>ESG Group</p>	<ul style="list-style-type: none"> Formulate climate action targets, monitor and report progress to the ESG Committee Identify and assess risks and opportunities related to climate change; Supervise the implementation of risks and opportunities related to climate change.
 <p>Greenhouse Gas Management Group</p>	<p>Each business line and functional department designates responsible persons to form a greenhouse gas management group.</p> <ul style="list-style-type: none"> Implement, review, evaluate and improve various climate change address plans and carbon reduction measures; Organize employees to participate in addressing climate change training to empower relevant knowledge and skills; Regularly report to the ESG Group on the effectiveness of climate change work and the achievement of targets.

Strategy

KSTAR formulates and publicly discloses Climate Policy⁶. Guided by climate scenario analyses and transition pathway projections from leading authorities such as the United Nations Intergovernmental Panel on Climate Change (IPCC), KSTAR systematically identifies, assesses, and manages climate-related risks and opportunities across activities within its operational boundaries. This analysis considers potential impacts over the short-term (1-3 years), medium-term (3-5 years), and long-term (5-10 years), with a focus on strategic, operational, and financial implications. Drawing on these insights, KSTAR formulates targeted strategies to strengthen climate resilience, enhance adaptive capacity, and support the sustainable growth of our business over time.

Impact and Response Strategies for Climate-related Risks

Type of Risk	Risk Description	Impact on Business Model and Value Chain	Response Strategies	Impact Cycle	Financial Impact
Physical risks	Increasingly severe extreme weather events, such as typhoons, floods and sudden natural disasters	<ul style="list-style-type: none"> Supply chain logistics and transportation are interrupted, affecting product production, resulting in product failure to be delivered on time and increasing operating costs The flooding in the factory results in damage to production equipment, disruption of operations, and increase in maintenance costs The meteorological department issued meteorological orange and red warnings, and the production and operation were suspended Employees' safety is at risk, and injuries will lower the productivity 	<ul style="list-style-type: none"> Plan for multiple modes and times of logistics and transportation in advance according to weather forecasting Secure material reserve stock Adopt protective measures for production equipment in extreme weather, stock emergency supplies and strengthen safety Inspections Formulated the Special Plan for Emergency Response to Meteorological Disasters, and regularly carried out extreme weather emergency drills and training to strengthen employees' safety awareness and ability 	Short-term	Neglectable
		Average global temperature rises	<ul style="list-style-type: none"> The working environment is extremely hot, and employees' outdoor work efficiency is reduced, safety risks are increased, and heat stroke events are prone to occur The increase in fire risks may lead to deaths and injuries, damage to production facilities and equipment, and more capital expenditures 	<ul style="list-style-type: none"> Improve the management requirements for outdoor operations, implement peak-shifting operations, and provide employees with protective equipment, high temperature subsidies, heat-reducing food and medicine Equipped with fire facilities, regularly conducted fire awareness training and emergency drills to enhance employees' safety awareness and ability 	Long-term
Transition risks	Stricter low-carbon transition policies	<ul style="list-style-type: none"> With the gradual implementation of the national dual-carbon strategy, various regions have put forward clear development plans in terms of low-carbon transformation, energy conservation and consumption reduction, and the trend of carbon taxation in and out of international trade is obvious, resulting in an increase in carbon emission compliance costs 	<ul style="list-style-type: none"> Pay attention to the development of carbon emission policies and regulations in the locations of operation, timely adjust internal management systems and business processes, and strengthen communication and contact with regulatory authorities 	Medium and long-term	Acceptable

⁶For details of the Climate Policy, please refer to the public link: <https://www.kstar.com.cn/bocupload/2026/03/19/177391066975792dmv5.pdf>

Impact and Response Strategies for Climate-related Risks

Type of Risk	Risk Description	Impact on Business Model and Value Chain	Response Strategies	Impact Cycle	Financial Impact
	Development of low-carbon energy-saving technology	<ul style="list-style-type: none"> Early obsolescence of equipment with high-energy consumption leads to early scrapping of assets and increase in operating costs Increased spending on research and development and application of clean energy or innovative low-carbon technologies 	<ul style="list-style-type: none"> Comprehensively evaluate the cost-effectiveness of low-carbon energy-saving technology investment projects from multiple dimensions such as technical feasibility, economic rationality and environmental impact 	Medium and long-term	Acceptable
Transition risks	Customer preferences shift towards low-carbon products	<ul style="list-style-type: none"> Customers' awareness of eco-environmental protection has increased, and they are more inclined to choose green, low-carbon and environmentally friendly products. Failure to effectively or timely meet customers' requirements for reducing greenhouse gas emissions may lead to a decrease in sales revenue 	<ul style="list-style-type: none"> Increased use of renewable, recyclable or low-carbon materials in product design to reduce the carbon footprint of products Introduce green manufacturing technologies, such as deploying power feedback systems, carrying out intelligent regulation and energy saving of central air conditioning, upgrading production lines, etc., to use green electricity and reduce energy consumption and greenhouse gas emissions in the production process 	Medium and long-term	Acceptable
	Increased public concern about the performance of the Company in tackling climate change	<ul style="list-style-type: none"> As stakeholders expect the Company to take more responsibilities for reducing emissions, the Company may suffer the damage of reputation if fails to plan for a low-carbon transformation in advance 	<ul style="list-style-type: none"> Disclosure of low-carbon transformation practices and initiatives to stakeholders in a timely manner through regular reports, WeChat official account, news and other Channels 	Long-term	Acceptable

Impact and Response Strategies for Climate-related Opportunities

Type of Opportunity	Opportunity Description	Impact on Business Model and Value Chain	Response Strategies	Impact Cycle	Financial Impact
Energy sources	Opportunities for economic and environmental development brought about by diversification and transition of energy sources	<ul style="list-style-type: none"> Investing in and purchasing renewable energy and gradually increasing the proportion of renewable energy utilization can achieve energy structure optimization and greenhouse gas emission reduction, and reduce production and operation costs 	<ul style="list-style-type: none"> Optimize the energy structure and increase the proportion of green and clean energy by installing solar photovoltaic power generation equipment on the ground and roof of factories and purchasing green electricity, so as to reduce the uncertainty caused by future energy price increases and carbon emissions trading 	Long-term	Acceptable
Innovative products and services	Creating and developing new low-emission products and services can improve the competitive position of enterprises and increase the market size	<ul style="list-style-type: none"> The public's preference for green products and services is gradually increasing. the Company products such as photovoltaic, energy storage and charging piles and green energy solutions have green and low-carbon attributes, which can broaden market share and increase sales of products and services 	<ul style="list-style-type: none"> Develop products with low carbon attributes, such as new energy photovoltaic inverter products, energy storage products, electric vehicle charging pile products, and highly reliable smart energy overall solutions to meet customers' high-quality clean energy needs 	Long-term	Influential

Risk Management

The Company regularly reviews and monitors climate-related physical and transition risks, incorporates climate-related risks into the Company's overall risk management system, and clarifies the responsibilities of relevant departments, management requirements and norms of key links. Please refer to "Comprehensive Risk Management" in this report for details of the specific risk management process. In addition, we conduct special management of climate-related risks in accordance with the process of "risk identification, risk analysis, risk assessment and risk response" to comprehensively improve the overall management capabilities and performance of climate-related risks.

Climate-related Risk Management Process

Risk Identification	Risk Analysis	Risk Assessment	Risk Response
Through analysis and research, we identify the climate-related risks of main business and form a risk list.	Conduct a nature assessment and analysis of the impact level of the identified risks.	Comprehensively assess the costs of addressing climate risks and the losses that may be avoided, and rank risks.	The ESG Committee cooperates with departments to formulate special measures of addressing climate-related risks, and regularly checks the implementation and effectiveness of measures.

Metrics and Targets

KSTAR actively responded to the national goal of "achieving carbon peak before 2030 and achieving carbon neutrality before 2060". Based on business operation characteristics and resource conditions, KSTAR has set an emission reduction target of "Taking 2021 as the base year, by 2025, the greenhouse gas emission (Scope 1 and Scope 2) of Guangming Park will be reduced by 50%". We established a scientific and reasonable greenhouse gas index system, and continuously implemented the greenhouse gas emission reduction path, including measures such as air compressor transformation, intelligent platform operation, aging feedback power grid transformation project, intelligent regulation and energy saving of central air conditioning. In addition, emission reduction projects such as power feedback system and photovoltaic rooftop power generation carried out in the Company have been included in the white paper of "Enterprise Carbon Neutrality Roadmap" by the UN Global Compact.

Since 2021, the Company has organized greenhouse gas emission verification for five consecutive years. This year, in accordance with ISO 14064, we entrusted a third-party organization to account for greenhouse gas emissions (Scope 1, Scope 2 and some Scope 3) of Guangming Park and Huizhou Park. At the same time, we analyze the developments of annual verified data and the reasons, with gaps identified to inform the new control directions and carbon reduction opportunities, and implement them into specific emission reduction paths and targets. In the future, we will continue to expand the verification boundaries of greenhouse gas emissions and gradually penetrate other subsidiaries.

In terms of carbon emission trading, KSTAR conducts compliant trading in accordance with carbon emission allowances allocated by the government. This year, we completed the clearance of carbon emission quotas on time, and there was no case of emissions exceeding the quota, and there was no case of rectification or investigation required by relevant departments due to carbon emission issues.

Progress in greenhouse gas emission reduction targets

The greenhouse gas emissions (Scope 1 and Scope 2) of Guangming Park in 2025 have decreased by **52.66%** compared to 2021.


Resource Management

Adhering to the concept of green and sustainable development, KSTAR continues to optimize resource utilization efficiency, actively promotes green exploration and practice of products across the entire life cycle, and is committed to building an operation model of harmonious coexistence with the environment, so as to contribute to the achievement of sustainable development goals.

Energy Management

The Company strictly abides by the Energy Conservation Law of the People's Republic of China, the Energy Management Guidelines for Industrial Enterprises and other relevant national and local laws, regulations and standards, formulates and implements a series of policies, such as the Energy Management Manual, the Energy Review and Control Procedures, the Energy Benchmark and Performance Parameter Control Procedures, the Energy Procurement Control Procedures, and the Water, Electricity and Gas Management Operation Instructions, and sets energy consumption targets to continuously strengthen the supervision and management of non-renewable fuels and purchased electricity.

During the year, we conducted the annual review of ISO 50001 Energy Management System certificate, and the effectiveness of the system's operation was verified by an authoritative authority.



ISO 50001 Energy Management System Certificate

Energy Consumption Target

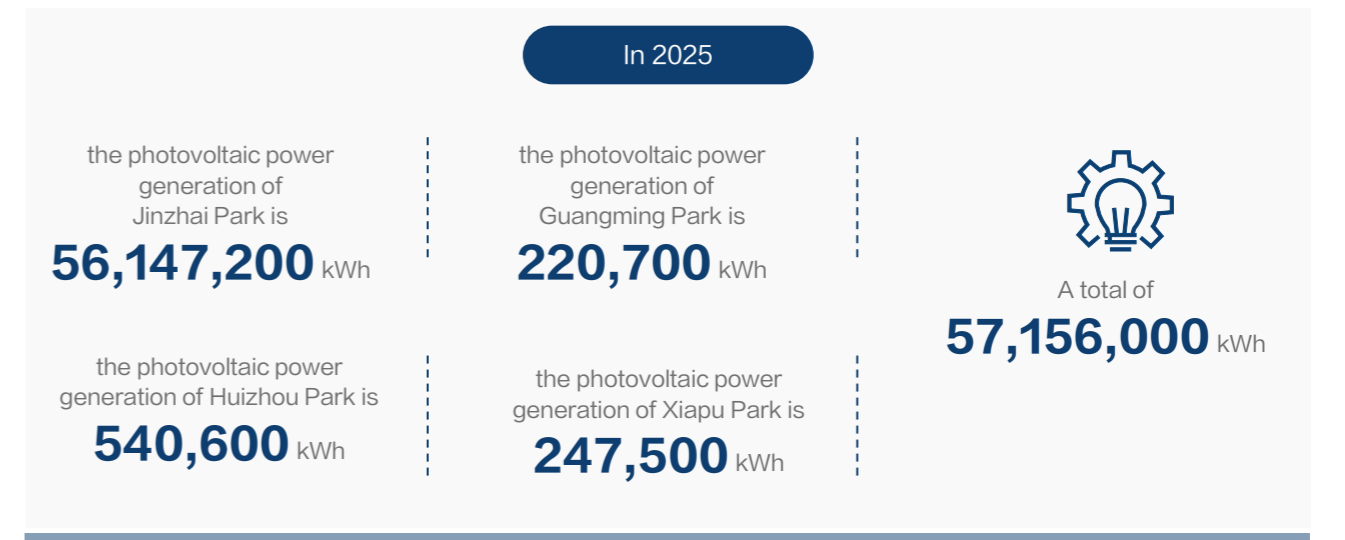
Taking 2024 as the base year, the comprehensive energy consumption intensity will be reduced by **1%** by 2025.

2025 Target Progress

Target Achieved

Renewable Energy Utilization

KSTAR positions the application of renewable energy as central to achieving carbon neutrality and energy transformation, and continues to actively promote the development and use of clean energy. In our own operations, we have installed photovoltaic power generation equipment on the rooftops and available grounds of buildings in Guangming Park, Jinzhai Park, Huizhou Park and Xiapu Park. Regarding external investment, the Anhui Jinzhai Zaochong Photovoltaic Power Station has been completed and now fully operational, providing a stable power supply. In the future, we will continue to expand the our green energy footprint and drive the comprehensive coverage and deep integration of renewable energy across all operating sites.



KSTAR Supports the Guizhou Songtao Photovoltaic Power Station Project

In April to May 2025, the 400MW Guizhou Songtao Photovoltaic Power Station project, jointly developed by Kstar and China Nuclear Huineng, was officially commissioned into operation. The project comprises two 200MW stations located in Changxing and Daping. To address the complex lighting conditions characteristic of Karst topography, the project exclusively utilizes KSTAR's 320kW string inverters. Featuring a conversion efficiency of 98.52% and multi-channel MPPT design, these inverters precisely adapt to varying slope orientations, thereby maximizing overall system generation efficiency. Furthermore, equipped with IP66 protection and C5 corrosion resistance ratings, the inverters are well-suited for the high-humidity environment of Guizhou's mountainous regions, significantly reducing operational and maintenance costs. The project also innovates the "agri-PV" model, multi-layered land use, integrating farming with rocky desertification restoration. It is expected to generate 464 million kWh of green electricity annually and reduce carbon dioxide emissions by 426,000 tonnes, making a significant contribution to the regional "Dual Carbon" goals.



Guizhou Songtao Photovoltaic Power Station Project

Energy Saving and Consumption Reduction Management

In order to further reduce energy consumption and energy costs in production and operation, we have formulated and implemented a series of energy conservation and consumption reduction management measures to systematically improve energy utilization efficiency and reduce unit energy consumption, so as to continuously promote the green and low-carbon development of enterprises and lay a solid foundation for achieving sustainable development goals.

Results of Energy-Saving Technology Improvement Projects (Partial)



- Promote green office practices and sustainable operations, conduct employee education on electricity conservation to continuously enhanced employees' awareness of energy saving.
- Replace traditional lighting with energy-saving lamps, require the office to turn off lights and air conditioners in time, and strictly regulate air conditioning temperature setting.
- Fully leverage renewable resources, such as solar and geothermal energy, based on local climatic conditions and natural resource availability.

Water Resources Management

KSTAR complies with laws and regulations, including the Opinions of the State Council on Implementing the Strictest Water Resources Management Policy. The Company has established and enforced internal frameworks such as the Water Conservation Management System and the Water, Electricity and Gas Management Operation Instructions. These measures systematically strengthens water conservation management throughout the water intake and consumption lifecycle, and continuously promotes water-saving technology transformation and management optimization to improve water resources efficiency. During the Year, all water used by the Company was sourced from municipal supplies, with no irregularities or compliance issues regarding water sourcing.

Results of Water-saving Technology Improvement Projects (Partial)



Action and Measures for Water Saving

- Dedicated personnel are responsible for inspecting and repairing water pipe networks, recording water ledgers, and carrying out water-saving analysis.
- 100% water-consuming appliances are replaced with water-saving appliances, and there are pressurization facilities.
- Two sets of water reuse facilities were deployed, namely the rain test reuse facility in the process workshop and the overflow reuse facility in the water tower.
- Carry out water-saving publicity and water-saving activities to continuously enhance employees' awareness of water-saving.

Action and Measures for Energy Saving and Consumption Reduction

In terms of corporate operation, the Company has implemented a series of targeted measures to promote energy conservation and carbon reduction during the current year. The details are as follows:

- Central Air Conditioning Energy-Saving Retrofit:** Upgraded the intelligent control system for central air conditioning plant rooms to optimize energy efficiency and enable refined operational management;
- Construction of Aging Test Feedback Grid Systems:** Completed retrofitting projects for aging test feedback grids in selected workshops and buildings; procured aging electronic load equipment with power regeneration capabilities to achieve circular utilization of electrical energy;
- Motor Energy Efficiency Improvement :** Gradually replaced non-energy-efficient motors with high-efficiency three-phase asynchronous motors (Energy Efficiency Grade 2) to reduce equipment operating energy consumption.

In addition to the above annual special retrofit projects, the Company continues to implement systematic energy efficiency and consumption reduction measures in its daily operations, primarily including:

- Prioritize the use of energy-saving, high-efficiency and environmentally friendly construction equipment and tools recommended by national and industry standards, such as energy-saving construction equipment with frequency conversion technology.
- Establish electricity consumption control indicators for production, domestic, office and construction equipment, and conduct regular measurement, accounting and comparative analysis to promptly identify and address any abnormal power usage.

Green Products

The Company has always implemented the concept of green design and integrated environmental considerations into entire life cycle of products, from R&D and design, raw material acquisition, manufacturing, packaging, transportation, use, and final recycling. We are committed to systematically reducing greenhouse gas emissions and resource consumption throughout the whole process. Furthermore, we regularly track and disclose the progress and effectiveness of green product initiatives, continuously enhancing the environmental attributes and sustainability performance of our products.

Consideration of Green Factors throughout Product Life Cycle

R&D and Design	The Company has considered environmental protection factors at the beginning of research, and continuously improves its design and minimizes the environmental impact of its products by choosing environment-friendly materials, reducing the use of materials, optimizing production technologies and extending the lifecycle of products.
Raw Material Acquisition	When the Company purchases raw and auxiliary materials for main products, it fully takes into account the environmental friendliness of materials. Under similar conditions, the Company prefers non-polluting, highly utilized and recyclable materials, and strictly limits the use of hazardous substances.
Manufacturing	The Company constantly optimizes the production procedure, strives to reduce hazardous emissions and waste gas emissions, and practices green manufacturing. Guangming Park has obtained the certification of "National Green Factory" which recognized the Company's capability for green manufacturing.
Packaging	The Company actively promotes the application of environmental protection materials in packaging, establishes a management system for green packaging, and has obtained the "Green Packaging Management System Certification".
Transportation	The Company avoids selecting transportation modes with high energy consumption including air transportation, and gives priority to logistics companies that use new energy trucks for transportation as much as possible.
Use	The Company's photovoltaic energy storage products adopt optimized multi-segmented Space Vector Pulse Width Modulation (SVPWM) to control the generation of waves. The Company has successfully optimized the efficiency of light-load and heavy-load, with a 0.2% increase in efficiency, which enhances the energy use efficiency. The Company's fully variable-frequency intelligent fluorine pump precision air-conditioner can effectively reduce the PUE value of data centers, achieving a 25% energy saving in the air conditioning system. It has a good effect on energy saving and carbon reduction, as well as economic benefits.
Recycling	The Company has established a comprehensive recycling and reuse management system covering the entire product lifecycle. For defective products in the market, production non-conformities and research and development prototypes, multi-departmental will jointly assess their recoverability. Materials meeting specified standards undergo a standardized process: dismantling plans led by R&D, workflow execution via the OA system, and regulated workshop dismantling. Qualified recyclable components are tested and restocked for reuse, while non-recyclable residues are disposed of in accordance with regulatory requirements. In order to systematically reduce the environmental impact of scrapped products, the Company has formulated the Management Plan for the Recycling and Reuse of Waste UPS Systems in accordance with the requirements of EU WEEE Directive and other requirements, which clarifies the standardized process of product recovery, recycling, and regeneration, thereby promoting closed-loop resource management.

According to ISO 14067, PAS 2050 and other standards, we conduct product carbon footprint accounting and certification to assess the potential climate and the environment impacts across the entire product lifecycle.



PowerFort KPF-2500 Product Carbon Footprint Certificate

Lithium-Ion Battery Pack BC-PACK-5.1-16S-100A (5.1 kWh) Product Carbon Footprint Certificate



Lithium-Ion Battery Pack BluE-PACK-5.1-16S-100A-F (5.1 kWh) Product Carbon Footprint Certificate

Commercial and Industrial Energy Storage Battery Packs BC-PACK-17.9-20S-140A Product Carbon Footprint Certificate



YMK3300-600 Modular AC Uninterruptible Power Supply for Communication Product Carbon Footprint Certificate

In addition, we continued to improve the energy efficiency of our product through technology optimization to reduce energy consumption. So far this year, several of our products have exceeded energy efficiency standards. The details are as follows:

Product Type	Standard	Standard Requirements	Measured Data of Product
UPS YMK3300-1600	CQC3108-2011 Energy Conservation Certification Criteria for UPS	Power efficiency $\geq 92\%$ (In ECO mode, Power efficiency $\geq 97\%$)	Dual conversion efficiency is: 98% (In ECO mode, power efficiency is 99.32%)
Energy storage converter	GB/T 34120-2023 Technical Requirements for Energy Storage Converters in Electrochemical Energy Storage Systems	The maximum charging efficiency and maximum discharge efficiency of Class A1, Class A2 and Class B1 energy storage converters should be not less than 96%	KAC125DH charge efficiency: 97.8%, discharge efficiency: 98%
Precision air conditioner MT100UA, KCD150HNA; MT100DA, KCD150HNA	GB 19576-2019 Minimum Allowable Values of Energy Efficiency and Energy Efficiency Grades for Unitary Air Conditioners GB/T 19413-2010 Unitary Air Conditioners for Computer and Data Processing Room	The measured Annual Energy Efficiency Ratio (AEER) should not be less than the Grade 2 index specified in the energy efficiency standard and should be $\geq 95\%$ of the labelled value	The measured value is 4.65 (required index: 3.99), which meets the energy efficiency standard for Grade 1
160kW integrated charger	NB/T 33008.1-2018 Specification for Inspection and Test of Electric Vehicle Charging Equipment-Part 1: Off Board Chargers	The efficiency should be $\geq 88\%$ when $20\% \leq P0/PN \leq 50\%$; The efficiency should be $\geq 93\%$ when $50\% < P0/PN \leq 100\%$ At the rated output voltage, the standby power consumption of the charger should not be greater than $N*50W$	The efficiency should be $\geq 95.42\%$ when $20\% \leq P0/PN \leq 100\%$ 16.3W
Grid-tied PV inverter	CGC-R46055:2018A Implementation Rules for Certification of Solar Photovoltaic Products	Rated A+ when the grid-connected solar PV inverter achieves 98.5% or greater power efficiency without an isolation transformer	G465KTH: 98.58% G110KT1: 98.53% GSM3125D: 98.56%



Biodiversity Conservation

KSTAR attaches great importance to the environmental impact of its operations., strictly complies with the Opinions on Further Strengthening Biodiversity Protection of the General Office of the State Council, the Law of the People's Republic of China on Prevention and Control of Soil Pollution, the Regulations of the State Council on Groundwater Management and other relevant laws, regulations and policies. The Company carries out environmental impact assessments at the site selection and construction stages of its projects and regularly submits pollutant discharge data to the regulatory authorities to continuously monitor and mitigate its ecological footprint during operation.

We have long been committed to supporting the health of marine ecosystems and supporting them with concrete actions. By funding and symbolically adopting six blue whales named BluePulse, BlueWave, BlueKernel, BlueGlow, BluE-G and BluE-S, KSTAR continues to assist the BDRI (Bottlenose Dolphin Research Institute) research team in carrying out systematic research on the population dynamics, habitat health and migration behavior of Atlantic blue whales. This research provides an important basis for scientifically formulating blue whale conservation strategies and habitat restoration plans, and also helps to deepen the understanding of the balance mechanisms of marine ecosystems. As a key species, the survival status of blue whales directly reflects the overall stability and biodiversity of marine ecosystems. Protecting blue whales is a vital step toward maintaining marine ecological integrity.



Blue Whale Adoption Certificate

Looking ahead, KSTAR will build on its current foundation to further explore the way to deeply integrate biodiversity conservation goals into its long-term corporate strategy and daily operations. The Company will actively seek opportunities for collaboration with professional institutions, leveraging its expertise and resources to make sustained efforts toward safeguarding the global community of life on Earth.

04

Pool Efforts for Prosperity, Stride Toward a Brighter Future

KSTAR has always adhered to the harmonious development concept of "people-oriented and benefit-sharing", boosting the enhancement of employees' value and the appreciation of the Company's human capital, thus working side by side with employees, co-creating value and sharing benefits. The Company creates an equal and inclusive workplace through protecting the rights and interests of employees and democratic management; optimize the talent structure of the Company by recruiting outstanding talents, providing salary and performance incentives and improving the talent training system; create a healthy and positive workplace atmosphere through optimizing production safety and employee health management; actively promote various social welfare undertakings and gather the strength of all parties to build a bright future together.

SDGs responded to in this chapter



Guarantee of Employees' Rights and Interests

In strict compliance with the Labor Law of the People's Republic of China and other laws and regulations, as well as the seven core conventions of the International Labor Organization that have been approved by China. The Company has formulated and implemented the Regulations on the Prohibition of Forced Labor, the Regulations on the Prohibition of Child Labor and the Protection of Minor Employees, the Code of Conduct in the Workplace, the Management System of Employee Recruitment and Employment, the Management Regulations on the Prohibition of Discrimination, the Management Regulations on the Protection of Female Employees and the Management Regulations on the Prohibition of Harassment. The Company strictly prohibits the use of child labor, forced labor, prison workers and debt-paying labor, opposes any form of forced labor or contractual labor, and corporal punishment, imprisonment, threats of violence and other behaviors, earnestly safeguarding the legitimate rights and interests of employees; adheres to the principle of fair and voluntary recruitment and prohibits to recruit employees by means of coercion and deception; follows the policy of equal pay for equal work in the whole process of recruitment, promotion and remuneration, resolutely opposes and prohibits discrimination and harassment based on skin color, gender, nationality, religious belief, pregnancy status, health status, age, etc., and has zero tolerance for discrimination. In 2025, there was no misuse of child labor or forced labor, and no incident related to labor disputes in the Company.

The Company has established a Social Responsibility Management Committee to formulate labor-related strategic plans and objectives; established a labor human rights commissioner under it, responsible for implementing labor management strategies and policies. At the same time, special procedures and control measures are formulated in the aspects of employee recruitment and employment to fully protect the rights and interests of employees.

Prevention of employment of child labor	Prevention of forced labor	Anti-discrimination and anti-harassment
<ul style="list-style-type: none"> Check the age of employees by manually checking identity cards, relevant certificates and other documents issued by local public security organizations, and manually inspect and identify possible phenomena of child labor in daily work. The Human Resources Department is responsible for irregularly inspecting the factory employees, checking and verifying the employees' onboarding information. 	<ul style="list-style-type: none"> Sign labor contracts with workers according to law, specify employment conditions, and do not force or compel employees to work or serve by means of violence, threats, illegal restrictions on personal freedom, deduction of due wages, reduction or exemption of statutory benefits, etc. 	<ul style="list-style-type: none"> The anti-discrimination publicity content is irregularly published at major publicity venues in the Company, advocating the philosophy of unity and friendship. Implement a "dual-channel" reporting system, where employees can report discrimination and harassment through online anonymous platforms or through offline reporting to HR director. At the same time, a special investigation team will be set up to implement the preliminary verification within 48 hours. Conducting measures such as regularly promoting the Code of Conduct in the Workplace and implementing quarterly inclusion index assessment were carried out to transform the implementation of policies into quantifiable management results. The implementation is included in the annual performance appraisal of senior executives to ensure that the organizational commitment and the protection of individual rights and interests form a closed loop.

In terms of democratic management, the Company is in strict compliance with laws and regulations such as the Labor Law of the People's Republic of China, the Trade Union Law of the People's Republic of China, and the Provisions of Collective Contracts. The Company has established trade union organizations, labor dispute handling committees of trade unions, and employee representative meetings, and formulated and implemented institutional norms such as the Administrative Measures for Trade Unions and the Management System of Employee Suggestion Box to strengthen democratic management and protect employees' right to know, participate and supervise.

At the same time, the Company has established diversified communication scenarios and channels that are open, transparent, fair and compliant, so that employees can participate in the decision-making and management of the enterprise, so as to jointly promote the sustainable development of the enterprise:

- Hold regular employee representative meetings every year to determine the contents of collective contracts and the amendments to rules and regulations involving the vital interests of employees through collective bargaining.
- Provide timely feedback on reasonable suggestions put forward by employees through various channels, publicly commend and reward outstanding improvement suggestions and encourage employees to participate in the sustainability development of the Company.
- Regularly conduct publicity and training related to reporting and supervision channels, strictly keep the information of whistleblowers confidential and protect employees' information security and supervision rights.

As of December 31, 2025	This year
union membership accounted for more than 90% of the total number of employees.	the Company has commenced collective contract negotiations, and the collective contract covers 100% of the total number of employees.

Talent Attraction and Development

Talent is the core driving the high-quality development of enterprises. KSTAR actively implements the strategy of "enterprise development, talents first" to strengthen the enterprise, and is committed to creating a dynamic and opportunistic environment for employees through measures such as building a diversified talent echelon, improving a hierarchical and classified remuneration incentive system, and providing systematic training and career development channels, helping employees improve their personal abilities and maximize their career value.

Talent Structure

The Company has formulated a diversified talent strategy, which clearly sets diversified indicators in recruitment, promotion and job rotation, and conducts statistics and evaluations on the composition of the Company personnel (such as gender, age, background, etc.), so as to inject a steady stream of vitality into the sustainable development of the Company. Meanwhile, we provide employees with promotion on diversity, equality, inclusion and other aspects to create a respectful and equal working environment.

In order to build a diversified talent team, the Company formulates an annual talent recruitment plan and builds diversified recruitment channels and advance both internal and external recruitment: internal recruitment opens up promotion paths and career development channels for employees, while external recruitment covers two major segments including social recruitment and campus recruitment. In 2025, the Company carried out campus recruitment nationwide, and held more than 10 special seminars for colleges and universities; At the same time, the Company actively participated in the recruitment activities of national colleges and universities organized by the district government and municipal human and social departments to broaden the coverage of talent introduction.



Campus Job Fair


As of December 31, 2025, the Company had a total of 4,516 employees, with ethnic minority employees accounting for 14%. In addition, since the establishment of the Company, there have been no major layoffs or collective employee strikes, which demonstrates employees' recognition of the Company management and confidence in future development.

Performance—and Remuneration

KSTAR firmly believes that talent is the core driving force for the development of enterprises. Therefore, we actively implement the strategy of "enterprise development, talent first" to strengthen the enterprise, and build a sound talent attraction, incentive and development mechanism. This mechanism covers the optimization of talent structure, salary incentives and welfare guarantees, training and development opportunities, etc., aiming to provide employees with a dynamic and opportunity working environment, so as to give full play to the incentive role of remuneration and attract and retain outstanding talents.

In terms of performance management, the Company continues to stimulate the capacity of employees through the unification of process control and result orientation by adopting differentiated quantitative KPI assessment and qualitative evaluation methods in combination with the job characteristics of R&D, production, sales and functional departments. At the same time, the Company established a performance feedback communication mechanism, and department managers not only affirmed the work achievements of employees, but also clearly pointed out the direction to be improved based on quantitative data and key objective events. If employees have any objections to the performance results, they can give feedback through the complaint process of "internal department communication → Human Resources Department intervention in investigation", and the Human Resources Department will give final conclusions to ensure fair evaluation. In addition, the Company also analyzes the causes of gaps through performance diagnosis, and matches corresponding learning resources for employees' ability shortcomings to help them improve their ability and performance.

In terms of remuneration mechanism, employee remuneration consists of "fixed remuneration + variable remuneration", of which the variable remuneration part is mainly determined by the results of employee performance evaluation. The Company has also adopted diversified remuneration incentives to fully mobilize employees' enthusiasm.

 <p>Diversified incentive tools</p>	<p>▶ The Company provides long-term incentive tools such as virtual equity and project follow-up investment to employees of different systems, strengthening the long-term binding of core talents. As of December 31 in 2025, the Company has implemented three restricted stock incentive schemes, covering middle and senior management, core management and technical personnel, and the incentive employees accounted for approximately 13% of the total number of the Company. The share option incentive scheme was newly implemented, and the incentive employees accounted for approximately 10.6% of the total number of the Company.</p>
 <p>Dynamic optimization and precise management and control</p>	<p>▶ Through dynamic market salary tracking, quarterly salary bandwidth calibration (±10% early warning mechanism) and employee satisfaction survey (NPS ≥35), the Company continues to iterate salary incentive policies. Relying on the HR SaaS platform combined with blockchain technology, the accuracy rate of salary accounting can reach 99.3%, ensuring traceability of incentives and full transparency of data.</p>
 <p>Special awards to stimulate vitality</p>	<p>▶ The Company sets up multi-dimensional employee incentive awards—the R&D system selects outstanding employees quarterly, and distributes gifts and bonuses. The supply chain system selects "five-star teams" and "five-star employees" every month. In 2025, the Company selected a total of approximately 696 awards and paid a total bonus of approximately RMB 2,505,700 to mobilize the enthusiasm of employees in all aspects.</p>

Development and Training

The Company attaches great importance to the ability improvement and career development of employees, and has formulated rules and regulations such as Human Resources Management Procedures and Training Implementation Measures, and established a sound training system and transparent promotion mechanism to establish a clear path for employees to grow.

In terms of employee development, the Company has established a clear and comprehensive job ranking system, systematically sorted out the difficulty, complexity and talent growth patterns of each position, standardized the career promotion path of employees and established a transparent and accessible career development channel for employees, effectively stimulating the motivation of employees to actively learn and deepen their business, and thus achieving steady improvement of personal career value.

In terms of employee training, the Company has built a training system covering the entire business chain, set up special training courses in four major systems: marketing, R&D, functional and supply chain, and carried out various types of special trainings to form a hierarchical, classified and comprehensive training matrix. Meanwhile, the Company also provides various online learning courses for employees through the Yun Xue Tang platform to meet their learning needs anytime and anywhere. In 2025, the Company continued to improve the training system, comprehensively optimize the construction of tutor training, ensuring the effectiveness of tutor teaching and helping employees to quickly match the job needs and achieve advanced capabilities.

In 2025

Throughout the year, more than **300** courses of various kinds of knowledge were uploaded, with a total of **435** hours of courses, mainly including photovoltaic products, business English, AI series courses, management system series courses and power electronics technology basic related courses

The platform accumulated **4,000+** hours of school and **5,900+** hours of active hours throughout the year

A total of **18** online examinations were carried out throughout the year

Annual training expenses amounted to RMB **858,700**

Special training on marketing system

- **Annual training for international marketing system:** a total of 8 courses were completed throughout the year, with more than 720 participants
- **Performance improvement training for domestic data centers:** in the third quarter and fourth quarter of 2025, the performance improvement training for marketing employees was organized on a trial basis, with a total of 152 people completing the training
- **Customer service engineer training:** 2 sessions of service training in customer service center were carried out, with a total of more than 100 participants
- **Annual training for new energy PV domestic marketing:** a total of 18 courses were organized throughout the year, with a training learning participation rate of 45% and a total of 408 project learners

Special training on R&D system

- **Technical Exchange:** 1 session of Infineon Manufacturers Technical Exchange Activity was organized, focusing on 9 topics, with a total of 66 participants and a total training duration of 6 hours
- **Special training for other talents:** organized and carried out training for reserve talents, and 4 new employee skills courses were completed

Special training on functional system

- **Information security system training:** implemented 8 sessions of training, and conducted information security exhibition operation training for relevant trainees
- **Financial information system training:** a total of 2 live online training sessions were completed, covering the content of operation guidance and promotion of financial information system

Special training on supply chain system

- **Capacity enhancement training of procurement department:** 2 periods of procurement training were implemented, with over 40 participants in total
- **Special project to enhance the capabilities of general supply chain managers:** organized 5 courses covering "Quality Foundation QF", "SPC Skills Training", "On-site Quality Management", "Efficient Team Building" and "Managing Self and Managing Others", with a total of more than 150 participants

Meanwhile, the Company organized and implemented the "KSTAR Lecture Hall" employee relations training series for 6 sessions, covering "Structured Thinking and Expression", "Time Management and Efficiency Improvement", "AI Empowered Workplace Practical Training Camp", "AI Empowered Workplace: Tips for 30% Work Ability Jump", "Business Speech and PPT Production", and empowered employees to grow from multiple dimensions such as physical and mental health, workplace skills and digital tool application.



AI Training for Employees to Help Improve Work Efficiency

In addition, in order to accurately match the job requirements and strengthen positive incentives, the Company continued to implement the incentive mechanism for employee skills training in 2025, to encourage employees to participate in vocational skills training such as project management certification and special equipment operation certificate (electrician/welder/refrigeration), and provided full reimbursement support for the training expenses of employees who have successfully obtained the certificates, thus effectively promoting the improvement of employee abilities and job requirements at the same frequency.

Safety and Health Protection

KSTAR always attaches great importance to the life safety and health of employees, practices the management policy of "advocating prevention, health and safety, compliance with laws and regulations, and continuous harmony", constantly optimizes the occupational health and safety management system and consolidates safety responsibilities at all levels from management to grass-roots teams, thus building a solid organizational foundation for the effective implementation of various safety measures.

On this basis, the Company further anchors clear occupational health and safety targets, disassembles them to the corresponding responsible departments and responsible persons item by item, and implements the closed-loop management mechanism of "goal setting-responsibility claim-landing implementation", to promote the accurate landing and effective closed-loop of various safety production measures.

Occupational Health and Safety Targets	Target value	2025 Target Progress
Major fire and explosion accidents	0 times/month	Achieved
Death, serious injury accident	0 times/month	Achieved
Number of work-related accidents	≤5 times/year	Achieved
Occupational hazard accident	0 times/month	Achieved
Compliance rate of occupational hazard monitoring	100%	Achieved

Safety Production

Security Management

The Company always adheres to the concept of "safety first, prevention first, comprehensive management", strictly follows the Safety Production Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, the Fire Protection Law of the People's Republic of China and other laws and regulations, formulates and implements the Compilation of Safety and Environmental Management Rules and Regulations, the Environmental, Occupational Health and Safety Management Policy⁷ and other policies and systems to clarify safety management requirements and mechanisms.

In terms of management structure, the Company has established a Work Safety Management Committee, with the general manager as the director of the committee and the heads of each first-level department as members. The Work Safety Management Committee is responsible for studying and making decisions on major issues in the Company's safety production work (including production, infrastructure construction, transportation, etc.), coordinating and solving major issues in the safety production work, and holding regular company-level safety production committee meetings, aiming to establish a long-term and effective working mechanism with employee health and safety as the center, full participation and safety supervision, so as to effectively protect the life and health of employees and the safety of the Company's property during the production and operation process.

⁷ Detailed information for the Environmental, Occupational Health and Safety Management Policy please refer to public link: <https://www.kstar.com.cn/bocupload/2024/08/21/17242273890459xm7ly.pdf>

Guangming Park, Xiapu Park, etc. have passed the ISO 45001 occupational health and safety management system certificate for many consecutive years. They conduct regular audits on the occupational health and safety management indicators in each operation area according to the requirements of ISO 45001 occupational health and safety management system and relevant laws, regulations and standards.



ISO45001 Occupational Health and Safety Management System Certificate

Meanwhile, the Company entrusts third-party service agencies to carry out safety assessment, fire protection assessment, occupational health assessment, safety equipment testing and emergency plan review. According to the assessment results, the Company quickly takes rectification measures to improve the safety and stability of operations in response to the discovered weak links in safety and health. In 2025, there were no general or above safety production accidents such as fire, explosion, electric shock, mechanical injury, high fall, poisoning, occupational disease, work-related death, etc. in the Company. The incidence rate of occupational diseases and the number of deaths due to work were 0, the number of work-related injuries was 13, and the total number of work days lost due to work-related injuries was 684.62.

Safety Emergency Management

In strict compliance with policies, regulations and industry standards such as the Measures for the Management of Emergency Plans for Production Safety Accidents and the Guidelines for the Preparation of Emergency Plans for Production Safety Accidents in Production and Business Units (GB/T 29639-2020), the Company has formulated and implemented the Emergency Plans for Production Safety Accidents, and clarified the whole process mechanism of safety emergency management.

On this basis, the Work Safety Management Committee formulates special emergency plans for various emergencies such as fire fighting, chemical leakage, on-site first aid, heatstroke poisoning, etc., and regularly organizes annual emergency drills to strengthen practical capabilities. In 2025, the Company carried out a total of 8 safety emergency drills, covering key scenarios such as comprehensive fire accident handling, on-site first aid for electric shock, and special treatment of chemical leakage, to comprehensively improve the emergency response and collaborative handling capabilities of employees.



Fire Drill Site

Occupational Health

Occupational Health Management

The Company strictly abides by the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and other laws and regulations, formulates and implements the Management System for the Prevention and Control of Occupational Diseases to prevent, control and eliminate hidden dangers of occupational diseases and protect employees' occupational health. In compliance with national regulations, the Company has set up an occupational health management team under the Work Safety Management Committee. The occupational health management team is mainly responsible for regular inspection of occupational hazards in workshops, regular identification and evaluation of occupational hazards, and occupational hazard training for employees.

In order to promote the prevention and control of occupational diseases and ensure the occupational health of employees in an all-round way, the Company adopts the following measures:



- **Strengthen the management of hazardous chemicals:** the Company formulates the Regulations on the Safety Management of Hazardous Chemicals, clarifies the responsibilities of each department, refines the safety requirements for the whole process of warehousing and subpackaging of hazardous chemicals, and assigns special personnel to be responsible for and record the use ledger. Simultaneously the Company formulates special emergency plans for hazardous chemical accidents, clarifies the emergency response procedures, responsible subjects and disposal standards of various accidents, and carries out actual emergency drills in combination with the actual production operations to comprehensively improve the standardization of hazardous chemical safety management in the Company.



- **Hazard control and monitoring:** the Company accurately identifies positions with occupational hazards, and uniformly hangs occupational hazard notification cards. And a third-party professional monitoring institution is annually entrusted to carry out regular monitoring of occupational hazard factors in occupational hazard places in the Company to ensure that the risks are visible and controllable.



- **Source process optimization:** the Company reduces occupational hazards from the original causes through technological transformation, such as adding exhaust facilities in PCBA factories to improve the air quality of the working environment, and introducing fully automatic coating equipment to reduce the contact time between employees and hazardous factors, to effectively reduce job risks.



- **Health monitoring and protection:** the Company strictly accords with the requirements of laws and regulations, regularly organizes employees to conduct occupational health examinations. For employees whose occupational contraindications are detected, the Company timely coordinates and adjusts their positions to ensure their health.



- **Personal protective support:** the Company equips employees with compliant personal protective equipment (PPE) free of charge to build a personal protective barrier for occupational health.




In terms of occupational health and safety training, the Work Safety Management Committee regularly organizes various departments to carry out employee safety education and training, including safety training for new employees, occupational disease prevention and control knowledge training, chemical safety knowledge training, professional training for special types of work and for special equipment such as forklift electrician, hazardous substance process management system implementation requirements, occupational health and safety management system implementation requirements training, etc., so as to improve employees' safety awareness and operation skills and ensure operation safety. In 2025, the Company organized hazardous chemicals storage cabinet management training and explosion-proof cabinet management knowledge training for employees.



Hazardous Chemicals Storage Cabinet Management Training Site

Positive Working Environment

In order to create a healthier and more comfortable working environment, the Company has taken multiple measures and is committed to bringing a more comfortable, healthy and good working environment to employees.

-  Continuously carry out labor protection monitoring and identification of occupational hazards.
-  Renovate and update old equipment and facilities, introduce new technologies and equipment to optimize the working conditions and reduce potential risks to health;.
-  Provide clean and tidy dining hall and dormitory for employees.
-  Build a new yoga room and weekly invite yoga teachers to teach in addition to the original library, gym and professional facilities, and establish the KSTAR basketball team.

Care for Physical and Mental Health

To ensure the physical and mental health of employees, the Company protects the physical and mental health of employees from two aspects of psychological counseling and health monitoring:

- Regularly carry out emotional management training and psychological stress reduction activities, and help employees effectively relieve psychological pressure in work, life and interpersonal communication through professional psychological counseling and relief measures, thus guiding employees to maintain a positive attitude.
- Organize the annual occupational health physical examination and establish a sound physical examination file management system to dynamically monitor and evaluate the physical health status of employees, providing long-term health protection for employees.



"Away from Sub-Health" Training Site

Employee Care

The Company has built a multi-dimensional employee care system, provided employees with complete welfare protection measures, planned diverse cultural and sports activities and established smooth communication channels to enhance understanding and trust among employees and strengthened team cohesion, to ensure all employees genuinely feel the warmth and considerate care extended by the company, and to cultivate an inclusive, people-centric work atmosphere brimming with warmth and mutual support.

Care for Female Employees

The Company attaches great importance to the protection of the special rights and interests of female employees, strictly abides by the Law of the People's Republic of China on the Protection of Women's Rights and Interests, the Labor Law of the People's Republic of China and other relevant laws and regulations, and formulates and implements internal management systems such as the Regulations on the Protection and Management of Female Employees to effectively protect the rights and interests of female employees.

- **Full-cycle maternity welfare guarantee:** formulate a comprehensive maternity welfare mechanism, provide additional support such as childcare counseling and breastfeeding leave in addition to statutory paid maternity leave and paternity leave, covering the needs of female employees in all stages of pregnancy, maternity and childbirth.
- **Support for workplace convenience:** Create a humanized workplace environment, set up exclusive maternal and infant rooms and implement policies such as breastfeeding leave, to effectively solve the practical difficulties of female employees such as breastfeeding in the workplace.
- **Exclusive health care services:** Carry out exclusive health examinations for female employees, provide professional mental health consultation services, comprehensively caring for women's physical and mental health.
- **Special growth empowerment program:** offer female-specific knowledge lectures and skills training courses, covering career development, self-improvement and other contents, to help female employees achieve ability advancement and career growth.





Care for Employees

The Company attaches great importance to the well-being of employees, provides employees with welfare plans and diversified welfare and care activities, and actively communicates with employees to support them in achieving work-life balance. In addition to providing employees with basic national statutory benefits such as endowment insurance, basic health insurance, unemployment insurance, occupational injury insurance, maternity insurance and housing fund, the Company also provides employees with diversified care benefits and special benefits. The specific benefits are shown in the table below:

Types of benefits	Benefit	Coverage
Basic benefits	Five insurance and one fund, performance benefits, statutory holidays	All employees
Care benefits	Holiday welfare, physical examination, employee accident injury group insurance, group life insurance, female employee welfare, employee dormitory, employee food subsidy, team building, business trip or overseas welfare, plateau area subsidy, high temperature subsidy, annual leave, maternity leave, escort leave, parental leave, marriage leave, bereavement leave, sick leave, work injury leave and other paid holidays	All employees
Special benefits	Commercial insurance and flexible hours	Employees in special positions

In order to support employees to be motivated and dedicated to their work, the Company provides logistics support services around employees' food, clothing, housing and transportation to meet their daily needs.

Main Contents of Logistics Services

<p>Accommodation</p> <ul style="list-style-type: none"> • Free accommodation of over 15 square meters with essential furniture • Free accommodation of over 15 square meters with essential furniture 	<p>Commuting</p> <ul style="list-style-type: none"> • Commuter shuttle Oversight and Amenities such as buses and business Huizhou to Nanshan 
<p>Meals</p> <ul style="list-style-type: none"> • Oversight and evaluation of the standardized operation of the cafeteria • Regular satisfaction surveys on cafeteria services 	<p>Daily amenities</p> <ul style="list-style-type: none"> • Amenities such as free parking spaces, a gym, a library, and an integrated badminton and table tennis court 

In order to enrich the spare time of employees and improve their quality of life, 7 employee activity associations have been established in the Company. Every year, the labor union and the Human Resources Department plan and carry out diverse cultural and sports activities, and organize daily activities such as badminton matches, quality development and outdoor team building to enhance employee interaction and team cohesion. During traditional festivals and the Company anniversary celebrations, the Company also launches themed special activities to create a relaxed and pleasant leisure time for employees and create a warm and loving corporate atmosphere. In 2025, the Company organized a total of 72 employee association activities, with a total of more than 1,200 participants.



Badminton Activities



Hongqiao Hiking Activities



Mid-Autumn Festival Garden Party



Dragon Boat Festival activities

Meanwhile, the Company has established a support mechanism for employees in need to effectively solve problems for employees in need. In 2025, a total of 6 condolence activities for employees in need were carried out and 15 employees were assisted, with a total investment of RMB 55,500, which conveyed the warmth of the Company through precise care.

In addition, the Company attaches great importance to the voices of employees and establishes a normalized employee communication and feedback mechanism. The Company annually conducts full-dimensional employee satisfaction surveys to comprehensively evaluate employee experience from nine dimensions, including salary and benefits, policies and measures, corporate culture, office environment, training and development, trust, cooperation and communication and work, and continuously optimizes the survey dimensions and scoring standardization to ensure that the survey results accurately reflect employee demands. After the survey is completed, the Company will formulate targeted rectification plans based on the feedback data and promote the implementation, so as to continuously improve employee satisfaction and team cohesion. From December 11th to 17th in 2025, the Human Resources Department organized the annual Employee Satisfaction Survey. The survey was conducted anonymously in 14 batches, and a total of 1,638 valid questionnaires were collected over one week, with an effective rate of 96.7% and employee satisfaction score of 96.2%.

Public Welfare

With the vision of "Generating superior solutions for energy and more", KSTAR has always deeply bound corporate development with social responsibility and actively promoted various social welfare undertakings, committed to practicing corporate citizenship with practical actions. Meanwhile, the Company actively responds to the national rural revitalization strategy and promotes the development of rural industries. To achieve the mutual growth of value between enterprises and society. In 2025, the Company has organized a total of 5 employee volunteer charity activities.



Warmth for Our Seniors: Every Elder Deserves to Be Treated with Kindness — Jinyanguang Women's Federation Nursing Home Volunteer Service Activities

On July 19 in 2025, Jiangxi Park, Jinyanguang Women's Federation organized members to carry out volunteer service activities in Tangpu Care Center. During the activity, members exchanged the red history of Yifeng with the elderly and provided care services such as housekeeping, nail cutting and hair combing for the elderly. They also sent condolences to the elderly and sang red songs together. When the event concluded, the members bid farewell to the elderly residents and agreed on a return visit in the future. This interaction fully embodies the traditional Chinese virtue of respecting and loving the elderly, as well as our heartfelt care for the senior group.



Members of Jinyanguang Women's Federation Visit the Elderly in Nursing Homes



Outdoor Environmental Protection Volunteer Activities



Jinzhai Power Station Assists in Forest Fire Prevention Activities



Carry out Civilized Practice Activities in Songshan Street



Sacrificial Activities in the Martyrs' Cemetery of Nanfeng Mountain in the county

Appendix: Environmental Data Performance Table⁸

Key Performance Indicators		Unit	2025	2024
Waste discharge	Non-hazardous waste	tonnes	1,215.37	1,057.80
	Non-hazardous waste (recyclable)	tonnes	950.55	550.79
	Non-hazardous waste (non-recyclable)	tonnes	264.82	507.01
	Intensity of non-hazardous waste (recyclable and non-recyclable)	tonnes/ RMB ten thousand revenue	2.31×10^{-3}	2.54×10^{-3}
	Hazardous waste ⁹	tonnes	482.14	278.30
	Hazardous waste intensity	tonnes/ RMB ten thousand revenue	9.15×10^{-4}	6.69×10^{-4}
Wastewater discharge	Domestic wastewater discharge	tonnes	264,211.70	243,609.20
	Waste gas emissions ¹⁰			
	Volatile organic compounds (VOCs)	kg	442.37	525.81
	Particulate matter	kg	2,195.34	1,939.78
	NOx	kg	1,015.57	925.37
	SOx	kg	17.81	29.80
	Tin and its compounds	kg	0.15	0.11
	Heavy metals and heavy metal compounds	kg	243.94	100.00
Greenhouse Gas Emissions ¹¹	Greenhouse gas emissions (Scope 1) ¹²	tonnes of CO ₂ equivalent	1,759.53	6,756.22

⁸The scope of our environmental data (including greenhouse gas emissions, resource use, pollutant discharges, and waste generation) covers the office area of KSTAR headquarters and the operating areas of domestic and foreign subsidiaries.

⁹Hazardous waste includes hazardous chemical waste, hazardous electronic waste, hazardous solid waste, hazardous liquid waste, etc.

¹⁰This year, we refined the accounting methodology for exhaust gas emissions to achieve more comprehensive coverage and higher accuracy. Historical data have been restated accordingly under the new framework.

¹¹The calculation method of greenhouse gas emissions refers to the Guidelines for Organizing Greenhouse Gas Emissions Calculation and Reporting (Shenzhen Municipal Bureau of Ecology and Environment, March 2024). The greenhouse gases emitted by the Company include carbon dioxide, methane and nitrous oxide, which are reported in tonnes of carbon dioxide equivalent in accordance with the requirements of the Guidelines of Shenzhen Stock Exchange.

¹²Scope 1 refers to the direct greenhouse gas emissions generated by the Company's business operations, mainly generated from the fuel of vehicles, fuel of backup generators, acetylene consumption for equipment maintenance, methane fugitive emissions from septic tanks, HFC-227ea leakage from fire suppression systems, production and testing of precision air conditioners, and refrigerant fugitive emissions from central air conditioning systems, etc. Activity data for these sources are sourced from relevant expense invoices and internal reports, while greenhouse gas emission coefficients used refer to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. This year, Scope 1 GHG emissions declined markedly, largely due to a significant drop in refrigerant fugitive emissions.

Key Performance Indicators		Unit	2025	2024
Greenhouse Gas Emissions	Greenhouse gas emission intensity (Scope 1)	tonnes of CO ₂ equivalent/RMB ten thousand revenue	3.34×10^{-3}	1.62×10^{-3}
	Greenhouse gas emissions (Scope 2) ¹³	tonnes of CO ₂ equivalent	33,712.07	27,525.89
	Greenhouse gas emission intensity (Scope 2)	tonnes of CO ₂ equivalent/RMB ten thousand revenue	6.40×10^{-2}	6.62×10^{-2}
	Total Greenhouse Gas Emissions (Scope 1 and Scope 2)	tonnes of CO ₂ equivalent	35,471.60	34,282.11
	Greenhouse Gas Emission Intensity (Scope 1 and Scope 2)	tonnes of CO ₂ equivalent/RMB ten thousand revenue	6.73×10^{-2}	8.24×10^{-2}
	Total electricity consumption	kWh	63,920,171.81	51,200,122.33
Energy Consumption ¹⁴	Total consumption of energies other than electricity	tonnes of standard coal	429.62	321.24
	Comprehensive energy consumption	tonnes of standard coal	8,285.41	6,613.74
	Comprehensive energy consumption intensity	tonnes of standard coal/RMB ten thousand revenue	1.57×10^{-2}	1.59×10^{-2}
	Self-built PV generation	ten thousand kWh	5,715.60	5,666.89
Water Use	Water withdrawal	tonnes	371,396.06	347,937.07
	Water consumption	tonnes	59,488.70	55,693.66
	Water consumption intensity	tonnes/ RMB ten thousand revenue	0.11	0.13

¹³Scope 2 emissions represent the indirect greenhouse gas emissions associated with the energy consumed in our business operations, primarily arising from the consumption of purchased electricity. Activity data is derived from relevant expense invoices and internal reports. The GHG emission factors used for calculation are referenced from the Announcement on the 2023 Power Carbon Dioxide Emission Factors issued by China's Ministry of Ecology and Environment, the Greenhouse Gas Emission Intensity of Electricity Production in Europe published by the European Environment Agency, and the CO₂ Emissions from Fuel Combustion / Electricity Generation Intensity for Selected Regions (2015-2030) released by the International Energy Agency.

¹⁴Our energy consumption comprises fuel for fixed equipment, fuel for company vehicles, purchased electricity, and electricity generated from self-built photovoltaic systems. Activity data is derived from relevant fuel invoices and internal reports. The energy consumption coefficient used refers to the GB/T 2589-2020 General Principles for Comprehensive Energy Consumption Calculation issued by the State Administration for Market Regulation and the National Standardization Administration.

Appendix: Pollutant Emissions of Key Environmental Supervision Units

Name of the Company or Subsidiary	Types of Major Pollutants	Names of Major Pollutants	Emission Method	Number of Outlets	Outlet Distribution	Average Emission Concentration	Applicable Emission Standards	Total Annual Emissions	Approved Annual Total Emissions	Standard Exceedance Emissions Status
Jiangxi Changxin Golden Sun Power Co., Ltd.	Wastewater	Total lead	Intermittent discharge; unstable flow during discharge, but with periodic regularity	1	Workshop Wastewater Outlet	0.0823mg/L	0.5mg/L	0t	0.01392t	None
	Wastewater	Thallium	Intermittent discharge; unstable flow during discharge, but with periodic regularity	1	Workshop Wastewater Outlet	0.000286mg/L	0.005mg/L	0.9082kg	None	None
	Waste gas	Sulfuric acid mist	Organized and Fugitive	3	Waste gas outlet	0.104mg/Nm3	5mg/Nm ³	1.247t	None	None
	Waste gas	Lead and its compounds	Organized and Fugitive	11	Waste gas outlet	0.073mg/Nm3	0.5mg/Nm ³	0.879t	0.15609t	None
	Waste gas	Tin and its compounds	Organized and Fugitive	4	Waste gas outlet	0.018mg/Nm3	8.5mg/Nm ³	0.217459kg	None	None
	Waste gas	Particulate matter	Organized and Fugitive	11	Waste gas outlet	0.08mg/Nm3	30mg/Nm ³	0.961t	None	None

Appendix: Social Data Performance Table

Key Performance Indicators	Unit	2025	2024
Employment			
Total number of employees	Person	4,516	4,121
By gender	Male	3,109	2,837
	Female	1,407	1,284
By Age Group	Aged under 30	1,309	1,210
	Aged 30 to 50	2,954	2,672
	Aged over 50	253	239
By rank	Management	360	363
	Non-management	4,156	3,758
Employee Development			
Number of trained employees	Person	4,516	4,121
Coverage of trained employees	%	100	100
Cumulative duration of employee training	Hour	62,399.50	51,435.00
Amount spent on employee training	RMB10,000	85.87	67.37
Amount spent on supporting employees to obtain international project manager (PMP) certificate and special operation certificate (electrician/welder/refrigerator)	RMB10,000	21.70	20.87

Key Performance Indicators	Unit	2025	2024	
Health and Safety				
Work-related fatality	Person	0	0	
Work-related fatality rate	%	0	0	
Workdays lost due to work injury	Days	684.62	462.00	
Work injury rate	%	0.29	0.22	
Total incident rate per million work hours	/	1.44	1.54	
Number of employees receiving safety production education and training	Person times	8,374	5,137	
Amount invested in work-related injury insurance and production safety liability insurance	RMB10,000	74.05	83.94	
Coverage rate of work-related injury insurance and work safety liability insurance among employees	%	100	100	
Investment in work safety	RMB10,000	470.44	331.71	
Quality and Service of Product and Service				
Coverage of Quality Management System Certification	%	100	100	
Number of employees receiving quality management training	Person	3,811	3,037	
Score of customer satisfaction survey	Data Center Infrastructure product line	Points	95.45	94.53
	EV Chargers product line	Points	95.82	94.52
	New Energy product line	Points	90.21	90.18
Major product quality complaints	Piece	0	0	
Recall rate of sold or shipped products	%	0	0	

Appendix: Social Data Performance Table

Key Performance Indicators	Unit	2025	2024
R&D and Innovation			
Number of R&D employees	Person	759	704
R&D investment	RMB 100 million	2.94	2.75
Accumulated investment in R&D in the past 10 years	RMB 100 million	18.55	16.40
R&D investment			
Investment in R&D of clean technology	RMB 100 million	2.94	2.75
Amount of special awards for outstanding scientific and technological achievements	RMB10,000	63.06	51.32
Number of R&D employees receiving special awards for outstanding scientific and technological achievements	Person times	905	989
Intellectual property rights			
Total number of valid patents	Patent	437	372
Total number of software copyright	Patent	212	167
Number of patent applications for invention	Patent	225	191
Number of invention patents granted	Patent	73	67
Number of invention patents applied to the main business	Patent	77	65
Standards building for participation			
National level	Item	13	7
Industry level	Item	116	111
Association/group level	Item	15	15
Supply Chain			
Supplier localization rate	%	59	55
Local procurement ratio	%	72	/

Key Performance Indicators	Unit	2025	2024
Number of suppliers	/	492	486
Signature rate of Letter of Commitment for Suppliers	%	99	100
Number of suppliers subject to on-site assessment	/	76	69
Pass rate of on-site assessment and audit for suppliers	%	99	100
Business Ethics			
Total number of corruption lawsuits against the Company and its employees	Case	0	0
Number of the Board of Directors who received training on anti-corruption policies	Person	7	4
Percentage of the Board of Directors receiving training on anti-corruption policies	%	100	57.14
Total number of employees receiving training related to anti-corruption policies	Person	3,714	2,771
Percentage of employees receiving training related to anti-corruption policies	%	82.24	67.24
Public Welfare			
Total hours of employee participation in public welfare and volunteer activities	Hour	120	36
Investment in social welfare and rural revitalization	RMB	0	90,000

Appendix: Report Content Benchmarking Index Table

Disclosure Requirements	Corresponding Chapters of This Report	
Environment	Addressing climate change	Addressing Climate Change
	Pollutant discharge	Environmental Compliance Management
	Waste disposal	Environmental Compliance Management
	Ecosystem and biodiversity protection	Biodiversity Conservation
	Environmental compliance management	Environmental Compliance Management
	Energy usage	Resource Management
	Usage of water resources	Resource Management
	Circular economy	Resource Management
Society	Rural revitalization	Public Welfare
	Contributions to the society	Public Welfare
	Innovation-driven	Innovation-driven Development
	Ethics of science and technology	Innovation-driven Development Development and Training
	Supply chain security	Building a Responsible Supply Chain

Disclosure Requirements	Corresponding Chapters of This Report	
Society	Equal treatment to small and medium-sized enterprises	As of December 31, 2025, the balance of our accounts payable (including notes payable) did not exceed 30 billion yuan or accounted for more than 50% of total assets, so this issue is not applicable to KSTAR for the time being.
	Safety and quality of products and services	Safe Product Creation
		Achieving Customer Satisfaction
Data security and customer privacy protection	Information Security and Privacy Protection	
Employment	Employment	Guarantee of Employees' Rights and Interest
		Talent Attraction and Development
		Safety and Health Protection
Sustainability-related Governance	Due diligence	Employee Care
		We have set up different departments to investigate ourselves, subsidiaries and business partners respectively regarding on their environmental compliance, employee rights, anti-corruption, etc., so the contents of this topic will be included in other topics, such as sustainable supply chain, business ethics and anti-corruption.
		Sustainability Management
Anti-commercial bribery and anti-corruption	Anti-commercial bribery and anti-corruption	Maintaining Business Ethics
		Maintaining Business Ethics
Anti-unfair Competition	Anti-unfair Competition	Maintaining Business Ethics
Other	Self-disclosure Issue	/

KSTAR

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KSTAR
official account



KSTAR New
Energy official account