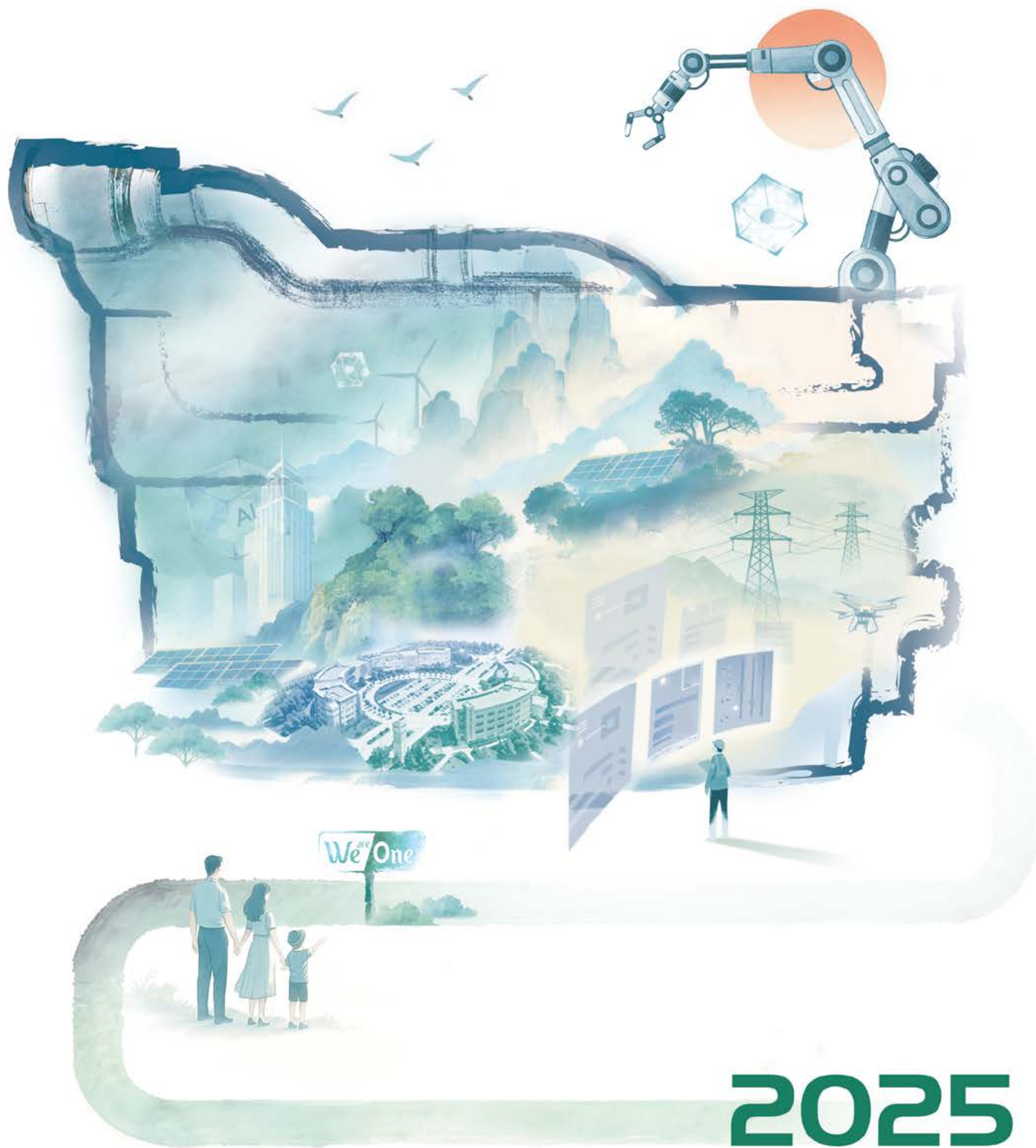


**WEICHAI**  
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# 2025

## Environmental, Social and Governance Report

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# About This Report

This is the Environmental, Social and Governance (ESG) Report disclosed by Weichai Power Co., Ltd. (000338.SZ, 02338.HK), aiming to respond to stakeholders' expectations and present the Company's ESG philosophy, management approach, key initiatives, and performance in advancing sustainable development.

## Reporting Standards



This Report is primarily prepared with reference to:

The Appendix C2 *Environmental, Social and Governance Reporting Code* in the *Main Board Listing Rules* of the Hong Kong Exchanges and Clearing Limited ("HKEX")

*Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange – Sustainable Development Report (Trial)*

*Work Guidelines for the ESG Indicator System of Shandong State-controlled Listed Companies* issued by the State-owned Assets Supervision and Administration Commission of Shandong Province

*Code of Corporate Governance for Listed Companies* issued by the China Securities Regulatory Commission

*International Financial Reporting Standards (IFRS) S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-Related Disclosures* issued by International Sustainability Standards Board (ISSB)

*GRI Sustainability Reporting Guidelines* (GRI Standards) issued by the Global Sustainability Standards Board (GSSB)

*Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises* developed by the Corporate Social Responsibility Research Center of the Department of Economics of the Chinese Academy of Social Sciences (CASSCSR)

MSCI-ESG rating

## Reporting Scope



Unless otherwise specified, this Report covers the performance of Weichai Power Co., Ltd. and its subsidiaries, which is consistent with the scope of the consolidated financial statements in the annual financial report.

## Data Sources



The key financial data provided in this Report are from the *Weichai Power Annual Report 2025*, while others are from the Company's internal management system. Unless otherwise specified, the currency unit in this Report is RMB.

## Reporting Period



The reporting period is from 1 January 2025 to 31 December 2025. Some parts and data of this Report are outside this time span.

## Definitions and Abbreviations



For easy reference and reading, Weichai Power Co., Ltd. and its subsidiaries are referred to as the "Company" and "We", all companies mentioned in this report are accompanied by their full names and abbreviations. A detailed cross-reference of these companies is provided in the "Comparison Table of Key Enterprises" attached.

## Reporting Principles



This Report strictly follows ESG information disclosure regulations, ensuring accuracy, transparency, and comparability of the disclosed information.

**Materiality:** The Company selects and discloses ESG topics that have the most significant impact on its operations and stakeholders based on ESG regulatory guidelines, effectively addressing market and stakeholder concerns.

**Quantitative:** The Company has established a regular monitoring and statistical mechanism for key quantitative indicators, with data consolidated and disclosed annually. All figures include detailed explanations of calculation methods and reference standards can be found in the relevant sections of this Report.

**Consistency:** Where prior-year data has been adjusted or relevant definitions revised, detailed explanations are provided in this report, facilitating trend analysis and long-term tracking by stakeholders.

## Report Access



This Report is available on our official website and that of HKEX, as well as at [www.cninfo.com.cn](http://www.cninfo.com.cn), in both Chinese and English. Should there be any discrepancy between the Chinese version and the English version, the simplified Chinese version shall prevail.

## Disclaimer



Parts of this Report are forward-looking subject to uncertainties, which could cause actual results to differ materially from those presented. The Company undertakes no obligation to update any forward-looking statements provided in this Report.

## Message from the Chairman



2025 marked the conclusion of the 14th Five-Year Plan and a pivotal milestone for Weichai Power to anchor to our strategic blueprint, deepen transformation, and comprehensively improve quality and efficiency. Amidst a complex external landscape and intense industry competition, our employees united in resolve and strove forward with renewed vigor. Driven by technological innovation and guided by market demands, we unleashed operational efficiency to maintain high-quality, stable growth, delivering outstanding performance to society, the government, shareholders, and employees.



### Focusing on independent technological innovation, we continuously strengthen core competitive advantages.

Driven by our Four-in-One Innovation System, we continue to increase our R&D investment to accelerate the release of high-quality productive forces and strengthen growth momentum. We continue to consolidate our advantages in road power products, setting industry-leading fuel consumption standards. The Gas Engine 4.0 series retains its absolute competitive edge, while our large-bore power generation solutions have successfully broken the long-standing monopoly of foreign products in China's critical data center sector. We also achieved significant progress in digital transformation and were selected into the first batch of National Leading Intelligent Factory cultivation programs.

### Expanding into diversified power tracks, we make notable progress in new energy fields.

We completed the construction and commenced operations of the Weichai (Yantai) New Energy Power Industrial Park, laying a solid foundation for capacity expansion. We launched a 600-degree underbody battery for heavy-duty trucks, which can operate at -20 ° C. We introduced a 140-degree fast-charging battery for light-duty trucks, saving over 100 hours of charging time annually. We developed a full spectrum of range extenders (90-180 tons) and scenario-specific battery packs for mining trucks. We also launched a new generation of motor controllers fully supporting both range-extended motors and drive motors, fit for all vehicle models. These advancements are steadily building sustainable competitiveness for the future.

### Balancing compliance governance with employee care, we solidify the foundation for sustainable development.

We established a coordinated compliance governance system, implementing compliance recommendations across high-risk areas. Leveraging the "four-in-one" compliance management system, we comprehensively strengthened cross-border compliance support for overseas subsidiaries, effectively reinforcing our risk prevention framework. We innovatively launched a digital welfare redemption platform and introduced professional mental health services, building a more compassionate employee care system that authentically conveys corporate warmth. We were honored with the EY 2025 Outstanding Enterprise for Sustainable Development Award and the CSI Index 2025 Pioneer of Green and Low-Carbon Practices among A-share Listed Companies.

### Boosting brand value, we amplify Weichai's voice on the global stage.

According to the China Council for Brand Development, Weichai Power's brand value reached RMB 83.048 billion, marking steadily growth for the eighth consecutive year and continuously enhancing our capital market image. We hosted over 140 international exhibitions globally, expanding our brand reputation and international influence.

This ESG report reviews our efforts and achievements in sustainable development in 2025. We hope it will further strengthen communication and mutual trust with all stakeholders, consolidate consensus, and inspire continued collaboration. Going forward, the Company will continue to uphold sustainable development as its core philosophy, contributing more to industry upgrading, economic development and social progress.

**Chairman  
Ma Changhai**

## ESG Statement of the Board

Weichai Power fully recognizes the significant impact of Environmental, Social and Governance (ESG) issues on corporate sustainable development, stakeholder trust, and long-term value creation. The Company adheres to the *Code of Corporate Governance for Listed Companies* of the China Securities Regulatory Commission and relevant requirements of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, integrating ESG core principles and standards comprehensively into its corporate governance and management systems.

The Company has established a robust ESG governance system, forming a three-tier management structure consisting of "Board ESG Committee - ESG Management Team - ESG Working Group", which provides organizational safeguards for the orderly implementation of ESG management initiatives. The Board ESG Committee, as the highest decision-making and governance body for the Company's ESG efforts, leads and oversees the Company's ESG matters.

The Board of Directors places high importance on the identification and determination of ESG materiality. In 2025, the Company conducted systematic reviews and dynamic optimizations of dual materiality issues based on two dimensions, including "impact materiality" and "financial materiality", following the process of identification, research, assessment and confirmation. The updated 2025 Dual Materiality Matrix was finalized and disclosed after Board deliberation.

This Report systematically discloses the progress and implementation of Weichai Power's ESG management initiatives in 2025, which was submitted to the Board of Directors for approval on March 26, 2026, following review by the ESG Committee.



# About Weichai Power

Weichai Power was founded in 2002 by the original Weifang Diesel Engine Factory as the main sponsor, together with other domestic and foreign investors. It is the first Chinese combustion engine company listed on "HKEX" and it is also the first enterprise to achieve dual listing in both Hong Kong and the Chinese mainland through share swap and merger, known as "H to A" listing.

The Company owns a range of well-known brands, both domestically and internationally. Domestically, it includes "Weichai Power Engines", "Shacman Heavy-Duty Truck", "Weichai Lovol Intelligent Agriculture", "Fast Gear", "Hande Axle", and "Torch Spark Plug". Internationally, it includes "KION" and "Linde Hydraulics" from Germany, "Dematic" and "PSI" from the USA, "Moteurs Baudouin" from France, and "Ballard" from Canada. The Company's main business covers multiple fields including power systems, commercial vehicles, agricultural equipment, smart logistics, and other sectors, with subsidiaries and branches across Europe, North America, Asia, and other regions. Its products are exported to over 150 countries and territories. The Company's heavy engines and heavy gearboxes rank first in global sales, its industrial forklifts are among the global leaders, its agricultural equipment sales are the highest in China, and its heavy trucks are leading in China.

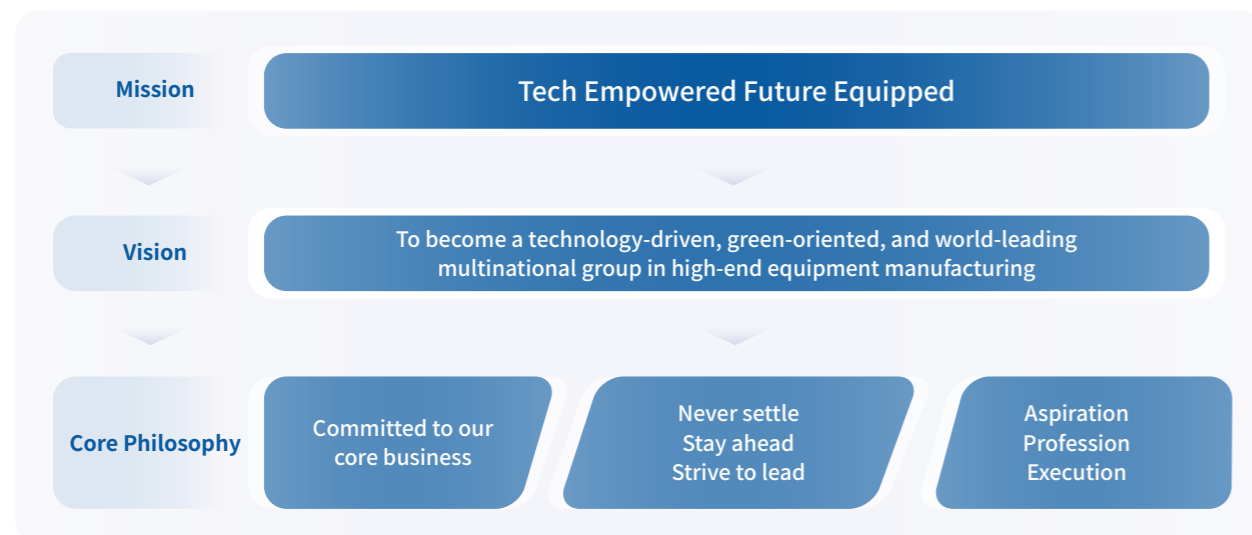
The Company hosts multiple national-level innovation platforms, such as the State Key Laboratory of Internal Combustion Engine and Power System, the National Fuel Cell Technology Innovation Center, the National Commercial Vehicle Power System Assembly Engineering and Technology Research Center, and the National Industrial Design Center, among others. It has also set up "post-doctoral research stations", established ten cutting-edge technology innovation centers across the globe, and continued to strengthen its global collaborative R&D platform. The Company has won nine national scientific and technological awards, including the first prize of the National Science and Technology Progress Award in 2018.

We integrate sustainable development philosophy into the entire strategic and operational processes, continuously enhancing technological innovation capabilities, global operational capabilities, and governance standards. By actively practicing green, low-carbon, high-quality development, we lead the equipment manufacturing industry chain toward high-end positioning and win-win development. The Company has been honored with prestigious accolades including the China Quality Award, China Patent Gold Award, China Trademark Gold Award - Trademark Innovation Award, National Quality Award, and National Demonstration Base for Corporate Culture Development.

## Corporate Culture

We consistently uphold the corporate culture philosophy of Tech Empowered Future Equipped, deeply integrating our corporate culture into strategic planning and daily operational management. Guided by core values, we steer development direction and foster organizational cohesion through cultural development, empowering high-quality growth.

## Cultural Philosophy



## Honors and Awards

- The 3rd Guoxin Cup · ESG Golden Bull Top 100**  
China Securities Journal
- The 2025 Outstanding Enterprise for Annual Best Sustainable Development Award**  
Ernst & Young (EY)
- The 2025 Pioneer of Green and Low-Carbon Practices among A-share Listed Companies**  
Sino-Securities Index
- Gelonghui Golden Globe Award · ESG Social Responsibility Excellence Company**  
Gelonghui
- Golden Round Table Award**  
Directors & Boards
- the Best Practices List for Investor Relations Management**  
China Association for Public Companies
- Best Investor Relations (IR) Practice for Hong Kong Listed Companies**  
New Fortune
- Key Platform for Talent Effectiveness Enhancement in Shandong Province**  
Department of Science & Technology of Shandong Province
- National Leading Intelligent Factory**  
The Ministry of Industry and Information Technology
- Outstanding Winner of Science and Technology Award of China Machinery Industry**  
China Machinery Industry Federation and Chinese Mechanical Engineering Society
- First Prize of Shandong Province Science and Technology Progress Award**  
The People's Government of Shandong Province

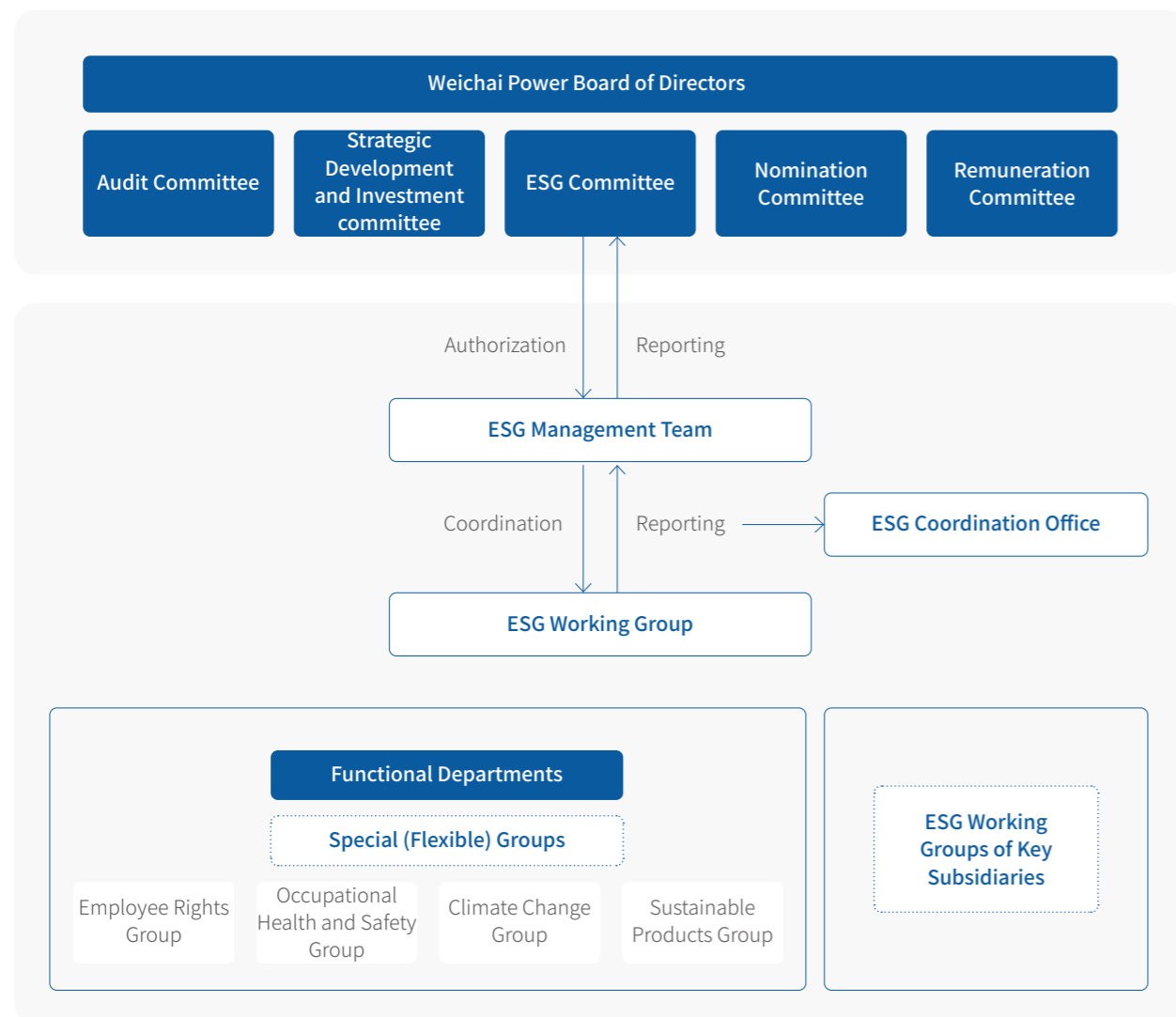
# ESG Management

The Company actively constructs a scientific ESG governance framework, striving to deeply integrate the ESG strategy into the entire business process. It conducts substantive issue analysis and stakeholder communication, continuously improving its ESG management system to transform ESG core values into the intrinsic driving force for achieving world-class excellence.

## ESG Governance

The Company has established a board-centric ESG governance structure, setting up an ESG Committee at the board level. This forms a three-tier ESG management system consisting of "Board ESG Committee - ESG Management Team - ESG Working Group", clarifying the responsibilities of each level, department, and position. By building a clearly defined and collaborative ESG management system, the Company continuously enhances its ESG governance level and performance management capabilities.

### ESG Governance Structure



## Integrating ESG Performance into Executive Compensation

To ensure the achievement of the Company's sustainable development goals, the Company incorporates accountable safety accident indicators into its overall performance indicators and includes compliance with emissions management monitoring in the General Manager's Personal Performance Contract (PPC), with a weight of 5%. The performance of this indicator will impact the annual evaluation results and the CEO's annual performance bonus. The Company has established the *Director and Senior Executives Compensation Management Policy of Weichai Power Co., Ltd.* to standardize compensation management for all directors and senior executives (including the General Manager). The board's Remuneration Committee is responsible for approving annual performance plans, reviewing the completion of performance indicators, and determining the distribution of performance bonuses.

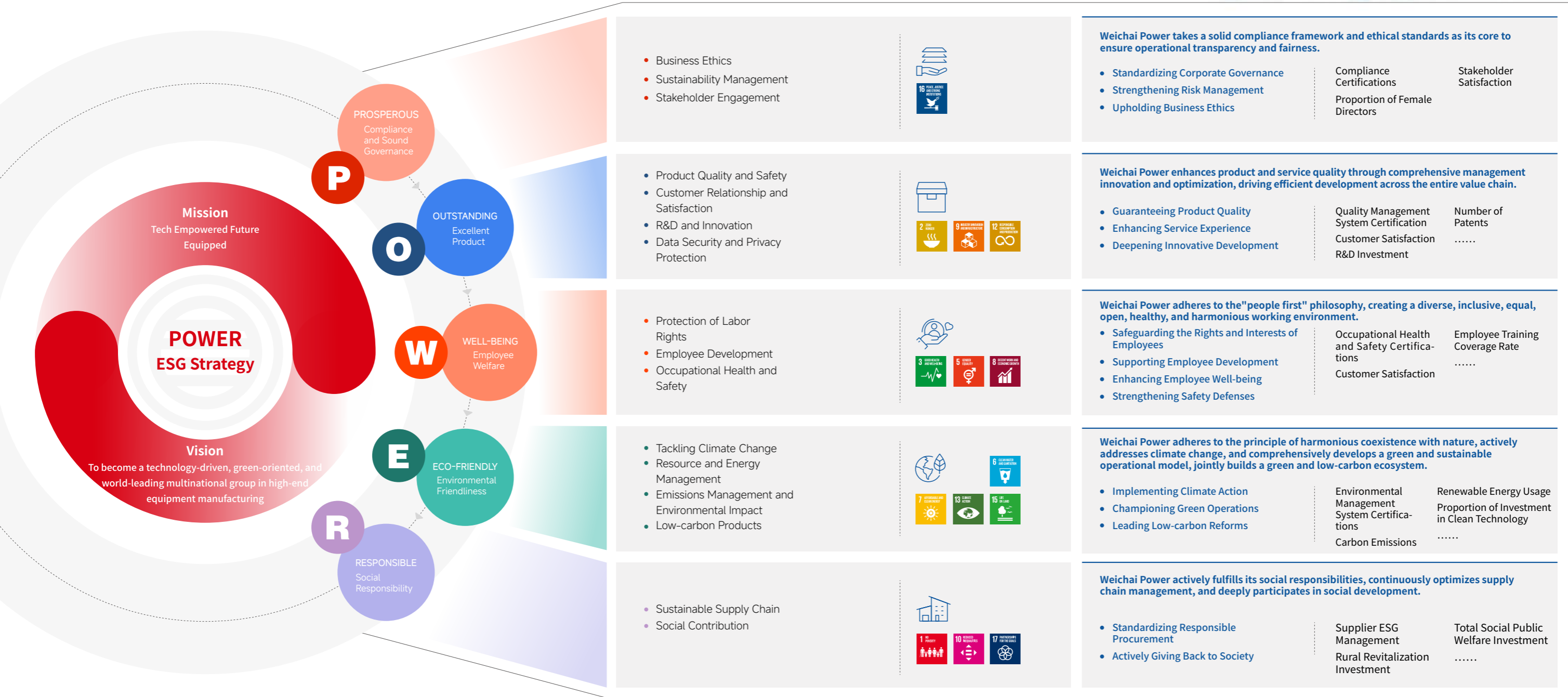
In line with the Company's industry characteristics, the performance appraisal standards precisely focus on quantitative indicators that have a significant impact on business operations. In the environmental dimension, key indicators include the energy consumption reduction rate per RMB 10,000 of output value, greenhouse gas emission intensity per unit of output value, and the revenue share of low-carbon or electric products from R&D activities. In the social dimension, the Company enforces a "one-vote veto system" for workplace safety, where safety indicators such as the "million-hour disability injury frequency rate" serve as prerequisite conditions for executive compensation calculations. Additionally, the supply chain ESG risk audit coverage rate is also incorporated into the evaluation framework.

## Responsibilities of ESG Governance Structure

	<p><b>Board ESG Committee</b></p>	<ul style="list-style-type: none"> <li>The ESG Committee of the Board of Directors serves as the highest decision-making and governance body for the Company's ESG efforts. It leads and oversees ESG governance matters, and supervises and reviews the Company's ESG-related development strategies, objectives, plans, reports, and other issues that may have a significant impact on the Company</li> </ul>
	<p><b>ESG Management Team</b></p>	<ul style="list-style-type: none"> <li>The ESG Management Team, as the core management group for ESG efforts, is led by the Company's General Manager as the highest responsible person, directly overseeing the ESG work plans of various subordinate departments</li> <li>Coordinate the implementation of the Company's ESG strategy, objectives, and plans</li> <li>Assess ESG-related risks and opportunities that have significant impacts on the Company's business and report to the ESG Committee of the Board of Directors</li> </ul>
	<p><b>ESG Coordination Office</b></p>	<ul style="list-style-type: none"> <li>Act as the executive body for ESG matters, providing overall guidance and coordination for ESG-related work across various departments</li> </ul>
	<p><b>ESG Working Group</b></p>	<ul style="list-style-type: none"> <li>Conduct the specific execution of ESG work, with four ESG Working (Flexible) Groups under its purview: employee rights, occupational health and safety, climate change, and sustainable products</li> <li>Execute the annual ESG work plan, including the identification and assessment of risks and opportunities related to various ESG topics, and regularly report to the ESG Management Team</li> <li>Be responsible for communication and coordination with relevant departments and subsidiaries to advance ESG issues</li> </ul>
	<p><b>ESG Working Group of Key Subsidiaries</b></p>	<ul style="list-style-type: none"> <li>Develop ESG strategic plans and oversee the implementation of ESG strategies</li> <li>Establish a communication bridge between the Company and subsidiaries to strengthen ESG management cooperation</li> </ul>

# ESG Strategy

The Company closely aligns with the national strategic direction, actively addresses challenges in global sustainable development, and integrates its business layout, industry development trends, and ESG management framework to continuously refine the "POWER" sustainable development strategy system. Anchored by the five core elements: PROSPEROUS Compliance and Sound Governance, OUTSTANDING Excellent Product, WELL-BEING Employee Welfare, ECO-FRIENDLY Environmental Friendliness, and RESPONSIBLE Social Responsibility, the Company systematically advances ESG management and practices to support the realization of the national "Dual Carbon" goals. Guided by the mission of "Tech Empowered Future Equipped", we center on the "POWER" strategy to embed sustainable development management into the entire lifecycle of corporate mid-to-long-term strategic planning, operational decision-making, and management operations. This drives high-quality corporate development and contributes Chinese wisdom and strength to the sustainable development of the global industry.



# ESG Goal Management

## ESG Strategic Goal and Progress

Strategy	Topic	Section	Metrics and Targets	2025 Progress
<p><b>PROSPEROUS</b> Compliance and Sound Governance</p> 	<p>We take a solid compliance framework and ethical standards as our core to ensure operational transparency and fairness.</p> <ul style="list-style-type: none"> <li>Business Ethics</li> <li>Sustainability Management</li> <li>Stakeholder Engagement</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>Board and executive performance are linked to ESG performance</li> <li>By 2030, the proportion of female directors exceeds 30%</li> <li>Full coverage of compliance risk identification in key business areas</li> <li>Certified under ISO 37301: Compliance Management Systems</li> <li>Certified under ISO 37001: Anti-Bribery Management Systems</li> </ul>	<ul style="list-style-type: none"> <li>ESG indicators are integrated into company-wide and CEO performance evaluations</li> <li>The proportion of female directors is 14.3%<sup>1</sup></li> <li>100% coverage rate of compliance risk identification in key business areas</li> <li>Certified under ISO 37301: Compliance Management Systems</li> <li>Certified under ISO 37001: Anti-Bribery Management Systems</li> </ul>
<p><b>OUTSTANDING</b> Excellent Product</p> 	<p>The Company enhances product and service quality through comprehensive management innovation and optimization, driving efficient development across the entire value chain.</p> <ul style="list-style-type: none"> <li>Product Quality and Safety</li> <li>Customer Relationship and Satisfaction</li> <li>R&amp;D and Innovation</li> <li>Data Security and Privacy Protection</li> </ul>	<ul style="list-style-type: none"> <li>Product Quality and Safety</li> <li>Customer Service</li> <li>R&amp;D and Innovation</li> <li>Data Security and Privacy Protection</li> </ul>	<ul style="list-style-type: none"> <li>No product recalls</li> <li>Customer satisfaction: over 90%</li> </ul>	<ul style="list-style-type: none"> <li>Zero occurrence of product recall incidents and zero fines or litigation from regulatory authorities due to product quality defects</li> <li>In 2025, customer satisfaction rate reached 93.13%</li> </ul>
<p><b>WELL-BEING</b> Employee Welfare</p> 	<p>The Company adheres to the "people first" philosophy, creating a diverse, inclusive, equal, open, healthy, and harmonious working environment.</p> <ul style="list-style-type: none"> <li>Protection of Labor Rights</li> <li>Employee Development</li> <li>Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Employment and Employee Rights and Interests</li> <li>Employee Training and Development</li> <li>Employee Welfare and Care</li> <li>Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Zero fatal and major accident incidents</li> <li>Zero serious injury incidents</li> <li>No more than 4 minor injury incidents (employees and contractors)</li> <li>100% training coverage rate</li> <li>Minimum 100 training hours per employee</li> <li>100% ISO 45001 Occupational Health and Safety Management System certification coverage rate</li> </ul>	<ul style="list-style-type: none"> <li>Zero occurrences of fatal and major accident incidents</li> <li>Zero serious injury incidents recorded</li> <li>Zero minor injury incidents involving employees and contractors</li> <li>Achieving 100% training coverage rate</li> <li>Average training hours per employee reached 108.76</li> <li>100% ISO 45001 Occupational Health and Safety Management System certification coverage rate</li> </ul>
<p><b>ECO-FRIENDLY</b> Environmental Friendliness</p> 	<p>The Company adheres to the principle of harmonious coexistence with nature, actively addresses climate change, and comprehensively develops a green and sustainable operational model, jointly builds a green and low-carbon ecosystem.</p> <ul style="list-style-type: none"> <li>Tackling Climate Change</li> <li>Resource and Energy Management</li> <li>Emissions Management and Environmental Impact</li> <li>Low-carbon Products</li> </ul>	<ul style="list-style-type: none"> <li>Climate Change Tackling</li> <li>Energy and Resource Management</li> <li>Environmental Management</li> <li>Emission and Waste Management</li> <li>Low-carbon Products and Low-carbon Enterprises</li> </ul>	<ul style="list-style-type: none"> <li>100% compliant discharge and disposal of waste gas, wastewater, and hazardous waste</li> <li>100% ISO 14001 Environmental Management Systems (EMS) certification coverage rate</li> <li>By 2030, clean technology investments account for 50% or above of total R&amp;D expenditures.</li> </ul>	<ul style="list-style-type: none"> <li>Achieving 100% compliant discharge and disposal of waste gas, wastewater, and hazardous waste</li> <li>100% ISO 14001 Environmental Management Systems (EMS) certification coverage rate</li> <li>In 2025, clean technology investments accounted for 42.87% of total R&amp;D expenditures</li> </ul>
<p><b>RESPONSIBLE</b> Social Responsibility</p> 	<p>We actively fulfill our social responsibilities, continuously optimizes supply chain management, and deeply participates in social development.</p> <ul style="list-style-type: none"> <li>Sustainable Supply Chain</li> <li>Social Contribution</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Supply Chain</li> <li>Community Engagement and Public Welfare Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>No less than RMB 10 million in public welfare investments</li> </ul>	<ul style="list-style-type: none"> <li>Social public welfare investments reached RMB 20.4637 million</li> </ul>

<sup>1</sup> As at the reporting date.

## Dual Materiality Assessment

The Company routinely conducts dual materiality identification and assessment in accordance with the requirements of *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainable Development Report (Trial)* (hereinafter referred to as the Guidelines) of the Shenzhen Stock Exchange. Building upon its existing assessment framework, the Company systematically reviews scenarios related to its business activities and value chain in light of annual business priorities and changes in the external environment. Using the issues outlined in the relevant regulatory documents as reference, the Company dynamically identifies potential impacts, risks and opportunities associated with each issue, ultimately establishing 16 annual key issues.

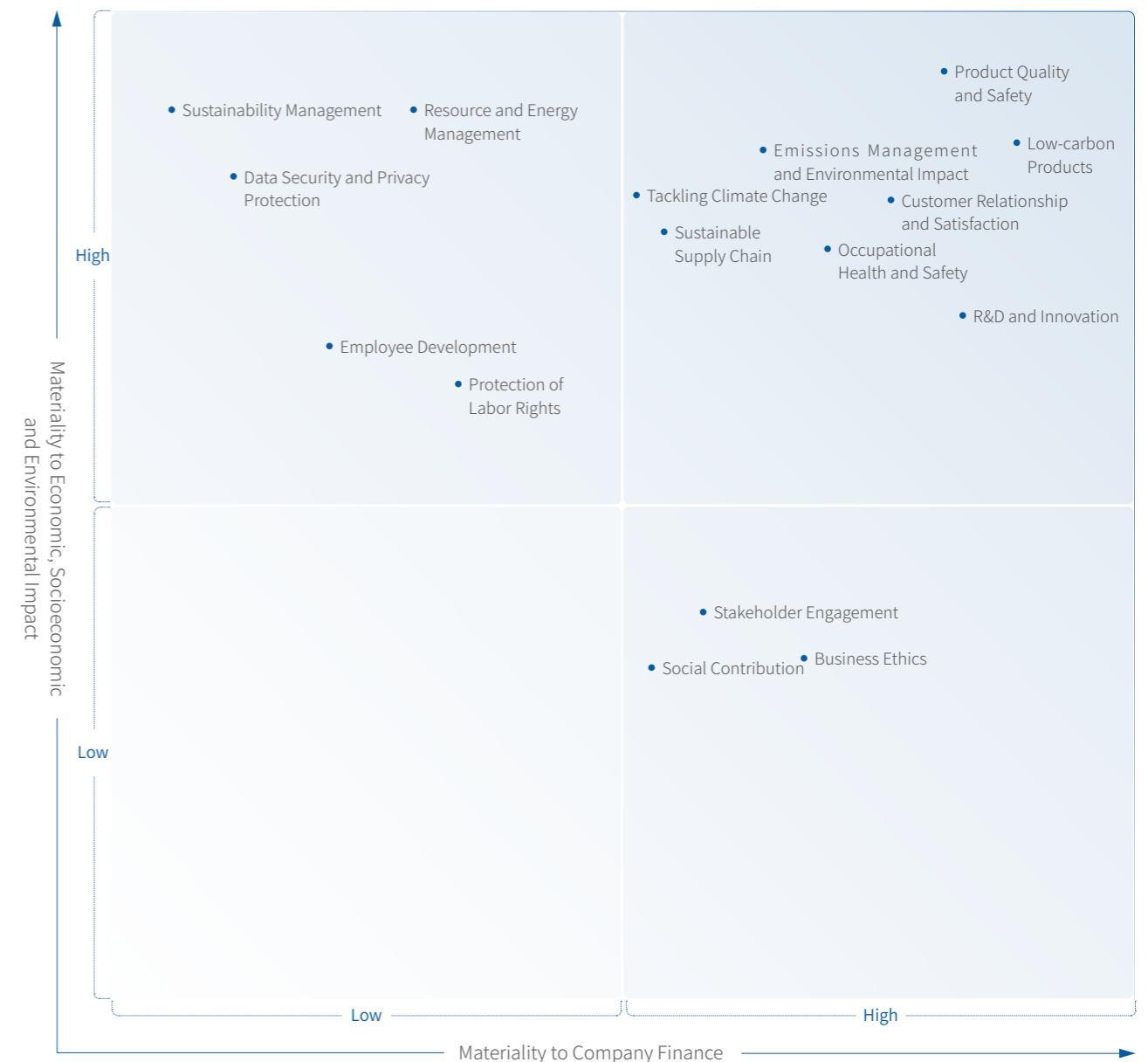
The Company conducted a comprehensive assessment of relevant issues from both dimensions of "impact materiality" and "financial materiality", ultimately establishing the 2025 dual materiality matrix. The assessment results provide a critical reference for continuous optimization of the Company's ESG strategy, resource allocation decisions, and risk management.

Building on this foundation, the Company has further established a material issue risk assessment and management mechanism, which regularly conducts risk identification, assessment, and follow-up management for identified key issues. In alignment with its operational realities, the Company systematically analyzes the operational risks, compliance risks, and financial impacts that may arise from related issues. The assessment results are integrated into the Company's overall risk management and internal control system. Through continuous monitoring, dynamic evaluation, and optimization of management measures, the Company promotes effective identification and control of related risks, thereby enhancing its governance capacity for sustainable development.

### Dual Materiality Issues Assessment Process



### The Company's 2025 Dual Materiality Matrix











## Stakeholder Engagement

The Company regards effective communication with stakeholders as a critical component of dual materiality matrix and ESG strategy formulation. It continuously improves its information disclosure and communication mechanisms and perfects systems such as investor relations management, to ensure timely and consistent information dissemination and foster positive interaction among all stakeholders.

In 2025, the Company further strengthened its stakeholder engagement framework. Notably, it leverages multi-channel, routine communication approaches to systematically collect and respond to stakeholder feedback and expectations, continuously enhance communication effectiveness, strengthen mutual trust and collaborative mechanisms, and support the Company's robust development and co-creation of social value.

### Stakeholder Communication Mechanism

Stakeholder	Stakeholder Expectation	Communication Mechanisms
<b>Government and Regulatory Agencies</b> 	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Compliance operation</li> <li>Paying taxes according to law</li> <li>Contributing to local development</li> </ul>	<ul style="list-style-type: none"> <li>Information disclosure</li> <li>Routine communication and report</li> <li>Government research and inspections</li> </ul>
<b>Shareholders and Investors</b> 	<ul style="list-style-type: none"> <li>Shareholder returns</li> <li>Information disclosure</li> <li>Risk management</li> <li>Corporate governance</li> <li>Business performance</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' meeting</li> <li>Periodic reports and announcements</li> <li>Investor communication meetings</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Supply of renewable energy products</li> <li>High-quality services</li> </ul>	<ul style="list-style-type: none"> <li>Guaranteeing product quality</li> <li>Customer satisfaction surveys</li> <li>Regular customer communication activities</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Employee rights and interests protection</li> <li>Occupational health and safety</li> <li>Career development</li> </ul>	<ul style="list-style-type: none"> <li>Staff congresses and trade unions</li> <li>Employee satisfaction survey</li> <li>Performance management</li> <li>Internal and external training</li> <li>Employee care activities</li> </ul>

Stakeholder	Stakeholder Expectation	Communication Mechanisms
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>Supply chain sustainability</li> <li>Communication and Information Sharing</li> </ul>	<ul style="list-style-type: none"> <li>On-site audits</li> <li>Supplier conferences</li> </ul>
<b>Partners</b> 	<ul style="list-style-type: none"> <li>Integrity-driven business environment</li> <li>Win-win development</li> </ul>	<ul style="list-style-type: none"> <li>Public bidding</li> <li>Business conferences</li> </ul>
<b>Community Representatives</b> 	<ul style="list-style-type: none"> <li>Driving local economic development</li> <li>Environmental impact of production and operation in the community</li> <li>Community service and charity</li> </ul>	<ul style="list-style-type: none"> <li>Volunteer service</li> <li>Supporting cultural and sports activities</li> <li>Participating in community building</li> </ul>
<b>Trade Associations</b> 	<ul style="list-style-type: none"> <li>Fair competition</li> <li>Promoting industry development</li> <li>Technology and experience sharing</li> </ul>	<ul style="list-style-type: none"> <li>Industry exchange seminar</li> <li>Project cooperation</li> </ul>

### Case Weichai Power's Digital and Intelligent ESG Management

To continuously enhance the Company's ESG management, in 2025, it established an ESG Indicator System and an ESG Information Management System, aligned with requirements from regulatory bodies and ESG rating agencies. The system enables core functions including indicator tracking, report generation, rating management, and ESG training, systematically advancing the Company's ESG management capabilities.

# Strengthening Governance, Ensuring Long-Term Success

We are committed to integrating compliance management and ethical business practices into our overarching corporate development strategy. By continuously optimizing the corporate governance system, strengthening risk prevention and internal control mechanisms, and enhancing business ethics and compliance culture building, we provide a solid foundation for the Company to achieve long-term stable operations in a continuously evolving market environment.



# Corporate Governance

The Company adheres to the concept of standardized and efficient corporate governance, continuously improving its governance system and operational mechanisms. It promotes the diversification and professionalization of the Board of Directors while strengthening integrity and compliance through Party leadership, thereby enhancing the effectiveness of corporate governance.

## Board of Directors Management

The Company strictly follows relevant laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guidelines for Corporate Governance of Listed Companies*, and the *Listing Rules of the Hong Kong Exchanges and Clearing Limited*, continuously refining its governance system. By enhancing the standardized operations of the Board of Directors, the Company strengthens its governance foundation to support long-term value creation.

The Board of Directors has established an Audit Committee, a Remuneration Committee, a Nomination Committee, a Strategic Development and Investment Committee, and an ESG Committee. These committees are actively engaged in the governance process, ensuring scientific and forward-looking decision-making through cross-functional oversight and collaboration.

## Board Effectiveness

The Company continues to deepen board performance enhancement and regularly assesses board effectiveness. By adhering to the *Articles of Association of Weichai Power Co., Ltd.* and relevant procedural rules, it standardizes meeting convening and decision-making processes to ensure orderly and efficient board operations. The Company rigorously implements the board meeting system, with meetings convened by the Chairman or an authorized representative in accordance with legal requirements. Meeting notices and agenda materials are distributed to all directors in advance to ensure full awareness and participation. During the reporting period, the Company held 10 board meetings, with a 100% attendance rate.

The Company has established a standardized and transparent board election and appointment mechanism, managed by the Nomination Committee. The Committee conducts a systematic annual review of the Board's structure and composition. During the nomination process, candidates are evaluated holistically based on their professional background, industry experience, and duty fulfillment capabilities.

To strengthen incentive alignment and accountability, the Company has implemented a remuneration adjustment and clawback mechanism. This mechanism explicitly stipulates that if directors or key executives commit financial restatements due to errors, engage in fraudulent activities, serious violations, or negligence leading to material losses, the Remuneration Committee will reassess their annual performance-based compensation and long-term incentives. Additionally, the Company may legally claw back or recover previously distributed or vested incentive compensation.

### During the reporting period

Number of Board Meetings Held	Board Meeting Attendance Rate	Average Tenure of Directors	Independence Assessment of Independent Directors
10 times	100%	4.66 years	100%

P-Strengthening Governance, Ensuring Long-Term Success

O-Pursuing Quality Excellence, Leading through Innovation

W-Uniting Talent, Empowering Growth

E-Advancing Green Development, Enabling Mutual Ecological Benefits

R-Forging Ahead Together, Promoting Social Harmony

## Board Independence and Diversity

The Company safeguards accurate judgment and diligent duty fulfillment by enhancing the independent director evaluation system, implementing an annual diversity-based appointment mechanism, and standardizing the deliberation process. This ensures alignment with corporate and shareholder interests while empowering the Company's sustainable development.

The Company continuously strengthens its independence evaluation mechanism. Annually, the board conducts systematic evaluations of independent directors' independence and discloses the *Special Opinion of the Board of Directors of Weichai Power Co., Ltd. on the Independence of Independent Directors*. Prior to assuming office, independent directors must all submit qualifications and independence declarations for review. In 2025, the Company convened six special meetings of independent directors, reviewing a total of 28 proposals, including related-party transactions and the spin-off of subsidiaries.

The Company is committed to building a diverse Board of Directors and has formulated and published the *Weichai Power Board Diversity Policy*. During the director appointment process, the Company comprehensively considers factors such as gender composition, age, professional expertise, and industry experience to continuously enhance the Board's overall professionalism and decision-making quality. The independent directors of the Company come from various professional backgrounds, including finance, law, risk management, engineering, and machinery, effectively strengthening the Company's professional capabilities in strategic decision-making, risk control, and compliance governance.

As of the report disclosure date, the Board consists of 14 members, including four executive directors, four non-executive directors, five independent non-executive directors, one employee representative director, including two female independent non-executive directors.

### Members of the Board of Directors<sup>2</sup>

Name	Gender	Position/ Responsibilities	Professional Competence			
			Industry Experience <sup>3</sup>	Risk Management Experience <sup>4</sup>	Financial Management Experience <sup>5</sup>	Corporate Management Experience
Ma Changhai	Male	Chairman of the Board, Executive Director	✓	✓		✓
Wang Decheng	Male	Executive Director	✓			✓
Huang Weibiao	Male	Employee Representative Director	✓			✓
Wang Yanlei	Male	Non-Executive Director	✓			✓
Yuan Hongming	Male	Executive Director	✓			✓
Ma Xuyao	Male	Executive Director	✓			✓
Zhang Liangfu	Male	Non-Executive Director			✓	✓
Richard Robinson Smith	Male	Non-Executive Director			✓	✓
Michael Martin Macht	Male	Non-Executive Director	✓			✓
Jiang Yan	Female	Independent Non-Executive Director			✓	
Chi Deqiang	Male	Independent Non-Executive Director		✓		
Xu Bing	Male	Independent Non-Executive Director	✓			
Tao Hua'an	Male	Independent Non-Executive Director		✓		
Zhang Weili	Female	Independent Non-Executive Director				✓

In 2025, the Company conducted 11 training sessions for directors and senior executives. The training covered key areas including annual report information disclosure, prevention of financial fraud, mergers & acquisitions (M&A) restructuring, market capitalization management, investor relations management, and public opinion response and handling. These initiatives aimed to further enhance directors' and executives' duty fulfillment capabilities and compliance awareness.

<sup>2</sup> Composition of the Board of Directors as of the date of this report's disclosure.

<sup>3</sup> Refers to those who have professional experience in companies classified under the 'Capital Goods' sector as defined by the Global Industry Classification Standard (GICS®).

<sup>4</sup> Refers to those who have professional knowledge of risk management or have worked in risk management related positions.

<sup>5</sup> Refers to those who have professional knowledge in finance, accounting, etc., or have worked in finance or auditing related positions.

## Investor Relations Management

The Company has established the *Market Capitalization Management System of Weichai Power Co., Ltd.* and the *Investor Relations Management System of Weichai Power Co., Ltd.* to standardize market capitalization management and investor relations activities. These systems aim to enhance investor understanding and confidence, strengthen the Company's investment value, and maximize shareholder interests. The Board of Directors serves as the governing body for market capitalization management. The Chairman oversees the implementation of relevant resolutions and promotes continuous improvement of the system. The Secretary to the Board is responsible for coordinating investor relations management, while the Securities Management Department assists in implementing specific tasks to ensure effective execution of market capitalization management measures.

The Company places high importance on shareholders' right to information and participation, ensuring timely, accurate, and complete disclosure of core information such as periodic reports and corporate governance through a robust information disclosure mechanism. It also improves shareholders' meeting operations and provides online voting channels to guarantee equal shareholder participation in decision-making. During the reporting period, the Company held one annual shareholders' meeting and three extraordinary shareholders' meeting, with an average attendance rate of 44.2%. Additionally, the Company has established diverse communication channels, including shareholders' meetings, email, telephone, Interactive Q&A Platform, on-site visits, and earnings briefings, to facilitate investors' comprehensive understanding of the Company's operations and strategy and achieve information symmetry and effective engagement.

The Company continues to strengthen the guiding role of Party building in corporate governance, improving the preliminary review and gatekeeping mechanisms through which the Party committees participate in decision-making on major issues, and further enhancing the Party organization's leadership in risk prevention and control. In 2025, Weichai Power deeply studied and implemented the spirit of the 20th National Congress of the Communist Party of China (CPC) and its subsequent plenary sessions. Throughout the year, it conducted 34 "First Agenda Item" study sessions, 13 theoretical study group sessions, and 4 specialized Party committee studies on ideological work. These efforts promoted the deep integration of Party building with business operations, reform, and development, providing a strong political guarantee for the Company's high-quality growth.

Weichai Power has innovatively established a Party building brand matrix, and established the "1-234 Brand Matrix", a framework featuring one core brand leading the way and 234 frontline brands working in synergy, to achieve comprehensive coverage of Party building brands across all organizational levels. Meanwhile, Weichai Power explores an AI-driven digital-intelligent Party building model, enabling one-click processing and dynamic management of Party affairs to continuously enhance the quality and efficiency of Party building work.

Weichai Power deepens the standardization and normalization construction of frontline Party organizations, establishing 62 five-star Party branches and receiving 24 honors under the "outstanding members of the Communist Party of China, exemplary Party workers, and advanced community-level Party organizations" commendation program from the Shandong Provincial State-owned Assets Supervision and Administration Commission and Shandong Heavy Industry Group. It has organized 101 tiered and categorized training sessions for Party members and cadres, covering 10,504 participants.

Weichai Power fully utilizes the vanguard role of Party members. In 2025, it organized over 10 cultural events such as Craftsman Week and Model Worker Awards, covering nearly 20,000 employees. It also nominated outstanding employees to receive nearly 20 municipal-level or higher honors, continuously promoting the spirit of model workers, labor, and craftsmanship to inspire employees to pursue innovation and excellence.

## Party Building Leadership

In 2025

"First Agenda Item" study sessions

34

Theoretical study group sessions

13

Specialized Party committee studies on ideological work

4

Establishing

62

five-star Party branches

Receiving

24

honors under the "outstanding members of the Communist Party of China, exemplary Party workers, and advanced community-level Party organizations" commendation program from the Shandong Provincial State-owned Assets Supervision and Administration Commission and Shandong Heavy Industry Group

Organizing

101

tiered and categorized training sessions for Party members and cadres,

covering

10,504

participants

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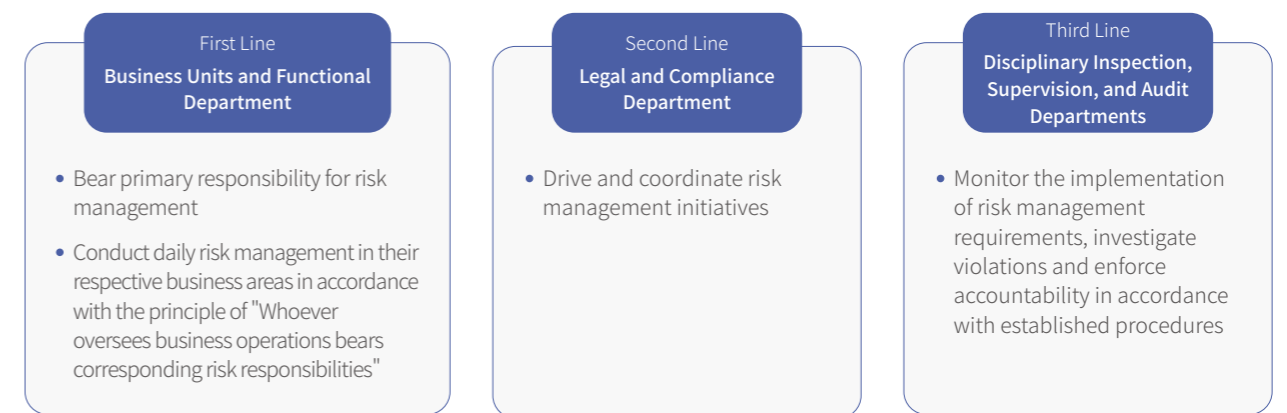
## Risk and Compliance Management

The Company continuously improves its risk management and compliance management system, strengthening mechanisms for risk identification, assessment, and response, and supervision, enhancing the effective operation of compliance management. By fostering risk prevention and compliance awareness across all levels of the organization, the Company effectively addresses diverse risks arising from changes in the business environment, providing a solid foundation for stable and sustainable development.

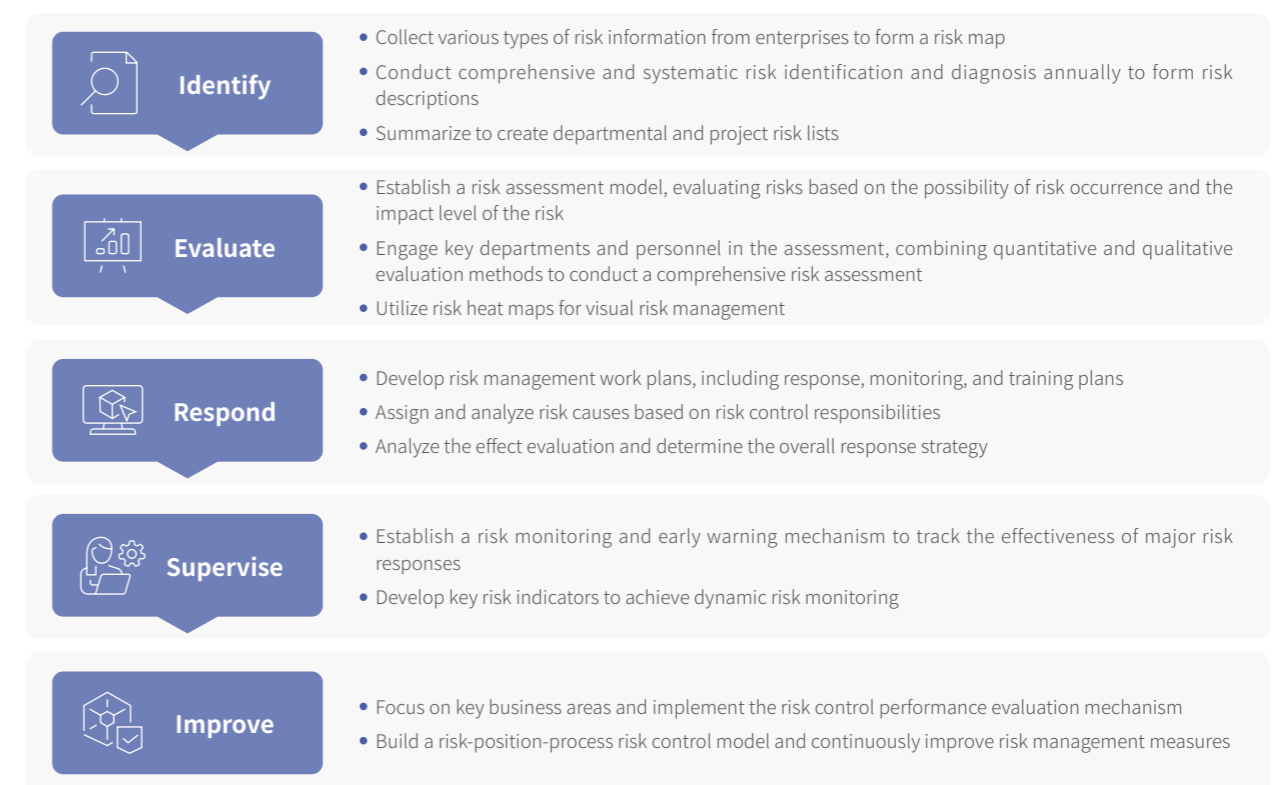
The Company has established a risk governance structure with clearly defined responsibilities and authorities and collaborative coordination, forming a "three lines of defense" risk management system.

### Risk Management

#### Risk Management Structure



#### Risk Management Process



The Company continuously optimizes its risk classification and hierarchical control system and strictly carries out risk identification, assessment, response, monitoring, and early warning according to the *Enterprise Risk Management Process*. In 2025, the Company conducted a comprehensive risk assessment, identifying risk prioritization. It has established a risk list covering four key areas: strategic risks, operational risks, compliance risks, and financial risks. Additionally, ESG-related risks such as product structure adjustment, technological innovation, market competition, and audit and supervision risks have been incorporated into the company-wide risk management system for unified control, continuously enhancing the Company's sustainability-related risks response capabilities.

2025 Key Risks and Response Measures

Risk Category	Risk	Risk Response Measures
Compliance Risks	Export Control and Economic Sanctions Compliance Risk	<ul style="list-style-type: none"> <li>Continuously monitor compliance risks related to export controls and economic sanctions, develop foreign trade compliance management system and procedures, and implement standardized risk assessment and control mechanisms for export operations.</li> </ul>
Strategic Risks	Product Structure Adjustment Risk	<ul style="list-style-type: none"> <li>Obtain macro-level and industry information quarterly through the Strategic Information Management System, and dynamically adjust strategies to align with industry development trends.</li> </ul>
Operational Risks	Technology R&D and Application Risk	<ul style="list-style-type: none"> <li>Strictly follow defined timelines in the technology roadmap to advance project progress;</li> <li>Guided by product planning and market demand, organize personnel to conduct technical planning argumentation and confirmation.</li> </ul>

Emerging Risks

The Company continuously monitors emerging risks that may impact business operations and sustainable development, proactively identifies, assesses, and implements response measures to enhance organizational resilience and capacity for stable development. In 2025, the Company identified and managed the following two material emerging risks:

Emerging Risk	Description	Response Measures
Domestic Policy and Economic Structure Transformation Risk	As China's economic focus shifts from investment-driven growth to consumption-driven growth, and traditional industrial stimulus policies gradually phase out, the Company may face structural changes in product demand and insufficient downstream market support.	Optimize product portfolio, expand high-end and service-oriented product lines, enhance market responsiveness, and adjust investment plans and business layout to strengthen adaptability to domestic economic restructuring and consumption upgrade.
Overseas Market and Supply Chain Volatility Risk	Weakening global economic momentum, rising trade protectionism, and increasing currency volatility may impact overseas sales and supply chain management.	Accelerate overseas localization, optimize supply chain structures, establish diversified procurement and logistics channels, and enhance global operational resilience through exchange rate risk and market risk management tools to ensure stable overseas market development.

Risk Management Training

In 2025, the Company actively organized risk management training sessions, covering more than 50,000 participants. The content included areas such as legal regulations, legal risks, and compliance management.

Compliance Management

In 2025, the Company has continuously improved its "Four-in-One" Compliance Management Framework, centered on compliance organization, compliance systems, compliance operations, and compliance safeguards. By aligning with business development and changes in the regulatory environment, the Company dynamically optimized its existing compliance systems, to continuously enhance the adaptability of the institutional framework.

The Company deepened the application of its compliance issue database and rectification tracking coordination mechanism, integrating problems identified through daily compliance reviews and system audits into a unified management and closed-loop processing framework. The three lists of "risk-position-process" were dynamically updated, with compliance risk analyses conducted around all business domains. Risk response measures and position-specific responsibilities were further detailed to ensure compliance management responsibilities are effectively implemented and traceable. In 2025, Weichai Power signed compliance commitment agreements with all employees.

Weichai Power achieved ISO 37301 compliance management system certification for the first time in 2023, issued by China Standard Conformity Assessment Co., Ltd. This milestone demonstrates the Company's alignment with international best practices in compliance governance and reflects its continuous enhancement of compliance capabilities. The Company conducts annual internal audits and third-party supervisions and audits of its compliance management system, supported by a documented annual audit plan to comprehensively evaluate compliance implementation. In 2025, the company organized 36 compliance system audits conducted by both internal departments and external third-party agencies. All audit results showed zero non-conformities, and the company successfully passed the surveillance audits.

In 2025

Organized

36

compliance system audits

Tax Management

The Company strictly complies with domestic and international tax laws and regulations, fulfilling its tax obligations in accordance with the law. Domestic operations fully adhere to laws and regulations such as the *Enterprise Income Tax Law*, the *Interim Regulations on Value-added Tax*, and the *Tax Collection and Administration Law*, while overseas operations rigorously follow tax policies in respective jurisdictions and relevant international tax rules to ensure compliant tax payments. Weichai Power's tax credit evaluation rating by Chinese tax authorities is A-level.

It has established a three-tier tax management framework, clearly defining the responsibilities and processes for tax management. In 2025, it continuously optimized its tax risk management mechanisms and strengthened the internal control system for tax risk. During the year, the Company conducted a comprehensive self-inspection and assessment of tax risks across all tax categories and revised the *Invoice Management Measures* to enhance end-to-end management of tax-related matters. Additionally, the Company maintained regular communication with tax authorities to continuously improve tax compliance and the transparency of its tax management practices.



# Business Ethics



Business ethics are the cornerstone of sustainable corporate development. The Company consistently adheres to the concept of operating with integrity, continuously improving the business ethics management system. Through specialized audits on business ethics, the Company promotes integrity among employees and partners, broadens reporting channels, and drives the standardization of corporate governance while ensuring the continuous enhancement of business ethics.

## Business Ethics Institutional Building

The ESG Committee of the Company's Board of Directors is the highest responsible body for business ethics issues and is responsible for on-site supervision and implementation of mechanisms. We strictly abide by the *Company Law of the People's Republic of China*, the *Anti-unfair Competition Law of the People's Republic of China*, the *Anti-monopoly Law of the People's Republic of China*, the *Interim Provisions on Prohibition of Commercial Bribery*, the *Anti-Money Laundering Law of the People's Republic of China* and other laws and regulations, improve the *Administrative Measures for the Integrity of the Company*, the *Code of Business Conduct* and the *Administrative Accountability Management Measures* to ensure that the bottom line of business ethics is upheld. In 2025, the Company formulated the *Anti-Bribery and Anti-Corruption Policy*, further strengthening integrity risk prevention and control.

The Company maintains a "zero-tolerance" stance towards any behavior that violates business ethics, clearly defining unacceptable actions such as commercial bribery, extortion, fraud, money laundering, monopoly, and unfair competition. To ensure the Company's honest and trustworthy operations, in 2025, the Company continuously improved our internal "Comprehensive Supervision" inspection and oversight mechanisms, actively implemented preventive measures, and utilized the "inspection and supervision handling" information platform to enhance supervision efficiency. Additionally, the Company organized key personnel of the Company to sign the *Commitment to Integrity and Self-discipline* with key personnel, establishing a strong foundation for integrity from the outset. During the reporting period, the Company continued to advance the signing of *Commitment to Integrity and Self-Discipline*, ensuring that all relevant personnel signed as required and achieving full coverage, thereby continuously strengthening integrity management and business ethics construction.

Weichai Power successfully achieved ISO 37001 Anti-Bribery Management System certification for the first time in 2023, issued by China Standard Conformity Assessment Co., Ltd. In 2025, the certification was successfully renewed after passing the re-evaluation process. This certification demonstrates the continuous improvement of the Company's business ethics and standardized governance capabilities. In 2025, the Company recorded no incidents of money laundering, insider trading, conflicts of interest, or other violations of its code of business ethics. Additionally, no corruption-related litigation cases were concluded during the reporting period.

### The first time in 2023

Achieved ISO 37001

## Anti-Bribery Management System certification

### In 2025

The Company recorded

0

incidents of money laundering, insider trading, conflicts of interest, or other violations of its code of business ethics

0

litigation cases related to corruption were concluded

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## Special Audit on Business Ethics

The Company established and implemented a company-wide business ethics and compliance audit mechanism in accordance with regulations such as the *Internal Audit Management Measures*. This mechanism integrates "Ethical Standards and Compliance Requirements", including anti-corruption, anti-fraud, conflict of interest, gifts and hospitality, third-party compliance, and reporting/investigation protocols, into the annual risk assessment and audit plan. The Company conducts various types of audit projects across all domestic and international subsidiaries, and functional departments. A comprehensive business ethics audit is performed for all core business operations and key risk areas every three years.

In 2025, the Company carried out multiple audits covering critical business areas such as procurement, production, R&D, sales, domestic and international asset management, engineering projects, and equity investment projects, as well as compliance with anti-corruption and related policies across all business domains. For identified issues, the Company implemented comprehensive supervision and rectification measures to ensure full resolution of all problems.

## Supplier Business Ethics Management

The Company places equal emphasis on the integrity of our business partners and continues to improve the *Code of Supplier Conduct*, clarifying the management requirements for all suppliers regarding business ethics, and strictly prohibiting behaviors such as corruption and bribery, unfair competition, monopolies, and conflicts of interest. It signs the *Agreement on Jointly Building Integrity and Credibility* with all suppliers, which clearly defines anti-corruption responsibilities for both parties and maintains a zero-tolerance policy toward any form of improper benefits transfer, solicitation, or acceptance of bribes.

### Number in 2025

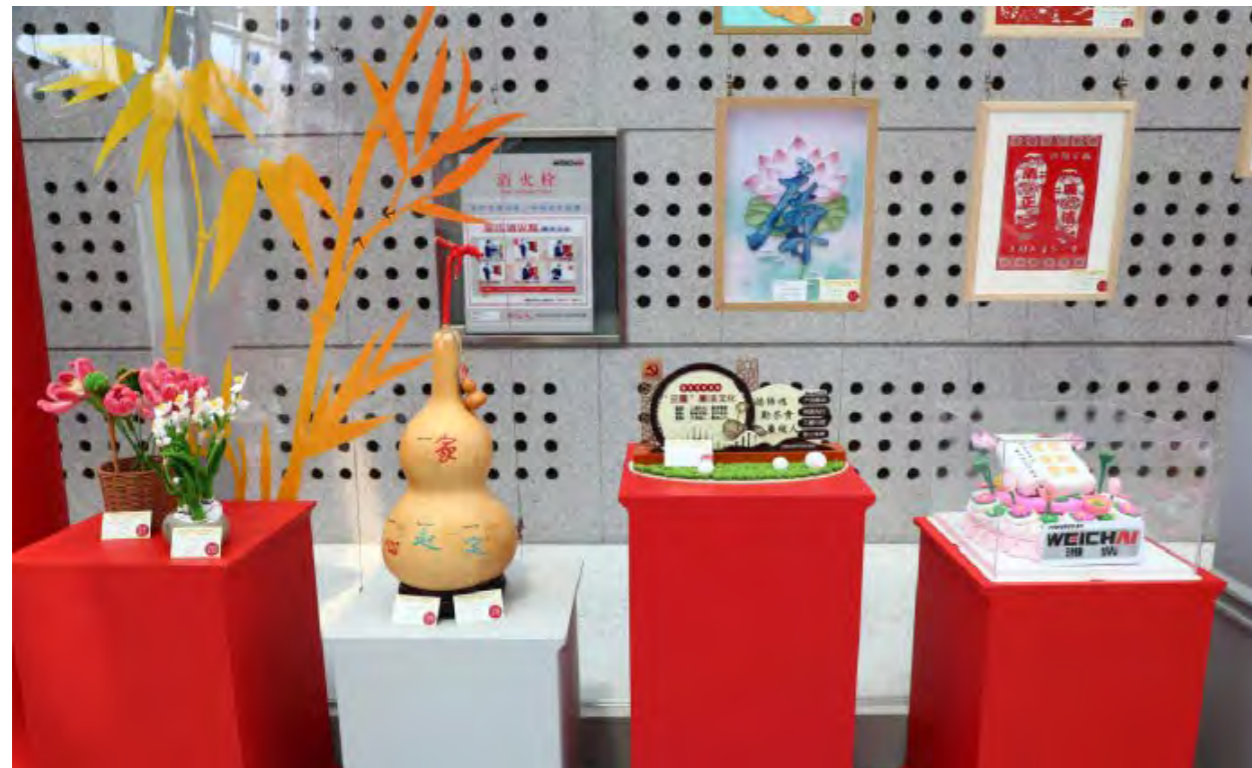
Audit Issues	Discrimination or Harassment	Money Laundering or Insider Trading	Conflicts of Interest
1	0	0	0

## Building Business Ethics Culture

The Company attaches great importance to the construction of a business ethics culture. It has developed a business ethics training program covering all employees and suppliers. By carrying out various training activities, we can comprehensively enhance the ethical awareness and compliance quality of our employees and partners.

### Business Ethics Training Activities

Training Theme	Training Effectiveness
<b>Integrity Education Course</b>	<ul style="list-style-type: none"> <li>Members of the Company's Discipline Inspection Commission conducted 17 frontline-level integrity education sessions. A total of 1,400 participants, including Party members, cadres, and key-position employees, received training.</li> </ul>
<b>Anti-monopoly Law Specialized Training</b>	<ul style="list-style-type: none"> <li>Targeted training was conducted for key business departments such as the Marketing Department and Sales Company, focusing on core modules of the <i>Anti-monopoly Law</i>. The training incorporated in-depth analysis of industry-specific case studies and compliance guidance to systematically enhance employees' understanding of anti-monopoly and fair competition regulations, as well as their ability to identify and mitigate legal risks.</li> </ul>
<b>Confidentiality Awareness and Legal Knowledge Specialized Training</b>	<ul style="list-style-type: none"> <li>The Company conducted specialized confidentiality awareness evaluations and the <i>Civil Code</i> knowledge Q&amp;A sessions for all employees. This initiative aimed to strengthen employees' understanding of confidentiality management systems and relevant laws and regulations, while further enhancing awareness of information security and compliance requirements for business operations.</li> </ul>
<b>Integrity Culture Promotion and Integrity Education Activities</b>	<ul style="list-style-type: none"> <li>The Company established a dedicated "San Chong" Integrity Building column on its collaborative office platform, regularly publishing integrity construction work bulletins and "Integrity Outlook" special articles. Through continuous integrity culture promotion and integrity education, the Company actively fosters a positive integrity culture environment.</li> </ul>



Integrity Works Exhibition

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### Highlights of Integrity Training Performance

Average hours of anti-corruption training per director

3 hours

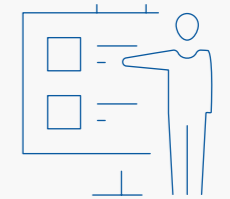
#### Average hours of anti-corruption training per employee by rank

Management employees

4.89 hours

General employees

2.2 hours



## Whistleblowing Management

The Company has developed the *Whistleblowing Management Measures* and systematically established normative documents such as the *Problem Clue Handling Management Process* and the *Trial Management Process*. This ensures the standardized management of the entire process, from receiving petitions and whistleblowing to investigation and trial.

The Company continuously improves whistleblowing channels through email, mailboxes, in-person visits, phone calls, QR codes, and the Company website to ensure seamless whistleblowing operations. Upon receiving a whistleblower tip, the Company responds promptly and handles it strictly in accordance with established internal procedures and regulatory requirements. To safeguard the rights of whistleblowers, the Company adheres to the relevant provisions, strictly protects the personal information and content of whistleblowers and prohibits any form of retaliation against whistleblowers. Meanwhile, we standardize the handling of real-name reporting and complaints, ensuring that every report is properly addressed, to effectively safeguard the rights and interests of the whistleblowers.

### Reporting Channels for Business Ethics Violations

**Mailing address for reporting letters:** Case Management Office, Weichai Power Discipline Inspection Commission, 197 A, Fushou East Street, High-Tech Development Zone, Weifang City, Shandong Province

**Reporting email:** 2102388@weichai.com

**Reporting phone:** 0536-2102388

**Reporting QR Code:**



## Pursuing Quality Excellence, Leading through Innovation

The Company upholds the principle of quality above all, leveraging a systematic quality control system, forward-looking innovation technology strategy, and customer-centric service enhancement to continuously solidify its competitive edge, delivering diverse value to global clients.



# Product Quality and Safety

The Company regards product quality and safety as the cornerstone of high-level development, establishing a robust quality management framework, formulating clear quality strategy guidelines, and building a comprehensive quality assurance system that spans the entire product lifecycle. Through diverse quality culture initiatives, the Company continuously strengthens its core quality competitiveness.

## Governance

The Company has established a systematic three-tier quality management framework, clearly defining quality responsibilities for all roles from the decision-making level to the executive level, ensuring accountability is assigned to individuals.

### Product Quality Governance Structure



The Company has established a systematic PQC<sup>6</sup> meeting operation mechanism, and, through multi-tier PQC meetings, it ensures hierarchical coordination and closed-loop management of quality issues. Complementing this, an efficiently coordinated issue escalation mechanism has been established, featuring escalation channels that prioritize issues based on their nature and severity. For critical or complex quality challenges, the Company applies advanced tools such as the 8D Problem-Solving Method to conduct root cause analysis and targeted resolution initiatives, systematically enhancing product quality control capabilities.

<sup>6</sup> PQC: Product Quality Committee.

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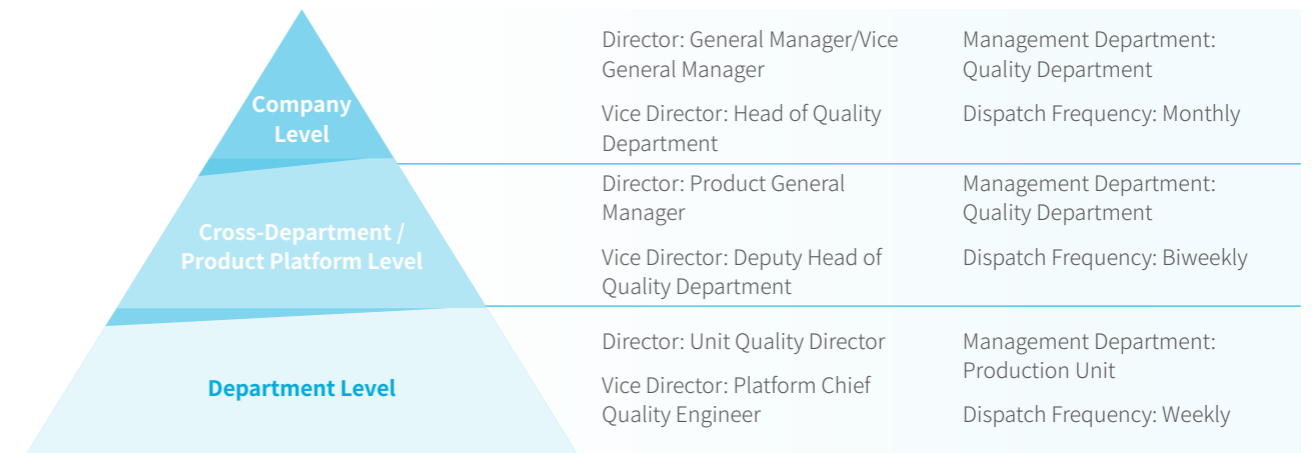
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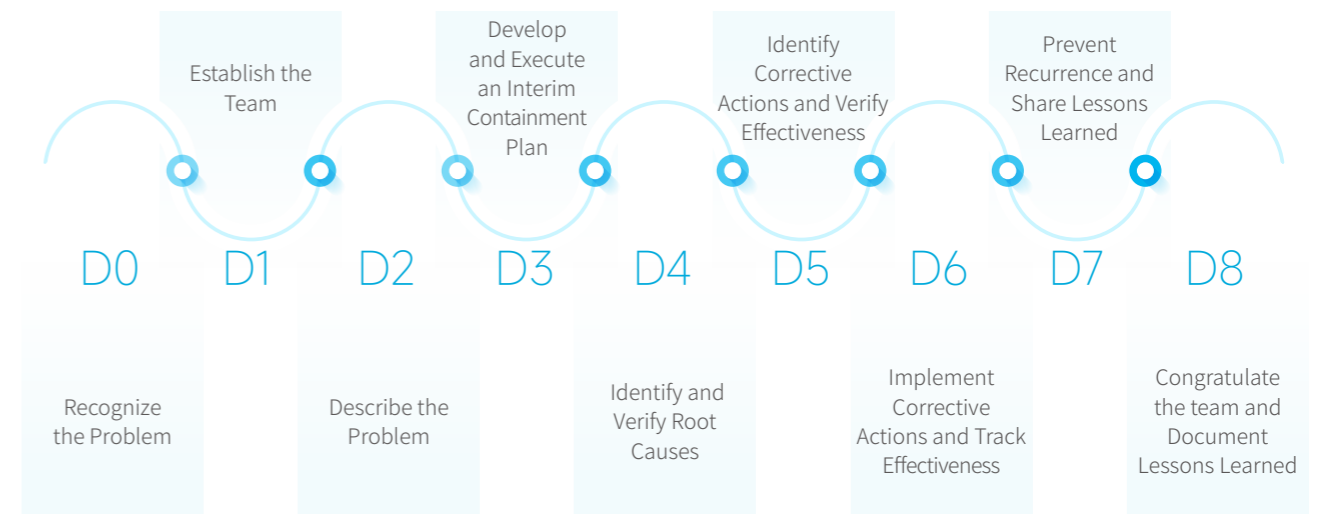
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### Issue Tiered Dispatch Mechanism



### 8D Problem-Solving Method Application



The Company strictly abides by the *Product Quality Law of the People's Republic of China*, the *Standardization Law of the People's Republic of China*, the *Metrology Law of the People's Republic of China*, the *Regulations on Quality Responsibility for Industrial Products* and other laws and regulations, and takes the *Quality Manual* as the guiding framework, formulates documents such as the *Company Quality Improvement Plan Management Process*, and the *Product Development Review Control Procedure*. In 2025, a total of 233 revisions were made to procedural documents, building a comprehensive quality control mechanism that spans all stages of the product lifecycle, including raw material inspection upon factory entry, production process control, and product recall management.

### In 2025

233

revisions were made to procedural documents

## Strategy

The Company has always regarded quality as the lifeline, with its quality strategy positioning has undergone a systematic upgrade from consolidating the compliance foundation to leading industry standards, gradually establishing a distinctive quality management system tailored to Weichai's unique characteristics.

<b>Our quality policy</b>	> Regarding customer satisfaction as our core objective, full participating in continuous improvement, and building the Weichai brand as a globally recognized name
<b>Our quality code of conduct</b>	> What we build we stand behind

## Impact, Risk, and Opportunity Management

The Company has established a product quality control system covering the entire lifecycle, comprehensively identifying and managing quality risks and opportunities. This system enables dynamic risk identification, precise interception, and continuous improvement, significantly enhancing product reliability and customer trust. It also ensures product safety and sustainable competitiveness.

### Quality System Development

The Company has built a comprehensive quality control system spanning from raw material inspection, production process inspection, to recall handling. It conducts regular, routine quality system audits across three dimensions: system oversight, production line supervision, and product monitoring. Quarterly manufacturing process audits are carried out, and all non-conformities and improvement items are addressed through corrective actions. To systematically assess and enhance the capability of its quality management system, the Company has developed a five-level maturity model based on IATF 16949:2016 standards. Over the past three years, this model has been applied to evaluate the quality management system maturity of 10 subsidiaries.

### Incoming Material Inspection

Weichai Power has established a systematic incoming material inspection control system. By establishing documents such as the *Procurement Product Inspection Control Procedure*, the *Selection and Control Procedure for External Parts Suppliers*, and the *Supplier Quality Management Specifications*, it clearly defines the standards and processes for raw material inspection upon factory entry. Based on the PDCA<sup>7</sup> closed-loop management philosophy, Weichai Power implements end-to-end quality monitoring for all types of components. For quality issues identified in incoming materials, suppliers are required to complete rectifications and provide feedback within 24 hours, forming a closed-loop management cycle from issue discovery to resolution.

Weichai Power establishes a collaborative inspection service mechanism to address critical and challenging quality challenges, organizing specialized quality improvement initiatives that engage suppliers in collaborative efforts to enhance the overall quality of raw materials. Additionally, Weichai Power has implemented a one-item-one-code and precise traceability model, achieving end-to-end digital tracking of key components from warehouse entry to usage, with 100% coverage. This significantly improves traceability of quality issues and response efficiency.

<sup>7</sup> PDCA, namely Plan, Do, Check and Act, is a comprehensive quality management cycle.

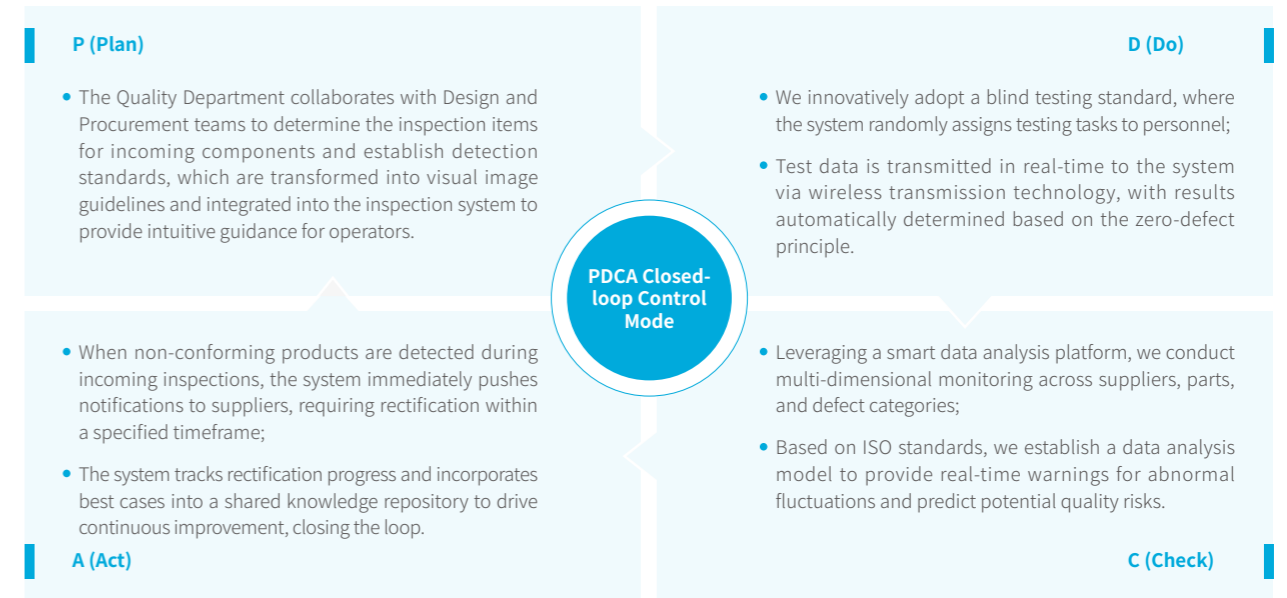
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### Production and Manufacturing

To systematically enhance quality assurance capabilities in the manufacturing process, Weichai Power relies on institutional documents such as the *Product Quality Pre-planning Control Procedure* to specify general assembly, factory test standards, control plans, and process guidance requirements. We continuously advance production quality standardization. By establishing a dynamic modification mechanism, Weichai Power improves product audit standards, ensuring alignment between quality requirements and production practices.

Additionally, Weichai Power embeds audit standards into the Product Data Management (PDM<sup>8</sup>) system, conducting systematic product quality audits on the entire product line every quarter to achieve 100% closed-loop rectification of identified issues. Furthermore, based on quality issues reported by customers, we implement multi-dimensional quality verification through a combination of batch product sampling inspection and full inspections of new products. For critical quality characteristics in the manufacturing process, the Company enforces full-process monitoring and documentation, while strictly adhering to protection, packaging, and storage specifications at all production stages and finished product phases. By regularly monitoring production environment parameters and developing targeted emergency response plans, we have established a preventive-focused and rapid-response quality safety control mechanism.

### Recall Handling

**In 2025**

the Company **did not experience** any product recall incidents.

Weichai Power strictly abides by policies such as the *Regulations on the Administration of Recalls of Defective Automotive Products* and the *Implementation Measures for the Regulations on the Administration of Recalls of Defective Automotive Products* and has formulated and issued internal management systems such as the *Non-conforming Output Control Procedure*, the *Returned Product Control Procedure* and the *Product Remanufacturing Control Procedure*, which define standard for determining nonconforming products, rectification requirements for returned products and remanufacturing specifications for inventory items. These measures systematically enhance the Company's ability to address product quality issues.

<sup>8</sup> Product Data Management (PDM) is a technology used to manage all product-related information and all product-related processes.

<p><b>Quality Management System Certification Status</b></p> <ul style="list-style-type: none"> <li>• ISO 9001:2015 Quality Management System Certification</li> <li>• IATF 16949:2016 Quality Management System Certification</li> </ul>	<p><b>Certification Status of Laboratory Management and Measurement Management System</b></p> <ul style="list-style-type: none"> <li>• ISO 10012:2003 Measurement Management System Certification</li> <li>• ISO/IEC 17025:2017 Laboratory Management System Certification</li> <li>• CNAS Accreditation for the Competence of Testing and Calibration Laboratories</li> </ul>
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**Key Performance**

Coverage of Quality Management System Certification

100%



**Quality Risk Management Mechanism**

Weichai Power has established a forward-looking quality risk control model centered on the entire product lifecycle. By implementing new mechanisms such as supplier exemption from incoming inspection, third-party controlled shipment, QAC<sup>9</sup> service and production quality gates, and through continuous quality technology research, we have significantly enhanced our risk interception capabilities.

**Building Quality Culture**

The Company is committed to elevating quality competency among all employees. By systematically aligning with national quality regulations and industry regulatory requirements, we design and implement quality awareness and capability enhancement initiatives, fostering a robust quality culture environment throughout the organization through diverse quality training programs and culture-building activities.

Leveraging our self-developed Wei-Learning Digital Learning Platform, Weichai Power has established a multi-level, customized curriculum covering quality management systems, practical tools and methods, and representative quality case studies. To address the specific needs of employees across different roles and levels, we have designed structured learning pathways. In training implementation, we have adopted a blended learning model combining online learning with offline practice. Through a hierarchical and categorized precision training mechanism, we have significantly enhanced quality control capabilities across all business processes, providing a solid human capital foundation for continuous improvement in quality management performance.

**Case Quality Training by Weichai Power**

In 2025, Weichai Power conducted a series of quality training initiatives, including new employee quality tools training, internal auditor capability development for manufacturing process audits, and a leadership development program for senior managers focused on quality leadership. The total number of training participants exceeded 6,000, with cumulative training hours exceeding 8,700.

<sup>9</sup> QAC: Quality Assurance Capability.

**Case Executive Quality Forum Between Weichai Power and Bosch**

In 2025, Weichai Power and Bosch, a globally renowned enterprise, co-hosted an Executive Quality Forum. The two parties engaged in in-depth discussions on quality management systems, methods, and practical experiences, jointly exploring paths for quality improvement and collaboration opportunities.

Executive Quality Forum

**Case Weichai Power's Efforts in Enhancing Enterprise-Wide Quality Culture**

Weichai Power adopted the theme of "Strengthening the Foundation of Quality Management and Winning the Critical Battle for Product Quality", innovatively establishing a "Three-Tier Integrated Mechanism" comprising the Weichai Quality Season, Quality Technology Week, and Quality Month. During the Quality Season, the Company implemented management optimization and technical breakthrough initiatives in phased stages. Through cross-departmental collaboration and targeted breakthroughs on long-standing issues, the Company achieved synchronized optimization of management systems and product standards. In the Quality Technology Week, the Company focused on fostering an innovative atmosphere, hosting a Quality Improvement Competition, achievement exhibitions, and international standard seminars to ignite enterprise-wide engagement. During the 48th Quality Month, we launched a special initiative to enhance management quality, integrating activity outcomes into daily operations and advancing the transformation of quality technologies into productivity.

Weichai Power's "Quality Season – Quality Technology Week – Quality Month" Event

## Metrics and Targets

Weichai Power has established a scientific and systematic quality target management system centered around the "Zero-Defect" quality strategy target. By integrating development strategies with historical operational data, the Company has developed a forecasting model based on production and sales volume budgets, clearly defining the overarching direction as "maintaining industry leadership while continuously advancing toward the Zero-Defect target". This approach drives a shift in quality management from result-oriented to prevention-focused. In 2025, no product recalls occurred, and no penalties or lawsuits due to product quality defects were recorded.

Driven by this target, the Company focuses on key areas for targeted problem-solving and launches quality improvement projects across core business segments such as data centers, new energy, and hydraulics. These initiatives systematically drive down failure rates and quality-related losses. By establishing four categories of key metrics, covering product, process, service, and quality cost, the Company achieves visual and quantifiable management of quality performance.

### Quality Target Management System:

- Product Metrics: After-sales Failure Rate (PPM), Zero-kilometer Failure Rate
- Process Metrics: Consistency PPM of Outsourced Components, Assembly and Testing PPM
- Service Metrics: First-time Fix Rate
- Quality Cost Metrics: Internal Losses, External Losses, etc.

### Highlight Awards in Quality Management



Three Gold Awards Awarded by ICQCC

Indicator	Unit	2025 Data
Number of products recalled due to health and safety issues	/	0
Regulatory fines for product quality defects	RMB	0
Number of counterfeit product dismantling incidents	/	306
Proportion of products recalled due to health and safety issues	%	0
Quality management system certification rate	%	100

## Customer Service

The Company adopts a customer-centric approach, systematically advancing the optimization of its customer service governance framework and comprehensively establishing a service management system. By refining customer service processes, expanding diversified communication channels, enhancing customer satisfaction analysis, and implementing closed-loop management for complaints, the Company continuously improves service response efficiency and strengthens customer trust.

## Governance

The Company is committed to constructing a multi-layered, professional customer service governance framework by establishing a Market Committee steered by the General Manager. Through mechanisms such as weekly marketing meetings, monthly operational reviews, and cross-departmental coordination sessions, we facilitate collaborative implementation of agreed actions across marketing, procurement, technology, and other functional areas.

### Customer Service Governance Structure

Level	Organization	Responsibilities
Decision-making level	Market Committee	<ul style="list-style-type: none"> <li>• Chaired by the General Manager, comprising marketing executives, department heads within the marketing division, and heads of relevant functional departments;</li> <li>• Responsible for approving major service policies and matters.</li> </ul>
	Market Department Customer service center	<ul style="list-style-type: none"> <li>• Coordinating domestic and international service network planning and policy formulation;</li> <li>• Overseeing operations of the customer interaction center;</li> <li>• Responsible for coordinating domestic/international after-sales service management and scheduling;</li> <li>• Driving periodic service process reviews and continuous optimization.</li> </ul>
Service implementation level	Call Center	<ul style="list-style-type: none"> <li>• Centralized handling of customer repair requests, technical inquiries, and complaint processing.</li> </ul>
	Service Elite Team	<ul style="list-style-type: none"> <li>• With top-tier service technicians deployed across core service channels in all regions of the country, responsible for cross-regional diagnosis and resolution of complex faults, enhancing regional maintenance capabilities and response efficiency.</li> </ul>
	Technical Support Team	<ul style="list-style-type: none"> <li>• Handling significantly difficult issues in the market;</li> <li>• Responsible for the dispatch and management of service elites;</li> <li>• Providing comprehensive technical support to service channels, including technical consultations, remote diagnostics, on-site troubleshooting, and collection of fault case data.</li> </ul>

The Company strictly complies with relevant laws and regulations such as the *Consumer Protection Law of the People's Republic of China*, the *Civil Code of the People's Republic of China*, the *Contract Law of the People's Republic of China*, and the *Advertising Law of the People's Republic of China*. Based on product-specific characteristics and customer needs across categories, it has established a differentiated service policy framework. Internal management policies such as the *Management Standards for Customer Complaint Handling and Feedback* and the *Service Management Manual* were developed to build a robust complaint management system with a responsibility traceability mechanism. Standardized evaluations are conducted for personnel at all stages of complaint resolution, ensuring procedural fairness and implementation effectiveness.

## Strategy

By prioritizing customer satisfaction enhancement and service competitiveness strengthening, the Company aims to maximize value creation for both channel partners and end customers by systematically adjusting policies and management models and optimizing service timeliness and effectiveness. The Company is dedicated to building a service system that covers the entire product life cycle, developing a distinctive customer service platform. Leveraging its nationwide professional service network and comprehensive service framework, it provides customers with around-the-clock, all-dimensional professional service assurance.

Core philosophy: strategic guidance, channel synergy, and win-win development

Service commitment: promise, deliver, and exceed expectations

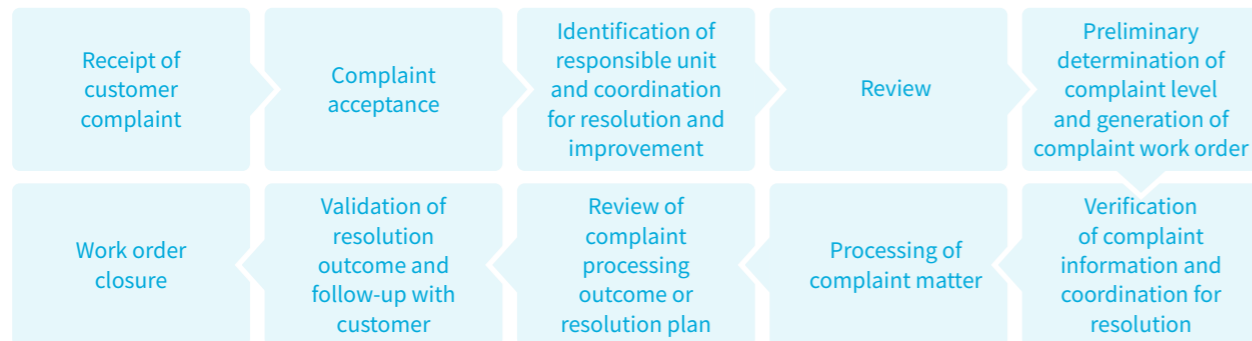
## Impact, Risk and Opportunity Management

Centered on customer value, the Company has established a comprehensive after-sales service system. For sold products, we continuously optimize warranty services based on customer needs to form customized warranty terms. By clearly defining service scopes and standardizing resolution workflows, we achieve agile issue response and transparent process visibility, significantly improving closed-loop efficiency for customer requests and reinforcing brand trust.

### Customer Communication

We firmly establish the service philosophy of "We aim at customers' satisfaction" and further strengthen management in handling customer complaints. The Company has developed a customer complaint management mechanism and process covering four levels: general, invalid, significant, and urgent. Through a work order system, complaints are precisely categorized and dynamically tracked to ensure traceable accountability and verifiable outcomes for every concern.

#### Customer Complaint Management Process



To promptly understand and track customer feedback, the Company has established a multichannel customer opinion collection mechanism, including telephone follow-ups, questionnaires, online customer service platforms, and dedicated complaint email channels. By proactively listening to customers' genuine experiences, suggestions, and service requirements during product usage, we continuously optimize service experiences and are committed to providing efficient, professional, and attentive service support.

### Service Network

Weichai Power continues to optimize resource allocation and service network expansion, establishing a nationwide service network that ensures timely response.

Customer service center team size

188 members

Number of overseas service centers

34

Number of authorized repair service outlets

5,207

### Service Channels

#### Call center service hotline

A dedicated customer communication hotline (400-618-3066), staffed with 29 professional agents exclusively responsible for handling customer complaints. The team strictly adheres to the service standard of "responding within 1 hour, submitting solutions within 24 hours, and closing cases within 3 days", ensuring timely response and effective resolution of customer concerns.

#### Online platform

A "one-stop" intelligent Q&A platform featuring the "service cloud smart assistant", is accessible via APP, mini-program, and official website sections. It integrates four functions: complaint submission, case status inquiry, live consultation, and knowledge base search. Built-in AI virtual assistant handles 70% of common questions such as maintenance cycles and warranty policies, enhancing self-service efficiency for customers.

#### Email complaint channel

A designated customer complaint email (tsfk@weichai.com), checked by customer service specialists on a scheduled daily basis to ensure zero backlog. Based on urgency level, complaints are processed accordingly: regular complaints receive replies within 3 working days; and emergency complaints involving safety risks trigger immediate response within 1 hour, with the emergency plan activated immediately.

### Case Engagement with Customers in a Range of International Exhibitions

From March 23 to 25, 2025, Weichai Power North America attended the DCD Expo in New York. DCD Connect is the most information-rich event in the industry, bringing together interdependent players across the ecosystem—from software and hardware to power and communications—enabling them to stay ahead of market trends. As the most important venue for meeting and in-depth dialogue, the event attracted over 4,500 senior leaders involved in the largest data center projects across North America.



Weichai Power North America at the DCD Expo in New York

### Responsible Marketing

The Company strictly adheres to standards for responsible marketing practices, and has developed internal policies such as the *Product Promotion Content Review Process* and the *Responsible Marketing Policy* to ensure all market activities align with applicable laws, regulations, and industry ethics. A comprehensive supervision system has been built covering the entire marketing value chain, to achieve full-process traceability from event planning and execution to outcome evaluation, effectively ensuring transparency and authenticity in the overall sales process.

To strengthen content control, the Company launched an intelligent online review platform that integrates pivotal stages such as marketing agreement approval, business fulfillment verification, and compliance review of promotional materials, forming a multidimensional risk-control loop. Relying on the CRM<sup>10</sup> system to detect early signals of potential infringement risks, we achieve early identification and intervention regarding false advertising or excessive marketing behaviors. In 2025, the Company continued promoting the cultivation of compliance culture by organizing regular training sessions on responsible marketing for all employees, deepening understanding of marketing compliance boundaries, and comprehensively enhancing teams' professionalism and sense of responsibility in market development.

### Customer Service Training

The company regularly conducts various customer service training programs, requiring service personnel to participate in training sessions according to prescribed cycles to continuously enhance the professional capabilities of the service team. In 2025, Weichai Power organized a total of 164 service training sessions, achieving a 139% completion rate against the annual training plan. Specifically, the Company conducted 47 NG4.0<sup>11</sup> training sessions, 27 new energy-related training sessions, and 10 new service station establishment training sessions, with a cumulative participation of 4,629 individuals. We also completed the certification program for in-house trainers in the customer service module, selecting and certifying 18 internal market service trainers.

#### Case New Energy Product Training Certification

In 2025, Weichai Power established a tiered training certification system for new energy. This system provides foundational and advanced training programs tailored to service personnel at different levels, covering 581 and 725 authorized channels respectively. The total number of participants was nearly 1,500, with an average pass rate exceeding 95% and training satisfaction reaching 99.21%.

Weichai Power simultaneously advanced practical training capabilities by constructing 9 new energy training centers equipped with complete battery packs, controllers, motors, and diagnostic testing equipment to meet full-scenario hands-on teaching requirements. Additionally, Weichai Power participated in planning and constructing 6 new energy deep-repair centers to strengthen regional technical support and complex fault resolution capabilities.



New Energy Product Training

<sup>10</sup> CRM, Customer Relationship Management System.

<sup>11</sup> NG4.0: Weichai Power NG4.0 high-horsepower platform.

P-Strengthening Governance, Ensuring Long-Term Success

O-Pursuing Quality Excellence, Leading through Innovation

W-Uniting Talent, Empowering Growth

E-Advancing Green Development, Enabling Mutual Ecological Benefits

R-Forging Ahead Together, Promoting Social Harmony

### Metrics and Targets

#### In 2025

The closed-loop completion rate for work orders reached

100%

To effectively measure service quality and operational efficiency, the Company has established a key performance monitoring system, clearly defining core KPIs such as customer satisfaction, service hotline connection rate, first-time dispatch accuracy rate, and work order on-time completion rate. Achievement of these metrics is directly linked to the performance evaluations and compensation incentives of business team leaders, leveraging a positive incentive mechanism to drive service excellence and continuously improve response efficiency and service quality.

The Company has built a comprehensive customer service management system, and implemented a hierarchical and classified management system for complaint incidents, ensuring that urgent and major complaints are prioritized for resolution. In 2025, the Company processed a total of 983,000 customer service work orders across categories, with 2,600 customer complaints recorded. The closed-loop completion rate for work orders reached 100%.

The Company has established a systematic customer satisfaction evaluation framework, conducting annual surveys through a rotating model between internal execution and third-party independent implementation. The survey scope covers four key stakeholder groups: original equipment manufacturers, dealers, service stations, and end customers.



#### Customer Satisfaction Target

We set a target of maintaining the Company's customer satisfaction above

90%

In 2025, the Company's customer satisfaction reached

93.13%

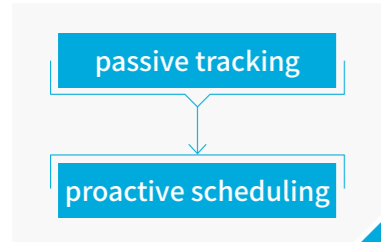


# R&D and Innovation

The Company regards R&D and innovation as the core engine for high-quality development, achieving continuous enhancement of technological capabilities and industrial competitiveness through institutionalized innovation governance systems, forward-looking strategic technology planning, and comprehensive risk management mechanisms.

## Governance

The Company established a Science and Technology Committee chaired by the Chairman and co-chaired by the General Manager to oversee the formulation of corporate technology strategies and major project decisions. The Committee's office is located within the Strategic Planning Department, which leads the development of the Company's overall strategic roadmap and systematically implements technology development plans and major project evaluations. Simultaneously, the Company has established a Standardization Committee chaired by the General Manager, forming a standardization management system with comprehensive coverage, clear hierarchical structure, and efficient operations, providing solid support for technological innovation and product consistency.



The Company has established a comprehensive technological innovation management framework, formulating and implementing core regulations including the *R&D Project Management Process*, the *Product Development Process*, the *R&D Expenses Management Measures*, and the *R&D Project Post-Evaluation Management Measures*. These regulations comprehensively standardize key stages such as R&D project initiation, process control, resource allocation, outcome assessment, and closed-loop optimization, providing solid support for sustained innovation. In 2025, the Company further optimized its technological innovation management system, achieving a comprehensive upgrade from "passive tracking" to "proactive scheduling" in R&D project management.

## Strategy

The Company actively responds to the national manufacturing power strategy, sparing no effort to accelerate four major transformations and comprehensively advancing green and low-carbon transformation of the products.



The strategic core focuses on clean technology frontiers, deeply integrating sustainable development concepts into R&D and industrial layout. By continuously increasing R&D investment in new energy, high-efficiency power systems, and near-zero emission technologies, the Company concentrates resources on key core technology breakthroughs, striving to build "on-time and reliable" green technology project delivery capabilities. This aims to fundamentally enhance the Company's clean technology innovation strength and product competitiveness.

Meanwhile, the Company has accelerated the integrated application of artificial intelligence technologies across R&D, management, and customer service scenarios. By constructing an AI-assisted design platform, we have significantly enhanced simulation optimization efficiency and design accuracy for clean power systems. Intelligent scheduling systems and environmental indicator early-warning systems have been deployed in R&D and production management to ensure efficient and scientific advancement of green technology projects.

By continuously improving the technology innovation system and strategic deployment centered on clean technology, the Company is accelerating its transformation from a traditional power supplier to a global leader in green, intelligent, and low-carbon clean power solutions. This transition is set to contribute critical technologies and core capabilities to the sustainable development of the global industries.

P-Strengthening Governance, Ensuring Long-Term Success

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## Impact, Risk and Opportunity Management

Persisting in innovation as the driving force for development, the Company has established a four-in-one technological innovation system comprising "Independent Innovation + Open Innovation + Basic Innovation + Craftsmanship Innovation", comprehensively promoting R&D innovation's positive impact on technological breakthroughs, industrial leadership, ecological synergy, and sustainable development. The Company systematically identifies and manages potential risks in the innovation process while actively seizing development opportunities brought by technological transformation.

### Construction of Innovation Platforms

The Company continuously strengthens the construction of national technological innovation platforms related to the industry, and has established platforms such as the State Key Laboratory of Engine and Powertrain System, the National Fuel Cell Technology Innovation Center, the National Commercial Vehicle Power System Assembly Engineering Technology Research Center, the National Industrial Design Center, the National Internal Combustion Engine Product Quality Inspection and Testing Center, the National Internal Combustion Engine Industry Measurement and Testing Center, and the National Certified Enterprise Technology Center. In 2025, the Company scientifically planned and organized open project reviews, and simultaneously established an open project management system for full-process digital governance. Additionally, we successfully completed the evaluation of the Fuel Cell Technology Innovation Center's construction phase and proactively initiated laboratory acceptance preparations, further solidifying the operational foundation of national-level platforms.

Leveraging its global R&D footprint, the Company established Technology Innovation Centers in Tokyo, North America, and Europe. These centers integrate regional talent and technological resources, focusing on core functions such as technology R&D, product innovation, localized adaptation, and talent acquisition. They strengthen synergies with domestic R&D systems to accelerate technological iteration and industrial upgrading.

### Industry-University-Research Collaboration

The Company continues to advance its open collaborative innovation system of "integrated innovation scaling new heights", and deepens strategic partnerships with universities, research institutions, and industry-leading enterprises. By establishing an industry-university-research collaborative management platform, the Company aims to achieve efficient internal-external coordination in technology cooperation. In 2025, the Company conducted 64 technology collaboration projects with over 40 renowned domestic and international partners including Tsinghua University and AVL List GmbH, focusing on critical areas such as engine technology, digital intelligence, new energy powertrains. These initiatives continuously drive collaborative R&D breakthroughs and commercialization pathways.

To promote knowledge exchange and technology integration, the Company organized 12 academic salons during the year, focusing on cutting-edge fields including low-carbon clean technologies, electrification, new energy processes, and AI. Over 30 renowned domestic and international experts were invited to share their insights. Additionally, the Company participated in 6 top-tier international academic conferences and conducted 10 thematic technical exchanges with 8 partner organizations, effectively expanding R&D horizons and innovative thinking.

### Case Lovol integrated industry-university-research resources to drive independent innovation in high-end agricultural equipment

Lovol systematically integrated resources from China Agricultural University and other universities and research institutions. The Company also established deep collaborations with academician teams, building an industry-university-research integrated innovation system centered on "demand-driven, platform-supported, and chain-coordinated" mechanisms. By co-constructing R&D platforms, Lovol formed a full-chain innovation ecosystem covering key component R&D, complete machine integration, and intelligent agriculture solutions.

Lovol successfully developed products such as China's first domestically produced high-horsepower CVT power-shift tractor, boosting regional industrial cluster collaboration rates to 63%, nurturing a group of specialized, precision-oriented, distinctive, innovation-driven enterprises and manufacturing single-champion enterprises. This pioneering practice established a complete pathway from technological breakthroughs to industrial upgrading, providing a replicable model for China's agricultural equipment self-reliance and modernization of the agricultural sector.

### Industry Association Engagement

The Company continues to deepen its collaboration and exchanges with national-level industry associations, proactively integrates into the industry's technical ecosystem, and actively participates in standard-setting, technical discussions, and industrial collaboration initiatives, so as to fully leverage its leading role in the industry.

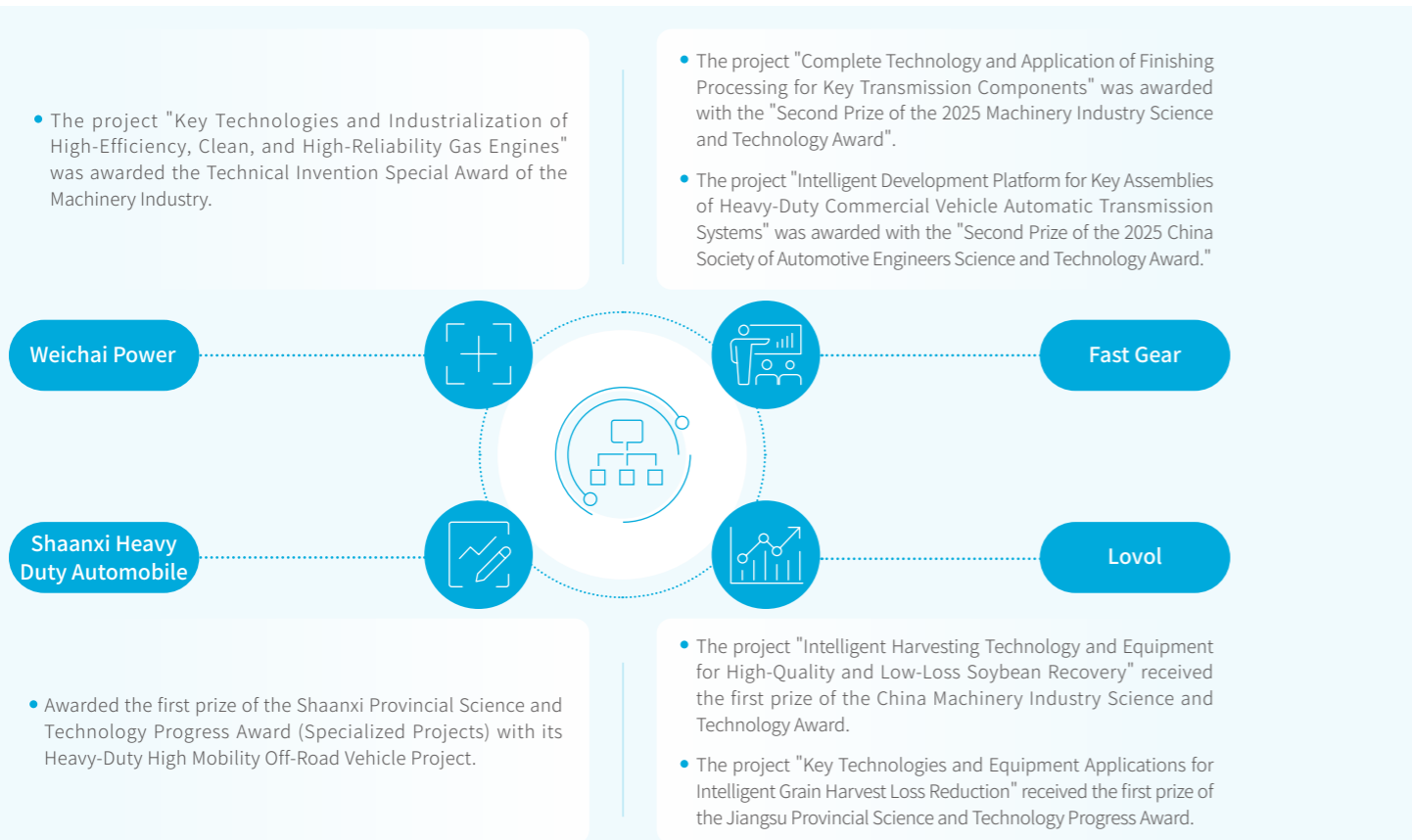
#### Participation in Industry Associations Activities (Partial)

Industry Association	Year of Joining	Main Activities in 2025
China Internal Combustion Engine Industry Association	2023	Participated in the 1st Group Standards Review and Project Approval Meeting in 2025, jointly organized by the China Internal Combustion Engine Industry Association and the China Machinery Industry Standardization Technology Association, contributing to the improvement of the industry standard system.
Chinese Society for Internal Combustion Engines	2021	Attended the 8th Session of the 9th Standing Council, engaging in strategic development discussions and technical roadmap planning for the industry.
China Society of Automotive Engineers	2023	Joined the 17th International Automotive Powertrain Technology Annual Conference, focusing on cutting-edge technologies such as new energy powertrains and intelligent control systems, and deepening industry-university-research collaboration.

### Innovative R&D Achievements

The Company focuses on core technology R&D challenges and industrialization applications, driving the transformation of innovative outcomes from technological breakthroughs into market competitiveness. In 2025, the Company achieved major scientific and technological achievements in the areas of green and low-carbon development, intelligent and efficient systems, and autonomous and controllable technologies, significantly enhancing product performance and market competitiveness. In 2025, Weichai Power was awarded a total of 22 science and technology awards at the provincial and ministerial levels and above.

#### Science and Technology Innovation Awards and Honors in 2025 (Partial)



P-Strengthening Governance, Ensuring Long-Term Success

O-Pursuing Quality Excellence, Leading through Innovation

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R-Forging Ahead Together, Promoting Social Harmony

### Innovative R&D Incentives

The Company has established a diversified and multi-tiered innovation incentive system. Through initiatives such as setting up an open fund, establishing market-oriented R&D incentive frameworks, and recognizing scientific and technological innovation awards, it comprehensively stimulates organizational vitality and unlocks talent potential.

#### Innovation R&D Incentive Mechanisms

Type	Incentive Mechanisms
Open Fund	<ul style="list-style-type: none"> <li>The issuance of special application guidelines opens resource support channels to the public, with a focus on funding frontier technology research projects.</li> </ul>
Market-Oriented R&D Incentive Mechanism (Market Contribution Incentive, Key Project Incentive, Intellectual Property Incentive)	<ul style="list-style-type: none"> <li>The market contribution incentive: Incentives are allocated based on product platforms, with rewards determined by each product's market performance.</li> <li>Key project incentive: Incentives are allocated for projects with high strategic significance and urgent market demand.</li> <li>Intellectual property incentive: It stimulates individuals' enthusiasm for creating, utilizing, protecting, and managing intellectual property through a series of policies, systems, and economic measures, thereby driving innovation and enhancing product competitiveness.</li> </ul>
Technological Innovation Awards	<ul style="list-style-type: none"> <li>We organize the Technological Innovation Awards Conference on a regular basis and establish the Weichai Science and Technology Award, which includes the "Technology Invention Award", "Science and Technology Progress Award", and "Craftsman Innovation Achievement Award".</li> </ul>

### Intellectual Property Protection

The Company strictly adheres to laws and regulations such as the *Copyright Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Trademark Law of the People's Republic of China*. It has established internal policies and procedures including the *Management Procedures for Intellectual Property Rights Application*, the *Graded Evaluation Management Procedures for Intellectual Property Rights*, and the *Copyright Management Procedures*, further standardizing the creation, utilization, protection, and management of intellectual property, strengthening the management foundation.

The Company has implemented a refined control mechanism for intellectual property rights, promoting the implementation of the international standard ISO 56005: Innovation and Intellectual Property Management Capability Grading Evaluation. In 2025, Weichai Power was awarded the Grade 4 Certificate under the ISO 56005: Innovation and Intellectual Property Management Capability by Zhongzhi (Beijing) Certification Co., Ltd., becoming the first company in Shandong Province to achieve this certification. This has significantly improved the Company's intellectual property management efficiency and innovation capabilities.



ISO 56005 Grade 4 Certificate

The Company systematically develops patent portfolio strategies centered on core technologies, adopting a top-down approach to formulate patent protection plans. We conduct IP mining and layout concurrently at all stages from project initiation, R&D implementation, testing and validation to commercialization, to ensure effective application of IP information in R&D decision-making. In 2025, Weichai Power won the second prize in the High-Value Patent Transformation and Application Competition for New Quality Productive Forces in Shandong Province.

The Company continues to strengthen IP risk management, establishing a three-dimensional risk control mechanism encompassing prevention before incidents, monitoring during incidents, and investigation after incidents. We conduct regular IP risk assessments, with intensified compliance reviews for third parties such as suppliers and external partners to ensure clear ownership and controllable risks during collaborations. We explicitly define IP ownership and benefit-sharing mechanisms in cooperative R&D contracts to prevent disputes. In 2025, Weichai Power performed 13 patent infringement analyses, evaluating over 20 suspected infringing patents, effectively identifying potential legal risks and safeguarding the security and lawful application of innovation outcomes.

To enhance the patent mining capabilities of IP professionals and R&D teams, the Company regularly organizes IP-related training programs. During World Intellectual Property Day (April 26), diverse activities such as exhibitions and expert lectures were held to elevate IP protection awareness across all levels. In July 2025, Weichai Power was successfully selected as a founding member of the "Brand Protection" Government-Enterprise Collaboration Mechanism under the State Administration for Market Regulation, achieving efficient coordination between administrative and judicial resources and improving rights protection response efficiency and law enforcement collaboration capabilities.

## Metrics and Targets

In 2025, the Company continuously improved its R&D innovation indicator system, focusing on core capability development and the output of tangible results, while driving the evolution of innovation management from "process control" to "value creation". In 2025, the Company joined 55 industry associations, with 22 subsidiaries certified as High-Tech Enterprises.

### R&D Performance

Number of R&D personnel	The proportion of R&D personnel	Annual R&D investment reached	The proportion of R&D investment to operating income
19,318 persons	19.04%	RMB 9,576 million	4.13%

### Intellectual Property Performance

Number of Invention Patent Applications in 2025	Number of Invention Patents Granted in 2025	Total Number of Patents Granted (Valid)	Cumulative Granted Patents Related to New Energy <sup>12</sup>
1,790 cases	1,465 cases	20,330 cases	2,314 cases

### Performance in Policy & Standards Formulation Engagement

#### In 2025

National Standards	Industry Standards	Group Standards
148	70	95

#### Total

343	188	289
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<sup>12</sup> The data excludes KION.

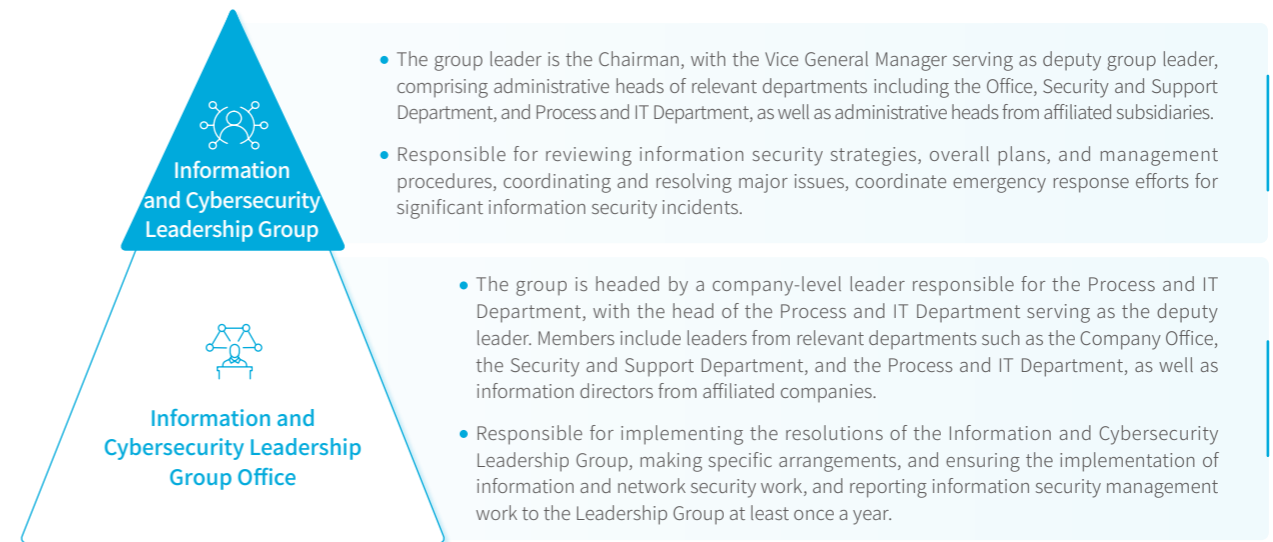
## Data Security and Privacy Protection

The Company, supported by a sound data security management system, has established mechanisms for information security and personal privacy protection, and continuously advanced data protection initiatives to ensure comprehensive protection of customer information security and privacy rights.

### Information Security

The Company strictly adheres to relevant laws and regulations such as the *Cybersecurity Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, and has established 18 regulations, including the *Company Information Security Management Measures* and the *Information and Data Security Audit Management Procedures*. The Company has established an Information and Cybersecurity Leadership Group, and incorporated information security performance into the performance evaluations of senior executives and responsible personnel, strengthening accountability implementation, and continuously enhancing information security management standards.

#### Information Security Management Framework



The Company has established a comprehensive information security management system covering application security, data security, network security, host security, and endpoint security. It has integrated asset management, information security risk management, governance optimization, monitoring and response, and subsidiaries' capability enhancement into unified management, forming a systematic information security operation, review and emergency response mechanism.

To enhance employees' information security awareness and protection capabilities, the Company has established a normalized mechanism for attack and defense drills. The Company regularly organizes information security training, company-wide knowledge quizzes, and "Secrecy Month" activities to strengthen employees' awareness of information security risks and protection skills, providing solid support for the security of corporate information assets.

2025 Key Information Security Activities

**Enhancing Information Security Operational Management**

The Company published four phases of Information Security Operations Review Reports, and established a closed-loop management process featuring identification, handling, verification and improvement.

It carried out special governance initiatives including "Two Highs and One Weak" "Internet Exposure Surface Reduction and Mapping" and "Alert Noise Reduction" to enhance security operations capabilities.

**Strengthening Information Security Emergency Response System**

The Company clarified security incident handling procedures, and organized four attack-and-defense drills to advance the routine operation of the mechanism encompassing drills, review, optimization and enhancement, continuously improving overall security protection effectiveness and emergency response capabilities.

**Construction of Information Security Technology and Continuously Enhancing the Comprehensive Protection System**

The Company introduced software and hardware protection measures, and deployed encryption systems, data leakage prevention systems, and situational awareness tools, establishing a multi-layered, defense-in-depth information security protection framework.

The Company implemented a "cloud-management-endpoint" defense-in-depth framework to deliver comprehensive, multi-layered protection of information assets. Through ongoing technology development, certifications, and operational management, the Company continuously enhances its information security management capabilities and effectively safeguards the security of customer and corporate information.

**Construction of Information Security Culture**

Throughout the year, intensive security inspections are carried out. Violations are publicly notified and assessed, fostering a deterrence-based culture centered on the red lines of information security.

**Case Red-Blue Attack and Defense Drills**

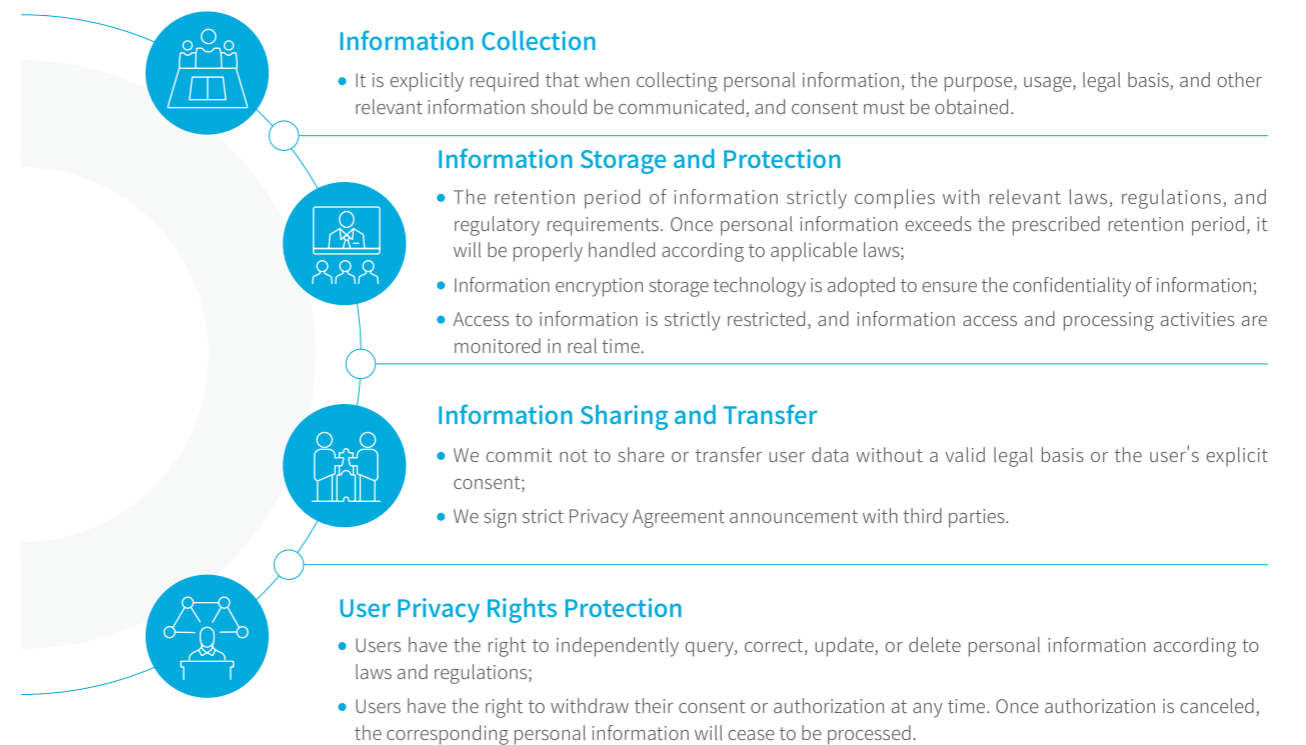
In 2025, Weichai Power organized the Red-Blue attack and defense drills across its headquarters and all subsidiaries, establishing a management system encompassing drills, review, optimization and enhancement. The drills enhanced the technical capabilities and emergency response competencies of the security team, achieving a transition from passive defense to proactive prevention and control in cybersecurity. This initiative consolidated the foundation of the Group's security protection system while elevating overall protection effectiveness and incident response capabilities.

Weichai Power has already obtained certifications including ISO/IEC 27001: 2022 Information Security Management System, Information System Security Level Protection Assessment, and Data Security Maturity Model (DSMM) Certification. Three major platforms of Fast Gear including the Supply Chain and Manufacturing Platform have obtained the Level-2 certification for national classified information security protection; three major platforms of Lovol such as the Internet of Vehicles Platform have been granted the Level-3 certification for national classified information security protection. The Company conducts regular internal and external information security audits to ensure the effectiveness and reliability of the security management system. In 2025, the Company engaged third-party professional organizations to conduct external testing and certification audits.

**Privacy Protection**

The Company strictly adheres to laws, regulations, and industry standards, including the *Personal Information Protection Law of the People's Republic of China*, in all operational locations, continuously improving the management system of personal information and privacy protection. The Company has established and implemented the *Information Security and Privacy Protection Policy* and the *Secure Development Privacy Protection Design Specification*, clarifying management requirements for personal information at stages of collection, storage, use, and sharing. By strengthening process control, the Company reduces risks of information leakage and data misuse while effectively safeguarding customer privacy and related rights.

**Personal Information Protection Mechanism**



**In 2025**

the Company had **no incidents** on data security or breaches of customer privacy.



## Uniting Talent, Empowering Growth

Adhering to the "people first" philosophy, the Company has established a scientific talent system and created personalized development pathways. Through standardized processes and health management systems, the Company safeguards the rights, interests and safety of employees. The Company champions a diverse, inclusive, open and equal culture, inspiring employee potential through humane care, thereby achieving mutual empowerment between employee growth and enterprise development.

# Employment and Employee Rights and Interests

## Compliant and Equal Employment

**We uphold**

**Diversity Equity Inclusion**

Guided by the "talent-first project" philosophy, the Company remains committed to safeguarding employee rights. Focusing on the goals of "attracting talent, strengthening talent, motivating talent and energizing talent", the Company continuously advances compliance and equality in recruitment, promoting diversity in the workforce, and actively cultivates a fair, diverse, and inclusive employment environment.

The Company strictly complies with legal regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China*, *Law of the People's Republic of China on the Protection of Minors*, and the *Regulations on the Prohibition of Child Labor*, as well as international labor conventions ratified by China. The Company has formulated the *Diversity, Equity & Inclusion (DEI) Policy* to fully ensure the legality and compliance in recruitment and employment practices. Furthermore, the Company adheres to the principle of "equal pay for equal work", negotiates compensation based on job value and individual capabilities to ensure fairness and reasonableness.

The Company conducts annual evaluations and optimizations of its human resources planning. Using a combination of "top-down" and "bottom-up" approaches, integrated with employee satisfaction analysis, competency models, talent reviews, and other tools, the Company formulated the 2025 Human Resources Allocation Plan. The Company systematically analyzes the total workforce, structure, recruitment, and turnover to dynamically achieve the optimal allocation of human resources alongside other resources. The Company accelerates the development of its talent team, implements specialized training programs, and digitally empowers HR management efficiency, ensuring that human resources planning is effectively aligned with the corporate strategy.

When publishing recruitment information, the Company ensures that job requirements are clearly and objectively stated, free from any form of discriminatory language. During the interview stage, we implement standardized procedures and a quantitative evaluation system to guarantee a fair and transparent assessment process, fully respecting the rights of every candidate. During the onboarding process, the Company strictly enforces an identity information verification mechanism to comprehensively identify employment compliance risks and resolutely prevent illegal practices such as forced labor and child labor. The Company has established a fair and transparent mechanism for the prevention and resolution of labor disputes in response to compliance incidents. During the Reporting Period, the Company did not experience any violations related to forced labor or child labor, effectively ensuring the legality and compliance, and fulfillment of social responsibility throughout the entire recruitment process.

The Company strictly prohibits discrimination and harassment and conducts regular training on these issues. Under the theme "Empowering Skills, Setting Sail at the Right Time", the Company systematically offers a series of online and offline workplace skills enhancement courses targeting employees who have joined in the past three years as well as all current employees. The curriculum covers key issues such as anti-discrimination and inclusive workplace development, with a comprehensive focus on employees' professional competence and sustainable development capabilities.

### Case KION Group As a Holding Subsidiary Systematically Implements Human Rights Management

Within the Company's compliance management framework, the holding subsidiary, KION Group, implemented a systematic combination of measures, completing and updating the *KION International Minimum Employment Standards (MES) Policy*. Through a dedicated annual risk screening tool and multi-channel monitoring (e.g., hotlines, internal audits), no significant human rights risks were identified. Concurrently, KION Group continuously strengthens company-wide awareness and risk prevention by leveraging International Human Rights Day, e-learning courses, and local measures (such as identity checks, policy advocacy, and training). KION Group adheres to high standards of human rights and labor compliance. In 2025, there were no incidents of non-compliance with minimum employment standards, nor were there serious human rights issues such as child labor or forced labor.

P-Strengthening Governance, Ensuring Long-Term Success

O-Pursuing Quality Excellence, Leading through Innovation

**W-Uniting Talent, Empowering Growth**

E-Advancing Green Development, Enabling Mutual Ecological Benefits

R-Forging Ahead Together, Promoting Social Harmony

In 2025, the Company had a total of 101,440 employees globally under labor contracts, including 754 employees from ethnic minorities, and 38,788 overseas employees. The proportion of employees who signed collective agreements was 100%. The Company's recruitment efforts were strategically prioritized towards its new energy business. In 2025, employees hired for strategic emerging businesses accounted for 45% of all new recruits.

### In 2025

Total number of employees

**107,417** Persons

Informal employees<sup>13</sup>

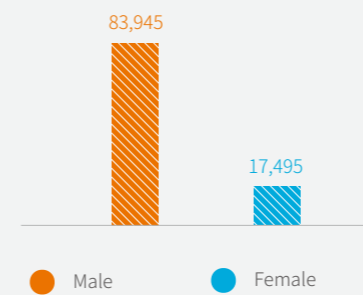
**5,977** Persons

Proportion of employees who signed collective agreements was

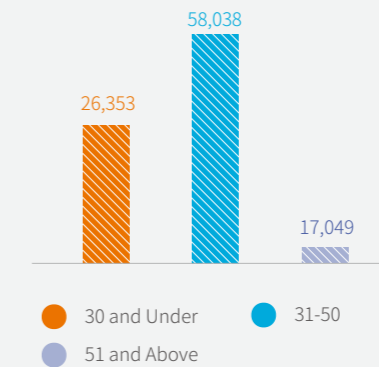
**100%**

### Employee Composition and Turnover (formal employees)

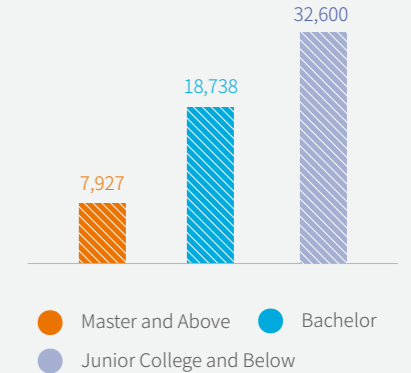
Number of Employees by Gender



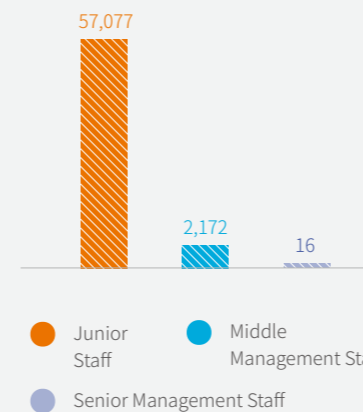
Number of Employees by Age



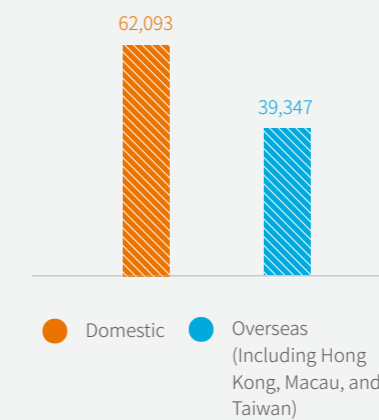
Number of Employees by Degree<sup>14</sup>



Number of Employees by Rank<sup>15</sup>



Number of Employees by Region



Employees globally under labor contracts

**101,440** Persons

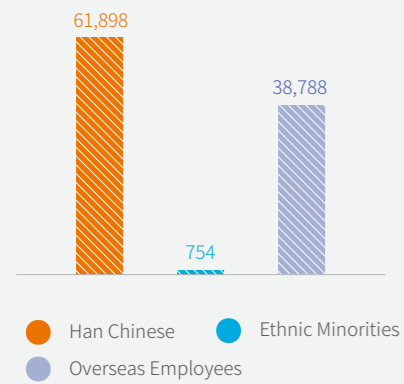


<sup>13</sup> The data excludes KION.

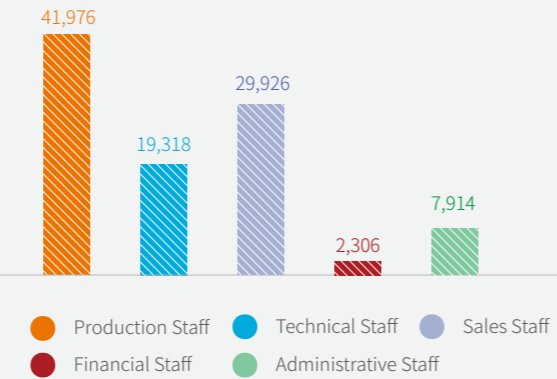
<sup>14</sup> The data excludes KION.

<sup>15</sup> The data excludes KION.

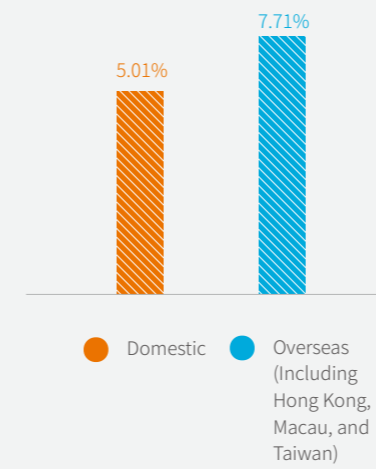
Number of Employees by Ethnicity/Nationality



Number of Employees by Post



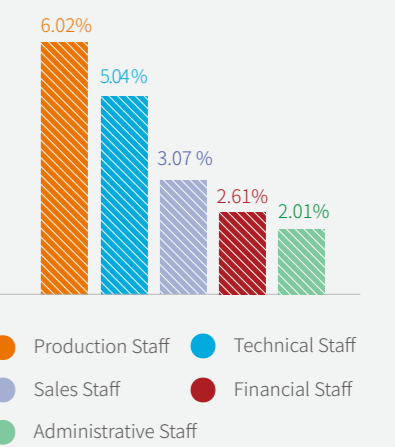
Turnover Rate by Region



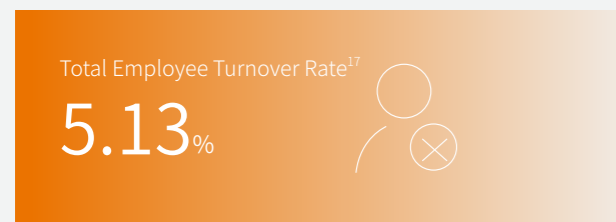
Turnover Rate by Ethnicity/Nationality



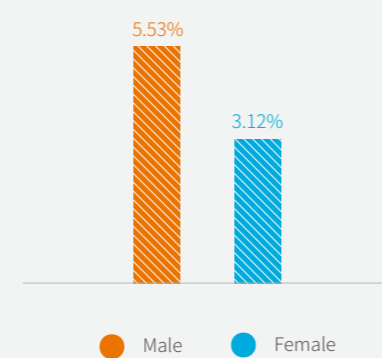
Turnover Rate by Post



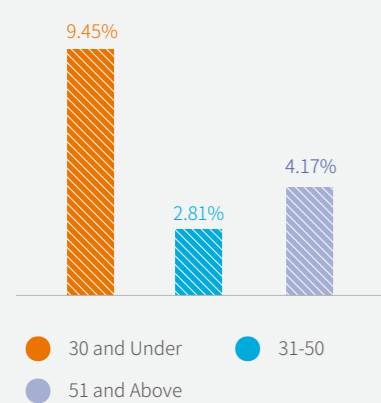
Employee Turnover Data<sup>16</sup>



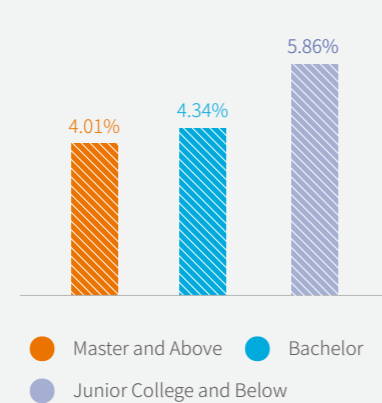
Turnover Rate by Gender



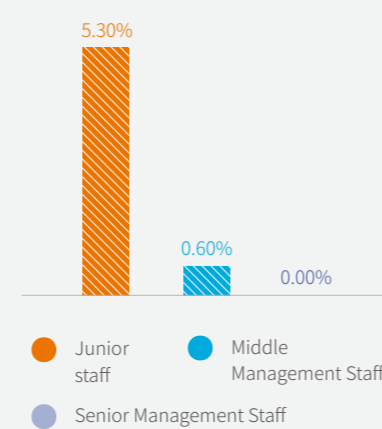
Turnover Rate by Age



Turnover Rate by Degree



Turnover Rate by Rank

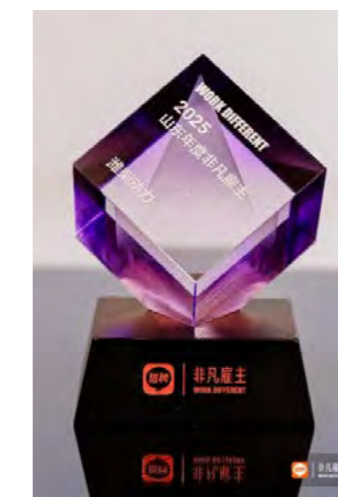


Diversity Development

Ethnic minorities

16

The Company continues to advance employee diversity development by formulating the *Diversity, Equity & Inclusion (DEI) Policy* and the *Employee Diversity Development Strategic Plan*, committed to creating an open and inclusive work ecosystem. By optimizing the talent structure, we actively promote a balanced representation in terms of gender, age, and geographical distribution, while attracting outstanding talents of different nationalities and cultural backgrounds from around the world, continuously enhancing organizational diversity and international competitiveness. In 2025, the Company continued its efforts, achieving a male-to-female ratio of 76:24 among new recruits, covering 16 ethnic minorities. Meanwhile, the Company provided Chinese language training for international students, significantly improving their Chinese proficiency. During the Reporting Period, the Company was awarded the "2025 Extraordinary Employers" by Liepin, the "2025 Best Employer Award" by Zhaopin, and received the "2025 Employee-Friendly Enterprise" evaluation certification from Guopin.



The "Extraordinary Employers" by Liepin



The "2025 Employee-Friendly Enterprise" from Guopin

<sup>16</sup> Employee turnover data exclude KION.

<sup>17</sup> Employee turnover rate = Number of employees leaving by category/ Number of employees by category \*100%.

### Employee Diversity Data

#### In 2025

Number of women in junior management

**16,602** Persons

Number of women in middle management

**890** Persons

Number of women in senior management

**3** Persons



Number of women in STEM (Science, Technology, Engineering, and Mathematics) related positions

**5,223** Persons

Number of female managers in revenue-generating positions

**1,038** Persons

Number of employees with disabilities<sup>18</sup>

**95** Persons



#### Case

### Weichai Power, in Collaboration with its Overseas Subsidiaries, Facilitates Overseas Talent Exchange Visits and Online Exchanges

In 2025, Weichai Power conducted three overseas talent exchange visits and one online communication session to foster in-depth interaction in business and human resources with overseas subsidiaries such as KION, Baudouin. By organizing offline activities including factory tours and business exchanges, as well as holding sharing sessions on HR management experience, the Company continuously solidified the foundation for employee diversity development, contributing to the creation of a more inclusive global talent ecosystem with an international perspective.



The Company Representatives visited Baudouin



KION Group Exchange Activities

<sup>18</sup> The data excludes KION.

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## Employee Training and Development

Guided by its talent strategy, the Company systematically develops a comprehensive talent development panorama, continuously improves the reserve and cultivation mechanisms for key position successors, and builds multi-level, full-cycle talent development pathways to support employees in growing alongside the enterprise throughout their career progression.

### Governance and Strategy

The Company's "Talent First Project" functional strategy is guided by the vision of "Establishing Weichai as a Dynamic Stage for Global Top-tier talent" and the mission of "Inspiring the Value Creation Potential of All Employees, Enabling Strivers to Achieve Shared Success with Weichai". The Company implemented the "Four Major Talent Programs" (namely, Talent Attraction Program, Talent Activation Program, Talent Development Program, and Talent Empowerment Program) which robustly support the corporate strategy of "Strong Foundation, New Business". The Company has established a human resources management organizational structure with clearly defined levels and well-specified responsibilities as well as a sound employee training governance system. Within the organizational structure, Weichai University Business School is established, responsible for the formulation and implementation of talent training plans.

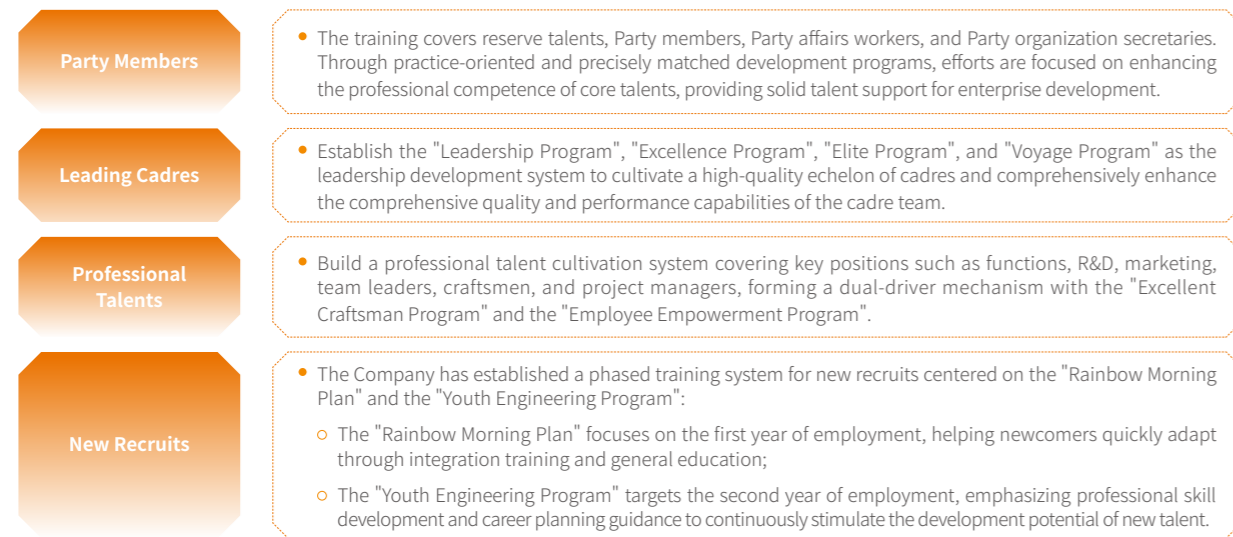
#### Governance Structure

Organization/Position	Function
Chairman	As the highest responsible person for human resources management, responsible for approving and making decisions on the annual human resources plan, and leading the establishment and adjustment of major systems and mechanisms
Company-level Executive in Charge	Fully responsible for the management and implementation of human resources operations
Weichai University Business School	As the dedicated management body, responsible for training system design, resource integration, and project operation
Training Operations Post, Training Resource Management Post	Responsible for designing and organizing the implementation of company-level training plans
Training Leaders and Training Administrators of Each Unit	Responsible for organizing the implementation and supervision of unit training plans

## Policies and Systems

The Company has formulated and continuously improved systems and processes including *Employee Training Management Measures*, *Training Operation Management*, *Training Plan Management*, and *Training Resource Management*, forming a hierarchical and categorized talent cultivation system covering all employees. This ensures that employees in all positions can receive personalized learning support aligned with their responsibilities and development, thereby solidifying the talent foundation for the organization's sustainable development. Training management covers the full-cycle process from planning and execution to effectiveness evaluation, and progress is tracked through annual plans and monthly reports. Continuous feedback is collected by the Company through surveys, learning platforms, and cross-departmental communication to drive improvements.

### Weichai Power's Training Framework



## Employee Training Programs

Through systematic training, the Company enhances employees' professional skills and comprehensive qualities, solidifying the talent foundation. By implementing a tiered and categorized precision training mechanism, the Company designs specialized courses tailored to different positions and career development stages, integrating multiple methods such as theoretical instruction, practical exercises, and discussions on cutting-edge trends to effectively promote the systematic enhancement of employees' professional capabilities and overall competence. The Company's total annual training investment reached RMB 32.4275 million, with an average of 108.76 training hours per employee, reflecting an efficiently operating training system and demonstrating its strong commitment to talent development.

### Leadership Training

Guided by its strategy, the Company focuses on building a tiered leadership team, cultivating a cadre of leaders capable of adapting to corporate transformation and development. We conduct the Leadership Program, Excellence Program, Elite Program, and Voyage Program training for newly appointed and high-potential leaders at various levels to systematically enhance the quality of the leadership team.

#### Case Weichai Power has Established a Leadership Training and Development System

In 2025, Weichai Power continued to cultivate a high-quality echelon of cadres. Through a multi-dimensional, full-chain cultivation mechanism, Weichai Power fostered an organizational atmosphere where "everyone can develop their talents and fully utilize their potential", providing solid talent support for strategic implementation and sustainable development.

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#### Normalized Training System

- Leveraging the four cultivation programs—Leadership, Excellence, Elite, and Voyage—as key initiatives, we designed tiered and categorized development projects, covering over 400 young and middle-aged talents throughout the year to comprehensively enhance their overall quality and performance capabilities.

#### High-end Programs

- Through high-end platforms such as the "Heavy Industry Future Lecture Hall", Weichai Power organized leadership development activities focused on expanding strategic vision and discussing industry frontiers, covering issues including driving transformation implementation and optimizing management systems, reaching a cumulative total of 4,800 participants.

#### Targeted Training for Newly Promoted Section-Level Cadres and Technical Managers

- Weichai Power conducted targeted practical training that enabled over 260 frontline managers to achieve capability leaps in team management, business execution, and cross-departmental collaboration. By expanding its online learning platform, Weichai Power launched a series of specialized courses on themes such as leadership enhancement, intelligent manufacturing, and artificial intelligence, attracting nearly 700 participants and completing over 14,000 training hours cumulatively.



Opening Ceremony: Specialized Training for Leadership and the Launch of Tiered Leadership Development Programs (the "Four Programs")

### Training for New Recruits

The Company conducts an annual new employee training program. In 2025, the new employee training program centered on three core modules: military training, professional training, and team building, comprehensively strengthening new employees' professional competence and teamwork capabilities. A total of 133,920 training hours were completed, laying a solid foundation for new employees to quickly integrate into the Company and embark on their career development.



Onboarding Training for New Recruits

### Professional Skills Training

In 2025, the Company provided skills and knowledge development training, as well as pre-job and safety training, for all employees (including part-time and outsourced personnel). At the same time, focusing on the four transitions of "green, global, digital and intelligent, and eco-friendly", the Company conducted various professional skills training programs for positions such as R&D, marketing, service, skills, and management, providing talent support for the Company's strategic transformation.

### Employee Professional Skills Training Initiative

Training Focus	Training Content
R&D Talent Development	<ul style="list-style-type: none"> <li>Focus on the three-tier system of "newcomers, key personnel, and leaders", providing precision training aligned with strategic transformation directions such as new energy;</li> <li>Through diverse formats including customized thematic training, the Harbin Institute of Technology Foundation Class, and the Tsinghua University Special Research Program, the Company accumulated over 1,200 training sessions, significantly strengthening the R&amp;D team's capability for cutting-edge technological breakthroughs;</li> <li>Focusing on strategic businesses such as new energy, conducting technology-specialized training, covering nearly 800 participants.</li> </ul>
Marketing & Service Transformation Empowerment	<ul style="list-style-type: none"> <li>Focus on the Company's strategic transformation directions, conducting a series of specialized training programs on themes such as new energy and globalization, with 19 training projects implemented throughout the year covering 1,612 participants, effectively enhancing the professional competence of the marketing and service teams.</li> </ul>
Skilled Talent Foundation Project	<ul style="list-style-type: none"> <li>By releasing tiered courses and conducting tiered training programs, the Company achieved accumulated coverage of over 1,300 skilled personnel and team leaders;</li> <li>Initiate for the first time the "Excellent Craftsman" cultivation program and the "Technician + Engineer" dual-instructor model, successfully cultivating 6 craftsmen at provincial and municipal levels, effectively promoting the construction of a high-skilled talent team.</li> </ul>
AI Empowerment & Digital Transformation	<ul style="list-style-type: none"> <li>Conduct training through various formats including public courses, practical training, and application competitions, covering over 10,000 participants;</li> <li>Deliver 30 courses, achieving over 30% improvement in office efficiency while simultaneously training 33 internal instructors, providing systematic capability support for business digital transformation.</li> </ul>

#### The Excellent Craftsman Program

Targeting high-potential skilled professionals, focusing on project-based training to deliver customized development programs that facilitate the practical application of outcomes.

#### The Employee Empowerment Program

Adopting a "menu-style" course selection model, precisely matching the capability needs of various positions.



"Thousands of Craftsmen" Training Project

### Degree Programs and Certification Support

The Company systematically builds a cultivation mechanism covering academic qualification enhancement, professional certification, and professional capability development for all employees (including part-time and contractors). The Company continuously improves the *Management Measures for On-the-job Qualification/Degree Education of Employees*, establishing a full-process management system from application to graduation to achieve standardized management of academic education. We have established long-term cooperation with several renowned universities including Zhejiang University, Tianjin University, and Shandong University, supporting employees in pursuing multi-level academic advancement such as associate-to-bachelor degree programs and master's/doctoral studies.

Meanwhile, the Company offers academic degree programs/professional qualification certification support projects for all employees (including part-time and outsourced personnel). These cover key position qualifications such as Registered Safety Engineer, Six Sigma Black Belt, physical and chemical testing, and special operations, assisting personnel in obtaining necessary certifications and advancing their capabilities. In 2025, a total of 754 employees obtained certifications. Among them, 212 individuals achieved technician-level professional qualification certificates, 30 obtained Six Sigma Black Belt certification, 66 obtained physical and chemical testing certification, 330 obtained special operations personnel certification, and 98 obtained junior-level and 18 obtained intermediate-level Registered Safety Engineer qualifications.

In addition, the Company has established an internal certification system, conducting specialized skill certifications for core technical positions such as new energy product maintenance and large-bore product maintenance. This promotes the standardization and professionalization of talent capabilities, comprehensively empowering employees' career growth and enhancing the organization's talent competitiveness.



Opening Ceremony of the Business School of Renmin University of China On-the-job Program Shandong Class

### Internal Trainer Development

In 2025, the Company continued to deepen the development of its internal trainer team, completing the third optimization of the *Internal Trainer Management Process*. The Company refined the standards for directly appointed trainers, improved development plans, teaching incentives, and annual evaluation mechanisms, and established a tiered structure of "Professor—Associate Professor—Senior Lecturer—Lecturer—Assistant Lecturer". New requirements for building learning roadmaps for senior internal trainers were added, and two sessions of specialized training were conducted.

### ESG Training

In 2025, the Company launched a series of online courses on corporate ESG development and application, focusing on educating participants about international and domestic ESG disclosure standards. With nearly 6,000 participants, these courses laid a solid knowledge foundation and talent reserve for the Company to advance sustainable development.

The Company's training coverage rate in 2025 reached 100%, with an average of 108.7 training hours per person. The Company plans to maintain a 100% training coverage rate through 2030 and ensure average training hours per person are no less than 100 hours, propelling the construction of a learning organization to new heights.

#### In 2025

The Company's training coverage rate reached

100%

Training hours per person

108.76



Return on Investment in Human Capital

39.51%

Training Investment Amount

32.4275 million

#### 2030 Targets

Training coverage rate is maintained at

100%

Minimum training duration reaches

100 hours per employee



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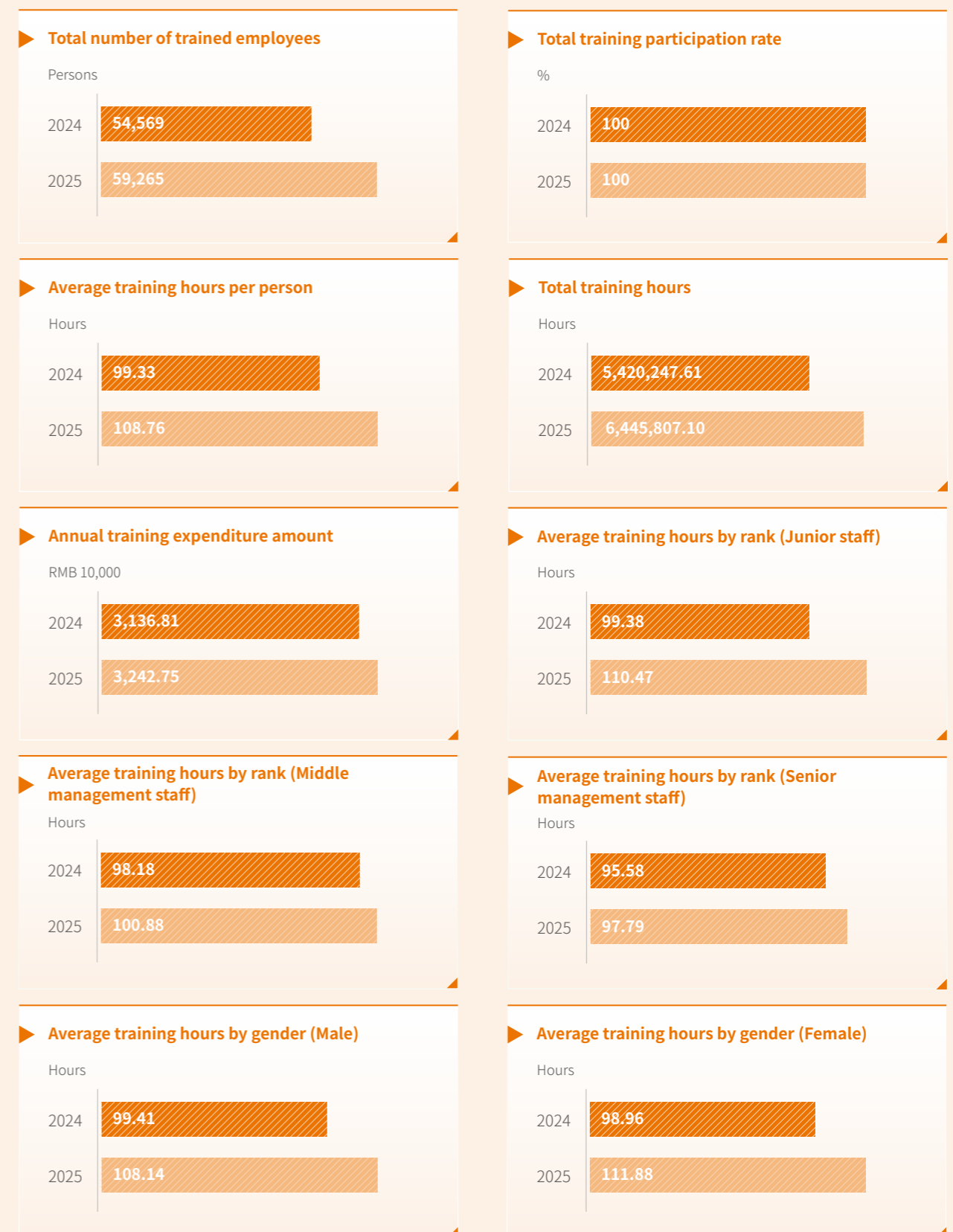
O-Pursuing Quality Excellence, Leading through Innovation

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### Employee Training Data<sup>19</sup>



<sup>19</sup> The employee training data excludes KION.

## Employee Development System

The Company has established diversified career development paths and incentive mechanisms to unlock employee potential, promote mutual growth between the organization and individuals, and inject strong momentum into the Company's continuous innovation and high-quality development.

### Vertical Development: Building Promotion Bridges

The Company categorizes positions into five career tracks, including Management, R&D, Engineering, Operations, and Marketing, based on core business processes and job responsibilities, with each track establishing an independent job level system. Promotions are subject to qualification reviews that comprehensively assess candidates across four dimensions: general qualifications, organizational contributions, professional knowledge, and professional capabilities. Within each job level, promotions are based on annual performance points.

#### Employee Promotion Path

Job Sequence	Sequence Composition
Management Track	Business Assistant, Business Associate, Senior Associate, Management Expert, Senior Management Expert, Chief Management Expert
R&D Track, Engineering Track	Technical Staff, Assistant Engineer, Engineer, Senior Engineer, Principal Engineer, Chief Engineer, Scientist
Operations Track	Apprentice, Junior Worker, Intermediate Worker, Senior Worker, Technician, Senior Technician, Special Grade Technician, Chief Technician
Marketing Track	Marketing Assistant, Marketing Manager, Senior Marketing Manager, Principal Marketing Manager

### Horizontal Development: Expanding Career Horizons

The Company has established its internal talent market and formulated the *Management Measures for Internal Talent Market*. The Company has innovatively implemented three talent management models, namely "posts for candidates", "candidates selecting posts" and "candidates for posts" to facilitate the efficient flow of internal personnel. Through this multi-dimensional matching mechanism, not only are employees' career development paths broadened, but more individuals also gain opportunities to explore new roles and venture into emerging fields.

### Employee Performance Management

The Company has established a performance-oriented compensation management system covering all employees, adhering to the principles of precise incentives and performance orientation. The Company implements a compensation model combining "base salary + performance-based variable pay" to ensure fair and reasonable salary distribution and effective incentives. Weichai Power has formulated the *Personal Performance Commitment Assessment Management Measures* and the *Monthly Performance Bonus Evaluation Guidelines for All Categories of Personnel*, which specify evaluation dimensions, coefficient settings, and rules for result application, fully mobilizing employee initiative and creativity.

Based on the Balanced Scorecard framework, the Company's strategic objectives are decomposed layer by layer into department-level KPIs<sup>20</sup> and position-level PPCs<sup>21</sup>, with quantitative indicators set using the SMART principles<sup>22</sup>. The Company continuously promotes the "Enterprise-Department-Individual" performance assessment management model for all employees, establishing a three-tier (K1, K2, K3<sup>23</sup>) performance indicator system, forming a dynamic closed-loop management process with monthly tracking, quarterly reviews, and annual calibration. We conduct annual performance interviews with employees, collaboratively formulating IDPs<sup>24</sup> through supervisor-employee cooperation to clarify career development directions, and strictly adhere to the system of publishing assessment results within five working days. Furthermore, the annual assessment documents provide a detailed explanation of the employee performance feedback and appeal mechanisms.

### Performance Incentive Mechanism for Core Positions

Position Type	Performance Mechanism	Incentive Orientation
Production Workers	Daily Wage System Based on Shift Output	Real-time Quantification of Production Efficiency
R&D Personnel	Virtual Output Accounting Mechanism	Value Transformation of Technological Innovation
Marketing Personnel	Performance-oriented Instant Incentives	Rapid Realization of Market Outcomes
Management Personnel	Project-based Compensation System	Assessment of Strategic Goal Achievement

For management personnel, the Company categorizes projects into a two-tier management system of Major Continuous Improvement Projects and General Continuous Improvement Projects based on their improvement effectiveness and strategic importance, implementing differentiated performance grading. This mechanism aims to enhance the enterprise's operational management level through systematic and quantifiable project practices.

### Tiered Performance Management Mechanism for Continuous Improvement Projects



#### Major Continuous Improvement Projects

Conducted on a semi-annual basis, led and implemented by leadership, management experts, and senior engineers. Performance rewards are granted based on the unit's major continuous improvement projects.



#### General Continuous Improvement Projects

Conducted by each unit on a quarterly basis, with project performance linked to the performance incentive coefficient of the unit's leadership.

Variable Pay Employee Coverage Rate reached

100%

<sup>20</sup> KPI: Key Performance Indicator.

<sup>21</sup> PPC: Personal Performance Commitment.

<sup>22</sup> SMART: Specific, Measurable, Achievable, Relevant, Time-bound.

<sup>23</sup> K1 refers to Financial Indicators, K2 refers to Organizational Assessment, K3 refers to HR Indicators.

<sup>24</sup> IDP: Individual Development Plan.

# Employee Welfare and Care



The Company continuously optimizes its flexible benefits system, focusing on the genuine needs of employees, enhancing humanistic warmth through heartfelt initiatives, and promoting mutual understanding through open communication. This effectively strengthens employees' sense of fulfillment and belonging, allowing care to take root and consolidating support and building momentum for the enterprise's development.

## Compensation and Benefits

### In 2025

Coverage of the employees' Five Social Insurances and One Housing Fund reached

100%

The Company strictly complies with the *Social Insurance Law of the People's Republic of China* and the *Administrative Regulations on the Declaration and Payment of Social Insurance Premiums*, providing comprehensive welfare support to employees. In 2025, the Company achieved a 100% coverage rate of the employees' Five Social Insurances and One Housing Fund.

In accordance with relevant laws, regulations, and policy requirements such as the *Administrative Measures for Equity Incentives of Listed Companies*, the Company implemented an A-share restricted stock incentive plan for its directors, senior management, middle management, and core technical (business) backbone personnel. This equity incentive plan has a duration of three years. If the Company's performance assessment targets for a specific release period are not met, the restricted stock for all incentive recipients for that period cannot be released, and the shares will be repurchased by the Company. Furthermore, incentive participants become eligible for the release of restricted stock for the corresponding period only after passing the annual performance assessment, with the release ratio determined based on their individual performance assessment results for that year.

### The Company's 2025 Benefits System

<p><b>Statutory Benefits</b></p>	<ul style="list-style-type: none"> <li>The Company contributes to basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and the housing provident fund for all formal full-time employees in full and on time. Pension covers 100% of all employees.</li> </ul>
<p><b>Supplementary Benefits</b></p>	<ul style="list-style-type: none"> <li>The Company provides employees with enterprise annuities, offering additional security for retirement, and retired employees can flexibly choose their annuity withdrawal method according to their personal preferences;</li> <li>The Company provides supplementary medical insurance benefits to employees;</li> <li>The Company provides all employees with paid annual leave, home leave, breastfeeding leave, paid childcare leave, maternity leave and paternity leave (15 calendar days for male employees), breastfeeding breaks during working hours (1 hour per day), and 10 days of paid parental leave per year, comprehensively supporting employees in balancing work and family responsibilities;</li> <li>The Company purchases overseas insurance for personnel on international assignments, covering emergency rescue services such as accidental injury and accidental medical expenses;</li> <li>The Company provides employees with flexible working hours and location options.</li> </ul>
<p><b>Special Support</b></p>	<ul style="list-style-type: none"> <li>The Company provides employee talent apartments and housing-related subsidies;</li> <li>The Company offers daily meals and assistance meals during working days, as well as dinner for overtime work; in areas where free working meals cannot be provided, the Company offers a certain meal allowance;</li> <li>The Company continuously organizes annual health check-ups for employees, updates examination items, and provides special support such as "Freedom from Serious Illness" (supplementary medical insurance, supplementary annuities, serious illness assistance);</li> <li>The Company adds benefits for family members' overseas visits, providing expense reimbursement and allowance support for family members of employees permanently stationed overseas.</li> </ul>

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## Employee Care

The Company consistently prioritizes employee needs, continuously increasing investment in key areas such as food, housing, transportation, medical care, holiday benefits, and emotional well-being, with annual expenditure in these areas exceeding RMB 100 million. This effectively translates corporate care into concrete action and reaches the hearts of employees.

### Employee Care Activities

<p><b>Health Benefits</b></p>	<ul style="list-style-type: none"> <li>Organized comprehensive health check-ups for employees in key positions, employees stationed abroad, and new recruits;</li> <li>Launched preferential health check-up packages for employees and their family members in collaboration with multiple medical institutions, effectively enhancing family health support;</li> <li>Conducted the "Bringing Health to the Grassroots" series of activities, organizing 32 health lectures to effectively improve awareness of common disease prevention and self-health management capabilities.</li> </ul>
<p><b>Mental Health</b></p>	<ul style="list-style-type: none"> <li>Conducted "Warm-Hearted Care" psychological care assessments for all employees to timely identify psychological risks and provide professional support.</li> </ul>
<p><b>Health Care Column</b></p>	<ul style="list-style-type: none"> <li>Established a Health Care Column on the collaborative office platform. In 2025, a total of 24 "Health Care" themed knowledge posts were published, covering issues such as heatstroke prevention tips, healthy lifestyles for hypertension, and first-aid tips, safeguarding the health and safety of employees and the public.</li> </ul>
<p><b>Retirement Ceremonies</b></p>	<ul style="list-style-type: none"> <li>Established a "retirement ceremony" for the first time, expressing high respect and sincere blessings to long-serving employees through farewell parties, forums, and other forms.</li> </ul>
<p><b>Care for Female Employees</b></p>	<ul style="list-style-type: none"> <li>Organized themed and award activities to celebrate International Women's Day (March 8th).</li> </ul>
<p><b>Diverse Activities</b></p>	<ul style="list-style-type: none"> <li>Organized over ten large-scale cultural activities throughout the year, including the Glory in Post Medal Award Ceremony, the first Craftsman Week themed activities, the "Flying High, Building Brand" Tug-of-War Competition, the Youth Host Competition and Singing Contest;</li> <li>Organized the Employee Factory Run celebrating the Company's 79th anniversary.</li> </ul>
<p><b>Employee Assistance</b></p>	<ul style="list-style-type: none"> <li>The Company adheres to the principle of "providing assistance to all in need with targeted measures". During the Reporting Period, Weichai Power supported a total of 58 employees facing difficulties and distributed over RMB 238,000 in aid funds, effectively delivering organizational care to the hearts of employees and continuously enhancing their sense of fulfillment, security, and belonging.</li> </ul>
<p><b>Golden Autumn Education Assistance</b></p>	<ul style="list-style-type: none"> <li>The Company conducts the Golden Autumn Education Assistance activity annually, providing material support for the education of children from employees in need.</li> </ul>



Weichai Power Heatstroke Prevention Tips



Education Lecture



Family Open Day



Employee "World Cup" Football Friendly Match

### Case

#### The Company has Comprehensively Enhanced the Quality of its Shuttle Bus and Apartment Services, Delivering the Warmth of "Home" to Employees in Multiple Dimensions

The Company consistently upholds the service principles of "systematic operation, standardized procedures, collaborative progress, and robust support", focusing on the actual needs of employees to comprehensively enhance the quality of shuttle bus and apartment services.

Currently, the employee shuttle bus system covers 5 regions and 1 municipal unit, operating 99 shuttle buses across 91 routes with 611 stops, serving an average of over 7,000 employees daily. This efficiently connects work and life, making commutes more convenient and comfortable. Employee apartments adhere to a dual-track model of "company-owned + leased", enabling a hassle-free move-in experience.

## Employee Communication

### In 2025

Percentage of employees covered by collective bargaining agreements reached

100%

Resolved nearly

80 employee-related matters

The Company consistently values both democratic management and employee participation, continuously improving the institutional mechanisms for employee representatives to participate in corporate governance. In 2025, the trade union achieved 100% employee coverage, and strictly adhered to regulations such as the *Regulations of Shandong Province on the Congress of Employee Representatives* to standardize the selection and proportion of employee representatives, ensuring their broad and representative nature. The Company holds an annual employee congress. This year, the congress reviewed and approved the *General Manager's Work Report*, the *Special Collective Contract for the Protection of Female Employees' Special Rights and Interests*, and the *Special Collective Contract for Labor Safety and Health*, and conducted a democratic evaluation of company leadership, effectively safeguarding employees' rights to information, participation, and supervision. Currently, collective bargaining has been included in the Company's 2026 work plan, aiming to fulfill the collective agreement for employees.

The Company has established a multi-level, high-frequency normalized communication mechanism. Employees can use the employee community platform on the collaborative office platform to provide feedback anonymously or with their real names. Functional departments will respond promptly and collaborate efficiently, ensuring early problem detection and rapid resolution. Employees can also make full use of dedicated modules on the Hi-Work Service Express platform, such as employee assistance, family services, Youth League Committee affairs, family planning for female workers, and petition handling, enabling "one click direct access and expedited processing" of concerns. In 2025, Weichai Power efficiently resolved nearly 80 employee-related matters throughout the year.

The Company has formulated an annual performance review and interview policy for all employees. Performance interviews are organized after the assessment results are announced, conducting in-depth communication with employees regarding work summaries, performance, assessment results, improvement directions, employee opinions, and expectations.

The Company conducts an annual employee satisfaction survey covering all employees, performing categorical analysis based on dimensions such as department, rank, age, gender, and years of service to comprehensively understand perceptual differences among various groups. The questionnaire centers on one primary overall satisfaction indicator, encompassing 18 secondary key perception dimensions and 65 specific items to fully reflect the employee experience. Key areas of assessment include work content, communication and collaboration, training and development, social responsibility, compensation and benefits, gender equality, support for reform, and fairness, diversity, and inclusion, systematically identifying employee concerns. In 2025, the overall employee satisfaction rate reached 93.5%.

## Employee Satisfaction

93.5%

### Case KION Group's "Pulse" Survey Enhances Employee Engagement

Since 2021, KION Group has conducted an annual global employee survey called the "KION Pulse". This survey covers issues such as internal communication and collaboration, and aims to understand employees' personal views on the subjects addressed. The survey results provide important information on how to further enhance employee engagement and motivation. The engagement score, ranging from 1 (poor) to 100 (very good), reflects KION Group's attractiveness as an employer. This survey serves as the foundation for various initiatives to improve employee satisfaction, motivation, and dedication. KION Group has set a target to achieve an engagement score of 75 or higher and a participation rate of at least 80% by 2026. In the survey for 2025, employee engagement reached a score of 75, with a participation rate of 81%, thus achieving and partially exceeding this goal.

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## Occupational Health and Safety

### Governance

#### In 2025,

Occupational Health and Safety Management System certification, achieved a coverage rate of

100%

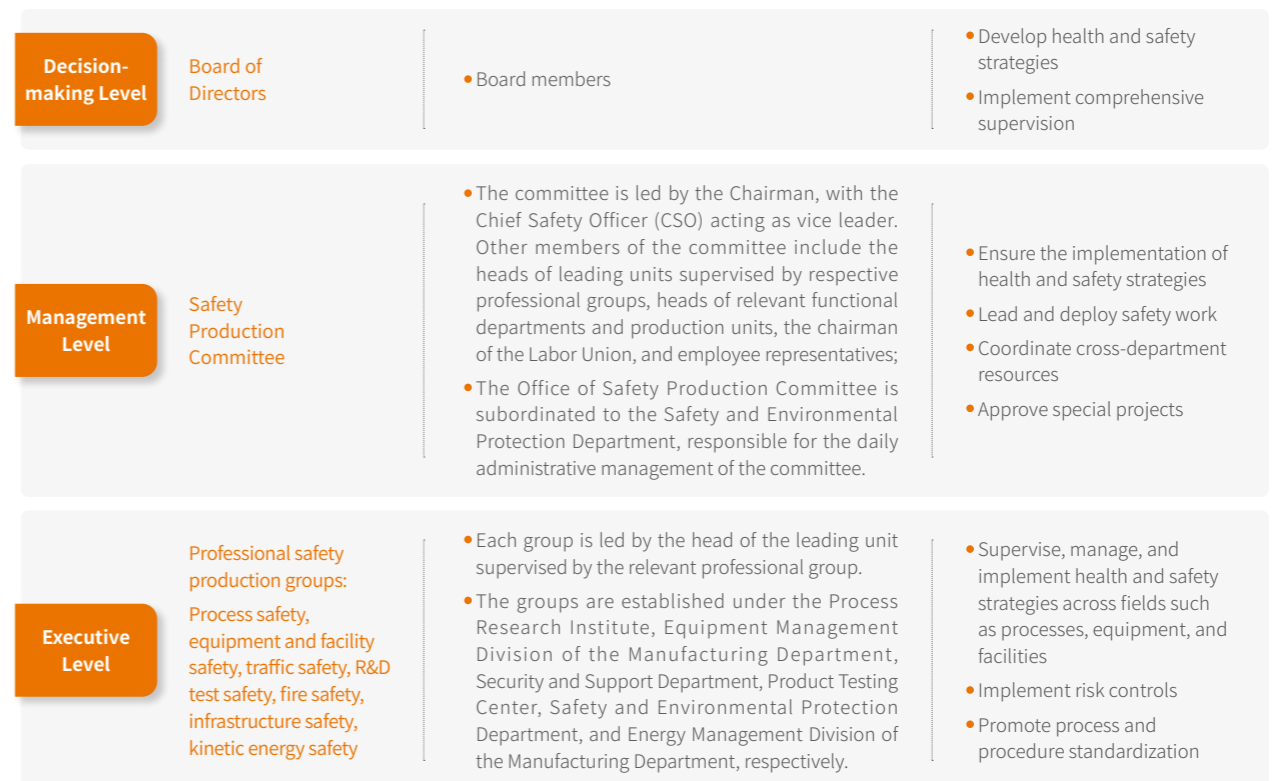
The Company is committed to building a systematic, closed-loop safety management framework by refining policies, strengthening enforcement and comprehensively advancing standardized production processes. Meanwhile, the Company continuously enhances occupational health protection measures and dynamic monitoring mechanisms to promote safety concepts and comprehensively elevate employees' safety awareness and professional competence.

To ensure accountability and strengthen supervision of safety production, the Company continues to optimize its occupational health and safety governance structure. The Board of Directors, as the highest regulatory body for health and safety, defines the overall health and safety strategic directions across the Company, coordinates and oversees major safety matters. The Safety Production Committee, led by the Chairman, is responsible for the implementation of health and safety strategies. The committee has also established seven professional safety production groups to oversee health and safety supervision, management, and implementation across fields such as processes, equipment and facilities.

The Company has established a four-level coordination mechanism covering annual decision-making, quarterly coordination, monthly scheduling, and weekly discussion. The head and vice head of the Safety Production Committee preside over safety production meetings in January of each year, quarterly committee meetings, and monthly safety and environmental protection meetings, to ensure timely communication of strategic decisions and issues. The Company signs safety production accountability agreements with all professional groups to ensure clear accountability, efficient communication, and closed-loop management.

In 2025, the Company continued to implement ISO 45001 Occupational Health and Safety Management System certification, achieving a coverage rate of 100%.

### Organizational Structure for Safety Management



The Company strictly complies with national and local laws, regulations, and standards including the *Production Safety Law of the People's Republic of China*, *Special Equipment Safety Law of the People's Republic of China*, *Fire Protection Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, *Production Safety Regulations of Shandong Province*, and the *Special Equipment Safety Regulations of Shandong Province*. It has compiled and issued the *Environmental, Occupational Health and Safety Management Manual*, establishing a systematic framework encompassing institutional documents, procedural documents, and operational documents, to comprehensively support standardized safety management. Key policies include the *Management and Control Procedures on Production Safety Accident*, *Safety Forecasting and Early Warning Policy*, *Safety Performance Evaluation Management Policy*, *Safety Production Commitment Policy*, and the *Hierarchical Safety Risk Control and Management Policy*, achieving full-chain closed-loop management from risk identification to process control and performance evaluation. Additionally, the Company formulated the *Environmental, Health, and Safety (EHS) Policy*, clarifying commitments to the health and safety of employees, contractors and other relevant parties, operational business communities, and other stakeholders. Regular policy audits are conducted to establish an efficient, collaborative, and long-term safety management mechanism.

In 2025, the Company issued or revised ten safety management policies, including the *Hazardous Chemicals Safety Management and Control Procedures*, *Safety Production Accountability Management and Control Procedures*, and *Hazardous Operation Safety Management and Control Procedures*.

### Safety Performance Evaluation

The Company establishes an occupational health and safety performance management system across different geographic regions or business locations, ensuring full coverage of all subsidiaries. By setting quantitative targets, cascading responsibilities, strengthening process monitoring, and implementing incentive mechanisms, the Company achieves sound management of occupational health and safety performance.

The Company deeply integrates health and safety performance into both organizational and individual performance management systems, enforcing a rigid mechanism where safety accountability is closely linked to performance. Safety incidents will directly affect the overall performance of the accountable unit and the personal performance of its leaders. A "one-vote veto" mechanism is applied, where only a base salary is paid if safety targets are not met.

To enhance consistency and operational efficiency in evaluations, the Company includes common safety indicators applicable to the entire organization or similar units within the KPI or PPC framework. Accountability for safety incidents is defined as a core universal evaluation criterion, explicitly included in the PPC of all unit leaders and directly linked to performance-based compensation. For leaders of the safety department, evaluation dimensions are further refined, incorporating key safety indicators such as the number of minor injury incidents, number of work-related severe injuries and the number of general or higher-level fire incidents, and average safety training hours per employee. These metrics are integrated into their PPC to strengthen quantitative assessment of safety accountability and enforce incentive constraints. Additionally, safety incident-related indicators are included in the PPC of the CSO, ensuring the effective implementation of safety accountability among senior management.

## Strategy

The Company fully implements the safety management philosophy of embedding safety into the process of governing industries, managing operations, and overseeing production and business operations. This principle drives the implementation of safety production accountability, strengthens safety supervision, prevents and reduces safety production incidents, and safeguards employees' lives and assets.

In 2025, the Company advanced the upgrading of safety management quality, focusing on two core objectives of "advancing standardized operations" and "promoting full-chain remediation for key safety risks", to solidify the foundation of safety management and enhance governance effectiveness.

### Occupational Health and Safety Priorities of the Company in 2025

Adopt standardization-driven approach to establish a systematic safety management framework

- Refine the full-coverage safety production accountability, clearly defining the boundaries of "one position, two responsibilities";
- Enhance alignment with best practices in explosive hazard zones, achieving compliance across processes, equipment, and management;
- Optimize and upgrade safety management standards and safety operation procedures, promoting standardized and normalized implementation;
- Strengthen inspection and patrol mechanisms, enhancing process supervision and dynamic evaluation;
- Deepen the dual prevention mechanism (hierarchical risk control and potential risk identification and governance), ensuring closed-loop management;
- Enhance emergency response capabilities, improving contingency plans and ensuring emergency supplies.



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Focus on full-chain rectification to prioritize targeted governance in high-risk areas

- Conduct full-chain rectification for lithium battery safety management, covering the entire lifecycle from procurement to storage, usage, and end-of-life management;
- Implement one-stop full-chain management for warehouse zones, standardizing zoning, labeling, stacking, and fire protection configurations;
- Enforce graded control in key fire prevention areas, clarifying management responsibilities and response protocols;
- Carry out special rectification on concealed electrical wiring, eliminating "invisible" fire hazards;
- Promote full-chain traffic safety rectification across the industrial park, integrating vehicle, personnel, and operational management.



## Impact, Risk and Opportunity Management

The Company consistently places safety production and occupational health at the core of its progress. The Company has built a sound and standardized safety management system to continuously strengthen safety awareness across all employees and comprehensively safeguard their physical and mental health. This commitment solidifies the safety foundation for the Company's high-quality development. The Company also passed the surveillance audit of the occupational health and safety management system and obtained the relevant certifications. In accordance with the requirements of re-certification every three years and annual surveillance audits, the Company maintains the effective operation of the system.

### Safety Production Management

The Company regards safety production as the lifeline of business development, establishing a comprehensive safety risk management framework that covers safety management of contractors and other stakeholders, special equipment, and fire protection. Through emergency drills, the Company effectively enhances emergency response capabilities and evacuation efficiency.

### Safety Risk Management

The Company proactively addresses safety risks by adopting the national dual prevention framework, building a full-process safety risk control mechanism of "risk identification - graded control - hazard identification - closed-loop governance". To standardize risk identification criteria and responsibilities, the Company issued the *Implementation Guidelines for the Construction of a Hierarchical Safety Risk Management and Control System* and the *Implementation Guidelines for the Construction of a Hidden Hazards Investigation and Governance System*. Additionally, the Company has engaged national and provincial safety production experts to conduct in-depth risk assessments and specialized diagnostics in high-risk areas and vulnerable units. This ensures precise identification of potential hazards, strengthens risk early warning and intervention capabilities.

In 2025, the Company conducted precise risk identification, identifying a total of 6,975 risk points, which were classified into four categories based on severity: major risks, significant risks, general risks, and low risks. The Company also identified 39,215 hazard sources, categorized into Level 1 to Level 5, enabling closed-loop governance of graded classification and targeted risk response.

Strictly aligning with the annual safety production inspection plan, the Company applied a multi-dimensional inspection framework, including routine patrols, pre-holiday focused inspections, in-depth special investigations, full-scale inspections, and surprise spot checks. Every identified safety hazard was registered and incorporated into the hazard ledger for dynamic management. In 2025, the hazard rectification rate was 100%.

**Case Weichai Power Conducted Specialized Training on Hazard Source Identification to Strengthen Precision Risk Identification**

In 2025, Weichai Power conducted 24 sessions of specialized training on hazard source identification, followed by a 10-day on-site audit and assessment. Subsequently, 535 safety officers, team leaders, and process/equipment personnel participated in 15 refresher training sessions, and on-site guidance was provided to workers in high-risk areas such as charging zones, test workshops, and paint mixing rooms to enhance hazard source identification skills. To mitigate risks associated with off-site operations, Weichai Power organized risk analysis workshops across 15 departments (including product testing, application engineering, R&D, and marketing). Targeted prevention and control strategies were developed to effectively reduce safety risks and continuously improve inherent safety.

**Case KION Group Launched Comprehensive Safety Improvement Program for Loading and Unloading Operations, Effectively Mitigating Related Safety Risks**

KION Group introduced appointment-based arrival scheduling and optimized traffic routing guidance, eliminating risks associated with unauthorized vehicle parking. It adopted scientific zoning and pedestrian-vehicle separation design in operational zones to fundamentally prevent collision incidents. It developed an illustrated safety handbook and installed dedicated restrooms, lounges, and vending facilities for drivers to strengthen safety management and provide humane care for partner personnel. It also renovated platforms and built dedicated passageways, enabling low-bed trailers to pass without dismantling mast structures. The program has reduced safety risks in dismantling operations, significantly enhancing overall safety assurance.

**Emergency Response Drills**

The Company continues to improve its emergency responses and formulated annual safety emergency drill plans. In 2025, Weichai Power organized 165 emergency evacuation drills across centralized office areas and production units, with 23,829 employees participating; and 297 emergency response drills, involving 416 employees, comprehensively enhancing emergency responses and evacuation procedures of employees.

**Case Weichai Power Plant No.1 Conducts Emergency Evacuation Drill**

On 28 February 2025, Weichai Power No. 1 Plant simulated a sudden electrical fire incident on its production line to conduct a practical emergency evacuation drill. Upon discovering the "fire", on-duty employees immediately cut off the power, sounded the alarm, reported the incident, and the production line activated its emergency response plan. Under the guidance of area supervisors, all 78 employees and on-site stakeholders evacuated rapidly along emergency exits in a low posture with covered mouths and noses, reaching the designated assembly point within 3 minutes, achieving "zero delays and zero casualties". The drill effectively validated the practicality of the emergency plan and enhanced frontline employees' emergency response and coordinated handling capabilities.

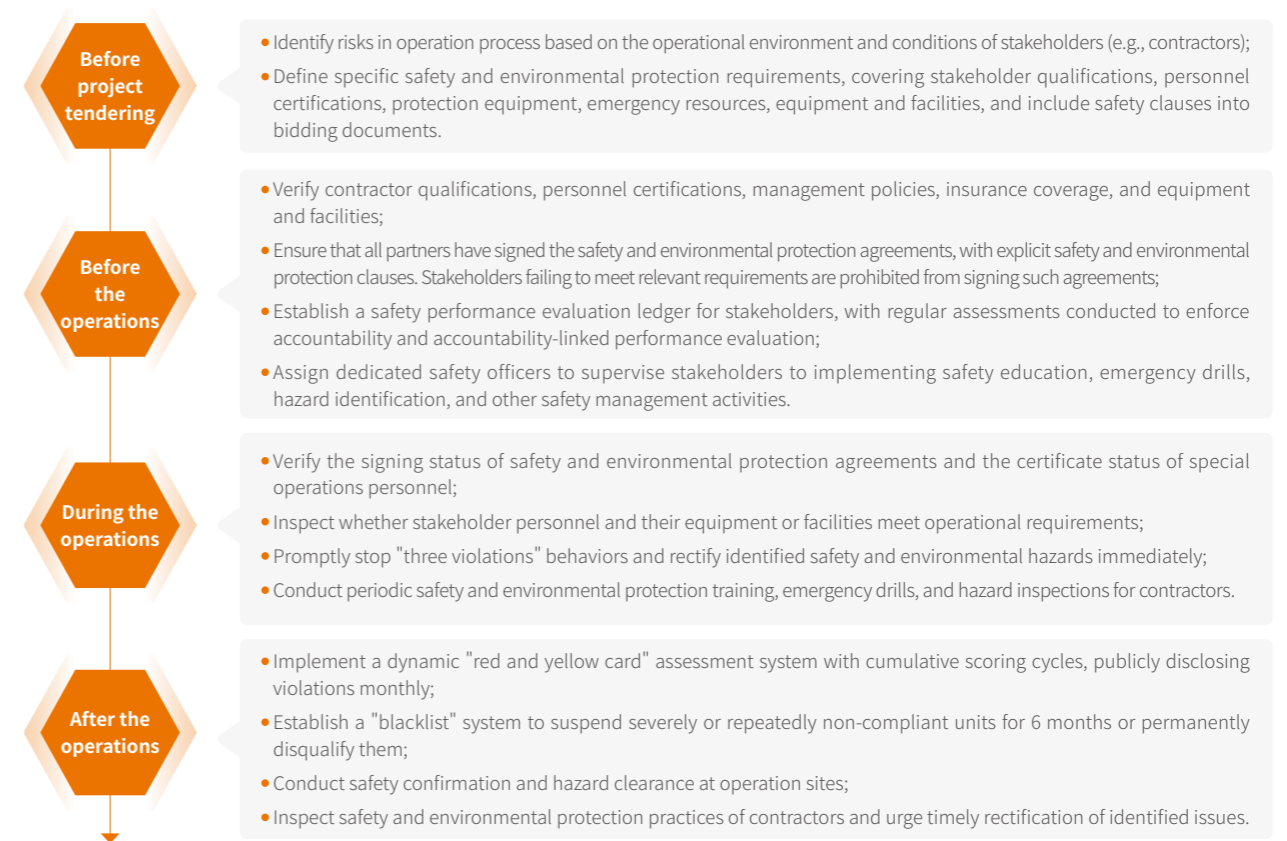


Weichai Power Plant No.1 Emergency Evacuation Drill (Non-original image)

**Safety Management of Contractors and Other Relevant Parties**

The Company's safety management of relevant parties covers contractors, suppliers, lessees, and other external partners, spanning engineering construction projects, equipment installation and maintenance, and product supply chains. This ensures unified safety management and control over full-chain external collaboration activities. The Company has formulated the *Procedures on Managing and Controlling Safety and Environmental Protection of Relevant Parties*, which apply to activities related to production, life and services, including engineering operations, equipment installation and maintenance, product supply, transportation logistics, cleaning services, catering services, external inspections and visits and training. The procedures strictly define due diligence, process supervision, and exit mechanisms for contractors, rigorously controlling the "entry gate" for safety compliance.

**Management Process for Contractors and Other Relevant Parties**



**Special Equipment Management**

Given the inherent high-risk nature of special equipment, the Company classifies it as a priority for safety supervision and implements full lifecycle safety management. Regular professional inspections and testing are conducted for in-use equipment such as cranes, pressure vessels, boilers, elevators, and forklifts, with preventive maintenance and scheduled servicing carried out in parallel to ensure that equipment remains in controlled and safe condition at all times. For equipment that does not meet safety technical regulations or poses significant hazards, the Company strictly enforces suspension, cancellation, or end-of-life procedures to eliminate equipment-related safety risks at the source.

**Fire Safety Management**

The Company has established a professional fire safety team responsible for a wide range of tasks, including fire safety inspections, employee training and emergency drills, management of firefighting equipment and maintenance of fire protection systems, hot work permit approvals, security support for major events, fire alarm response, fire suppression, and emergency rescue. Through years of development and capacity building, the team has developed comprehensive emergency response capabilities suited to the mechanical manufacturing industry. The team has been recognized as the only municipal-level emergency rescue team in the industrial and trade sector in Weifang City—among the first to receive this designation.

In 2025, the Company engaged a qualified external professional provider to conduct comprehensive maintenance of its fire protection systems. Monthly inspections and functional tests were conducted as scheduled, with real-time updates of equipment operational status to the Weifang Municipal Supervision Platform. A dedicated patrol and monitoring team was assigned to oversee the entire maintenance process. These measures have effectively ensured the stable and reliable operation of the Company's fire protection systems. The Company conducted a systematic investigation of concealed electrical wiring, clarified technical standards and improved ledger management for hazard records, to ensure traceability and control of potential risks. Focusing on charging process safety, the Company organized multi-unit training sessions and item-by-item acceptance checks to strengthen risk control at critical stages. In terms of capability building, the Company innovatively introduced diversified training programs and scenario-based drills, comprehensively enhancing employees' abilities in risk identification, initial response, and emergency response. These efforts have effectively reinforced the Company's fire safety defenses.

### Occupational Health Management

In strict compliance with the *Law on the Prevention and Control of Occupational Diseases*, the Company has established a full-process occupational health management framework covering hazard identification, health check-ups, and distribution of protective equipment, comprehensively advancing the construction of an occupational health protection system.

### Safety Culture Development

Centered on the philosophy of responsibility, attentiveness, meticulousness, care, and dedication, the Company built a safety culture system "Forging Safety Shield Through Dedication", driving a deep transformation from regulatory compliance to value-based safety commitment.

During the Reporting Period, Weichai Power comprehensively advanced its safety training system, conducting 5,736 safety training sessions throughout the year with 160,778 participants, achieving an average of 13.64 training hours per employee. This ensured broad coverage, practical content, and significant outcomes. Focusing on critical roles, the Company organized entry-level Certified Safety Engineer (CSE) preparatory courses and mock exams for over 300 production line managers, process and equipment personnel, safety officers, and team leaders.

Weichai Power maintained a biweekly safety officer symposium, fostering in-depth exchanges on the resolution and management of recurring hazards and typical issues, promoting collective wisdom sharing and closed-loop issue resolution. Through diverse initiatives such as first-hand accident storytelling, multi-dimensional safety champion recognition, Weekly Safety Class, one-day immersive experience as a safety officer, Key Takeaways in One Sentence, and Safety Expert in Every Role competition, the Company continuously ignited full employee engagement.

### Case Enhancing Safety Awareness Through Family Bonds During the Safety Production Month

During the Safety Production Month, Weichai Power launched an innovative "Safety Co-construction" initiative, mailing 15,452 "Safety Letters" and producing the thematic short video "Safety: Our Family's Unwavering Expectation". By leveraging emotional connections, the Company strengthened safety awareness and achieved "promoting safety and building defenses through family bonds", creating a warm, relevant, and impactful safety culture ecosystem. This initiative transformed safety into a shared value and collective commitment for all employees.



Safety Letter



Themed Short Video "Safety: Our Family's Hope"



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### Case Zhuzhou Gear Effectively Enhanced Safety Awareness and Practical Capabilities

Collaborating with the local fire department, Zhuzhou Gear conducted an immersive fire emergency drill at its production workshop, where firefighters provided on-site guidance for alarm reporting, firefighting, and evacuation, reducing emergency response time by 30%. Zhuzhou Gear also introduced the "Scan to Report Hazards" mechanism, supported by comprehensive inspection training for all employees to encourage real-time hazard reporting via QR codes. Subsequent to the implementation of the mechanism, hazard reports surged by 200% year-on-year, significantly strengthening the Company's safety defense system.

### Case Lovol Implemented "Enterprise-Wide Training, Learning, and Assessment" for Employees

At Lovol, the annual safety training in 2025 was centered on the construction of "three capabilities and two teams", i.e., strengthening the foundational skills of frontline employees, the performance capabilities of management personnel, and the professional expertise of safety engineers, and reinforcing the building of part-time emergency teams and safety engineer teams.

## Metrics and Targets

In 2025, the Company set non-zero incident targets (contractors included) and regularly tracked progress toward health and safety-related objectives and quantitative indicators. The Company also established health and safety standards for contractors, conducted audits following the same criteria as for employees, and implemented rectification based on audit findings.

### Occupational Health and Safety Goals of the Company

Goal Description	Achievements in 2025
0 fatality and severe/major incidents	With 0 incidents, the goal was achieved
0 severe injury incidents	With 0 incidents, the goal was achieved
The number of minor injuries and above for employees and contractors shall not exceed 4 (the minor injury rate shall not exceed 0.037 incidents per thousand employees)	With 0 incidents, the goal was achieved

### The Company's Personal Injury Statistics

Indicator	Unit	2023	2024	2025
Number of work-related fatalities among employees	Persons	1	1	0
Work-related fatality rate among employees	%	0.00001	0.00001	0.00000
Number of work-related fatalities among contractors	Persons	/	1	0
Work-related fatality rate among contractors	%	/	/	0
Work-Related injuries as a percentage of total employees	%	/	/	0.00
Number of working days lost by formal employees due to work-related injuries	Days	/	3,190.00	3,969.50
Number of employee incidents incurred at the workplace	Incidents	/	396	350
Number of contractor incidents incurred at the workplace	Incidents	/	1	1
Lost Time Incident Rate (LTIR) for employees	Incidents /200,000 hours worked	/	0.41	0.35

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During the Reporting Period, the Company invested RMB 174.6168 million in safety production, primarily allocated to safety training, hazard rectification, equipment safety protection, inspection and testing, and personal protective equipment, ensuring compliant and operational safety.

### During the Reporting Period

The Company invested

RMB **174.6168** million  
in safety production

### The Company's Annual Insurance Investment and Coverage

Indicator	Unit	2024	2025
Investment in work-related injury insurance <sup>25</sup>	10,000 RMB	5,658.06	5,975.32
Work-related injury insurance coverage rate	%	100	100
Investment in safety production liability insurance <sup>26</sup>	RMB	/	138,380.00
Safety production liability insurance coverage rate <sup>27</sup>	%	100	100

### The Company's Annual Safety Training and Health Check-ups

Indicator	Unit	2025
Total number of occupational health and safety training participants	/	160,778
Average training hours per person for occupational health and safety	Hours	13.64
Total sessions of occupational health and safety training	Sessions	5,736
Number of internal audits of the occupational health and safety management system	Sessions	70
Number of external audits of the Occupational Health and Safety (OHS) management system	Sessions	183
Coverage Rate of Occupational Health and Safety Training (including contractors)	%	100

<sup>25</sup> This data scope includes the companies operated by Weichai Power in Chinese mainland.

<sup>26</sup> This data is reported based on the Weifang region operations of the Company.

<sup>27</sup> This data is reported based on the Weifang region operations of the Company.



## Advancing Green Development, Enabling Mutual Ecological Benefits

Driven by the "Dual Carbon" goals, the Company elevated climate action to the core driving force of its development in 2025. We have built a comprehensive climate governance framework, achieving green operations through precision management of energy and resources, minimizing ecological impacts via a comprehensive environmental management system, and leading green industrial transition with low-carbon product innovation. The Company is committed not only to decarbonizing and greening its own operations but also to contributing Weichai's wisdom and strength to sustainable development in China and globally through cutting-edge green power solutions.

# Climate Change

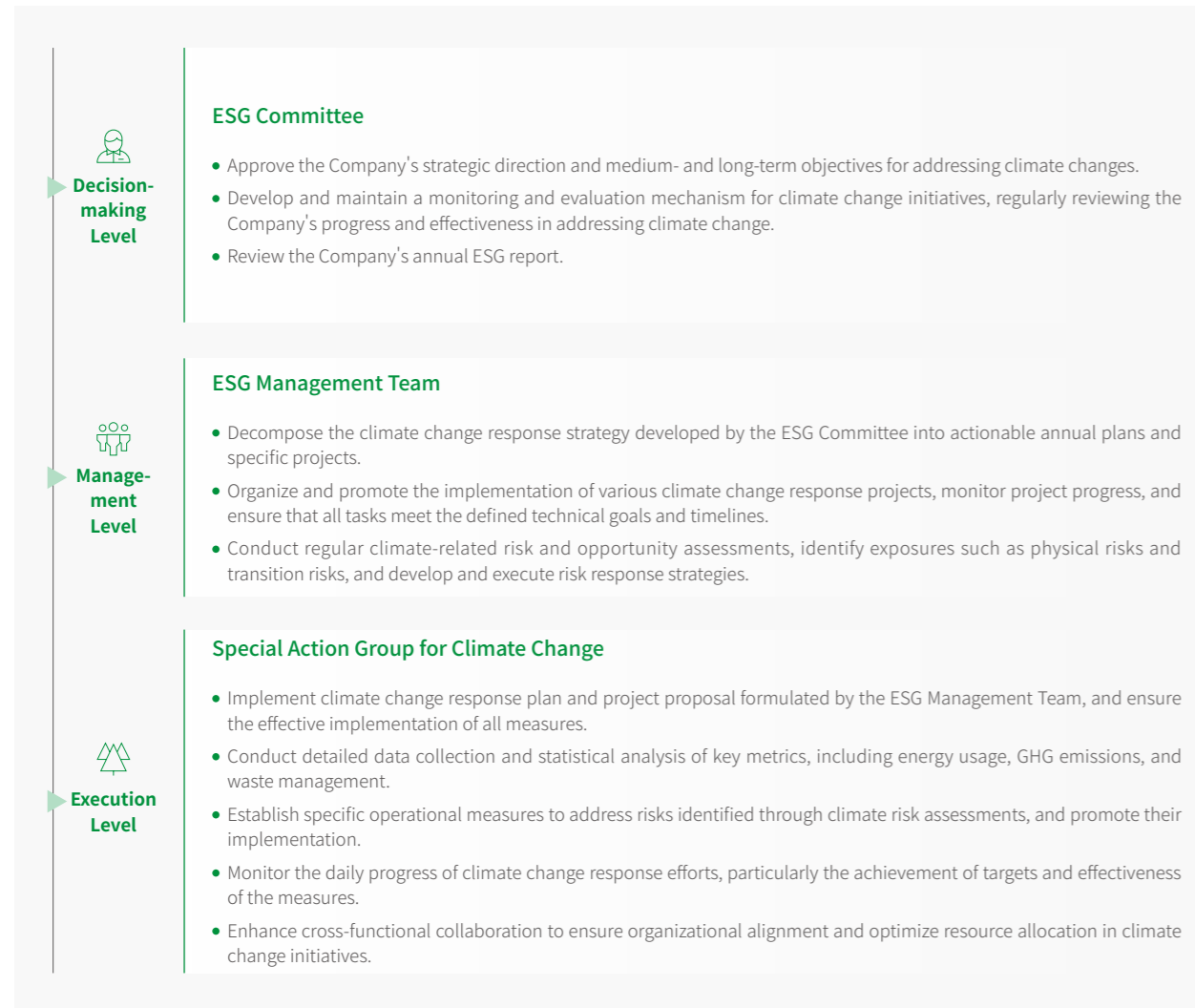


The Company deeply recognizes the profound impact of climate change on sustainable development and has fully integrated climate action into the core of its corporate governance and strategic framework. We have established a full-chain climate governance system, covering governance structure, strategic planning, risk identification and management, goal setting, and actionable measures. By leveraging institutional innovation, technological upgrades, and industrial collaboration, the Company continuously enhances its climate resilience, accelerates the green and low-carbon transition, and demonstrates the responsibility and leadership of a leading enterprise in the industry.

## Governance

The Company has established a Board-level ESG Management Committee, fully responsible for overseeing and implementing climate change actions and integrating climate change risk and opportunity management into the Company's overall risk management system. To systematically advance climate change management initiatives, the ESG Committee has set up an ESG Management Team and a Special Action Team for Climate Change. These teams are jointly responsible for developing, coordinating, and implementing climate change strategies, objectives, and risk responses, and continuously monitoring the effectiveness and progress of daily work.

### Climate Change Governance Structure



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## Strategy

**Goal**

**Leading the Global Industry Development in New Energy Business by 2030**

To proactively navigate the global trend of accelerating energy transformation and the national requirements for advancing the "Dual Carbon" strategy, the Company has placed green and low-carbon development at the core of its long-term strategy and is committed to building a new energy system aligned with advanced industrial ecosystems. With an ambitious goal of "Leading the Global Industry Development in New Energy Business by 2030", the Company continues to deepen its presence in the new energy sector, prioritizing the research, development, and industrialization of clean energy technologies as a core strategic pillar. Through consistent technological iteration and operational excellence, the Company is exploring new paradigms for product and industrial upgrading, driving comprehensive green transformation across its operations and the broader industry. These efforts contribute to the achievement of the national "Dual Carbon" goals.<sup>28</sup>

In accordance with ISSB S2<sup>29</sup> and other applicable standards, the Company systematically identified physical risks and transition risks in its operations, established a full-process risk management mechanism that covers identification, assessment, response and monitoring, and integrated climate-related risk management deeply into the Company's overall strategy and daily operations.

<sup>28</sup> The Company has effectively identified and assessed major physical risks and transition risks at the operational level in accordance with climate-related standards and frameworks, and formulated corresponding response measures and management arrangements tailored to industry-specific characteristics. The Company has also conducted GHG emission (including Scope 3 emissions) accounting and data governance across the value chain for two consecutive years, to enhance disclosure foundations and data reliability. As climate scenario analysis and financial impact quantification require cross-boundary data, critical assumption setting, and model methodology selection, the Company has not yet completed the quantified scenario analyses or financial impact measurement. To address regulatory and investor expectations for comparable, verifiable disclosures, the Company plans to initiate climate scenario analysis and financial impact quantification in the second half of 2026. This will include setting key parameters, assumptions and time horizons, conducting sensitivity analyses, and disclosing milestones, key findings, and strategic optimization directions in subsequent ESG reports.

<sup>29</sup> International Financial Reporting Sustainability Disclosure Standard No.2 - Climate-related Disclosures.

Climate Transition Risk Identification and Response in 2025

Risk Category	Risk Description	Potential Financial Impact	Management and Mitigation Strategy
Policy & Legal Risk	<ul style="list-style-type: none"> <li>Globally, carbon emission policies are becoming increasingly stringent. In China, engine emission standards have transitioned to China VI emission standard. Any further tightening of standards may require the Company to invest more resources in technology R&amp;D and equipment upgrades to meet compliance requirements, thereby increasing operational costs; Environmental regulations on engine exhaust emissions and noise pollution control are also becoming stricter. Failure to adapt to regulatory changes in a timely manner could result in product bans, penalties, or reputational damage, affecting market share.</li> <li>In 2025, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the <i>Guidance on Promoting Green and Low-Carbon Transition and Strengthening the National Carbon Market</i>, marking a critical phase of deepened national carbon market development and expanded coverage. This may lead to higher compliance costs for the Company's direct operational emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Increased capital investment and expenses in adapting to policy changes</li> <li>Increased unit price and revenue driven by higher competitiveness of products, due to increasingly stringent emission standards</li> </ul>	<ul style="list-style-type: none"> <li>Use the Special Action Group for Climate Change to continuously monitor domestic and international policy and standard updates, conduct in-depth interpretation and impact analysis, and provide forward-looking insights to support strategic decision-making.</li> <li>Actively engage in industry policy discussions and standard formulations to advocate for a favorable regulatory environment conducive to sustainable development.</li> <li>Enhance the internal compliance management system, conduct regular environmental compliance reviews and rectification to mitigate violation risks.</li> </ul>
Technology Risk	<ul style="list-style-type: none"> <li>New energy power technologies, such as hydrogen fuel cells and pure electric systems, are advancing rapidly. If the Company lags in R&amp;D in these areas, its traditional fuel engine products may be replaced by new products, leading to weakened competitiveness.</li> <li>Breakthroughs in low-carbon technologies (e.g., high-efficiency energy storage and cleaner combustion technologies) could reshape the industry landscape, accelerating the obsolescence of existing technical pathways and products.</li> </ul>	<ul style="list-style-type: none"> <li>Increased R&amp;D expenses and fixed asset investments in developing and producing low-carbon products</li> <li>Increased revenue due to competitive strengths in low-carbon technologies and new energy products</li> </ul>	<ul style="list-style-type: none"> <li>Continue to increase R&amp;D investment in new energy and low-carbon technologies, establish dedicated funds to support critical technology R&amp;D, and attract and cultivate high-end R&amp;D talent.</li> <li>Strengthen the industry-university-research collaboration with universities, research institutions, and industry peers to co-develop the technology platform and accelerate technology transfer and iteration.</li> <li>By proactively tracking technology trends, conducting strategic pre-research, and pursuing investments or acquisitions, establish a presence in emerging technological fields, to reduce the risk of technology substitution.</li> </ul>
Market Risk	<ul style="list-style-type: none"> <li>Downstream customers are experiencing a surge in demand for low-carbon and zero-emission power solutions. If the Company's products fail to meet market expectations for energy efficiency and environmental sustainability, customers may shift to competitors' green solutions, impacting the Company's sales performance and market position.</li> <li>Industries such as transportation and construction machinery are accelerating their transition to new energy solutions driven by policies and principles. If the Company does not timely adjust its product portfolio and market strategies, it risks product obsolescence and inventory backlog.</li> </ul>	<ul style="list-style-type: none"> <li>Increased fixed asset investments driven by the expansion of green and low-carbon product production capacity</li> <li>Increased operating revenue from selling green and low-carbon products and new energy products</li> </ul>	<ul style="list-style-type: none"> <li>Closely track market demand dynamics, optimize the product portfolio, and accelerate the development and launch of energy-saving and new energy products.</li> <li>Establish and improve the market research mechanism, and continue to update product planning and marketing strategies based on customer feedback and industry trend data.</li> </ul>
Supply Chain Risk	<ul style="list-style-type: none"> <li>The green transition is reshaping demand structures for specific raw materials (e.g., critical raw materials for batteries such as lithium and cobalt) and introducing risks of supply instability, including potential supply shortages, price volatility, or disruptions, which could impact production plans and cost control.</li> </ul>	<ul style="list-style-type: none"> <li>Increased procurement costs due to compliance pressures</li> <li>Increased or decreased costs due to price fluctuations of materials</li> </ul>	<ul style="list-style-type: none"> <li>Integrate environmental performance into the supplier evaluation and management system to drive supply chain collaboration in carbon reduction.</li> <li>Diversify and secure sustainable supply channels for critical raw materials to reduce concentration risks, and enhance market monitoring to develop price response plans.</li> </ul>

Climate Physical Risk Identification and Response in 2025

Risk Category	Risk Description	Potential Financial Impact	Management and Mitigation Strategy
Acute Risk	<ul style="list-style-type: none"> <li>Extreme weather events triggered by climate change (e.g., thunderstorms, floods, hurricanes, blizzards) can cause factory equipment damage, environmental facility failures, supply chain disruptions, and operational stagnation, affecting production, product transportation, operation and management.</li> </ul>	<ul style="list-style-type: none"> <li>Decreased operating revenue due to production disruptions caused by extreme weather</li> <li>Increased costs in equipment purchase and repair due to production facility damage</li> <li>Increased administrative costs from compromised employee health and safety environments</li> <li>Increased operating revenue from sales of emergency products such as power generator</li> </ul>	<ul style="list-style-type: none"> <li>Equip critical production and environmental facilities with backup power systems and emergency drainage equipment.</li> <li>Implement disaster-resilient reinforcement for factory buildings, pipelines, and infrastructure.</li> <li>Develop multi-scenario extreme weather contingency plans and regularly conduct emergency drills, clearly define protocols for emergency response, business continuity recovery, and personnel safety assurance.</li> <li>Continue to improve the competitiveness of power generation products.</li> </ul>
Chronic Risk	<ul style="list-style-type: none"> <li>Prolonged high temperatures may compromise equipment stability, increase maintenance costs, and potentially cause health issues and reduced workforce efficiency.</li> <li>Prolonged low temperatures may alter material properties, affecting production processes and product quality. It may also lead to infrastructure damage, such as frozen and burst pipes.</li> <li>Rising sea levels threaten coastal assets. It may also contaminate water sources and disrupt production due to seawater intrusion.</li> </ul>	<ul style="list-style-type: none"> <li>Increased power costs;</li> <li>Increased compliance costs due to higher emissions;</li> <li>Asset losses due to chronic risks that disrupt production and operations.</li> </ul>	<ul style="list-style-type: none"> <li>Install temperature control and ventilation systems in production zones, retrofit key equipment to enhance high-temperature resilience, and establish heat-stress management protocols for workers.</li> <li>Implement thermal insulation measures for storage areas to maintain material performance.</li> <li>Conduct regular risk assessments at coastal facilities and develop and implement targeted protective measures based on climate projection data.</li> </ul>

Impact, Risk and Opportunity Management

The Company continuously assesses the potential impacts of climate change on its development strategy, production and operation, and financial performance. Under the sustainability governance framework, it has established a climate risk management mechanism in accordance with the systematic requirements for climate risk identification outlined in the *Measures of Environmental, Social, and Governance (ESG) Management*. It is fully integrated into the Company's overall risk management system. By defining management structures and responsibilities, the Company has established a systematic process—from risk identification, assessment, and prioritization to response, monitoring, and reporting.

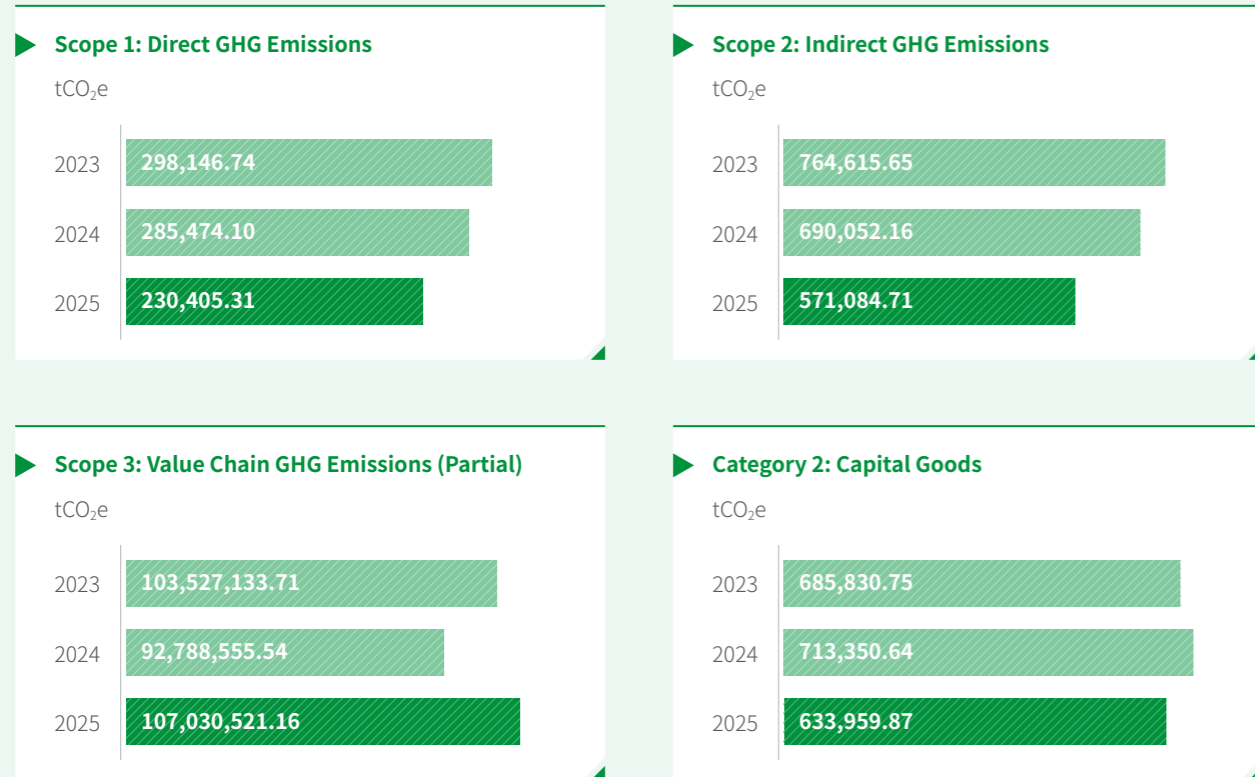


## Metrics and Targets

The Company ensures systematic implementation and continuous improvement of climate actions by establishing a scientifically reasonable climate change target system, and evaluating and summarizing annual performance.

In 2025, the Company strictly adhered to the principles of relevance, completeness, consistency, accuracy, and transparency. Referencing the *GHG Protocol Corporate Accounting and Reporting Standard* and the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, it continuously conducted GHG emissions accounting across the Company. Building on the accuracy of Scope 1 and Scope 2 data, the Company expanded the accounting boundary for Scope 3 emissions, systematically conducting carbon inventories for key segments of the upstream and downstream value chain. Currently, the accounting covers critical categories such as procurement, logistics, and product usage, providing a relatively comprehensive overview of carbon footprint across the value chain. This has established a robust data foundation to enable collaborative carbon reduction across the entire value chain.

### GHG Emission Data<sup>30</sup>



<sup>30</sup> Calculation method: GHG emissions from a specific operational activity = Activity Data × Emission Factor. Weichai Power adopts the location-based method to disclose Scope 2 GHG emissions.

P-Strengthening Governance, Ensuring Long-Term Success

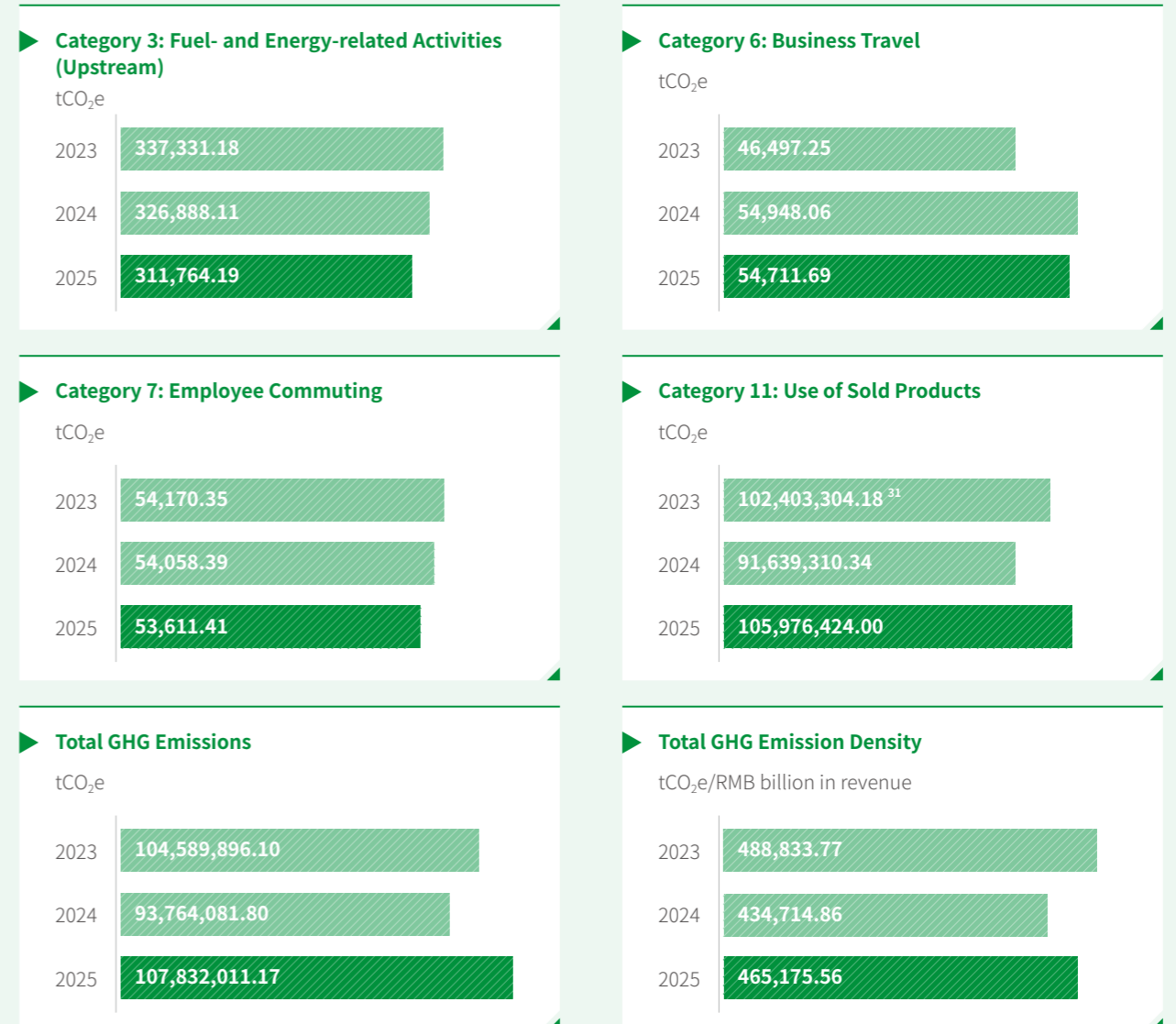
O-Pursuing Quality Excellence, Leading through Innovation

W-Uniting Talent, Empowering Growth

E-Advancing Green Development, Enabling Mutual Ecological Benefits

R-Forging Ahead Together, Promoting Social Harmony

In 2025, the Company established a full-process carbon management framework covering carbon emission accounting, monitoring, reporting, and emission reduction. It developed the *Carbon Management Manual* and a series of procedural documents. This system was certified under the TCCAA 39-2022 *Carbon Management Systems - Requirements*. This milestone marks the Company's emergence as a national leader in standardized, systematic, and transparent carbon management, establishing a robust institutional and managerial foundation for achieving net-zero carbon goals.



<sup>31</sup> The 2023 data is the sum of Category 11 and Category 13 for KION Group, and Category 11 for the rest of the Group.

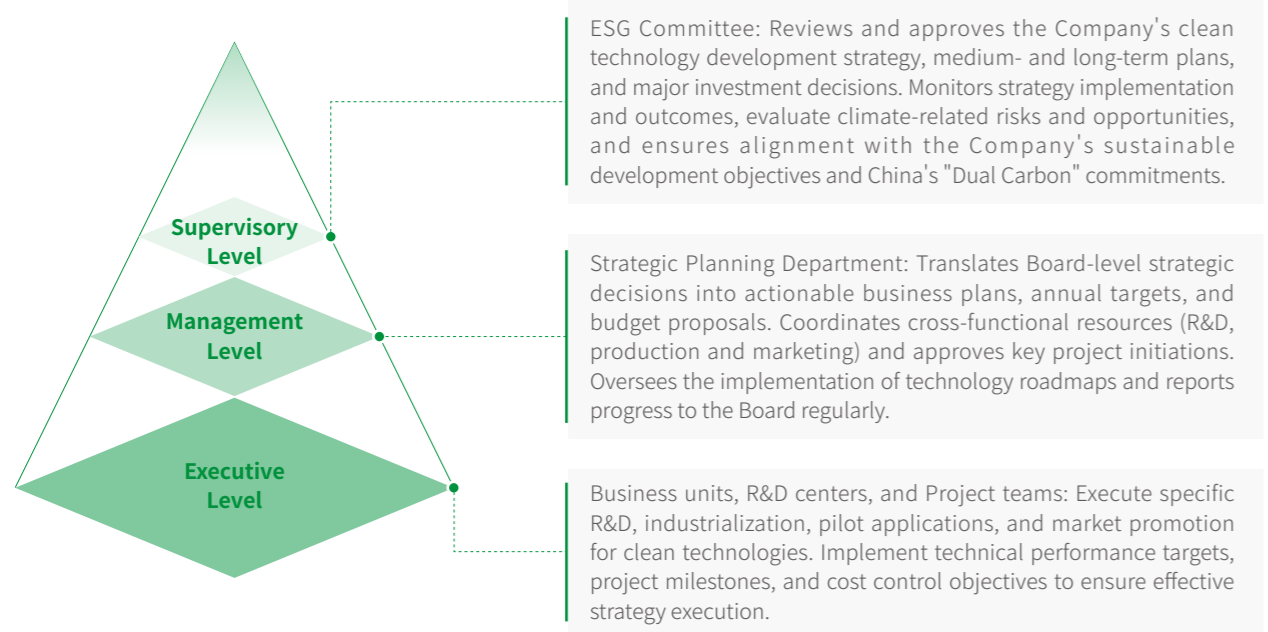
# Low-carbon Products and Low-carbon Enterprise

The Company positions R&D and application of clean technology as a strategic core, continuously increasing investment and systematically advancing technological innovation. Breakthroughs in key areas, such as low-carbon products (high-thermal-efficiency engines), clean energy products (natural gas engines), and new energy products (hydrogen-powered products and electrified solutions), have not only underpinned its own carbon neutrality goals but also provided practical technical pathways and industrial solutions for the green transformation of the commercial vehicle and power equipment sectors.

## Governance

The Company regards addressing climate change and seizing clean technology transformation opportunities as strategic priorities for sustainable development. It has established a systematic governance framework, spanning from the Board of Directors to execution units, to ensure continuous oversight, rigorous evaluation, and science-based decision-making for clean technology strategies. Through clear division of responsibility and institutionalized management processes, low-carbon development goals are deeply integrated into corporate governance and long-term strategic planning, providing robust organizational and resource support for the clean technology transition.

### Strategic Governance Framework for Clean Technology



## Strategy

Aligned with global energy transition trends and policy directions, the Company has transformed climate-related challenges into strategic opportunities for innovation. Guided by its mission to "empower a better world with technology and equipment", and driven by core forces of green development and technological advancement, the Company is committed to becoming a world-leading, technology-driven, and green multinational group in high-end equipment manufacturing.

The Company has established a clear clean technology development strategy to seize the historic opportunity presented by the explosive growth of the global zero-carbon power market. It continuously explores the maximum thermal efficiency of traditional internal combustion engines, pursuing the highest level of cleanliness. It also comprehensively expands into new energy sectors, including hydrogen fuel

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cells, pure electric powertrains, and hybrid powertrains, offering customers low-carbon and zero-carbon power solutions that cover all scenarios and the entire lifecycle.

In 2025, through systematic strategic planning and robust industrial practices, the Company continuously reduced its operational and product carbon footprints. The application of low-carbon technologies contributed to annual carbon emission reductions by over 4.4 million tons, reinforcing its leadership in the industry's low-carbon transition and demonstrating its unwavering commitment and strong execution capability in shaping a zero-carbon future.

### 2025

The application of low-carbon technologies contributed to annual carbon emission reductions by over

**4.40 million tons**

### Low-carbon and Clean Products



## Impact, Risk and Opportunity Management

The Company has established a systematic, process-driven management framework and implementation workflow. Through clear division of governance responsibility, scientific decision-making processes, and efficient resource coordination, it guarantees full-process control and orderly advancement of clean technology strategies from planning to execution. The Company is committed to transforming management capabilities into a catalyst for technological breakthroughs and industrial applications, providing a robust system foundation to maintain leadership in the new energy revolution and achieve high-quality, sustainable growth.

### Clean Technology Management Initiatives

#### Building an Open and Collaborative R&D Management System

- Remain committed to opening-up and innovation, and build a multi-pronged R&D management system. Leverage platforms such as the national-level enterprise technology center and postdoctoral research station to tackle core technological challenges. Collaborate closely with top-tier universities and research institutions globally to explore cutting-edge pathways for improving thermal efficiency, optimizing combustion, and reducing emissions, ensuring comprehensive and deep technological reserves.

#### Initiating Diversified New Energy Technology Roadmap and Planning

- Through systematic product and technology portfolio management, simultaneously plan and allocate resources to multiple new energy technology pathways, including hydrogen fuel cells, hybrid powertrains, and pure electric powertrains. Engage in strategic collaborations with international partners such as Ballard in Canada to secure key technological resources. Establish new energy product platforms covering various scenarios, such as light-duty trucks, heavy-duty trucks, buses, and construction machinery, initiating large-scale commercialization and transiting from pilot projects to mass sales. This systematic product portfolio management ensures technological robustness and market adaptability.

#### Promoting Technology Upgrading and Value Continuity of Internal Combustion Engines

While exploring new energy business, the Company implements continuous technological upgrading for its internal combustion engines business. Specifically, it has:

- developed and promoted high-thermal-efficiency internal combustion engines.
- applied advanced technologies to reduce air and fuel consumption of engines.
- successfully developed and launched high-performance methanol engines, achieving fuel diversification.
- optimized off-road power systems, significantly lowering customers' operational costs.

#### Actively Engaging in the Formulation of Standards

- Led or participated in the formulation and release of national standards, local standards, and industry association standards covering critical areas such as internal combustion engine carbon footprint accounting, multi-fuel power system, pollutant control, and hydrogen fuel cell infrastructure. This has formed a dual-track pattern of "upgrading traditional fuel powertrains + innovating new energy powertrains", providing solid standard support for the industry's green transformation.

#### Establishing a Compliance Management System Spanning the Product Lifecycle

- Embed international environmental and safety compliance requirements into product lifecycle management. For example, during the development of diesel engines for international markets, critical requirements, such as EU Stage V emission standards and RoHS directives, were proactively integrated into design specifications to ensure product compliance and sustainable business expansion.
- Regularly organize thematic activities to interpret the latest emission regulations as well as battery certification regulations and other development environment standards, preemptively avoiding risks of certification failures, market access delays, and rising compliance costs due to regulatory misinterpretation or delayed responses.

P-Strengthening Governance, Ensuring Long-Term Success

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**E-Advancing Green Development, Enabling Mutual Ecological Benefits**

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## Metrics and Targets

The Company systematically advances low-carbon product development and commercialization by tracking progress through quantifiable metrics, aiming to translate its clean technology transformation vision into actionable, measurable steps.

### In 2025

The Company allocated

**42.87%**

of total R&D investment to clean technology initiatives

To further drive continuous innovation and breakthroughs in clean technology, the Company plans to increase the proportion of investment in clean technology to no less than

**50%**

by 2030

Revenue from the clean technology business accounted for

**28.14%**

of total operating revenue

Hybrid and all-electric businesses achieved a significant breakthrough, contributing

**17.31%**

of total operating revenue

The automation business accounted for

**10.81%**

of total operating revenue

Cumulatively obtained

**2,314**

authorized patents related to clean technology<sup>32</sup>

### Low-carbon Outcomes

The Technology for Integrated Control of New Hydrogen-electric Hybrid Power Systems was awarded **the Special Prize in Technological Invention of China's Transportation Industry**

The project "Development and Application of Key Technology for High-Efficiency, High-Reliability Methanol Engine" was included in **the "Top Ten Innovation Achievements" among provincial enterprises in Shandong**

### Case Weichai Power's Engines Were Honored at World Green Design Organization Summit

In December 2025, at the Brussels Summit of the World Green Design Organization (WGDO), Weichai Power's high-thermal-efficiency engine series received the "Green Design International Awards". The Company was honored with the "Green Design International Contribution Award", and five core engineers of the Company attained the "Green Design Engineer (Senior)" certifications. These internationally recognized accolades underscore the Company's global leadership in green technology innovation, product design, and talent development, demonstrating its clean technology strategy and low-carbon transformation achievements.

### Case Lovol Launched a Full-spectrum Energy Product Portfolio and Continued to Enhance its R&D Investment

In 2025, Lovol launched a full-spectrum new energy product portfolio and collaborated with European leading research institutions such as VDS and AVL to jointly advance breakthroughs in electric drive systems and hybrid powertrain technologies.

<sup>32</sup> The data excludes KION.

# Energy and Resource Management

The Company regards systematic management of energy and resources as a critical driver for sustainable development. By establishing a robust energy management framework and strategy, enhancing water efficiency and recycling, and deeply integrating circular economy principles, the Company continuously improves resource utilization efficiency, minimizes environmental footprints, and takes concrete measures to support global climate action and ecological civilization construction.

## Energy Management

The Company is committed to building a systematic, refined, and intelligent energy management system. By combining institutional safeguards, technological innovation, and digital empowerment, the Company shifts energy management from foundational safeguards to value creation, laying a solid foundation for enhancing both environmental performance and operational efficiency.

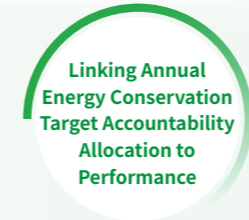
## Energy Management System

The Company strictly complies with the *Energy Conservation Law of the People's Republic of China* and other relevant laws and regulations, continuously improving its energy management rules and policies centered on core documents including the *Measures of Energy Business Management*, the *Measures of Energy Planning and Statistical Management*, the *Measures of Energy Measurement Management*, the *Energy Supply Quality Standards*, and the *Energy Usage Management Standards*. By strengthening scientific planning and refined management, the Company continues to enhance end-to-end efficiency in energy and resource utilization. In 2025, the Company and its subsidiaries continued to advance the standardized operation of energy management systems, completed annual internal audits and management reviews, and successfully passed the ISO 50001 Energy Management System surveillance audit, further elevating its systematic energy management capabilities.

## Energy Management Measures

The Company continues to refine its routine energy management framework through multi-dimensional coordination of policy tracking, process monitoring, and outcome evaluation, ensuring effective execution of energy strategies and targets. Leveraging a dual-driven approach of management-based carbon reduction and technology-driven carbon reduction, the Company has achieved significant systemic carbon reduction outcomes in production operations. In 2021, Weichai Power was recognized as a Class A enterprise for environmental performance, approved by the Ministry of Ecology and Environment of China and officially confirmed by the Shandong Provincial Department of Ecology and Environment. The recognition is reviewed annually by provincial authorities, and the Company has successfully passed the 2025 review.

## Closed-loop Energy Management Mechanism



- Sign accountability agreements for annual energy conservation target with major energy-consuming units, specifying quantified targets and accountability.
- Incorporate energy-saving targets into the KPI evaluation system under the indicator "Energy Cost per Unit", and link them directly to the performance evaluation of responsible personnel.



- Track progress toward annual targets dynamically through monthly statistics and information disclosure. Units with abnormal energy consumption are required to conduct root-cause analysis and determine corrective actions by a deadline, while units exceeding targets are subject to follow-up special assessment to ensure rigor and effectiveness of performance management.

### Case

### Weichai Power Continuously Promoted Green Plant Construction

Through optimizing energy structure, improving resource recycling efficiency, and implementing clean production processes, Weichai Power was awarded both the Provincial Green Factory designation by the Shandong Provincial Department of Industry and Information Technology and the National Green Factory certification by the Ministry of Industry and Information Technology (MIIT) of China in 2021. In 2025, Weichai Power achieved outstanding results in the self-assessment for the National Green Factory on the MIIT's "Industrial Energy Conservation and Green Development Management Platform", maintaining a leading position within the industry and laying a solid foundation for its green and low-carbon operations.

## Digital Energy Management Platform

In 2025, the Company advanced the application and functional upgrades of its digital energy management platform, establishing a "source – grid – load – storage" integrated smart energy management ecosystem. Through centralized monitoring and intelligent analysis of energy consumption, the platform enables refined management and optimization of energy usage behaviors. Leveraging data analysis models, it predicts and regulates energy consumption trends, providing core digital support for energy conservation and scientific utilization.

Energy Demand Management

- By leveraging historical data and production plans, the platform scientifically predicts future energy demands for various departments and production stages, providing a basis for energy supply planning.

Energy Procurement Management

- The platform integrates market price and supply information to build a "policy application + intelligent control" system. By optimizing high-energy-consuming equipment scheduling based on electricity pricing policies, it achieved a 3% reduction in peak-hour electricity consumption and cumulative cost savings of RMB 5.82 million. A four-tier energy conservation monitoring network has been established, supported by special inspections during holidays, which forms a full-process closed-loop management system.

Energy Plan Management

- The platform formulates and issues detailed energy usage plans based on demand and procurement information, and refines energy metrics down to specific departments and equipment.

Energy Supply Management

- The platform monitors real-time operational parameters of energy transmission pipelines, promptly locating anomalies like leaks and blockages to ensure stable supply. By applying large AI models, the production park achieved demand-based heating and real-time intervention for abnormal energy consumption, resulting in annual cost savings of RMB 5.87 million and carbon emission reductions of 754 tons.

Energy Usage Management

- The platform enables granular monitoring and data analytics for each energy consumption point, identifying high-energy-consuming processes to provide data support for targeted energy-saving measures. By integrating multi-source data (MES, ERP, etc.) into an energy decision-making cockpit, it achieves dynamic monitoring and visual analysis of energy consumption across nine business units. Leveraging the intelligent platform for main and auxiliary facilities transformed for full interconnection, the platform has fundamentally shifted energy management from "post-event statistics" to "real-time early warning and immediate intervention".

Energy Cost Settlement

- The platform automatically collects energy consumption data and calculates energy costs. It provides decision-making insights for cost control by analyzing historical data.



## Energy Conservation Projects

The Company continues to prioritize technological innovation as the core driver for improving energy efficiency. By implementing a series of energy-saving technology upgrades, it explores energy-saving potential across the entire operational process.

### Energy Recovery and Utilization Projects

#### Case Weichai Power's Industrial Waste Heat Recovery and Utilization Project

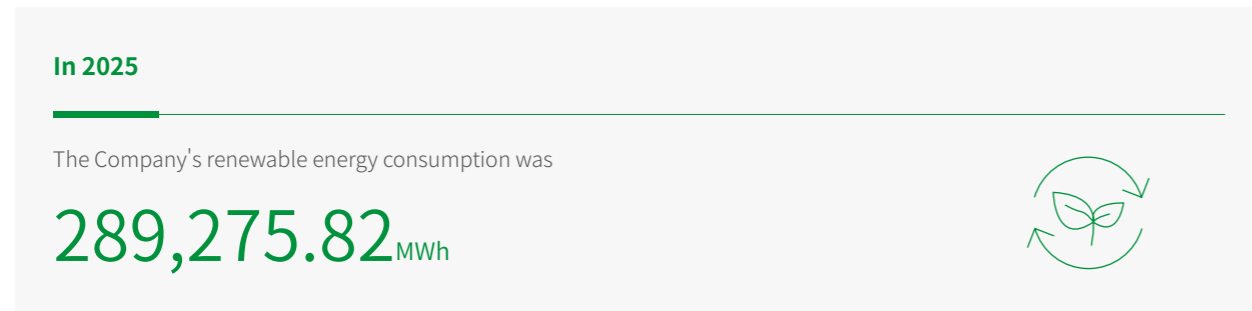
Weichai Power systematically recovers waste heat, such as high-temperature waste gas generated during production, and converts it into usable steam via heat exchangers. The recovered steam is stably applied in processes like engine cleaning and workshop heating, achieving cascade and circular utilization of energy. The project has operated stably, recovering 12,000 GJ/year of waste heat, fulfilling approximately 44% of the park's process heating demand. This initiative saves 405 tons/year of standard coal and achieves carbon emission reductions of approximately 300 tons/year, significantly reducing reliance on external steam supply while delivering substantial environmental benefits.

#### Case Shaanxi Heavy Duty Automobile Recovers Waste Heat of Flue Gas from Coating

To reduce energy consumption during production, Shaanxi Heavy Duty Automobile launched a waste heat recovery project for flue gas from the drying oven in the coating workshop of its body plant. By installing a dedicated heat exchange system, the high-temperature flue gas from the drying oven is captured and used to heat solutions in pre-treatment degreasing process tanks, fulfilling part of the original steam demand. In 2025, the project recovered approximately 7,600 GJ of thermal energy, equivalent to steam reduction of 2,400 tons, effectively reducing fossil fuel consumption and carbon emissions during production. This project exemplifies successful energy recycling and efficiency enhancement.

### Renewable Energy Application Projects

To expedite the transition of energy structure, the Company has scientifically planned and implemented multiple renewable energy projects, aiming to increase the proportion of clean energy in total energy consumption. In 2025, the Company advanced its "PV + energy storage" structural transition. It actively installed distributed rooftop PV power generation systems under the model of "self-generation for on-site use with surplus power fed into the grid", continuously increasing the proportion of green energy usage. In 2025, the Company's renewable energy consumption was 289,275.82 MWh.



#### Case Zhuzhou Gear Adopted the "Factory Rooftop PV + Energy Storage System" to Build Green Energy Supply Model

To advance energy structure transition and achieve low-carbon factory operations, Zhuzhou Gear installed a 1MW distributed PV system at its 13,000m<sup>2</sup> factory roof, and built energy storage facilities for optimized power distribution. The project delivers an annual generation capacity of 3 million kWh, not only meeting partial production electricity demands but also elevating the factory's renewable energy usage ratio to 15% and reducing carbon emissions of over 2,300 tons. The initiative established a replicable clean energy utilization model of "self-generation for on-site use with surplus electricity stored" for green energy supply at production bases.

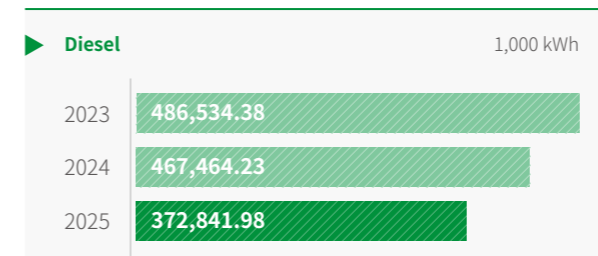
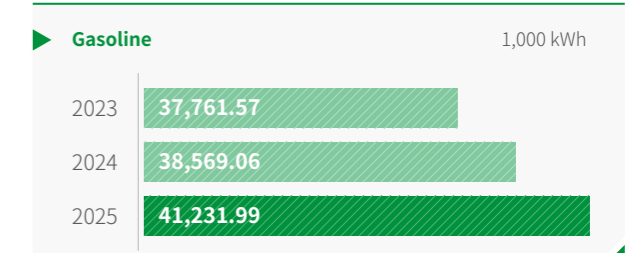
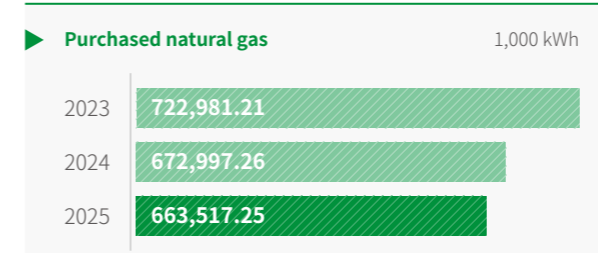
#### Case Fast Gear Innovatively Applied Geothermal Technology, Achieving Energy Efficiency and Cost Savings

To address the inefficiency and high costs of traditional gas boilers, Fast Gear implemented an innovative integrated technical solution combining shallow geothermal heat pumps, intermediate-deep geothermal heat exchangers, and modular steam generators to meet factory heating and steam demands. The project successfully completed the construction of 280 shallow geothermal wells and one 4,050-meter-deep heat exchange well, along with supporting pipelines, significantly enhancing environmental benefits.

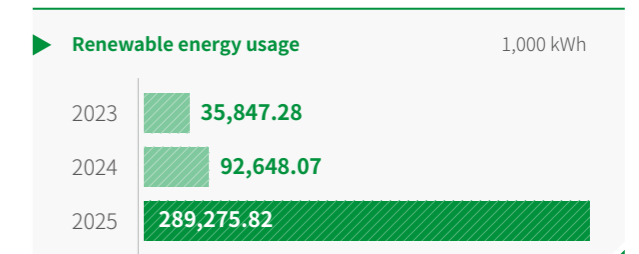
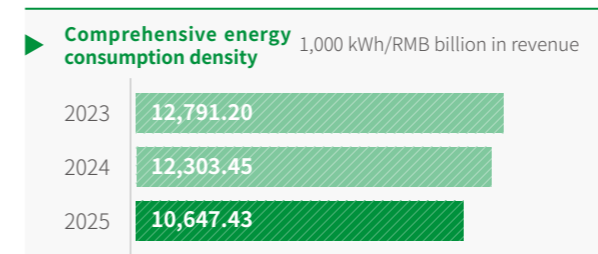
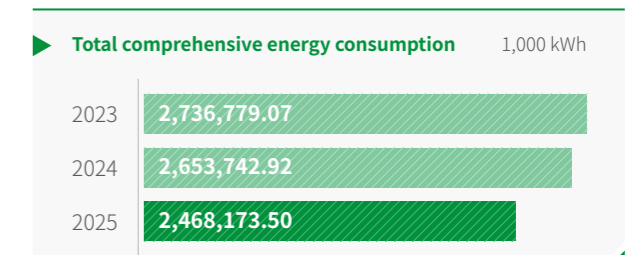
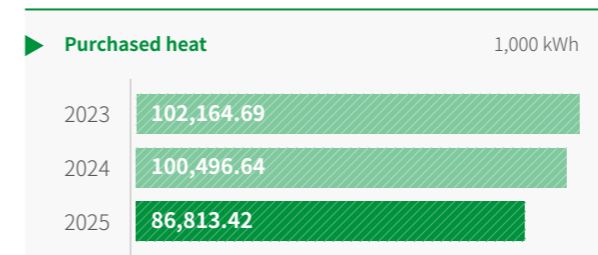
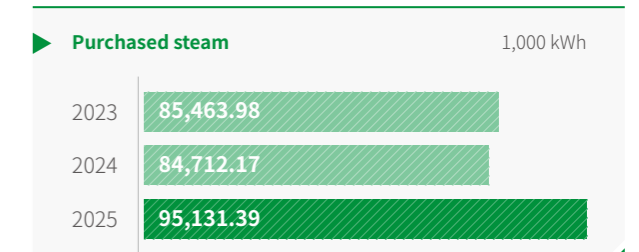
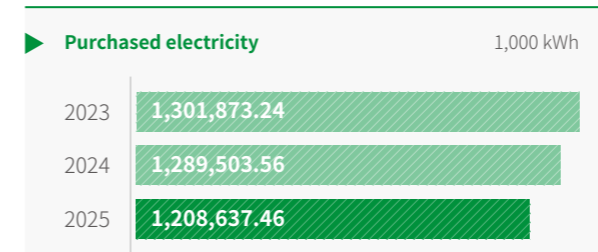
### Metrics and Targets

#### Energy Consumption Data

##### Direct Energy Consumption



##### Indirect Energy Consumption



## Water Management

**Achieve**  
Covering the whole process from water withdrawal, usage, and recycling to discharge.

### In 2025

## There was no occurrence of major water-related risks

The Company strictly adheres to the *Water Law of the People's Republic of China* and other relevant laws and regulations, and actively develops and promotes efficient water-saving and recycling technologies through increased resource investment. The Company is committed to achieving efficient water utilization and recycling through its entire production and operation processes, minimizing water consumption and its environmental impact. To ensure water usage efficiency, safety, and sustainability, the Company has established a systematic and tiered water management system, covering the whole process from water withdrawal, usage, and recycling to discharge.

The Company has established a comprehensive water risk management system across all operational sites:

- Routine water quality monitoring and detailed usage analysis ensure the safety and efficient utilization of water resources.
- Monthly testing of key water quality parameters, such as total hardness and total alkalinity, is conducted on test cycle water at major production bases to safeguard the quality of production water at the source.
- In-depth analysis of water usage data at various levels, such as workshops and production lines, is performed to accurately identify high-consumption areas and potential issues, enabling the formulation and implementation of targeted water-saving optimization measures.
- Engages qualified third-party institutions to conduct comprehensive water quality tests every month to systematically mitigate water-related risks.

In 2025, all water used by the Company was sourced from compliant municipal water supply systems, with no occurrence of major water-related risks.

### Water Conservation Measures

#### Water Balance Test and Leakage Control

Weichai Power has completed systematic water balance test work in the high-tech industrial park. Meanwhile, advanced leak detection technologies are continuously applied to conduct periodic inspections and repairs on buried water pipe networks in the park, effectively reducing hidden water losses.

#### In-depth Investigation and Optimization of Water Efficiency

Identify factors affecting water efficiency from multiple dimensions, covering equipment performance, processes and workflows, and operational practices. Precise management is implemented through measures such as upgrading water-saving equipment, optimizing cleaning and cooling processes, and strengthening employee behavior guidance.

#### Improvement of Circulating Water System Efficiency

In the circulating water systems, advanced water treatment technologies like crystalline stabilization and dispersion are applied to maintain the concentration multiple of circulating water within the optimized range of 2.5–3 times. This ensures full compliance with water quality standards while significantly reducing freshwater replenishment.

#### Rainwater Utilization

The rainwater utilization project in the digital industrial park of Weichai Power has achieved stable operation. Through two rainwater collection pools with a total capacity of 1,300m<sup>3</sup>, collected rainwater is treated and utilized for green space irrigation within the park, effectively substituting municipal freshwater consumption.

P-Strengthening Governance, Ensuring Long-Term Success

O-Pursuing Quality Excellence, Leading through Innovation

W-Uniting Talent, Empowering Growth

**E-Advancing Green Development, Enabling Mutual Ecological Benefits**

R-Forging Ahead Together, Promoting Social Harmony

### Weichai Power Water Conservation Targets

#### 2025 Water Conservation Targets

Reducing the water resource consumption by

**60,000** tons

#### 2025 Target Achievement

The water resource consumption reduced by

**70,215** tons

#### 2030 Water Conservation Targets

By 2030, the water withdrawal per ten thousand RMB of the output value will decrease by

**2** % compared to 2025

### Water Resource Consumption Data

Type	Unit	Data in 2023	Data in 2024	Data in 2025
Total water consumption	Ton(s)	5,049,871.91	4,745,955.17	5,134,517.62
Water consumption intensity	Ton(s)/RMB billion in revenue	23,602.11	22,003.49	22,149.75
Recycled amount of water	Ton(s)	958,736.81	888,709.22	840,258.98

### Case

#### Shaanxi Heavy Duty Automobile Actively Advanced Water Recycling Practices

In its production operations, Shaanxi Heavy Duty Automobile actively advances water recycling by achieving optimal allocation and cascade utilization of water across different process stages through system upgrades. It uses condensate water (at approximately 75°C) recovered from steam systems to replenish thermal energy storage projects. This not only reduces freshwater replenishment but also effectively recovers waste heat from the condensate water. In 2025, approximately 1,100 tons of condensate water were recycled. Concentrated brine produced during the pure water preparation is collected and redirected to the paint line circulating water system, replacing a certain amount of freshwater consumption. This initiative has achieved annual savings of approximately 1,900 tons of tap water.

## Circular Economy

The Company continuously deepens its circular economy practices, committed to advancing full lifecycle management of product materials from procurement, usage, to recycling. Through diverse approaches, such as prioritizing the selection of recyclable eco-friendly materials, promoting component remanufacturing, and expanding the resale of machines and core components, the Company comprehensively enhances resource utilization efficiency.

## Product Remanufacturing

The Company further advanced its product remanufacturing business by actively promoting industrialized technology development and large-scale application of core products such as high-speed engines. Compared to manufacturing new products, remanufactured products can save 60% in energy consumption, 70% in materials, and 50% in production costs approximately, while generating almost no solid waste. This effectively drove the green circular model of "resources-products-used products-remanufactured products". By the end of 2025, Weichai Power had cumulatively released over 50,000 remanufactured high-speed engine units into the market.

**Weichai Power Circular Economy Initiatives**

<p><b>Standardization</b></p> <ul style="list-style-type: none"> <li>Establish disassembly standards: Specify disassembly processes for remanufactured machines, warranty return machines, and test-used machines based on their sources.</li> <li>Establish repair standards: Set repair and inspection criteria for used components to ensure repair quality.</li> <li>Establish reassembly standards: Define reassembly specifications for used components to guarantee the quality, reliability and performance of reassembled machines meeting new product benchmarks.</li> </ul>	<p><b>Channel Optimization</b></p> <ul style="list-style-type: none"> <li>Develop basic assembly components for market services to expand utilization channels, and collaboratively improve pricing standardization for remanufactured parts and machines to maximize old component reuse.</li> </ul>	<p><b>Investment Upgrade</b></p> <ul style="list-style-type: none"> <li>Invest RMB 7.2 million in technical upgrades for remanufacturing lines, adding equipment such as cleaning machines, shot blasting machines, and machining centers to strengthen in-house repair capabilities.</li> </ul>
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**Packaging Material Management**

The Company actively implements the principles of the circular economy, continues to refine internal regulations such as the *Product Packaging Materials and Services Management Procedures* and the *Waste Material Disposal Management Measures*, further strengthening the full process of lifecycle management of packaging materials, including selection, procurement, usage, recycling, reuse, and disposal.

**Case Zhuzhou Gear Establishes a "Classification-Storage-Recycling" System to Achieve Waste Reduction at the Source and Resource Utilization**

To implement circular economy principles, ZhuZhou Gear advanced waste reduction at the source by optimizing production processes and operational procedures, achieving a dual enhancement of environmental benefits and resource efficiency. This resulted in an 8% reduction in solid waste generation in 2025 compared to 2024. Meanwhile, Zhuzhou Gear systematically established a full-process waste management system centered on "classified collection, standardized storage, and targeted recycling". Through detailed classification and targeted collaboration, the Company achieved 100% external remanufacturing sales of metal waste such as iron filings, effective recovery of general solid wastes like waste paper cartons and wood scraps, and utilization of dust ash in building material processing, significantly enhancing comprehensive resource utilization rates.

**Case Fast Gear Breaks Resource Consumption and Environmental Bottlenecks**

To overcome resource waste bottlenecks under the traditional "treatment-discharge" model and alleviate the disposal cost and environmental pressures caused by increased processing volumes, Fast Gear introduced a cutting fluid recycling and regeneration technology. This technology employs integrated regeneration equipment and specialized purification agents to separate oil from liquid, deeply remove impurities, and restore performance indicators of waste fluid. The treated liquid meets reuse standards and is reintroduced into production processes, forming a closed-loop cycle of "recovery-treatment-reutilization".

In 2025, through the application of the technology, the company achieved a recycling and regeneration of approximately 189 tons of waste cutting fluid. This significantly reduced hazardous waste generation.

**Packaging Material Usage**

Type	Unit	Data in 2023	Data in 2024	Data in 2025
Packaging material usage	Ton(s)	131,172.09	143,721.80	115,465.89
Packaging material recycling volume	Ton(s)	113,084.24	117,429.95	102,617.31

**Green Operations**

The Company recognizes that green operations are an essential and ongoing component of achieving sustainable development. By deeply integrating green development concepts into daily operations, we comprehensively advance green office practices and ecological conservation within our park through institutionalized measures. In office operations, we advocate energy and water conservation, as well as paperless workflows, to embody low-carbon principles in every detail. Systematic biodiversity assessments and ecological restoration initiatives are implemented across operational sites to foster harmonious coexistence between operations and nature. Through these efforts, we continuously reduce our environmental footprint and solidify the foundation for the Company's green development.

**Green Office Practices**

The Company integrates green office practices into its daily operations as part of its commitment to sustainable development and systematically promotes resource conservation and eco-friendly operational models. By optimizing energy and water resource management processes in office areas, the Company has comprehensively implemented initiatives such as energy-saving retrofits and paperless office practices. It also leverages institutionalized and digitalized management systems to systematically embed the low-carbon principles into operations. Building on these efforts, the Company also prioritizes environmental education and behavioral guidance to enhance employees' awareness of resource conservation and foster a collective commitment to green practices. Through these initiatives, the Company strives to advance its office ecosystem toward greater carbon efficiency and operational effectiveness.

**Green Office Initiatives**

<p><b>Smart Energy-saving Retrofits</b></p>	<ul style="list-style-type: none"> <li>Promote the application of LED energy-saving lamps in office buildings, and install customized lamp tubes equipped with vehicle detection sensors.</li> <li>Establish a building automation platform to implement remote monitoring and automatic temperature control for heating and cooling systems in the plant, enabling unmanned operation and reducing annual carbon emissions by approximately 814.77 tons.</li> <li>Develop a self-learning model to automatically predict and adjust heating parameters based on historical data and weather forecasts.</li> <li>Pilot the application of smart lighting systems in the park's parking lots to ensure "lights are off when people leave", sensor-based lighting, and precise control.</li> </ul>
<p><b>Equipment Procurement and Management</b></p>	<ul style="list-style-type: none"> <li>During equipment procurement, explicitly require that the energy efficiency of purchased equipment must be at least Level 2, while actively advocating for the selection of Level 1 energy-efficient equipment and comprehensively phasing out all outdated electromechanical equipment to promote equipment upgrades.</li> <li>Implement specialized energy consumption inspections in office areas, clarify responsible personnel for energy management, promote energy use based on actual needs, eliminate waste, and foster a company-wide culture of energy conservation.</li> </ul>
<p><b>Paperless Office Operations</b></p>	<ul style="list-style-type: none"> <li>Issue the proposal on paperless offices to cancel unnecessary paper usage, encourage duplex printing and paper reuse. Establish a portal system to digitize the communication of policy documents, announcement releases, and business process approvals, improving office efficiency.</li> </ul>
<p><b>Resource Conservation Advocacy</b></p>	<ul style="list-style-type: none"> <li>Encourage employees to always "turn off taps when not in use" and eliminate "running taps".</li> <li>Implement an online application and merged vehicle dispatch system for official vehicles, with driving routes scientifically planned.</li> </ul>

**Case** Cultivating a Green Culture Across the Organization

January and July of each year are the Company's "Energy Saving Month" in alignment with national initiatives such as the Energy Conservation Promotion Week, and regularly conducts educational activities, including knowledge lectures and technology exhibitions. Meanwhile, the Company further transforms awareness campaigns into employee-driven participation and creative sharing by organizing the selection and exhibition of outstanding energy-saving cultural works and rationalization proposals. This approach internalizes energy conservation from a management requirement into the commitment across the organization.



**Biodiversity Conservation**

The Company integrates biodiversity conservation throughout the entire operations management process. During the early stages of business layout and operational processes, the Company strictly implements environmental impact assessments and systematically evaluates potential ecological impacts across the full lifecycle. In environmental impact reports, the Company conducts thorough discussions on critical issues such as ecological conservation red lines and environmental quality baselines, with relevant departments verifying the accuracy of the content. Adhering to the principle of "avoid, minimize, and restore", the Company ensures that all production activities, including wastewater discharge, do not affect species and ecosystems listed by the IUCN and China's conservation authorities. It strictly prohibits any deforestation activities and actively responds to global and national biodiversity conservation initiatives.

Currently, the Company's major operating locations are located within historic industrial zones. During business expansion, we rigorously enforce ecological risk assessment procedures to ensure that all operational facilities are neither located within nor adjacent to protected natural reserves or other biodiversity-sensitive areas, thereby fulfilling our ecological conservation responsibilities.

**Biodiversity Conservation Measures**

- Implement greening projects in the park by afforestation and landscape optimization, planting 120 medium-sized trees, approximately 20,000 shrubs, and 5,000 square meters of turf in 2025
- Invite greening experts to provide professional lectures and manage the pest and disease control of plane trees in the park
- Implement ecological restoration projects for the sightseeing fish ponds in the park, providing a good habitat for the fish
- Prioritize ecological benefits. Replant native vegetation, while adding 1,000 m<sup>2</sup> of permeable pavement, aiming to maintain a green coverage rate of no less than 35% and permeable pavement ratio of no less than 44.78% to enhance rainwater infiltration and regulate microclimate

**Environmental Management**

**Environmental Management System**

The Company regards environmental management as the cornerstone of its sustainable development strategy, committed to establishing a systematic, standardized, and employee-engaged long-term mechanism. We have implemented an environmental management system covering the entire value chain, and through continuous risk identification, rigorous performance audits, and in-depth cultural development, we deeply integrate environmental protection into operational decisions and daily practices.

The Company strictly complies with national laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, and its products meet domestic and international standards, including China VI emission standards for road vehicles, Stage IV emission standards for non-road vehicles, and Stage IV fuel consumption regulations for complete vehicles. The Company continuously improves its environmental management system. By revising and optimizing a series of core environmental management documents, including the *Environment, Health, and Safety (EHS) Policy*, the *Product and Process Safety*, the *Environmental Management Control Procedures*, the *Emergency Environmental Incident Management Control Procedures*, and the *Environmental Protection Inspection Control Procedures*, the Company enhances its institutionalized and standardized capabilities in environmental protection and emergency response.

To ensure the closed-loop operation and performance achievement of the environmental management system, the Company deeply integrates environmental targets into organizational and individual performance evaluation systems. In 2025, the Company continued to sign the *Environmental/Occupational Health and Safety-Management System Target Responsibility Agreements* with management leaders at all levels, clearly defining their environmental responsibilities and quantifiable targets within their respective scopes of authority. Building on this foundation, the Company systematically establishes environmental performance indicators covering key areas such as pollutant emissions and hazardous waste disposal in the key performance indicators (KPIs), personal performance commitments (PPCs), and environmental responsibility agreements of leaders at all levels. These environmental performance indicators are assigned corresponding weights based on the environmental impact and risk characteristics of the business under their management. Notably, the Company has specifically set "Environmental Compliance Rate" as a core environmental performance indicator (KPI) for management personnel. The Company regularly conducts rigorous assessments of the achievement of this indicator and directly links the evaluation results to the performance-based compensation of department heads, environmental protection managers, energy managers, and other key personnel. This mechanism strengthens management accountability for environmental responsibilities and ensures the effective implementation of system requirements and strategic objectives.

**Environmental Risk Identification and Management**

The Company adheres to the principle of "prevention-first and integrated prevention and control", committed to establishing a systematic and forward-looking mechanism for environmental risk identification and management. This approach aims to effectively mitigate potential environmental impacts of operations and ensure the organization's sustainable development.

To uphold the principle of "continuously strengthening compliance operations and preventing and defusing risks", Weichai Power has established a refined environmental supervision mechanism integrated into daily operations. Centered on "daily supervision, weekly summary, monthly report", this mechanism implements regular and dynamic monitoring of key areas such as pollutant emissions, energy and water resource consumption, and environmental risk identification. It also continuously strengthens routine environmental management and technical research. In 2025, Weichai Power commissioned qualified third-party testing agencies to conduct systematic monitoring across multiple operational sites, including the High-Tech Park and Anqiu Park. The monitoring covered over 500 testing points for wastewater, waste gas, noise, and other parameters, conducting over 1,000 monitoring sessions throughout the year and issuing over 140 compliance reports. All data met or exceeded emission standards. All environmental monitoring data were recorded into the pollutant discharge permit management system as required, achieving 100% completion and publication rates. The Company proactively identified and rectified 30 environmental compliance risk points, with no major environmental pollution incidents or violations of laws and regulations occurring throughout the year.

**In 2025**

Conducted over

**1,000**

monitoring sessions throughout the year

### Weichai Environmental Data Intelligence Platform

To enhance the precision and proactivity of environmental management, Weichai Power developed and implemented the Weichai Environmental Data Intelligence Platform. By integrating online monitoring data and environmental treatment facility operation data, the platform enables centralized monitoring, intelligent analysis, and real-time early warning for emission conditions and the operational status of the facilities. It not only allows real-time data viewing and historical trend tracing but also automatically triggers graded alerts in cases of emission exceedances or abnormal facility parameters, preventing risks at the source.

In 2025, leveraging this platform, the Company achieved a 100% effective transmission rate for online monitoring data. Through the early warning mechanism, multiple potential anomalies were proactively identified and addressed in advance, effectively ensuring stable and compliant operations of pollution control facilities. This initiative has driven environmental management toward a digitalized and preventive model.

The Company prioritizes the preparedness and management capabilities for emergency environmental incidents. To systematically standardize related management processes, in accordance with its environmental management system and risk management requirements, the Company has established and implemented the *Emergency Environmental Incident Management Control Procedures*, the *Hidden Hazard Inspection Control Procedures for Emergency Environmental Incidents*, and the *Emergency Environmental Incident Management and Control Procedures*. These documents specify clear and actionable regulatory requirements for incident reporting and investigation, hidden hazard identification and rectification, and contingency plan formulation and filing.

In 2025, Weichai Power revised and upgraded the *Weichai Power Contingency Plan for Environmental Incidents*, establishing a six-tier classification standard and response protocol ranging from minor to extremely severe incidents. This includes specialized plans for risk assessments of emergency environmental incidents and radiation accidents. By formulating an annual emergency drill plan covering scenarios such as chemical spills, wastewater discharge accidents, and environmental protection facility failures, and adhering to the "Four Not Let Go"<sup>33</sup> for incident investigation and rectification, The Company has continuously enhanced its emergency response capabilities. In 2025, The Company re-identified and evaluated 59 key environmental risk factors, significantly improving its comprehensive capabilities in early warning, rapid response, and standardized incident handling.

The Company has established a systematic supervision, auditing, and evaluation closed-loop mechanism to ensure the environmental management system operates continuously and effectively, and strives for higher standards.

## Environmental Management Auditing and Certification



### System Supervision and Review

- **Internal Audits:** The Company has established institutionalized annual audit processes covering major operational units. Through document reviews and on-site inspections, these audits evaluate regulatory compliance, system implementation, and progress toward environmental objectives, with non-conformities subjected to closed-loop tracking.
- **Specialized Inspections:** In 2025, 14 specialized environmental inspections were conducted focusing on critical areas such as pollution control facilities and hazardous waste management, strengthening risk control.
- **External Certification and Reviews:** An environmental management system audit is conducted annually, covering all production bases.



### Target and Performance Management

- **Responsibility Allocation:** The Company signs the *Environmental/Occupational Health and Safety-Management System Target Responsibility Agreements* with management personnel at all levels, clearly defining environmental responsibilities and quantifiable targets.
- **Environmental indicators are linked to performance:** Environmental performance indicators, including pollutant emissions and hazardous waste disposal, are systematically integrated into management KPIs, PPCs, and environmental responsibility agreements. These metrics are weighted based on business impact, with "Environmental Compliance Rate" designated as a core KPI for management personnel. The Company regularly evaluates the achievement of environmental metrics and directly links the results to performance-based compensation for relevant management roles, ensuring the effective implementation of environmental responsibilities.

The Company has undergone external reviews and obtained ISO 14001 Environmental Management System Certification.

<sup>33</sup> After an incident occurs, the following principles must be strictly applied: the investigation is not closed until the root causes of the accident are clearly identified; the investigation is not closed until the responsible individuals have been held accountable according to the regulations; the investigation is not closed until the responsible parties and the wider workforce have been educated to learn from the accident; the investigation is not closed until preventive measures have been implemented to prevent a recurrence.

### In 2025

ISO 14001 Environmental Management System Certification Coverage

100%

Conducted internal environmental management system audits

63 times

Conducted external environmental management system audits

161 times

## Environmental Management Culture Building

To continuously deepen environmental culture construction, the Company has fully implemented the *Environmental Protection Promotion and Training Management Control Procedure*, further enhancing the systematic and standardized management. The Company actively explores diversified training models, integrating the convenience of online learning platforms with the practicality of offline workshops. Training comprehensively covers key areas such as full-process management of hazardous waste, refined control of pollutants, efficient operation of pollution control facilities, emergency response to environmental incidents, and deepened implementation of the environmental management system. These initiatives aim to continuously strengthen employees' environmental risk awareness, deeply promote practical methods for energy saving and carbon reduction, and effectively embed green thinking and sustainable development concepts into every stage of research and development, production, and operations, laying a solid cultural foundation for the Company's long-term and stable green competitiveness.

### Case

#### Weichai Power Conducted Specialized Environmental Training for Systematic Enhancing of Risk Prevention and Control

### In 2025

Covering over

80 participants

Delivered

20

safety diagnostic training sessions on facilities managing paint spraying waste gases, engine test emissions, dust, triethylamine, and wastewater

In 2025, Weichai Power organized a series of environmental protection training sessions to continuously strengthen employees' environmental awareness and professional management capabilities. The Company invited experts from the provincial-level solid waste expert pool to conduct specialized training on standardized management of solid waste and hazardous waste. The training targeted environmental management personnel at the corporate, plant, and production line levels across waste-generating units, covering over 80 participants. Key topics included regulatory requirements, classification management, record-keeping, and compliant disposal practices.

Additionally, focusing on operational safety and efficiency improvement of key pollution control facilities, Weichai Power collaborated with external experts to deliver 20 safety diagnostic training sessions on facilities managing paint spraying waste gases, engine test emissions, dust, triethylamine, and wastewater. These sessions comprehensively addressed supervision, management, operation, and maintenance processes, with participation exceeding 350 individuals.

This series of training effectively enhanced participants' capabilities in risk identification, compliance operations, and emergency response, laying a solid human resource foundation for the stable operation of environmental protection facilities and systematic prevention and control of environmental risks.

# Emissions and Waste Management

The Company regards emissions and waste management as a core aspect of its environmental responsibility, strictly complying with national and local regulations on pollutant emissions. Based on the systematic *Emissions Management Procedure*, the Company implements full-process standardized management and control of various pollutants, including air, water, solid waste, and noise. By continuously improving internal standards, strengthening process monitoring, and proactively disclosing environmental compliance information<sup>34</sup>, we are committed to ensuring all emissions are effectively controlled, fully meeting and exceeding regulatory requirements, driving the green and low-carbon transformation of operations, and making substantive contributions to ecological and environmental protection. In 2025, the Company maintained full compliance with operational regulations, with no penalties incurred due to non-compliance with emissions management. The Company continued to achieve its targets of 100% compliant discharge and treatment of waste gas, wastewater, and hazardous waste.

## Waste Gas Management

### In 2025

Annual monitoring rate for organized exhaust emissions

100%

The Company strictly adheres to the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and continuously improves internal management systems such as the *Integrated Emission Standard for Air Pollutants* and the *Air Pollution Prevention and Control Management Procedures*. The main waste gases generated during the Company's production and operations include nitrogen oxides, organic emissions from painting operations, and fumes containing volatile organic compounds generated during welding processes. By implementing strict emission limits and optimizing pollution prevention processes and technological practices, we continuously reduce air pollutant emissions and ensure a 100% annual monitoring rate for organized exhaust emissions. In 2025, several plants<sup>35</sup> of the Company passed and maintained the Class A enterprise assessment for heavy pollution weather performance and all met the Class A enterprise requirements in the annual review, demonstrating the Company's leading environmental management capabilities within the industry.

In 2025, the Company deepened waste gas emissions management through a systematic combination of source substitution, process control, and end-of-pipe treatment measures, ensuring pollutant emission reductions and compliance with discharge standards.

<sup>34</sup> Every year, the Company discloses basic information of the enterprise, production process information, enterprise ecological environment administrative licensing status, environmental protection tax payment status, environmental protection credit evaluation status, pollution control facility information, wastewater and waste gas emissions, hazardous waste generation and utilization and disposal information, noise emissions, construction dust and loading and unloading material pollution prevention and control status, pollutant discharge permit implementation report, ecological environment emergency situation, etc. on the Enterprise Environmental Information Disclosure System (Shandong) in accordance with the Law.

<sup>35</sup> In 2020, Weichai (Weifang) Material Forming Manufacturing Center Co., Ltd. passed the Class A enterprise audit for heavy pollution weather performance for the first time. In 2021, Weichai Power Plant 1, Plant 2, Plant 3, and Moteurs Baudouin (Weifang) Power Co., Ltd. passed the Class A enterprise audit for heavy pollution weather performance for the first time. In 2023, Weichai Power Plant 4 passed the Class A enterprise audit for heavy pollution weather performance for the first time.



### Measures of Waste Gas Emissions Management

<p><b>01</b></p> <ul style="list-style-type: none"> <li>• Procurement: Paints, cleaning agents, and adhesives procured all comply with the national standards for low VOC content.</li> <li>• Production processes: the Company fully implements cleaner production practices, replacing oil-based coatings with water-based coatings in production processes to significantly reduce volatile organic compounds (VOCs) emissions at the source.</li> <li>• Painting and laboratory operations: For processes generating VOCs, must be conducted in enclosed spaces or equipment with installed and operated pollution control facilities. If full enclosure is not feasible, effective collection measures are implemented.</li> <li>• On the construction sites: Install online monitoring and video surveillance systems, which are integrated with the regulatory authority's platform. Contractors are required to ensure 100% enclosure of the construction site perimeter, 100% coverage of stockpiled materials, 100% wheel washing for all exiting vehicles, 100% hardening of the ground surface within the site, 100% use of wet methods for dust-generating activities, 100% enclosed transportation of muck trucks.</li> <li>• Park management: Vehicles entering the Grade-A performance-rated park must comply with China Phase V (or higher) emission standards or be new energy vehicles (NEVs). Non-road mobile machinery used within the park must meet emission standards above China Phase III or be electrically powered.</li> </ul> <p><b>Source Prevention and Process Control</b></p>	<p><b>02</b></p> <ul style="list-style-type: none"> <li>• In the cab painting process, the Company innovatively applies a combination of "zeolite wheel concentration + Regenerative Thermal Oxidizer (RTO)" combustion and "catalytic combustion + activated carbon adsorption" technologies to achieve efficient purification of large-volume, low-concentration waste gases. For organic emissions generated by new products, a process combining catalytic oxidation and activated carbon adsorption is adopted to ensure compliance with discharge standards.</li> <li>• The Company completed the commissioning of waste gas treatment facilities for power equipment testing, ensuring stable compliance. VOCs management in the foundry process has been advanced, the catalytic oxidation projects for molding line emissions have been implemented and the feasibility of a "zeolite drum + RTO" solution for the pouring and cooling process has been evaluated. Additionally, acidic waste gases are neutralized using alkali scrubbing, while boiler emissions are controlled through low-NOx combustion to meet regulatory requirements.</li> <li>• Collection and purification equipment has been installed at critical points such as foundry operations and hazardous waste storage areas. The waste gas treatment system at the wastewater treatment plant has been upgraded with biological odor removal technology to eliminate secondary pollution.</li> </ul> <p><b>End-of-Pipe Treatment and Facility Upgrades</b></p>	<p><b>03</b></p> <ul style="list-style-type: none"> <li>• The Company implements online automated monitoring for key emission sources, such as paint spraying waste gases, with real-time data reporting. For other emission sources, qualified third-party institutions conduct periodic manual monitoring, with data submitted to the official national regulatory platform.</li> <li>• The Company strengthens maintenance of waste gas pollution control facilities and training for operational personnel to ensure they operate in synchronization with production activities. A "Facility-Specific Emergency Response Plan for Heavy Pollution Weather" has been developed and filed, with strict enforcement of emission reduction measures during emergency periods.</li> </ul> <p><b>Compliance Monitoring and Closed-Loop Management</b></p>
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### Case Green Transformation of Weichai Power's Engine Production

Weichai Power has systematically introduced multiple new green processes into its engine production, promoting the cleaning of the manufacturing process.

- Kinetic Energy Recovery & Testing Innovation: The Company applied a test-bed kinetic energy recovery system to harness energy from the engine testing phase. Concurrently, it promoted the adoption of engine cold testing, replacing traditional hot testing. This significantly reduced fuel consumption and exhaust emissions.
- Source Substitution & End-of-Pipe Treatment: In the painting process, water-based paint spraying was fully implemented to cut volatile organic compound (VOC) emissions at the source. Meanwhile, production waste gases were subjected to efficient treatment.

Waste Gas Emissions Targets

Target

Compliant discharge and treatment of air emissions (VOCs, particulate matters, SO<sub>x</sub> and NO<sub>x</sub> emissions)

100%

Progress

In 2025, the Company achieved

100%

compliant discharge and treatment of air emissions (VOCs, particulate matters, SO<sub>x</sub> and NO<sub>x</sub> emissions), fulfilling the set target.

Wastewater Management

Waste Gas Emissions

Type	Unit	Data in 2023	Data in 2024	Data in 2025
VOCs	Ton (s)	293.83	254.85	350.34
Particulate matters	Ton (s)	128.87	135.18	156.21
SO <sub>x</sub> emissions	Ton (s)	44.30	20.13	19.80
NO <sub>x</sub> emissions	Ton (s)	216.95	186.29	254.53

The Company strictly complies with the *Water Pollution Prevention and Control Law of the People's Republic of China* and continuously improves internal management systems, including the *Water Pollution Prevention and Control Procedures* and the *Management and Control Procedures for High-Concentration Wastewater Discharge*. The wastewater generated during Company operations primarily consists of production wastewater and domestic sewage. High-concentration wastewater and production wastewater are separately pre-treated before being combined with domestic sewage for biochemical treatment. Following this, the effluent undergoes advanced filtration and disinfection to ensure stable compliance with regulatory standards<sup>36</sup>. In 2025, Weichai Power's wastewater treatment facilities operated efficiently, achieving removal rates of over 87% for both COD<sup>37</sup> and ammonia nitrogen.

We systematically enhance wastewater management and increase the water recycling rate by promoting water reuse, implementing water-saving process upgrades, and conducting specialized wastewater treatment initiatives. We also adhere to daily testing and monitoring of reused water quality to ensure its parameters consistently meet production and environmental requirements. In 2025, Weichai Power's total wastewater treatment volume reached 495,189 m<sup>3</sup>, further enhancing water resource recycling efficiency.

<sup>36</sup> COD ≤ 500 mg/L, ammonia nitrogen ≤ 45 mg/L.

<sup>37</sup> COD removal rate is 87.86%, and ammonia nitrogen removal rate is 87.89%.

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Wastewater Management Measures

01 Source Reduction and Process Control

- Upgraded paint booths from "wet paint spray booths" to "dry paint spray booths" to completely eliminate paint wastewater generation at the source.
- Implemented clean and polluted water separation in new, renovated, or expanded projects, ensuring standardized pipeline installation and management.
- Installed leak-proof facilities at oil and chemical usage sites, with waste liquids, oils and other hazardous materials collected as hazardous waste and disposed of in compliance with regulations, strictly prohibited from entering drainage systems.



Tiered Treatment and Advanced Purification

- High-concentration wastewater undergoes multi-stage purification: pre-treatment — chemical treatment — biological treatment, followed by co-treatment with compliant domestic sewage.
- Biochemically treated effluent adopts "sand filtration + ozone disinfection" advanced processes to ensure reclaimed water quality meets the *Reuse of Urban Reclaimed Water – Water Quality Standard for Urban Miscellaneous Use* (GB/T 18920-2020), used for landscaping, cleaning, etc.
- Torch Technology applies "three-stage evaporation crystallization" advanced treatment to achieve near-zero discharge and resource recovery for heavy metal-containing wastewater.

02 Compliant Discharge and Monitoring

- Final discharge strictly adheres to the third-level discharge standards of the *Integrated Wastewater Discharge Standard* and B standards of the *Discharge Quality Standards of Pollutants for Urban Sewerage Systems*, with strict control over key indicators such as COD, ammonia nitrogen, total phosphorus.
- Wastewater treatment facilities are operated and maintained by the specialized department, with environmental technicians conducting regular inspections and ensuring system effectiveness through internal and external audits.

Wastewater Discharge

Type	Unit	Data in 2023	Data in 2024	Data in 2025
Total wastewater discharge	Ton(s)	2,624,836.61	2,360,727.78	2,749,273.74
Intensity of total wastewater discharge	Tons/RMB billion in revenue	12,267.97	10,944.95	11,860.07
COD	Ton(s)	75.01	58.29	50.38
Ammonia nitrogen	Ton(s)	9.83	5.58	3.84
Total phosphorus	Ton(s)	1.35	1.10	1.12

Wastewater Discharge Targets

In 2025

The wastewater discharge and treatment were

100%

compliant, meeting the target

By 2030

The wastewater discharge and treatment will be

100%

compliant

The wastewater discharge intensity will be reduced by

10%

compared to 2023 levels

## Waste Management

The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and continuously updated internal systems including the *Management and Control Procedures for the Prevention and Control of Solid Waste Pollution*, the *Hazardous Waste Pollution Prevention and Control Management Procedures*, and the *Standardization Standards for Hazardous Waste* throughout 2025. Through systematic measures such as setting clear waste reduction targets, optimizing production processes to drive source reduction, implementing dedicated hazardous waste treatment lines with full-process traceability, and expanding waste resource utilization pathways, the Company remains committed to achieving compliant waste disposal and value regeneration in production operations. In 2025, Weichai Power continued to strictly construct and manage hazardous waste storage facilities in accordance with regulatory standards, while maintaining its highest management rating as a hazardous waste storage site (Class A).

In 2025, the Company, through precision management and technology-enabled empowerment, continuously enhanced the comprehensive lifecycle management system for solid waste, particularly hazardous waste, while advancing waste reduction, resource utilization, and harmless treatment.

### Solid Waste Management Measures

 <p><b>Hazardous Waste</b></p> <p><b>Smart platform supervision and full-process traceability</b></p> <p>Install information collection terminals at 17 temporary storage sites across 12 major production units, leveraging a hazardous waste intelligent management platform to achieve digitalized full-process tracking.</p> <p><b>Standardized storage facility management</b></p> <p>Construct all hazardous waste storage facilities in strict compliance with national standards, and ensure compliance with classification, packaging, and labeling requirements.</p> <p><b>System and risk control</b></p> <p>In 2025, the Company engaged professional institutions to compile a thematic report on solid waste, which passed expert review. Conduct regular risk assessments for storage and disposal processes to promptly eliminate potential hazards.</p>	 <p><b>General Waste</b></p> <p><b>Categorized collection and resource utilization</b></p> <p>Sort general industrial solid waste at the source of production units, transport it to designated storage facilities meeting regulatory standards, and direct materials toward resource recovery pathways or compliant disposal methods based on waste characteristics.</p> <p><b>Ledger management and process traceability</b></p> <p>Maintain comprehensive records of waste types, quantities, flow directions, and final disposal outcomes to ensure full-process traceability.</p> <p><b>Standardized Storage Facilities</b></p> <p>Display prominent signage and warning labels at all storage sites, with strict implementation of measures to prevent scattering, loss, seepage, and cross-contamination. All temporary storage points adhere to standardized management protocols to meet environmental pollution prevention requirements.</p>	 <p><b>Monitoring and Inspection</b></p> <p><b>Internal compliance audits</b></p> <p>Operational units conduct regular self-inspections of solid waste classification, storage, and disposal processes within their managed zones to ensure alignment with management standards.</p> <p><b>Supplier behavior oversight</b></p> <p>The solid waste management department conducts semi-annual on-site or document-based inspections of transport, utilization, and disposal suppliers to supervise their environmental compliance and ensure lawful operations.</p>
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### Case Overseas Subsidiary KION Group Deepens Identification and Assessment of Material Waste Impacts, Implements Multi-Dimensional Reduction Plan

In 2025, KION Group systematically analyzed the short-, medium-, and long-term environmental risks across its value chain. Based on the assessment, KION Group implemented a multi-dimensional, systematic waste reduction plan. Key measures included significantly reducing waste generation through production process innovation, leading to its major German plants successfully obtaining "Zero Waste to Landfill" certification. Furthermore, the company fully integrated waste management standards into its Supplier Code of Conduct, driving core suppliers to complete green process upgrades through collaborative efforts. These comprehensive measures not only substantially lowered KION Group's overall environmental footprint but also optimized operational costs, achieving a synergistic enhancement of both environmental and economic benefits.

P-Strengthening Governance, Ensuring Long-Term Success

O-Pursuing Quality Excellence, Leading through Innovation

W-Uniting Talent, Empowering Growth

**E-Advancing Green Development, Enabling Mutual Ecological Benefits**

R-Forging Ahead Together, Promoting Social Harmony

### Case Weichai Power Builds a "Zero-Waste" Green Circular Casting Workshop

Faced with the challenges of high energy consumption and material waste in traditional casting processes, Weichai Power has systematically advanced process innovation to establish a "zero-waste" circular production model. By implementing raw sand recycling technology and cutting fluid treatment and regeneration technology, core materials are reused multiple times within a closed-loop system, enabling the workshop to achieve a sand mold-free, waste sand-free, and low-dust operational environment. This transformation has not only significantly reduced raw sand procurement and solid waste generation at the source and lowered both environmental impact and production costs, but also marked a critical step toward transitioning core manufacturing processes to a circular economy model.

### Case Emulsified Liquid Concentration and Emission Reduction through Vacuum Evaporation by Torch Technology

To address emulsified liquid wastewater generated from housing cleaning processes, Torch Technology implemented vacuum evaporation equipment for concentration treatment. This technology cumulatively reduced emissions by 112,929 tons. This initiative effectively demonstrates synergistic environmental and economic benefits, serving as a successful implementation of source reduction and resource utilization in production processes.

### Waste Emission Targets

#### In 2025

The emission and disposal for both non-hazardous and hazardous waste is

**100%**  
(Target Achieved)

#### In 2030

The emission and disposal for both non-hazardous and hazardous waste will be

**100%**

Hazardous waste discharge intensity will be reduced by

**5%**

compared to 2023 levels

Non-hazardous waste discharge intensity will be reduced by

**10%**

compared to 2023 levels

### Solid Waste Emission Data

Category	Unit	Data in 2023	Data in 2024	Data in 2025
Total amount of hazardous waste	Ton(s)	22,610.14	23,049.19	27,610.79
Total recycled amount of hazardous waste	Ton(s)	9,853.81	11,789.10	12,573.47
Hazardous waste discharge intensity	Ton(s)/RMB billion in revenue	105.68	106.86	119.11
Total amount of non-hazardous waste	Ton(s)	531,290.31	470,716.15	507,244.42
Total recycled amount of non-hazardous waste	Ton(s)	475,863.26	397,592.77	453,798.35
Non-hazardous waste discharge intensity	Ton(s)/RMB billion in revenue	2,483.15	2,182.36	2,188.20

## Noise Management

The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution* and continuously improved internal management systems in 2025, including the *Noise and Vibration Pollution Prevention and Control Procedures* and the *Workplace Noise Detection Work Instructions*, to ensure operational noise levels remain below national standards. For noise generated in key production areas such as stamping, welding, grinding workshops, and air compressor stations, the Company implements systematic identification, monitoring, and control measures. Through standardized management practices, it continuously reduces noise impacts on employee health and the surrounding environment.

### Noise Control Measures

-  > 01  
**Equipment Procurement and Selection Control**
-  > 02  
**Pre-Planning and Engineering Prevention**
-  > 03  
**Dynamic Process Management**
-  > 04  
**Optimization and Retrofitting of Existing Equipment**
-  > 05  
**Monitoring, Assessment, and Targeted Remediation**

During the equipment procurement phase, noise and vibration indicators are integrated into the technical evaluation system. Priority is given to selecting low-noise, low-vibration eco-friendly equipment. For high-noise equipment that must be introduced, noise reduction supporting measures are planned and implemented in parallel. A comprehensive assessment of noise impact is conducted prior to project implementation or equipment procurement to ensure compliance with environmental standards.

Before installing new equipment, vibration isolation foundations, sound barriers, or silencers are pre-designed based on its noise characteristics. A regular inspection mechanism is established to ensure the continuous effectiveness of protective facilities.

In production areas, sound-absorbing, soundproofing, and noise-canceling facilities are widely deployed, with regular maintenance to ensure soundproof doors remain closed automatically. For equipment near sensitive zones, soundproof enclosures are added, and high-noise operations at night are strictly time-controlled.

For operational noise-related equipment, systematic noise reduction is achieved through measures such as installing vibration washers, optimizing sound barriers, and adjusting equipment operating routes and schedules to minimize noise generation and propagation.

Regular noise monitoring ensures stable compliance with boundary noise emission standards, with increased monitoring frequency aligned with different control periods. A combination of online monitoring systems and manual inspections enables dynamic noise tracking at boundaries and key areas. For specific noise sources such as hydraulic systems and fan rooms, technical breakthroughs are implemented through engineering solutions such as installing high-efficiency silencers or retrofitting soundproof rooms to achieve targeted noise reduction.

### Case Fast Gear's Comprehensive Noise Control in Production Facilities

In 2025, Fast Gear systematically advanced noise pollution management across its facilities. At the Xijiao Plant, noise emissions were effectively reduced through installation of noise control facilities and component replacements for high-noise equipment. The Hi-Tech Plant implemented enclosed workshops for production equipment with noise-reducing pads, while external auxiliary equipment was fitted with sound barriers and mufflers to achieve dual control at source and transmission. Additionally, all plants strictly regulated vehicle traffic routes during nighttime and holidays to prevent traffic noise disturbances to nearby communities. These comprehensive measures significantly improved acoustic environmental quality, demonstrating the Company's proactive responsibility in pollution prevention.

### Case Torch Technology's Source Noise Control and Operational Environmental Improvement

In 2025, Torch Technology carried out a fully enclosed noise reduction retrofit for cold extrusion equipment at its Nanzhou Plant, coupled with a centralized oil fume collection and purification system to minimize unorganized noise and oil fume emissions. This retrofit marked a critical step in the Company's end-to-end control of dust, noise, and mechanical hazards across the "source-process-end" chain. By integrating technical, physical, and human controls, the project significantly enhanced workplace health and safety standards.





## Forging Ahead Together, Promoting Social Harmony

The Company steadfastly fulfills its corporate social responsibilities, fully leveraging the leading role in the industrial chain to assist partners in achieving green transformation and capability enhancement. We actively participate in social construction and public welfare endeavors by conducting community co-construction, rural revitalization initiatives, and charitable donations. Through concrete actions, we fulfill corporate citizenship responsibilities, achieving mutual growth between corporate development and social integration.

# Sustainable Supply Chain

The Company collaborates with supply chain partners to strengthen governance frameworks, enhance risk identification and ESG management, and deepen supplier empowerment and capability building.

## Governance

The Company has established a clearly defined, collaborative, and efficient supply chain governance structure. By establishing the Supply Chain Management Committee, it reinforces top-level design and decision-making capabilities for major matters, driving procurement management toward systematic and sustainable transformation.

### Structure and Responsibilities of the Supply Chain Management Committee

<b>Director</b> 	<b>Chairman</b>	<ul style="list-style-type: none"> <li>Approving the Company's procurement strategy and supply chain development plan, ensuring alignment between supply chain direction and the Company's overall strategy</li> <li>Leading decision-making on major procurement matters, coordinating cross-departmental resources, and promoting the achievement of sustainable supply chain development goals</li> </ul>
<b>Deputy Director</b> 	<b>General Manager</b>	<ul style="list-style-type: none"> <li>Approving the Company's annual procurement policies, procurement budgets, and plans</li> <li>Approving decisions regarding supplier admission and elimination</li> <li>Overseeing and guiding operations across all supply chain stages</li> </ul>
<b>Member</b> 	<b>Heads of Core Functional Departments</b>	<ul style="list-style-type: none"> <li>Providing supporting information and data, offering professional opinions and suggestions for supply chain management strategy and plan development</li> </ul>
<b>Office</b> 	<b>Supply Chain Management Center</b>	<ul style="list-style-type: none"> <li>Formulating the Company's annual supply chain strategy, planning, procurement budget and plans, and organizing, scheduling, and implementing committee-related work</li> </ul>

The Supply Chain Management Center from time to time reports to all members of the Supply Chain Management Committee on work progress, covering key matters including supplier admission and elimination, adjustment of supply ratios, process optimization, identification and response to potential risks, as well as subsequent work plans, ensuring information transparency and evidence-based decision-making.

The Company strictly complies with the *Bidding Law of the People's Republic of China* and its Regulation on Implementation, comprehensively implementing internal management specifications such as the *Implementation of Supplier Selection Evaluation Control Procedures*, the *Supplier Audit Control Procedure*, and the *Supplier Management Manual*. From multiple dimensions including admission evaluation, performance assessment, quality control, and collaborative R&D, the Company systematically regulates supplier behavior.

P-Strengthening Governance, Ensuring Long-Term Success

O-Pursuing Quality Excellence, Leading through Innovation

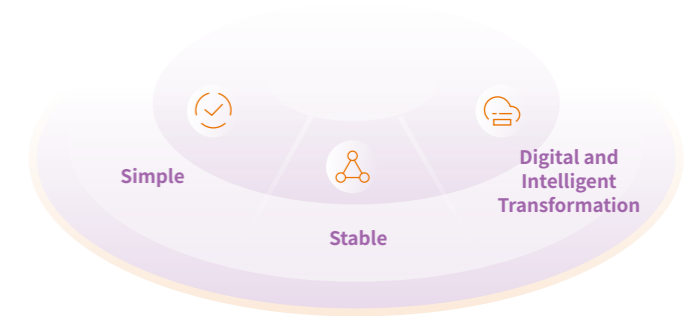
W-Uniting Talent, Empowering Growth

E-Advancing Green Development, Enabling Mutual Ecological Benefits

R-Forging Ahead Together, Promoting Social Harmony

## Strategy

The Company upholds the global collaboration philosophy of "We are One" to build a win-win ecosystem across the entire industrial chain. We continuously drive optimal resource allocation, enhance supply chain responsiveness and operational efficiency, strengthen market competitiveness in the high-end power system sector, and provide strategic support for constructing a secure, green, efficient and sustainable supply chain system.



## Impact, Risk and Opportunity Management

The Company has established a supplier management system oriented toward strategic synergy, innovatively applying the "16-Grid Supplier Classification Model" to achieve refined supplier identification and differentiated management. This model systematically evaluates and classifies suppliers through a 4\*4 matrix. Leveraging this model, the Company conducts precise supplier profiling, formulates differentiated procurement strategies.

### Supplier Lifecycle Management

The Company has established a systematic supplier lifecycle management system covering qualification, assessment, and exit phases, enabling scientific resource allocation and closed-loop control.



- Based on the *New Supplier Qualification Standards*, the Company incorporates key factors such as identification of environmental factors, pollution control, occupational health risk management, hazardous chemical management, safety responsibility implementation, personnel capability development, and compliance performance into the scoring system as core criteria for supplier qualification and comprehensive evaluation.
- The Company formulates an annual audit plan in accordance with the *Supplier Audit Control Procedure*. On-site audits and multi-dimensional assessments for suppliers are organized.






- Based on the *Supplier Performance Evaluation Control Procedure*, the Company conducts an annual comprehensive evaluation of suppliers, covering key dimensions such as delivery performance, R&D performance, quality performance and ESG performance. The Company categorizes evaluation results into four levels (A, B, C, D), which serve as the basis for adjusting supply proportions, implementing incentives, or initiating elimination mechanisms.

- Based on annual performance evaluation results, the Company conducts risk assessments for suppliers with performance ratings of C and D, or requiring performance improvement.
- For high-risk suppliers, the Company initiates communication for rectification. If they fail to meet Company's standards upon re-evaluation, they will be eliminated. In 2025, Weichai Power terminated cooperation with 33 suppliers.

## Supply Chain Risk Management

The Company has established an end-to-end supply chain risk management system covering pre-event, in-process, and post-event phases to strengthen proactive response to internal and external risks. It has formulated the *Supplier Risk Assessment Management Measures* to define full-chain standards and responsibility allocation for risk identification, assessment, monitoring, and mitigation, providing institutional safeguards for risk management. The Company implements a special project initiation mechanism, organizes cross-departmental coordination, and efficiently advances the closed-loop resolution of critical issues. In addition, leveraging the SRM 3.0<sup>38</sup> system platform integrated with AI-powered analytical models, we dynamically monitor supplier risks and enable automated early warning systems, significantly enhancing the proactivity and accuracy of risk response.

### Supply Chain Risk Identification and Management

Risk Type	Response Measures
<b>Natural Disaster Risks</b> 	<ul style="list-style-type: none"> <li>We build a risk control model and integrate third-party data such as Moji Weather and Baidu Map routes. Our SRM 3.0 system automatically alerts about extreme weather impacts.</li> </ul>
<b>Operational Risks</b> 	<ul style="list-style-type: none"> <li>We query supplier business information quarterly via Tianyancha and input operational status into the SRM 3.0 system to identify potential operational anomalies.</li> </ul>
<b>International Trade Risks</b> 	<ul style="list-style-type: none"> <li>Build a domestic and international dual-chain collaborative system to enhance supply chain resilience.</li> </ul>
<b>Production Capacity and External Risks</b> 	<ul style="list-style-type: none"> <li>We continuously introduce high-quality supplier resources, leverage supplier expertise, collaborate with R&amp;D departments to strengthen cost control.</li> <li>We intensify supplier resource integration, rationally plan and adjust supplier distribution, allocate procurement needs based on actual supplier capabilities, and assist suppliers in organizing production orderly.</li> <li>We regularly identify supply chain risks, prepare contingency plans in advance, and conduct procurement emergency drills periodically to mitigate supply risks.</li> </ul>
<b>Market Fluctuation Risk</b> 	<ul style="list-style-type: none"> <li>We proactively plan new engine production capacity to ensure a smooth transition between new and legacy models.</li> </ul>

In 2025, we engaged third-party agencies such as TÜV SÜD and ACCU to conduct supplier audits, focusing on key dimensions including environmental safety, risk management, and personnel capabilities to comprehensively validate their compliance and sustainable operational capabilities.



### Supplier ESG Management

The Company is committed to continuously building a sustainable and responsible supply chain ecosystem. It has released the *Code of Supplier Conduct*, comprehensively covering core areas such as Health, Safety, and Environment (HSE), commercial ethics, product-related environmental protection responsibility, upstream supply chain monitoring, human rights protection, labor rights, and employment standards to establish a full-chain compliance supervision framework.

<sup>38</sup> SRM 3.0 system refers to the digital platform for the third-generation supplier relationship management.

### ESG Management Requirements for Suppliers

ESG Indicator	Management Requirements
<b>Climate Change Responses</b> 	<ul style="list-style-type: none"> <li>Suppliers shall actively identify and assess the potential impacts of climate change on their business activities, participate in Weichai Power's climate change initiatives, and jointly promote the establishment of a long-term mechanism to respond to climate change risks.</li> </ul>
<b>Environmental Protection</b> 	<ul style="list-style-type: none"> <li>We require suppliers to strictly comply with national and local environmental regulations in the jurisdictions where they operate, obtain and maintain valid environmental permits, and sign the <i>Supplier Safety and Environmental Protection Agreement</i>.</li> <li>We encourage suppliers to establish dynamic monitoring mechanisms to implement full-process control over air emissions, wastewater discharge, and solid waste management, continuously optimizing emission performance.</li> <li>We preferentially choose to cooperate with suppliers that use environmentally friendly materials and have obtained ISO 14001 Environmental Management System certification.</li> <li>We support suppliers in developing green strategies and conducting environmental impact assessments during production processes.</li> </ul>
<b>Resource Management</b> 	<ul style="list-style-type: none"> <li>We require suppliers to develop water resource management policies in compliance with local regulations, set measurable water-saving goals, and maintain records and monitoring of water sources, usage, and discharge.</li> <li>Suppliers must implement a conflict minerals policy to ensure all materials comply with international standards such as the <i>OECD Guidelines</i>. They must establish a conflict minerals policy, conduct due diligence, and trace raw material sources.</li> <li>Based on the <i>Supplier Management Manual</i>, we prioritize recyclable and reusable pallets and containers. The Company provides sales and recycling services for standard pallets, containers, etc., reducing the use of disposable packaging.</li> <li>We establish a purchaser screening mechanism to prioritize enterprises with qualifications for renewable resource utilization and circular certification.</li> </ul>
<b>Product Quality</b> 	<ul style="list-style-type: none"> <li>We sign quality agreements with suppliers, set annual quality objectives and conduct quarterly evaluations and applications.</li> <li>We prioritize cooperation with suppliers certified under the ISO 9001 Quality Management System. In 2025, the proportion of Weichai Power's suppliers certified by the ISO 9001 system reached 100%. (For details, see <a href="#">Section Product Quality and Safety - Impact, Risk and Opportunity Management</a>)</li> </ul>
<b>Occupational Health and Safety</b> 	<ul style="list-style-type: none"> <li>We clearly define suppliers' primary responsibility for occupational health and safety management and require them to provide employees with protective equipment meeting national standards.</li> <li>We require suppliers to set health and safety objectives, continuously monitor and improve performance, and minimize risks of accidents and occupational diseases.</li> <li>We prioritize cooperation with suppliers certified under the ISO 45001 Occupational Health and Safety Management System.</li> </ul>
<b>Labor Rights</b> 	<ul style="list-style-type: none"> <li>We require suppliers and their upstream enterprises to strictly comply with labor related regulations, follow international practices and standards such as the <i>Universal Declaration of Human Rights</i>, and firmly prohibit forced labor, child labor, and other illegal activities.</li> <li>We ensure suppliers pay employees at least the statutory minimum wage which meet basic living needs, and make timely and full payments without deductions or delays.</li> </ul>

ESG Indicator	Management Requirements
<p><b>Business Ethics</b></p> 	<ul style="list-style-type: none"> <li>The Company formulated the <i>Code of Supplier Conduct</i> and the <i>Anti-Bribery and Anti-Corruption Policy</i> to explicitly prohibit suppliers from engaging in any form of commercial bribery.</li> <li>We require suppliers to establish and implement anti-corruption compliance systems, conduct regular employee training and audits, and immediately report any corrupt practices.</li> <li>Suppliers are required to sign the <i>Supplier Integrity and Honesty Co-building Agreement</i>, with a 100% signing rate in 2025.</li> </ul>
<p><b>Data Protection</b></p> 	<ul style="list-style-type: none"> <li>We sign the <i>Confidentiality Agreements</i> and the <i>Intellectual Property Clauses</i> with suppliers.</li> <li>We require suppliers to strictly comply with data protection regulations and use personal information and commercial data only within authorized scopes.</li> <li>We require suppliers to establish data protection policies and technical safeguards to prevent data breaches, misuse, or unauthorized access, ensuring all information exchanges occur through secure platforms.</li> </ul>

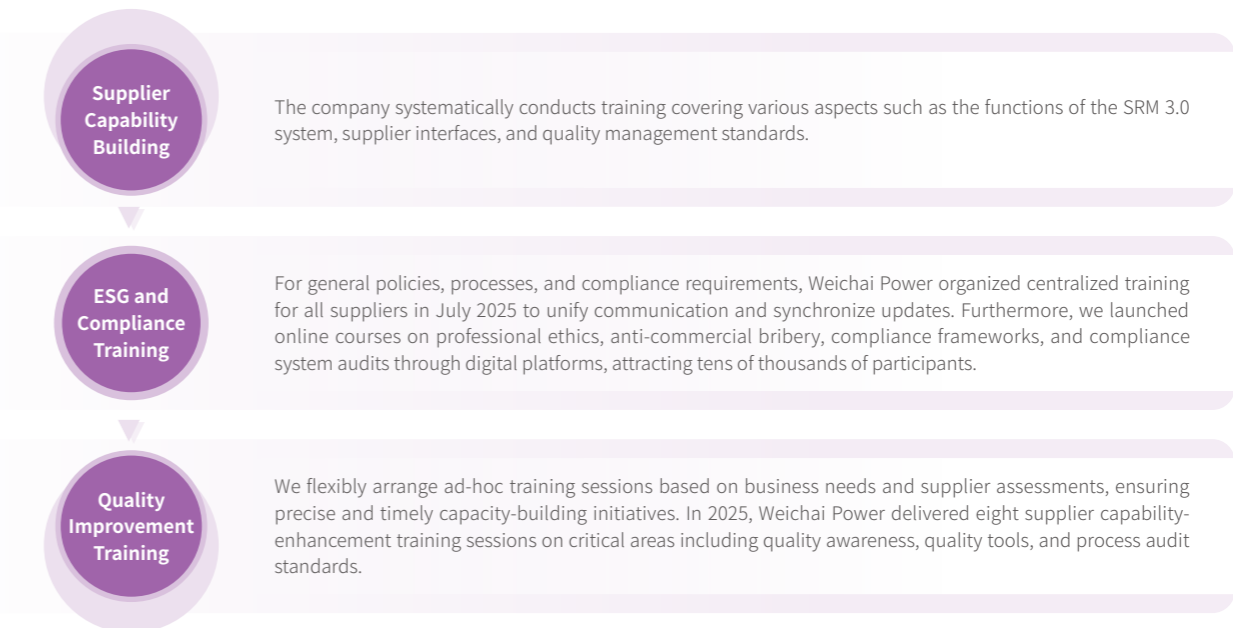
**Case Supply Chain ESG Management of Overseas Controlled Subsidiary KION Group**

**KION Group**

systematically integrates quantifiable carbon emission metrics into core procurement decisions, requiring suppliers responsible for over 5% of Scope 3 greenhouse gas emissions from purchased goods and services to establish science-based decarbonization targets that meet SBTi standards by 2030. Additionally, KION Group complies with EU regulatory frameworks including the *REACH Regulation*, the *Restriction of Hazardous Substances (RoHS) Directive*, and the *Toxic Substances Control Act (TSCA)*, while actively exploring other critical issues such as EU persistent organic pollutants regulations, key raw materials, and metal procurement. The Group mandates upstream suppliers to disclose chemical composition details of parts and components, tracks PCB-containing intermediate products and materials in upstream supply chains, conducts raw material testing, and reports hazardous substances to the European Chemicals Agency's Substances of Concern In articles as such or in complex objects (Products) (SCIP) database.

**Supplier Communication and Training**

The Company continuously develops efficient, transparent, and multi-tiered communication and collaboration mechanisms with suppliers to ensure information symmetry and timely responses. Leveraging channels such as the SRM 3.0 system, phone calls, emails, online video conferences, executive strategic dialogues, and the annual supplier conference, we maintain high-frequency interactions with suppliers on daily operations, strategic alignment, and critical matters.



**Case Weichai Power Successfully Hosted the 2025 Supplier Conference**

Weichai Power officially launched the Green and Low-Carbon Development Initiative at its 2025 Supplier Conference, aiming to drive comprehensive transformation across the industrial chain. The initiative calls on partners to embed green principles into manufacturing and operations, prioritize clean energy and energy-efficient technologies, systematically reduce resource consumption and waste generation, identify climate risks, enhance resilience against climate change impacts, jointly establish science-based carbon reduction targets, and collaboratively reduce carbon footprints across the entire value chain. To strengthen demonstration leadership, Weichai Power also established the "ESG Value Partner Award" to recognize suppliers with excellent ESG performance, fostering a sustainable industrial ecosystem characterized by collaborative decarbonization and shared value creation.



Weichai Power Supplier Conference "ESG Value Partner Award" Ceremony

**Case** Fast Gear Enhances Supplier Collaboration in New Product Development

To improve supply chain collaboration efficiency during new product development, Fast Gear conducted targeted capacity-building initiatives for 29 core suppliers in 2025, covering product characteristic briefings, inspection benchmarking, and technical exchanges for a total of 90 participants. These activities focused on clarifying quality requirements, standardizing inspection criteria, and deepening technical collaboration, driving suppliers to shift from "reactive rectification" to "proactive prevention" and significantly enhancing quality consistency in new product development processes.

**Case** Zhuzhou Gear Builds a Digital and Green Supply Chain Ecosystem

Addressing challenges in industrial chain collaboration and green transformation, Zhuzhou Gear strengthened supply chain synergies through diverse initiatives. It participated in the "Zhuzhou Hi-Tech Zone Industrial Chain Demand and Supply Conference", publishing high-precision gear blank procurement needs via a digital demand-supply e-book. It also delivered small-class training sessions encompassing theory and practice to promote green manufacturing standards and launched tenders for the Electric Wheelset Gear Machining Retrofit Project to guide supplier technological upgrades, establishing a supply chain collaboration ecosystem spanning demand alignment, concept dissemination, and technical coordination.



**Case** Lovol Implements Supplier Training Assessments and High-End Collaborations

To reinforce supply chain quality awareness and technical collaboration, Lovol conducted six supplier training assessments in 2025 to improve quality performance and organized 17 sessions of the "High-End Supplier Engagement Program". Through product showcases and technical exchanges, Lovol advanced over 30 collaborative projects, achieving dual breakthroughs in solidifying quality foundations and co-developing cutting-edge technologies, providing robust support for product innovation and industrial upgrading.



Supplier Quality Improvement Examination



High-End Supplier Engagement Program in Lovol

As of the end of 2025, we had a total of 7,036 suppliers.

## Metrics and Targets

### Suppliers<sup>39</sup>

Metrics	Unit	2025 Data
Number of Weichai Power's Suppliers	/	7,036
Number of suppliers by region	Suppliers in China	/ 6,951
	Suppliers outside China	/ 85
Number of suppliers by tier	Number of Tier 1 suppliers	/ 7,036
	Number of critical Tier 1 suppliers	/ 3,303
	Number of non-Tier 1 suppliers	/ 1,728
Total number of suppliers collaborated with over the past three years	/	9,510
Number of new suppliers screened using ESG standards	/	1,664
Supplier assessment	Supplier risk assessment coverage rate	% 38.09
	Number of suppliers covered by risk assessments	/ 3,622
	Supplier labor assessment coverage rate	% 10.36
	Number of supplier labor assessments	/ 985
	Supplier environmental assessment coverage rate	% 18.79
	Number of supplier environmental assessments	/ 1,787
	Number of supplier environmental or labor assessments	/ 1,829
	Number of supplier human rights assessments	/ 2,424
	Supplier human rights assessment coverage rate	% 25.49
	Number of negative labor and environmental risks in the supply chain	/
Incidence rate of negative labor and environmental risks in the supply chain	%	2.84

<sup>39</sup> The data excludes KION.

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## Community Engagement and Public Welfare Initiatives

The Company consistently integrates social responsibility into its corporate development strategy, actively engaging in public donations, community co-construction, and employee volunteer services. It is deeply committed to rural revitalization initiatives, striving to foster long-term harmonious development between the Company and society.

### Rural Revitalization

Guided by the philosophy of "actively driving rural revitalization and promoting regional economic growth through corporate development", the Company leverages its industrial advantages to support rural economic and social progress. Through measures such as industry-based support, education empowerment, and green development, the Company deepens the integration of rural revitalization with sustainable corporate growth.

#### Case Weichai Power's Support for the Yongquan Village Mushroom Cultivation Base

In 2025, Weichai Power donated RMB 755,500 to the People's Government of Xinji Town, Yinan County, specifically to support the construction of the mushroom cultivation base in Yongquan Village. This project effectively promoted local agricultural industrialization, created employment opportunities, boosted household incomes for farmers, stimulating regional economic growth.



Certificate of Donation for Supporting Mushroom Cultivation Base by Weichai Power

## Community Co-construction

Weichai Power actively practices corporate social responsibility, promotes harmonious community development, and organizes employees to participate in various volunteer service activities, including environmental protection initiatives, public donations, community volunteering, visits to the elderly living alone, and visits to children in welfare homes. In 2025, the Company's employees participated in public welfare services a total of 823 times, involving 8,279 participants cumulatively. The social welfare investment amounted to RMB 20.4637 million, contributing actively to advancing social harmony and community development.

### In 2025

The Company's employees participated in public welfare services a total of

**823** times

Participants cumulatively

**8,279**

The social welfare investment amounted to

**RMB 20.4637** million

## Education Support

Weichai Power upholds the philosophy of "promoting industry through technology and nurturing talents as the foundation", actively engaging in educational public welfare and talent development. Through initiatives such as funding underprivileged students, improving educational facilities, and fostering school-enterprise collaborations, the Company advances educational equity and holistic youth development, demonstrating its commitment to corporate social responsibility.

### Case Weichai Power's Study Tour Activities

In 2025, the Company actively promoted communication and collaboration with communities by organizing the "Shengshi School Study Tour". It opened its facilities for visits to nearby schools and communities, conducted technical exchanges and career guidance sessions, and systematically collected demands and feedback from schools and families regarding educational support.



Shengshi School Study Tour

## Elderly Care Initiatives

The Company continues to advance elderly care initiatives by implementing community services, life care for the elderly, and health promotion initiatives, thereby improving seniors' quality of life and demonstrating the Company's commitment to social responsibility and warm care for all community groups.

### Case Weichai Power's Community Elderly Care Volunteer Activities

In 2025, the Company donated RMB 200,000 to the Weifang Charity Federation to support the "Warmth for Seniors, Happy Dining Table" community elderly care program. This initiative highlighted the cultural value of respecting the elderly, strengthened Weichai Power's public welfare image, and inspired community volunteers to participate, creating a positive social demonstration effect.



## Ecological Conservation

Committed to green development, Weichai Power focuses on the sustainable development of communities and natural ecosystems. Through ecological restoration, environmental governance, and green education initiatives, the Company promotes harmonious interactions between corporate growth and social ecology, creating a healthier living environment for community residents.

### Case Weichai Power's "Seven Rivers Volunteer Revisit" River Protection Campaign

In 2025, Weichai Power launched the "Seven Rivers Volunteer Revisit" river protection campaign. By regularly organizing employee volunteers to conduct garbage cleanup, riverbank maintenance, and ecological monitoring along rivers such as the Zhuo River and Bai Lang River in Weifang, the Company effectively reduced pollution along riverbanks and waterways. This sustained volunteer effort improved local water quality, provided cleaner habitats for aquatic life and riparian vegetation, and enhanced river protection awareness among employees and community residents.



Volunteers Participating in the Bai Lang River Volunteer Campaign

## Public Welfare Donations

### Case Standing Together Through Thick and Thin – Weichai Power Provides Emergency Relief for Thailand Floods

In 2025, heavy rainfall battered several areas in southern Thailand, triggering large-scale flooding that resulted in tragic casualties and property damage. Following the disaster, Weichai Power swiftly mobilized emergency relief efforts. On December 2, the Weichai Thailand Office donated urgently needed relief supplies, including food and drinking water worth THB 40,000 Thai Baht, to the Thai Maritime Department. Meanwhile, Weichai Thailand Office pledged to provide reliable rescue support to affected residents, demonstrating "Weichai's spirit of solidarity" in helping the Thai people overcome the difficulties.



## Fostering Employment Opportunities

In 2025, while advancing its business layout, the Company actively created employment opportunities for local communities. Through diversified business expansion and project implementation, the Company continued to generate jobs in the communities where it operates. In 2025, Weichai Power directly provided 1,300 jobs for local communities, covering technical research and development, production and operation, general management and services, and other fields, effectively boosting regional employment and improving people's livelihoods.

In 2025

Weichai Power directly provided

**1,300** jobs for local communities



## Future Outlook

In 2025, the Company actively fulfilled its sustainable development commitments through concrete actions, achieving solid results in environmental, social, and governance (ESG) fields. Looking ahead, the Company will further focus on green transformation, technological innovation, global expansion, and social responsibility, working hand in hand with stakeholders to create a more sustainable future.



**We will accelerate the cultivation of new momentum for green transition.** Weichai Power will unwaveringly advance the deep implementation of new energy transformation, expedite the industrialization of clean fuel engines such as methanol and hydrogen, and intensify product iteration R&D and production line construction for solid oxide fuel cells (SOFC). The Company will fully unlock the production capacity and enhance the efficiency of the Yantai New Energy Power Industrial Park, building more competitive zero-carbon and low-carbon power solutions to lead the industry's green transformation.

**We will strengthen technological innovation to empower new quality development.** Weichai Power will sustain high-intensity R&D investment, reinforce core technology breakthroughs in traditional fields, and further improve the thermal efficiency of diesel engines. The Company will deepen

independent R&D capabilities for new energy battery, motor, and electric control products, comprehensively integrate artificial intelligence and other cutting-edge technologies into end-to-end business processes, and enhance operational efficiency and innovation through digitalization, establishing sustainable technological advantages for the future.

**We will elevate global brand influence.** Weichai Power will further expand the breadth and depth of overseas markets, precisely implement regional market strategies, and accelerate the construction of key localized projects abroad. The Company will continuously optimize its global supply chain system and service network, while building a robust overseas compliance and risk management framework to ensure the steady and long-term growth of international operations.

**We will foster an open and integrated industrial ecosystem.** Weichai Power will strengthen digital collaboration and value creation across the industrial chain, driving overall efficiency improvements. The Company will innovate business models and build a full-lifecycle service platform centered on customer

scenarios. By optimizing organizational mechanisms and incentive systems, Weichai will fully ignite internal and external innovation vitality, sharing development opportunities with partners.

**We will actively fulfill social responsibility.** Through the creation of a distinctive Weichai public welfare brand, the Company will focus on education support, community development, and environmental advocacy. Working closely with stakeholders, Weichai Power will actively contribute to society, achieving harmonious coexistence and sustainable development between the enterprise and society.

Looking ahead, Weichai Power will always uphold the core principles of sustainable development, grounded in excellent corporate governance and driven by technological innovation. The Company will stand shoulder to shoulder with all stakeholders, jointly driving industrial progress and contributing strong momentum to high-quality economic growth and a better life for humanity.

# Appendix

## Comparison Table of Key Enterprises

Full Name	Abbreviation
Weichai Power Co., Ltd.	Weichai Power
KION Group AG	KION
Shaanxi Heavy Duty Automobile Co., Ltd. and its subsidiaries	Shaanxi Heavy Duty Automobile
Shaanxi Fast Gear Co., Ltd. and its subsidiaries	Fast Gear
Weichai Lovol Intelligent Agricultural Technology Co., Ltd. and its subsidiaries	Lovol
Zhuzhou Torch Mechanical Manufacturing Co., Ltd.	Mechanical Manufacturing
Weichai Torch Technology Co., Ltd.	Torch Technology

## Content Index of ESG Reporting Guide of Hong Kong Stock Exchange

KPIs	Corresponding Pages
<b>Subject Area: Environmental</b>	
<b>A1: Emissions</b>	
General Disclosure	
A1.1	The types of emissions and respective emissions data. P108-111
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). P111
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). P111
A1.5	Description of emission target(s) set and steps taken to achieve them. P108-111
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. P110-111
<b>A2: Use of Resources</b>	
General Disclosure	
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). P97
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility). P99
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them. P98-99
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. P98-99
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. P100
<b>A3: The Environment and Natural Resources</b>	
General Disclosure	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. P103-105
<b>Subject Area: Social</b>	
<b>Employment and Labour Practices</b>	
<b>B1: Employment</b>	
General Disclosure	
B1.1	Total workforce by gender, employment type (for example, full or part-time), age group and geographical region. P55-P56
B1.2	Employee turnover rate by gender, age group and geographical region. P56-P57
<b>B2: Health and Safety</b>	
General Disclosure	
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. P78
B2.2	Lost days due to work injury. P78
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. P75-P77

KPIs		Corresponding Pages
<b>B3: Development and Training</b>		
General Disclosure		
B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	P65, P138
B3.2	The average training hours completed per employee by gender and employee category.	P65
<b>B4: Labour Standards</b>		
General Disclosure		
B4.1	Description of measures to review employment practices to avoid child and forced labour.	P54
B4.2	Description of steps taken to eliminate such practices when discovered.	P54
<b>Operating Practices</b>		
<b>B5: Supply Chain</b>		
General Disclosure		
B5.1	Number of suppliers by geographical region.	P124
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P117-120
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P118-120
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P119
<b>B6: Product Responsibility</b>		
General Disclosure		
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P35
B6.2	Number of products and service-related complaints received and how they are dealt with.	P40-41
B6.3	Description of practices relating to observing and protecting intellectual property rights.	P47-48
B6.4	Description of quality assurance process and recall procedures.	P34-35
B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	P49-P51
<b>B7: Anti-corruption</b>		
General Disclosure		
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P26
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P26-P27, P29
B7.3	Description of anti-corruption training provided to directors and staff.	P28
<b>Subject Area:Community</b>		
<b>B8: Community Investment</b>		
General Disclosure		
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P125-P127
B8.2	Resources contributed (e.g. money or time) to the focus area.	P125

## Climate-related Disclosures

KPIs		Corresponding Pages	
Climate-related Disclosures	Governance	P82	
	Strategy	Climate-related risks and opportunities	P83-85
		Business model and value chain <sup>40</sup>	Please refer to P83 footnote in the section "Advancing Green Development, Enabling Mutual Ecological Benefits"
		Strategy and decision-making	P83
		Financial position, financial performance and cash flows <sup>41</sup>	Please refer to P83 footnote in the section "Advancing Green Development, Enabling Mutual Ecological Benefits"
	Risk Management	Climate resilience <sup>42</sup>	Please refer to P83 footnote in the section "Advancing Green Development, Enabling Mutual Ecological Benefits"
		Financial impacts of climate-related risks and opportunities <sup>43</sup>	Please refer to P83 footnote in the section "Advancing Green Development, Enabling Mutual Ecological Benefits"
	Metrics and Targets	Risk management	P85
		Greenhouse gas emissions	P86-87
		Climate-related transition risks	P84
		Climate-related physical risks	P85
		Climate-related opportunities <sup>44</sup>	"Comply or Explain" provisions observed
		Capital deployment <sup>45</sup>	"Comply or Explain" provisions observed
		Internal carbon prices <sup>46</sup>	"Comply or Explain" provisions observed
		Remuneration <sup>47</sup>	"Comply or Explain" provisions observed
		Industry-based metrics <sup>48</sup>	"Comply or Explain" provisions observed
	Climate-related targets	P86	
	Cross-industry metrics and applicability of cross-industry metrics <sup>49</sup>	"Comply or Explain" provisions observed	

<sup>40</sup> The Company has not identified business models and value chains in risk analysis.

<sup>41</sup> The Company has not applied financial analysis in risk analysis.

<sup>42</sup> The Company has not conducted climate risk resilience analysis.

<sup>43</sup> The Company has not applied financial analysis in risk and opportunity analysis.

<sup>44</sup> The Company has not identified relevant opportunities.

<sup>45</sup> The Company has not incorporated climate change analysis into capital deployment.

<sup>46</sup> The Company has not applied internal carbon price mechanisms in decision-making.

<sup>47</sup> The Company has not linked executive compensation to climate change performance.

<sup>48</sup> The Company has not disclosed relevant industry-based metrics.

<sup>49</sup> The Company has not analyzed cross-industry metrics or the applicability of cross-industry metrics.

## Shenzhen Stock Exchange Index

Dimension	Number	Topic	Topics	Corresponding Pages
Environment	1	Climate change tackling	Article 21-28	P82-87
	2	Pollutant discharge	Article 30	P106-109
	3	Waste disposal	Article 31	P110-113
	4	Ecosystem and biodiversity protection	Article 32	P102
	5	Environmental compliance management	Article 33	P103-105
	6	Energy usage	Article 35	P92-97
	7	Usage of water resources	Article 36	P98-99
	8	Circular economy	Article 37	P99-100
Social	9	Rural revitalization	Article 39	P125
	10	Contributions to the society	Article 40	P125-P127
	11	Innovation-driven	Article 42	P44-48
	12	Ethics of science and technology	Article 43	/
	13	Supply chain security	Article 45	P116-124
	14	Equal treatment to small and medium-sized enterprises	Article 46	P116-124
	15	Safety and quality of products and services	Article 47	P32-38
	16	Data security and customer privacy protection	Article 48	P49-P51
Sustainability-related governance	17	Employees	Article 50	P52-P79
	18	Due diligence	Article 52	P20-P21
	19	Communications with stakeholders	Article 53	P16-P17
	20	Anti-commercial bribery and anti-corruption	Article 55	P26-P29
	21	Anti-unfair competition	Article 56	P26

## Key Performance Table<sup>50</sup>

### Governance

Indicator	Unit	2024	2025
Proportion of female directors	%	7.69	14.3
Board meeting attendance rate	%	100	100
Number of compliance system audits	/	/	36
Number of concluded anti-corruption related lawsuits	Case	0	0
<b>Average number of hours of anti-corruption education and training per person by rank<sup>51</sup></b>			
Director	Hours / Persons	3	3
Management staff	Hours / Persons	6.76	4.89
General employees	Hours / Persons	3.01	2.2
Operating revenue	RMB 100 million	2,156.91	2318.09
Net profit attributable to shareholders	RMB 100 million	114.03	109.31
Shareholders' Meeting	Times	3	4
Board Meeting	Times	12	10
Supervisory Board Meeting	Times	8	5

### Social

Indicator	Unit	2024	2025
<b>Employee Overview</b>			
Total number of employees	Persons	103,300	107,417
<b>By employment type</b>			
Formal employee	Persons	97,288	101,440
Informal employees <sup>52</sup>	Persons	6,012	5,977
<b>Number of formal employees by gender</b>			
Male	Persons	79,483	83,945
Female	Persons	17,805	17,495
<b>Number of formal employees by age</b>			
30 and Under	Persons	26,179	26,353
31-50	Persons	54,908	58,038
51 and Above	Persons	16,201	17,049

<sup>50</sup> In light of the standardization of data definitions and statistical methodologies, any discrepancies with previously disclosed data shall be subject to the latest disclosures of the current year.

<sup>51</sup> This data scope includes the companies operated by Weichai Power in Chinese mainland.

<sup>52</sup> The data excludes KION.

Indicator	Unit	2024	2025
<b>Number of formal employees by degree<sup>53</sup></b>			
Master and above	Persons	7,396	7,927
Bachelor	Persons	16,494	18,738
Junior college and below	Persons	30,679	32,600
<b>Number of formal employees by rank<sup>54</sup></b>			
Junior staff	Persons	52,406	57,077
Middle management staff	Persons	2,148	2,172
Senior management staff	Persons	15	16
<b>Number of formal employees by post</b>			
Production Staff	Persons	40,041	41,976
Technical Staff	Persons	17,586	19,318
Sales Staff	Persons	29,637	29,926
Financial Staff	Persons	2,390	2,306
Administrative Staff	Persons	7,634	7,914
<b>Number of formal employees by region</b>			
Domestic	Persons	57,808	62,093
Overseas (including Hong Kong, Macau, and Taiwan)	Persons	39,480	39,347
<b>Number of formal employees by ethnicity</b>			
Han Chinese	Persons	57,290	61,898
Ethnic minorities	Persons	548	754
Overseas employees	Persons	39,450	38,788
<b>Data of employee turnovers<sup>55</sup></b>			
Total employee turnover rate <sup>56</sup>	%	6.65	5.13
<b>Employee turnover rate by gender</b>			
Male	%	7.14	5.53
Female	%	4.47	3.12
<b>Employee turnover rate by age</b>			
30 and Under	%	11.75	9.45
30-50	%	3.67	2.81
51 and Above	%	5.41	4.17

<sup>53</sup> The data excludes KION.

<sup>54</sup> The data excludes KION.

<sup>55</sup> Employee turnover data exclude overseas subsidiaries.

<sup>56</sup> Employee turnover rate = Number of employees leaving by category/ Number of employees by category \*100%.

Indicator	Unit	2024	2025
<b>Employee turnover rate by degree</b>			
Master and Above	%	/	4.01
Bachelor	%	/	4.34
Junior college and below	%	/	5.86
<b>Employee turnover rate by rank</b>			
Junior staff	%	6.88	5.30
Middle management staff	%	0.88	0.60
Senior management staff	%	0.00	0.00
<b>Employee turnover rate by region</b>			
Domestic	%	5.93	5.01
Overseas (including Hong Kong, Macau, and Taiwan)	%	9.78	7.71
<b>Employee turnover rate by ethnicity</b>			
Han Chinese	%	/	4.52
Ethnic minorities	%	/	6.10
Overseas employees	%	/	0.51
<b>Employee turnover rate by post</b>			
Production Staff	%	/	6.02
Technical Staff	%	/	5.04
Sales Staff	%	/	3.07
Financial Staff	%	/	2.61
Administrative Staff	%	/	2.01
<b>Employee Diversity</b>			
Total number of new employee recruits	Persons	10,301	9,592
Number of women in junior management	Persons	16,945	16,602
Number of women in middle management	Persons	857	890
Number of women in senior management	Persons	3	3
Number of women in STEM (Science, Technology, Engineering, and Mathematics) related positions	Persons	5,024	5,223
Number of female managers in revenue-generating positions	Persons	988	1,038
Number of employees with disabilities <sup>57</sup>	Persons	92	95
<b>Development and Training<sup>58</sup></b>			
Total number of trained employees	Persons	54,569	59,265
Training coverage rate	%	100	100
Total training hours	Hours	5,420,247.61	6,445,807.10
Total training expenditure	RMB 10,000	3,136.81	3,242.75

<sup>57</sup> The data excludes KION.

<sup>58</sup> The data of Development and Training excludes KION.

Indicator	Unit	2024	2025
Average training hours per person	Hours	99.33	108.76
Average training investment per person	RMB	574.83	547.16
<b>Percentage of trained employees by gender<sup>59</sup></b>			
Male	%	100	100
Female	%	100	100
<b>Percentage of trained employees by rank</b>			
Junior staff	%	100	100
Middle management staff	%	100	100
Senior management staff	%	100	100
<b>Average training hours by gender</b>			
Male	Hours	99.41	108.14
Female	Hours	98.96	111.88
<b>Average training hours by rank</b>			
Junior staff	Hours	99.38	110.47
Middle management staff	Hours	98.18	100.88
Senior management staff	Hours	95.58	97.79
Annual training expenditure amount	RMB 10,000	3,136.81	3,242.75
Variable Pay Employee Coverage Rate	%	100	100
<b>Health and Safety</b>			
Safety Investment	RMB 10,000	12,082.94	17,461.68
Number of work-related fatalities among employees	Persons	1	0
Employee fatality rate	%	/	0
Number of work-related fatalities among contractors	Persons	1	0
Contractor fatality rate	%	/	0
Lost Time Incident Rate (LTIR) for employees	Incidents /200,000 hours worked	0.41	0.35
Work-Related injuries as a percentage of total employees	%	/	0.00
Total lost workdays among full-time employees due to work-related injuries	Days	3,190.00	3,969.50
Expenditure on work-related injury insurance <sup>60</sup>	RMB 10,000	5,658.06	5,975.32
Personnel coverage rate of work-related injury insurance	%	100	100

<sup>59</sup> Percentage of trained employees by gender and rank = (Number of Trained Employees in Each Category / Total Number of Employees in That Category) \* 100%.

<sup>60</sup> This data scope includes the companies operated by Weichai Power in Chinese mainland.

Indicator	Unit	2024	2025
Investment in safety production liability insurance <sup>61</sup>	RMB	/	138,380.00
Safety production liability insurance coverage rate <sup>62</sup>	%	100	100
Percentage of sites certified to ISO 45001 <sup>63</sup>	%	100	100
Number of internal audits of the OHS management system	/	/	70
Number of external audits of the OHS management system	/	/	183
Coverage rate of occupational health and safety training (including contractors)	%	100	100
<b>Community Public Welfare</b>			
Total Investment in Social Public Welfare	RMB 10,000	2,199	2,046.37
Including: Total Investment Amount for Rural Revitalization	RMB 10,000	/	764.76
Total number of beneficiaries of rural revitalization initiatives	Persons	/	3,000
Total Participation Count in Community Development Activities	Persons	10,145	8,279
<b>Product Quality and Safety</b>			
Number of products recalled due to health and safety issues	/	/	0
Number of counterfeit product dismantling incidents	/	/	306
Proportion of products recalled due to health and safety issues	%	/	0
ISO 9001 quality management system certification coverage rate	%	100	100
Number of external quality management system audits	times	/	220
Number of internal quality management system audits	times	/	183
<b>Supplier Management<sup>64</sup></b>			
Total number of suppliers	/	6,318	7,036
<b>Total number of suppliers by region</b>			
Number of suppliers in China	/	6,261	6,951
Number of suppliers outside China	/	57	85
Number of new suppliers screened using ESG standards	/	/	1,664
Number of Tier 1 suppliers	/	6,318	7,036
Number of non-Tier 1 suppliers	/	/	1,728
Number of critical Tier 1 suppliers	/	/	3,303
Total number of suppliers collaborated with over the past three years	/	/	9,510
Number of suppliers covered by risk assessments	/	/	3,622
Supplier risk assessment coverage rate	%	/	38.09
Number of supplier environmental assessments	/	/	1,787
Supplier environmental assessment coverage rate	%	/	18.79

<sup>61</sup> This data is reported based on the Weifang region operations of the Company.

<sup>62</sup> This data is reported based on the Weifang region operations of the Company.

<sup>63</sup> The data does not include factories that commenced production during the reporting period.

<sup>64</sup> The data excludes KION.

Indicator	Unit	2024	2025
Number of supplier labor assessments	/	/	985
Supplier labor assessment coverage rate	%	/	10.36
Number of supplier human rights assessments	/	/	2,424
Supplier human rights assessment coverage rate	%	/	25.49
Number of supplier environmental or labor assessments	/	/	1,829
Number of negative labor and environmental risks in the supply chain	/	/	52
Incidence rate of negative labor and environmental risks in the supply chain	%	/	2.84
<b>R&amp;D and Innovation</b>			
R&D investment	RMB 10,000	940,653	957,644
Proportion of R&D investment to operating income	%	4.36	4.13
Number of R&D personnel	Persons	17,586	19,318
Proportion of R&D personnel	%	18.08	19.04
Total number of patents granted (valid)	Case	/	20,330
Number of invention patent applications	Case	2,115	1,790
Number of invention patents granted	Case	986	1,465
Cumulative granted patents related to new energy <sup>65</sup>	Case	1,850	2,314
Number of trade associations	/	/	55
Association-related expenditures	RMB	/	3,014,789.27
Cumulative number of national standards co-developed	/	/	343
Cumulative number of industry standards co-developed	/	/	188
Cumulative number of group standards co-developed	/	/	289
Number of national standards co-developed in the current year	/	/	148
Number of industry standards co-developed in the current year	/	/	70
Number of group standards co-developed in the current year	/	/	95
Number of companies certified as high-tech enterprises	/	/	22
<b>Data Security and Privacy Protection</b>			
Financial loss from privacy and security breaches	RMB 10,000	0	0
Number of privacy and security breach incidents	Case	0	0
<b>Customer Relationship and Satisfaction</b>			
Customer satisfaction <sup>66</sup>	%	95.30	93.13
Number of complaints regarding products and services	Case	6,465	5,580
Number of complaints regarding products and services resolved	%	6,465	5,580

<sup>65</sup> The data excludes KION.

<sup>66</sup> This data excludes all subsidiaries and includes only Weichai Power Headquarters.

## Environmental

Indicator	Unit	2024	2025
ISO 14001 Environmental Management System Certification Coverage <sup>67</sup>	%	100	100
Environmental Investment <sup>68</sup>	RMB 10,000	Approximately 3,000	Approximately 5,900
Major Environmental Pollution Incidents	/	0	0
<b>GHG Emissions</b>			
Scope 1: Direct GHG Emissions	tCO <sub>2</sub> e	285,474.10	230,405.31
Scope 2: Indirect GHG Emissions	tCO <sub>2</sub> e	690,052.16	571,084.71
Scope 3: Indirect GHG Emissions (Partial)	tCO <sub>2</sub> e	92,788,555.54	107,030,521.16
Category 2: Capital Goods	tCO <sub>2</sub> e	713,350.64	633,959.87
Category 3: Fuel and Energy Related Activities (Upstream)	tCO <sub>2</sub> e	326,888.11	311,764.19
Category 6: Business Travel	tCO <sub>2</sub> e	54,948.06	54,711.69
Category 7: Employee Commute	tCO <sub>2</sub> e	54,058.39	53,661.41
Category 11: Usage of Sold Products	tCO <sub>2</sub> e	91,639,310.34	105,976,424.00
Total GHG emissions	tCO <sub>2</sub> e	93,764,081.80	107,832,011.17
Total GHG emission density	tCO <sub>2</sub> e /RMB billion in revenue	434,714.86	465,175.56
<b>Direct energy consumption</b>			
Purchased natural gas	1,000 kWh	672,997.26	663,517.25
Gasoline	1,000 kWh	38,569.06	41,231.99
Diesel	1,000 kWh	467,464.23	372,841.98
<b>Indirect energy consumption</b>			
Purchased electricity	1,000 kWh	1,289,503.56	1,208,637.46
Purchased green electricity	1,000 kWh	51,889.50	190,444.86
Self-generated Green Electricity	1,000 kWh	40,758.57	98,830.96
Purchased steam	1,000 kWh	84,712.17	95,131.39
Purchased thermal energy	1,000 kWh	100,496.64	86,813.42
Total comprehensive energy consumption	1,000 kWh	2,653,742.92	2,468,173.50
Comprehensive energy consumption density	1,000 kWh /RMB billion in revenue	12,303.45	10,647.43
Renewable energy usage	1,000 kWh	92,648.07	289,275.82
<b>Atmospheric pollutants</b>			
VOCs	Ton(s)	254.85	350.34

<sup>67</sup> Excluding newly commissioned plants within the past 12 months.

<sup>68</sup> Weichai Power and its major subsidiaries operating in Mainland China.

Indicator	Unit	2024	2025
Particulate matter	Ton(s)	135.18	156.21
Sulfur oxides	Ton(s)	20.13	19.80
Nitrogenoxides	Ton(s)	186.29	254.53
Emission compliance and treatment rate for waste gases	%	100	100
<b>Water pollutants</b>			
Total wastewater discharge	Ton(s)	2,360,727.78	2,749,273.74
COD	Ton(s)	58.29	50.38
Ammonia nitrogen	Ton(s)	5.58	3.84
Total phosphorus	Ton(s)	1.10	1.12
<b>Wastes</b>			
Total emission of hazardous waste	Ton(s)	23,049.19	27,610.79
Hazardous waste recycled	Ton(s)	11,789.10	12,573.47
Hazardous waste emission density	Ton(s) /RMB 100 million revenue	106.86	119.11
Total amount of non-hazardous waste emissions	Ton(s)	470,716.15	507,244.42
Non-hazardous waste recycled	Ton(s)	397,592.77	453,798.35
Harmless waste emission density	Ton(s) /RMB 100 million revenue	2,182.36	2,188.20
Emission compliance and treatment rate for hazardous and non-hazardous waste	%	100	100
<b>Water usage</b>			
Total water consumption	Ton(s)	4,745,955.17	5,134,517.62
Water consumption density	Ton(s) /RMB 100 million revenue	22,003.54	22,149.75
Water resource reuse volume	Ton(s)	888,709.22	840,258.98
<b>Packaging material</b>			
Packaging material usage	Ton(s)	143,721.80	115,465.89
Packaging material recycling volume	Ton(s)	117,429.95	102,617.31
Cumulative Sales Volume of Recycled/Re-manufactured Products	Unit(s)	/	53,197
<b>Clean Technology</b>			
Share of Revenue from Cleantech-related Business	%	/	28.14
Share of Revenue from Electric Products	%	21.50	17.31
Share of Revenue from Automation Products	%	6.22	10.81
Share of Revenue from Alternative Energy Products	%	/	0.01
Share of R&D Investment in Clean Technology	%	/	42.87

## Independent Verification Statement



### 独立审验声明

致：潍柴动力股份有限公司的管理层及利益相关方：

方圆标志认证集团有限公司（China Quality Mark Certification Group，以下简称“CQM”）受潍柴动力股份有限公司（以下简称“潍柴动力”或“公司”）的委托，对《潍柴动力股份有限公司 2025 年环境、社会及管治(ESG)报告》（以下简称“报告”）进行独立的第三方审验工作。

潍柴动力股份有限公司负责收集、总结、分析和披露“报告”中提到的信息和数据，并对所提供信息和数据的真实性和完整性负责。

CQM 审验团队严格遵守与潍柴动力股份有限公司的合同内容，按照双方认可的协议条款且仅在合同中认可的职权范围内知晓并开展“报告”审验工作。

#### 审验范围

本次审验的范围仅限于潍柴动力在报告中披露的 2025 年 1 月 1 日至 2025 年 12 月 31 日期间（部分历史数据除外）的可持续发展相关信息、数据、管理方法、行动措施及绩效表现。

#### 审验标准

AA1000AS V3，类型：2，审验程度：中度。

#### 审验方法

本次审验通过抽样形式开展现场审验工作，使用的审验方法包括但不限于：

- a) 报告评审；
- b) 抽样访谈；
- c) 文件、记录、证书、票据和其他材料的验证；
- d) 现场验证；
- e) 可信信息源验证；
- f) 根据披露依据进行验证；
- g) 重新计算/估算；
- h) 统计、计算/估算过程的确认。

#### 审验结论

基于上述现场审验工作，CQM 认为，潍柴动力所编制的《2025 年环境、社会及管治报告》在各方面基本符合 AA1000AS V3 审验标准的要求，真实、公允地反映了公司在报告期内的可持续发展管理、实践和绩效。具体结论如下：



#### 包容性

潍柴动力建立了系统化的利益相关方识别与沟通机制。现场核查确认，公司识别了政府、投资者、客户、员工、供应商、社区等 8 类核心利益相关方，并针对每类群体制定了具体的沟通方式与频率（如股东大会、职工代表大会、供应商大会、客户满意度调查、社区共建活动等）。2025 年，公司通过多种渠道收集并回应了利益相关方的诉求，例如员工满意度调查、供应商廉洁诚信共建协议的签署、客户投诉闭环管理等，体现了对利益相关方期望的尊重和回应。

#### 实质性

潍柴动力已建立并持续优化双重重要性议题评估流程。现场核查确认，2025 年，公司组织了由管理层和相关部门参与的议题评估研讨会，基于行业对标、政策分析、内外部调研，从“影响重要性”和“财务重要性”两个维度对 16 项议题进行了系统评估，并经董事会 ESG 委员会审议通过。报告围绕“POWER”战略对各项实质性议题进行了针对性披露，议题管理与公司运营决策深度融合。

#### 回应性

潍柴动力针对各项实质性议题建立了清晰的管理架构、战略目标和具体行动。现场核查确认，公司发布的核心制度文件与报告中的管理承诺和行动描述一致。例如，在应对气候变化方面，公司已设立碳管理组织并开展范围一、二、三的温室气体核算；在员工发展方面，公司实施了“四个计划”领导力培训，并保留了完整的培训记录。利益相关方的诉求得到了及时响应和有效处理。

#### 影响性

潍柴动力通过将环境、社会、治理理念融入日常运营，在多维度创造了积极影响。现场核查确认：

**环境价值：**通过节能技改、光伏发电、余热回收等措施，2025 年万元产值综合能耗持续下降，可再生能源使用量显著提升；危险废物 100% 合规处置，未发生环境污染事件。

**社会价值：**通过开展“安全家书”、健康讲座、职工帮扶等活动，提升了员工的安全感和归属感；通过乡村振兴捐赠、教育支持、社区志愿服务等活动，积极回馈社会。

**经济价值：**通过持续研发创新，清洁技术投资占研发投入比例达 29%，推动了产品低碳转型，巩固了市场领先地位，为长期价值创造奠定了基础。



#### 数据质量和可靠性结论

基于现场审验中对原始证据的抽样核查，CQM 对报告披露的数据质量和可靠性形成以下结论：

**数据管理体系成熟：**公司已建立覆盖主要 ESG 指标的监测、收集、核算与复核机制。环境数据（如温室气体排放、能耗、水耗、废弃物）依据国家和国际标准进行核算，核算边界清晰，排放因子选择合理。社会数据（如员工人数、培训时长、安全事故率）源自人力资源系统和安全管理系统，统计口径一致。

**数据准确性较高：**我们对报告中的关键绩效数据进行了抽样验证，包括：2025 年温室气体排放总量、万元产值综合能耗、研发投入总额、员工培训总学时、因工伤损失工作日数等。经核查，这些数据与公司提供的原始台账、财务凭证、监测报告等支持性文件基本一致，计算过程正确。例如，报告披露的清洁技术研发投入与财务部提供的专项核算明细吻合；光伏发电量与电力公司结算单据及内部统计记录一致。

**数据完整性和可比性良好：**报告提供了部分披露议题涉及的主要绩效数据，及数据统计口径，便于利益相关方进行趋势分析。范围三温室气体排放已涵盖采购、员工通勤、产品使用等主要类别，体现了数据管理的广度和深度。

**体系认证间接印证数据基础：**公司及下属子公司通过了 ISO 9001 质量管理体系、ISO 14001 环境管理体系、ISO 50001 能源管理体系、ISO 45001 职业健康安全管理体系、ISO 37001 反贿赂管理体系体系和 ISO 37301 合规管理体系等第三方认证。这些认证的保持，从侧面印证了其相关数据记录和管理流程的规范性和可靠性。

#### 持续改进建议

为进一步提升公司 ESG 信息披露的深度和透明度，审验团队提出建议如下：

1. 推进气候情景分析的量化应用：公司已计划启动气候情景分析及财务量化工作，建议按计划尽快启动量化情景分析工作，并在后续报告中披露分析的关键假设、模型选择、对财务的潜在影响以及由此驱动的战略优化调整，以更好地回应要求。

2. 强化供应链 ESG 管理的深度披露：建议在未来披露中，增加关于如何将 ESG 标准（如碳减排要求）具体融入供应商合同条款、供应商环境或社会绩效评估结果分布、以及针对识别出的高风险供应商所采取的改进措施等量化信息，以更全面地展示供应链管理的有效性。



3. 增强披露的平衡性：报告侧重于展示成就和管理实践。建议在披露目标和进展的同时，适当增加对挑战、困难以及未来改进方向的分析，例如某些目标未能达成的原因分析，或针对新兴风险应对措施反思，以进一步提升报告的平衡性和透明度。

**局限性**

- 审验是采用基于定量和定性风险分析的抽样方法进行的；
- 抽样范围仅限于“报告”中选择的数据和信息，不包括报告期之外的任何相关信息和内容，也不包括信息披露范围以外的获得。
- 访谈和文件仅涉及公司内部利益相关者（包括外包人员）审查，不涉及公司的供应商、合作伙伴以及其他第三方利益相关者的信息和数据，“报告”披露的通过独立第三方机构审计/验证的数据再审验过程中未进行重复验证。
- 本保证不包括信息披露范围以外的活动。
- “报告”中的一些数据和信息缺乏可供比较和核实的来源。
- 关于公司的立场、观点、信念、目标、未来发展方向和承诺的未包含在此声明中。

**独立性和审验能力声明**

CQM 起步于 1991 年，是集认证、培训、科研、政策研究、标准制定、国际合作于一体，面向全球的集团化、专业性技术服务机构。CQM 积极运用“标准·认证+”理论以及“六化三步”服务模式，为各行业高质量发展提供一体化解决方案。

作为独立的第三方认证机构，CQM 与潍柴动力股份有限公司及其利益相关方不存在任何利益冲突，所有审验团队成员与该公司没有业务往来。

“报告”中所有数据和信息均由潍柴动力股份有限公司提供，除进行审验并出具审验声明外，对报告进行担保的人员未参与到“报告”的准备和编写过程中。

陆旭

方圆标志认证集团  
2026 年 3 月 6 日 中国，北京



AA1000  
Licensed Report  
000-613/V3-TQY15

# Reader's Feedback

Dear readers,

Thank you for reading Weichai Power's Environmental, Social and Governance (ESG) Report 2025. We would welcome any feedback or suggestions you might have about this report. You can send the completed questionnaire to us by mail, email, or fax (scanned), or you can give us a call to offer your valuable comments. Thank you!

**1. Which category of stakeholder of Weichai Power do you work for:**

- Shareholders  Employees  Suppliers  Users  Government  Communities
- Academic institutions

**2. Have you ever read Weichai Power's ESG Report (If no, please skip questions 3,4 and 5):**

- Yes  No

**3. If yes, was it available in a hard copy or in the electronic form?**

- Hard copy  Electronic form

**4. Would you prefer a hard copy or an electronic version?**

- Hard copy  Electronic form

**5. Your general comment on the ESG Report 2025 (3-point rating scale):**

- Readability (Easy to understand, beautifully designed, engaging, and easy to find the information you need)
  - 3 (Good)  2 (Fair)  1 (Poor)
- Credibility (Information contained is accurate and credible)
  - 3 (Good)  2 (Fair)  1 (Poor)
- Information integrity (Reflect both positive and negative performance, and meet your needs for information)
  - 3 (Good)  2 (Fair)  1 (Poor)

Besides what has been disclosed in the report, what other information would you like to know?

**WEICHAI**  
潍柴