

2025 Environmental, Social, and Governance (ESG) Report

Joulwatt Technology Co., Ltd.

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• Statement on Report Preparation

About This Report

This report is Joulwatt's Environmental, Social, and Governance (ESG) Report 2025, aimed at disclosing to stakeholders the Company's management strategies, key practices, and related performance in sustainability areas such as environment, social responsibility, and corporate governance during fiscal year 2025, so as to strengthen communication and engagement with all stakeholders.

The Board of Directors and all directors of the Company guarantee that there are no false records, misleading statements, or major omissions in the contents of this report; they bear individual and joint liability for the truthfulness, accuracy, and completeness of the contents.

Scope of the Reporting Entity

Unless otherwise specified, the scope of the reporting entity for this report is consistent with the consolidated financial reporting scope of the Company.

Terminology

"Joulwatt Technology Co., Ltd." is referred to as "JOULWATT" or "the Company" in this report.

Time Scope

The reporting period is from January 1, 2025, to December 31, 2025. To enhance integrity, continuity, and comparability of the information, certain contents and data are appropriately traced back to previous years.

Reporting Cycle

This report is published annually and represents the Company's 3rd ESG report.

Data Disclosure

The data and information contained in this report primarily originate from the Company's internal statistical records, official documents, administrative filings and reports, publicly available government data, and third-party evaluations/interviews. All relevant content has undergone internal review and verification procedures. Financial data presented in this report is denominated in Renminbi (RMB). In case of any discrepancy between the data in this report and the Company's financial statements, the financial statements shall prevail.

Preparation Basis

This report was prepared in line with *Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 - Standard Operation* and *Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 14 - Sustainability Reporting (Trial)*. It also references the *Environmental, Social and Governance Reporting Guide* (Appendix C2 to the Listing Rules of The Stock Exchange of Hong Kong Limited), the *Global Reporting Initiative (GRI) Sustainability Reporting Standards*, the *United Nations' SDG Compass: The Guide for Business Action on the SDGs*, and the *Guidance on social responsibility reporting (GB/T 36001-2015)*, a standard issued by the People's Republic of China.

Reporting Principles

In the preparation of this report, we have adhered to the "Comply or Explain" provisions and four core reporting principles outlined in Appendix C2 Environmental, Social and Governance Reporting Guide under the Listing Rules of The Stock Exchange of Hong Kong Limited. These principles include Materiality, Quantitative, Balance, and Consistency. The report identifies, evaluates, and discloses material issues that have substantial impacts on the Company and its stakeholders. Where applicable, explanations are provided regarding changes in key environmental and social performance indicators, statistical methodologies, and related reporting scopes:

- "Materiality": This report incorporates stakeholder engagement and materiality assessment processes during its preparation, serving as the basis for identifying key ESG issues of significance;
- "Quantitative": This report presents key environmental and social performance indicators (KPIs) using quantifiable data, supplemented with explanatory notes to clarify their purpose and impact;
- "Balance": This report adheres to the balanced principle. The Company is committed to ensuring the objectivity of its information disclosure. All content is derived from internal management documents, statistics, and publicly disclosed information, presenting JOULWATT's ESG performance in an open, fair, and impartial manner;
- "Consistency": This is the company's third ESG report. In principle, the same statistical methods are used. If any changes occur in relevant criteria, they will be explained in subsequent reports.

Report Release Format

This report is available in both Chinese and English. In case of any discrepancy between the two versions, the Simplified Chinese version shall prevail. To support environmental sustainability, this report is published exclusively in electronic format. The electronic version can be accessed on the official website of JOULWATT (www.joulwatt.com) and the Shanghai Stock Exchange website (www.sse.com.cn).



01

About

JOULWATT

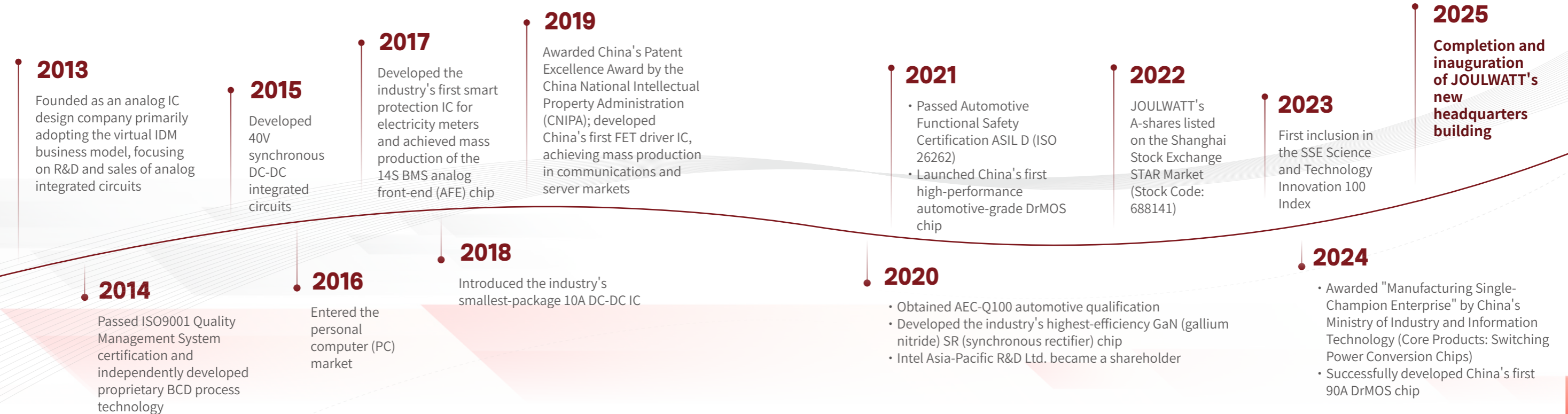
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• Company Profile

Founded in March 2013, Joulwatt Technology Co., Ltd. is an analog integrated circuit design company primarily operating under the virtual IDM business model. The company designs and manufactures chips using its own internationally advanced process technologies and has been recognized by the Ministry of Industry and Information Technology as a "Little Giant" enterprise characterized by "specialization, refinement, uniqueness, and innovation". Since its establishment, JOULWATT has been committed to providing highly integrated, high-performance, and highly reliable power management and other chip products, offering customers one-stop procurement services. The company boasts a rich product portfolio, extensive market presence, and rigorous quality control. The company's product lines include DC-DC, AC-DC, linear power supplies, battery management, and signal chains, serving diverse sectors such as communications, consumer electronics, industrial, AI, computing & storage, automotive electronics, and new energy. The Company was successfully listed on the Science and Technology Innovation Board (STAR Market) of the Shanghai Stock Exchange on December 23, 2022 (Stock Abbreviation: JOULWATT, Stock Code: 688141).



Company Development Milestones



• Corporate Culture & Values

Vision

To be present in every electronic device and become a leading player in the analog integrated circuit industry

Mission

To deliver innovative, efficient, and reliable analog semiconductor solutions, continuously creating maximum value for our customers

Values

- Customer First
- Innovation Leadership



- People-Oriented
- Team Collaboration

- Hard Work & Dedication
- Efficiency Excellence

- Goal-Oriented
- Pursuit of Excellence

Interpretation of JOULWATT's Core Values (Concise Version)

Customers

Customer First: The success of our customers is the sole reason for our existence. We provide safe, reliable products and services that exceed expectations to earn their trust

Innovation Leadership: We adhere to innovation-driven development. With technologically advanced and expectation-exceeding products, we lead customer needs

Talent

People-Oriented: We value those who strive hard. We ensure that contributors of value receive reasonable rewards and continuously attract and inspire top-notch talents

Team Collaboration: We work efficiently in collaboration, trust each other, and fill in each other's gaps. We work with ecosystem partners to create win-win outcomes and refuse to pass on defects

Goals

Goal-Oriented: We are determined to achieve our missions. Guided by goals and evaluated by results, we pursue zero-defect quality

Pursuit of Excellence: We dare to challenge extreme goals, surpass standards, and continuously seek improvement and optimization

Work Style

Hard Work & Dedication: We earn customers' respect through perseverance, uphold firm beliefs, maintain a positive mindset, and proactively take on challenges

Efficiency Excellence: We uphold the bottom line of quality and safety, respond rapidly to the market, strive to get things right the first time, and enhance organizational efficiency through process discipline and rules

• Sustainable Development Governance

ESG Governance Structure

With the vision of "to be present in every electronic device and become a leading player in the analog integrated circuit industry", JOULWATT regards the sustainable development strategy as an important pillar of enterprise management. The company has established and refined its ESG governance framework in alignment with operational characteristics and management needs, clearly defining the division of responsibilities among the Board of Directors, management, and functional departments in related tasks. Sustainability requirements are integrated into operational management and risk control processes.

Board Decision-Making & Oversight

As the supreme decision-making and supervisory body for the company's ESG management, the Board of Directors holds full responsibility for ESG strategy formulation and oversight, as well as ESG strategy and disclosure. The Board's core functions in ESG management include:

Execution of Oversight Responsibilities: The Board consistently monitors the company's performance in environmental, social, and governance (ESG) management, regularly reviews related work reports, deliberates on key ESG matters, and ensures the effective integration of sustainability principles into the corporate governance framework and operational decision-making processes.

Materiality Ranking & Risk Management: The Board identifies, evaluates, and prioritizes ESG-related issues based on the company's business characteristics, industry trends, and stakeholder priorities. It focuses on material issues that significantly impact the company's operations, along with associated risks and opportunities, while driving the integration of these matters into the company's risk management and internal control systems to continuously enhance operational resilience and sustainable development capabilities.

Goal Review & Business Alignment Analysis: The Board regularly assesses the progress of ESG goals and key initiatives, evaluating their effectiveness in improving operational efficiency, fulfilling social responsibilities, and supporting medium-to-long-term development, ensuring the ESG strategy remains aligned with the company's overall direction.

Implementation by Functional Departments

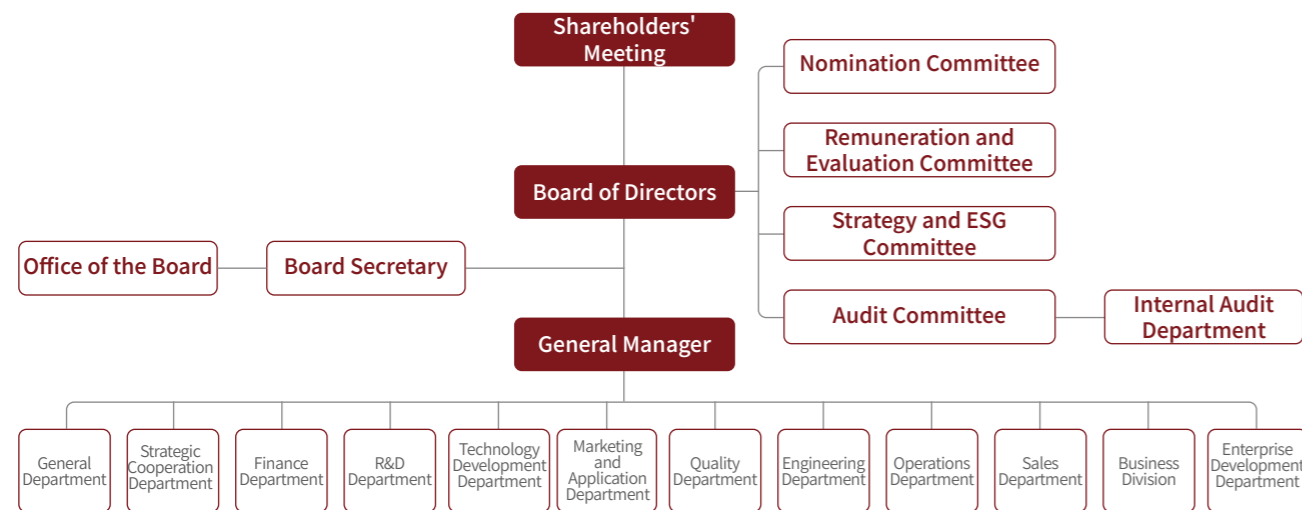
The company has established an ESG management mechanism that "promotes from the top-down and provides feedback from the bottom-up". Each functional department and business department integrates ESG management requirements into all aspects of daily operations based on their division of responsibilities:

Goal Decomposition and Refinement: Based on the ESG management guidelines and work requirements determined by the Board of Directors and in combination with actual operational conditions, each department of the company refines specific goals, management measures, and implementation paths to promote the orderly implementation of relevant tasks.

Risk Assessment & Implementation: Each department within the company regularly identifies and evaluates ESG-related risks and opportunities within its business scope, covering critical areas such as environmental compliance, climate change, supply chain management, data security, and business ethics. It drives the implementation of corresponding management and improvement measures to mitigate potential impacts and enhance management effectiveness.

Establishment of a Regular Reporting Mechanism: Heads of company departments, in line with internal management mechanisms, regularly report on ESG work progress. This facilitates timely oversight by the Board of Directors and management, enabling continuous optimization of management arrangements. A closed-loop management approach featuring vertical coordination and ongoing improvement is thereby formed, providing institutional safeguards for implementation of the company's sustainable development strategy.

Organizational Structure



Stakeholder Communication and Response

JOULWATT places high importance on communication and collaboration with all stakeholders, continuously promoting the establishment of regularized and institutionalized communication mechanisms to timely understand and address stakeholders' expectations and needs. As the company's third publicly disclosed Environmental, Social, and Governance (ESG) report, JOULWATT has established both internal and external communication mechanisms during the report preparation. The Company has consistently conducted identification of material ESG issues and strengthened interactive engagement with stakeholders through diverse channels, including ESG report disclosures, internal discussions, official website and press publications, shareholders' meetings, and participation in industry association activities. These efforts aim to continuously enhance the transparency of information disclosure and the level of responsible practices. The company reviews key focus areas based on stakeholder communication outcomes and incorporates them into subsequent ESG management and information disclosure arrangements.

Material Issue Identification and Assessment

JOULWATT identifies ESG material issues in line with the requirements of the *Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 4 - Preparation of Sustainability Reports*. By comprehensively considering annual hot topics, national policy orientations, industry development trends, and the company's operational realities, the company establishes an assessment framework based on strategic alignment, risk urgency, and stakeholder attention. Through stakeholder surveys, management discussions, and business-level analysis, JOULWATT applies the "impact-financial" dual materiality principle to identify, evaluate, and prioritize relevant ESG issues, forming a material issue analysis matrix. This matrix supports the company's ESG management and report preparation, with the specific process as follows:

Step 1: Establishing the Material Issues List

The company refers to the foundational issues listed in the *Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 14 - Sustainability Reporting (Trial)* as a key reference framework. It further integrates relevant standards from the Shanghai Stock Exchange, the Stock Exchange of Hong Kong Limited, the Sustainability Accounting Standards Board (SASB), and Morgan Stanley Capital International (MSCI), as well as benchmarking practices from leading domestic and international industry participants. By systematically analyzing the company's business model, industry characteristics, and key value chain segments, the company conducts a comprehensive review. Through the analysis of policy dynamics, industry development trends, and ESG reporting priorities of peer companies, the company forms an initial pool of issues. Considering stakeholder focus areas, the company further identifies, screens, and refines relevant issues to develop a candidate issues list. This ensures that key issues comprehensively cover critical risks, opportunities, and ESG practice priorities encountered in the company's operational and management processes.

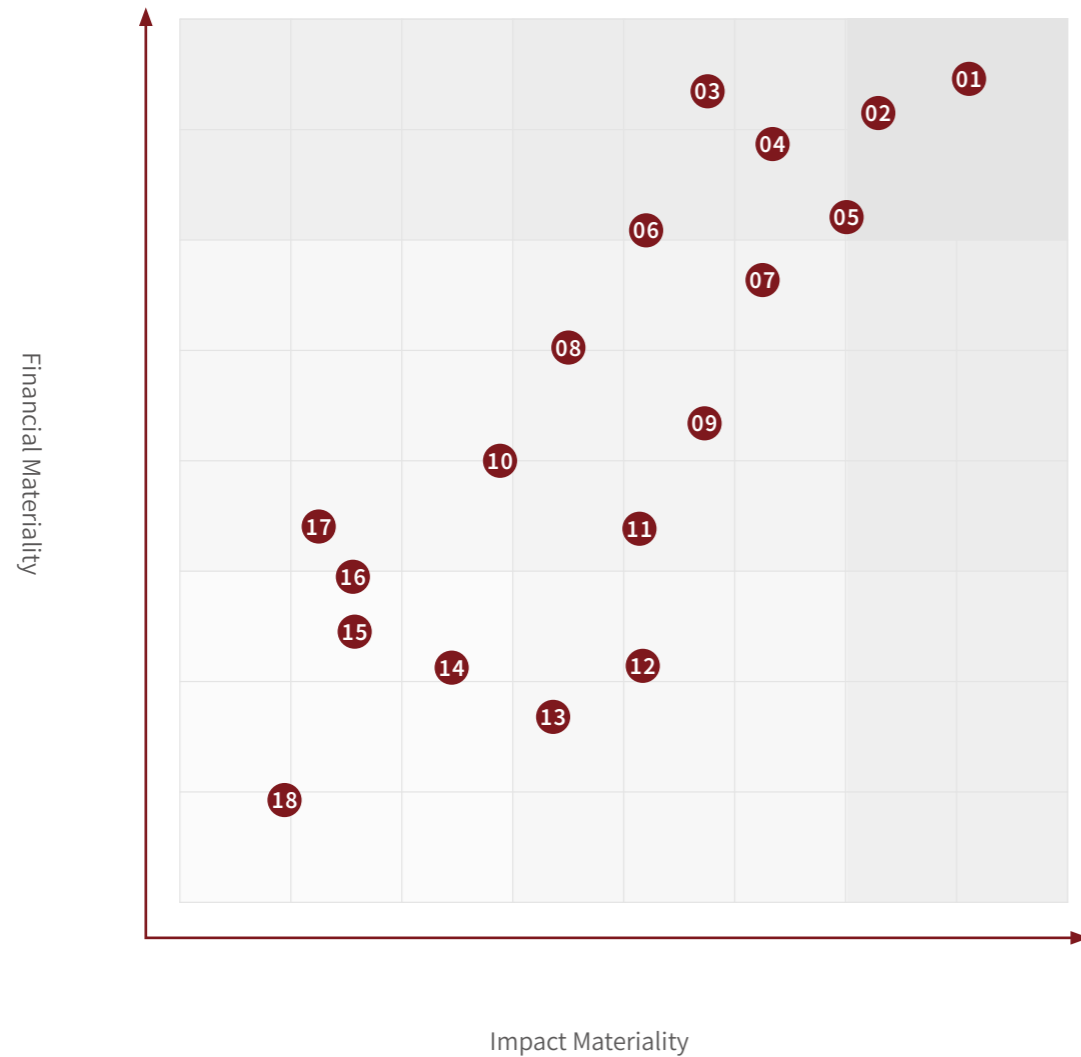
Step 2: Material Issues Assessment

The assessment of issues follows the "impact-financial" dual materiality principle: In the impact dimension, the company comprehensively evaluates the potential positive and negative impacts of each issue, establishing a scoring system based on the severity of impact and the likelihood of occurrence. In the financial dimension, the company assesses the long-term effects of issues on revenue and costs, considering both risks and opportunities. Ultimately, through stakeholder surveys and expert evaluations, the company determines the priority level of each issue and constructs a weighted ranking matrix to ensure the scientific rigor and rationality of issue screening.

Step 3: Validation of Assessment Results

The company's management has reviewed and confirmed the assessment results. Based on the assessment results, JOULWATT has identified 6 issues critically important to the company: Customer Service and Quality Management; Innovation Mechanisms and Intellectual Property Protection; Sustainable Supply Chain Management; Information Security and Data Protection; Talent Cultivation and Development; and Climate Change. The company will provide detailed responses to these key issues in relevant sections of the report to effectively address the concerns and expectations of all stakeholders, ensuring transparency in ESG management strategy disclosure and execution effectiveness.

JOULWATT ESG Materiality Analysis Matrix



- | | | |
|---|---|---|
| <ul style="list-style-type: none"> 01 Product and Service Safety & Quality 02 Innovation-Driven 03 Climate Change Response 04 Supply Chain Security 05 Employees 06 Anti-Commercial Bribery and Anti-Corruption | <ul style="list-style-type: none"> 07 Data Security and Customer Privacy Protection 08 Ethics in Technology 09 Circular Economy 10 Environmental Compliance Management 11 Waste Management 12 Stakeholder Communication | <ul style="list-style-type: none"> 13 Equal Treatment of SMEs 14 Pollutant Emissions 15 Anti-Unfair Competition 16 Energy Utilization 17 Due Diligence 18 Ecosystem and Biodiversity Conservation |
|---|---|---|

Medium-Term Sustainable Development Goals

JOULWATT has gradually established a medium-term sustainable development goals system based on its business development stage, ESG governance foundation, and material issue identification results. These goals primarily focus on key issues such as innovation and intellectual property, customer service, information security, talent development, and climate change, aiming to enhance the systematicness and executability of the company's sustainable development management. Moving forward, JOULWATT will dynamically refine the goal metrics, implementation pathways, and tracking mechanisms in alignment with operational realities, policy environments, and Board of Directors' deliberations.

Material Issues	Metrics	2025 Performance	Units	2028 Objectives
Innovation Mechanisms and Intellectual Property Protection	Number of New Patent Applications	255	Items	Increase by 5% compared to 2025
Customer Service and Quality Monitoring	Customer Satisfaction	95.6	%	Not less than 95%
Information Security	Number of Major Privacy Breach Incidents	0	Count	Zero occurrences
Talent Development and Training	Total Employee Training Hours	10,635.17	Hours	Total Employee Training Hours ≥ 10,000 hours per year
Climate Change Mitigation Strategies	Employee-based Carbon Emission Intensity (Operational Boundary)	4.99	Tons of Carbon Dioxide Equivalent/Number of Employees	Reduce by approximately 3% by the end of 2028

At present, the company is committed to continuously improving its ESG governance structure and operational mechanisms. As business scale and activities expand, the company will enhance relevant management measures by integrating resource utilization, environmental management, social responsibility, and governance requirements. This will also strengthen its capacity to identify, assess, and respond to ESG risks.





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Governance Foundation

Compliance, Risk Control & Digital Operations

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JOULWATT places high importance on establishing standardized, transparent, and effective corporate governance, and continuously improves its governance system, internal controls, and risk management mechanisms. The company stringently complies with the laws, regulations, and normative requirements of regulatory authorities such as the China Securities Regulatory Commission (CSRC) and the Shanghai Stock Exchange (SSE). It continuously refines its governance structure and internal management systems, strengthens internal controls, risk management, and oversight mechanisms to ensure compliant and orderly business operations. In terms of information disclosure and external communication, JOULWATT emphasizes positive engagement with investors and other stakeholders, consistently enhancing the authenticity, accuracy, completeness, fairness, and timeliness of disclosures, and fully fulfilling its responsibilities as a publicly listed company.


• Governance Structure and Standardized Operations

JOULWATT is committed to creating long-term value for shareholders, customers, employees, and society, and continuously optimizes its corporate governance and operational management mechanisms in alignment with this goal. The company stringently adheres to laws, regulations, and normative documents—including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Corporate Governance Guidelines for Listed Companies*, the *Sci-Tech Innovation Board (STAR Market) Listing Rules of the Shanghai Stock Exchange*, and the *Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange*—to continuously refine its governance structure, institutional systems, internal controls, and risk management mechanisms. The company upholds business ethics and maintains standardized operations. The company operates under a governance structure comprising the Shareholders' Meeting, Board of Directors, and Management. Each governance entity fulfills its respective duties in line with the Articles of Association, exercising decision-making, execution, and supervision respectively. By continuously revising and refining relevant systems, the company enhances the synergy, scientific nature, and standardization of governance operations.

Shareholders and the Shareholders' Meeting

As the company's highest authority, the Shareholders' Meeting exercises decision-making powers over major issues in accordance with laws. It reviews matters such as business strategies and investment plans, profit distribution proposals, amendments to the Articles of Association, and related procedural rules. The company stringently adheres to relevant laws, regulations, and the Articles of Association when convening and conducting Shareholders' Meetings, as well as executing voting procedures. This ensures legally compliant, fair, and transparent decision-making processes. For significant matters that, in accordance with the Company Law and the Articles of Association, shall be submitted to the Shareholders' Meeting for deliberation, the company has stringently followed the required review procedures. There have been no cases of bypassing the Shareholders' Meeting to implement major matters, or of taking action without post-facto approval.

The company maintains an independent and complete business system with autonomous operational capabilities, operating independently from its controlling shareholders in aspects such as assets, talent, finance, organizational structure, and business operations. This ensures the independent operation of the Board of Directors and internal institutions in compliance with laws. The controlling shareholders exercise their shareholder rights in accordance with laws and regulations. There are no instances of circumventing the Shareholders' Meeting to directly or indirectly interfere with the company's decision-making and operational management, nor any actions that harm the interests of the company or other shareholders. JOULWATT continuously reviewed, revised, and improved its governance systems and internal control frameworks in line with the company's standardized operations and capital market compliance requirements during the reporting period. The company further strengthened institutional development in key areas such as shareholder governance, related-party transaction management, prevention of fund occupation, and compliant operations. It also revised key governance documents—including the *Rules of Procedure for the Shareholders' Meeting*, the *Draft System for Preventing Major Shareholders and Their Related Parties from Occupying Company Funds*, and the *Draft Implementation Rules for the Cumulative Voting System*—to continuously enhance governance standards and risk prevention capabilities.

 **Key Performance Indicators**

In 2025, the company held a total of **6** Shareholders' Meetings, at which **32** proposals were reviewed and approved.

Directors and the Board of Directors

As of December 31, 2025, the JOULWATT Board of Directors consists of 9 directors, including 4 independent directors and 1 employee director. The number of board members and their composition comply with relevant laws, regulations, and the *Articles of Association*. The Board, as a key body for the company's operational decision-making, is accountable to the Shareholders' Meeting and convenes and holds meetings in accordance with laws and regulations. During the reporting period, the company continued to improve the institutional framework of the Board of Directors, with a focus on enhancing the standardization of its operations and the quality and efficiency of its decision-making. The *Rules of Procedure for the Board of Directors* and the *Working System for Independent Directors* were revised, and new systems were introduced, including the *Resignation Management System for Directors*, the *Compensation Management System for Directors and Senior Management*, and the *Equity Holdings and Changes Management System for Directors and Senior Management*. These measures further strengthened the institutional support and guarantee for the performance of the Board's duties.

During the same period, all directors performed their responsibilities in line with the *Rules of Procedure for the Board of Directors*, the *Working System for Independent Directors*, and other relevant regulations. They actively attended meetings of the Board of Directors and its specialized committees, and participated in Shareholders' Meetings, diligently fulfilling their duties and obligations. The company also continued to promote the development of directors' professional competence by organizing training programs for them. During the reporting period, the Directors cumulatively participated in various specialized training sessions, with a total of over 50 person-times of attendance. The training content included *Case Studies of Typical Violations and Illegal Activities by Listed*

Companies, Company Integrity and Compliance Training, and Hong Kong Stock Exchange ESG New Rules 2025 and Corporate Responses, among others. These training programs helped directors stay abreast of securities market laws, regulations, and compliance requirements, enhanced their awareness of performing duties in a standardized manner, as well as of risk management and compliance self-discipline, thus providing long-term support for the company's sound development.

Key Performance Indicators

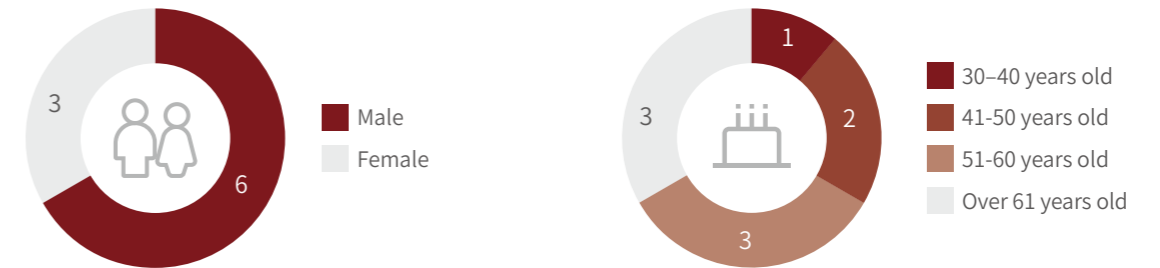
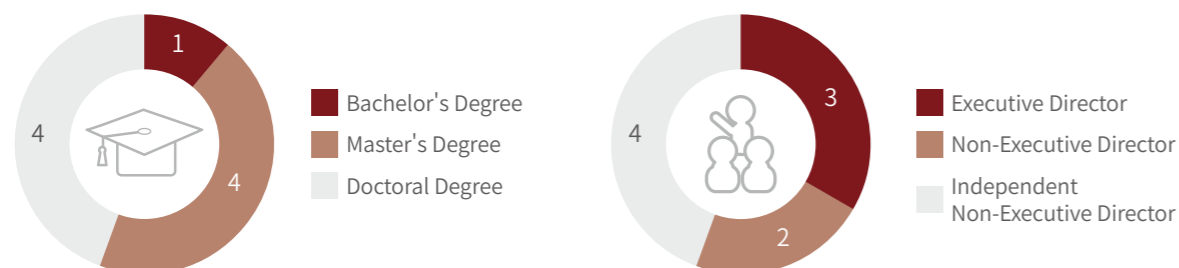
In 2025, the company held a total of **15** Board of Directors meetings, at which **79** proposals were reviewed and approved.

JOULWATT Board Structure

JOULWATT continues to optimize the structure of the Board of Directors, emphasizing the organic integration of professional expertise and diverse backgrounds. Board members possess the specialized knowledge, industry experience, and comprehensive judgment required for their roles. Drawing on practical insights from different fields, they provide support in strategic planning, operational decision-making, and risk management, further enhancing the scientific rigor, foresight, and robustness of Board decisions. This strengthens the company's ability to navigate complex market environments.

The Board runs four specialized committees: the Strategy and ESG Committee, the Nomination Committee, the Remuneration and Evaluation Committee, and the Audit Committee. During the reporting period, the company revised the implementation rules for each specialized committee, continuously improving the Board's decision-making mechanisms and promoting more standardized and efficient operations of the committees.

Each specialized committee performs its duties in strict accordance with laws, regulations, the Articles of Association, and the relevant implementation rules, carrying out its tasks in an orderly manner within the scope of authority granted by the Board. This has established a working mechanism characterized by clear division of labor, well-defined responsibilities, and effective operation, providing professional support for the company's daily management and major decision-making.



Composition of JOULWATT's Board Specialized Committees as of the Reporting Date

Specialized Committees	Members
Audit Committee	Shen Shuhao (Chair), Xia Li'an, Zou Xiaopeng
Nomination Committee	Xia Li'an (Chair), Zou Xiaopeng, Zhu Xiaoyun
Remuneration and Evaluation Committee	Zou Xiaopeng (Chair), Huang Bilang, Shen Shuhao
Strategy and ESG Committee	ZHOU XUN WEI (Chair), Huang Bilang, Fang Wei

Key Performance Indicators

In 2025, the Board specialized committees held **5** meetings for the Strategy and ESG Committee, **2** for the Nomination Committee, **5** for the Remuneration and Evaluation Committee, and **12** for the Audit Committee.

Company Management

The management team of JOULWATT possesses cross-disciplinary professional expertise, with members having substantial practical experience and industry accumulation in technology R&D, capital operations, financial management, and public affairs. Leveraging the advantages of diversified and collaborative capabilities, the management is able to coordinate the advancement of strategic planning and operational management in response to market changes, policy directions, and industry trends, thereby continuously improving the company's execution efficiency and development quality. Moreover, the management keeps a close watch on innovation-driven development and sustainability, actively promoting the company's exploration and practice in areas such as green energy and digital transformation, thus providing support for long-term, stable growth.

• Information Disclosure and Investor Communication

During the reporting period, JOULWATT continued to advance the "improve quality, increase efficiency, and emphasize returns" initiative, driving operational optimization, standardized governance, and investor returns. The company focused on enhancing operational efficiency, market competitiveness, and its image in the capital market. Adhering to a shareholder-centric approach, JOULWATT continuously strengthened its management of information disclosure, investor communication, and the transparency of sustainability-related information, further solidifying the foundation of mutual trust with the capital market.

Standardized Information Disclosure

In terms of information disclosure, the company stringently complies with laws and regulations such as the *Securities Law and the Administrative Measures for Information Disclosure by Listed Companies*. The company continuously improves its information disclosure management system to ensure that disclosed content is truthful, accurate, complete, timely, and fair, thereby safeguarding investors' right to know. In line with the company's standardized operations and capital market compliance requirements, JOULWATT has made continuous progress in developing related governance systems and confidentiality management mechanisms. Based on the *Insider Information Acquirers Registration System* and other provisions, the company has strengthened the management of insider information confidentiality and the registration of insider information acquirers. During the reporting period, there were no incidents of information leakage. The company released the *Environmental, Social, and Governance Report 2024* on schedule, further enhancing the transparency of its sustainability-related information.

Key Performance Indicators

In 2025, the company issued **4** periodic reports, **182** interim announcements and filings, and held **3** earnings briefing sessions



Smooth Investor Communication Channels

Basic Principles of JOULWATT for Investor Relations Management



In investor relations management, the company adheres to the principles of openness, transparency, and timeliness, continuously improving its regular communication mechanisms. Through diverse channels such as earnings briefing sessions, investor research visits, the Shanghai Stock Exchange e-Interaction platform, and the investor hotline, the company promptly responds to market concerns and communicates operational developments.

During the reporting period, the company responded to investor inquiries 12 times via the Shanghai Stock Exchange e-Interaction platform. It also organized various forms of investor communication activities, including earnings briefing sessions, company research visits, and brokerage strategy meetings. Cumulatively, the company received visits from institutional investors on more than 180 occasions, and proactively released 7 investor relations activity record forms. These efforts further enhanced investors' understanding of the company's operating performance, business development, strategic planning, and investment value.

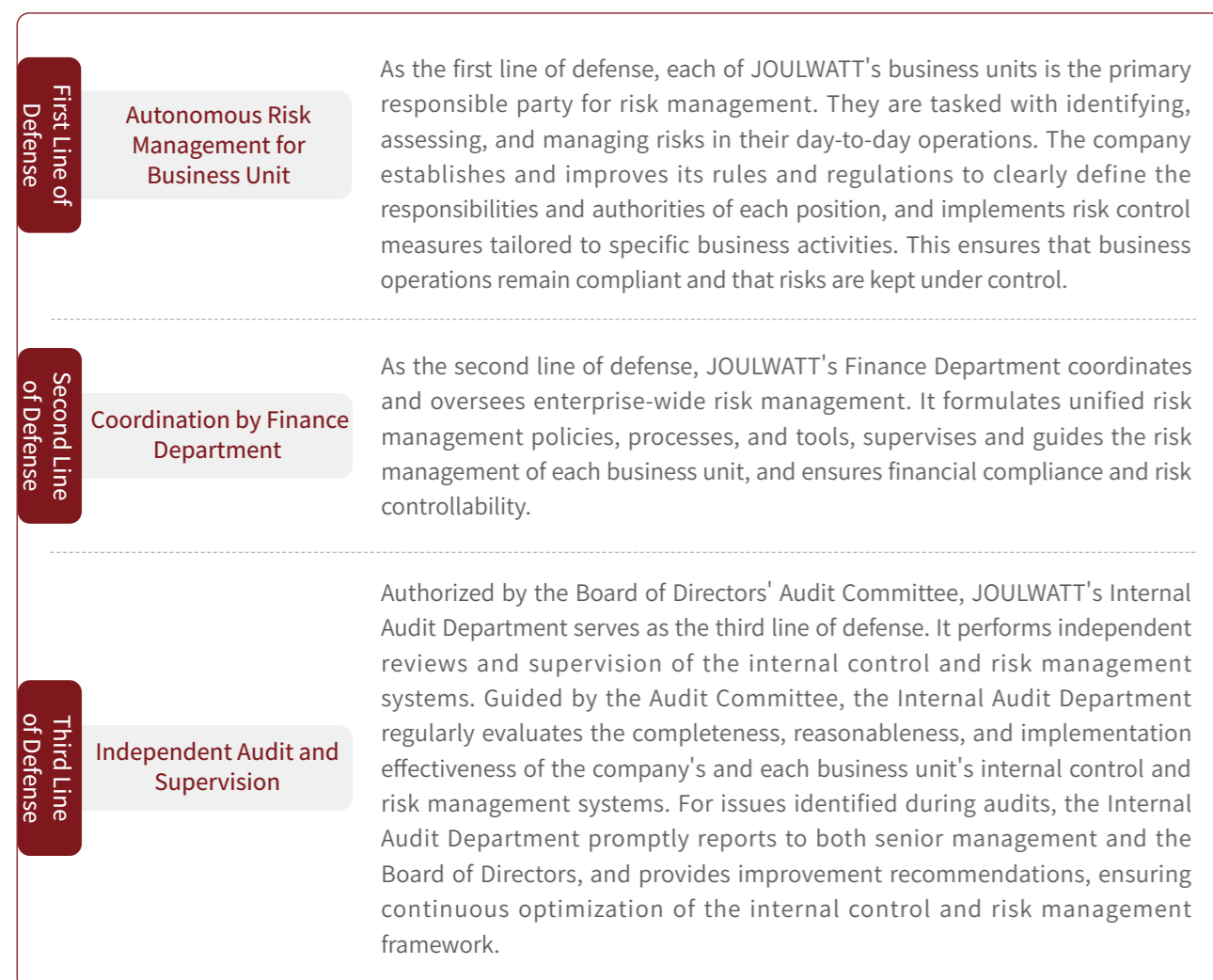
• Compliance Management

JOULWATT is committed to embedding compliance operations and risk prevention throughout the entire process of corporate governance and daily operations. The company continuously refines its compliance management system by focusing on institution building, internal control optimization, and risk management enhancement, thereby laying a solid foundation for the company's stable operations and long-term development. The company stringently adheres to relevant laws, regulations, and supervisory requirements, and, in line with its own standardized operations and capital market compliance obligations, continuously reviews and improves its governance systems, business processes, and management mechanisms. This ensures that all business activities are conducted in a lawful and compliant manner within a well-defined framework. Furthermore, the company places great emphasis on fostering a compliance culture, continuously enhancing its ability to adapt to changes in the business environment and challenges arising from business growth. This is achieved by improving the implementation of systems, strengthening management constraints, and raising employees' internal control awareness.

Internal Control and Risk Management

In terms of internal control, the company stringently complies with the *Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 - Standard Operation (Revised in December 2024)*, the Basic Standard for Internal Control of Enterprises, and other relevant laws and regulations. The company continuously refines its internal control systems and management processes, establishing a control and supervision framework that covers all key business areas. The company's Board of Directors and management attach great importance to risk management and internal control development. They conduct risk assessments in key areas such as fund management, procurement and sales, and financial accounting, clearly define the boundaries of job responsibilities and approval authority, and formulate targeted prevention and control measures. By optimizing internal control management tools, carrying out internal control audits, and implementing special inspections, the company promptly identifies and rectifies potential risk points. This continuously enhances the effectiveness and enforceability of the internal control system, building a solid risk defense line for the company's stable operations.

JOULWATT's Three Lines of Defense for Enterprise Risk Management

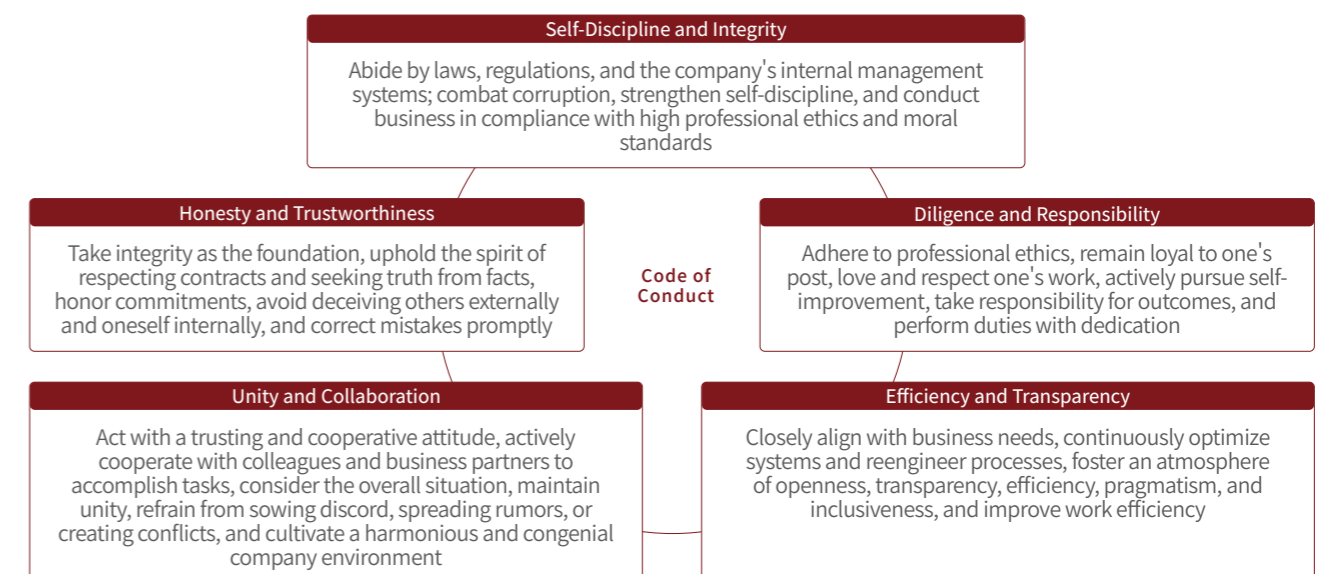


During the reporting period, the company continued to advance institutional development and internal control enhancements. In line with the Shanghai Stock Exchange STAR Market's requirements for standardized operations, the company systematically reviewed and revised its governance systems, making adaptive adjustments to key documents such as the Articles of Association, the *Rules of Procedure for Shareholders' Meetings*, and the *Related-Party Transaction Management System*. In addition, the company formulated the *Internal Control Management Rules for Related-Party Transactions*, the *Securities Investment and Financial Derivatives Trading Management System*, and the *External Financial Assistance Management System*. The company also revised the Monetary Funds Management System and the Post-Investment Management Rules for Equity Investees, among other systems. These measures further improved the company's governance structure and internal management mechanisms, continuously enhancing the level of standardized operations and risk control capabilities.

Integrity, Compliance, and Business Ethics

JOULWATT upholds integrity, honesty, and compliance as the fundamental bottom line of its operations, continuously improving its anti-corruption and business ethics management mechanisms to maintain the highest standards of integrity and compliance in all business activities. The company is committed to building a comprehensive anti-corruption management system and has formulated policy documents such as the Employee Integrity and Cleanliness System. It requires all newly recruited employees to sign the Commitment Letter on Employee Integrity and Cleanliness. Through a risk assessment mechanism, the company systematically identifies and manages integrity-related risks, ensuring that ethical conduct is effectively monitored and controlled. Furthermore, the company embeds the requirements of integrity and honesty into its employee code of conduct, mandating that all employees adhere to the principles of "self-discipline and integrity, honesty and trustworthiness, diligence and responsibility, teamwork, and efficiency and transparency." In commercial activities, the company upholds the "Six Nos and One Commitment" principle: No collusion; no bribery; no gifts; no cutting corners; no falsification; no commercial fraud; uphold commitments. This ongoing commitment further consolidates the foundation of compliant operations.

JOULWATT Incorporates Integrity Requirements into Its Employee Code of Conduct



In terms of system implementation, the company has established a relatively comprehensive implementation and supervision mechanism around key risk areas. Following the *Employee Integrity and Cleanliness System*, the company organizes annual self-inspection for talent in core and related positions, who are required to sign the *Integrity and Cleanliness Self-Examination Form*. All employees sign the Commitment Letter on Employee Integrity and Cleanliness upon joining, and the Human Resources Department provides explanations and guidance on its contents. The company has also established a "Cleanliness Management Ledger" to record and update integrity-related incidents. For gifts, cash, gift cards, securities, and other items valued at RMB 300 or above that cannot be declined for various reasons, employees are required to report them to the Administration Department and complete a handover registration. This ensures closed-loop processes, consistency between records and physical items, and traceable procedures. For any conduct violating the system requirements, the company will hold the responsible parties accountable based on the established rules. In serious cases, employment may be terminated, and, depending on the circumstances, the matter may be referred to judicial authorities for further action.

Key Performance Indicators

All new employee training at JOULWATT includes the *Employee Integrity and Compliance* course and examination. In 2025, a total of **7** sessions were organized, with **469** person-times of participation



On the level of system optimization, the company continuously focuses on aligning and adapting its internal systems to meet external collaboration requirements. For any specific integrity and compliance requirements proposed by clients in contracts or agreements, the company initiates the *External Requirement Review Procedure* in conjunction with its internal management mechanisms. This ensures that such requirements are effectively identified, communicated, and implemented, and that the review outcomes are used to refine existing systems and management processes. These efforts continuously enhance the targeted nature and adaptability of the company's integrity and compliance management.

In terms of supervision and culture-building, the company strengthens integrity governance through a combination of internal audit, whistleblower mechanisms, training and communication, and IT-based tools. The Internal Audit Department receives complaints or reports from both the public and internal staff regarding employee violations, and carries out examinations and investigations based on the information provided. The company also publishes its supervision hotline and whistleblower email on its official website, offering feedback channels for employees and other stakeholders. Moreover, the company incorporates employee integrity and cleanliness into the mandatory curriculum of new employee training. The company continuously reinforces staff awareness of integrity and legal compliance by permanently displaying key policy documents on the OA system, conducting integrity and cleanliness management training, and organizing Party conduct and clean governance-themed training sessions.

Key Performance Indicators

JOULWATT delivered an online Employee Integrity and Cleanliness course to employees and arranged a corresponding integrity exam, achieving **1,369** completions with a **100%** pass rate.



To further enhance process transparency, the company successively introduced business software such as ERP, PLM, CRM, EHR, and OA, enabling fully online approvals for the entire chain from qualification onboarding to contract execution for customer, distributor, and supplier management. In terms of partnership management, the company requires suppliers to sign the Statement of Adherence to the Code of Conduct, and includes explicit anti-commercial bribery clauses in both the Agency Processing Agreement and the Distributor Agreement, continuously extending integrity requirements to the supply chain and business partners.



All JOULWATT suppliers must sign the *Statement of Adherence to the Code of Conduct*



The *Agency Processing Agreement* with cooperating suppliers includes a clear anti-commercial bribery clause



The *Distributor Agreement* with cooperating distributors includes a clear anti-commercial bribery clause

Supervision and Whistleblowing Hotline
0571-89807321 Ext. 807

Supervision and Whistleblowing Email
compliance@Joulwatt.com

• Digital Operations, Information Security, and Data Protection

JOULWATT continues to advance the construction of its digital management system, establishing ERP, CRM, PLM, OA, and BI platforms to cover key areas such as R&D, procurement, sales, supply chain, finance, and internal collaboration. This drives process standardization, efficient business synergy, and data-driven business analysis. These systems support application scenarios including resource coordination, customer management, product lifecycle management, process approval, and business analysis, effectively improving the company's operational synergy, risk control, and the efficiency of business analysis.

● **ERP System:** Enhances resource coordination and supply chain collaboration efficiency

● **CRM System:** Strengthens customer management and service support capabilities

● **PLM System:** Enables full lifecycle digital management of products

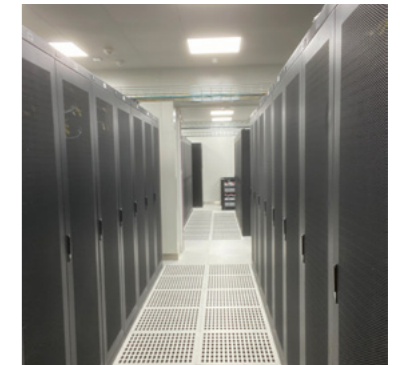
● **OA System:** Promotes process synergy and improves organizational efficiency

● **BI System:** Supports business analysis and data-driven decision-making

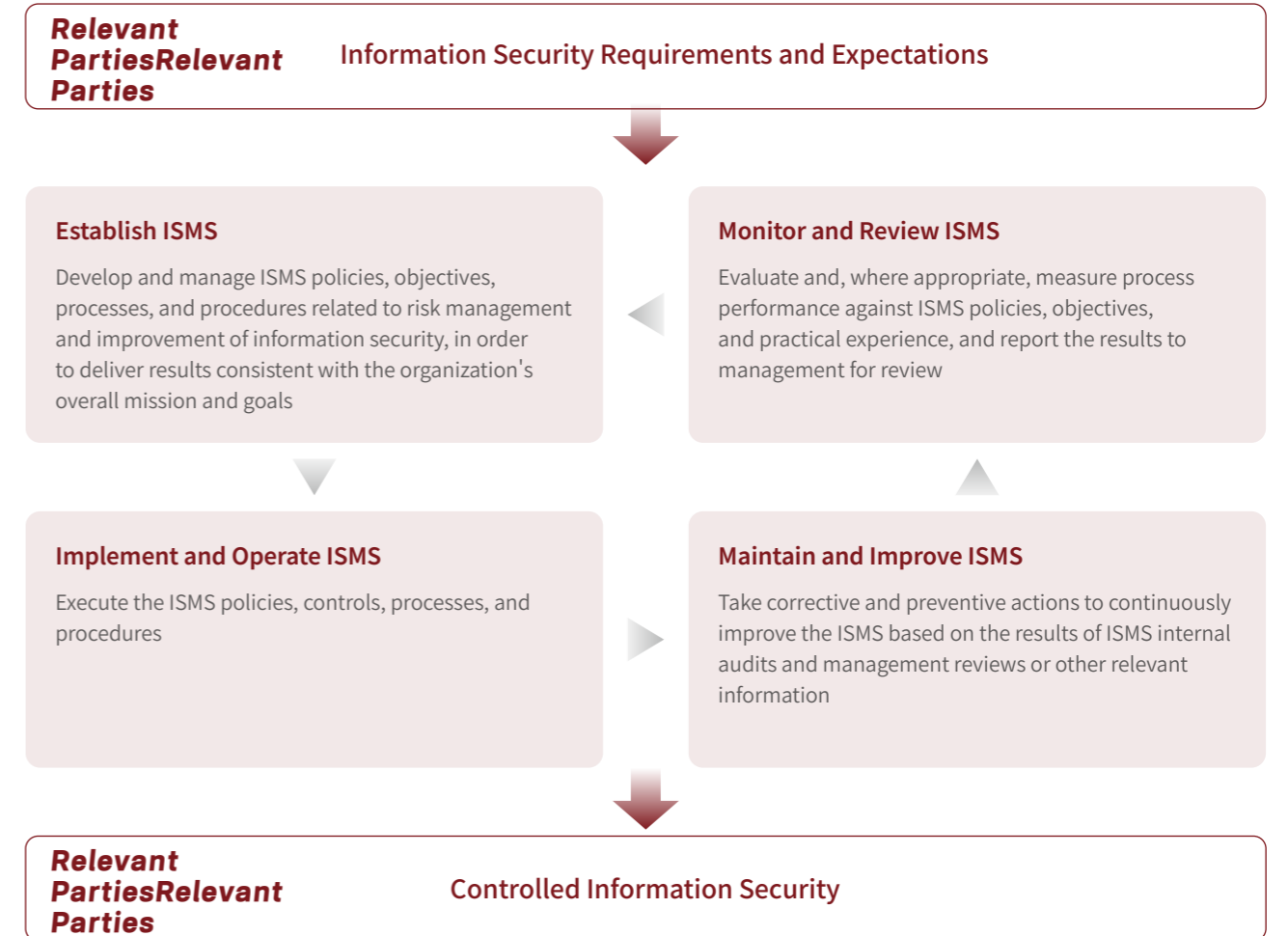
JOULWATT places high importance on information security and data privacy protection, treating them as essential components of corporate governance, stable operations, and business continuity management. Given the company's business model, JOULWATT primarily collects, stores, and processes business data and transaction data related to its operations. This includes transaction information between the company and its customers, suppliers, and other relevant parties. As the company's upstream partners are mainly wafer foundries and packaging & testing service providers, and downstream partners are primarily distributors and direct sales customers, the transaction counterparties are predominantly corporate clients. Therefore, the company generally does not engage in direct business with individual consumers, nor does it typically collect personal customer information or conduct cross-border transfers of personal data. Based on this, the company continuously improves its management mechanisms focusing on the confidentiality, integrity, and availability of data. The company controls over data maintenance, storage, transmission, sharing, and usage, preventing risks such as data leakage, loss, and unauthorized access, thereby safeguarding sensitive information and ensuring the stable operation of all business activities.

In terms of management system development, the company has established and implemented an Information Security Management System (ISMS) in line with the ISO/IEC 27001 standard. This has formed an information security governance structure led by the General Manager, driven by the IT Department, and supported collaboratively by multiple departments. The company has also developed information security policies including the Information Security Management Manual, the Computer Password Management Procedure, and the Network Security Management Procedure, which regulate the classification and grading of information assets, account permission control, network and endpoint security, backup and recovery, and emergency response. JOULWATT adopts the PDCA (Plan-Do-Check-Act) continuous improvement model as a key method for information security management. Following a risk management philosophy, the company emphasizes process control, ensuring that resources,

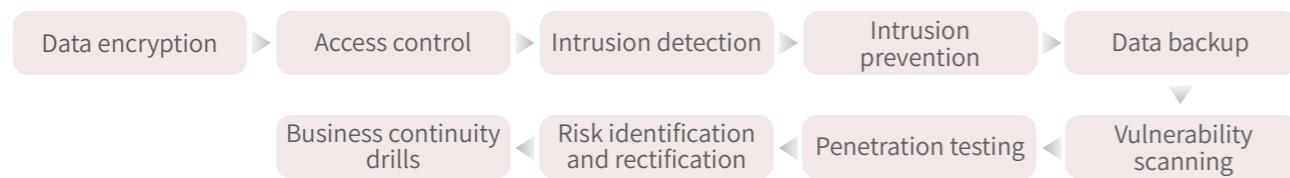
technologies, and administrative measures related to information security remain under controlled conditions. Through institutionalization, process orientation, and continuous improvement, the company steadily enhances the systematic and effective nature of its information security management. In addition, the company has established clear norms for data usage, storage, and sharing, stringently granting data access permissions against employees' job responsibilities. This ensures that only appropriately authorized staff can access and use sensitive information within the scope necessary for their duties.



The company continues to improve its information security technical safeguard system by implementing secure data storage practices, stringent data encryption measures, prudent transmission management policies, and a systematic data backup management mechanism. Firewalls have been deployed, and information system protection capabilities have been enhanced through measures such as data encryption, access control, intrusion detection, and intrusion prevention. Regular vulnerability scanning, penetration testing, and business continuity drills are performed to promptly identify and rectify potential risks. A robust information backup management system has been established, with clearly defined principles, procedures, and mechanisms for data recovery. Data is stored both locally and remotely, with at least one full backup performed daily, increasing the company's ability to restore data and maintain business continuity in the event of technical failures, natural disasters, or other unexpected disruptions.



Routine Information System Protection Measures



In terms of system implementation and talent management, the company simultaneously strengthens confidentiality obligations, training and communication, and constraints on partners. The company requires employees to sign confidentiality agreements upon joining, stringently prohibiting the unauthorized disclosure of any confidential information. The company continuously improves employees' information security awareness and operational skills through diversified training and practical activities. In its cooperation with suppliers, confidentiality and information security responsibilities are clearly stipulated in contractual clauses, reinforcing information protection requirements throughout the supply chain.

Through the establishment of management systems, permission management, technical safeguards, backup and recovery, ongoing drills, and talent controls, JOULWATT continuously enhances its capabilities in information security and privacy protection. During the reporting period, the company experienced no incidents of customer confidential information leakage, nor did it encounter any other information-related events that had a material adverse effect on its business, financial condition, or operating results.

• Party Building Leadership and Organizational Development

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, JOULWATT thoroughly studies and implements the spirit of the 20th CPC National Congress and the Second and Third Plenary Sessions of the 20th CPC Central Committee. The company earnestly applies the general requirements for Party building in the new era, closely aligns with the relevant deployment and requirements of Zhejiang Province and Hangzhou Municipality, and continuously improves the quality of Party building and organizational effectiveness. This ensures that high-quality

Party building leads the company's high-quality development, providing a strong political guarantee for stable operations and innovation.

In ideological education, the company has established a regular learning mechanism, integrating theoretical study with business management and job practice, to ensure that the Party's innovative theories are internalized and produce tangible results. Through various formats—including thematic study sessions, group discussions,



Party Building Wall of JOULWATT

case sharing, and professional training—the company continuously improves the political literacy, theoretical knowledge, and job performance of Party members and cadres, encouraging them to take initiative and responsibility in their respective roles. Furthermore, the company leverages the fortress role of Party organizations and the vanguard and exemplary role of Party members. By linking key positions, priority tasks, and real operational needs, the company deepens initiatives such as the creation of "Party Member Pioneer Posts", encouraging Party members to demonstrate their identity, serve as role models, and lead the way in technological breakthroughs, business management, and service support. This effectively transforms learning achievements into concrete outcomes driving the company's growth.

When studying and implementing the spirit of important meetings, the company combines centralized learning with self-directed study, using Party organization meetings, thematic study sessions, and other platforms to systematically carry out the learning and communication of relevant principles. Party members are encouraged to share their learning insights in relation to their job responsibilities and actual work, continuously strengthening political identification, ideological identification, and action consciousness, and promoting the alignment and mutual reinforcement of Party building and corporate development.



JOULWATT's Team Building Activities on Party Day



Exchange Activities among Party Branches



Basketball Match for JOULWATT's Party Day



03

Innovation Builds the Core:

R&D, Quality, and Intellectual Property

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As a strategically important industry supported and encouraged by China, the integrated circuit sector is a key foundation for driving scientific and technological innovation and industrial upgrading. JOULWATT upholds its mission: "to deliver innovative, efficient, and reliable analog semiconductor solutions, continuously creating maximum value for our customers." The company regards R&D and innovation as the key driver of its sustained growth and the advancement of the industry, consistently increasing R&D investment. The company continuously strengthens its technical capabilities in processes, design, and system definition, advancing toward its vision: "to be present in every electronic device and become a leading player in the analog integrated circuit industry."

• Continuously Advancing R&D Innovation

Since its founding, JOULWATT has adhered to a technology path of "innovation-driven, independent R&D," forming a complete R&D and technology system covering processes, IC design, and system definition. Centered on the virtual IDM model, the company has progressively developed a research system spanning process, integrated circuit design, and system definition. Guided by the development policy of "produce one generation, research one generation, develop one generation, and reserve one generation," the company has improved the end-to-end R&D process—from market demand identification, feasibility analysis, and project initiation, to process development, circuit design, analog optimization, layout design, tape-out verification, and mass production evaluation.



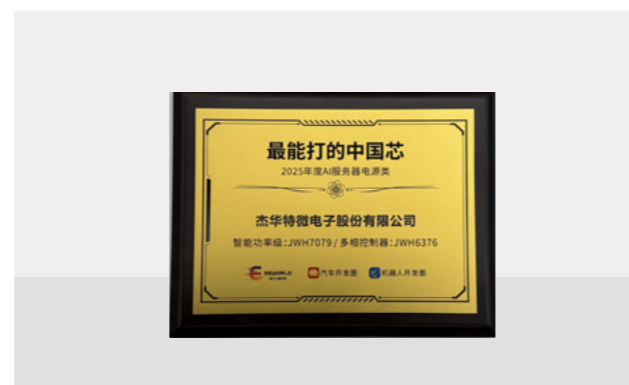
JOULWATT was selected for inclusion in the *2025 China Automotive Chip Supply Handbook*



JOULWATT was honored with the *Industry Excellence Award for Intelligent Computing Power Supply Solutions* by 21dianyuan.com



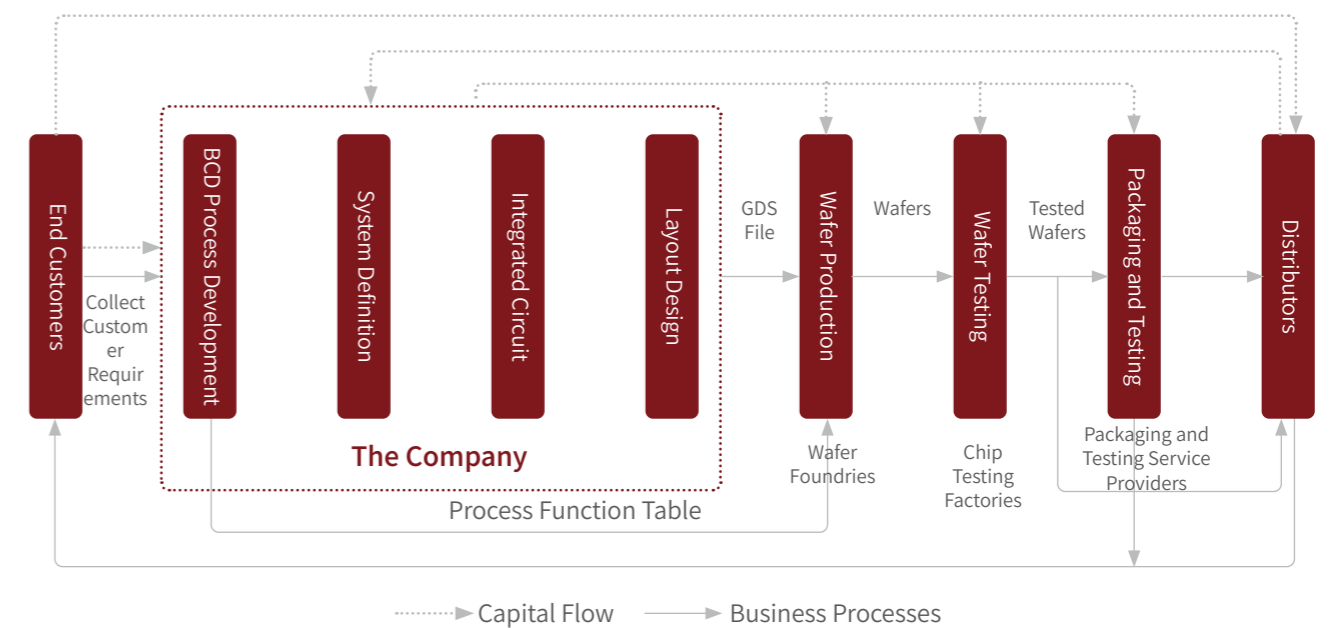
JOULWATT was awarded the title of *Innovative Application Enterprise* by FCA



JOULWATT received the *2025 Most Competitive Chinese Chips award* in the "AI Server Power Supply" category, presented by EEWORLD

The company has formulated the Integrated Product Development Process, which systematically standardizes each stage of R&D to ensure the systematic, consistent, and traceable nature of R&D activities. By maintaining close collaboration with wafer foundries, packaging and testing factories, and downstream application manufacturers, the company continuously improves product development efficiency, quality, and market responsiveness.

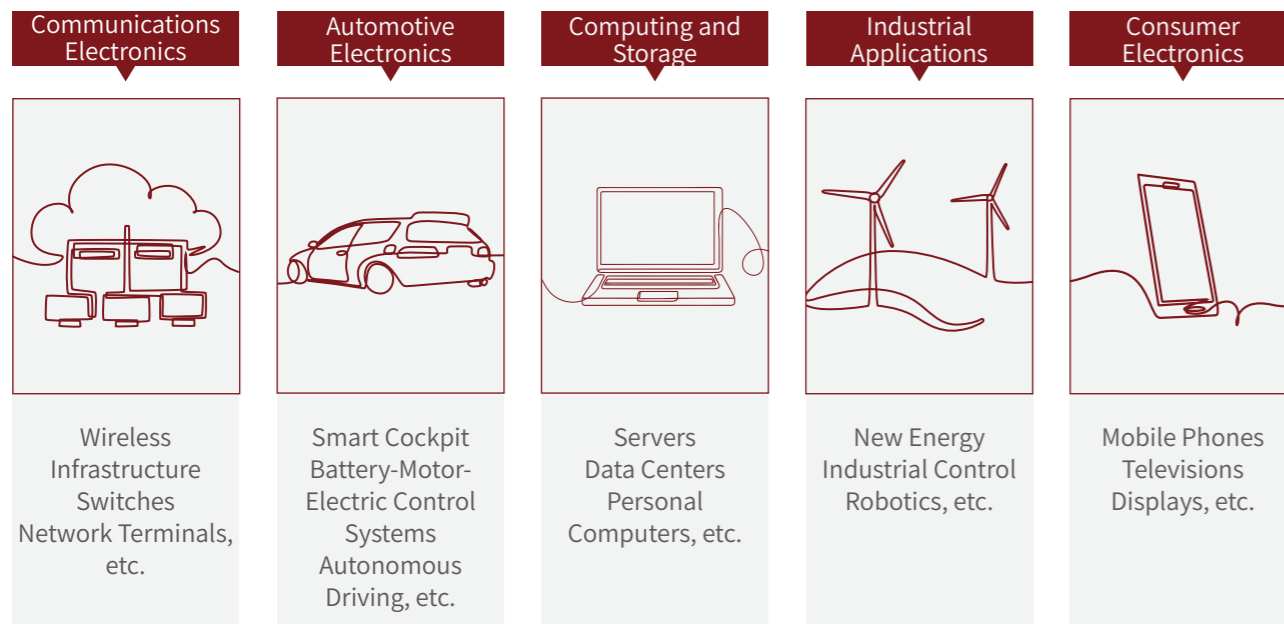
JOULWATT Virtual IDM Business Model



In the area of process R&D, JOULWATT relies on the Virtual IDM model to continuously advance the development of its proprietary BCD process platform, breaking away from the traditional fabless model's dependence on generic process platforms. The company works closely with major domestic wafer foundries for targeted process R&D based on product requirements, so that manufacturing process capabilities are aligned with the need for integrated circuit development. This enables higher performance and greater cost-effectiveness. The company has established three major process platforms: 0.18-micron, 7–55V medium- and low-voltage BCD process (with certain voltage segments extended to 90nm); 0.18-micron, 10–200V high-voltage BCD process; and 0.35-micron, 10–700V ultra-high-voltage BCD process. The company's BCD process platforms consist of component libraries, technical standards, and Process Design Kits (PDKs), which provide a standardized, integrated, and reusable technical foundation for the repeated development and manufacture of various types of integrated circuit products. This enables the company to sustain its technical strength and support the development of multiple categories of differentiated products.

In terms of products and design capabilities, leveraging strong integrated circuit design and system definition capabilities, the company continues to expand its product matrix and optimize application adaptation. The company's core R&D team has long been deeply engaged in the analog integrated circuit (IC) domain, carrying out system definition based on downstream application requirements. By collecting market demand, evaluating product feasibility, and formulating detailed product specifications, the team optimizes system architecture and key parameters based on specific application scenarios—achieving high-efficiency integration between IC products and downstream application systems.

Through its one-stop full product line strategy, the company has continuously refined its product portfolio, establishing a relatively comprehensive analog chip layout. The company has built strong technical barriers and market competitiveness in product areas such as DC-DC chips, multiphase controllers and DrMOS, and AC-DC chips. During the reporting period, JOULWATT and its subsidiaries offered over 3,700 integrated circuit (IC) product models for sale. These products cover a wide range of areas, including communications, consumer electronics, industrial applications, AI, computing and storage, automotive electronics, and new energy.

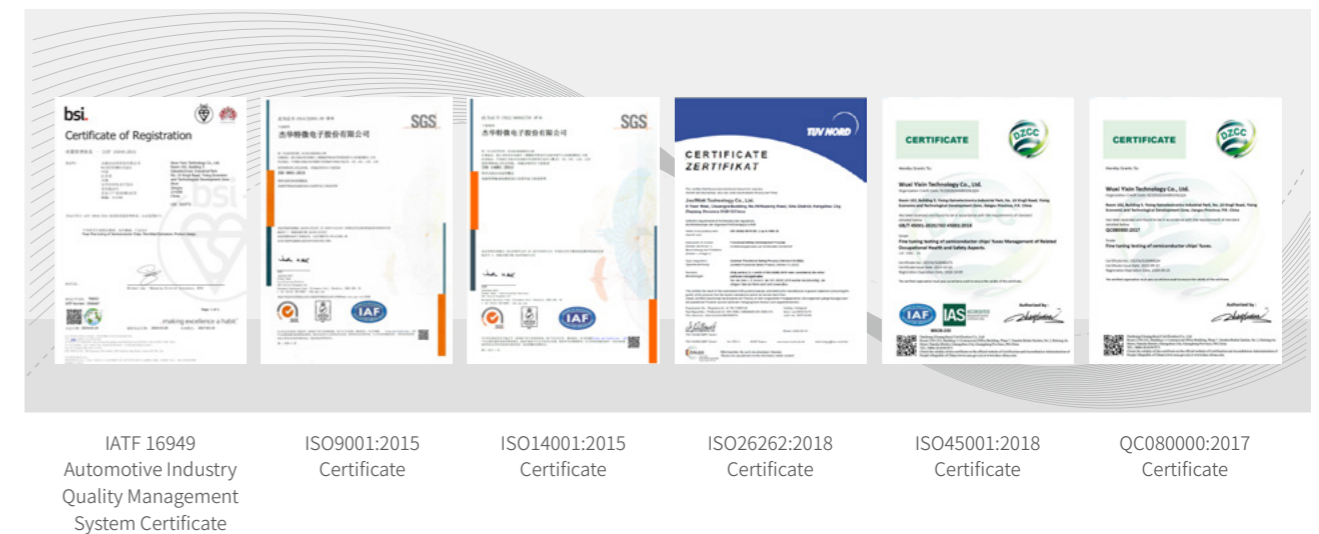


• Ongoing Quality Management Improvement

JOULWATT has always regarded quality management as a fundamental basis for ensuring customer satisfaction, improving operational efficiency, and supporting long-term development. The company integrates the quality concept into its corporate culture, mission, values, and the entire process of business management. The company continuously improves its quality management system covering R&D design, supply chain collaboration, manufacturing, testing and verification, and customer service, extending quality management from outcome control to whole-process prevention, control, and continuous improvement. To meet customers' requirements for high quality and high reliability products, the company has established an experienced quality control team that implements systematic control over product design, production, testing, and operational management. It continuously optimizes quality assurance mechanisms and management processes to ensure stable product performance across diverse application scenarios.

The company has passed the following certifications: IATF 16949 Automotive Industry Quality Management System Certification; ISO9001 Quality Management System Certification; ISO14001 Environmental Management System Certification; ISO45001 Occupational Health and Safety Management System Certification; ISO26262 ASIL-D Functional Safety Certification; and IECQ QC 080000 Hazardous Substance Process Management System Certification, among others.

JOULWATT Quality and Environmental Certifications



Relying on rigorous quality control measures, the company's products maintain a high level of stability across different application environments. The customer application failure rate is lower than the industry average, and this strong quality performance supports the company in developing high-quality customers, intensifying customer collaboration, and enhancing market competitiveness.

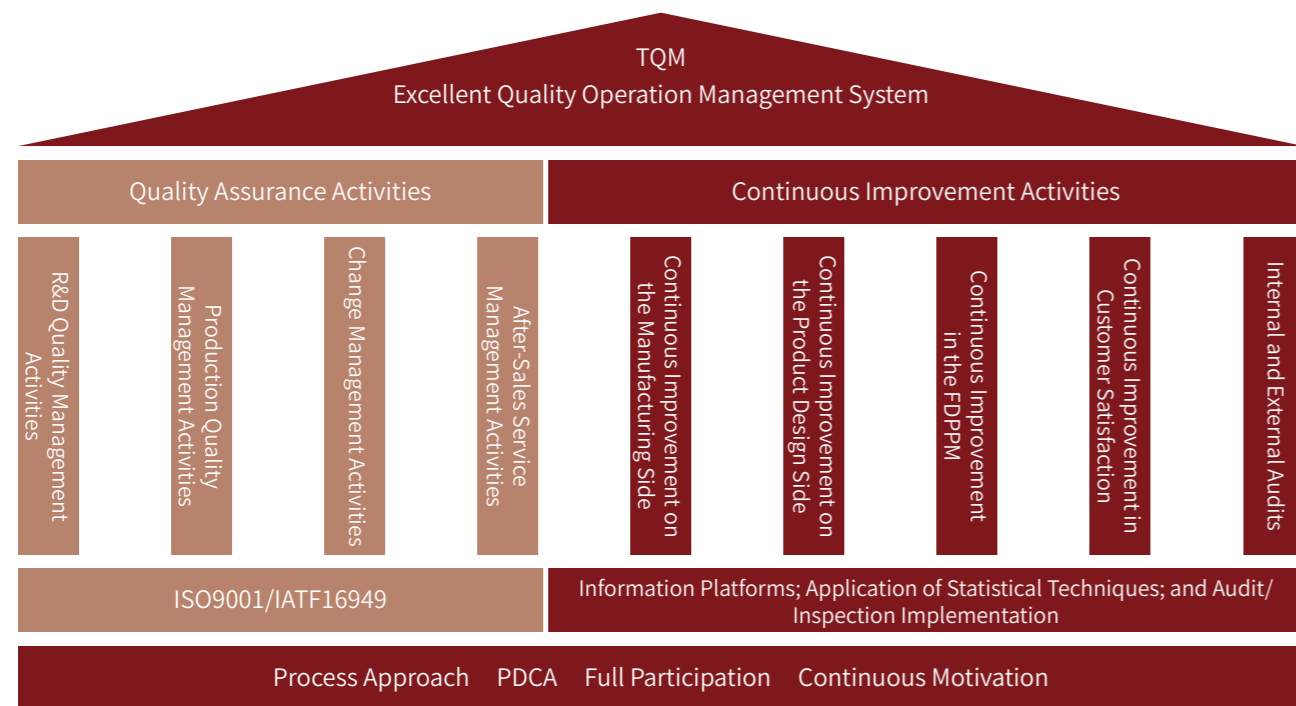
JOULWATT Quality Policy

JOULWATT commits to continuously delivering to its customers exceptional performance, reliable quality, superior service, and superiorities to expectations



Guided by the Quality Policy, the company has established a dynamic management mechanism covering the entire product life cycle in quality management practice, centered on two dimensions, i.e., quality assurance and continuous improvement. In terms of quality assurance, the company drives the effective implementation of key quality milestones through measures such as standardized R&D and design, collaborative supply chain control, traceability of the manufacturing process, and change management. In terms of continuous improvement, oriented by customer needs, the company uses an intelligent quality data platform to monitor and analyze on-site defect rates and customer satisfaction; this promotes coordinated optimization between the design and manufacturing stages, forming a closed-loop management system of "prevention - control - improvement", thereby continuously raising product yield, customer satisfaction, and overall quality management standards.

JOULWATT Quality Operation Management System



• Technology Ethics and Responsible Innovation

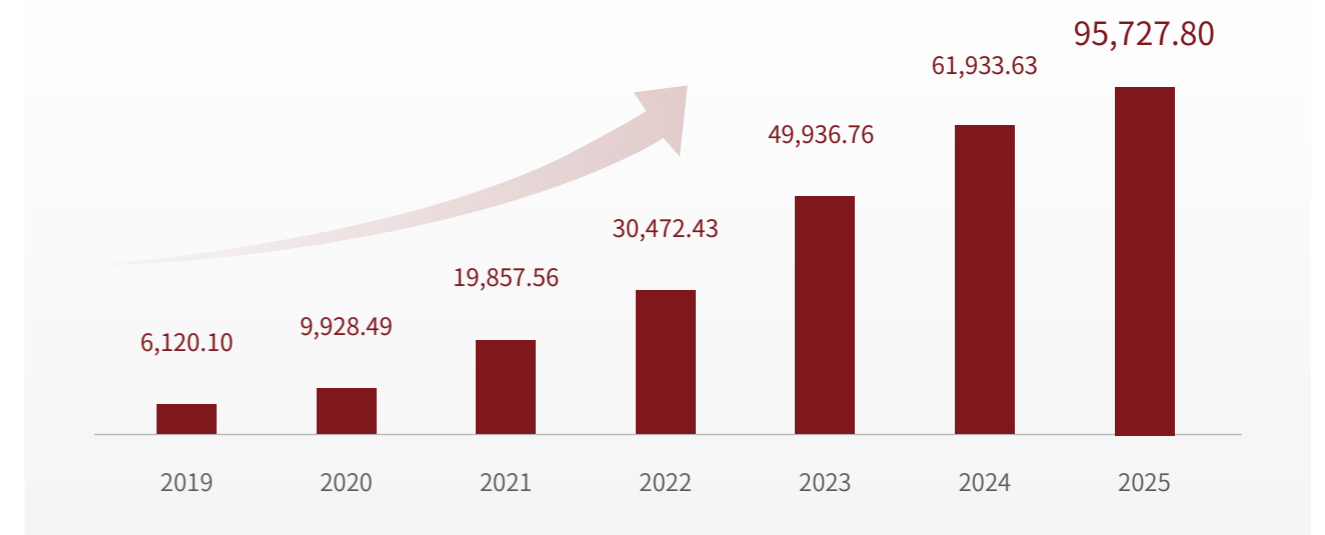
JOULWATT adheres to prudent and sound R&D and business principles, integrating technology ethics requirements into the entire process of technological innovation and product application. The company places great emphasis on the safety, compliance, transparency, and privacy protection of technology development and its application. Throughout product design, R&D, testing, and application support, the company stringently complies with relevant laws, regulations, regulatory requirements, and industry standards. The company continuously strengthens the identification, assessment, and control of risks associated with technology application, ensuring that related technologies and product developments meet both compliance and ethical requirements.

The company is committed to advancing technology R&D and application with a responsible attitude, paying close attention to the impact of potential ethical risks on customers, partners, and business operations. By improving internal management mechanisms, strengthening cross-departmental collaboration, and maintaining ongoing communication, the company continuously enhances its technology ethics risk management capabilities. In future product development and application, the company will remain focused on safety, compliance, and potential ethical risks, while emphasizing the balanced integration of technological innovation and regulated application.

• Improving Technological Innovation Mechanisms

JOULWATT continues to refine its independent R&D-centered technological innovation mechanism, consistently strengthening the R&D foundation in processes, integrated circuit design, and system definition. The company maintains long-term R&D investment, continuously drives the iterative upgrade of its BCD process platform, and expands the product portfolio of power management chips and signal chain chips in line with market demand. Moreover, the company builds a professional talent pool by combining internal cultivation with external recruitment, and continuously intensifies collaboration with institutions of higher education and external innovation resources. This approach drives the coordinated development of technology R&D, talent development, and the commercialization of research outcomes.

R&D Expenditure (Unit: RMB ten thousand)



The company places high importance on building a strong talent pool, continuously forming a professional team that spans the entire semiconductor industry chain by combining internal cultivation with external recruitment. During the reporting period, the company had 1,202 R&D professionals, accounting for 60.98% of the total workforce, of which over 97.09% held a bachelor's degree or higher. The core R&D team possesses educational backgrounds from renowned domestic and international institutions of higher education, as well as professional experience at leading global analog integrated circuit companies. They hold accumulated extensive expertise in power management chips, signal chain chips, process R&D, and integrated circuit design. In addition, the company's sales, operations, and quality control teams also possess relevant semiconductor education and industry experience, creating an efficient collaboration network extending from product development and production operations to market application. The company also continuously stimulates employees' innovation vitality and strengthens technical security through a range of arrangements, including performance bonuses, employee stock ownership plans, training systems, career development pathways, as well as non-disclosure agreements, non-compete agreements, and the information wall system.

In terms of industry-academia-research-application collaboration and technical exchange, the company deepens its cooperation with institutions of higher education and external innovation resources, promoting the coordinated development of technological innovation and talent cultivation. During the reporting period, the company donated RMB 30,000 to the Zhejiang University Education Foundation for the purpose of funding the "JOULWATT Prize for the School of Electronics" administered by the Foundation. The company has signed strategic cooperation agreements with the ZJU-Hangzhou Global Scientific and Technological Innovation Center and the School of Integrated Circuits, Zhejiang University, working together on key core technology breakthroughs, research platform development, talent matching, and the commercialization of scientific and technological achievements. Additionally, by participating in industry associations, forums and exhibitions, expert exchanges, and specialized training programs, the company keeps abreast of technological iterations, market demands, and industry trends. This enhances R&D reserves and product competitiveness, while further strengthening the company's product layout and solution capabilities in key application areas.



Case | JOULWATT's Automotive-Grade Products Selected Again for the Reliability Grading Directory of Domestic Automotive-Grade Chips (2025)

In May 2025, the 12th Automotive Electronics Innovation Conference & Automotive Chip Industry Ecosystem Development Forum (AEIF 2025) was held in Shanghai, jointly organized by the China Integrated Circuit Design Innovation Alliance, the China Automotive Chip Industry Innovation Strategic Alliance, and the Shanghai Society of Automotive Engineers. During the conference, the Reliability Grading Directory of Domestic Automotive-Grade Chips (2025) was officially released. JOULWATT had 5 automotive-grade chips included in the directory: JWQ5103, JWQ5156, JWQ52993, JWQ7065, and JWQ71845HSSDA.

This marks the second consecutive year that JOULWATT has been listed in the Reliability Grading Directory of Domestic Automotive-Grade Chips, reflecting the company's continued investment in the automotive-grade chip segment and its high level of product reliability. These achievements not only reflect the company's long-term accumulation in the automotive electronics sector, but also provide strong support for further deepening automotive-grade product R&D and expanding automotive application scenarios.



Case | JOULWATT Makes Its Debut at ICAC 2025, Deepening Industry-Academia Exchange and Technical Mutual Learning

JOULWATT has always placed great importance on cultivating innovative talent and fostering industry-academia collaboration. In March 2025, the 7th International Conference of Academicians on ASIC Design (ICAC 2025) was held in Futian, Shenzhen. JOULWATT participated for the first time as an invited enterprise. The ICAC serves as a high-level technical exchange platform connecting academia and industry in China's integrated circuit design sector. Through open discussions, experience sharing, and cooperative dialogue, it drives technological progress and innovation-driven development.

As a first-time invited participant at ICAC 2025, JOULWATT attached great importance to the event, sending several R&D engineers to attend. They engaged in in-depth exchanges with university faculty and students, as well as industry experts, on topics such as chip design technology, industry development trends, and innovation directions. Through close interaction with young talent from academic institutions and in-depth communication with industry experts, the company further broadened its understanding of cutting-edge technologies and future trends, while gathering valuable experience for subsequent talent exchange and technical collaboration.



In terms of product strategy, the company adheres to a one-stop product development approach, continuously optimizing its product portfolio through sustained R&D investment and the exploration of strategic cooperation, investment, and M&A opportunities. This enhances product synergy and market penetration capabilities. The company is advancing product development and technology deployment in key areas such as automotive electronics, computing, robotics, AR/VR, and new energy. It is accelerating the development of high-performance multiphase controllers and DrMOS, high-efficiency high-current DC-DC converters, PMUs, highly integrated SBCs, high-precision sensors, high-speed data connectivity, and high-speed, high-precision data converters. These efforts continuously enhance the company's solution capabilities for emerging markets, providing sustained momentum for high-quality development.

• Intellectual Property Management and Protection

JOULWATT remains committed to independent R&D, continuously building its innovation base around core analog chip technologies and establishing a relatively comprehensive intellectual property (IP) portfolio and management system. All of the company's core technologies are independently owned with clear rights, and are protected through a systematic approach encompassing patents, copyrights, trademarks, domain names, know-how, and trade secrets. The company stringently complies with laws, regulations, and standards such as the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and the Enterprise Intellectual Property Management Standard. The company has established an intellectual property management system that includes documents such as the Intellectual Property Management Workbook, the Intellectual Property Management System Policy Documents, and the Intellectual Property Management System Control Procedure Documents. The company passed certification to the Enterprise Intellectual Property Management Standard in 2018 and continues to optimize the system and improve management practices. A dedicated Intellectual Property Management Department has been set up to coordinate patent filing, searching, analysis, rights protection, trademark management, integrated circuit layout design registration, and intellectual property customs recordal. The company also allocates special funds and implements a reward mechanism to encourage employees to actively participate in technological innovation and patent applications, thereby continuously enhancing the efficiency of intellectual property management and the vitality of innovation.

During the reporting period, JOULWATT and its holding subsidiaries filed a total of 255 patent applications, including 232 invention patents; 170 patents were granted, of which 134 were invention patents. The trademark **JOULWATT** declared by JOULWATT has been included in the Key Protected Trademarks List of Zhejiang Province. All of the company's core technologies are proprietary, with clear ownership, and are protected primarily through patents, copyrights, trademarks, trade secret measures, and confidentiality agreements signed with customers, suppliers, employees, and partners. In terms of online management, the company continuously optimizes its patent management system, enabling full-process online handling of patent filing proposals, applications, searches, and subsequent maintenance, while reducing the risk of document leakage through traceable records and access control. Furthermore, the company's Legal Department has conducted training sessions on patent technology disclosure and mining for R&D, market application, technology development, and relevant subsidiaries, continuously enhancing the ability to convert and protect patent achievements.

During industrial collaboration, the company also places great emphasis on protecting core technologies and trade secrets. During production cooperation with wafer foundries, the company retains ownership of the core intellectual property related to device design, and stringently keeps technical information confidential; the foundry only receives the basic process data necessary for production, and has no access to complete proprietary design files. The company also signs confidentiality agreements with the foundry to ensure the security of its core technologies. During the reporting period, the company did not experience any intellectual property infringement threats or pending disputes that could have a material adverse impact on its business. By improving the IP management system and strengthening the protection and process control of outcomes, JOULWATT has further enhanced the protection and application management of its technological innovation achievements.



JOULWATT's Certificate of Intellectual Property Compliance Management System



An Intellectual Property Demonstration Enterprise in Zhejiang Province



JOULWATT Patent Management System



04

Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations

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• Building a Responsible Supply Chain

JOULWATT consistently regards supply chain stability, compliance, and collaborative efficiency as fundamental to ensuring product delivery and supporting business growth. The company continues to improve its supply chain management mechanisms, promoting the joint development of a robust, transparent, and sustainable cooperative ecosystem with its partners. As an analog integrated circuit design enterprise operating under a virtual IDM model, the company focuses on chip R&D and design, while collaborating with wafer fabs, packaging and testing factories, and other partners to complete the manufacturing process. On this basis, the company continuously strengthens collaborative management of critical segments, enhances supply assurance, operational resilience, and supply efficiency, and deepens cooperation with high-quality suppliers and advances centralized procurement, thereby laying a solid foundation for long-term stable operations.

Supplier Onboarding and Management

JOULWATT has established a relatively systematic supplier management system and processes, covering the selection, onboarding, auditing, production management, and performance evaluation of suppliers and outsourcing partners. Following regulations such as the Supplier/Outsourcing Partner Management Guidelines and the Supplier/Outsourcing Partner Selection and Qualification Process, the company conducts comprehensive assessments of potential suppliers, covering qualifications, technical capabilities, quality and environmental management systems, cost, production capacity, and willingness to collaborate. Requirements related to confidentiality, environmental management, code of conduct, business continuity, and information security are incorporated into the onboarding and qualification documentation framework.

In supplier selection and performance management, the company implements cross-departmental collaborative management, with teams from Quality, Operations, Packaging & Testing Engineering, New Product Engineering, and Yield Improvement jointly participating in supplier audits, in-process quality management, annual reviews, performance evaluations, change management, and traceability management. For outsourcing partners, the company sets entry thresholds based on business qualifications, ISO system certifications, quality and commercial reputation, technical and process capabilities, MES production control, and sustainability requirements. During the course of cooperation, performance is evaluated against quality, capacity, delivery, and cost criteria, with the results fed back to the suppliers to support continuous improvement in a closed-loop manner.

In terms of supply assurance and risk control, the company incorporates planning management, inventory preparation, and emergency response to delivery disruptions into its supply chain collaboration mechanism. The Operations Department formulates annual, monthly, and weekly production plans in a coordinated manner, taking into account business objectives, sales forecasts, inventory levels, work-in-progress status, and suppliers' production capacity and lead times. The department dynamically assesses changes in demand and stocking arrangements through regular production-sales meetings. Moreover, the company has established the Supplier Risk Management Code, which includes compliance, financial, operational, strategic, and external risks within the coverage of identification and assessment, and requires new suppliers to undergo evaluation before onboarding, and existing suppliers to be subject to periodic re-evaluation. To address the risk of delivery disruptions, the company has developed the Emergency Response Procedure for Delivery Interruption, under which the Operations Department issues early warnings and formulates countermeasures; the Sales Department promptly communicates with customers, and, when necessary, expedites resumption of delivery through remedial shipments, backup factory checks, or risk-based mass production.

Measures | Establish a Supply Risk Early Warning Mechanism and an Emergency Response Mechanism for Delivery Disruptions

JOULWATT has established a risk management mechanism covering the entire lifecycle of suppliers—from onboarding, cooperation, and evaluation to exit. Risk identification and assessment are performed through performance scoring, interviews, historical data analysis, and metrics such as finance, delivery, and quality. To address the risk of delivery disruptions, the company has also set up an emergency response process: the Operations Department provides advance warning and formulates countermeasures, while the Sales Department promptly communicates with customers. When product delivery is significantly affected, the company will restore supply as quickly as possible by leveraging backup factories, remedial shipments, and other means, thereby ensuring stable operation of the supply chain.

Measures | Implement Graded Access and Performance Management

The company has established tiered entry and performance management requirements for outsourcing partners, focusing on business qualifications, quality and environmental management systems, technical capability, production capacity, commercial reputation, and sustainability criteria. During the course of cooperation, the company evaluates packaging and testing subcontractors based on quality, capacity, delivery, and cost dimensions, and feeds the scoring results and areas for improvement back to the suppliers, driving continuous improvement and closing the management loop.

JOULWATT is committed to building long-term, stable, and mutually trusting relationships with its suppliers. By improving the supplier management system, enhancing process transparency, and extending integrity and compliance requirements throughout the supply chain, the company supports product quality, delivery capability, and its own sustainable development.

Supplier Collaboration and Capability Enhancement

JOULWATT adheres to a strategy of advancing together with its suppliers, continuously driving the supply chain toward greater stability, efficiency, and sustainability. As an analog integrated circuit design company operating under a virtual IDM model, the company focuses on R&D and chip design, while collaborating with wafer fabs, packaging and testing factories, and other partners to complete the manufacturing process. This model maintains the flexibility of asset-light operations, while also enabling the company to enhance supply chain resilience and strengthen product iteration and market responsiveness through deep involvement in and management of critical manufacturing stages.

In the wafer manufacturing stage, the company continues to deepen process collaboration with upstream wafer foundries. Leveraging long-term R&D accumulation and mass production experience, the company has collaborated with leading domestic wafer foundries to establish a proprietary BCD process platform covering 5V to 700V, developing process capabilities for medium- and low-voltage, high-voltage, and ultra-high-voltage applications. This platform aligns more closely with chip design requirements, providing support for higher integration, efficiency, and product performance, while further strengthening the process-level collaboration between the company and its wafer foundries.

In the packaging and testing stage, the company drives its partners to continuously improve manufacturing and delivery capabilities through ongoing evaluation and a collaborative mechanism. The company evaluates packaging and testing subcontractors on quality anomalies, improvement lead time, packaging yield, production capacity, and delivery performance, and feeds the results back to the suppliers to promote a closed loop of continuous improvement. Furthermore, the company takes into account technical capability, production capacity, and historical performance when selecting partners, giving priority to those with stronger track records, in order to improve the stability of packaging and testing quality and enhance supply assurance.

In addition, the company continues to promote supply chain localization and build collaborative resilience, consolidating the domestic manufacturing base by deepening cooperation with local wafer foundries and production partners. Through mechanisms such as production planning, inventory preparation, and emergency response to delivery disruptions, the company strengthens forecasting and coordinated handling of supply fluctuations, thereby enhancing overall supply chain stability. By advancing collaboration with partners in process development, mass production delivery, and continuous improvement, JOULWATT steadily enhances the autonomous controllability of its supply chain, providing support for the company's long-term stable development and the coordinated upgrading of the domestic integrated circuit industry chain.

Case | JOULWATT Appears at the "New Quality Industry • Leading the Future" Summit, Supporting Collaborative Upgrade of the Domestic Industrial Chain

In May 2025, JOULWATT was invited to attend the "New Quality Industry • Leading the Future" themed summit, where it shared the company's technology deployment and application practices in domestic industrial automation during the Industrial Automation Sub-forum. At the event, the company introduced its product capabilities and solution portfolio in power management and signal chain chips for industrial control scenarios, showcasing related products applied in PLC, DCS, servo/inverter, and industrial PC systems. This exchange highlighted the company's practical direction in supporting collaborative upgrade of the domestic industrial chain through technological innovation and scenario-based solutions.



• Responsible Procurement Management

JOULWATT embeds responsible procurement requirements into the entire supply chain management process, incorporating not only quality, delivery, and cost considerations but also environment, information security, business continuity, and business ethics. Through documents such as the Supplier Environmental Management Questionnaire, the Code of Conduct Compliance Statement, and the Information Security and Trade Compliance Requirements for Suppliers, the company drives suppliers to implement relevant responsibilities during onboarding and cooperation. It has also established special mechanisms for key issues such as conflict mineral management and hazardous substance control, continuously improving procurement transparency and environmental risk prevention capabilities. For suppliers and subcontractors, the company extends responsible procurement requirements through document review, survey feedback, system audits, and corrective actions for non-conformities.

During procurement execution, the company standardizes the onboarding of new suppliers, with cross-functional teams from Purchasing, Quality, Technology, and Operations conducting joint reviews, and performing system and process audits when necessary. For partners already on the qualified supplier list, the company makes selections based not only on technical capability and production capacity but also on performance evaluation results, giving priority to those with better performance.

In the ongoing cooperation phase, the company further strengthens responsible procurement requirements. The company requires outsourcing partners to establish risk identification and control mechanisms covering natural disasters, pandemics, and other events, and to develop corresponding assessment, action, and communication plans. The Operations Department continuously monitors the capacity and delivery status of key outsourcing partners and enhances the sustainability of critical supply chains through multi-vendor certification. The company also requires partners to retain relevant records and return test data as specified, for subsequent statistical analysis and process monitoring.

In addition, the company upholds the principles of openness, fairness, and impartiality in supplier management. For lower-tier suppliers or subcontractors recommended by customers, the company follows the established procedures for qualification. For second-tier suppliers and raw material management, the company requires outsourcing partners to incorporate onboarding certification, performance management, exception management, change management, and environmental substance management into their own supplier control systems, and supervises effectiveness through annual audits or online inspections. By integrating environmental, quality, information security, supply continuity, and code of conduct requirements into the entire procurement and cooperation process, JOULWATT continuously enhances the responsibility orientation of its procurement management and the resilience of its supply chain.

Supplier Environmental and Social Risk Management



1. Environmental Compliance and Pollution Prevention

Suppliers must comply with environmental protection laws and regulations, ensure compliant discharge of pollutants, and take appropriate measures to reduce the environmental impact of production activities.



2. Hazardous Substance Control

Suppliers must implement hazardous substance management requirements to minimize the use of substances potentially harmful to the environment and human health at the source.



3. Green Production and Resource Optimization

Suppliers are encouraged to adopt low-pollution processes, environmentally friendly equipment, and recyclable materials to improve resource efficiency and reduce waste generation.



4. Hazardous Materials Management

Where hazardous chemicals are involved, suppliers must store, transport, and use them in strict accordance with relevant regulations to prevent leakage and safety incident risks.



5. Workplace Safety and Operational Management

Suppliers must comply with workplace safety laws and regulations, standardize site management, strengthen employee training, and ensure the safety of working environments and facilities.



6. Integrity Compliance and Business Ethics

Suppliers must adhere to fair competition principles, eliminate bribery, fraud, and unfair competition, and jointly maintain a transparent and regulated business environment.

Measures | Establish a Due Diligence Mechanism for Conflict Minerals

To implement responsible procurement requirements, JOULWATT formulated the JOULWATT Conflict Minerals Management Code, incorporating conflict minerals management into the supply chain management system, applicable to all products supplied to customers. The company explicitly prohibits the purchase or support of conflict minerals and requires that relevant policies be communicated to subcontractors, who must investigate conflict mineral risks, identify, and halt related illegal activities. The policy also requires subcontractors to provide accurate and complete mineral supply chain information, ensure lawful mineral origins, and cooperate with the company's investigations and documentation requests.

At the execution level, the company conducts annual surveys of subcontractors using the latest version of the RMI questionnaire, collating and evaluating the responses. Results meeting requirements are archived and reported to customers; if risks are identified, suppliers must promptly make explanations, cease use of the relevant minerals, and reconfirm the origin of minerals. By extending policy requirements to subcontractor investigations, customer feedback, and a closed-loop rectification process, the company continuously improves transparency in mineral procurement and improves supply chain responsibility management.

Measures | Establishing a Full Lifecycle Management Mechanism for Hazardous Substances

To ensure environmental compliance requirements are integrated throughout the entire procurement and supply chain management, JOULWATT has established the JOULWATT Hazardous Substances Management Code, which brings product materials, packaging materials, and related production processes under unified management. This covers wafer manufacturing, chip packaging, and final testing stages. The code aims to meet legal, regulatory, and customer requirements, reduce the impact of hazardous substances on human health and the environment, and is implemented through collaboration among the Quality Department, Packaging Design Department, and Operations Department.

At the execution level, hazardous substance management is embedded into new product introduction, mass production change control, and supplier collaboration processes. During the new product introduction, materials that meet the code requirements are prioritized, and third-party test reports and material composition information are reviewed. In the mass production stage, any material changes, factory transfers, or the addition of new test facilities also require compliance review before proceeding. The company extends these requirements to subcontractor management, mandating testing and the provision of material information and test reports. For high-risk subcontractors and high-risk materials, regular environmental audits are carried out. By integrating legal and customer requirements, material review, subcontractor testing, and nonconformance handling into a unified mechanism, JOULWATT continuously improves the transparency of responsible procurement and its capability in environmental risk prevention.

• Compliance Marketing Management

JOULWATT adheres to honest business practices and compliant marketing, consistently applying the concept of responsible marketing throughout all market promotion and sales activities, ensuring that information about products and services conveyed externally is truthful, accurate, and transparent, and effectively safeguarding the legitimate rights and interests of customers. The company adopts a "distributor-led, direct sales as supplement" sales model, stringently complies with the Advertising Law of the People's Republic of China and other relevant laws and regulations, and strengthens marketing compliance through internal codes such as the Sales Management Regulation. During the reporting period, the company did not incur any regulatory penalties for marketing violations or false advertising.

In marketing management, the company has established a relatively comprehensive institutional framework covering content creation, information release, and marketing event organization. Regulations such as the Sales Management Regulation, the Sensitive Information Management Regulation, the Information Classification and Handling Guide, the Administrative Measures for Publicity Content Grading, and the Administrative Measures for Exhibition Application Process in place to regulate promotional materials and external communications. All promotional materials must be reviewed by relevant functions—including business, legal, and intellectual property teams—before official release, to ensure alignment with actual business conditions and compliance with accuracy, truthfulness, and legality requirements.

Besides, the company emphasizes the professional competence and compliance awareness of marketing talent, organizing regular training on brand promotion, publicity standards, and consumer rights protection, to ensure employees understand and implement responsible marketing requirements. The company also enhances consistency in external communications through a standardized brand management mechanism, continuously safeguarding brand image and market reputation.

In distributor management and channel collaboration, JOULWATT primarily sells and promotes products through third-party professional distributors, and continuously optimizes its distribution network covering major domestic and international markets, leveraging distributors' resources and service capabilities to expand market reach and improve product accessibility.

In terms of management mechanisms, the company has established a relatively systematic framework covering distributor onboarding, process management, and performance evaluation. Distributors are selected based on factors such as channel resources, past performance, sales experience, financial standing, and reputation, and are subject to regular reviews of their business performance. During the reporting period, the company continued to optimize distributor management processes, using a CRM system to systematize operations such as account registration, sample requests, order processing, shipment tracking, and sales coverage management. The company also unified pricing support policies, issued the latest updates in a timely manner, and improved channel coordination efficiency and standardization. The CRM system is also used to verify distributor sales data, inventory levels, and shipment status, and combined with quarterly on-site sampling to reduce the risk of channel stuffing.

To ensure orderliness in distribution and marketing compliance, the company implements refined management of its distributor channels. Typically, the company assigns each distributor a specific geographic area, with sales territory restrictions stipulated in agreements. Moreover, differentiated distribution strategies are adopted based on industry

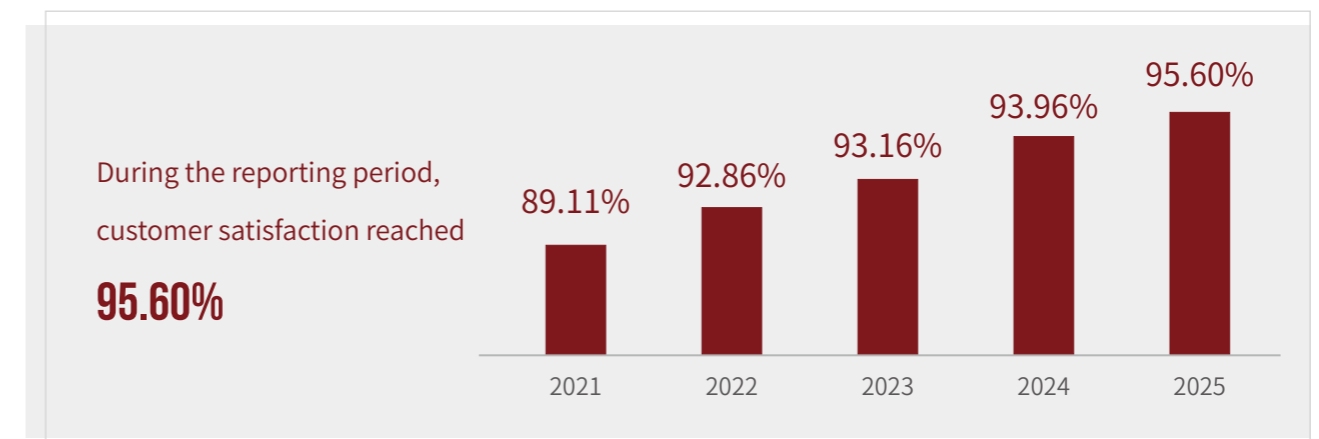
compatibility, product line fit, and end-customer profiles. Distributors are required to record end-customer coverage in the CRM system, which automatically prevents duplicate registrations, thus reducing channel overlap and inter-distributor competition risks. The company also continuously strengthens distributor training, supervision, and policy communication, aligning distributor behavior with the company's sales standards and compliance requirements, and steadily improving the transparency, professionalism, and standardization of marketing activities.

• Customer Service and Support

JOULWATT always upholds the core value of "customer first," guided by customer satisfaction, grounded in product quality, and supported by long-term reliability, continuously providing advanced, dependable, and comprehensive products and solutions.

In customer service, the company has built a global sales and technical support network, with a dedicated customer service team responsible for collecting, recording, and handling customer feedback and complaints, and responding promptly to needs related to product issues, order processing, product delivery, and sample requests. The company also has specialized customer quality engineering and failure analysis teams, providing technical support and service assurance at the pre-sale, in-sale, and after-sale stages. In the after-sale phase, the company proactively communicates with customers, identifies and resolves problems in a timely manner, and offers technical support for customers' downstream product applications, continuously enhancing the overall service experience. During the reporting period, the company received no significant customer complaints.

In customer development and collaboration, JOULWATT leveraged its technology R&D, product portfolio, and service capabilities to establish long-term relationships with key customers in multiple downstream application areas, entering the supply chains of leading players in automotive electronics, communications electronics, computing and storage, industrial applications, and consumer electronics. Through ongoing technical exchanges and application collaboration, the company expands the depth and breadth of product use, and uses customer feedback to continuously refine R&D direction, product performance, and service responsiveness, creating a virtuous cycle in which customer needs drive product iteration and product capabilities enable customer value realization.



Case | JOULWATT Debuts at CEIC 2025, Showcasing Multi-Scenario Solutions for Consumer Electronics

In November 2025, JOULWATT participated in the Consumer Electronics Innovation Congress (CEIC 2025), engaging with industry peers in discussions on development trends, technological innovation, and application scenarios in the consumer electronics sector. During the exhibition, the company, together with partners, showcased multi-scenario products and solutions covering AI PCs, smartphones, smart bands, smartwatches, automobiles, cleaning appliances, and white goods, highlighting its product deployment and expansion capabilities in consumer electronics and related sectors. Through this participation, JOULWATT further demonstrated its technological expertise and solution strengths in relevant domains and intensified interactions with industry partners regarding product applications and market demands.



Case | JOULWATT and GAC Jointly Release China's First ASIL-D Dedicated Driver Chip for Electronic Parking Brake Systems

In April 2025, JOULWATT was invited to attend GAC Tech Day, exchanging insights with industry counterparts on intelligent vehicle chip technology and industrial collaboration. At the event, JOULWATT and GAC Group jointly unveiled China's first ASIL-D-compliant dedicated driver chip GH-01 for electronic parking brake (EPB) systems, and signed a strategic cooperation agreement under the "Automotive Chip Application Ecosystem Co-Building Initiative," reflecting the company's R&D capabilities and collaborative achievements in automotive chips. This cooperation further showcased JOULWATT's accumulated expertise and expanding applications in automotive-grade chips, while supporting synergistic innovation across the "chip-system-vehicle" value chain.



Case | JOULWATT Invited to Geely Automobile Research Institute's Domestic Chip Technical Exchange Exhibition, Deepening Collaboration on Automotive-Grade Chip Applications

In August 2025, JOULWATT was invited to participate in the "2025 Geely Automobile Research Institute's Domestic Chip Technical Exchange Exhibition," discussing domestic chip application scenarios, technological advancements, and industrial collaboration with Geely representatives. During the event, the company exhibited multiple automotive-grade products, presenting its product lineup, technical capabilities, and relevant solutions in automotive electronics, highlighting ongoing progress and achievements in the automotive-grade chip domain. Through this exhibition and exchange, JOULWATT further demonstrated its technological prowess in automotive chips and strengthened interaction with industry partners on application implementation and scenario deployment.



• Climate Action and Green Operations

JOULWATT integrates green and low-carbon development principles into every aspect of operation and business growth, actively responds to energy conservation, environmental protection, and sustainable development requirements, and continuously explores practical pathways such as green low-carbon industries, circular economy, and resource conservation, striving to reduce the environmental impact of its operations and advancing the company steadily toward green, high-quality development.

Response to Climate Risk

In 2025, the company further strengthened systematic management of climate change issues and, referencing recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), identified and assessed climate-related risks and opportunities from governance, strategy, risk management, and metrics/targets perspectives, progressively establishing a climate change management framework and refining related initiatives. At the board level, the company established a Strategy and ESG Committee to supervise and guide climate-related matters and incorporated climate risk assessment into long-term development planning. At the execution level, the Board Office collaborates with the Internal Audit Department and the Finance Department to participate in climate risk identification, impact assessment, and response strategy formulation, promoting integration of climate considerations into operational management.

Climate Risk

Risk Type		Risk Description	Risk Response
Transition Risk	Policy Risk	As global and local policies impose increasingly stringent carbon emission limits, the company may face rising compliance costs	The company actively participates in policy discussions, adjusts business strategies to adapt to new regulations, and engages in green finance and bank-enterprise cooperation
	Market Risk	With growing market demand for low-carbon products, the market share of traditional high-energy-consumption products may decline	The company is committed to developing low-power, high-reliability products for various industries and scenarios to meet market demand and remain competitive
	Technology Risk	Rapid development of emerging low-carbon technologies may render existing technologies obsolete and increase R&D costs	The company continuously monitors technological innovation, strengthens collaboration with technology leaders, and ensures it remains at the technological frontier
	Reputation Risk	Failure to effectively address climate change may damage JOULWATT's reputation, affecting investor and customer confidence	The company enhances transparency, regularly discloses progress on climate action, and demonstrates its sustainability commitments through multi-channel communication
Physical Risk	Acute Risk	Increased frequency and intensity of extreme weather events may disrupt production facilities and supply chains	The company strengthens disaster resistance of facilities, conducts emergency drills, and develops response plans to reduce potential losses
	Chronic Risk	Chronic risks such as sea level rise and frequent extreme climate threaten the stable operation of coastal energy infrastructure	The company improves the climate risk management system, enhances infrastructure resilience, and promotes multi-party collaborative governance

Climate Opportunities

Opportunity Type	Opportunity Description	Opportunity Response
Policy Support	Governments introduce policies supporting renewable energy and low-carbon technologies	By proactively complying with policy requirements, the company can access incentives and subsidies, enhancing market competitiveness
Market Demand Growth	Consumers and enterprises show increasing demand for green products and services	The company develops and promotes low-carbon green products to meet market demand, attract new customers, and improve brand image
Technological Innovation	New technologies reduce carbon emissions and improve energy efficiency	Investing in emerging low-carbon technologies can strengthen innovation capabilities, keep the company at the tech frontier, and improve market position
Investment Opportunities	Sustainable development projects attract more investment	Through active climate action and transparent communication, the company can enhance brand reputation, increasing trust from investors and consumers
Risk Management	Improve climate resilience of facilities and operations, reducing the impact of extreme weather	The company increases the resilience of facilities and the flexibility of the supply chain, improving operational stability and reducing losses from extreme weather

Climate-Related Targets and Progress

During the reporting period, JOULWATT, based on its business model, identified, calculated, and analyzed energy consumption and greenhouse gas (GHG) emissions within its operational boundary. The company's main business activities are focused on chip design, R&D, and integrated circuit testing, and do not involve high-energy-consuming manufacturing processes such as wafer fabrication. As a result, the overall energy use structure is relatively concentrated, and emission sources are clear, primarily from purchased electricity for office and operational premises, as well as a small amount of fuel consumption from operational vehicles.

Emission source	2023	2024	2025
Gasoline (L)	41,495.10	73,169.99	117,075.42
Diesel (L)	934.37	374.94	160.93
Electricity (kWh)	2,058,354.09	10,429,042.59	18,325,481.51
of which: Purchased Electricity	2,058,354.09	10,429,042.59	18,061,529.51
of which: PV Power Generation	0.00	0.00	263,952.00

JOULWATT's GHG emissions mainly consist of Scope 1 and Scope 2 emissions. Scope 1 emissions primarily stem from small-scale emissions related to daily operations, R&D activities, and equipment. Scope 2 emissions mainly include indirect emissions associated with purchased electricity for daily operations.

Emission source	2023	2024	2025
Gasoline (tCO ₂ e)	90.41	159.43	255.09
Diesel (tCO ₂ e)	2.54	1.02	0.44
Scope 1 (tCO₂e)	92.95	160.45	255.53
Electricity (tCO ₂ e)	1,092.16	5,533.65	9,576.41
of which: Purchased Electricity (tCO ₂ e)	1,092.16	5,533.65	9,576.41
of which: PV Power Generation (tCO ₂ e)	0.00	0.00	0.00
Scope 2 (tCO₂e)	1,092.16	5,533.65	9,576.41
Operational Carbon Emissions (tCO₂e)	1,185.11	5,694.10	9,831.94
Carbon Reduction Benefits from PV Power (tCO ₂ e)	0.00	0.00	(243.80)
Installed PV Capacity (kWp)	0.00	0.00	481.12

Notes:

1. The company's main Scope 1 emission sources are mobile source fuel (i.e., gasoline and diesel for vehicles). Carbon emissions from the former are calculated as per the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions for Enterprises in Other Industrial Sectors.
2. Scope 2 emissions mainly originate from purchased electricity for office premises. The carbon emissions are calculated using regional factors published in the 2023 Electricity Carbon Emission Factors issued by the Ministry of Ecology and Environment of the People's Republic of China and the National Bureau of Statistics.
3. Carbon emissions and energy consumption increased significantly from 2023 to 2024, mainly due to the Company's business acquisitions during the period, which expanded the accounting boundary. Newly acquired entities, together with their office, R&D, and operating premises, were incorporated into the carbon emissions accounting scope, resulting in an overall increase in emissions. Total carbon emissions continued to rise from 2024 to 2025, also mainly due to business acquisitions carried out during the period, while the impact of acquisitions completed in prior years was further reflected in the current year. Overall, the slight increase in Scope 1 emissions from 2023 to 2025 was mainly attributable to stronger post-acquisition business synergies, increased talent mobility, and greater vehicle usage, which led to higher gasoline consumption. The increase in total Scope 2 emissions was primarily due to the fact that the Company's carbon emissions profile remains dominated by Scope 2 emissions associated with purchased electricity, and that business acquisitions expanded both electricity consumption and the accounting boundary, rather than as a result of any abnormal growth in the operating activities of the Company's original entities.

From the perspective of emission structure, the company's current carbon emissions exhibit the characteristics of "clear boundaries, concentrated sources, and manageable control," providing a solid foundation for future implementation of refined management, improved energy efficiency, and enhanced reduction measures. Comparative analysis with similar enterprises shows that, based on revenue and employee count metrics, the company's operational carbon intensity is currently at a relatively low level, reflecting the low operational carbon characteristics of the present business model.

Going forward, JOULWATT will improve its carbon emission data management mechanism, further strengthen the identification, accounting, analysis, and tracking of energy use and greenhouse gas emissions, and gradually enhance low-carbon operation management, laying the groundwork for future energy conservation, consumption reduction, and climate-related management efforts.

Green and Low-Carbon Practices

In terms of strategic advancement, the company, based on climate risk assessments and scenario analyses, identifies physical and transition risks related to its operations, and studies corresponding response measures in line with its development plans, continuously enhancing adaptability and operational resilience under changing policy, market, and technological conditions. During the reporting period, the company promoted a number of climate change risk management initiatives, including the adoption of green technologies, improvement of product energy efficiency, reduction of transportation and packaging carbon emissions, and advocacy of green office practices, thereby strengthening its sustainable development capacity.

At the product and operational level, the company is committed to developing low-power, high-reliability analog chip products widely used in base station communication equipment, energy storage devices, and new energy applications, aiming to improve power usage efficiency, reduce energy consumption, and continuously expand product applications that have a positive environmental impact. Furthermore, the company's main business is the R&D and sales of analog integrated circuits, and it does not directly engage in the physical manufacturing of chips. Daily operations do not involve industrial wastewater or exhaust gas emissions. The main waste and pollutants generated in the company's operations include scrapped chips, domestic sewage, and household waste. Scrapped chips are handled by professional organizations; domestic sewage is discharged into the municipal sewage network through drainage facilities, and household waste is collected uniformly by sanitation authorities. To ensure effective operation of the environmental management system, the company has established systems such as the Environmental Factor Identification and Evaluation Control Procedure, the Environmental Operation Control Procedure, the Waste Management Procedure, and the Chemical Management Procedure.

In office management, the company continuously optimizes resource use and internal control measures, reduces resource consumption at the source, promotes the use of energy-saving equipment, and encourages reuse of resources. Efforts include electricity saving, water conservation, paper reduction, and green travel, to advance green office practices. The company also strengthens internal communication and employee guidance, continuously raising awareness of energy conservation, consumption reduction, and environmental protection, and advocates a moderate, green, and low-carbon lifestyle and work style.



Case | Multi-dimensional Initiatives to Enhance ESG Awareness and Drive Green Office Implementation

During the reporting period, JOULWATT continued to strengthen the promotion of ESG concepts and employee engagement around its green, low-carbon, and sustainable development goals, guiding environmental awareness to shift from "regulatory requirement" to "daily habit." The company organized training sessions on carbon emissions, helping employees deepen their understanding of carbon management, reduction targets, and low-carbon practices. It also advanced the application of a carbon management system, continuously improving the digitization of carbon data management and internal management.

In 2025, the company's new office building was put into use, equipped with photovoltaic (PV) power generation facilities. During the design, relocation, and commissioning of the new building, environmental protection and energy efficiency were fully considered, and green office concepts were integrated into spatial planning and daily management. Various energy-saving reminders have been placed in office areas, such as air conditioning temperature control, turning off lights when leaving, paper saving, and water conservation, to continuously guide employees in practicing low-carbon office behaviors in detail.

Besides, the company organized a company-wide environmental protection and ESG knowledge quiz, using lightweight, interactive methods to enhance employees' attention to and participation in environmental protection, energy conservation, and sustainable development topics. By combining training and communication, environmental design, digital tool application, and company-wide interaction, JOULWATT continues to embed ESG awareness into office operations and employee behavior, creating a solid internal atmosphere for green, low-carbon development.



Carbon management system empowering low-carbon management



Promoting waste sorting in office settings



Advocating green office with energy-saving temperature control



Shuttle buses supporting low-carbon commuting





05

Talent Development: Employee Safeguard and Organizational Growth

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Employee Rights and Interests Protection

Compliant Employment and Workforce Structure

JOULWATT has always regarded employees as a vital foundation for its sustainable development, recognizing that talent is the key force driving technological innovation, organizational growth, and business upgrading. In a talent-intensive industry, the development of integrated circuit design enterprises highly depends on the continuous build-up of a high-caliber workforce. To this end, the company emphasizes both internal cultivation and external recruitment, building a high-quality, professional, and dynamic talent team to support long-term, stable development.

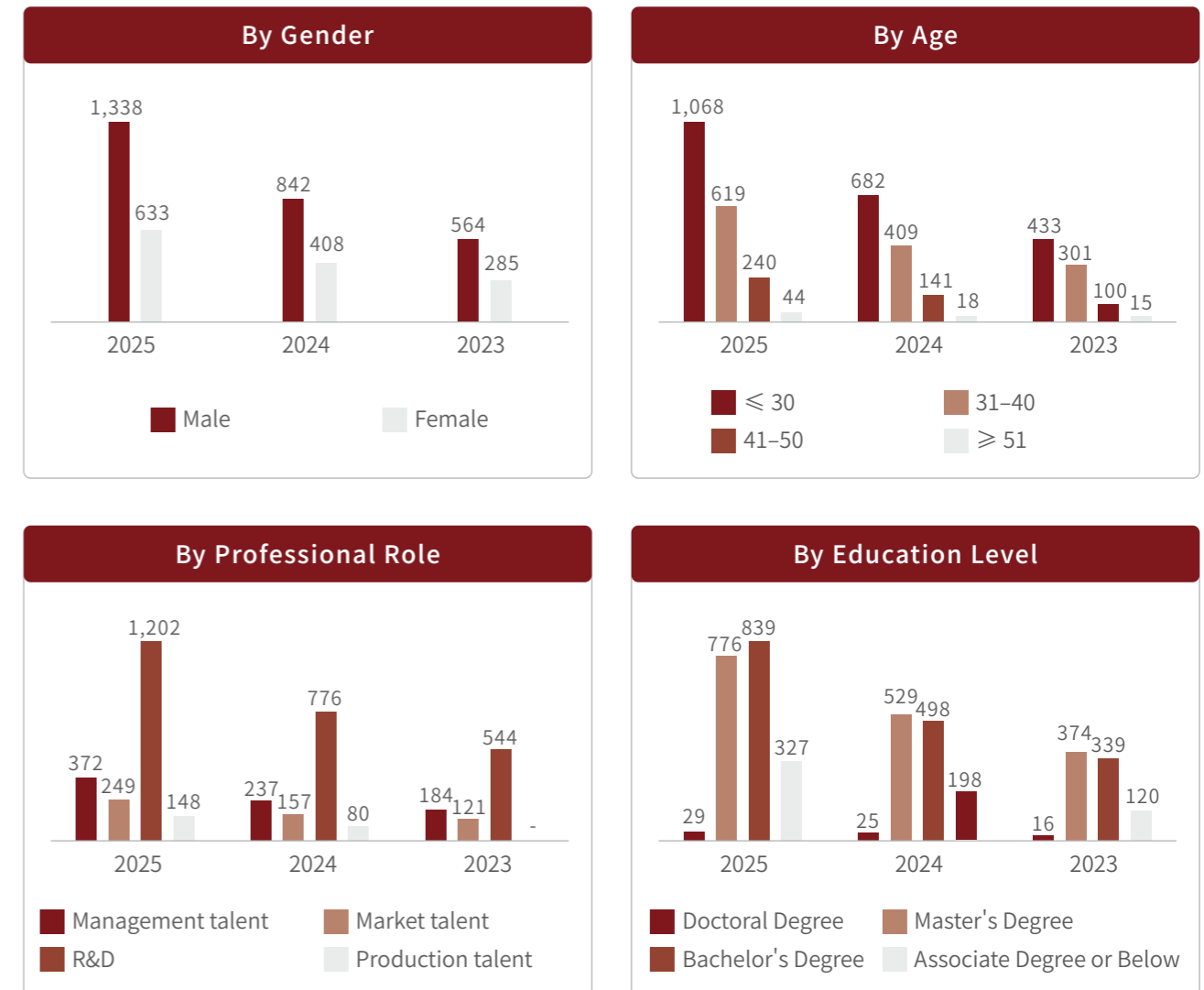
The company stringently complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Regulations on Prohibition of Child Labor*, and other laws and regulations, continuously improving a legal, compliant, and transparent human resource management system. The company clearly prohibits forced labor, discriminatory employment, and child labor, effectively safeguarding employees' legitimate rights and interests. The company upholds the principles of openness, fairness, and impartiality in recruitment, hiring, job transfer, promotion, and retirement, firmly eliminating discriminatory clauses based on gender, age, or region. Structured interviews and competency assessments are used to enhance objectivity and person-job fit in selection.

JOULWATT adheres to a "people-oriented" talent development philosophy, striving to create a work environment that encourages innovation, respects contributions, ensures fairness, and fosters care and collaboration. The company respects individual differences, supports employee growth, and promotes diversity and inclusion. The company improves its compensation incentive and welfare system, benchmarking against industry levels to implement position value assessment and performance linkage mechanisms, and provides diversified benefits such as holiday gifts, welfare leave, marriage and childbirth bonuses, and children's benefits. Regular employee needs surveys are conducted to enhance satisfaction, sense of belonging, and organizational cohesion.

- Encouraging Innovation** → Enabling employees to fully utilize their talents;
- Respecting Contribution** → Ensuring employees' value is fully realized;
- Fairness and Justice** → Guaranteeing that employees' work receives fair recognition and reward;
- Care and Collaboration** → Building a corporate culture full of understanding, care, and teamwork.

During the reporting period, the company continued to optimize its talent structure and organizational configuration, maintaining a reasonable distribution of employees in terms of gender, age, and educational background. As of the end of 2025, the total number of employees was 1,971, of which female employees accounted for 32.12%; employees aged 40 or below made up 85.59%; those with a bachelor's degree or above represented 83.41%, and R&D talent comprised 60.98%. This young, highly educated, and professional workforce provides strong support for the company's continuous innovation and high-quality development. Looking ahead, JOULWATT will continue to improve its talent management system and employee development mechanisms, promoting the common growth of employees and the company.

JOULWATT Employee Composition in 2025



Compensation and Incentives

JOULWATT has always attached great importance to safeguarding employees' legitimate rights and interests, continuously improving its compensation, benefits, and incentive mechanisms to create a fair, just, and sustainable career development environment for employees. Aligned with business development needs, the company has established a relatively comprehensive and market-competitive compensation system that balances external competitiveness with internal equity. The compensation level is dynamically optimized based on operating performance, industry trends, and regional economic conditions. In addition, the company implements a performance-linked compensation mechanism, linking employees' income to company performance, departmental results, and individual contributions. Performance is managed through monthly and quarterly reviews, as well as semi-annual and annual appraisals, to stimulate employee motivation and creativity.

Beyond material incentives, the company emphasizes spiritual encouragement and value recognition. The *JOULWATT Employee Handbook* provides for various awards, including Team Award, General Manager's Special Award, Outstanding Contribution Award, and Long Service Award, to recognize exceptional teams and individuals, thereby enhancing employees' sense of belonging and professional fulfillment. Furthermore, the company actively promotes long-term incentive mechanisms such as equity incentives and employee stock ownership, enabling employees to share in the company's development achievements and achieve common growth and prosperity. By continuously refining compensation, incentives, and employee development mechanisms, JOULWATT steadily enhances its talent attractiveness and organizational cohesion, providing strong support for high-quality development.

Welfare and Benefits

JOULWATT has been regarding talent as its most important resource and the core pillar of sustainable development, continuously improving the employee welfare system to create a stable, secure, and caring work environment. The company stringently complies with national regulations, paying all social insurances and housing provident fund contributions in full and on time for employees. JOULWATT also optimizes welfare arrangements in line with its own development, effectively improving employees' sense of belonging, gain, and quality of life, and consolidating the talent foundation for long-term, stable growth.

During the reporting period, the company further improved its attendance and leave management mechanism, issuing the *Attendance, Leave, and Vacation Management Regulation*, which systematically regulates attendance management, leave approval, vacation arrangements, medical treatment periods for sick leave, and applicable rules for various types of leave, thereby enhancing the transparency, standardization, and enforceability of employee management systems. Under this regulation, the company implements both standard working hours and flexible working hours systems, clearly defining management arrangements for statutory holidays, paid annual leave, personal leave, sick leave, marriage leave, maternity and breastfeeding leave, and bereavement leave. Leave approval and extension management are conducted through the EHR system, continuously improving the convenience and standardization of leave management. Additionally, the company stringently fulfills payment obligations for basic pension insurance, medical insurance, work injury insurance, unemployment insurance, maternity insurance, and housing provident fund, and handles withholding and remittance of employees' personal contribution portions based on regulations.

Metrics	Units	2025
Labor Contract Signing Rate	%	100
Occupational health and safety education coverage rate	%	100
Employee training coverage rate	%	100
Physical examination and health record coverage rate	%	100

In terms of living benefits and humanistic care, the company has continued to improve its employee welfare system. In addition to legally safeguarding employees' leave and social security rights, the company has enhanced living security and organizational belonging through holiday gifts, marriage gifts, childbirth benefits, and care for employees' children. Moreover, JOULWATT has actively promoted corporate culture building, organizing diverse cultural and sports activities to encourage broad employee participation, enrich leisure time, and strengthen team communication. During the reporting period, the company organized large-scale events such as the JOULWATT Employee Hiking. Notably, in the 2025 hiking event, the company combined employee sports participation with

charitable activities, unlocking public welfare donations based on running distance to support targeted aid projects in Dare Village (Gaize County, Ngari, Tibet) and Xinju Community (Gaize County), further expanding the philanthropic value of its cultural activities. Moreover, the company purchased agricultural assistance products (apples) as employee benefits, integrating employee care with rural revitalization efforts, and continuously conveying corporate warmth. By fostering a positive, harmonious, and inclusive organizational atmosphere, the company continuously enhances team cohesion and employee commitment, supporting the common growth of employees and the enterprise.



Occupational Health and Safety

JOULWATT places high importance on employees' occupational health and safety, stringently adhering to the *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases* and ISO 45001 *Occupational Health and Safety Management Systems—Requirements with Guidance for Use*, among other relevant laws, regulations, and standards. The company has established an occupational health and safety management system and formulated procedural documents such as the *Occupational Health and Safety Management Procedure* and the *Occupational Health and Safety Management Manual*, continuously promoting standardized and systematic management to effectively safeguard employees' health and safety during work.

In occupational health management, the company has strengthened its full-cycle health management mechanism, implementing pre-employment health screening and regular occupational health examinations, and establishing dynamic health records to facilitate continuous tracking and management of health information. For positions with occupational hazard factors, the company carries out occupational health examinations, monitors occupational hazard factors, and evaluates control effectiveness in accordance with the law. The company also enhances employees' occupational health protection awareness and self-protection capabilities through occupational health training, daily communication, and special inspections, shifting occupational health risk prevention to earlier stages.

In terms of labor protection and safety management, the company implements labor protective equipment management under the principles of "unified planning, unified standards, unified procurement, and unified distribution," ensuring reliable quality and timely allocation of protective gear to effectively safeguard employee occupational safety. Besides, the company stringently enforces the "three simultaneities" requirement for occupational disease prevention facilities in construction projects, ensuring that newly built, renovated, expanded, or technologically upgraded projects incorporate occupational health protection measures synchronously during the design, construction, and commissioning stages, and performing corresponding testing, evaluation, and acceptance inspection before putting them into use, thus forming a comprehensive occupational health and safety assurance mechanism covering the entire process from design to operation.

The company recorded no major work-related accidents or significant injuries during the recording period. Looking ahead, JOULWATT will continue to improve its occupational health and safety management system, strengthen risk identification, process control, and training, and enhance employee health management and safety assurance capabilities, striving to create a safe, healthy, and sustainable working environment for all employees.



Care for Female Employees

JOULWATT values the protection of women employees' rights, stringently complies with the *Labor Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Rights and Interests of Women*, and other relevant laws, and has formulated the *Regulations on Labor Protection of Female Employees* in line with the company's actual circumstances, continuously fostering a fair, just, and friendly work environment. The company ensures female employees' legal rights in terms of compensation, benefits, career development, and protection during pregnancy, maternity, and lactation, upholding the principle of equal pay for equal work and guaranteeing equal opportunities in recruitment, appointment, remuneration, and promotion.

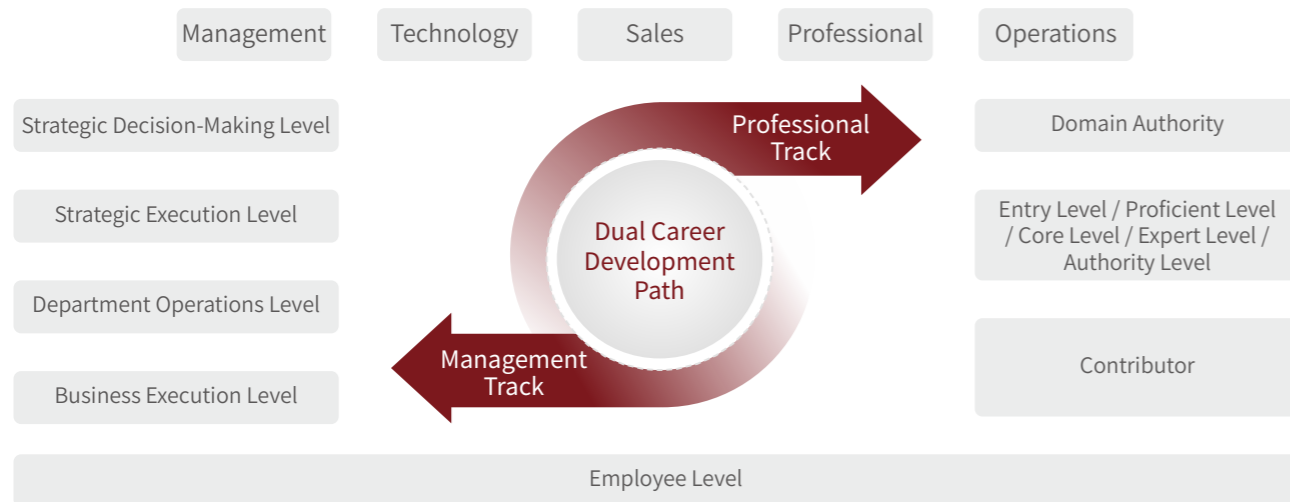
Furthermore, the company stringently implements leave and protection requirements for pregnancy, maternity leave, and lactation periods, providing thoughtful care and support during these special times. During the reporting period, the company's newly relocated headquarters building was designed with a dedicated nursing room, further improving facilities for female employees and offering more convenient and supportive office arrangements for those in pregnancy or lactation. The company also enhances female employees' sense of belonging and happiness through holiday greetings, event care, and other forms of attention. In the future, the company will continue to improve mechanisms for protecting female employees' rights and supporting their career development, helping them better grow in a safe, equal, and respectful workplace.



Employee Growth

Career Development

JOULWATT adheres to a people-oriented development philosophy, continuously improving its talent development system. Aligned with its strategy, business growth, and organizational capability building, the company optimizes mechanisms for talent selection, cultivation, appointment, and development. Combining different position sequences and career stages, the company advances the dual-track development of professional and management paths, refining employee growth routes to support diversified development in both specialized expertise and managerial capabilities. During the reporting period, the company continued to build its management cadre mechanism, completing the formulation and release of the *Cadre Management Regulation*, which clarifies standards, selection, appointment, and evaluation requirements for managers. Concurrently, the company progressed in developing qualification standards, finalizing qualification frameworks for operations, technology development, and functional support, progressively establishing a clearer talent evaluation and development system. The company also launched and stabilized the EHR Talent Inventory System, progressively creating a dynamic talent database and pools of high-potential and reserve talents, providing a foundation for future talent development and succession planning. By continuously improving career development mechanisms, the company enhances person-position fit and talent development quality, solidifying the human resource foundation for long-term organizational growth.



Training and Competency Development

JOULWATT consistently upholds the talent development concept of "advancing both professional and general capabilities in parallel," viewing employee growth and organizational capability building as essential foundations for sustainable development. The company provides diverse training resources and development support to promote employees' professional growth and long-term career progression. Aligned with strategic planning, business needs, and individual career development requirements, the company continuously refines its training and talent development system, transitioning from decentralized management to systematic, platform-based, and institutionalized development.

Training needs are systematically collected from three dimensions—organization, position, and individual—and, based on the characteristics of different employee levels, training content is divided into three categories: management, professional, and general. This forms a multi-level development system covering new employee onboarding, job skill enhancement, management capability development, and cultural integration. For campus and experienced new hires, the company has established the "Sail Program" and "Engine Program," respectively, with courses designed around corporate culture, regulations & codes, business fundamentals, and job-specific skills to help employees quickly transition into their roles and integrate into the organization. For management talent, the company implements development programs such as the "Helm Program" to enhance team leadership and overall management skills. For professional talent, the company strengthens position-specific capabilities through departmental specialized training, internal course development, and experience sharing.

Key Performance Indicators

JOULWATT 2025 Employee Training Performance:

- Total training sessions in 2025: **132** sessions, including **53** company-level and **79** department-level sessions
- Total training hours in 2025: **10,635.17** hours
- Employees covered: **1,487** employees, with an average of **7.8** hours of training per person in 2025
- Corporate course library: **379** courses completed, covering both company-wide and department-specific content in 2025
- Company-level training completion rate in 2025: **100%**
- Department-level training completion rate in 2025: **100%**
- Certified internal trainers in 2025: **33**, with an average teaching satisfaction score of **4.89/5**

At the level of training mechanism, the company continued to advance the construction of a digital learning platform, completing the deployment of the EHR Online Learning Management System. This platform integrates learning planning, course management, training organization, process tracking, and outcome documentation, further improving the efficiency of training resource allocation and the standardization of learning management. Leveraging internal learning platforms such as the "JOULWATT Growth Academy," the company provides computer and mobile access to learning resources, and, through learning maps, course libraries, and training program operations, continuously enhances the availability and convenience of learning resources.

Moreover, the company coordinates the development of the training system with its talent development framework. During the reporting period, the company advanced the Cadre Management System, qualification standard sorting, and talent inventory system implementation, progressively forming a clearer path for talent identification, evaluation, and development. Qualification standard development provides employees with well-defined career paths and evaluation criteria, while talent inventory helps the company understand talent distribution and capability status, supporting high-potential talent identification, reserve pool building, and subsequent development planning. Furthermore, the company continues to strengthen internal course development and trainer team building, promoting the internalization and transfer of knowledge and experience, and enhancing the practicality, relevance, and internal empowerment capacity of the training system.



JOULWATT "Sail Program" for Campus Recruited New Hires



Online Learning Platform for Employees



JOULWATT "Engine Program" for Experienced Hires



JOULWATT EHR Learning Management System

Through continuous improvement of training management mechanisms, learning platforms, and talent development systems, JOULWATT steadily enhances employees' overall quality, job competence, and organizational vitality, providing a solid talent foundation for innovation-driven growth and long-term stable operations.

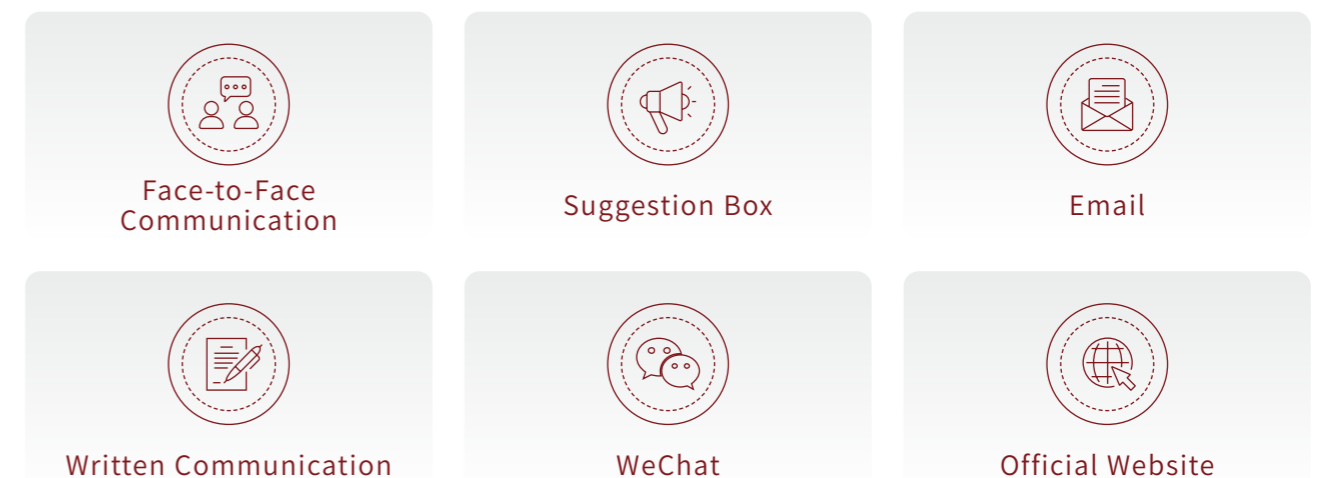
Employee Communication and Feedback

JOULWATT values employee experience and organizational identity, continuously fostering a communication atmosphere of fairness, respect, and trust, and striving to build harmonious and stable labor relations. The company recognizes that open and effective communication mechanisms are essential for improving employee satisfaction, enhancing team cohesion, and optimizing internal management. To this end, the company has formulated the *Employee Suggestions and Feedback Management Code*, continuously improving communication and feedback channels, and promoting a positive interaction between employees' expression of concerns and management improvements.

The company has established diversified communication channels, including suggestion boxes, email feedback, and written proposals, encouraging employees to offer opinions and suggestions on workflows, management mechanisms, work environment, and employee care, thereby improving the convenience and timeliness of communication. In addition, the company encourages employees to participate in business management. Through suggestion collection, feedback review, and follow-up on issues, the company ensures that management measures are more closely aligned with actual needs, thus enhancing the relevance and effectiveness of decision-making.

Issues of concern to employees are collected, organized, and analyzed on a regular basis, and improvement measures are studied in light of actual conditions, continuously improving the transparency, responsiveness, and credibility of internal management. By refining the communication and feedback mechanism, JOULWATT further strengthens employees' sense of participation, belonging, and organizational identity, laying a solid foundation for ongoing management optimization and the shared growth of employees and the company.

Employee Communication Mechanisms



• Key Performance Indicators 2025

Economic Performance

Categories	Metrics	Units	2025
Financial Performance	Total Assets	RMB 10,000	534,366.48
	Owner's equity attributable to the parent company	RMB 10,000	152,511.68
	Operating Revenue	RMB 10,000	265,502.48
	Net profits attributable to the parent company owner	RMB 10,000	-71,712.42
	Research and development cost	RMB 10,000	95,727.80
	ROEWA	%	-40.08

Corporate Governance Performance

Categories	Metrics	Units	2025
Corporate Governance	Shareholders' Meetings Held	Count	6
	Board Meetings Held	Count	15
	Announcements and Online Documents Issued	Copies	186
	Responses to Investor Questions on e-Interaction Platform	Questions	12
	Number of Institutional Investor Research Visits in the Year	Institution-visit	180+

Social Responsibility Performance

Categories	Metrics	Units	2025	
Employment	Total Number of Employees		Persons	1,971
	By Education Level	Doctoral Degree	Persons	29
		Master's Degree	Persons	776
		Bachelor's Degree	Persons	839
		Associate Degree or Below	Persons	327
	By Function	Management talent	Persons	372
		R&D	Persons	1,202
		Market talent	Persons	249
		Production talent	Persons	148
	By Gender	Male	Persons	1,338
		Female	Persons	633
	By Age	≤ 30	Persons	1,068
		31–40 (inclusive)	Persons	619
		41–50 (inclusive)	Persons	240
≥ 51		Persons	44	
Employee Rights and Interests Protection	Labor Contract Signing Rate		%	100
	Health Check Coverage Rate		%	100
Intellectual Property Rights	Patent Applications Filed		Items	255

• ESG Report Indicator Index

GRI Index

Contents		GRI Standards
Statement on Report Preparation		GRI 2-2 GRI 2-3 GRI 2-14
About JOULWATT	Company Profile	GRI 2-1 GRI 2-9 GRI 2-14
	Corporate Culture & Values	GRI 2-27 GRI 2-29
	Sustainable Development Governance	GRI 3-1 GRI 3-2 GRI 3-3
Governance Foundation: Compliance, Risk Control & Digital Operations	Governance Structure and Standardized Operations	GRI 2-1 GRI 205
	Information Disclosure and Investor Communication	
	Compliance Management	
	Digital Operations, Information Security, and Data Protection	
	Party Building Leadership and Organizational Development	
Innovation Builds the Core: R&D, Quality, and Intellectual Property	Continuously Advancing R&D Innovation	GRI 203
	Ongoing Quality Management Improvement	
	Technology Ethics and Responsible Innovation	
	Improving Technological Innovation Mechanisms	
	Intellectual Property Management and Protection	

Contents		GRI Standards
Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations	Building a Responsible Supply Chain	GRI 308 GRI 414 GRI 301 GRI 302 GRI 303
	Responsible Procurement Management	
	Compliance Marketing Management	
	Customer Service and Support	
	Climate Action and Green Operations	
Talent Development: Employee Safeguard and Organizational Growth	Employee Rights and Interests Protection	GRI 401 GRI 403 GRI 404 GRI 405
	Employee Growth	
	Employee Communication and Feedback	
Key Performance Indicators 2025	Economic Performance	GRI 201
	Corporate Governance Performance	
	Social Responsibility Performance	

Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 14 - Sustainability Reporting (Trial) Indicator Index

Disclosure Requirements	Corresponding Report Sections	Corresponding Report Titles
Tackling Climate Change	Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations	Climate Action and Green Operations
Pollutant Emissions	Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations	Climate Action and Green Operations
Waste Treatment	Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations	Climate Action and Green Operations
Ecosystem and Biodiversity Conservation	Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations	Climate Action and Green Operations
Environmental Compliance Management	Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations	Climate Action and Green Operations
Energy Utilization	Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations	Climate Action and Green Operations
Water Resource Utilization	Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations	Climate Action and Green Operations
Circular Economy	Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations	Climate Action and Green Operations
Rural Revitalization	Governance Foundation: Compliance, Risk Control & Digital Operations	Party Building Leadership and Organizational Development
Social Contribution	Governance Foundation: Compliance, Risk Control & Digital Operations Talent Development: Employee Safeguard and Organizational Growth	Party Building Leadership and Organizational Development Employee Communication and Feedback
Innovation-driven	Innovation Builds the Core: R&D, Quality, and Intellectual Property	Continuously Advancing R&D Innovation Improving Technological Innovation Mechanisms Intellectual Property Management and Protection

Disclosure Requirements	Corresponding Report Sections	Corresponding Report Titles
Ethics in Technology	Innovation Builds the Core: R&D, Quality, and Intellectual Property	Technology Ethics and Responsible Innovation
Supply Chain Security	Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations	Building a Responsible Supply Chain Responsible Procurement Management
Equal Treatment of SMEs	Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations	Building a Responsible Supply Chain Responsible Procurement Management
Product and Service Safety & Quality	Innovation Builds the Core: R&D, Quality, and Intellectual Property Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations	Ongoing Quality Management Improvement Compliance Marketing Management Customer Service and Support
Data Security and Customer Privacy Protection	Governance Foundation: Compliance, Risk Control & Digital Operations	Digital Operations, Information Security, and Data Protection
Employees	Talent Development: Employee Safeguard and Organizational Growth	Employee Rights and Interests Protection Employee Growth Employee Communication and Feedback
Due Diligence	Governance Foundation: Compliance, Risk Control & Digital Operations Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations	Compliance Management Building a Responsible Supply Chain Responsible Procurement Management
Stakeholder Communication	About JOULWATT Governance Foundation: Compliance, Risk Control & Digital Operations	Sustainable Development Governance Information Disclosure and Investor Communication
Anti-Commercial Bribery and Anti-Corruption	Governance Foundation: Compliance, Risk Control & Digital Operations	Compliance Management
Anti-Unfair Competition	Governance Foundation: Compliance, Risk Control & Digital Operations	Compliance Management

Environmental, Social and Governance Reporting Code (Appendix C2 to the Listing Rules of The Stock Exchange of Hong Kong Limited)

KPIs	Disclosure Requirements	Sections
Part B: Mandatory Disclosure Requirements		
Governance Structure	A statement issued by the Board of Directors, containing the following: (i) Disclosure of the Board's oversight of environmental, social, and governance (ESG) matters; (ii) The Board's ESG management policies and strategies, including the process for assessing, prioritizing, and managing material ESG-related matters (including risks to the issuer's business); and (iii) How the Board reviews progress against ESG-related objectives and explains how they relate to the issuer's business.	About JOULWATT - Sustainable Development Governance
Reporting Principles	Description or explanation of how the following reporting principles were applied in the preparation of the ESG report: Materiality: The ESG report shall disclose: (i) the process for identifying material environmental, social, and governance (ESG) factors and the criteria for selecting these factors; (ii) if the issuer has conducted stakeholder engagement, a description of the identified key stakeholders and the process and outcomes of the issuer's stakeholder engagement. Quantitative: The data on standards, methodologies, assumptions, and/or calculation tools used in reporting emissions/energy consumption (where applicable), as well as the sources of conversion factors, shall be disclosed. Consistency: The issuer shall disclose in the ESG report any changes in statistical methods or key performance indicators (KPIs) (if any) or any other factors affecting meaningful comparisons.	Statement on Report Preparation
Reporting Scope	Explain the scope of the ESG report, and describe the process for selecting which entities or operations are included in the ESG report. If the reporting scope has changed, the issuer shall explain the differences and reasons for the change.	Statement on Report Preparation
A. Environment		
Level A1: Emissions		
General Disclosure	(a) air emissions, greenhouse gas emissions, discharges to water bodies and land, and the generation of hazardous and non-hazardous waste; (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Climate Action & Green Operations
KPI A1.1	Types of emissions and related emission data.	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Climate Action & Green Operations Key Performance 2025 – Social Responsibility Performance

KPIs	Disclosure Requirements	Sections
KPI A1.3	Total quantity of hazardous waste produced (in tons) and (if applicable) its density (e.g., per unit of production, per facility).	Not separately disclosed / Not applicable
KPI A1.4	Total quantity of non-hazardous waste produced (in tons) and (if applicable) its density (e.g., per unit of production, per facility).	Not separately disclosed / Not applicable
KPI A1.5	Description of the emission reduction targets set and the steps taken to achieve these targets.	About JOULWATT - Sustainable Development Governance Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Climate Action & Green Operations
KPI A1.6	Describe the methods for handling hazardous and non-hazardous waste, and outline the waste reduction targets established, along with the steps taken to achieve these targets.	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Climate Action & Green Operations
Level A2: Resource Use		
General Disclosure	Policy on the efficient use of resources, including energy, water, and other raw materials.	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Climate Action & Green Operations Key Performance 2025 – Social Responsibility Performance
KPI A2.1	Energy Consumption by Type (Direct and/or Indirect, e.g., electricity, gas, or oil); total energy consumption (in thousand kWh) and density (e.g., per unit of output, per facility) to drive environmental protection and resource use.	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Climate Action & Green Operations
KPI A2.2	Total water consumption and density (for example, measured per unit of production or per facility).	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Climate Action & Green Operations Key Performance 2025 – Social Responsibility Performance
KPI A2.3	Describe the energy efficiency targets established, and the steps taken to achieve these targets.	About JOULWATT - Sustainable Development Governance Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Climate Action & Green Operations

KPIs	Disclosure Requirements	Sections
KPI A2.4	Describe any issues encountered in sourcing suitable water, and outline the water efficiency targets set, together with the steps taken to achieve these targets.	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Climate Action & Green Operations
KPI A2.5	Total Packaging Material Used for Finished Products (in tons) and, Where Applicable, per Unit of Production NA	NA
Level A3: Environment and Natural Resources		
General Disclosure	Policy to reduce the issuer's significant impact on the environment and natural resources.	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Climate Action & Green Operations
KPI A3.1	Describe the major environmental and natural resource impacts of business activities, and the actions taken to manage these impacts.	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Climate Action & Green Operations
B. Social		
Employment and Labor Practices		
Level B1: Employment		
General Disclosure	Remuneration, termination, recruitment, promotion, working hours, leave, equal opportunity, diversity, anti-discrimination, and other benefits: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Talent Development: Employee Safeguard and Organizational Growth - Employee Rights and Interests Protection
KPI B1.1	Total Number of Employees by Gender, Employment Type (Full-time/Part-time), Age Group, and Region.	Talent Development: Employee Safeguard and Organizational Growth - Employee Rights and Interests Protection Key Performance 2025 – Social Responsibility Performance
KPI B1.2	Employee turnover rate by gender, age group, and region	Talent Development: Employee Safeguard and Organizational Growth - Employee Rights and Interests Protection Key Performance 2025 – Social Responsibility Performance

KPIs	Disclosure Requirements	Sections
Level B2: Health and Safety		
General Disclosure	Safe work environment and protection from occupational hazards: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Talent Development: Employee Safeguard and Organizational Growth - Employee Rights and Interests Protection
KPI B2.1	Fatalities and fatality rate in the past three years (including reporting year).	Talent Development: Employee Safeguard and Organizational Growth - Employee Rights and Interests Protection Key Performance 2025 – Social Responsibility Performance
KPI B2.2	Lost working days due to work injuries.	Talent Development: Employee Safeguard and Organizational Growth - Employee Rights and Interests Protection Key Performance 2025 – Social Responsibility Performance
KPI B2.3	Description of adopted occupational health and safety measures, implementing and related monitoring methods.	Talent Development: Employee Safeguard and Organizational Growth - Employee Rights and Interests Protection
Level B3: Development and Training		
General Disclosure	Policy to improve employees' job knowledge and skills; description of training activities.	Talent Development: Employee Safeguard and Organizational Growth - Employee Growth
KPI B3.1	Percentage of trained employees by gender and employee category (senior/middle management, etc.).	Talent Development: Employee Safeguard and Organizational Growth - Employee Growth Key Performance 2025 – Social Responsibility Performance
KPI B3.2	Average training hours per employee by gender and category.	Talent Development: Employee Safeguard and Organizational Growth - Employee Growth Key Performance 2025 – Social Responsibility Performance
Level B4: Labor Standards		

KPIs	Disclosure Requirements	Sections
General Disclosure	Prevention of child labor and forced labor: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Talent Development: Employee Safeguard and Organizational Growth - Employee Rights and Interests Protection
KPI B4.1	Description of the measures to review recruitment practices to avoid child labor and forced labor.	Talent Development: Employee Safeguard and Organizational Growth - Employee Rights and Interests Protection
KPI B4.2	Description of the steps taken to address violations if discovered.	Talent Development: Employee Safeguard and Organizational Growth - Employee Rights and Interests Protection
Operational Practices		
Level B5: Supply Chain Management		
General Disclosure	Policy to manage environmental and social risks in the supply chain.	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Building a Responsible Supply Chain Responsible Procurement Management
KPI B5.1	Breakdown of suppliers by region.	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Building a Responsible Supply Chain Key Performance 2025 – Social Responsibility Performance
KPI B5.2	Description of supplier engagement practices, number of suppliers implementing them, and related implementing and monitoring methods.	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Building a Responsible Supply Chain Responsible Procurement Management
KPI B5.3	Description of practices to identify environmental/social risks in each supply chain link, and related implementing and monitoring methods.	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Building a Responsible Supply Chain; Responsible Procurement Management

KPIs	Disclosure Requirements	Sections
KPI B5.4	Description of practices to encourage use of environmentally friendly products/services in supplier selection, and related implementing and monitoring methods.	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Responsible Procurement Management
Level B6: Product Responsibility		
General Disclosure	Product/service health & safety, advertising, labeling, privacy, and remediation: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Innovation Builds the Core: R&D, Quality, and Intellectual Property - Ongoing Quality Management Improvement Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations - Compliance Marketing Management; Customer Service and Support Governance Foundation: Compliance, Risk Control & Digital Operations - Digital Operations, Information Security, and Data Protection
KPI B6.1	Percentage of total sold or shipped products that were recalled for safety and health reasons.	NA
KPI B6.2	Number of complaints received regarding products and services, and the corresponding response measures.	Ecosystem Collaboration: Supply Chain, Customers, and Low-Carbon Operations - Customer Service and Support
KPI B6.3	Description of the Company's practices for safeguarding and protecting intellectual property.	Innovation Builds the Core: R&D, Quality, and Intellectual Property - Intellectual Property Management and Protection
KPI B6.4	Description of the quality inspection process and the product recall procedure.	Innovation Builds the Core: R&D, Quality, and Intellectual Property - Ongoing Quality Management Improvement
KPI B6.5	Description of customer data protection and privacy policy, and related implementing and monitoring methods.	Governance Foundation: Compliance, Risk Control & Digital Operations - Digital Operations, Information Security, and Data Protection
Level B7: Anti-Corruption		
General Disclosure	The prevention of bribery, extortion, fraud, and money laundering: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Governance Foundation: Compliance, Risk Control & Digital Operations - Compliance Management

KPIs	Disclosure Requirements	Sections
KPI B7.1	Number of concluded corruption-related litigation cases involving the issuer or its employees, and the outcomes of such cases.	Governance Foundation: Compliance, Risk Control & Digital Operations - Compliance Management Key Performance 2025 – Corporate Governance Performance
KPI B7.2	Description of preventive measures and whistleblowing procedures, and related implementing and monitoring methods.	Governance Foundation: Compliance, Risk Control & Digital Operations - Compliance Management
KPI B7.3	Description of anti-corruption training provided to directors and employees.	Governance Foundation: Compliance, Risk Control & Digital Operations - Compliance Management
Community		
Level B8: Community Investment		
General Disclosure	Policy to understand the needs of the communities in which the Company operates, and to ensure business activities take community interests into account.	Governance Foundation: Compliance, Risk Control & Digital Operations - Party Building Leadership and Organizational Development Talent Development: Employee Safeguard and Organizational Growth - Employee Communication and Feedback
KPI B8.1	Focus areas of contribution (such as education, environmental issues, labor needs, health, culture, sports.)	Governance Foundation: Compliance, Risk Control & Digital Operations - Party Building Leadership and Organizational Development Talent Development: Employee Safeguard and Organizational Growth - Employee Communication and Feedback
KPI B8.2	Resources Deployed in Focus Areas (e.g., monetary or time).	Governance Foundation: Compliance, Risk Control & Digital Operations - Party Building Leadership and Organizational Development Talent Development: Employee Safeguard and Organizational Growth - Employee Communication and Feedback

KPIs	Disclosure Requirements	Sections
Part D: Climate-Related Disclosures		
Governance	The governance body (which may include the Board of Directors, a designated committee, or other equivalent governing entity/talent) responsible for overseeing climate-related risks and opportunities. The role of management in the governance processes, monitoring measures, and procedures used to identify, assess, manage, and supervise climate-related risks and opportunities.	About JOULWATT - Sustainable Development Governance
Strategy	Climate-related Risks and Opportunities Business Model and Value Chain Strategy and Decision-Making Financial Position, Financial Performance, and Cash Flow Climate Resilience	About JOULWATT - Sustainable Development Governance Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Climate Action & Green Operations; Building a Responsible Supply Chain
Risk Management	The processes and policies adopted by the issuer for identifying and assessing climate-related risks, as well as determining their materiality and maintaining ongoing monitoring. The processes adopted by the issuer for identifying and assessing climate-related opportunities, as well as determining their materiality and maintaining ongoing monitoring, including whether and how the issuer uses climate-related scenario analysis to identify information on climate-related opportunities. How the processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into the issuer's overall risk management process, and the extent of such integration.	About JOULWATT - Sustainable Development Governance Governance Foundation: Compliance, Risk Control & Digital Operations - Compliance Management
Indicators and Targets	Greenhouse Gas Emissions Climate-related Transition Risks Climate-related Physical Risks Climate-related Opportunities Capital Deployment Internal Carbon Pricing Remuneration Industry Metrics Climate-related Targets	Ecosystem Collaboration: Supply Chain, Customers & Low-Carbon Operations – Climate Action & Green Operations Key Performance 2025 – Social Responsibility Performance

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