



NR ENGINEERING CO., LTD.

2025 ESG REPORT

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Report Introduction

This report is the 2025 ESG Report released by NR Engineering Co., Ltd. (Hereafter referred to as "NR" or the "Company"). Building on the ESG Report released in 2024, this Report continues to improve and disclose the Company's practices, measures, and performance in promoting social responsibility and sustainable development in 2025 across the Environmental, Social and Governance dimensions. This report has been reviewed and approved by the Board of Directors for official release.

Scope of Report >

This report is an annual report. The reporting period is from January 1 to December 31, 2025. In order to enhance the completeness and comparability of the Report, some content has been appropriately backtracked or extended. The report is prepared by NR Engineering Co., Ltd.

Preparation Basis >

This Report is prepared with reference to the GRI Standards (2021) and the Guidelines on Corporate Social Responsibility Reporting of Chinese Enterprises (CASS-ESG 6.0) of Global Sustainability Standards Board (GSSB), as well as the Guiding Opinions on Central Enterprises Fulfilling Social Responsibilities of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the SASAC's ESG Reference Index System for Special Reports of Listed Companies Controlled by Central Enterprises, the Shanghai Stock Exchange's Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial), the Guidance on Social Responsibility Reporting (GB/T 36001-2015) of the Standardization Administration of the People's Republic of China, and the industry standards issued by the Sustainability Accounting Standards Board (SASB). In this regard, reference should be made to the International Financial Reporting Standards No. 2 (IFR S2) - Climate-related Disclosures for addressing climate change issues.

Data Description >

The financial data in the report are sourced from the annual financial report and official documents of NR. Unless otherwise specified, all monetary amounts mentioned in the report are denominated in Renminbi. The Company's 2025 annual financial closing statements were audited by Shanghai Certified Public Accountants.

Description of Reference >

For the sake of clarity, in this report, the terms "we", "the Company", and "NR" all refer to "NR Engineering Co., Ltd."

Restatements of Information >

No restatements of information for this year.

External Assurance >

The Report has been authenticated by SGS-CSTC Standards Technical Services Co., Ltd. (SGS), an independent third party, and the Assurance Report is attached.

Report Acquisition >

The Report is available in both printed and electronic versions. You can download the electronic document of this Report from the official website of NR at <https://www.nrec.com/cn/index.php/about/cause>. The English version of the Report is a translation, and in case of any discrepancies with the Chinese version, the Chinese version shall prevail. If you need a hard copy of the Report, or if you have any questions or suggestions regarding the content of this Report, please feel free to contact us:

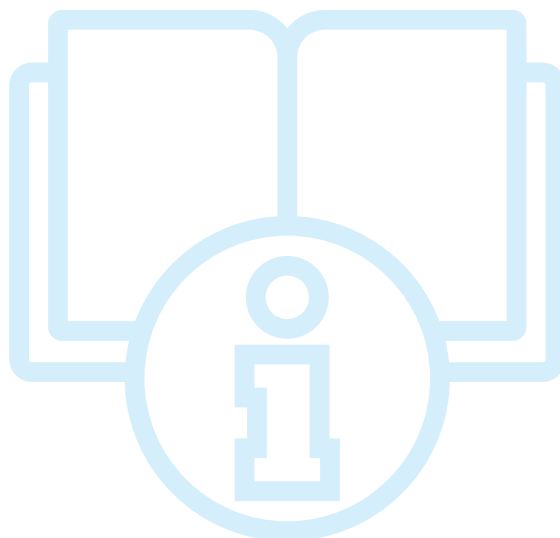
NR Engineering Co., Ltd.

Address: No. 69 Suyuan Avenue, Jiangning District, Nanjing City, Jiangsu Province

Postal Code: 211102

Tel: 025-87178706

Fax: 025-87178700



Message from General Manager

Confronting the challenges of our era with unwavering commitment, we unite in purpose to chart a new course for development.

The year 2025 marked the conclusion of the 14th Five-Year Plan period, during which NR's entire workforce united in purpose and executed with diligence, successfully accomplishing all annual objectives and maintaining a robust and upward development trajectory. This year, the Company was recognized as a national level 5G factory and selected as a national exemplary case for Chief Quality Officers in strengthening comprehensive quality management. We will collaborate with industry chain partners to forge ahead and delve deeper, scaling new heights and continuing to achieve brilliance on the journey of high-quality development.

Innovation-driven, we forge the nation's key strategic assets.

The Company unwaveringly upholds the innovation culture of "Solving Problems is Innovation", fully advancing the innovation-driven development strategy, leading energy technology to new heights. In 2025, the Company prioritized the in-depth application of grid-forming technologies, tackled flexible power transmission challenges for renewable energy bases in desert-gobi-barren regions, and bolstered the construction of next-generation power systems. It enhanced the practical deployment of intelligent operation and maintenance across multiple scenarios, driving digital-intelligent transformation in O&M services. Through multidisciplinary integration, the Company has advanced pumped storage integrated control solutions to lead the development of smart pumped storage technologies. Additionally, it has established an autonomous and controllable industrial control system for engineering applications in renewable energy-based hydrogen production. In 2025, NR continued to uphold independent innovation and achieved substantial results in the deep integration of scientific research and industrial development. Thirteen novel technologies and products passed technical appraisal, with their overall technological performance reaching internationally leading levels. Seven achievements were recognized as "First Set" Major Technical Equipment by the National Energy Administration and Jiangsu Province. The Company undertook 11 innovative technology projects, including 4 at the national level. We submitted 412 patent applications and received 314 patent authorizations; published 10 papers; completed 40 software copyrights and 47 software product registrations, and led or participated in the formulation and revision of 6 international, national, industry, and group standards. 1

Green momentum for the future, co-building ecological barriers.

Under the guidance of the "Dual Carbon" strategy, we proactively engage in the construction of a new power system, driving green transformation through technological innovation and fully promoting the optimization and upgrading of the energy structure. We have pursued independent innovation in key areas such as high-end equipment, protection and control, and intelligent operation and maintenance, focusing on critical scenarios of "source-grid-load-storage" to achieve grid-forming engineering applications, thereby continuously consolidating our technological leadership in the construction of new power systems. For the first time, an optimal control strategy for parallel operation of multiple grid-forming equipment, including grid-forming energy storage and static synchronous compensators, was proposed. This provides critical technical support for the clean and cost-effective transmission of gigawatt-scale renewable energy power plants. We integrate green principles throughout the entire operational chain, ensuring the effective implementation of every environmental protection initiative, thereby contributing NR's strength to ecological civilization development.

Precision governance and steadfast implementation fortify the foundation for development.

The Company consistently advances the application and practice of performance excellence management, adhering to modern corporate governance standards. It continuously optimizes governance structures and refines management mechanisms to achieve steady improvement in management maturity, fostering deep integration and sustainable development of scientific research and industrial sectors. In terms of governance enhancement, we have continuously expanded communication channels with stakeholders, consistently improved the quality and transparency of information disclosure, and ensured the full protection of stakeholders' rights to information and participation. Meanwhile, we strictly adhere to compliance red lines and uphold business ethics, establishing an impregnable compliance and risk control system. This standardized operation injects sustainable momentum into the enterprise's transformation, upgrading, and high-quality development.

Fostering responsibility, together for a brighter future.

We adhere to the corporate mission of "creating value and serving society", committed to sharing fruitful results of growth and development with all employees, all sectors of society, and all stakeholders. In terms of employee care, we have established a diversified training system and clear career development pathways, enhanced incentive mechanisms and medical security, comprehensively safeguarding employees' professional growth and physical/mental well-being. Regarding industrial collaboration, we deepen supply chain refinement management, leveraging the Belt and Road Initiative and regional coordinated development strategies to strengthen partnerships with industry peers for mutual development, building a sustainable industrial ecosystem. For social contribution, we actively engage in public welfare initiatives such as emergency relief and rural revitalization, organizing diverse volunteer activities to convey warmth and fulfill responsibilities through concrete actions, demonstrating our corporate mission and commitment.

A journey of a thousand miles begins with a single step, and we shall forge ahead with unwavering determination.

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, NR inherits its pioneering spirit and remains steadfast in its core mission. By driving industrial advancement through technological innovation and empowering high-quality development with ESG practices, the Company earnestly shoulders its responsibilities as an industry leader. NR is committed to achieving a strong start for the 15th Five-Year Plan, fostering its own sustainable and high-quality growth, and making greater contributions to enhancing national energy security, strengthening energy resilience, and building China into an "energy powerhouse".



About Us

Company Profile >

NR specializes in R&D and industrialization of power protection and control systems, intelligent power equipment, and industrial process control. Academician Shen Guorong of the Chinese Academy of Engineering serves as the Company's Chairman. NR is a national key high-tech enterprise and a national technological innovation demonstration enterprise. It has been designated by the Publicity Department of the CPC Central Committee as a major national model for corporate independent innovation and recognized by the State-owned Assets Supervision and Administration Commission as a key enterprise in building an innovation-driven nation. In recent years, the Company has been honored with numerous prestigious accolades, including being named among the inaugural National Outstanding Engineer Teams, securing two National Manufacturing Single Champion titles, receiving recognition as one of the first batch of Prevention-Level Enterprises for National Quality Management Capability, being designated as a National Exemplary Intelligent Factory in the first round of selections, earning the titles of National Intelligent Manufacturing Demonstration Factory and National Green Factory, achieving recognition as a National Green Supply Chain Management Enterprise, and being awarded the Jiangsu Province Governor's Quality Award and Jiangsu Province Outstanding Enterprise.

NR adheres to the cultural philosophy that "Solving Problems is Innovation", continuously promoting the deep integration of scientific research and industry. It has innovatively proposed and established a rapid relay protection and stability control theoretical system centered on principles such as "power frequency variation", solving historical and global challenges in relay protection. It proposed and constructed the power system's "three lines of defense", greatly enhancing the safety and stable operation level of China's power grid. Breaking the monopoly of foreign DC control protection technology, successfully developing a series of national heavy equipment such as ultra-high voltage DC transmission and flexible AC/DC transmission



equipment, leading the direction of industry technology development. Pioneering the grid construction concept of "creating an ideal synchronous power source", completing the development of grid-based technology and equipment, achieving comprehensive application in multiple scenarios, thoroughly solving the fundamental issue of large-scale new energy consumption, and assisting in achieving the "dual carbon" goals. Fully completing the product replacement development based on domestic chips, achieving independently controllable full series products, solving the "bottleneck" problem of imported chips, and effectively ensuring national electric power energy security.

NR adheres to the development strategy of "focusing on core business and expanding outward", successfully expanding the industrial direction from power protection and control to intelligent power equipment and industrial process control, etc. The national market share of the Company's core technology products and solutions has ranked first in the industry for many consecutive years, widely applied in key projects such as the ultra-high voltage backbone grid, Three Gorges power transmission and transformation, West-to-East Power Transmission, and the Beijing Olympics, effectively ensuring the safe, stable, and economical operation of China's power system, and successfully entering more than 150 countries and regions worldwide, becoming a hallmark of "Made in China" and "Created in China" in the field of power equipment technology.

NR will fully implement the important instructions of General Secretary Xi Jinping during his inspection of NR, always adhering to a pragmatic and efficient operating mechanism, a positive corporate culture, and a long-term strategic direction without change, persevering, and making unremitting efforts to contribute more to improving national energy security and capacity, and building a technologically strong country and a manufacturing strong country!

(Note: ^[1] The company profile partially showcases the achievements of its parent company, NR Electric Co., Ltd.)



Business Overview >

The Company has two parks in Nanjing: Jiulong Lake and Jiangjun Road. It operates domestic regional sales and technical service centers in eight locations, including Beijing, Guangzhou, and Xi'an, and has international branches and localized technical service centers in Hong Kong (China), the UK, Indonesia, and Nigeria, etc., covering major continents.

The Company has currently formed three major industry chains:

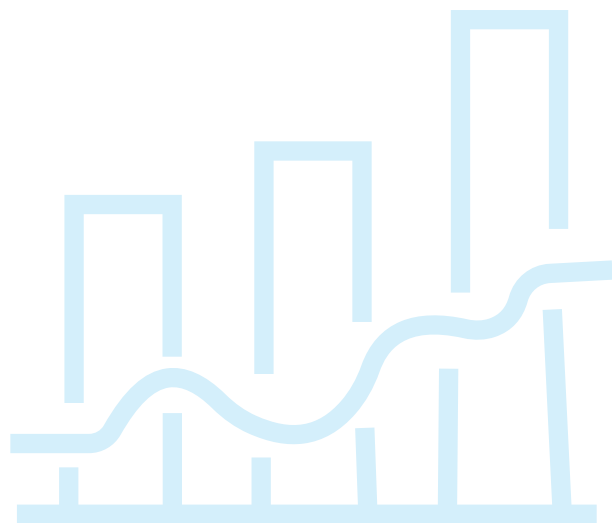
- Power Protection Control Industry Chain: Ensure the safe and stable operation of the power grid, including relay protection, safety and stability control, dispatching and centralized control systems, substation automation, and distribution automation.
- Intelligent Power Equipment Industry Chain: Enhance the economic transmission capacity of the power grid, encompassing ultra-high voltage DC transmission, flexible DC transmission, flexible AC transmission, new energy generation control, and energy storage control systems.
- Industrial Process Control Industry Chain: Improve comprehensive energy utilization efficiency, covering process control, environmental equipment monitoring, production control, intelligent motion control, and comprehensive energy management.

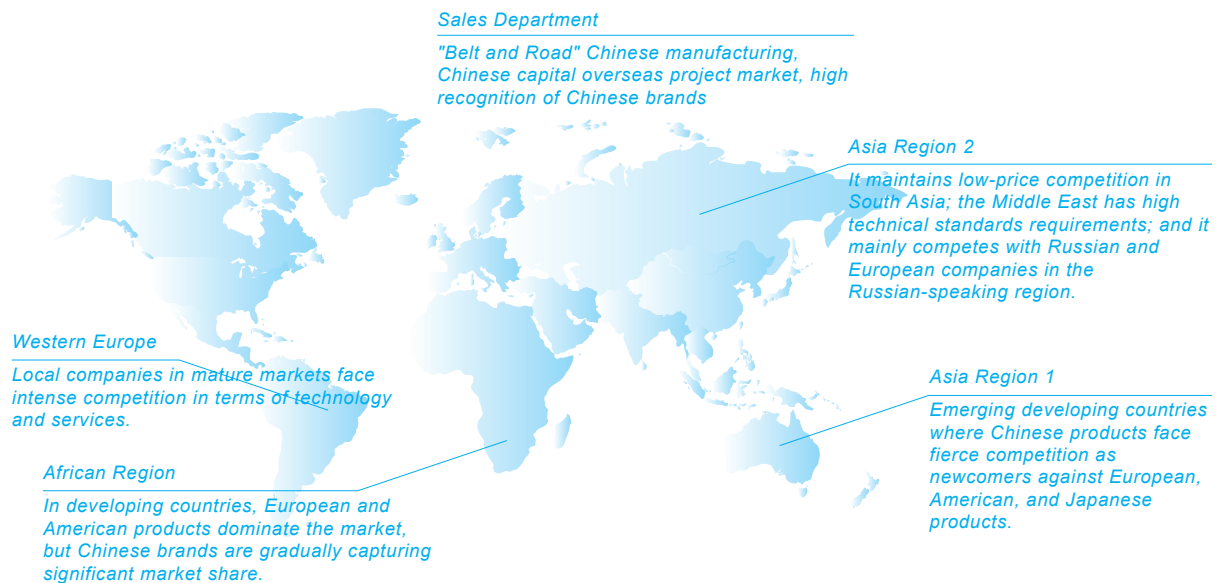
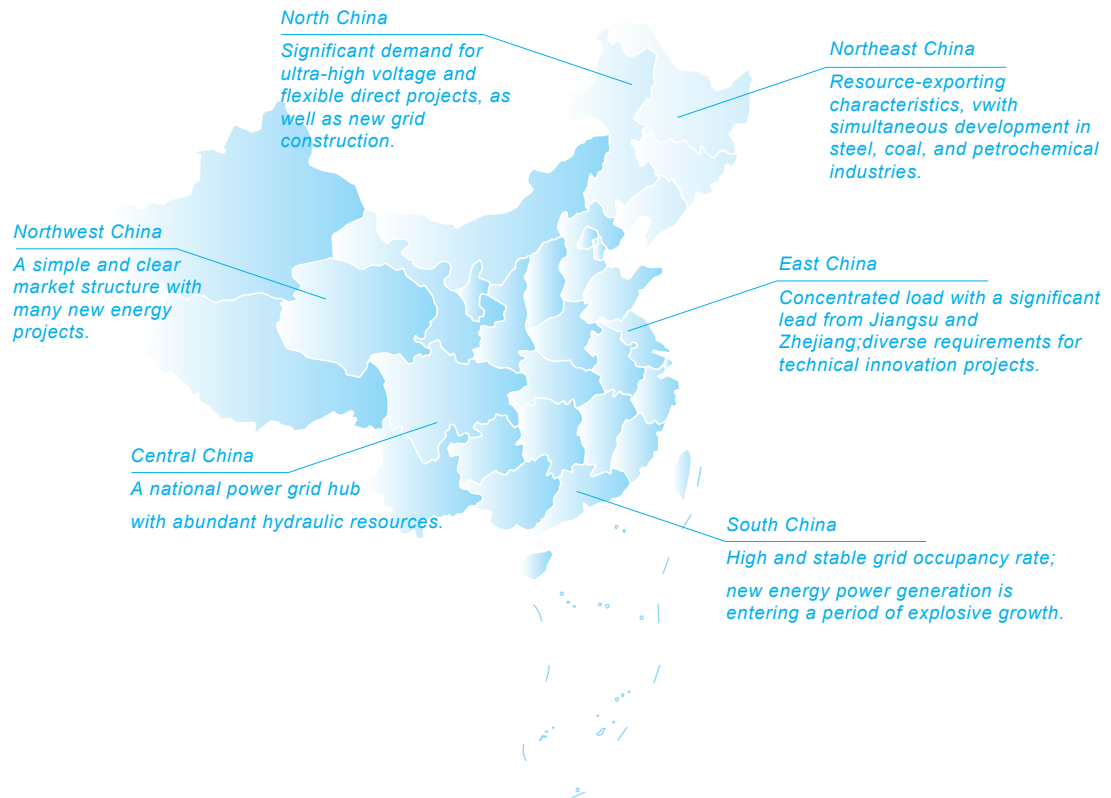
Customer and Market Segmentation >

Adhering to the strategic philosophy of "focusing on core business and expanding outward", the Company has actively broadened market applications in the industrial sector while solidifying its leading position in the power system. Currently, its mainstream products are widely used in industries such as petrochemical, metallurgy, railway, coal, and small and medium-sized enterprises, effectively supporting national infrastructure development and enhancing industry automation levels.

1. Customer and market segmentation by region (six regions + overseas)

While continuing to deepen its presence in the power system market, the Company is expanding into emerging markets, concentrating on Chinese mainland and actively pursuing overseas opportunities. It has established a domestic marketing grid that covers all provinces and cities in China, with products exported to over 150 countries and regions worldwide.





Domestic and Overseas Markets Segmentation

2. Customer and market segmentation by industry chain

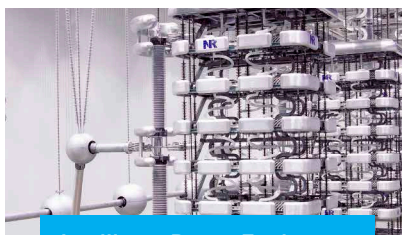
Through years of accumulation, the Company has established industry advantages in all three major industrial chains, with distinctive market performance.

Market segmentation based on the three major industry chains



Power protection control

- Focus on core business
- Relatively concentrated market
- Significant brand premium
- Ensure power grid security



Intelligent Power Equipment

- Focus on business development
- Highly specialized market
- Clear technological advantages
- Supported by major equipment

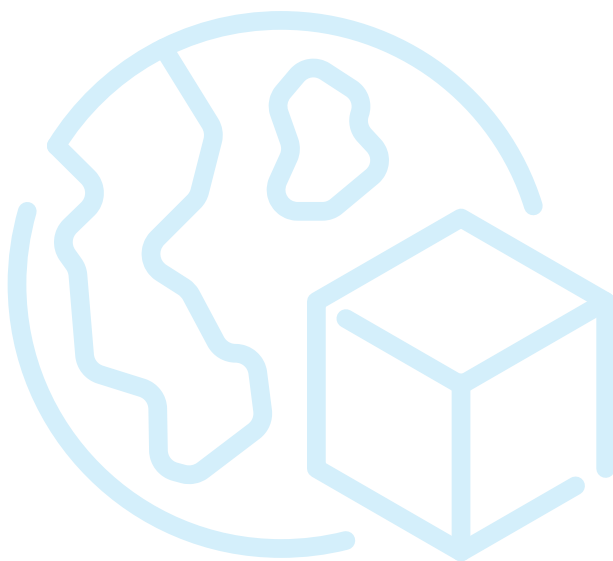


Industrial Process Control

- Rapidly growing business
- Large market capacity
- Strong platform adaptability
- Fully self-controllable

3. Customer and market segmentation in emerging markets

While deeply cultivating traditional markets, the Company actively expands into emerging markets, focusing on ten industries: Steel, Coal and Petrochemical, Railway and Civil Aviation, Logistics Support, Source-Grid-Load-Storage, Integrated Energy, Intelligent Operation and Maintenance, Distribution Grid Integration, Power Generation Control, Flexible Equipment, and Energy Storage System.



Value Concept >

Enterprise Vision: Enterprise Mission: Creating value, serving society

Enterprise Vision: A national high-tech company enduring for a century

Enterprise Spirit: perseverance, persistence, and invincible determination

Core Values: Practicality, Excellence; Collaboration, Innovation

Innovation Culture: Solving Problems is Innovation

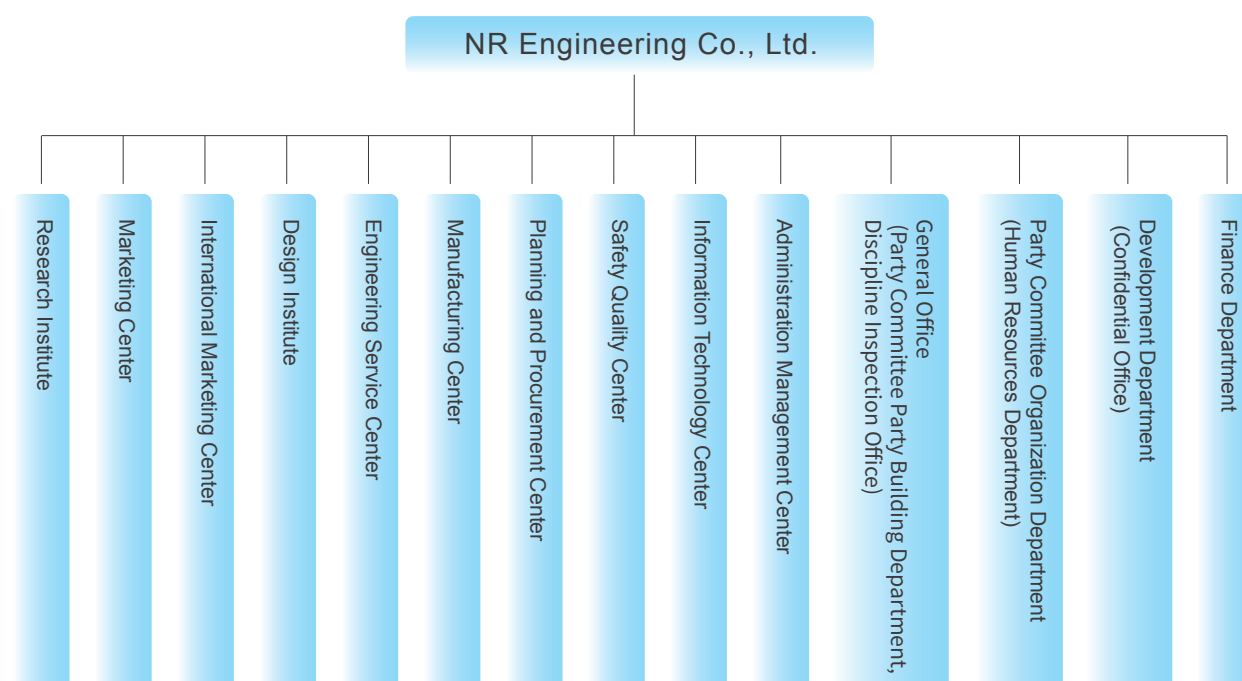
With a pragmatic approach, address practical issues arising from history and ongoing development in the industry, advancing step by step to lead technological progress in the field.

Strategic Culture: Focusing on core business and expanding outward

Talent Concept: Talents organized scientifically are the greatest asset of the Company.

Harmonious culture: Work diligently, live happily, be economically prosperous, and maintain harmonious relationships with neighbors.

Organizational Structure >



Main Social Organizations Attended >

By the end of 2025, participated in a total of 10 social organizations, serving as an Executive Director Unit in 1 of them.

Organization Name	Position
China Security & Protection Industry Association	Member
China Electric Power Planning and Engineering Association	Member
China Electronic Information Industry Federation	Member
China Civil Airports Association	Member
Jiangsu Energy Storage Association	Member
Jiangsu Commercial Cipher Industry Association	Member
Nanjing Security Technology and Prevention Industry Association	Member
Nanjing Energy Conservation and Environmental Protection Industry Association	Member
Nanjing Survey and Design Industry Association	Director
Inner Mongolia Autonomous Region Electric Power Association	Executive Director

Main Honors and Awards >

In 2024, a total of 43 technology awards were received, including one at the provincial level and 24 at the national society level.

Project Name	Award Name	Awarding Institution
High-penetration distributed generation distribution system fault rapid location isolation and islanding operation control	Electric Power Science and Technology Award	Chinese Society for Electrical Engineering
High-performance relay protection technology and large-scale application for distribution systems with high penetration of distributed generation	Electric Power Science and Technology Award	Chinese Society for Electrical Engineering
Deflagration prevention technology and complete equipment for insulation failure of power transformers and its engineering applications	Electricity Innovation Award	China Electricity Council
Key technologies and applications for panoramic observability and controllability in cloud-edge empowered new-type power systems	Electricity Innovation Award	China Electricity Council
±1100 kV UHVDC transmission system design and key equipment series standards	Electricity Innovation Award	China Electricity Council
Development and application of multi-HVDC ADC and power plant AGC coordinated control software for incident management	Electricity Innovation Award	China Electricity Council
Grid-forming energy storage integrated technology and equipment supporting arbitrary-scale wide-area renewable energy power system grid-connection/off-grid construction	Science and Technology Progress Award	China Energy Research Society
Key technologies, demonstration and application of digital distribution network construction and collaborative regulation in Beijing Municipal Administrative Center	Science and Technology Progress Award	China Energy Research Society
Key technologies, equipment, and systems for enhancing resilience in novel power distribution systems against extreme disasters	Science and Technology Progress Award	China Electrotechnical Society

Innovation Platform	Recognizing Institution
High-tech Enterprise	Jiangsu Provincial Department of Science and Technology & Department of Finance of Jiangsu Province & Jiangsu Provincial Tax Service, State Taxation Administration
Jiangsu Provincial Enterprise Technology Center	Jiangsu Provincial Department of Industry and Information Technology
Nanjing Municipal Enterprise Technology Center	Nanjing Municipal Bureau of Industry and Information Technology
Nanjing Municipal Engineering Technology Research Center	Nanjing Municipal Science and Technology Bureau
Nanjing Municipal Engineering Research Center	Nanjing Municipal Development and Reform Commission



Certification / Accreditation Achieved >

System Abbreviation	System Name
ISO 9001	Quality Management System
ISO 14001	Environmental Management System
ISO 45001	Occupational Health and Safety Management System
ANSI ESD S20.20/IEC-61340-5-1	Electrostatic Protection Management System
ISO 20000	Information Technology Service Management System
ISO 27001	Information Security Management System
GB/T 29490	Intellectual Property Management System
ISO 50001	Energy Management System
CMMI5	Software Capability Maturity Model Integration
ISO 28000	Security Management Systems for Supply Chains
GB/T 27922-2011	Product After-sales Service Evaluation System



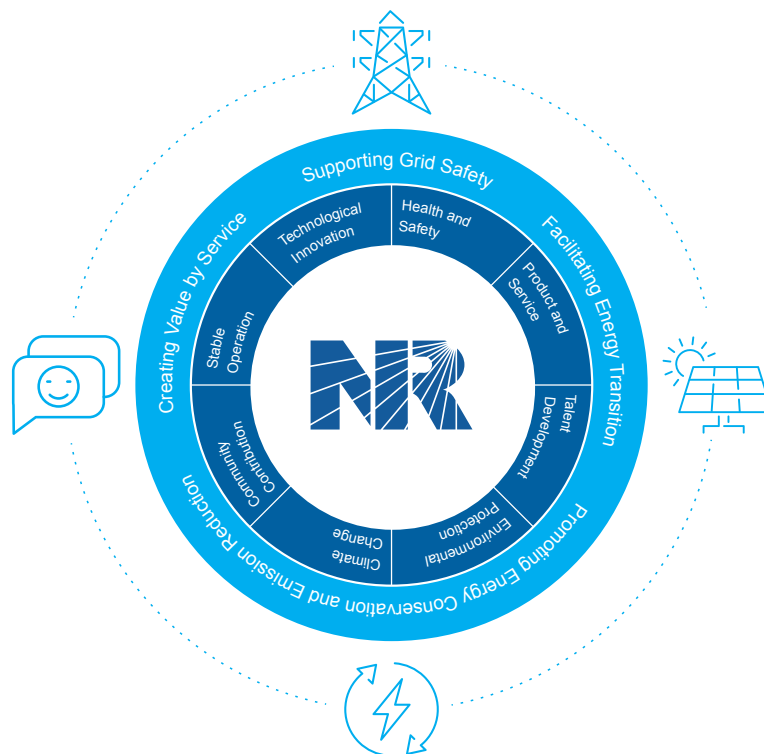
2025 ESG REPORT >

ESG Management

ESG Management

ESG Concept >

NR, as a technological pioneer in the power and related industries, consistently steers the tide of innovation with innovative advancements, propelling the power sector forward. It lays a robust foundation for ensuring secure, stable operation and efficient empowerment of power grids. We continue to deepen our expertise in core sectors such as power generation, green energy conservation, and industrial manufacturing. Through our robust technological capabilities, we catalyze industrial upgrading momentum and serve as a pivotal engine driving high-quality development within industry. The Company consistently integrates ESG principles into both its strategic top-level design and daily operations, collaborating with diverse stakeholders including governments, employees, clients, and partners to collectively create, share, and realize an ecological value blueprint characterized by mutual prosperity and symbiosis. We are committed to exemplifying responsible and trustworthy industry leadership, steadfastly pursuing the synergistic integration of economic, social, and environmental benefits, while forging a new chapter in sustainable development.



ESG Conceptual Model of NR

ESG Governance Structure >

To deepen the ESG Concept and strategy into the practical level, NR is accelerating the creation of a robust and efficient ESG governance structure, aiming to significantly enhance the Company's sustainable development competitiveness. The Company has established an ESG Committee to provide centralized leadership, decision-making, and implementation oversight. This initiative drives top-down and bottom-up synergy to deeply integrate ESG principles across all departments and key business processes, ensuring effective ESG governance operation while comprehensively enhancing sustainable development performance capabilities.

The "NR ESG Committee Rules of Procedure" clarifies the core responsibility of the ESG Committee to provide decision support, in-depth insight, and recommendations for the Company's environmental, social and governance affairs, while supervising and promoting the Company's excellent practices in environmental protection, climate change response, social responsibility, and corporate governance norms. The Committee is responsible for ensuring that formal meetings are held at least once a year, and can convene ad hoc meetings flexibly in response to emergencies, guiding the Company to steadily advance on the journey of sustainable development, with a particular focus on the comprehensive promotion of ESG-related matters.



ESG Governance Structure Diagram of NR

Communication with stakeholders >

NR places high importance on the concerns and feedback of stakeholders, establishing diversified communication channels including shareholders' meetings, regular employee-management exchanges, investor questionnaires, official websites, and WeChat public accounts. Through these platforms, NR actively identifies and strives to meet the expectations and demands of both internal and external stakeholders—employees, clients, investors, shareholders, suppliers, and government entities—while maximizing value creation for all parties involved.

Key Stakeholders

Stakeholder Category	Demands and Expectations	Communication and Response
Governments and regulatory authorities	Compliance with laws Promote economic development Support regional development Ensure electricity safety Optimize the energy structure	Adhere to laws and regulations Implement national policies Establish intergovernmental cooperation mechanisms Accept supervision and evaluation Implement national strategies
Employees	Protection of rights and interests of employees Employee growth and development Occupational health and safety Good working environment	Compensation and benefits systems and performance evaluation management Improve training and promotion mechanisms Hold regular employee representative assemblies Conduct regular employee satisfaction surveys Focus on employees' physical and mental health Employee care and communication activities
Customers	Product Quality Assurance Optimize service quality Rights & Interests Protection for Customers	Product quality control and product innovation Customer communication, and customer relationship maintenance Strictly abide by laws and contractual obligations
Suppliers and partners	Fair and transparent Win-win cooperation	Build a responsible supply chain Engage in strategic cooperation
Industry and Association Organizations	Promote industry development Participate in industry standard formulation	Facilitate industry exchanges and conferences Engage in industry exhibitions and research collaborations
Public, Media, and NGO	Ensure information disclosure Maintain public relations Engage in charitable activities Promote community and urban development Climate change Ecological environmental protection	Participate in media research and interviews Support rural revitalization Engage in volunteer activities Invest positively in community development Mitigation and adaptation to climate change Energy saving and emission reduction

ESG Topics Management >

NR adheres to the evaluation methodologies outlined in the "Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial)", "GRI 3: Material Topics 2021", and "International Financial Reporting Standards for Sustainability Disclosure - General Requirements for Disclosure of Sustainability-related Financial Information" (IFRS S1), among other domestic and international disclosure standards. Leveraging an impact materiality analysis perspective, the Company conducted dual materiality topic research targeting various stakeholders. Incorporating external expert opinions and recommendations, it identified and assessed material topics.

Under the "Management Regulations for Material Topics", the Company comprehensively and deeply identified and analyzed the complex topics that emerged during the reporting period. Through evaluation, comparison, and research questionnaire screening, closely based on the Company's strategic planning, it ultimately distilled a list of topics that have a substantive driving effect on the Company's development in 2025, which remains unchanged from 2024.

This process not only profoundly reflects NR's thorough understanding and firm commitment to ESG practices but also lays a solid and stable foundation for the Company to achieve high-quality development and create a sustainable ecological environment in the new era.

List of Material Topics of NR ⁽¹⁾

	Topics in 2025	Topics in 2024	Topics in 2023
1	Corporate Governance	Corporate Governance	Corporate Governance
2	Ensure electricity safety	Ensure electricity safety	Ensure electricity safety
3	Employee Health and Safety	Employee Health and Safety	Employee Health and Safety
4	Anti-commercial Bribery, Anti-corruption, Anti-unfair Competition	Anti-commercial Bribery, Anti-corruption, Anti-unfair Competition	Anti-commercial Bribery, Anti-corruption, Anti-unfair Competition
5	Information security	Information security	Information security
6	Product Safety and Customer Service	Product Safety and Customer Service	Product Safety and Customer Service
7	Compliance Operation and Risk Control	Compliance Operation and Risk Control	Compliance Operation and Risk Control
8	Protection of Employees' Rights and Interests	Protection of Employees' Rights and Interests	Protection of Employees' Rights and Interests
9	Innovation and R&D, Intellectual Property Protection	Innovation and R&D, Intellectual Property Protection	Innovation and R&D, Intellectual Property Protection
10	Ecological Conservation	Ecological Conservation	Ecological Conservation
11	Transparent Disclosure	Transparent Disclosure	Transparent Disclosure
12	Supply chain management	Supply chain management	Supply chain management
13	Human Resource Development	Human Resource Development	Human Resource Development
14	Driving Industry Development	Driving Industry Development	Driving Industry Development
15	Digital Transformation	Digital Transformation	Digital Transformation
16	Community Contribution and Impact, Public Welfare and Charity	Community Contribution and Impact, Public Welfare and Charity	Community Contribution and Impact, Public Welfare and Charity
17	Waste Management	Waste Management	Waste Management
18	Addressing Climate Change	Addressing Climate Change	Addressing Climate Change
19	Employee Care and Benefits	Employee Care and Benefits	Employee Care and Benefits
20	Energy Management and Optimization of Energy Structure	Energy Management and Optimization of Energy Structure	Energy Management and Optimization of Energy Structure
21	Circular Economy	Circular Economy	Circular Economy
22	Sustainable Products and Solutions	Sustainable Products and Solutions	Sustainable Products and Solutions
23	Water Resources Management	Water Resources Management	Water Resources Management
24			Protection of Investors' Rights and Interests

(Note: ⁽¹⁾ Since the Company does not have minority shareholders, it is considered that the topic of Investor Rights Protection is not substantive, and it will not be disclosed for 2024 or 2025.)



2025 ESG REPORT >

Enhancing Governance to Solidify the Foundation for Steady Development

Enhancing Governance to Solidify the Foundation for Steady Development

The core essence of promoting high-quality enterprise development lies in the leapfrog improvement of management standards. NR is unwavering in its commitment to optimizing and innovating the Company's corporate governance structure, establishing a robust internal management system and risk control mechanism. This aims to comprehensively standardize operational processes, uphold a business philosophy rooted in integrity, adhere to the professional ethics of honesty and self-discipline, and ensure transparent and efficient information disclosure along with harmonious, win-win investor relations. The Company continually strives for improvement, seeking new breakthroughs in enhancing governance efficiency and value creation capabilities, thus guiding the enterprise toward the pinnacle of high-quality development.

Improve Corporate Governance >

NR adheres unwaveringly to the bottom line of the law, upholds the core values of integrity and compliance, and is committed to building a comprehensive and transparent operating model. The Company spares no effort to improve its governance structure, building a solid management system, while also strengthening internal control and risk management mechanisms to ensure steady and robust development at every step. Through this series of measures, NR continues to surpass itself, achieve a significant improvement in governance capabilities and a continuous leap in the level of high-quality development, build an indestructible fortress for the long-term sustainable development of enterprises, and lead the industry towards a more brilliant future.

1. Standard Operation

The Company Management consists of 1 General Manager and 7 Deputy General Managers, performing duties in accordance with the Company Law of the People's Republic of China and the "Articles of Association". According to the Management Measures of SGCC for the Term System and Contractual Management of Senior Management Members, senior leaders are subject to term-based and contractual management, and are required to sign a position appointment agreement. Each year, an annual performance commitment letter is signed, which effectively stimulates the vitality of senior management based on assessment results to fulfill compensation and implementation of appointments.

As of the end of the Reporting Period, the structure of senior management is as follows:

Age Distribution

Name of Indicator	Unit of Indicator	2023	2024	2025
40-49 years old	%	50.00%	57.1%	50.00%
50-59 years old	%	50.00%	42.9%	50.00%

Culture Distribution

Name of Indicator	Unit of Indicator	2023	2024	2025
Master's degree	%	50.0%	71.5%	75.00%
Bachelor's degree	%	50.0%	28.5%	25.00%

Distribution of Professional Experience

Name of Indicator	Unit of Indicator	2023	2024	2025
Senior Engineer	%	100.0%	85.7%	85.70%

2. Risk Control

NR established a comprehensive risk management committee and formulated management systems for comprehensive risk management, internal control, and audit work, to promote the full integration of risk management into corporate operations and enhance risk prevention and management capabilities.

Data on NR.....

- Published 12 risk control briefings.
- Carried out 10 special internal audits, found no serious problems, with a completion rate of 93% for audit rectification. Achieved corporate objectives.
- Completed one internal control evaluation for 2025, found no major defects, and maintained effective internal control.

(1) Deepen the development of risk control system

The Company deepens the development and operation of the risk prevention and control system of "all employees, all businesses, and all processes", refines and formulates annual risk control work plans, clarifies work tasks, and promotes the implementation of risk control measures in an orderly manner. It strengthens the tracking and prevention of potential risk events, enhances risk prevention and management capabilities; conducts comprehensive and multi-dimensional major risk assessments in terms of functional management and industrial operation to support more scientific risk positioning. It carries out major risk alerts and operational risk warnings, strengthens risk supervision, and enhances risk monitoring capabilities. A risk briefing is issued monthly, consisting of risk alerts and summaries of risk control work from various departments. To standardize the auditing of corporate financial revenues and expenditures as well as engineering projects, and to enhance their standardization, the revisions of the "NR Financial Revenue and Expenditure Audit Management Procedures" and the "NR Engineering Project Audit Management Procedures" have been completed.

(2) Enhance the efficiency of audit supervision

The Company continuously improves the development of the audit system and mechanism, conducts audit supervision on key areas, risk points, and critical positions in operational management, carries out compliance audit inspections on major issues such as decisions on major matters, major personnel appointments and removals, major projects and large amounts of funds, sales business management, procurement business management, key expense management, and infrastructure management, fully leverages the role of internal audit in corporate governance, promotes internal management standardization, normalizes risk prevention and control, and enhances the ability to resist risks.

(3) Optimize the internal control system

The Company continuously optimizes and improves the internal control system and operating mechanism, establishes a risk management "three lines of defense" composed of business departments, risk control offices, and supervisory departments to provide organizational support for the orderly conduct of risk control work; dynamically updates employee job performance standards according to the compliance and applicability of business processes, and enhances the daily business risk prevention capabilities of all employees; regularly cooperates with the supervision and evaluation of the implementation of internal controls to promote the continuous optimization of the internal control system. The internal control evaluation for 2025 did not find any major defects, maintaining effective internal control.

3. Compliance Management

In 2025, the Company consistently adhered to Xi Jinping Thought on the Rule of Law as its fundamental guidance, thoroughly implemented the CPC Central Committee's strategic deployment on advancing law-based governance in all respects, and strictly complied with the compliance management requirements set forth by higher authorities. The Company firmly upheld the leadership of the Party as its cardinal principle and made substantial progress in advancing compliance management to greater depth and effectiveness. The Company strictly adhered to compliance red lines, achieving "zero occurrence" of systemic legal and regulatory risks, thereby solidifying the compliance foundation for orderly operations and sustainable development.

(1) Focusing on system construction to continuously strengthen the barrier of compliance and risk control systems

- Establish a comprehensive compliance management organizational system: Construct a three-tier responsibility transmission mechanism featuring "strategic guidance at the decision-making level, organizational implementation at the management level, and precise execution at the operational level" to ensure layered accountability in compliance management. Strengthen cross-departmental compliance coordination mechanisms to achieve full coverage of the compliance management organizational framework.
- Establish a comprehensive compliance management system: Focusing on enhancing governance efficacy and standardized operations, we prioritize the development of a robust, efficient, and compliant institutional framework to rigorously advance the optimization and upgrading of our regulatory system. As of 2025, the Company had 105 currently effective regulations and policies, including one newly added and nine revised.
- Enhance the compliance management and risk control mechanism: Systematically identify key compliance risks in the Company's intellectual property domain, compile an intellectual property compliance risk inventory, and complete the optimization and update of the "NR Compliance Risk Database".

(2) Focusing on mechanism refinement to continuously optimize compliance operation frameworks

- Give full play to the leading role of Party building: Deepen the integration of Party building with compliance management, guided by Xi Jinping Thought on the Rule of Law. Focus on the new requirements of compliance management in the new era, organize all Party members to conduct in-depth thematic studies on Xi Jinping Thought on the Rule of Law, translate learning into action, strengthen compliance awareness, and promote the internalization of law-based compliance concepts.
- Strengthening the legal foundation for external regulation management: Guided by compliance management system requirements, systematically conduct the collection, organization, and dynamic control of laws, regulations, and other requirements in key areas such as quality, environment, occupational health and safety, information security, and intellectual property protection throughout the entire process of products, activities, and services. By 2025, a cumulative total of 511 currently effective laws and regulations were compiled.
- Optimize corporate governance structure management: In compliance with the new Company Law and state-owned assets supervision requirements, refine the articles of association amendments to establish a more efficient corporate governance framework.
- Enhance compliance safeguards for major decisions: Continuously refine the risk review mechanism for major decisions and projects, establishing an audit model characterized by "comprehensive coverage + targeted focus", with 90 legal opinions issued in 2025.
- Refine the review mechanism for major projects: Continuously strengthen the rigid implementation of risk review mechanisms for major projects, safeguard the high-quality development of domestic and international operations with high-standard compliance controls, deepen the mechanism for legal personnel's early-stage involvement, and shift compliance management forward to ensure comprehensive risk management throughout the entire project lifecycle.
- Focus on overseas business with priority on risk control: Conduct in-depth comprehensive legal compliance risk assessments across all overseas operations, refine the compliance review mechanism for international projects, and ensure 100% coverage of compliance evaluations for all overseas initiatives.
- Focus on intellectual property compliance synergy: Strengthen the routine collaboration mechanism with intellectual property administrative departments, establish a coordinated working model featuring information sharing and joint risk assessment, assist IP authorities in systematically reviewing the full lifecycle management processes of intellectual property, accurately identify potential legal compliance risks in patents, trademarks, copyrights and other aspects, and comprehensively reinforce the risk control defense line for IP compliance.
- Deepen the integration of industry regulations in key areas: Continuously strengthen compliance support and assurance in key business areas such as safety and environmental protection, bidding and procurement, labor and employment, and data security. Deepen risk prevention and control in key areas to build a solid compliance defense line for business development.

(3) Focusing on cultural cultivation to continuously enhance the compliance culture ecosystem

- Deepen risk control alert mechanism: Further improve the mechanism for the regular issuance of compliance risk alerts, establishing a front-end early warning and dynamic control compliance risk management framework. Focus on business risk sectors to precisely communicate compliance requirements and fully leverage the supporting role of compliance operational mechanisms in ensuring business compliance. In 2025, 12 compliance risk alerts were issued under the regular issuance mechanism.
- Enhance compliance deliverables: Continuously consolidate compliance management experience, strengthen the transformation and output of compliance achievements, develop modularized operational guidelines for domestic and international business compliance, and optimize various contract templates to elevate risk prevention capabilities throughout the entire business process with tangible compliance deliverables.
- Strengthen the legal awareness promotion mechanism: Organize relevant employees to participate in job regulation examinations and legal literacy assessments, advance the specialized implementation of the "Job Regulation List" and "Job Legal Regulations List", and use examinations to facilitate learning and evaluations to verify effectiveness. One customized legal training session was conducted, tailored for the intellectual property management team and core business teams.

4. Financial and Tax Management

The Company strictly adheres to national regulations and the financial and tax policies of NARI Group. It emphasizes awareness of tax risk management, strengthens the preemptive identification and compliance management of tax risks, and regularly conducts tax analysis to enhance financial efficiency. The Company consolidates its tax management efforts, promptly completes various tax statistics, declarations, and payments, and actively cooperates with tax authorities to facilitate investigations. This ensures compliance with legal tax obligations while effectively mitigating tax risks. The Company has been awarded the "A-level Taxpayer Credit Enterprise" honor for eight consecutive years and has been recognized as a "Top 100 Taxpaying Enterprises in Jiangning Development Zone".

(1) Financial Performance

In 2025, the Company continued to advance financial lean accounting, enrich financial accounting dimensions, and refine cost accounting. It enhanced business-finance collaboration to advance inventory management, accounts settlement, and asset property rights administration. The electronic accounting voucher project was launched, enabling automatic correlation between archival data to support multi-dimensional query, analysis, and statistical operations. It achieved paperless processing of travel expense reimbursements and tender-related cost management through fully electronic invoices, thereby enhancing fiscal management efficiency with digitalization. The Company continuously refined the institutional framework by issuing two fiscal management regulations, including the revised Travel Expense Management Measures and the Detailed Rules for Expense Management Implementation. It steadily enhanced risk prevention capabilities by conducting internal special audits, cooperating with the internal control evaluation audits of listed companies, and completing the State Grid internal control self-assessment. It continuously strengthened the management of finished goods inventory and long-outstanding receivables/payables, rigorously verified marketing expense invoices, and further consolidated fiscal management compliance.

The Company's main financial key indicators are at a relatively high level, despite the increasing competition and complex economic situation in recent years, the Company has maintained high-quality and steady development.

Table Main Financial Indicators in the Past Three Years

Unit: CNY10,000 Currency: RMB

	2023	2024	2025
Total assets	170.1 / 267.9 ^[1]	193.8 / 303.8 ^[1]	See 2025 Financial Report (Under Audit)
Net assets attributable to owners of the parent	70.7 / 201.4 ^[1]	81.8 / 217.5 ^[1]	
Gross revenue	152.9 / 157.0 ^[1]	169.2 / 183.3 ^[1]	
Total profit	8.6 / 35.9 ^[1]	12.1 / 38.9 ^[1]	
Total tax paid	3.9 / 12.3 ^[1]	5.6 / 13.9 ^[1]	

(Note: ^[1] It synchronously displays data of the parent company, NR Electric Co., Ltd.)

(2) Taxation

1. Carry out the in-depth research to ensure full enjoyment of tax incentives

The Company stays informed about and researches the latest tax-related policy developments in real time, enhances the study of tax policies, engages in tax planning, and makes reasonable use of tax preferential policies. It carries out the tax incentives for high-tech enterprises, retains the supporting documents for R&D expense additional deduction, and handles the relevant work for additional deduction of high-tech equipment; monitors real-time updates on the new VAT super-deduction policy, adjusts processing trade and related-party transaction deductions, and promptly applies for and obtains tax incentive qualifications. It conducts publicity and assistance for the annual individual income tax reconciliation and filing, compiles operation manuals for tax declaration, and supports employees in benefiting from personal income tax incentives.

2. Enhance the tax risk awareness to prevent tax risks as much as possible

In 2025, the Company actively cooperated with and completed multiple specialized inspections and assessments conducted by regulatory authorities including the inspection bureau, key projects bureau, and competent authorities. These evaluations focused on R&D expenditures, technology enterprises, software VAT refund policies, non-compliant invoices, and risk assessments. Through in-depth communication with tax assessment authorities, we continuously optimized tax planning strategies while strengthening policy research, incentive applications, and process controls.

The Company carries out measures to deal with illegal invoices. The finance department makes full use of the intelligent tax system to verify abnormal invoices at multiple stages. It identified and handled 83 abnormal invoices on its own in 2025, and has gradually established blacklists and interception rules, and strengthened penalties for illegal invoices.

Maintain Business Integrity >

NR focuses on commercial integrity management and anti-corruption efforts, committed to conducting business in accordance with all applicable laws, regulations, and the highest standards of integrity, resolutely opposing any form of corruption, bribery, fraud, and other unethical behavior, while actively advocating for a sunny, fair, transparent, and clean market environment.

1. Business Integrity Standards

NR always treats employees, customers, suppliers, government representatives, and other stakeholders with honesty and fairness, promoting standardized and closed-loop management through strict rules and regulations, ensuring legal compliance in its business operations, and adhering to its corporate citizenship responsibilities.

2. Anti-corruption and Integrity Building

NR fully implements the spirit of the Third and Fourth Plenary Session of the 20th Central Committee of the Communist Party of China and the Fourth Plenary Session of the 20th CPC Central Commission for Discipline Inspection. It deeply studies and implements General Secretary Xi Jinping's important thoughts on the Party's self-revolution, earnestly implements the party conduct and clean governance and anti-corruption work deployment, strengthens supervision around responsibility implementation, and advances the rectification of conduct and discipline and anti-corruption efforts. This fosters a new atmosphere of integrity and provides strong disciplinary guarantee for NR's high-quality, stable, and long-term development.

Data on NR.....

- In 2025, in line with the arrangements for the education and learning campaign to thoroughly implement the Spirit of the Central Committee's Eight-Point Decision, over 9,000 people participated in learning the Party Constitution, Party Regulations, and Party Discipline, and over 50,000 people participated in Integrity Warning Education, covering all levels of leading cadres and employees holding key positions in critical areas.
 - Members of the leadership team conducted 158 interviews on party conduct and clean governance in their respective areas of responsibility;
 - The Discipline Inspection Commission conducted integrity talks with 13 cadres before their appointment and responded to 109 suggestions on party discipline and integrity;
 - Throughout the year, 12 special supervision and inspection campaigns were conducted in key sectors, with 16 on-site supervision and inspection visits to the front line of key projects.
 - In 2025, an "Integrity Initiative for Business Conduct" was issued to all suppliers;
 - No corruption incidents occurred.
-

(1) Promote the integrity and discipline to foster a new atmosphere

NR adheres to the simultaneous promotion of Party spirit, Party discipline and Party rules, strengthens supervision, inspection and rectification efforts in key business areas, and always maintains a strict tone, strict measures and a strict atmosphere, closely integrating severe punishment, power regulation and education guidance.

- It conducted 12 specialized supervisory inspections across key operational areas including on-site inspections of direct procurement components, commercial expense management, official vehicle administration, parcel express services, and bidding & procurement activities.
- The Disciplinary Inspection Organization conducted 16 supervision inspections at the front line of key projects, and the Functional Departments conducted on-site supervision of infrastructure project bidding 8 times;
- It organized and conducted the study, inspection, and rectification of the "List of Violations Against the Central Eight-Point Regulations and Their Implementation Rules" and the "List of Covert and Mutated Work Style Issues".

(2) Advocate integrity and self-discipline

The Company actively guides employees to maintain integrity and self-discipline, establishes a collective learning system, regularly exchanges and learns professional systems, processes, and norms, widely conducts integrity warning education, supervises the establishment of a work style characterized by integrity, diligence, and dedication, and strengthens the construction of the ethical standards of party members and cadres. At the same time, it strengthens communication and coordination with local disciplinary and law enforcement agencies, establishes and improves mechanisms for sharing educational resources, and creates a clean and positive corporate atmosphere.

- It held Warning Education Conferences twice and organized the study of 67 typical cases inside and outside the system;
- The person in charge of Party and government discipline gave lectures on clean governance to grassroots party branches.
- Organized the First Lesson on Integrity in Employment for new employees.
- Organized 632 visits by Party members and cadres to the Integrity Warning Education Base, 93 visits to prisons, and 425 viewings of warning education films.

3. Whistleblowing Channels

NR has a zero-tolerance attitude towards corruption, bribery, and violations of business ethics. The Company has established a sound reporting and complaint mechanism, with a dedicated hotline for reporting. It accepts reports from employees at all levels and from various social parties who have direct or indirect economic relationships with the Company, regarding actual or suspected violations of business ethics by the Company or its personnel. In 2025, a total of three complaints and reports were received. The relevant departments of the Company strictly adhered to the requirements of handling procedures, permissions and time limits, responding with a cautious and proactive attitude and handling them appropriately. Information on each stage of acceptance and investigation was kept strictly confidential, implementing the whistleblower protection mechanism to legally protect the legitimate rights and interests of whistleblowers, ensuring they are not subject to any form of retaliation.

NR Integrity Whistleblowing Channel Tel: 025-87178710



[2025 ESG REPORT >](#)

Safeguarding Ecology: Painting the Scroll of Verdant Mountains and Lucid Waters

Safeguarding Ecology: Painting the Scroll of Verdant Mountains and Lucid Waters

NR has always adhered to the path of green development, guided by the Company's green transition and grounded in energy carbon reduction. It strictly implements the primary responsibility for energy conservation and ecological environment protection, achieving effective environmental control while continuously investing in and innovating in energy conservation, carbon reduction, clean energy, and low-carbon technology research and development. Through its products, technology, and services, it makes outstanding contributions to a green, high-quality development path, shaping a bright future that is green, low-carbon, and sustainable.

Addressing Climate Change >

Addressing climate change is a common cause for all humanity. NR deeply understands the risks and opportunities brought by climate change, actively responding to the State Council's policy of "taking solid steps toward the goals of achieving peak carbon dioxide emissions and carbon neutrality" as well as the United Nations Sustainable Development Goals. NR sees addressing climate change as a significant opportunity to transform its development approach, promote the continuous implementation of climate strategies, and comprehensively enhance its capacity to address climate change.

1. Risk and Opportunity Analysis

NR references the recommendations of the International Sustainability Standards Board (ISSB) regarding the International Financial Reporting Sustainability Disclosure Standards. The Company integrates climate risks and opportunities into its risk management system, proactively identifying and analyzing climate risks and opportunities in its operations and value chain. It formulates climate risk response plans and takes actions to enhance its climate risk resilience.

(1) Climate risk identification

NR attaches great importance to climate risk management, continuously improving its climate change risk management framework and risk response mechanisms. The Company identifies relevant entity risks and transition risks, and formulates response plans and measures to comprehensively reduce the impact of climate risks.

Transition Risk

■ Policy and Legal Risks

With the increasingly strict national carbon reduction policies and international carbon emission requirements, NR and its stakeholders will face stricter emission reporting obligations and compliance requirements from regulatory and investment institutions. This may lead to potential risks such as project delays, high fines, and excessive compliance costs.

The potential financial impacts that climate change-related policy and legal risks may bring to NR include:

Increased compliance costs: Environmental protection laws and regulations are becoming increasingly stringent. NR and its stakeholders may face legal liabilities or regulatory actions for non-compliance with climate-related policies or laws.

Increased operating costs: Regulatory and investment institutions have stricter disclosure requirements regarding carbon emissions, emission reduction measures, quantitative targets, and performance of enterprises, leading to increased operational costs related to information disclosure.

□ Response Measures

Strictly adhere to national policies, timely understand and comply with laws and regulations issued by domestic and foreign regulatory agencies, and regularly identify applicable carbon emission-related policies.

Actively promote the planning of corporate climate change and explore new low-carbon management models according to the product lifecycle. Strengthen internal carbon emission management and enhance the carbon accounting system in the production process.

NR entrusted the Nanjing Energy Conservation Technology Service Center to verify greenhouse gas emissions for 2025. According to the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Machinery and Equipment Manufacturing Enterprises (Trial), the total greenhouse gas emissions (Scope 1+2) for 2025 were 21,768.09 t CO₂e.

■ Technical Risk

NR is required to upgrade the technology of its electrical equipment manufacturing industry to meet industrial emission standards and comprehensive atmospheric pollutant emission standards. The Company must use green and environmentally friendly process technologies and equipment to save energy and reduce pollutant emissions.

The potential financial impacts that climate change-related technological risks may bring to NR include:

Increased operating costs: NR needs to adopt new energy, low-carbon materials, low-energy consumption equipment, and more advanced energy-saving technology processes in a timely manner, which will lead to an overall increase in operating costs.

Increased research and development costs: To meet market demand, improve its technical service level, and expand the supply of green and low-carbon products, NR will need to invest a significant amount of funds in promoting technological research and development.

□ Response Measures

Introduce efficient and energy-saving technological methods or production equipment.

Improve equipment utilization efficiency and increase product production efficiency.

Deeply understand the trends in energy and power technology transformation, thoroughly implement an innovation-driven development strategy, continuously strengthen the strategic, forward-looking, and fundamental scientific research framework, and consistently advance core technology research and development to empower and enhance the safety of the power grid and energy transformation.

■ Market Risk

Customers in the energy and power industry have an increasing demand for products and services that help mitigate and adapt to climate change. If NR fails to provide corresponding products and services, it may face risks of reduced business demand and customer loss. The impacts of climate change, strict environmental requirements, and technological upgrades leading to increased raw material and production costs for electrical equipment may affect product prices, potentially resulting in decreased demand for electrical equipment from customers.

The potential financial impacts that climate change-related market risks may bring to NR include:

Increased management costs: To meet the growing demand from customers for products and services that help mitigate and adapt to climate change, the Company needs to increase investment in product research and development, service management, capacity building, and contingency planning, leading to higher management costs.

Increased operating costs: Prices of resources such as energy, water, and equipment are likely to rise due to climate change impacts, resulting in higher procurement costs for production materials and increased supply chain transportation costs.

Decreased operating income: Risks such as rising costs in the upstream of the industry chain, competition from providers of low-emission products and services leading to reduced market share, and declining demand for the Company's power equipment products and related services from customers may result in reduced revenue.

□ Response Measures

Closely monitor and research the changing demands of customers for green products and services, actively analyze price fluctuation trends, and adjust the industrial layout in a timely manner.

Continuously strengthen the top-level design of industries, focus on upgrading high-end industries, and promote the cultivation and development of emerging industries.

Develop green procurement schemes, reach consensus with partners on low-carbon supply chain transportation, and reduce procurement costs.

Continuously optimize resource integration and operational control, implement lean production management, and provide support for overall coordination to meet development needs.

■ Reputation Risk

Stakeholders expect the Company to establish quantifiable targets, a systematic management framework, and measures to address climate change while enhancing the transparency of information disclosure. If NR lacks relevant climate change initiatives, fails to meet stakeholder expectations, or exhibits poor environmental and climate performance, it will adversely impact the Company's reputation.

The potential financial impacts that climate change-related reputation risks may bring to NR include:

Increased management costs: The reputation risk arising from environmental discussions may lead to higher costs for public relations and public opinion management.

Increased financing costs: Failure to timely respond to stakeholders' expectations for environmental information disclosure could damage the Company's image, potentially resulting in a downgrade of ESG-related index ratings in the capital market, thereby affecting its financing capabilities.

□ Response Measures

Strengthen the foundation of environmental management by focusing on enhancing climate change monitoring, early warning systems, and risk management to effectively manage climate risks.

Communicate with stakeholders through channels such as stakeholder surveys, public information disclosure, and the publication of ESG reports to timely, accurately, and comprehensively showcase the Company's assessment and actions regarding climate change-related risks.

Physical Risk |||||

■ Extreme Weather Risk

Extreme weather events such as typhoons, hurricanes, floods, and cold waves pose significant threats to the safety and stability of industries such as power grids, power plants, and rail transportation, resulting in heightened quality demands for company products and equipment from customers. Additionally, natural disasters like typhoons, floods, and cold waves endanger employee health and safety, impacting engineering construction and project operations.

The potential financial impacts that extreme weather risks related to climate change may bring to NR include:

Increased R&D costs: The Company needs to invest more to enhance the resilience of its products and equipment.

Increased management costs: Ensuring a safe working environment for employees and the risks of project delays contribute to rising management costs.

□ Response Measures

The Administrative Management Center has repeatedly revised and improved the NR/EHSG09.17 document titled "Emergency Measures for Severe Weather Prevention and Control" to establish a robust emergency response system for extreme weather conditions. It has also enhanced the foundational documentation for risk assessment of equipment and facilities (NR/EHSG08.80 "Guidelines for Risk Identification, Prevention, and Control of Basic Equipment and Facilities"). Regular emergency drills are conducted, emergency supplies are adequately stocked, and efforts are continuously made to strengthen the capability to mitigate the impact and losses caused by potential severe weather within the company's operational areas.

Provide labor protection supplies for relevant employees, conduct regular special inspections, and strive to ensure a safe working environment for employees.

Conduct impact assessments of extreme weather at the project's outset and factor in the potential increase in project costs.

■ Chronic Climate Risks

The extreme high temperatures resulting from global warming can adversely affect the operation of temperature-sensitive production equipment and may also pose chronic health risks to employees. Additionally, climate change-induced sea level rise could heighten the risk of facility damage in coastal areas and increase maintenance costs.

The potential financial impacts that chronic climate risks related to climate change may bring to NR include:

Increased operation and maintenance costs: Diminished stability of external energy supplies and safety hazards in employees' working environments necessitate greater consumption of water and electricity to cool temperature-sensitive equipment, leading to higher operating expenses.

□ Response Measures

Implement a workshop environmental monitoring system to track real-time temperature and humidity, enabling proactive measures against extreme heat risks.

Enhance equipment management by phasing out outdated equipment as much as possible to improve resilience.

Optimize energy supply channels, increase the proportion of renewable energy use, and enhance energy utilization efficiency.

Increase water recycling initiatives to mitigate the impacts of extreme heat on water supply and consumption.

Invest in employee health and safety, employing multiple strategies to reinforce the protection of workers' rights during high-temperature conditions.

(2) Proactive opportunity identification

NR actively identifies various development opportunities, continuously strengthens its environmental management, and develops green products and technologies aimed at enhancing clean energy and comprehensive energy utilization. The Company deepens electricity substitution, promotes large-scale grid connection and integration of clean energy, builds a green supply chain, and opens a new chapter in green and low-carbon industries.

■ **Resource utilization efficiency**

[Green production] NR adopts green design and green packaging, optimizes production processes and technologies, improves production capacity and efficiency, and uses more efficient transportation methods to reduce costs.

[Water resource management] NR Revised the NR/EHSG08.37 Energy Conservation and Consumption Reduction Management Regulations, NR/EHSG08.67 Potable Water Equipment Maintenance Regulations, and EHSG08.25 Water Tank Cleaning Work Instructions to enhance water conservation management; conducted extensive water-saving awareness campaigns in dining halls and water usage points to improve employees' conservation consciousness, while implementing comprehensive planned water usage management. By integrating the energy management systems of both plant areas, the Company conducted automatic meter reading and statistical analysis through the energy management platform. The Jiangjun Road Factory has constructed an 800 m³ rainwater collection pool to reduce potable water consumption for landscaping. Additionally, wastewater treatment stations have been established for Phase I and II canteens, effectively minimizing the water required for flushing long-distance sewage pipelines. After three months of trial operation, the domestic wastewater has fully met municipal discharge standards, achieving monthly water savings of 2,000 tons.

■ **Energy utilization efficiency**

[Clean energy] NR increases the use of clean energy in production and operation activities to reduce carbon emissions and lower energy procurement costs. The factory has added 1,508 kW/3,016 kWh of energy storage capacity, while the Jiangjun Road Factory has installed 880 kW of distributed photovoltaic power generation. The Phase I comprehensive upgrade of the rooftop photovoltaic power station has been successfully implemented, achieving a 35% year-on-year increase in power generation from August to December. The in-house production of clean energy has been significantly enhanced, complemented by the procurement of green electricity, resulting in 100% green power utilization across the factory .

[Energy-saving technology and equipment application] By adopting advanced production processes, selecting first-class energy-efficient equipment for major energy-consuming facilities, and upgrading or retrofitting low-efficiency equipment, the Company has improved energy efficiency and completed the construction of a smart factory, thereby achieving energy conservation and carbon reduction in production and operations.

[Energy management] NR has strengthened the construction of energy management systems, emphasized the concept of continuous improvement in energy management frameworks, and achieved stepwise enhancement of energy utilization efficiency through data-driven decision-making. NR has built a comprehensive energy efficiency management platform for integrated smart parks, and utilized digital and intelligent technologies to control energy consumption and carbon emissions, thereby effectively improving energy efficiency management and reducing labor cost input.

■ **Products and Services**

[Market Preference Opportunity] Against the backdrop of the transition to a low-carbon economy, the Company's capabilities in clean energy integration, energy-saving and environmental protection products will be more favored by consumers. The series of products with core technology and independent intellectual property rights can enjoy first-mover advantages, driving rapid business growth.

■ **New Market**

[Opportunities of the "carbon peak and carbon neutrality" goals] With the promotion of the "carbon peak and carbon neutrality" goals, the development of new power systems is accelerating. The demand for key links and typical application scenarios of the new power system "Source-Grid-Load-Storage" in cities and enterprises is increasing rapidly. The Company can enhance their market competitiveness by extending the industrial chain.

[The opportunity of "new quality productive forces"] NR promotes industrial innovation through technological innovation, exploring intelligent, integrated, efficient, and green development paths, expanding its business scope around a high-level and high-energy industrial structure system, and building new competitive advantages.

■ Adaptability

[External] NR deepens cooperation between schools and enterprises, strengthens collaboration among enterprises, and cooperates with the government. It actively participates in clean energy projects such as wind power, photovoltaics, and hydropower, enhances energy technology innovation, actively develops green low-carbon products and solutions, and helps customers and industries enhance climate change resilience.

[Internal] NR integrates the concept of green development into the entire production and operation process, focusing on improving resource and energy utilization efficiency and clean production levels. The Company builds a green factory with intensive land use, harmless raw materials, clean production, waste resource utilization, and low-carbon energy, enhancing its climate change adaptation capacity.

2. Climate Action

NR strictly complies with laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Water Pollution, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes. The Company has issued an environmental policy of "harmony between economy and nature, sustainable development", strengthening source control, strictly controlling pollution emissions, reasonably and effectively utilizing resources, building green factories, promoting the use of new energy, advocating for low-carbon environmental protection, and reducing the impact of production and operation activities on the environment.

■ Focusing on Reducing Carbon Emissions

NR has developed an action plan for "carbon peak and carbon neutrality", prepared a "Greenhouse Gas Management Operations Guidebook", and promoted greenhouse gas verification and product carbon emissions international technical standards. The Company verifies greenhouse gas emissions throughout its production and operation processes and product lifecycle to reduce carbon emissions in these processes.

■ Enhancing Technological Empowerment

NR seizes the market opportunities brought by the "carbon peak and carbon neutrality" goals within society, promoting clean development with advanced technology, reliable equipment, and quality services. The Company accelerates the development of new power systems and supports the development of new energy.

■ Providing Research Wisdom

NR integrates technological innovation resources, optimizes its technological innovation system, and cultivates technological innovation talents. The Company uses technological innovation to drive new industries, new models, and new momentum, promoting its long-term and steady development around the new energy industry.

NR' Action Plan for Carbon Peak and Carbon Neutrality

- Grid-forming technology has evolved from technical leadership to comprehensive solution dominance, achieving large-scale application for stable renewable energy transmission from bases in desert-gobi-barren regions. It strategically deploys innovative solutions such as green power for computing centers and green hydrogen production, continuously refining replicable and scalable integrated solutions.
 - The intelligent green factory is being developed, utilizing building rooftops to construct distributed photovoltaic power generation systems and solar water heating systems, fully procuring green electricity. Starting in 2025, NR will use 100% green electricity.
 - It will improve an intelligent energy management platform to achieve real-time monitoring of energy input and output throughout the entire process, and utilize the platform to compare, track, and analyze energy consumption in the factory area.
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Case | Autonomous and controllable distributed cold-thermal energy storage monitoring system facilitates successful commissioning of "Liaocheng Heat to Jinan" civil engineering project

As one of the air pollution transmission channel cities in the Beijing-Tianjin-Hebei region, Jinan has long faced the dual challenges of increasing heating demand and environmental capacity constraints. The Shandong Province 14th Five-Year Plan for Energy Development and the "Jinan City Three-Year Action Plan for Deepening the Transformation of Old and New Growth Drivers to Promote Green and Low-Carbon High-Quality Development (2023-2025)" have designated "External Heat Supply to Jinan" as a pivotal initiative for metropolitan area construction. The "Liaocheng Heat to Jinan" Project, scheduled for commissioning in December 2025, represents a critical infrastructure initiative for public welfare. This project will transport waste heat from power plants in Liaocheng City to Jinan City via dedicated heating pipelines, meeting the heating demands of approximately 100 million square meters for one million households. Each heating season, the project is projected to reduce standard coal

consumption by 1.2989 million tons and cut CO₂ emissions by 3.564 million tons, equating to the annual carbon sequestration capacity of four Saihanba Forest Farms . This endeavor effectively facilitates clean energy transition and low-carbon development, making substantial contributions to achieving China's carbon peak and carbon neutrality targets.

NR supplied the terminal station of the project (the transfer hub for other heat sources in eastern Jinan) – the Gaoxin Energy Station – with a complete set of independently controllable PCS-9150pro series PLC equipment and a distributed cold-heat co-storage monitoring system, while also overseeing system integration, installation, and commissioning. The system employs large-enthalpy-difference energy charging/discharging units, hybrid heat extraction units, and seasonal thermal storage tanks to cool the 120°C long-distance pipeline from the "Liaocheng Heat to Jinan" North Line down to 30°C before returning it to the heat source plant. Meanwhile, the 34°C return water from the urban pipe network is heated to 95°C, pressurized, and then delivered to the main urban pipeline network. The large-enthalpy-difference thermal storage system employs seasonal energy storage technology, comprising an underground thermal storage tank, a diurnal regulation thermal storage tank, and an intelligent heating pipeline network. It utilizes diversified energy sources such as waste heat from the Zhangqiu Chemical Jiangjun Road Industrial Park and power plants, converting them into high-grade thermal energy stored in the seasonal thermal storage tank for release during extreme cold periods. During summer, excess wind and solar power is utilized for ice production and stored in thermal energy storage pools, enabling peak cooling supply and reducing electricity consumption for cooling. The system achieves year-round operation modes of winter heating and summer cooling, addressing the long-cycle and even cross-seasonal energy storage challenges in power systems with high penetration of renewable wind and solar generation. It simultaneously resolves three major urban energy issues: low-carbon heating/cooling, peak shaving, and secure backup capacity. In the realm of remote control, this system employs wide-area network topology to directly transmit massive operational data—including flow rates, pressure levels, and temperature parameters—from substation controllers to Jinan Heating Group's intelligent heating management platform. It enables automated responses of pumping stations and control valves to remote commands, establishing critical technical infrastructure for achieving full-process intelligent coordination across the entire heating supply chain spanning "source-grid-station-user".

(Note: ^[1]Data cited from the official website of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), press release dated December 16, 2025, titled "China's Longest, Largest-Diameter, and Highest-Capacity Long-Distance Heating Pipeline Put into Operation", available at: <http://www.sasac.gov.cn/n2588025/n2588124/c35102893/content.html>)

Enhance Environmental Management >

NR rigorously adheres to national and local environmental protection laws and regulations such as the Environmental Protection Law of the People's Republic of China, deeply integrating the concept of green development into its corporate strategic blueprint and elevating it as a core consideration in top-level decision-making. The Company has established a comprehensive standardized environmental management system across all operational processes in accordance with the ISO 14001 Environmental Management System framework. This includes the revision of multiple regulatory documents such as the "Environmental Protection Management Regulations", "Safety & Environmental Inspection Procedures", and the "Environmental Aspects & Hazard Identification Evaluation and Control Protocol". Adhering to the environmental protection principles of "whole-process control, intensive advancement, legal compliance, and standardized operation", the Company remains unwavering in its pursuit of the "zero accidents, zero injuries, zero pollution" environmental goals, committed to establishing itself as a benchmark enterprise for green development in harmony with the ecological environment.

Environmental Management Goals

- 100% compliance rate for "Three Wastes" emissions;
- No occurrence of environmental pollution incidents;
- 100% compliance for hazardous waste disposal, with industrial waste recycling rates exceeding 99%.
- Environmental risk identification and source control: Conduct comprehensive lifecycle identification and dynamic assessment of environmental factors across production, office operations, service delivery, and extended upstream/downstream scenarios. Accurately identify potential environmental impacts, iteratively update the "List of Significant Environmental Aspects", optimize prevention measures with enhanced implementation, establish a risk-tiered control mechanism, and improve capabilities for environmental risk prediction and proactive prevention. Improve the environmental protection target responsibility system, refine the "Environmental Responsibility List", decompose and quantify environmental protection management objectives and indicators, and reinforce the environmental responsibilities of all departments and positions.
- Environmental hazard identification and remediation: Conduct regular monitoring of environmental factors including wastewater, exhaust gases, noise, and solid waste, expanding the coverage of monitoring points while utilizing intelligent technologies to identify potential hazards in environmental protection facility systems. Standardize and improve hazardous waste management logs and environmental protection equipment records, achieving electronic and dynamic updates of logs, implementing closed-loop management of potential hazards, and ensuring full-process traceability of identification, rectification, and re-inspection.

- Environmental emergency response capacity building: Revise and improve environmental emergency response plans, supplement and update emergency materials and equipment based on practical needs, and optimize the layout of emergency material reserves. Regularly conduct emergency knowledge training and awareness campaigns, organize multi-scenario, realistic environmental emergency drills, evaluate drill outcomes to refine contingency plans, and comprehensively enhance rapid response capabilities, coordinated disposal, and post-incident recovery for environmental emergencies.
- Environmental management across project lifecycle: Revise the "Three Simultaneities" system for construction projects by enhancing pre-assessment of environmental impacts during the project initiation phase, rigorously reviewing the environmental compliance of project layout, site selection, processes, and pollution control measures. The entire construction process was supervised with strict implementation of the "Three Simultaneities" system (simultaneous design, construction, and commissioning of pollution prevention facilities with main projects). Environmental management during construction was strengthened, followed by compliance acceptance testing and effectiveness evaluation of environmental protection facilities post-commissioning. A full lifecycle environmental management system was established for the project. The environmental impact assessment acceptance for the new production line on the first floor of Building 9 was completed, and comprehensive rectification and improvement were conducted on the two existing rooftop exhaust outlets to ensure full compliance with relevant regulatory standards.
- Environmental performance evaluation: Strengthen the comprehensive supervision, inspection, and assessment throughout the entire environmental protection process. Integrate environmental monitoring with environmental protection performance evaluation into the whole-process supervision and management system. Enhance oversight of pollutant emissions and the operational status of environmental protection facilities through real-time monitoring. Deeply link monitoring results, hazard rectification effectiveness, and environmental responsibility fulfillment with departmental performance and individual merit evaluations. Optimize the reward and punishment mechanism to drive continuous improvement in environmental performance through positive incentives and negative constraints. Promptly refine control measures and improve management systems for issues identified during inspections to consistently elevate environmental management standards.

Data on NR.....

- Revised seven ecological and environmental protection regulations at the Company level;
- Released the Annual List of Important Environmental Factors including 15 items;
- Carried out special inspections and rectification of hazards in ecological environment protection, and discovered and rectified nine problems;
- No environmental violations or penalties occurred throughout the year.

- Management System Certification: In 2025, the Company passed the recertification audit for the ISO 14001:2015 Environmental Management System Certification, which comprehensively covers our technical research, product development, equipment manufacturing and technical services across various fields, including power and industrial automation control equipment, power electronics, intelligent primary equipment, etc. Additionally, the certification system also encompasses in-depth technical research, product development and services related to electricity and industrial automation systems, ensuring effective control or influence over environmental factors.

Promote Green and Low-carbon Operation >

NR strictly complies with laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on Prevention and Control of Water Pollution, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes. The Company rationally utilizes energy resources to create a green production system, promotes green office practices, and advocates for low-carbon environmental protection actions, to reduce the environmental impact of its production and operational activities.

1. Conserve Energy Resources

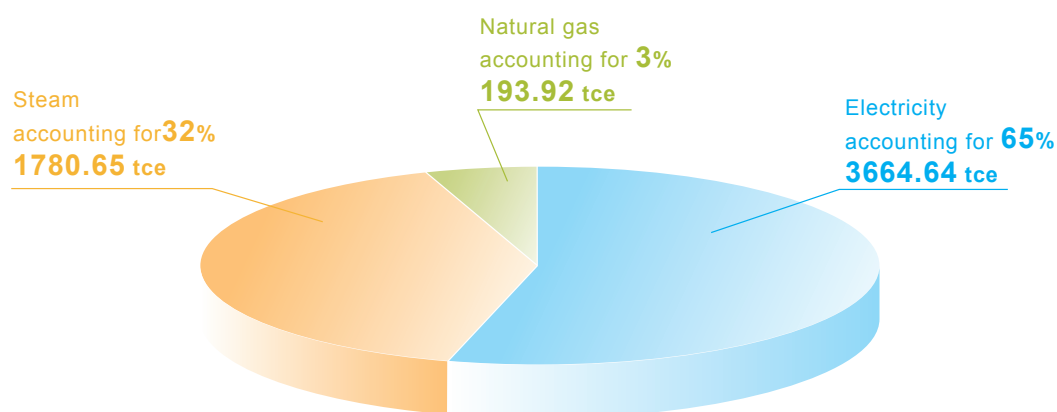
NR is committed to becoming an environmentally friendly and resource-saving enterprise, actively carrying out energy efficiency management of energy-consuming equipment, phasing out inefficient energy-consuming equipment, using new technologies and equipment for energy-saving renovations, achieving centralized control of energy-consuming equipment, strengthening regular maintenance and inspection of equipment, and improving energy utilization efficiency.

Energy management

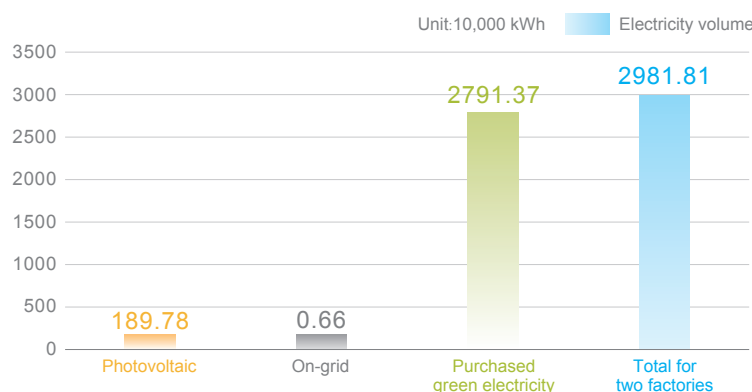
- NR continuously upgrades the Company's intelligent energy management platform to integrate subsystems including water, electricity, steam, gas, photovoltaic, energy storage, central air conditioning, production environment monitoring, and production command. It achieves automatic collection, statistical analysis, energy consumption diagnosis, and optimization of energy-saving strategies for plant-wide energy usage data; supports real-time monitoring of the entire energy flow from input-conversion-consumption-output, while leveraging the platform for energy benchmarking, trend tracking, and in-depth analysis to enhance precision energy management.
- Implementation of the energy management platform expansion and intelligent upgrade at the Jiulong Lake Factory has achieved comprehensive automation in metering and remote data transmission for key energy mediums including water, electricity, steam, and natural gas. A total of 316 smart electricity meters, 252 remote-reading water meters, two steam flow meters, and seven natural gas flow meters have been deployed. The water, electricity, and gas systems have established a three-tier metering architecture covering "main-sub-branch" levels, with 100% compliance in metering device configuration meeting the requirements of GB 17167-2006 General Principles for Equipping and Managing of the Measuring Instrument of Energy in Organization of Energy Using. The platform now enables comprehensive visualization monitoring, multidimensional statistical analysis, orderly power dispatch, and real-time load management for energy consumption at the Nanjing Factory, significantly enhancing the precision, digitalization, and closed-loop management of energy operations.
- Technological transformation and upgrade has been implemented for the central air conditioning system main units at the Jiulong Lake Factory. One central air conditioning system host was replaced with a variable-frequency, first-class energy efficiency unit, significantly enhancing energy utilization efficiency. Variable frequency technology enables automatic adjustment of compressor operating frequency based on actual load conditions, eliminating energy waste caused by frequent start-stop cycles while achieving precise temperature control and energy-efficient operation. Compared to outdated fixed-frequency units, the new system achieves an energy-saving rate of up to 10%, significantly reducing electricity costs while decreasing carbon emissions. This advancement supports green and low-carbon development, delivering substantial economic and environmental benefits.
- Energy assessment was conducted for the expansion project of NR Smart Electrical Equipment Industrial Park production lines. Variable refrigerant flow (VRF) air conditioning systems with Grade 1 energy efficiency were selected, while fresh air units employ variable frequency drive (VFD) regulation. The building automation system (BAS) dynamically adjusts fresh air unit frequency based on zonal CO₂ concentration to prevent excessive summer ventilation-induced energy waste. Phase II underground parking utilizes solar light pipe illumination, enabling intermittent lighting activation during clear daylight hours to conserve electricity. Photovoltaic-storage microgrid applications have been promoted to comprehensively establish a modern green factory.

Energy Type	Unit	2025			
		Jiulonghu Lake Factory	Industrial Park Factory	Total	Equivalent Standard Coal (tce)
Electricity	10,000 kWh	669.8133	2,312.003	2,981.813	3,664.643
Steam	Tons	4,419.94	14,423.00	18,842.94	1,780.65
Natural Gas	10,000 m ³	4.83	11.14	15.97	193.92
Water	10,000 tons	7.79	18.09	25.88	0

Energy Type	Unit	2024			
		Jiulonghu Lake Factory	Industrial Park Factory	Total	Equivalent Standard Coal (tce)
Electricity	10,000 kWh	622.86	1607.50	2230.36	2741.11
Steam	Tons	4909.48	14460.00	19369.48	1830.41
Natural Gas	10,000 m ³	4.67	13.12	17.79	216.02
Water	10,000 tons	6.80	14.42	21.22	0



Energy Structure Pie Chart of Two Factories in 2025



Power Structure Bar Chart of Two Factories in 2025

(Note: ^[1] The conversion coefficient refers to GB/T 2589-2020.

^[2] In 2025, the Jiangjun Road Factory added approximately 200,000 square meters of new construction area. A new production line was installed in the SMT workshop on the first floor of Building 9 at the Jiangjun Road Factory. The Phase II canteen at the Jiangjun Road Factory commenced operations. Both electricity and water consumption experienced significant year-over-year growth compared to 2024.

^[3] The value of power energy items represents the combined total of NR Electric Co., Ltd. and NR Engineering Co., Ltd.)

Water Resources Management

- NR has improved water metering facilities, implemented water-saving appliances and equipment, and regularly organized water balance tests. The Company relies on its energy management platform to monitor meter reading data, promptly identify leaks, and repair them, strictly controlling water loss. In compliance with the "Implementation Opinions of Nanjing Municipal Government Office on Promoting Sponge City Construction", the Phase II construction project of Jiangjun Road Factory incorporates a rainwater harvesting system to strengthen current rainwater collection and utilization, thereby conserving water resources.
- The Company regularly conducts inspections and checks on steam and other pressure pipelines (vessels), promptly repairing any abnormalities to improve the utilization efficiency of thermal resources.
- The implementation of the Phase II Greening Enhancement Project for Jiangjun Road involves constructing an 800 m³ rainwater collection pool to optimize comprehensive utilization of rainwater resources in the park area based on site-specific conditions. This project was completed and put into operation in November 2025. Concurrently, the wastewater treatment system for the Jiangjun Road campus cafeteria has been successfully completed, with the system maintaining stable operation for two months to date.
- The Company has provided training on key points such as systematically conducting water balance testing and building water-saving enterprises. Additionally, NR has carried out water-saving awareness activities, including lectures on water-saving knowledge and training on water-saving skills, to enhance the awareness and proficiency of all employee in water conservation.

Case | Through the technological transformation of the Phase I of the Jiangjun Road photovoltaic power station, the photovoltaic power generation capacity is enhanced to achieve energy conservation and consumption reduction.

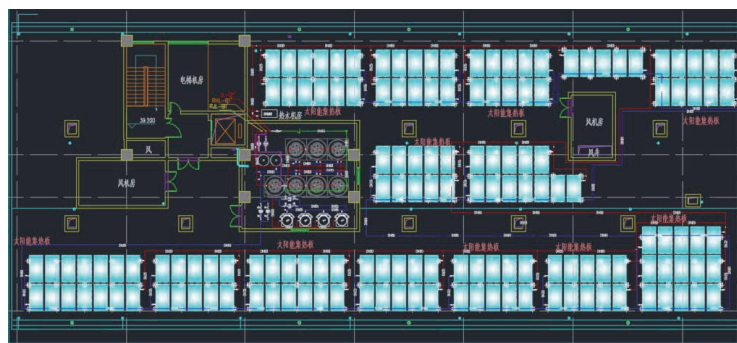
The Company has implemented technological upgrades for the rooftop photovoltaic power station within the factory to enhance power generation output and accelerate the development of a "near-zero carbon park". In July 2025, a technical retrofit was conducted on the rooftop PV station, replacing centralized inverters with string inverters and upgrading to bifacial double-glass solar modules. Energy-efficient step-up transformers were adopted to streamline power output processes while maintaining the original installed capacity. Annual electricity generation increased by 15% compared to the initial design, with projected average annual output reaching 3,088.2 MWh, accounting for 10% of the factory's total annual electricity consumption. Based on an average coal consumption rate of 272.5 gce/kWh for power generation, this project can annually save 841.5 tons of standard coal equivalent, reduce approximately 25.2 tons of particulate emissions, 2,103.8 tons of carbon dioxide, 7.2 tons of sulfur dioxide, and 6.2 tons of nitrogen oxides. (Note: The above data is cited from Section 10.4 of the "Feasibility Study Report for the NR Intelligent Jiangjun Road Phase I Photovoltaic Renovation Project", with conversion coefficients obtained from the "Nanjing Statistical Yearbook (2021)")



Aerial View of the Jiangjun Road Phase I Photovoltaic Power Station After Technical Renovation

Case | The Jiangjun Road Phase II Dormitory Hot Water System utilizes solar clean energy to achieve energy conservation and consumption reduction.

The solar water heating systems for the high-rise sections of Buildings 21 and 22 in Phase II of Jiangjun Road are equipped with 150 and 100 flat-plate solar collectors installed on their respective rooftops. Each system incorporates four 2000-liter enamel-coated coil heat storage tanks in their mechanical room hot water plant, which engage in indirect forced circulation heat exchange with the solar collector arrays. A total of 250 flat-plate solar collectors are installed, each with an aperture area of 1.86 m². The external dimensions measure 2000×1000×80 mm, with a full-load weight of 40 kg per unit. Harnessing renewable solar energy for water heating significantly reduces reliance on conventional electricity or gas, conserves energy costs, and mitigates carbon emissions. It operates stably, requires minimal maintenance, and has a long service life, making it suitable for diverse application scenarios. This system facilitates the advancement of green and low-carbon development, enhances energy utilization efficiency, and strengthens energy security. As a pivotal form of clean energy application, it aligns with the national "dual carbon" strategic objectives and serves as an effective pathway for achieving sustainable development and ecological civilization construction.



Design Drawings for the Jiangjun Road Phase II Rooftop Solar Water Heating System



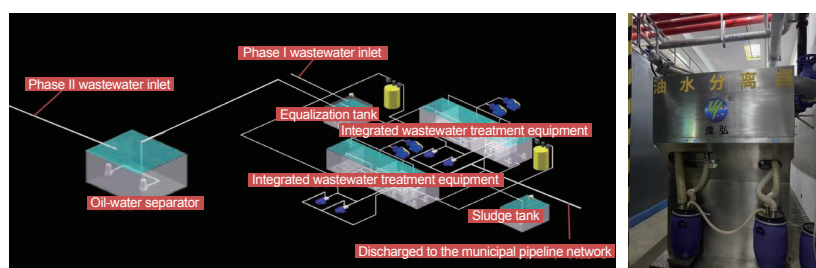
Aerial View of the Jiangjun Road Phase II Rooftop Solar Water Heating System

Case | Upgrading the canteen wastewater treatment in the factory to achieve integrated compliance discharge

In further alignment with national environmental protection policies and to effectively address the inefficiencies of decentralized wastewater treatment and inconsistent discharge standards in the Phase I and II canteens, the Infrastructure Operations & Maintenance Department of the Administrative Center advanced the comprehensive upgrade project for canteen wastewater treatment at the Phase II production support area wastewater management station in 2025.

During the project implementation phase, the construction team strictly adhered to environmental engineering specifications by commissioning two integrated wastewater treatment systems and one high-efficiency oil-water separation unit. Additionally, the team completed the renovation and connection of Phase I canteen sewage pipelines, successfully achieving centralized collection of canteen wastewater from both Phase I and II, along with integrated oil-water separation and wastewater purification treatment. After continuous commissioning and optimization, this wastewater treatment system has stably achieved a daily processing capacity of 200 tons. All parameters of the treated effluent precisely comply with the Water Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015), and the system has successfully passed on-site sampling inspections conducted by local environmental protection authorities.

The implementation of this wastewater treatment project has not only fully addressed the "last mile" challenge in the environmentally compliant discharge of canteen wastewater from Phases I and II, achieving the goal of comprehensive regulatory compliance for all canteen wastewater discharge across the facility, but also significantly reduced the operational and maintenance costs associated with decentralized wastewater treatment. This initiative has effectively fortified the environmental protection framework for the enterprise's green production and sustainable development.



2.Strengthen the Pollution Prevention and Control

NR actively controls the emission of environmental pollutants, standardizes the configuration and daily operation management of environmental protection facilities, and ensures stable compliance with pollutant emissions standards. The Company has strengthened the management of diverse types of waste by revising the "Waste Management Guidelines" and the "Regulations on the Storage and Management of Hazardous Waste", aiming to maximize waste recycling and minimize environmental pollution. At the same time, strict regulations are in place for the management of hazardous waste. Regular drills are conducted for emergencies involving hazardous waste leaks to promptly address the risks of fires, leaks and explosions of hazardous materials, protecting public property and ensuring the safety of employees.

Sewage Treatment

- NR adopts the method of separating rainwater and sewage, ensuring that domestic sewage is treated professionally to meet standards before being discharged into the municipal sewage grid.
- The canteen entrusts qualified units to regularly collect and treat the grease trap and maintains accurate records of the regular collection.

Waste gas treatment

- Specialized collection and treatment facilities are constructed to address industrial exhaust gases, particulate matter, VOCs, and other pollutants generated during production processes. The activated carbon adsorption process is employed, with quarterly replacement, ensuring that both emission concentrations and total discharge comply with national and local environmental protection standards.
- For canteen cooking fumes, high-efficiency fume purification devices are uniformly installed with regular maintenance and cleaning to ensure compliant emission standards.

Noise Control

- The canteen features an integrated fume purification unit (including a static pressure box) to reduce noise.
- The machine room walls are constructed with color steel panels for noise reduction; the window-side partitions employ a composite structure of fireproof acoustic insulation cotton, gypsum board, and color steel panels to achieve dual functionality in fire resistance and soundproofing.
- Regular noise monitoring is conducted to ensure compliance with the technical specifications for environmental noise monitoring, reducing the risk of environmental disputes.

Waste Disposal

- General waste: Dedicated classified recycling bins are deployed in production areas and office spaces to facilitate the segregated collection of general solid waste and recyclable materials. Both categories of waste are uniformly stored in designated storage facilities, with licensed disposal service providers contracted for daily scheduled collection and standardized professional treatment.
- Hazardous waste: Hazardous waste generated from production lines must be collected, stored, and compliantly housed in designated hazardous waste repositories in accordance with regulations. Regular inspections are conducted for temporary hazardous waste storage areas, with strict enforcement of no-smoking and no-open-flame policies throughout the entire warehouse facility. Additionally, the facility is fully equipped with effective fire extinguishing apparatuses, stocked with emergency supplies such as spill containment pallets, absorbent materials, and neutralizing agents, and fitted with explosion-proof lighting and video surveillance systems. These measures ensure that immediate response can be activated in the event of emergencies such as hazardous waste leaks, thereby minimizing the risk of environmental pollution to the greatest extent possible.

3.Implement Green Production

NR adheres to the concept of green development. While ensuring product functionality, quality, and occupational health and safety in the production process, the Company adopts green design and packaging to reduce the use of harmful substances at the source. It establishes a green supply chain, optimizes production processes and logistics, and assesses and improves the carbon footprint of products as well as the greenhouse gases generated by park facilities and production processes, continuously building a green production system.

In 2025, Life Cycle Assessment (LCA) and Product Carbon Footprint (PCF) evaluations were progressively conducted for mainstream products. The functional unit carbon footprint of the PCS series substation and power plant monitoring and automation equipment was 117.0272 kg CO₂e equivalent, while that of the PCS series relay protection and stability control equipment was 200.1094 kg CO₂e equivalent.



Honors

- NR Engineering Co., Ltd. has been awarded the title of "Green Factory of Jiangsu Province".

Product Green Management

- **Green Design:** NR continuously improves the level of product design, focusing on reducing the amount of raw materials and replacing them with recyclable materials. The Company continuously enhances the development of recycling systems, and standardizes the order of recycling and utilization, to improve the efficiency of recycling and the effectiveness of harmless treatment. The use of outdated technologies that have been eliminated by China is strictly prohibited. Priority is given to energy-efficient, non-polluting, and low-emission equipment and processes.
- **Green Procurement:** NR develops green procurement plans that prioritize the purchase and use of non-toxic, degradable and recyclable raw materials. Environmental requirements such as the use of harmful substances, recyclable materials and energy efficiency are incorporated into procurement information to guide suppliers in producing environmentally friendly products.
- **Clean Production:** The Company constructs rooftop photovoltaic power stations, energy storage systems and smart microgrids to address the on-site consumption of clean energy and improve the utilization rate of green electricity in the production process through coordinated control of source, load and storage. In 2025, the rooftop photovoltaic power generation reached 1.89 million kWh. NR continuously promotes the use of lead-free processes in production, increases the utilization rate of recyclable materials, and establishes three-level regulations on the prohibition, management and reduction of chemicals involved in production activities. The aim is to reduce the use or substitute harmful substances, thereby minimizing the use of ethyl alcohol throughout the product lifecycle. By the end of 2025, the proportion of production volume using lead-free products approached 42%.
- **Green Packaging and Logistics:** NR prioritizes the use of environmentally friendly packaging materials, improves transportation routes and tools, selects appropriate transportation methods, and scientifically reduces carbon emissions while ensuring product quality.

Case | Exploration of Cost Reduction in Freight Transportation for Overseas Energy Storage Projects

The inaugural implementation of the "sea-rail-land multimodal transport" model in Europe has been successfully completed. Through optimized transportation methods, the total logistics cost for the Polish energy storage project was reduced by approximately CNY 2 million, with carbon emissions decreased by over 200 tons. This multimodal transport solution demonstrates high replicability, establishing a robust foundation for subsequent project execution across Europe.



4.Cultivate Green Culture

NR advocates for "saving every penny, saving every piece of paper, saving every inch of wire", promotes paperless green office, encourages green commuting for employees, carries out green construction in the park, strives to build a resource-saving and environmentally friendly enterprise, and jointly builds a beautiful, sound, and sustainable Earth home.

Green Office

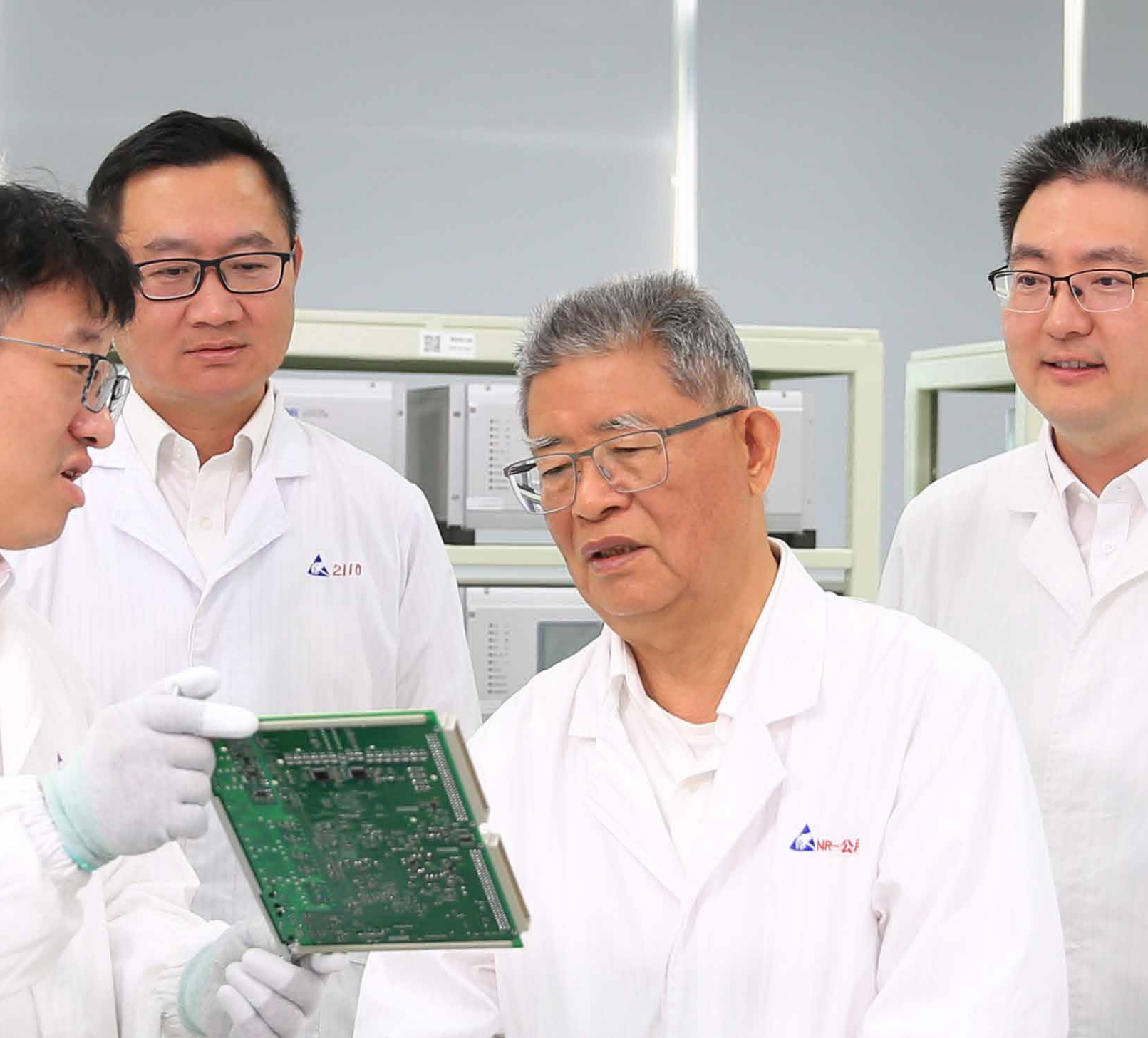
- NR encourages starting with small daily actions and working in an energy-saving and emission-reducing manner in the office.
- The Company promotes paperless office practices, and replaces paper-based processes with electronic ones to simplify procedures, saving office supplies and processing time.
- Employees should try to reuse printing paper as much as possible or print on both sides. Used toner cartridges should be returned to the appropriate department for recycling, which is not only environmentally friendly but also cost-effective. The Company encourages the reuse of various document bags and file bags.
- NR controls the consumption of daily consumables such as toilet paper, hand towels, and garbage bags to be environmentally friendly and cost-effective.
- NR enhances daily electricity management, setting computers to sleep and standby mode, which automatically enters an energy-saving state when not in use. The Company scientifically optimizes the power consumption scenarios of office equipment such as air conditioning and lighting and turns off all office equipment during lunch breaks and after work.
- NR strictly controls the use of water for vehicle washing and outdoor green space maintenance. It is prohibited to wash private vehicles in the factory area. Water for greenery irrigation is extracted from the lake or rainwater collected in rainwater harvesting tanks is used for watering the greenery.
- The Company promotes green travel and low-carbon lifestyles by replacing commuting shuttle buses with new energy vehicles and installing a total of 100 charging stations in the factory area to reduce urban emissions.

Environmental Protection Actions

- NR enhances publicity and education on energy conservation and emission reduction, carrying out the dissemination of environmental laws and regulations, providing training on environmental knowledge, and raising awareness and knowledge of ecological civilization and environmental protection among all employee.
- Employees should sort waste properly and hand it over to relevant departments for recycling or reuse to reduce the consumption of natural resources and minimize environmental pollution.
- NR advocates for garbage classification, placing classified garbage bins in office areas and ensuring that everyone is responsible for proper sorting.
- The Company beautifies the factory area, plants trees and forests, and improves the green environment of the factory area every year to protect green spaces. NR guides and motivates employees to protect the natural environment, participate in environmental protection actions, support forestry conservation projects, or plant green plants at home to improve the ecological environment.



The transformation of the factory's green environment adopts a simple and elegant style, broadening the field of vision, making partial adjustments, enhancing the level of greening, and beautifying the office environment.



2024 ESG REPORT >

Innovation-Driven Digital Transformation Reshaping New Paradigms

Innovation-Driven Digital Transformation Reshaping New Paradigms

NR believes that creating industry-leading products is a crucial part of fulfilling social responsibility and achieving high-quality development. To this end, the Company focuses on technological innovation as its core, with safety and quality as its foundation and customer demand as its guiding principle. NR continuously enhances its independent research and development and innovation capabilities, striving to deliver more high-quality, premium green, and low-carbon products to customers while building an industry-leading service reputation.

Innovation-driven Development >

NR is committed to driving industrial advancement through technological innovation, continuously strengthening core technological advantages, and comprehensively enhancing product competitiveness. Adhering to the innovation philosophy that "problem-solving is innovation" and upholding the development approach of deep integration between research and industry, we have successively resolved long-standing and emerging practical challenges in the power sector. This has enabled us to forge a scientifically sound development path under state-owned frameworks that maintains pragmatic and highly efficient operational mechanisms, thereby continuously driving transformative leaps in China's power control and protection industry as well as national advancements in power technology. The Company adheres to the development strategy of "focusing on core business and expanding outward", successfully expanding the industrial direction from power protection and control to intelligent power equipment and industrial process control, etc. The national market share of the Company's core technology products and solutions has ranked first in the industry for many consecutive years, widely applied in key projects such as the ultra-high voltage backbone grid, Three Gorges power transmission and transformation, West-to-East Power Transmission, and the Beijing Olympics, effectively ensuring the safe, stable, and economical operation of China's power system, becoming a hallmark of "Made in China" and "Created in China" in the field of power equipment technology.

1. Promote Technological Innovation

NR is committed to implementing innovation-driven development, maintaining a problem-oriented approach, and continuously advancing the deep integration of scientific research and industry. The Company emphasizes the leadership of party building, focuses on creating value, champions self-reliance in science and technology, and aims to establish itself as a world-class enterprise while striving for high-quality development.

NR actively responds to the Nation's dual carbon policy call, promoting the enterprise's green transformation by integrating the green development concept into its production and operations, encompassing the lifecycle of the product. During the product research and development design phase, the impact on the environment throughout the product's lifecycle (QP18 "Hardware Design Control Procedure Document") is considered. Through ecological design, the impact on the environment (including air, water bodies, soil, and climate change) is minimized to the greatest extent, prioritizing materials that have obtained RoHS certification, and improving the product's recyclability rate.

Data on NR

Research and development investment amounted to CNY 725 million/CNY 1.881 billion¹, accounting for 3.53%/8.47% of operating income^[1] ;

- Undertook 5 national key research and development program projects;
- Registered 41 software copyrights;
- Published 10 core papers;
- Obtained 314 patent grants, including 260 invention patents;
- Received 42 science and technology awards at various levels, including 27 at the national society level.

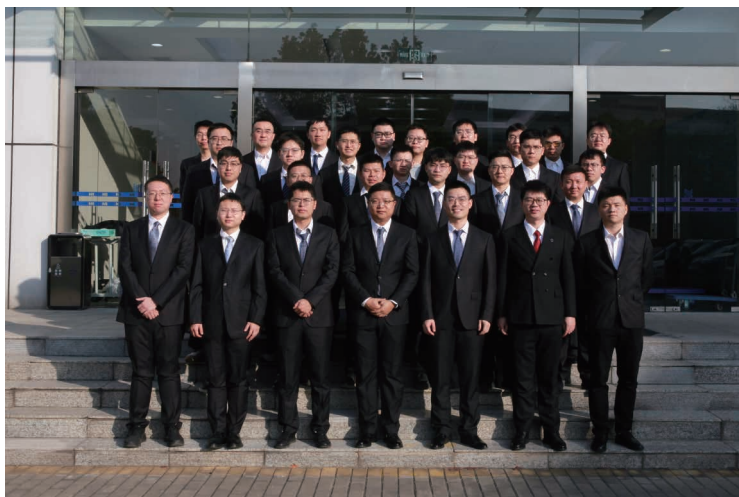
Innovative Talent Pool

- There were 402/9031 R&D personnel, with R&D technical personnel accounting for 25.16%/22.76%^[2] ;
- Featured 12 provincial and ministerial-level expert talents (17 person-times), with 9 (13 person-times) of them receiving support from Jiangsu Province's "333 Project" training program.

(Note: ^[1] It synchronously displays data of the parent company, NR Electric Co., Ltd.

^[2] It synchronously displays data of the parent company, NR Electric Co., Ltd.)

[Mining New Energy Power System Research Team]



Adhering to a problem-solving orientation and implementing a multidisciplinary integrated R&D philosophy, we have developed a comprehensive technical solution for mining-oriented new energy power systems. The solution employs ideal synchronous power source-type grid-forming energy storage to provide voltage support, integrates a three-line defense system with rapid coordinated control to ensure reliable and high-quality power supply for loads, and utilizes an optimized dispatch system with mining-electricity cooperative control to achieve economical power supply. Additionally, multi-source sensing intelligent inspection technology is incorporated to enhance operational efficiency. This approach has comprehensively addressed the challenges of reliable, economical, and green power supply in mining areas, ushering in a new era of stable, green, and cost-effective electricity usage for mines.

[Hydroelectric Integrated Control Protection and Simulation Research Team]

Undertaking the R&D and demonstration mission of the integrated intelligent control and protection system for Zhaoqing pumped storage, this project focuses on real-time simulation across the "hydraulic-mechanical-electrical" domains and coordinated control of cascaded power station clusters. It pioneers a comprehensive multi-physics joint simulation and commissioning system encompassing all segments and elements of the "hydraulic-mechanical-electrical" chain. By completing full operational condition strategy validation prior to factory delivery, it has fundamentally resolved the industry challenges of "slow commissioning, incomplete testing, and risk-averse adjustments" inherent in traditional methods, setting the technological development direction for the hydropower sector. Leveraging the advantages of multidisciplinary integration, the Tianwan River three-level hydropower station simulation platform was constructed within four months. It accurately simulates critical operational processes of Pelton turbine units and completes the development and validation of core control strategies, providing a robust system foundation for subsequent research on key control and protection technologies in major hydropower projects.

[Active Defense R&D and Engineering Application Team]

Addressing the critical industry challenge of transformer fire and explosion prevention, the team leveraged multidisciplinary integration to proactively advance research on converter transformer active defense technologies. Through systematic efforts spanning theoretical modeling, device development, and full-scale transformer testing, the team continuously validated and refined our strategies. A series of core technical challenges have been overcome, including partial discharge signal extraction under complex operating conditions and fault stage identification. The first system was successfully commissioned at the Gusu Converter Station, achieving large-scale application across a total of six converter stations. This has enabled an active early warning, intervention, and handling mode for converter transformer faults, advanced the development of online monitoring technologies, and expanded the Company's technology and product portfolio.

Technological Innovation Management

- Solving Problems is Innovation: The Company adheres to the innovative culture of "Solving Problems is Innovation", creating a leading innovation chain of "technology research - product development - result industrialization" throughout the process. This approach establishes a "bridge" between achievements and the market, ensuring that all innovative achievements have independent intellectual property rights and can be quickly industrialized, so as to become mainstream products in the industry while breaking foreign monopolies.

- Focus on R&D: Constructing an innovation system with R&D at its core, integrating sales, design, service and production, safeguarding R&D innovation through R&D funding investment, innovation talent cultivation, and innovation platform construction, etc.
- Multi-disciplinary Integration: With academicians at the core, NR has formed a professional research and innovation team in the electric power field, across more than ten required fields for research and development, including power systems and automation, power electronics, computer science, industrial control, communication, mechanical engineering, thermal engineering, optics, and physics. This team leverages multiple professional advantages, allowing them to focus on in-depth exploration of particular industries while also expanding the breadth of new industries. This supports the Company's transition from a single product manufacturer to a provider of comprehensive industry solutions.
- Common Technology Platform: Three major technology support platforms (UAPC hardware platform, SOPHIC software platform, system analysis platform) to provide technical support for system research, technology development and equipment development in power systems and industrial control protection. The development model of platform plus application opens up cross-disciplinary and cross-departmental integration channels for technology and products. Through iterative upgrades and continuous innovation of the platforms, this approach promotes the optimization of product functions and performance improvement, driving the continuous progress of overall technology. By building a standardized reusable component library and utilizing visual development tools, the integration of functions is completed in a "building blocks" manner, which reduces the complexity of product development and meets application requirements for technology sharing and software and hardware reuse among different departments.
- Matrix Management: NR implements matrix management, with a vertical structure where the research and innovation team adopts a three-level organizational framework at the institute, department and division levels, focusing on overall capacity building and management of each specialty. Horizontally, various specialties collaborate through project organization to jointly complete product or technology development. Driven by annual KPIs and managed within the framework of the CMMI5 software capability maturity model, the Company emphasizes process management and adopts a 360-degree assessment method, providing institutional guarantees for more efficient departmental collaboration and professional integration.
- All-employee R&D: NR employs an all-employee R&D management model that encourages multi-party participation and collective efforts. This model fully leverages the advantages of marketing, design, engineering, manufacturing and other departments, which are close to users and understand the field. It aims to avoid disconnection between R&D work and industrial development as well as actual needs. It establishes an interactive mechanism between marketing and R&D to conduct feasibility analysis of requirements; establishes a mechanism for engineering site quality feedback forms to ensure smooth channels for solving on-site problems.
- Product and material management: Establish a unified and clear hierarchical classification for products, construct a 7-tier product model and centralized database, define responsible parties and scope of authority for product planning, design, development, and operations, and standardize the complete lifecycle management from product inception to market withdrawal.

R&D Project Organization Management Process

- Research and development management employs a process system (OA → Guidance → R&D Management → Project Management) centered on CMMI, compatible with ISO 9001 quality management. For new product development and significant upgrades of existing products, a project is initiated by appointing a product manager as the project manager, and a dedicated project team is formed for product development.
- The entire lifecycle process and deliverables of a project are managed, including project initiation, preliminary planning, requirement analysis, detailed planning, design/system design, implementation and integration, system testing, acceptance testing, and project closure, using specialized R&D management tools for effective project oversight.
- Key technology research, technology improvements, patent papers, software copyrights, intellectual property management, scientific and technological achievements, and industrialization support are integrated into important milestones, such as project initiation planning, review, and acceptance.
- Project management and R&D management systems are established, with continuous improvements and updates to system documents based on the execution of R&D projects, aiming to enhance overall research and development quality and efficiency.
- A total of 14 IPD projects were implemented throughout the year, with 16 decision reviews conducted. This established a reusable product decision framework and methodology, along with a comprehensive project case library encompassing product concept decisions, planning decisions, and availability decision reviews.

Technology Transfer

- New Breakthroughs in Scientific Research and Innovation: We have pursued independent innovation in key areas such as high-end equipment, protection and control, and intelligent operation and maintenance, focusing on critical scenarios of "source-grid-load-storage" to achieve grid-forming engineering applications, thereby continuously consolidating our technological leadership in the construction of new power systems.
- The IEC proposal "Grid-Forming Energy Storage Systems in High-Voltage AC Systems" initiated and led by us has been officially approved for establishment, solidifying our absolute industry leadership and driving profound transformation in the energy system.
- Pioneering a comprehensive real-time simulation and debugging system encompassing all processes and elements in the "hydraulic-mechanical-electrical" domain, we have established a full life-cycle solution for hydropower stations, driving the evolution of pumped storage toward an intelligent "unattended operation with minimal on-site personnel" paradigm.
- China's first high-voltage direct grid-forming energy storage-based rapid coordinated integrated power supply protection system has been deployed to ensure reliable electricity supply for the 15th National Games.
- The nation's first gigawatt-hour grid-forming all-vanadium redox flow battery energy storage project successfully passed the artificial short-circuit test in Xinjiang in a single attempt.
- In 2025, a total of 16 new technologies and products passed scientific and technological achievement appraisals organized by the Chinese Society for Electrical Engineering, China Society for Hydropower Engineering, China Electricity Council, and Jiangsu Machinery Industry Association. The overall technologies achieved internationally leading levels, with 2 achievements recognized as the first (set) major technical equipment in the energy field.
- Market expansion achieves new breakthrough:
 - Leveraging the technological advantages of grid-forming architecture, we proactively respond to evolving competitive landscapes by addressing critical pain points in industrial and mining enterprises' production operations. This strategic approach has enabled comprehensive expansion across power grids, generation facilities, industrial/mining sectors, and international markets, yielding substantial achievements. Our product applications now span 150 countries and regions worldwide.
 - The world's first split-site cascaded UHV power transmission project—the Jin-Yong HVDC link—has been commissioned, overcoming the triple constraints of site availability, ecological preservation, and technical challenges in energy development on the Sichuan-Xizang Plateau, thereby facilitating large-scale clean energy exploitation in the upper reaches of the Jinsha River.
 - The nation's first regional-level electricity spot market—the Southern Regional Electricity Spot Market—has entered a new phase of long-cycle continuous settlement trial operation, setting a benchmark for the construction of a unified national electricity market.
 - The world's first mining-specific new energy power system for weak grid terminals—the KPM Copper Mine Project in the Democratic Republic of the Congo (DRC) by Kaipeng Mining has been successfully commissioned. This breakthrough enables continuous production despite grid power limitations, uninterrupted supply during outages, and high-quality long-term isolated grid operation.
 - The nation's largest linear Fresnel concentrated solar power (CSP) demonstration project—the 100 MW comprehensive energy demonstration project by China Three Gorges Renewables in Hami, Xinjiang—has achieved successful grid connection, marking the official launch of a novel operational paradigm integrating "CSP + photovoltaic" hybrid power generation.
- The innovative solution proposed for mine-used new energy power systems has successfully addressed the challenges of ensuring safety, stability, and economic compatibility. It has been implemented in over 20 projects both domestically and internationally, providing a comprehensive "China Solution" for the global mining industry's green and low-carbon transformation.

Case | The Jinshang-Hubei split-site cascaded UHVDC transmission project has officially commenced operation.

On December 18, 2025, the world's first ± 800 kV ultra-high voltage direct current (UHVDC) project employing a split-site cascaded topology—the Jinshang-Hubei UHVDC Transmission Project (abbreviated as "Jin-Yong HVDC")—officially commenced commercial operation. NR, as the primary equipment supplier for this project, provided critical systems for the Jin-Yong HVDC project, including converter valves and valve cooling systems, DC control and protection systems, measurement systems, integrated online monitoring, protection information management, PMU (Phasor Measurement Unit), and fire protection automation. Confronted with the dual challenges of venturing into "technological frontiers" and "geographical frontiers", NR pioneered the development of several key technologies. These include achieving coordinated

control between high- and low-end converter stations at separate sites, realizing unmanned operation with minimal staffing at high-altitude converter stations through mutual control for the first time, and overcoming critical obstacles such as precise calculation of DC modulation and power loss at distributed sites. These innovations ensured the Jin-Yong HVDC project's successful first-time energization and long-term secure, stable operation with remarkable efficacy and reliability. Upon full commissioning, the Jin-Yong HVDC project is projected to annually transmit approximately 40 billion kWh of clean hydro, wind, and solar power from the upper Jinsha River to Central China. This will significantly enhance grid interconnection between Xizang and the national power network, while meeting the rapidly growing electricity demands of Central China's socioeconomic development.



Case | NR' autonomous and controllable DCS successfully commissioned at Dadi Yuntian Chemical

On July 7, 2025, Inner Mongolia Dadi Yuntian Chemical Co., Ltd. successfully commissioned its 100,000-ton-per-year rutile titanium dioxide project. NR has delivered the fully autonomous and controllable PCS-9150PRO DCS system for the entire process section. This system pioneers an integrated low-voltage electrical and process solution in the chemical industry, significantly reducing hard-wired electrical connections while efficiently incorporating over a hundred subsystems. The innovation substantially cuts capital expenditures and enhances operational maintenance efficiency. To address the complex requirements of multiple raw materials, diverse products, and multi-batch operations in titanium dioxide production, characterized by lengthy process flows and strong inter-stage coupling, the system employs distributed data acquisition and centralized logical decision-making. It adopts a multi-level sequential control architecture to coordinate multi-stage linkage, supporting both semi-automatic and fully automatic switching modes to meet the process configuration needs of different batches and products. By optimizing the linkage control strategy for coupled process stages, the system effectively resolves the inefficiencies in waste acid and wastewater treatment observed in traditional production methods. This advancement enhances resource recycling rates and establishes a digital foundation for green chemical manufacturing. The Dadi Yuntian Chemical Project stands as a pivotal milestone for NR's DCS products in achieving large-scale industrial deployment within the chemical sector, consistently driving new momentum for low-carbon and intelligent transformation in the chemical industry.



2.Promote Digital Transformation

The Company actively responds to the national "Overall Plan for Building a Digital China", embedding digital thinking into its development strategy and continuously optimizing its digital construction framework. A dedicated Digital Transformation Task Force has been established to conduct comprehensive evaluations of digital transformation value using the Digital Transformation Maturity Model. This initiative formulates strategic roadmaps across organizational, technological, data, resource, digital operations, and digital production dimensions. Key strategies include: leveraging technological innovation to establish industry benchmarks; deeply integrating business operations to strengthen collaborative operations; and utilizing data-driven approaches to enable digital transformation of the industry. Specific implementation plans and measures will be developed based on the company's actual conditions, with detailed requirements set in areas such as technology R&D and innovation, production automation and informatization, supply chain management, quality control, green manufacturing, talent development, and industry cooperation and exchange. Efforts will focus on building product consulting and project management capabilities, strengthening digital technology support capabilities, enhancing digital asset operation capabilities, and leveraging data value to connect all aspects of production and operations. This will promote internal data resource sharing, improve internal management and operational efficiency, and empower the Company's sustainable and long-term development.

In the past two years, the Company has been value creation and business innovation-driven, focusing on digital transformation practices such as business process optimization, industrial digital infrastructure, intelligent equipment integration, and data fusion applications. With the advancement of digital transformation initiatives, the Company's performance indicators have shown continuous improvement, earning widespread acclaim from society. In 2024, the Company achieved Level 4 Intelligent Manufacturing Maturity Assessment (in accordance with GB/T 39116-2020 and GB/T 39117-2020). In 2025, the Company implemented a digital process management system, with its 5G-enabled smart power equipment plant integrating digital intelligence being listed in the National 5G Factory Directory. It achieved AAAA certification in both the industrialization-informatization integration management system and digital transformation, marking substantial accomplishments in its digital transformation journey.

Digitalization and Intelligent Transformation Goals and Actions

- Strengthen the top-level design for digital and intelligent transformation: Guided by the Smart Manufacturing Capability Maturity Model (Level 5), the Company systematically evaluates the maturity of key capability elements such as personnel, technology, resources, and manufacturing, and continuously optimizes the overall smart manufacturing capability system. It was awarded the 2025 Jiangsu Provincial Advanced-Level Smart Factory (Project Name: Smart Factory for Secondary Power Equipment Driven by Dual Engines of Flexible Manufacturing and Independent Innovation).
- Promote the construction of a data management system: The Company pragmatically advances digital transformation and comprehensively carries out data governance. Through unified standardization and control of master data, metadata and data standards, it significantly improves the quality and consistency of company data.
- Deployment of digital process management system: Aligned with the corporate digital transformation strategy, the Company has successfully implemented the Digital Process System (DPS) with interconnected objectives of enhancing process design efficiency, ensuring consistent quality stability, and strengthening production execution, achieving phased remarkable results.



Advanced Smart Factory

Case | Research and innovative application of key technologies for intelligent manufacturing of autonomous and controllable DCS complete equipment

Compared to conventional power control and protection products, the hardware production and testing of industrial control complete systems feature miniaturization, modular testing, and multiple assembly processes. NR's Manufacturing Center has pioneered the "Research and Innovative Application of Key Technologies for Intelligent Manufacturing of Autonomous and Controllable DCS Complete Equipment", achieving for the first time an integrated production process encompassing manufacturing, testing, and assembly across all operational stages. Research and innovative application of key intelligent manufacturing technologies for autonomous and controllable DCS complete equipment integrates four major processes: SMT, testing, conformal coating, and assembly, culminating in a comprehensive solution. It achieves a semi-automated and partially unmanned production process, establishing an independently controllable DCS integrated production system with advanced intelligent capabilities in the industry.

Work Safety Guarantee >

NR strictly adheres to the Work Safety Law of the People's Republic of China and other regulatory standards, anchoring its operations to the principle of "Safety First, Prevention Foremost, People-Oriented, and Comprehensive Governance". The Company upholds the philosophy of "equal emphasis on production and safety, and putting people first". The Company integrates safety requirements throughout governance and operational processes, clarifies authority and responsibility, consolidates accountability, and employs a combination of management and technical measures to strengthen closed-loop risk control across all stages, ensuring that operational risks are controllable, manageable, and under control. It establishes a robust multi-level safety responsibility, assurance, and supervision system to steadily enhance intrinsic safety performance. Through regular safety education and training initiatives coupled with cultural dissemination programs, the Company has successfully ingrained safety principles into organizational consciousness, fostering a participatory safety culture across all personnel. This systematic approach has yielded three consecutive years without any general or above-grade occupational safety incidents, establishing robust safety management as the cornerstone for sustainable corporate development.

Data on NR.....

- Provided 52 safety training activities;
 - 12 special inspections, with all 81 problem rectifications completed;
 - Safety training was conducted for 23,250 participants, including outsourced and subcontractor employees, achieving 100% workforce coverage.
 - Total safety training duration of 34,875 hours.
-

1.Strengthen Safety Management

NR has continuously refined its occupational health and safety management system, achieving ISO 45001 certification as early as 2010. In 2025, the Company successfully passed the surveillance audit, ensuring the sustained compliance and validity of its certification. Leveraging the ISO 45001 framework, NR has established a rigorous safety management system, implemented a comprehensive safety production responsibility system, and reinforced safety accountability. A positive safety culture is cultivated, encouraging employees to engage in safety management and fostering an environment where everyone prioritizes safety. The dual prevention mechanism is continually promoted, ensuring strict improvements in safety quality and building a safer, more stable working environment.

- It conducts safety lessons by the "Top Leader" at all levels, as the active participation and firm commitment of managers to safety are the primary driving forces for building a Safety Culture.
- It revised and issued safety regulations and documents including the "Safety Risk Identification and Control System", "Plant Traffic Safety Management Regulations", and "Safety and Environmental Inspection Procedures", which clarify the safety responsibilities and authority allocation for personnel at all levels and relevant stakeholders, strengthen safety inspection mechanisms, and enhance internal management standards.
- The Company implemented a three-year campaign for fundamental safety improvement, with the dual objectives of "intrinsic safety construction" and "grid safety reinforcement". It formulated a centralized task list for key initiatives, revised and issued the "Two Responsibility Lists" for leadership team members alongside comprehensive position-specific responsibility lists for all employees. Safety commitment pledges were signed to establish an all-encompassing accountability system.
- The Company actively advanced the construction of safety training laboratories and organized specialized training programs covering legal regulations, technical standards, and emergency response protocols. Leveraging immersive learning at civil defense education experience centers, safety knowledge competitions, and diversified promotional activities during Fire Safety Month, it enriched safety engagement platforms. Over the year, it conducted more than 10 safety-related events, deeply integrating safety culture development into all operational processes to comprehensively strengthen scenario-agnostic safety management foundations.
- Convened meetings of the safety commission and safety production supervision to summarize work progress and implement safety work deployments.
- It formulated the "NR Safety and Environmental Protection Assessment Standard Detailed Rules". This regulation comprehensively encompasses core dimensions including occupational safety, environmental protection, and occupational health, establishing an all-encompassing, multi-tiered, and three-dimensional safety and environmental assessment and control system. It has already facilitated the organization and implementation of specialized safety and environmental assessments for all centers in 2025, reinforcing assessment execution and responsibility delegation.

2. Adhere to Safe Operation

NR has established a complete risk identification, early warning and control mechanism to manage risks before they emerge. At the same time, it conducts hazard investigation to timely detect omissions in risk control and eliminate hazards before accidents occur.

Risk identification

- The Company formulated and revised the "Dual Prevention Mechanism Construction System" and "Safety Risk Identification and Control" regulations to establish a long-term mechanism.
- It revised the "Report on Identification and Graded Control of Enterprise Work Safety Risks", clarified risks throughout the production process, identifying low risks, general risks, and major risks. This year, 10 new major risk categories were added, including confined space operations, lifting operations, and lithium battery thermal runaway. It developed control measures for each item, implemented graded control according to different safety risk levels, and ensured that safety risk control responsibilities were implemented at the enterprise, workshop, team and position levels.
- A specialized inspection was conducted on 14 major risks, accompanied by a dedicated training session on "Major Risk Identification and Hazard Screening". This initiative covered all responsible personnel and safety officers for major risks, reinforcing closed-loop management in risk recognition, accountability implementation, and competency enhancement.
- The Company focuses on risk identification in core areas, prioritizing the management of EPC projects and the infrastructure control of the second phase of Jiangjun Road. External experts were invited to conduct a comprehensive inspection, identifying four critical issues including the lack of protection for the UPS battery cabinet in the fire control room and insufficient stress analysis prior to photovoltaic system acceptance. A rectification plan was formulated, with secondary risk identification scheduled to be conducted after the second-phase commissioning.
- The Jiangjun Road Campus has deployed an intelligent surveillance system that utilizes AI technology to enable real-time identification of violations. It continuously monitors and alerts for critical risk scenarios such as unauthorized personnel entry, improper safety gear usage, and high-altitude operations. Through its "surveillance capture - notification interview - rectification loop" mechanism, the system has significantly enhanced employee safety awareness and fortified workplace safety protocols.

Hazard Investigation

- The Company revised the "Hazard Identification Standards" and "Safety and Environmental Inspection Procedures" to standardize hazard identification and rectification processes.
- It has established a multi-tiered inspection system integrating "QR code scanning inspections, instant photo reporting, video surveillance, and expert diagnostics", covering all scenarios including in-plant operations, subsidiaries, branch offices, key collaborative units, and domestic/overseas engineering projects. The system has addressed over 80 potential hazards throughout the year with a 100% rectification rate, forming a dynamic zero-balance mechanism for hazard remediation records to ensure comprehensive governance across all scenarios and entire chains.
- It has deepened hazard remediation efforts in key areas and critical processes by establishing a multi-tiered inspection system. It completed the rectification of 13 major hazards, including aging firefighting equipment, chemical management loopholes, and network/control-related vulnerabilities. It integrated pre-holiday and autumn-winter inspections to address various issues, while engaging external experts for comprehensive evaluations and expediting hazard mitigation.
- Focusing on safety assurance for key projects, specialized supervision teams have been established for critical initiatives such as the maintenance of the Yikezhao Converter Station, the excitation system EPC for Jingfeng Gas Turbine Power Plant, and the cable tunnel monitoring system EPC at Harbin Institute of Technology. These teams rigorously inspect compliance of operational plans, validity of personnel qualifications, and integrity of safety tools to ensure construction safety and secure grid operations.

Emergency Management

- The Company revised documents such as the "Emergency Response Core Teams, Repair Teams, and Expert Teams" and the "Fire Safety Management Regulations" to further clarify emergency response procedures and delineate the responsibilities of various departments, ensuring seamless coordination and efficient operation across all stages in the event of an emergency.

- It revised the confined space emergency response plan, sudden illness emergency response plan, and infectious disease emergency response plan to further improve the emergency response system and enhance the specificity and effectiveness of risk prevention and control.
- Improved the emergency response card displayed on the wall, further refining emergency operation procedures, emergency contact information, and other core information covering various emergencies.
- Based on the actual production and operation, a total of 10 emergency drills were conducted in 2025, including special drills for fire protection, hazardous chemicals, electric shock, etc., to ensure rapid response and precise handling of emergencies.
- The Company established an emergency response team, regularly conducted emergency skills training, normalized practical drills, scientifically evaluated the effectiveness of drills, summarized typical emergency experiences, and continuously optimized emergency procedures.
- Emergency supplies lifecycle management involves compiling an inventory of emergency stockpiles, defining reserve standards and storage locations, and conducting regular inspections, maintenance, replenishment, and updates. This ensures adequate quantities of rescue materials with optimal functionality, enabling rapid deployment and activation during critical moments.

Work-related injury investigation and handling procedures

- The Company has established standardized and transparent procedures for occupational injury investigation and handling, in compliance with relevant regulations; developed system documents such as the "Accident Handling Guidelines", encompassing processes including incident reporting, on-site response, investigation and evidence collection, corrective actions, and post-incident archiving, to ensure timely and proper resolution of accidents with thorough root cause analysis.
- Respecting employees' right to know and participate, the Company has established employee participation mechanisms involving on-site witnesses, employee representatives, trade union representatives, and safety supervisors. Employees participated throughout the entire process by providing testimonies, monitoring procedures, offering feedback, and engaging in safety warning education. During the reporting period, all occupational injury incidents involved employee participation.

Case | Conducting disaster prevention and mitigation education and practice activities

During the National Disaster Prevention and Mitigation Publicity Week (May 12-18), NR's production system thoroughly implemented the concept of safety development by strengthening the leading role of safety management. The Company translated the safety culture construction requirement of "enterprise safety benefiting employees and their families" into concrete actions. On May 18, the Company organized employees and family representatives to visit the Jiangsu Civil Defense Education Experience Center. Through immersive disaster prevention and mitigation educational activities, participants jointly acquired knowledge on hazard preparedness and conducted simulated emergency evacuation drills. This initiative effectively enhanced the comprehensive emergency response capabilities of both employees and their families, providing robust momentum for strengthening the corporate safety framework that encompasses staff and their households.

The Jiangsu Civil Defense Education Experience Hall covers an exhibition area of 4,500 square meters, featuring multiple functional zones, with the Disaster Prevention and Mitigation Zone and Comprehensive Experience Zone being the key highlights of this visit. During the event, employees and their families utilized innovative technologies such as VR and holographic projection to immerse themselves in simulated disaster scenarios including fires, earthquakes, and hurricanes, collectively acquiring emergency evacuation skills. Through interactive challenges like safety knowledge quizzes and AR-projected disaster simulations, family members collaborated to overcome obstacles, reinforcing safety awareness while enhancing practical emergency response capabilities. This initiative significantly strengthened the organizational safety culture centered on "workplace security and household safety".

This disaster prevention and mitigation education activity, jointly participated in by employees and their families, deeply integrated the dissemination of disaster prevention knowledge with corporate safety culture development. It not only strengthened the sense of responsibility among employees and their families regarding disaster prevention, mitigation, and relief efforts, but also highlighted the Company's commitment to ensuring both employee and family safety within its safety management framework. This initiative has

effectively transformed the advantages of safety culture into tangible benefits that safeguard enterprise production operations, as well as the lives and property of employees and their families. All relevant centers will take this event as an opportunity to further deepen safety education for all employees and their families, improve the comprehensive safety management system, and provide solid guarantees for the stable operation of enterprise production safety as well as the well-being of employees' families. This initiative aims to facilitate the establishment of a long-term, "enterprise + family" collaborative safety operation environment.



3. Maintain Information Security

NR rigorously complies with the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, as well as international regulations such as the EU General Data Protection Regulation (GDPR). Actively aligning with international standards, the Company successfully passed the 2022 version ISO 27001 Information Security Management System surveillance audit issued by the International Organization for Standardization in 2025, thereby safeguarding core corporate data security, ensuring the protection of personal privacy and sensitive information, and mitigating risks of data leakage or loss. The Company revised 18 system documents including the "Asset Security Management Procedure", "Data Security Management Procedure", and "Access Control Management Procedure" to enhance its data security governance capabilities. In response to the 2 minor non-conformities and 8 recommendations proposed during the audits of ISO 27001, Integration of Informatization and Industrialization, and intellectual property systems and others, detailed corrective measures were formulated for each, and dedicated personnel were assigned to track the implementation, ensuring each recommendation is transformed into actual management improvement. Through system improvement and internal and external audit correction work, the operational quality of various systems was effectively enhanced, boosting the overall management efficiency of the Company.

In recent years, the Company has progressively intensified its information system security infrastructure, enhancing the coverage rate of system information security assessments from 85% in 2021 to 97% in 2025. No major cybersecurity incidents occurred during the 2025. The Company adheres to the overarching security protection strategy of "manageable and controllable, precise protection, visible and trustworthy, intelligent defense". It strengthens foundational cybersecurity infrastructure, deepens the construction of a business-adaptive multi-layered defense system, and continuously iterates and upgrades the "one foundation, four platforms" technical framework. The Company further advances the development of its cybersecurity operations platform to achieve integrated security management and operations across corporate networks, systems, applications, and data. This year, the information system classified protection evaluation work was further advanced, achieving full coverage of classified protection evaluation for information systems. Each year, the Company conducts various forms of validation on its current network security architecture, including interviews, inspections, records, security tools, and assessments from third-party organizations. This multi-dimensional approach verifies the effectiveness of network security protection through multiple dimensions such as compliance construction, internal audits, penetration testing, attack-defense drills, and phishing drills.

Witness the Glory

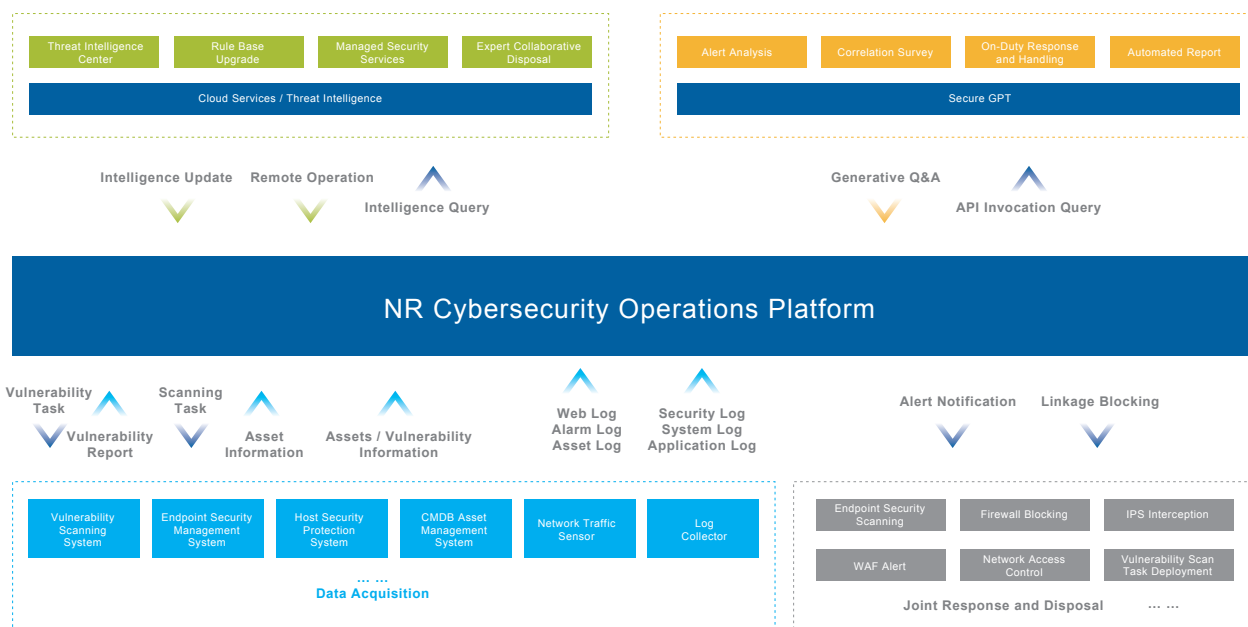
- Some relevant honors obtained in the Company's 2025 information construction:
- The Information Center Department has successfully passed the ISO 27001 annual audit and obtained the following cumulative certifications:
 - Network: 3 CCIE (Cisco Certified Internetwork Expert)
2 HCNP (Huawei Certified Network Professional)
 - Information Security: 4 CISP (Certified Information Security Professional)
3 CCSC (Cybersecurity Capability Certification)
2 CISA (Certified Information Security Assurance Worker)
 - System: 2 RHCE (Red Hat Certified Engineer)
3 VCP (VMware Certified Professional)
1 OCP (Oracle Certified Professional)
2 Alibaba Cloud Certifications
 - Management: 4 Senior Information System Project Managers
15 PMP (Project Management Professional)
2 ITIL4 Certifications
1 ITSS Certification
2 Digital Transformation Evaluators
2 Data Managers with Qualification

- **Enhance technical protection:** The Company has improved the construction of a hierarchical network protection architecture system, analyzed the cybersecurity protection requirements of the boundary layer, network layer, host layer, application layer, and data layer, and established a cybersecurity protection system characterized by "unified management, hierarchical deployment, and defense-in-depth" to effectively monitor anomalous behaviors and defend against external attacks. Built upon the security asset platform, this system enables the integration of multi-source internal and external assets, centralized management of security assets, and automated governance. It establishes comprehensive, accurate, and detailed views of assets, vulnerabilities, and operations to provide analytical support and decision-making foundations for security operations. The Company has enhanced the construction of cybersecurity operation platforms by implementing Security Orchestration, Automation, and Response (SOAR) technologies; standardized and encapsulated analytical, judgmental, decision-making, and optimization tasks in security operations into automated playbooks; achieved integrated command and dispatch of security capabilities through the orchestration of these playbooks, thereby institutionalizing operational expertise and elevating the efficiency of automated security operations.
- **Safeguard data security:** NR' related business system data is stored in the management information service area, performing data classification management, with access restricted by access control devices such as firewalls, bastion hosts, shuttles and cloud desktops to limit access to business-related production data. The Company regularly conducts disaster recovery backups and emergency drills, integrating and executing 15 emergency plans and drill reports this year. This ensures the information system's early warning, emergency response and recovery capabilities, minimizes technical risks, and guarantees the continuous and stable operation of the business while promptly identifying and improving plans.
- **Information security assessment:** NR conducted penetration testing and evaluation for 37 operational network information systems throughout the year, addressing 15 critical vulnerabilities; consolidated 37 information systems into 7 major categories (financial, operation management, human resources, administrative management, etc.) for classified protection evaluation, all successfully obtaining Level 2 classified protection certification. Through multiple system classified protection evaluations and network security evaluation certifications, the Company's systems have been comprehensively strengthened in both technical and management aspects, aligning more closely with national relevant laws and regulations and industry standards.
- **Strengthen personnel training:** In 2025, 100% of employees and external contractors of the Company signed cybersecurity commitment letters, with 11 information security video courses released and viewed by 21,000 participants. Periodic information security alerts and tips were disseminated, alongside nearly 10,000 targeted security reminders via instant messaging platforms. Furthermore, cybersecurity awareness campaigns were conducted during the National Cybersecurity Awareness Week. On-site activities included setting up promotional booths and distributing educational brochures, engaging nearly a thousand staff members and the public, thereby effectively disseminating fundamental cybersecurity skills. Online, a cybersecurity knowledge competition was simultaneously launched, attracting over 2,000 participants and fostering widespread interactive learning engagement. Additionally, the event featured the distribution of meticulously crafted cybersecurity-themed promotional souvenirs, which further invigorated the participants' enthusiasm for learning and fostered a sense of engagement. The program culminated in a company-wide information security phishing email simulation exercise, strategically designed to address current cybersecurity trends and high-profile incidents. Through the continuous implementation of various information security activities, employees' network security awareness has been comprehensively enhanced, further consolidating and improving the Company's overall network security protection level.
- **Client privacy confidentiality:** With the rapid development of the digital economy, the importance and sensitivity of client privacy data have become increasingly prominent. To effectively safeguard customer privacy rights, enhance corporate information security compliance, and mitigate data breach risks, the Company focuses on two key aspects: revising procedural documents such as the "Data Security Management Procedure" and "ISMP02 Asset Security Management Procedure", and strengthening access control mechanisms. This approach aims to establish a robust customer privacy protection framework. The document introduces new compliance requirements for customer privacy data across its lifecycle, including classification, collection, storage, transmission, utilization, and disposal. It enforces strict access control over customer privacy data, ensuring all operations follow documented protocols to guarantee the security and confidentiality of customer assets. Additional technical safeguards such as data encryption, anonymization, and watermarking have been implemented to enhance protection during sensitive data transmission. Confidentiality agreements and commitment letters are executed to achieve effective integration of technical and administrative safeguards. The Company experienced no customer privacy breach incidents throughout 2025.

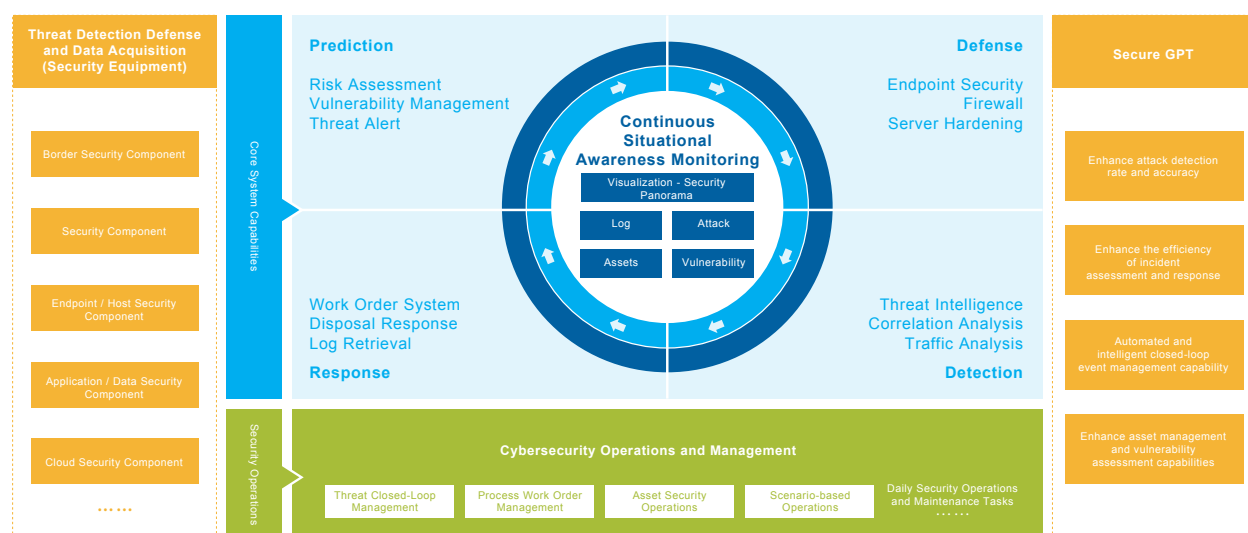
Case | SOC platform

The Security Operations Center (SOC) is an independently developed security management toolset based on big data architecture, designed specifically for corporate Security Operations Centers. Compliant with ISO 27001 Information Security Management System and national classified protection requirements, it provides the Information Security Department with comprehensive capabilities for asset, threat, and vulnerability management. The platform features full lifecycle threat management with closed-loop capabilities including preemptive monitoring and early warning, real-time detection and response during incidents, as well as post-event analysis and retrospective evaluation.

Meanwhile, this SOC platform leverages generative AI large language models to conduct threat detection across traffic and behavioral dimensions, perform threat investigation and analysis through natural language processing, execute asset vulnerability scanning operations, and utilize large models for autonomous alert analysis. It coordinates with various security devices for collaborative defense responses, synthesizes customized threat incident reports, and achieves precise cybersecurity threat detection with intelligent operational capabilities.



System Architecture



System Model

- Value of System Construction:
 - Enhance corporate information security standards

Establish an information security model to visually demonstrate the company's security posture, effectively mitigate various cybersecurity risks, system application vulnerabilities, and data security threats, thereby elevating the organization's overall security protection capabilities.
 - Optimize operational efficiency with artificial intelligence

Achieve automated and intelligent security management processes, reduce the cost of manual intervention, and enhance operational efficiency. The automatic data collection rate of network security devices exceeds 80%, while the mean time to detect (MTTD) and mean time to respond (MTTR) to threat incidents are reduced by 50%. The interception rate for external network threat handling surpasses 98%.
 - Meet compliance requirements

Meet national and industry requirements for cybersecurity compliance to ensure corporate regulatory adherence.
 - Enhance corporate competitiveness
 - Establish an enterprise information security dashboard to visually demonstrate and report the company's commitment to cybersecurity and data protection to employees, clients, and industry stakeholders, thereby enhancing corporate credibility and competitive advantage.

Quality Products and Services >

NR consistently adheres to its original mission and perseveres in its efforts to meet the diverse needs of customers through outstanding technical expertise, solid and reliable product quality, and a customer-first approach to high-quality service. The Company meticulously plans and coordinates the top-level design of its comprehensive quality management system and customer service management system. This continuous improvement process enhances product quality and service standards, ensuring that every detail is executed flawlessly. The goal is to meet market demands with higher standards, further elevate customer satisfaction, and earn long-term trust and support from clients.

1.Enhance Quality Assurance

NR consistently upholds the principle of quality first, continuously refining its management system that integrates excellence performance as the framework, quality management as the foundation, with environmental, occupational health and safety, information security, energy management, and social responsibility seamlessly incorporated. It has implemented a quality culture that embodies "total staff engagement, prevention-first approach, and scientific management" to guide quality management direction and foster organization-wide quality awareness. In alignment with the Company's strategy and planning, we closely follow internal and external developments, integrating new requirements, emerging directions, and identified weaknesses. Focusing on "capability building and quality enhancement", we leverage both internal and external standards to conduct comprehensive benchmarking and implement in-depth systematic management. We actively explore the application of quality methodologies and information technologies to guide quality and safety control in production and operations. With a commitment to "all employees identifying issues, all employees participating in improvement, and all employees taking external responsibility", we collectively ensure the stability and continuous advancement of the Company's product quality.

Data on NR

■ Key Performance Indicators

Name of Indicator	2023	2024	2025
First-pass Yield of Product (=Cabinet test pass rate*Cabinet final inspection pass rate*Single unit test pass rate*Single unit final inspection pass rate)	97.0%	96.8%	97.55%
On-site Installation Failure Rate (=Annual number of on-site abnormal devices/On-site device operating stock*100%)	0.194%	0.183%	0.175%

Witness the Glory

- Jiangsu Association for Quality Management "Outstanding Member Unit";
- "Quality Management Model Integrating Industry and Research Driven by Innovation" has been selected as a national exemplary case for Chief Quality Officers to enhance comprehensive quality management.

Improve the Quality Assurance Level

- Integrated monitoring: The Company systematically organizes the two-location integrated monitoring matrix at the plugin and device product hierarchy, enabling centralized presentation of free statistics, fixed reports, and analytical applications, while conducting consistency verification of data sampling and algorithms to unify quality data outputs for production, R&D quality control, and other domains. Based on the station ID, The Company has established an automated statistical function at the project dimension to enable queries of fundamental attributes and configuration information for stations. This system integrates service data and quality metrics while implementing threshold-exceeding anomaly alerts, thereby enhancing proactive monitoring and notifications for critical projects and those with frequent exceptions.
- The supplier management system is well-established: Centering on seven core fields including supplier categories and brands, unified field definitions and values have been implemented. Collaborative procurement efforts have completed data maintenance for over 400 qualified suppliers, resulting in more comprehensive and accurate supplier master data. Supplier capability assessment and enhancement: Focusing on supplier development, inspection visits, and guidance, the assessment prioritized manufacturers of new materials, critical materials, problematic materials, and outsourced production components. A total of 59 assessments were conducted throughout the year. Based on these evaluations, comparative analyses were performed on suppliers of cabinet factories, circuit breakers, printed circuit boards, and server agents, resulting in more precise supplier profiling and reduced collaboration risks.

- **Special campaign for key categories:** The Company adheres to a tiered problem management strategy that progressively advances from issue rectification to target guidance and coaching enhancement, with a focus on top issues from the previous cycle and pulse issues in the current cycle, to continuously drive problem resolution. Throughout the year, improvements were driven by addressing typical issues and conducting consultation sessions with manufacturers. The component insertion failure rate was reduced to 0.067%, a year-on-year decrease of 33.5%. The purchased parts defect rate at factory shipment reached 0.261%, representing a 21% year-on-year decline. The panel processing anomaly rate stood at 0.339%, showing a 13.08% reduction compared to the previous year. The resolution rate for the top 30 component issues reached 87%, while the resolution rate for top 10 purchased parts issues achieved 80%.
- **Material process control:** The Company has defined the effective storage period of components, established receiving and re-inspection requirements, and promoted standardized procedures throughout the entire workflow from R&D component selection, procurement monitoring to warehouse management systems. It has summarized historical change data, reclassified PCN change types, and promoted departmental refinement of review items and methodologies for different change categories. It has established a frozen material control methodology, refined process management details, standardized the entire workflow from application to processing of frozen materials, and enabled automated execution of freezing and thawing operations in both WMS and SAP systems.

Enhance the Capacity Building for Quality

- **Product risk repository:** The Company has upgraded the structural data of the risk repository and synchronized barcode/model-based rapid risk identification information to the on-site anomaly feedback process, facilitating prompt problem localization and root cause analysis. Additionally, it has established a feedback mechanism to enhance knowledge refinement within the risk repository. Typical issue screening: Collaborative R&D quality control leverages predefined logic and AI algorithms to periodically analyze anomaly records by product type, identifying potential critical issues, batch problems, execution flaws, and plants with frequent short-term anomalies. This assists quality management and R&D personnel in efficiently extracting representative cases.
- **Product traceability optimization:** The Company has streamlined the core algorithm of plug-in traceability, unified the definition of the entire process from production to field operations, complete the internal positioning logic within Borui, and optimized field status determination to achieve more precise plug-in traceability. Optimization of the BOOT archive for plugins: To address the issue of ambiguous barcode references in plugin programs, the Company has, in collaboration with the research institute, established a new barcode rule based on "specific plugin model + BOM version + MCU". This enhancement enables automatic creation and archiving, thereby improving the accuracy and efficiency of documentation workflows.
- **Inspection strategy optimization:** The Company has analyzed the abnormal consequences and probabilities of inspection items for components, purchased parts, and panel cabinets; monitored the quantity of anomalies occurring at each stage of the inspection process, with high-risk items highlighted; established a dynamic adjustment model for inspection strategies to enhance the pertinence and efficiency of inspections. It has implemented PCB incoming sampling inspection to achieve full coverage of all material groups. For purchased components outside the inspection scope, spot checks have been increased. For returned purchased components on-site, warehouse return inspection has been added to enhance the completeness of inspection coverage. The integration of a visual inspection system has streamlined certain cabinet testing procedures, while strengthening the entire process for spray coating and wire bundling inspections to rigorously uphold cabinet manufacturing quality standards.

Case | Comprehensive monitoring and analysis of product lines

■ **Background Introduction**

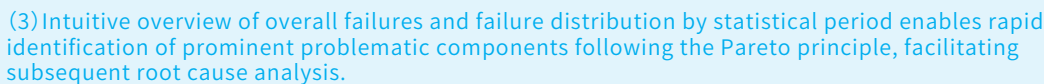
The Company boasts a diverse product portfolio, with frequent and highly customized quality analysis requirements, rendering conventional report queries inefficient and incomplete. Therefore, it is necessary to design an integrated analytical application that fulfills the informational elements of "level, trend, comparison, and analysis" in quality assessment, providing quality management teams and product managers with a rapid and convenient tool for mastering quality-related information.

■ **Design Approach**

Based on the product line catalog structure and incorporating key attributes such as autonomous controllability, industry, and region, the Company conducted a five-year continuous statistical analysis of two extracted datasets: product shipments (based on archival records) and anomaly logs. In addition to calculating incremental quantities, existing inventory, anomaly occurrences, and failure rates, the analysis presents core information including fault distribution patterns and primary issues. This comprehensive approach fulfills stakeholders' requirements for quality intelligence monitoring.

(1) Achieve flexible full-product-line analysis with support for additional attribute constraints.

(2) Visualize five-year data with trends and comparative analysis.



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2. Optimize the Customer Service

NR adheres to the service philosophy of "Dedicated service to create value for customers". Leveraging Project Service Management System ESM and WeChat customer, we fully implement the service goal of "ensuring that every product gives users peace of mind and that every project meets user satisfaction" during market expansion and service delivery. The Company enforces a "first responsibility system" for customer service, establishing an integrated support system. A global service hotline at +86-025-52107703 is available, allowing customers to experience NR' high-quality service with a rapid response available 24/7. Throughout the year, there were no serious incidents such as customer information leakages, protests, claims, or related legal lawsuits during the customer service process and project delivery.

Data on NR

- The Company successfully conducted 6,370 follow-up visits.
- The customer satisfaction rate for these visits was 9.94 out of 10.
- The customer complaint resolution rate was 100%.

Witness the Glory



- The Company achieved full-score certification in GB/T 27922-2021 Commodity After-sales Service Evaluation (Five-Star Rating); received 184 written commendation letters from clients including State Grid Corporation of China and China Southern Power Grid throughout the year.

Improve the Customer Service Management

- The provincial management platform has been officially launched, integrating risk control, pending execution, personnel/task management, and service compliance data into a comprehensive dashboard. It enables direct visibility of high-risk/pending details and provides online access to frequently used statistical indicators through clickable lists, effectively enhancing provincial management efficiency.
- The Engineering Innovation and Optimization Virtual Team was established to gather programmable service configuration requirements. The team independently developed and released two PCS-9700-SGLS integrated version monitoring tools: an energy storage automatic diagram generation tool and a photovoltaic monitoring template tool. These tools can reduce on-site configuration time by at least 70%, significantly enhancing the efficiency and quality of engineering service delivery.

Compact the Service Safety Responsibility

- The Company revised the "Ten Commandments for On-Site Engineering Services". In response to emerging safety challenges in field operations and evolving user safety management requirements, enhancements have been implemented in both plan approval processes and compliance-driven maintenance operations.
- The Company has enhanced closed-loop control over high-risk operational processes. Throughout the year, 216 remote operations and 111 AGC/AVC operational specification spot checks were completed. Additionally, 244 cybersecurity assessments for the Southern Power Grid Protection Program and 156 safety training effectiveness surveys were conducted. No major security incidents occurred during the entire year.
- The Company has continuously optimized the curriculum system of the engineering service safety training laboratory. Integrating regulatory interpretation with real-case warnings, the simulation replicates typical primary/secondary equipment, dispatch systems, standard safety measures, and 3D virtual models to recreate field working environments. It emphasizes cybersecurity and standardized operations as key training components, ensuring complete alignment between practical training content and on-site job requirements.

Enhance the Awareness of Confidentiality Responsibilities

- The "Engineering Service Center Confidentiality Management Implementation Guidelines" was issued, elucidating the "Ten Prohibitions" of confidentiality protocols, clarifying classification identification methods, and detailing confidentiality measures and behavioral standards. Throughout the year, no incidents of intentional information leakage by our personnel occurred.

Customer Satisfaction Survey

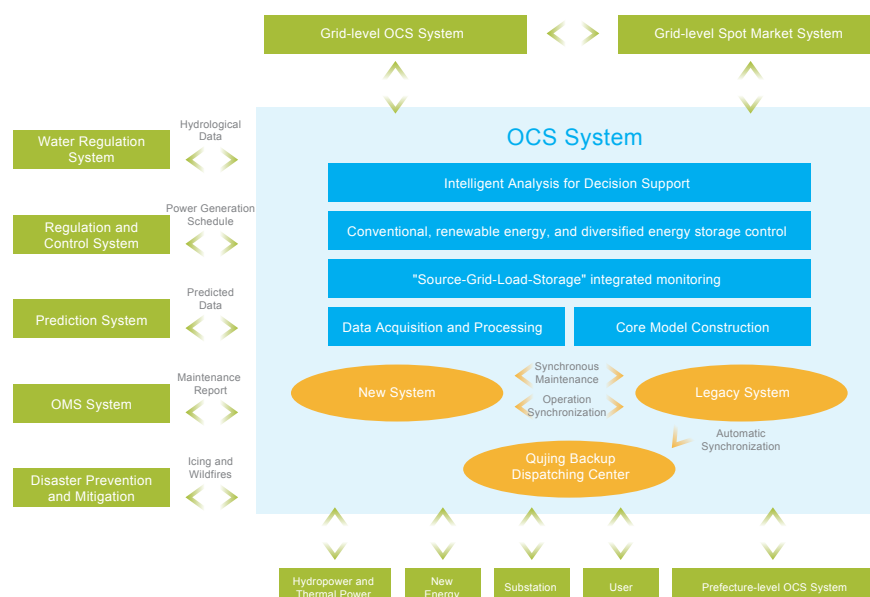
- Through multiple channels such as phone calls and text messages, we conducted a concentrated satisfaction follow-up with eligible units, and internally compiled the "NR Customer Satisfaction Survey Report (Year 2025)". The report analyzes from multiple dimensions including industry, profession and region, proposes improvement measures, and continuously enhances service levels

Statistical data for the past three years	2023	2024	2025
Service satisfaction (on a 10-point scale)	9.91	9.94	9.94
Service response rate (%)	99.63	99.97	99.99

- Zhongyan Technology Co., Ltd. was commissioned to conduct a satisfaction research on NR, resulting in the 2025 Annual Corporate Customer Satisfaction Survey (on a 100-point scale). Among them, NR's operation and maintenance service satisfaction scored 93.25, and issue feedback and resolution satisfaction scored 94.34, ranking first among the surveyed competitive enterprises in both metrics.

Focus on Addressing Customer Pain Points and Concerns

- As the world's most complex asynchronous sending-end bulk power grid, Yunnan Power Grid is characterized by three major operational challenges: high difficulty in system security risk management, formidable power-energy balance maintenance, and significant clean energy accommodation constraints. NR' newly awarded Yunnan Dispatch New OCS Construction Project marks the first next-generation dispatch automation system in the Southern Power Grid that supports the regulation demands of both the new power system and electricity spot markets, with renewable energy generation accounting for a maximum of 63.89%. To ensure smooth commissioning, the NR on-site service team demonstrated exceptional cohesion and meticulous planning. They conducted short-cycle closed-loop trial operations for core control functions including generation scheduling, AGC/UFC, and AVC, proactively identifying potential issues. The team spearheaded the development of a new-old system comparison tool, rigorously maintaining 100% consistency in model and data for nearly three months prior to the primary system cutover. Leveraging transition experience from the Southern Power Grid Dispatch Center and Guangxi Provincial Dispatch Center, they organized multiple rounds of tabletop and hands-on drills, thoroughly simulating real cutover scenarios to establish detailed sequential operation procedures. The cutover process was executed with precision and orderliness, ultimately achieving a flawless "zero-defect" transition. The new interface design, practical system functionalities, and pragmatic project construction team have garnered unanimous praise from provincial leaders including the Party Secretary of the Provincial Committee, officials from the Energy Bureau, the Prime Minister of Laos, and executives of Yunnan Power Grid Company.



Product Marketing Management

■ Sales Planning and Strategy Formulation

NR adheres to its corporate mission of "Creating Value and Serving Society", aligning with the construction of next-generation power systems and the global trend of green energy transition. The Company has formulated and implemented a sales strategy centered on "technology leadership, market penetration, international expansion, and customer collaboration". The Company strengthens the dual-drive strategy of technical marketing and cultural marketing, leveraging core products such as grid-forming energy storage, smart energy management systems, and power market technical support systems to deepen its product deployment in power grids, renewable energy, industrial and mining enterprises, and international markets. It focuses on advancing integrated source-grid-load-storage solutions, autonomous and controllable smart substation upgrades, and the implementation of large-scale overseas energy storage projects. These efforts aim to increase the proportion of high-value-added products and drive the transformation of our business model from "product sales" to "providing systematic solutions". In the international market, it is imperative to actively expand into emerging sectors, with a focus on incremental markets such as hydrogen energy, green electricity for ports and shipping, and industrial control systems. Tailoring optimal solutions will be crucial to bolstering overseas performance growth. It is imperative to continuously strengthen the localization team building and comprehensively enhance the capability to address overseas policy and market risks, thereby providing robust support for the rapid development of international operations. It is imperative to deepen direct collaboration with world-leading power and mining investors, strengthen strategic mutual trust through "value co-creation", continuously solidify our positioning as the "authoritative technical expert" and "preferred supply partner", thereby achieving dual leadership in both technology and market.

Sales Target Achievement

In 2025, NR successfully achieved its annual sales targets, with its products and solutions being deployed at scale across multiple major domestic and international projects. It has comprehensively enhanced the quality of centralized bidding contracts, maintaining market leadership in State Grid protection and monitoring systems, pumped storage, compensation devices, as well as Southern Power Grid protection and monitoring systems, series compensation, and ice-melting products. Leveraging the Company's profound expertise in HVDC technology, we have supplied core equipment including control protection systems, converter valves, and measurement devices for the Xizang-Guangdong Flexible HVDC Project – China's first UHV power transmission project connecting State Grid to Southern Power Grid, featuring ultra-high altitude, ultra-long distance, and ultra-large capacity. Additionally, we secured contracts for critical equipment in the five-terminal flexible DC renovation projects at Sanshan Island of Guangdong, and Cangnan, Shengsi, and Zhoushan of Zhejiang. The energy storage system integration has exceeded 5 GWh, with total PCS shipments surpassing 5.5 GW, including 2 GW of string PCS. The shipment volume consistently ranks among the top three in the market. In the international market, we have deepened our presence in key country markets, implemented localized operations, and achieved a 60% year-on-year growth in new contracts. The protection automation contracts maintained steady growth, with flexible equipment successfully expanding its market reach. DPFC products were once again deployed in Chile, while flexible DC-AC energy consumption products achieved a breakthrough in the UK. Energy storage performance reached a new record high, with overseas PCS shipments nearing 9 GW for the year, including the world's largest grid-side project—the 2.5 GW contract secured in Saudi Arabia.

Case | Successful Grid Connection of Saudi SEC 500 MW /2 GWh Energy Storage Project

On January 3, 2025, the Saudi SEC 500 MW /2 GWh energy storage project was successfully connected to the grid and energized in a single operation. This project represents the first phase of large-capacity energy storage initiatives planned by Saudi Electricity Company (SEC), with China Electric Power Equipment and Technology Co., Ltd. (CET) serving as the EPC contractor. The AC side of the project employs NR's integrated 3S (PCS+PMS+EMS) solution, while NR also undertakes the Automatic Voltage Control (AVC) system and related power system studies. NR possesses extensive implementation experience in power grid control and protection, high-end power electronics, and grid regulation. With a profound understanding of grid requirements, the Company has the capability to develop, manufacture, and integrate complete energy storage system equipment. NR's energy storage PCS series products have obtained a comprehensive range of mainstream certifications including Germany's VDE-AR-N 4110 & 4120, EU's EN 50549-2, UK's G99, NC RFG, and South Africa's BESF, fully demonstrating the products' exceptional safety performance, compatibility, and adaptation capabilities. NR is committed to shaping the new energy power system with its "Ideal Synchronous Power Source" grid-forming technology. The successful grid connection of Saudi SEC's 500 MW /2 GWh energy storage project marks another successful practice of NR in supporting the transition from conventional power systems to next-generation power systems through grid-forming energy storage solutions. NR will continue to uphold its corporate mission of "Creating Value and Serving Society", leveraging innovation and reliable products to consistently inject robust new momentum into the global green energy transition.



Successful Grid Connection of Saudi SEC 500 MW /2 GWh Energy Storage Project

- In accordance with NR Document No. 11 [2022] – "Regulations on NR's External Publicity Management", the Company's external publicity efforts consistently adhere to the principles of compliance, professionalism, and value orientation. These efforts comprehensively implement relevant national laws and regulations while meeting corporate social responsibility requirements, ensuring the authority, rigor, and positive leadership of brand communication. Any form of false advertising, exaggerated claims, disparagement of competitors, or use of discriminatory language is strictly prohibited. All marketing personnel regularly participate in specialized training on laws and regulations such as the Advertising Law, Anti-Unfair Competition Law, and Consumer Rights Protection Law to strengthen compliance awareness and professional competence. The use of unverified technical indicators, absolute expressions, classified information, and graphic materials inconsistent with public order and good morals is strictly prohibited to effectively mitigate legal and reputational risks.
- No penalties or warnings have been received from customers or regulatory authorities in the past three years and during the reporting period.



[2025 ESG REPORT >](#)

Fulfilling Responsibilities to Jointly Build a Harmonious and Happy Homeland

Fulfilling Responsibilities to Jointly Build a Harmonious and Happy Homeland

NR unwaveringly adheres to the corporate mission of "creating value and serving society", viewing the well-being of the people as both the starting point and destination of its actions. The Company is committed to building a harmonious and stable labor relationship ecosystem, providing fertile ground for the vigorous growth of talent. Upholding the spirit of open collaboration, NR actively promotes deep exchanges and strategic partnerships within the industry, working hand in hand with partners to create a new chapter of mutual benefit and win-win cooperation. By performing charitable deeds and fulfilling social responsibilities, NR leverages technological innovation to inject strong momentum into rural revitalization and is dedicated to improving people's livelihoods, contributing to a happier and more beautiful social landscape.

Support the Employee Growth >

Adhering to the talent concept of "talent organized scientifically are the greatest wealth of the Company", we value the protection of employees' basic rights, strive to optimize the environment for talent growth, pay attention to employees' occupational health, enhance human care, and work hard to create a cultural atmosphere of "working diligently, living happily, being economically prosperous, and maintaining harmonious relationships with neighbors".

1. Safeguard the Employee Rights and Interests

NR attaches significant importance to safeguarding the basic rights and interests of employees, adheres to diversity, equality and inclusiveness, carries out talent recruitment in an orderly manner, improves the salary and benefits system, emphasizes democratic management, and creates a harmonious and stable labor relationship.

Data on NR.....

- Total number of employees: 1,933/7,064
 - Proportion of ethnic minority employees: 2.55%/2.50%¹
 - Proportion of women in management: 4.5%/5.0%¹
 - Labor contract signing rate: 100%/100%¹
 - Social insurance coverage rate: 100%/100%¹
 - Employee turnover rate 1.0%/1.3%¹
 - Violations of labor laws and labor disputes: 0 case
 - Total number of new recruits: 199/6871
 - Average paid annual leave per employee: 8.2/8.0 days¹
 - Employee satisfaction rate: 98.6%/98.5%¹
-

Employee Gender Structure

Gender	Number (person)	Proportion (%)
Male	1558	89.9%
Female	195	10.1%

Employee Age Structure

Age	Number (person)	Proportion (%)
29 years old and below	159	9.1%
30-39 years old	894	51.0%
40-49 years old	623	35.6%
50 years old and above	77	4.3%

Employee Education Structure

Educational background	Number (person)	Proportion (%)
College degree or below	92	5.4%
Bachelor's degree	1058	60.3%
Master's degree or above	603	34.3%

Employee Professional Structure

Profession	Number (person)	Proportion (%)
Senior technical personnel	427	24.3%
Intermediate technical personnel	995	56.8%
Junior technical personnel	293	16.7%
Others	38	2.2%

Employee Hierarchy Structure

Rank	Number (person)	Proportion (%)
Senior management	44	2.5%
Junior management	155	8.8%
Frontline employee	1554	88.7%

Equal Employment

- The Company strictly adheres to relevant national laws and regulations, and established policies such as "Employee Recruitment Management Measures", "Employee Attendance and Leave Management Measures", "Employee Training Management Measures", "Management Personnel Management Measures" and "NR Expert Management System" to standardize personnel management and employee conduct.
- The Company is dedicated to cultivating outstanding engineers by sharing resources with multiple universities to establish collaborative training bases for industry-education integration. This effectively addresses the talent development gaps in universities and meets enterprise needs, providing the industry with a group of technology and engineering professionals with international perspectives.

- The Company has implemented the SA8000® social responsibility management system, focusing on the physical and mental health and rights of employees. It avoids employment discrimination, prohibits child labor, opposes forced labor in any form, and treats employees of different nationalities, races, genders, religious beliefs and cultural backgrounds fairly and justly.
- The Company places significant importance on the protection of employees' personal information and privacy, establishing a comprehensive management mechanism for personal information and privacy protection. It explicitly stipulates that handling employees' personal information must adhere to strict principles and security requirements to ensure that employee privacy and personal information security are not compromised.

Salary and welfare

- The Company values talent motivation and has established "Employee Performance Management Measures" and "Employee Reward and Punishment Regulations", emphasizing the rationality, legality and appropriateness of the compensation and benefits system and performance evaluation. Based on the value contribution, employee's salary and bonus standards are determined by considering professional capabilities, job levels, performance, and compensation comprehensively. A linkage mechanism between job levels, performance and salary has been established to continuously enhance talent attraction and retention capabilities.
- The Company introduces long-term incentive mechanisms such as equity incentive plans and corporate pension plans, with reward policies favoring key position employees and outstanding performers, maintaining a high retention rate of core talents.
- In 2025, the Company optimized its transportation subsidy policy and expanded the coverage of beneficiaries.

Democratic Management

- The Company strictly abides by the Trade Union Law of the People's Republic of China, the Constitution of the Chinese Trade Unions, and the Regulations on the Congress of Basic Trade Union Members. The current trade union committee consists of 7 members, with subcommittees including the Finance Review Committee, Women Workers' Committee, Labor Dispute Mediation Committee, and Labor Law Supervision Committee, along with 13 branches and 8 cultural and sports associations. The employee participation rate is 100%.
- The Company convenes the Employee Representative Conference in accordance with regulations, establishing a mechanism of liaison officers with the General Manager and regular symposiums to solicit opinions and suggestions from employees, listen to their ideas, address their actual difficulties, publicize major issues, commend awards and make disciplinary decisions. The fifth session of the fourth Employee Representative Conference was held, where reports such as the "2025 NR Work Report", "Trade Union Work Report", "2025 Annual Summary Report of the Employee Reward Fund", and "Employee Handbook" and its revision explanations were heard, reviewed and approved. It reported to all employees on the use of trade union funds, with total trade union expenses amounting to CNY 16.41 million in 2025. Among them, CNY 4.79 million was spent on employee activities, CNY 9.9 million on collective welfare, and CNY 1.28 million on condolences. It fully ensures employees' rights to information, participation, expression and supervision.
- The Company strictly implements the system of the Employee Representative Conference, adhering to incorporating major issues related to the Company's reform, development, stability and employees' vital interests into the scope of Employee Representative Conference affairs. The Company focuses on the construction of a democratic management system and holds an annual Employee Representative Conference to solicit proposals from employee representatives, encouraging employees to participate in the Company's management. The "Outstanding Safety and Quality Individual" selection campaign was launched to commend employees who have demonstrated exceptional performance in workplace safety and quality control. This initiative aims to establish role models in safety practices and further motivate all staff to actively fulfill their safety responsibilities. Seizing the opportunity of the June Safety Production Month, we conducted a series of activities including safety knowledge lectures, outstanding safety officer selection, and hands-on safety skills training. These initiatives aimed to strengthen employees' awareness of safety responsibilities, effectively enhance their ability to identify safety risks and respond to emergencies, assist the Company in consolidating its safety management foundation, and safeguard the stable operation of the enterprise.
- Since 2019, when Nanjing City and Jiangning District initiated collective bargaining to advance the reform of industrial workforce development, we have gained profound practical insights that collective bargaining serves as an effective mechanism for achieving win-win outcomes between employees and enterprises. Moving forward, we will further leverage the role of trade unions by actively promoting collective bargaining and continuously advancing the deepening and solid implementation of corporate democratic management practices.

- Leveraging the Employee Innovation Studio, we have secured the following group accolades: 1. "Integrating MES and WMS Systems to Establish a Lean and Intelligent Logistics Ecosystem" was honored with the 2024 China Smart Manufacturing Excellence Award by e-works Digital Enterprise Network in March 2025. 2. "Establishment of an industrial big data-based production decision-making hub enabling digitalized energy efficiency management and carbon emission monitoring" was recognized as a Jiangsu Provincial Advanced-Level Smart Factory by the Jiangsu Provincial Department of Industry and Information Technology in May 2025. A total of 10 patent applications were filed in 2025, with 6 patents granted. All submitted applications have passed preliminary examination. A total of 9 papers were included.
- We conducted "I Offer a Strategy for the Team" rationalization suggestions and "Golden Ideas" collection activities. In 2025, 86 employees proposed 166 suggestions in areas such as efficiency optimization, quality improvement, safety production and process management, with 93 effectively implemented.
- We established and effectively utilized the Employees' Home and the Employee Appeals Service Center, advance the construction of "Employees' Small Home", and prioritize the development of talent teams such as model workers and master craftsmen. One person from the Research Institute was awarded the title of "Jiangning Craftsman" and was invited as a candidate for "Nanjing Craftsman" to participate in the on-site meeting for the reform of industrial worker team construction in Nanjing.

Security Practices

- The Company currently employs a total of 63 security personnel through labor dispatch services, having received training on human rights policies or procedures.
- Professional Training: Security personnel entering NR must undergo professional training, including security knowledge, laws and regulations, fire safety knowledge, first aid skills, etc., to enhance their overall capabilities. These better prepare them for emergencies such as fires, medical incidents, or criminal activities.
- Human Rights Policy and Training: To ensure that security personnel adhere to high standards of professional ethics while performing their duties and to promote the organization's overall compliance and social responsibility, NR' human rights training includes topics such as human rights awareness, professional behavior, complaint handling, non-discrimination practices, privacy protection, conflict resolution and emergency response. Trained personnel understand the importance of avoiding violations of individual rights during visitor registration, such as improper searches, unlawful detention, or excessive use of force.
- Security Management Plan: The Company has developed a detailed security management plan, including personnel management, vehicle management, visitor management, patrol management, emergency management, fire alarm handling procedures, and crisis response procedures.
- Classification Security Management: Security work is categorized into areas, such as fire safety, public security, environmental safety, etc., with each category having specific management measures and contingency plans.
- Safety training and education: The security department organizes specialized training programs in five annual sessions for over 1,500 employees in key positions, focusing on safety awareness education and professional skill enhancement. The curriculum includes interpretation of fire safety regulations, risk identification and prevention, job-specific safety operating procedures, mandatory safety induction courses for new hires, as well as regular emergency evacuation drills and hands-on fire extinguishing exercises. These initiatives effectively elevate overall safety competency and emergency response capabilities.
- Company Safety Management: For internal safety management, the Company has reviewed a safety inspection system to monitor both the internal and external environments, enabling the prompt identification and elimination of safety hazards to protect employee safety and property.
- Key Area Management: Management of key areas is emphasized, with daily inspections conducted in critical zones like live test areas, data rooms and lithium battery laboratories.
- Safety Culture Development: The Company fosters a safety culture by promoting the mindset that "everyone talks about safety, and everything is done for safety", enhancing employees' safety responsibility and team spirit through various methods, including publicity, meetings, and case sharing, etc.

- **Performance Evaluation and Incentive Mechanism:** Public security and fire safety indicators are integrated into the employee performance evaluation system to assess security personnel's performance, reward exceptional contributions, encourage teamwork, and enhance overall safety management levels.
- **Information Exchange and Communication:** The Company maintains effective communication with local law enforcement to stay informed on security matters, such as fire incidents, drunk driving cases, and fraud, ensuring employees are aware of the latest security developments.
- **Policy and Regulatory Compliance:** The Company ensures that all safety measures are in compliance with national and local laws, regulations and industry standards.

Employee Satisfaction

- The Company conducts systematic employee satisfaction surveys annually, analyzing and presenting the survey data from multiple dimensions. In 2025, overall employee satisfaction reached 98.6%, with high recognition of the corporate strategy, brand influence and organizational capability. The series of measures taken by the Company in response to the 2024 survey results have been effective and recognized by employees.

2.Promote the Employee Development

NR focuses on talent development as its core, adhering to the training of versatile talents across multiple positions. The Company continuously improves its talent development system, creates smooth career development paths, and strives to provide various career development opportunities for diverse types of employees, achieving a comprehensive enhancement of their professional abilities, qualities, and spirits.

Data on NR.....

- **Offline training:** The Company develops and implements an annual training plan. In 2025, the Company organized 412 employee training sessions, training 18,677 participants, with an average training time of 16.0 hours per person.
- **Online training:** The learning platform has launched 3,035 courses, with total online learning hours reaching 65,529. The average training duration per person was 33.9 hours.
- **In 2025, the talent development initiatives included:** specialized project management training programs, multilingual integration TTT (Train-the-Trainer) bootcamps, and product certification workshops with practical empowerment modules. These programs are designed to guide employees through progressive career advancement at each developmental stage.

Improve the Vocational Training System

Key tasks	Action measures
Training management system	The Company has long adhered to the talent development concept of "independent cultivation", gradually establishing a comprehensive and effective talent development system. Based on the identification of needs from the dimensions of organization, business, and employees, the training plan is dynamically responsive throughout the entire cycle. The implementation and operation are categorized and layered, and the four-level evaluation method is effectively utilized, ensuring that the training progresses in an effective and orderly manner through the four steps, and guaranteeing the implementation of training objectives.
Training course system	The Company has established a comprehensive training management system centered around three major modules: new employee training, professional training, and management training. By organizing and empowering individuals, the training needs are thoroughly addressed through various methods, including face-to-face training, online training, blended training programs, study visits, and outdoor experiential learning. This continuous effort promotes employee learning and development, contributing to the establishment of a learning organization.
Faculty team building	The Company has developed an internal team of over 200 trainers, who have contributed nearly 1,000 courses to the curriculum. Multiple sessions of Agile TTT Trainer Empowerment Training Camps are organized to enhance internal trainers' abilities in experience extraction and internal empowerment. During the learning process, valuable knowledge and experience are accumulated, resulting in high-quality courses and the systematic cultivation of trainers' course production and teaching capabilities.
Positional mentoring mechanism	The Company continuously optimizes the job mentoring mechanism and strengthens training on company history and culture. Cultural guidance is enhanced through methods such as learning from exemplary benchmarks, discussions between new and veteran employees, and experience sharing. Additionally, the mentorship system is refined, with strengthened control over the mentoring process through the establishment of key tasks and skill assessments. This supports the rapid growth of new employees and guides young employees to become inheritors and promoters of the corporate culture.

Smooth the Career Development Channel

- The Company has enhanced the effectiveness of the cadre foundational capacity-building program, implemented tiered development initiatives for cadre empowerment, strengthened job rotation and critical task exposure, and accelerated the growth and professional maturation of cadres. It has developed a digital cadre management system to optimize organizational structure and management positions, balance span of control, and enhance management efficiency.
- The expert management system was officially implemented, refining the hierarchical structure for cadre experts. Two rounds of expert evaluation and appointment have been completed, establishing a current expert team comprising 108 professionals.
- The Company actively builds horizontal career development paths for employees. It has established a mature internal talent supply chain. Each year, through an open and fair internal competition mechanism, employees are encouraged to move across centers, providing multidimensional career development options. In 2025, a total of 165 employees successfully transferred to new positions through internal competition.

3. Care for Employees' Lives

NR is committed to providing genuine humanistic care for all employees by continuously optimizing the employee care management system. Through organizing diverse cultural and sports activities and hosting parent-child sharing sessions on cultural practices, we build emotional bridges between the workplace and family life. We conducted three specialized health lectures on chronic disease prevention, benefiting over 800 employees and enhancing their health awareness. In collaboration with district education and healthcare institutions, we launched "networking events" that effectively promoted cross-organizational communication, attracting nearly 100 enthusiastic participants for social interaction. The "Summer Culinary Camp" initiative was introduced, inviting employees' children to experience culinary arts in the company cafeteria, allowing them to appreciate their parents' work dedication while fostering growth and joy through teamwork. A summer childcare program for employees' children aged 3-9 was established to effectively address parents' childcare concerns during the vacation period. On Children's Day, a parent-child themed event titled "Through Children's Eyes: Discovering China Eastern" was jointly organized with China Eastern Airlines, attracting enthusiastic participation from numerous employee families. Various family day activities were conducted in diverse formats with vibrant atmospheres, significantly strengthening the emotional bonds between employees' families and the enterprise.

The trade union established a diversified employee communication platform through cultural and sports activities as the bond. Throughout the year, it organized over 300 cultural, sports, and team-building activities, achieving a participation coverage rate of 98%. These initiatives facilitated collective growth and comprehensive development among employees through active engagement.

Data on NR.....

■ Diversified care initiatives implementation: In 2025, the Company conducted over 152 care activities of diverse types, reaching more than 1,200 employees and their family members. Throughout the year, 65 hospitalized employees received visits, 28 families bereaved of immediate relatives were granted special subsidies, 142 employees celebrating marriages or childbirths were extended congratulations, and 51 employees facing critical illnesses or family emergencies were provided with compassionate funds totaling CNY 440,000. Meanwhile, with a focus on employee mental health, each branch labor union has institutionalized psychological counseling by leveraging routine heart-to-heart talks and themed team-building activities, effectively alleviating work-related stress and fostering a positive and uplifting team atmosphere. It has delivered the warmth of trade union organizations to the hearts of employees.

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Witness the Glory



Case | "Crafting Dreams with Ingenuity, Soaring into the Future with Intelligence" Technology Carnival Family Day

The Manufacturing Center hosted the "Crafting Dreams with Ingenuity, Soaring into the Future with Intelligence" Parent-Child Technology Carnival on Jiangjun Road. The event aims to spark adolescents' interest in science and technology through engaging popular science activities, interactive tech experiences, and parent-child collaboration, while fostering emotional bonds between employees and their children and conveying the warmth of corporate culture. Fifty parent-child families gathered together to immerse themselves in this innovative technology-driven cultural journey.

The event commenced with an in-depth discussion on the theme, exploring the connection between "craftsmanship and innovation". This segment unveiled the developmental journey of NR's national-level craftsmanship, allowing family members and children to understand how NR upholds its corporate culture of "pragmatic excellence and collaborative innovation" to solve practical challenges through continuous innovation. The participating families gained a deeper comprehension and appreciation of NR's innovative culture.

In the captivating and engaging science experiments that followed, the awe-inspiring spectacle of the liquid nitrogen mushroom cloud, the mechanical marvel of the Magdeburg hemispheres, and the interactive experience of the invincible air cannon elicited continuous exclamations of wonder from the audience. Children widened their eager eyes in the magical world of science. The subsequent VR and AI robot interaction session allowed families to experience the allure of innovative technology up close. The quadruped inspection robot independently developed by NR made a stunning debut, its agile movements and intelligent operation earning rounds of enthusiastic applause.

During the parent-child team-building session, parents and children collaboratively tackled engaging LEGO challenges, synergistically unleashing their creativity and hands-on skills. The DIY electric-powered free-flight aircraft workshop brought the event to its climax, with children assembling components and calibrating models under parental guidance. The ultimate moment came as they launched their handcrafted aircraft, their faces beaming with triumphant smiles. The event was filled with laughter and joy, blending warmth with a technological ambience. It not only allowed children to experience the fun of science and technology but also made them feel the company's care for employees' families, creating an unforgettable parent-child memory.



Case | On-site visit and condolences at NR engineering site

The NM2400324 Inner Mongolia Kusha 500 kV Power Transmission and Transformation Project is located in the Kubuqi Desert of Ordos, Inner Mongolia. It is an EPC project jointly undertaken by our company and North China Power Engineering Co., Ltd. The substation features large capacity, with four 1200 MVA main transformers constructed in a single phase. The project is currently in the field installation and commissioning phase, with a scheduled commissioning date of May 20, and the construction timeline is tight. This month, two 1,000 MW photovoltaic power stations have commenced construction in the surrounding area, connecting to the Kusha Station. The construction and commissioning environment is relatively challenging, with frequent sandstorms occurring in the Kubuqi Desert. For this project, our company is responsible for secondary system integration, including two sets of SVG equipment and auxiliary control systems, with an estimated workforce of approximately 10 persons. The division trade union extended condolences to on-site engineering service personnel, ensuring food and water supply during overtime commissioning operations, thereby conveying the company's care and warmth.



Case | Summer culinary camp for employees' children

It was intended to enrich the summer lives of employees and their families, enhance familial warmth, and simultaneously improve culinary skills through hands-on practice while enjoying wholesome cuisine. The "Summer Culinary Camp" warmly commenced at the General's Road Cafeteria. Employees from various departments enthusiastically participated in the initiative, with their children visiting the cafeteria during summer vacation. Amidst the bustling atmosphere, they gained firsthand experience of their parents' culinary efforts while fostering personal growth and shared laughter through collaborative activities.



The event was divided into morning and afternoon sessions, featuring engaging and informative content that allows young participants to immerse themselves in the culinary experience. In the morning session, the culinary team transformed into "gastronomy mentors", commencing an immersive journey through Chinese culinary culture with vivid narration—from the distinctive flavors and signature dishes of the Eight Great Cuisines, to the exquisite mastery of knife skills and heat control, down to the historical anecdotes embedded in each delicacy. The children listened with rapt attention, quietly sowing seeds of fascination for traditional food heritage. Subsequently, the chef's live demonstration of exquisite knife skills and lifelike peony carving elicited gasps of admiration, allowing children to directly appreciate the ingenuity of culinary artistry. In the most anticipated hands-on session, the master chef personally demonstrated the preparation of scrambled eggs with tomatoes, Kung Pao chicken, and crispy spring rolls with shrimp. From ingredient preparation to stir-frying techniques, he patiently guided the young apprentices who gathered around the stove, attentively mimicking each step. Through collaborative efforts, the budding chefs completed their dishes and shared the tasting experience, their faces radiating palpable pride and culinary satisfaction. The afternoon session focused on the art of delicate dim sum preparation, featuring hands-on instruction from master pastry chefs in crafting intricate traditional pastries, mango jelly with ice, chiffon cake rolls, and butter cookies. The children rolled up their sleeves and got hands-on, kneading dough, shaping, seasoning, baking... Every step radiated focus and dedication. The joy radiating from one's face while holding freshly baked homemade pastries—their own culinary masterpiece—was truly unparalleled. This event served as a gastronomic bridge that narrowed the distance between employees' families and the Company. The warm and amicable atmosphere subtly permeated through the culinary activities, infusing the organization with enhanced warmth and cohesion.



4.Focus on Occupational Health

NR strictly adheres to the Occupational Disease Prevention and Control Law of the People's Republic of China and relevant laws and regulations, establishing systems such as the "Occupational Health Management Standard" and the "Occupational Health Management Manual". The Company has obtained GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management System Certification and continuously enhances its occupational health management system.

The Company's Safety Committee regularly organizes frontline employees to conduct safety and occupational health risk identification and assessment, incorporating job-specific feedback to optimize protocols and mitigation measures. For lead fume exposure, engineering controls such as local exhaust ventilation and lead fume adsorption purification systems are implemented to enhance workplace ventilation and dust suppression, equipping personnel with personal dose alarm monitors and personal protective equipment to reduce occupational disease hazards at the source. The Company strictly implements jurisdictional requirements by completing occupational hazard factor assessments within stipulated timelines, organizing occupational disease physical examinations, and conducting multifaceted occupational health education programs to safeguard employee occupational well-being. Meanwhile, the Company has established a comprehensive health promotion system: equipped with fitness facilities, supporting labor unions in organizing recreational associations for basketball, badminton, and other activities; providing psychological consultation services, offering nutritious meals in cafeterias, and strictly managing food hygiene and safety to safeguard employees' physical and mental well-being through multiple dimensions. The Company also develops emergency response plans for sudden illnesses and conducts regular drills, equips with AEDs and other first-aid devices, and organizes first-aid knowledge and skill training, to comprehensively enhance employees' self-rescue and mutual rescue abilities.

Data on NR.....

- Five sessions of occupational health and safety training were conducted, cumulatively covering 250 participants, achieving full coverage of employees exposed to occupational health risks;
- No new cases of occupational diseases were reported;
- 100% coverage was achieved for employee health examinations;
- A total of 2,100 sets of work uniforms were allocated to employees, achieving 100% coverage.

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Case | Empowering health through sports to strengthen occupational health care barriers

The Company consistently prioritizes occupational health as a core dimension of employee care. Upholding the philosophy of "Health Empowers Growth, Excellence Balances Life", we are dedicated to addressing workplace stress challenges and facilitating employees' holistic well-being through the harmonious integration of physical-mental wellness and career advancement. To address prevalent issues among modern professionals such as physical inactivity and chronic stress accumulation, the Company has implemented targeted initiatives by allocating dedicated resources to upgrade employee wellness facilities. This includes the establishment of an integrated indoor sports complex, forming a comprehensive health support ecosystem.

The newly added indoor sports facilities in 2025 comprise four specialized functional zones: basketball courts, badminton halls, table tennis arenas, and professional fitness centers. All venues are equipped with industry-standard apparatus: the basketball courts feature regulation hoops and anti-slip flooring; the badminton and table tennis halls provide partitioned courts with professional nets and dedicated lighting systems; while the fitness centers are comprehensively outfitted with strength training equipment, cardio machines, and post-workout recovery tools. The facility implements a flexible opening schedule, accommodating various time slots including weekday lunch breaks, post-work hours, and weekends to meet the exercise needs of employees across different shifts. Dedicated personnel are assigned for routine maintenance and safety inspections to ensure a secure and orderly sports environment.

Following the implementation of these measures, employee enthusiasm for physical activity has been effectively stimulated. Various sports communities have spontaneously formed, regularly organizing friendly competitions, fitness check-ins, and other activities, leading to a sustained increase in employee participation rates. Physical exercise not only enhances employees' physical fitness and alleviates work-related stress, but also fosters communication and collaboration among team members, cultivating a positive and supportive workplace atmosphere. In the future, the Company will continue to enhance occupational health initiatives, refine the health service system, and diligently fulfill ESG responsibilities to create a healthier and more fulfilling work environment for employees.



Work Together for Industry Progress>

NR always adheres to the principles of fair trade and fair competition, upholding the concept of mutual benefit and collaborative development while actively practicing social responsibility in the construction and operation of the supply chain, and resolutely safeguards the legitimate rights and interests of suppliers, working hand in hand with them for mutual development.

Adhering to the full lifecycle supply chain management concept, the Company is dedicated to assisting suppliers in enhancing their management efficiency, standards, and sense of responsibility, with the aim of improving the overall competitiveness of the supply chain. At the same time, the Company actively responds to and implements the "Guiding Opinions on Central Enterprises Implementing High-quality Development to Achieve Carbon Peak and Carbon Neutrality Goals", and the "Implementation Opinions on Central Enterprises Fulfilling the National Deployment Requirements for Carbon Peaking and Carbon Neutrality" issued by the State-owned Assets Supervision and Administration Commission of the State Council, as well as the "Action Plan for Green, Modern, and Intelligent Supply Chain Development" from SGCC. NR continuously promotes the establishment of green supply chains, explores the establishment of a unified system for green product standards, certification, and labeling, encourages the procurement of green products and services, and actively supports green industries. NR's green supply chain initiative has received national recognition and consistently adheres to state-level green supply chain management enterprise standards in its supply chain development.

Furthermore, NR continues to advance the construction of its digital and intelligent procurement management platform, enhancing data governance, implementing dynamic monitoring, and refining quantitative evaluation metrics. Guided by the principle of selecting the superior and eliminating the inferior, the Company deepens cooperative commitments with qualified suppliers in sustainable development, achieving full-process visual management of the supply chain. We aim to build a green supply chain ecosystem that is fair, transparent, compliant, efficient, stable, reliable, mutually beneficial, interconnected, and possesses strong overall competitive advantages.

1.Strengthen the Supply Management

NR consistently adheres to the Bidding Law of the People's Republic of China and its implementing regulations. In accordance with internal governance documents such as the "NR Procurement Management Regulations" and the "NR Procurement Business Implementation Rules", the Company has established a systematic and standardized supply chain management framework. This comprehensive system spans the entire supplier lifecycle—from sourcing and qualification to collaborative execution, performance evaluation, and exit mechanisms—ensuring rigorous oversight at every stage. The Company places high priority on the timeliness and compliance of its regulatory framework, consistently benchmarking against the latest laws and regulations as well as industry best practices. It conducts periodic revisions to the procurement management measures and associated supporting policies. 2025 witnessed the completion of over 12 management document updates and optimizations, ensuring the management system maintains dynamic refinement and operational efficiency.

In the realm of supplier management, NR has established stringent qualification thresholds, enhanced due diligence procedures, and implemented a multi-dimensional evaluation framework to proactively identify and mitigate potential environmental, social, and governance (ESG) risks across the supply chain. Through scientific supplier classification and relationship management strategies, the Company continuously optimizes its performance evaluation system, promotes standardized and transparent procurement processes, and leverages digital procurement platforms to achieve end-to-end online control and data-driven decision-making.

In the field of bidding and tendering management, the Company systematically reviews the entire tendering process. Leveraging the "NR Procurement Management Regulations", "NR Procurement Business Implementation Rules", and the "Guidelines for Bidding and Non-Bidding Procurement Operations", it formulates and approves tender plans through multi-party discussions to ensure their scientific rigor and fairness. During the tendering implementation phase, standardized operational procedures are strictly enforced for critical steps, with enhanced process supervision and compliance control. Once the tendering results are finalized, they are rigorously executed in accordance with regulations, accompanied by concurrent review and inspection of implementation performance. The aforementioned measures ensure full traceability and documentation throughout the entire bidding process while guaranteeing compliance with legal and regulatory requirements.

Meanwhile, NR actively fulfills its supply chain collaboration responsibilities by routinely conducting supplier capacity-building initiatives, including specialized mentoring, green standard dissemination, and management training, effectively empowering partners to enhance quality and efficiency for mutual growth. Aligned with the "Dual Carbon" goals and high-quality development imperatives, the Company steadfastly advances the construction of a green supply chain. By implementing resource conservation and environmental stewardship across all operational segments, we are committed to establishing a modern supply chain ecosystem characterized by shared responsibility, collaborative value creation, and sustainable green synergies.

Data on NR.....

- Economic contract fulfillment rate: 100%;
 - 2,067 cooperative suppliers;
 - The number of qualified suppliers reached 496, with an annual reassessment coverage rate of 100%.
 - Number of suppliers reviewed: 895;
 - Risk materialization resolution rate: 99.56%.
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Number of Suppliers by Region

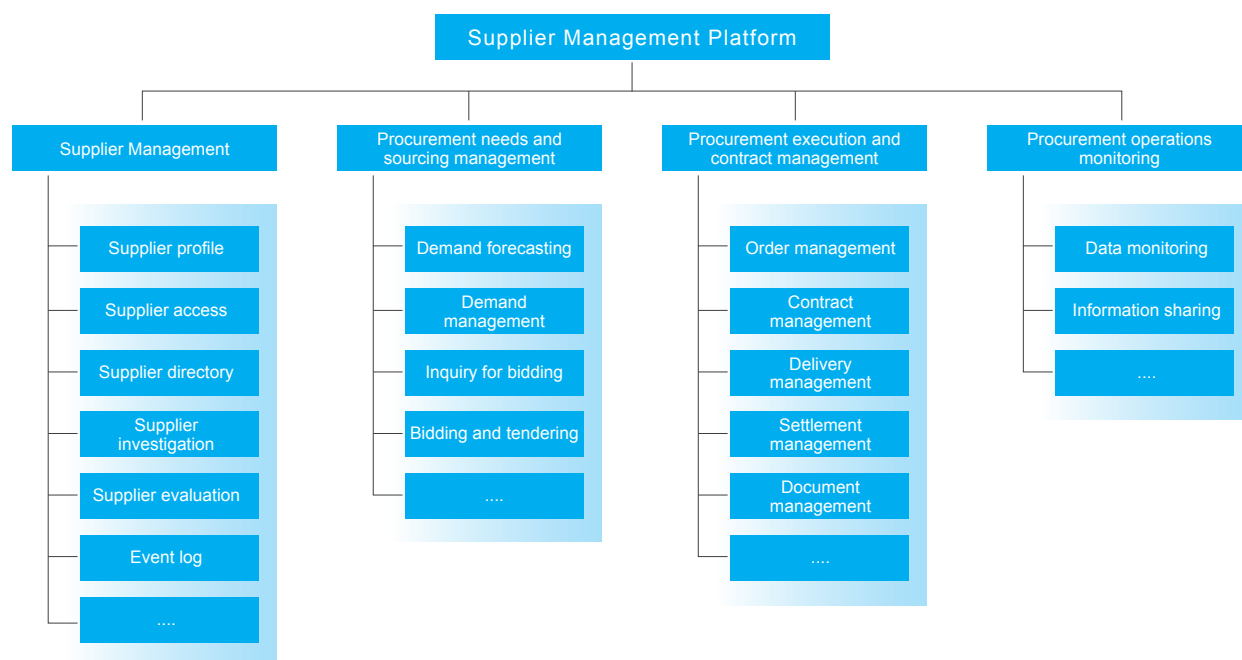
Region	Number of suppliers	Proportion (%)
Northeast China	84	4.06%
North China	447	21.63%
East China	845	40.88%
South China	267	12.92%
Central China	261	12.63%
Northwest China	135	6.53%
Overseas regions	28	1.35%

Responsibility Procurement

- Compliance serves as the foundation, strengthening the bottom line of procurement management. The Company strictly adheres to the Bidding Law of the People's Republic of China and its implementing regulations, continuously improving the institutional system that covers the entire procurement chain. In 2025, the Company completed the revision and update of over 12 procurement management systems and supporting documents, enhanced the effectiveness evaluation of procurement procedural documents, and ensured business processes are legally compliant with controllable risks. Meanwhile, it resolutely combats commercial bribery and corruption by implementing routine supervision and inspections, integrity training programs, and whistleblowing mechanisms to uphold fair market competition and ensure transparent transaction processes.
- With digital intelligence-driven procurement governance enhancement, the Company has made continuous advancement in the construction of intelligent procurement management platforms, deepened data governance, and strengthened capabilities in information collection, analysis, and application. By establishing digital dashboards, intelligent prediction models, and risk early-warning mechanisms, we have achieved comprehensive visualization and intelligent management throughout the entire process from demand planning to fulfillment evaluation. We actively explore the application of innovative technologies such as artificial intelligence (AI) in supplier screening, price benchmarking, and contract execution scenarios, driving the transformation of procurement decision-making from experience-driven to data-driven approaches to comprehensively enhance management efficiency and responsiveness.
- Green development leads the way and together we build a low-carbon supply chain ecosystem. We actively respond to the national "Dual Carbon" strategic deployment and comprehensively implement the relevant requirements for green supply chain construction issued by the State-owned Assets Supervision and Administration Commission of the State Council and the State Grid Corporation. We prioritize suppliers employing eco-friendly processes, utilizing renewable resources, effectively controlling carbon emissions, and minimizing waste and pollution in procurement strategies. We strengthen collaborative commitments with qualified suppliers in sustainable development, encompassing integrity, confidentiality and information security, compliance, quality, social responsibility, emergency response, safety training, and performance evaluation.
- With risk prevention and control to enhance supply chain resilience, we have established a supply chain risk identification and assessment mechanism covering environmental, social, and compliance dimensions, and implementing dynamic monitoring and tiered management for high-risk areas. Through supplier due diligence, multi-source supply network deployment, and contingency planning, the resilience and stability of the supply chain under external shocks are significantly enhanced, ensuring secure and reliable provision of critical materials.
- Through collaborative empowerment and the promotion of mutual growth with suppliers, NR adheres to the philosophy of "mutual benefit and win-win, collaborative development." The company not only focuses on suppliers' delivery performance but also places greater emphasis on their sustainable development capabilities. Through regular performance evaluations, in-depth communication, and digital transformation support, we assist suppliers in continuous improvement and enhancing their competitiveness. Particularly in overseas project procurement, it is imperative to enhance standardized process management to ensure the robust operation of the global supply chain under unified specifications.

Supplier ESG Management

- Strengthening supplier qualification criteria to establish a solid foundation for collaboration, we rigorously set entry thresholds for suppliers and emphasize comprehensive evaluation of potential partners to ensure a healthy, efficient, and sustainable supply chain. We enhance supplier data governance, implement dynamic monitoring, refine quantitative evaluation metrics, enforce survival-of-the-fittest mechanisms, elevate management standardization and precision, and optimize operational efficiency. We implement an on-site supplier evaluation mechanism to scientifically assess their production capacity, quality control, environmental protection, and social responsibility performance; select suppliers that meet the company's high standards to jointly promote the healthy development of the supply chain. The number of suppliers reviewed for 2025 fiscal year is 895.
- We conduct in-depth environmental and social responsibility assessments, implement green procurement principles, deepen supplier environmental and social evaluations, rigorously enforce green procurement standards, and prioritize suppliers with low-carbon compliance and strong social responsibility commitments. We strengthen the protection of labor rights and interests, ensuring safe and fair working conditions, and eliminating any form of forced labor or child labor. We have gradually refined the comprehensive evaluation system encompassing environmental, social, and governance (ESG) factors to facilitate the achievement of sustainable development goals.
- Dynamic adjustment combined with annual reassessment optimizes supplier performance evaluation. By integrating dynamic evaluation with annual reassessment, a differentiated supplier performance evaluation model is established. Based on the classification and grading criteria of different suppliers, a comprehensive evaluation is conducted across multiple dimensions, including but not limited to ESG. We ensure comprehensive qualification audits for all suppliers, implement hierarchical classification management of qualified suppliers, incentivize outstanding suppliers for continuous improvement, and eliminate non-compliant suppliers, thereby enhancing overall supply chain efficiency and sustainability.
- We have enhanced the management of non-compliant suppliers by drafting the "Supplier Relationship Management Measures" to safeguard the security and stability of the supply chain. For suppliers involved in major environmental or safety incidents or severe violations, immediate suspension of cooperation are implemented until the issues are fully resolved and verified through re-inspection. Through rigorous supervision and feedback mechanisms, potential risks are promptly identified and addressed to ensure the secure and stable operation of the supply chain.
- The Company implements the SRM system to achieve full-process information management and enhance supply chain collaboration efficiency, and establishes a supplier portal to achieve informatization operations for the entire process of order release, contract signing, performance, settlement, and qualification management, etc. Leveraging this platform enhances supplier performance management capabilities and planning collaboration efficiency, optimizes the supplier management system, ensures the informatization and standardization of procurement processes, and improves overall operational efficiency.
- We strengthen contract clauses to implement ESG responsibilities by explicitly stipulating requirements for workplace safety, risk prevention and control, environmental protection, and labor rights; urge suppliers to establish and improve relevant management systems and operational procedures. Through periodic audits and training, we assist suppliers in continuously enhancing their management capabilities, ensuring their practices align with corporate and societal expectations, thereby jointly advancing sustainable development within the industry.
- We have established an integrated management system to achieve data interconnection and collaborative operations. Based on the data interconnection and integration model, we have constructed a supply chain integrated management system to facilitate suppliers' online integration into the company's production and operation system. Leveraging the advantages of data sharing and collaborative operations, we fully harness the synergistic effects between upstream and downstream supply chain partners, significantly enhancing overall operational efficiency and response speed, thereby further strengthening the supply chain's competitiveness and adaptability.



2.Strengthen the Cooperation and Communication

The high-quality development of technological innovation and industrialization cannot be achieved without talent cultivation. NR actively fulfills its mission of nurturing outstanding engineers by collaborating with multiple universities to share resources. This partnership aims to supply urgently needed talents to enterprises, enabling these exceptional individuals to grow continuously in their professional fields and ultimately give back to their alma mater, thereby creating a virtuous cycle.

University-Enterprise Cooperation

- **Project Collaboration:** NR engages in deep collaboration with university technical teams across multiple high-tech fields, including intelligent equipment for power electronics, analysis of large power grid systems, and electricity spot markets. This partnership leads to joint applications for national-level technology projects with the State Grid Corporation of China (SGCC) Southern Power Grid Company, providing students with valuable opportunities to participate in innovative industry research.
- **Dual Mentor System:** Establishing a direct communication bridge between students and industry experts. The Company implements a "dual mentor system" for joint graduate training. NR has formed a mature dual-mentor system with multiple universities, effectively cultivating the professional judgment and practical skills of graduate students.
- **Expert Lecture:** Focusing on the cultivation of students' professional qualities, career goals, and abilities, we collaborate with universities to conduct a series of "Expert Lecture" activities. These sessions introduce students to innovative technologies and the latest product solutions, actively promoting a culture of excellence in engineering and helping students establish a correct career development outlook.
- **Practice Bases:** Through the integration of production and education, we have established practice and employment bases with 23 universities, including Southeast University, Hohai University, and Nanjing Institute of Technology. Each year, universities organize internships for their students within enterprises. Enterprises match project teams according to students' research fields, enabling them to participate deeply in critical stages and become familiar with the processes of scientific research and industrialization.

In the wave of Global Economic Integration, the Company fully leverages its technical marketing advantages and actively participates in international conferences and exhibitions. Exhibitions serve as a frontier window to showcase the Company's innovative achievements and connect with international demands, comprehensively presenting the Company's core technology and quality products, attracting the attention of partners worldwide. The execution of key projects is crucial for the Company to establish a foothold overseas. We form a professional execution team, delve into local areas, understand diverse cultures and market characteristics, and ensure the high-quality advancement of multiple key projects with excellent execution and efficient collaboration.

Case | The IEC working group on "Grid-forming Energy Storage Systems in High Voltage AC Systems" initiated by NR was officially approved.

From November 10 to 14, 2025, the International Electrotechnical Commission (IEC) SC22F Annual Meeting for 2025 was held in Singapore, where the new proposal "Grid-Forming Energy Storage Systems in High-Voltage AC Systems" initiated by NR was officially reviewed and approved. The meeting agreed to establish a formal working group, with Dr. Zhan Changjiang from NR serving as the convener. This working group represents the first formal working group under IEC SC22F dedicated to grid-forming technology standards, as well as the inaugural working group specifically addressing grid-forming energy storage systems in high-voltage AC systems. It will focus on researching key aspects such as technical terminology, performance guidelines, modeling and simulation, testing and validation, as well as operation and maintenance for grid-forming energy storage systems and equipment in high-voltage AC networks. The group is positioned to lead IEC in establishing a unified standard framework for grid-forming energy storage systems, thereby providing invaluable references for the global adoption and implementation of grid-forming technologies.



Case | NR-led IEC standard for high-voltage shunt reactive power compensation systems officially released

The international standard for high-voltage shunt reactive power compensation systems, "IEC TR 63575: 2025 Performance of Power Electronic Based Shunt Reactive Power Compensation Devices in High-Voltage Alternating Current (HVAC) Systems", led by NR, was officially released on July 30, 2025. The development of this standard has garnered extensive international attention, with over 20 experts from countries including China, Norway, Saudi Arabia, Finland, Serbia, Sweden, and Germany participating in its formulation. This standard specifies the terminology, scope of application, and equipment performance of high-voltage shunt reactive power compensation devices. It will facilitate the application and technical exchange of high-voltage shunt reactive power compensation technologies based on power electronics, providing users and suppliers with an international, standardized reference benchmark.



Case | The 2025 Industrial Internet + Intelligent Safety in Hazardous Chemical Production Research Forum and the Annual Conference of the Process Control Committee of Jiangsu Association of Automation were successfully held at NR.

On December 3, 2025, the Industrial Internet + Intelligent Safety in Hazardous Chemical Production Research Forum and the Annual Conference of the Process Control Committee of Jiangsu Association of Automation were successfully held at NR. The conference was jointly organized by the Jiangsu Association of Automation, Nanjing Tech University, and NR. It was attended by over 100 delegates from more than 30 institutions, including the Jiangsu Association of Automation, The Hong Kong University of Science and Technology, Zhejiang University, East China University of Science and Technology, and China Huanqiu Contracting & Engineering Corporation. This forum and annual conference, themed "Industrial Internet + Intelligent Safety in Hazardous Chemical Production", brought together the collective wisdom of academic institutions, research entities, and industrial organizations within the sector. It fostered consensus and advanced high-quality development in the industry.



Case | NR successfully participated in The smarter E Europe 2025 exhibition in Munich, Germany.

Against the backdrop of accelerating global energy transition, The smarter E Europe exhibition in Munich, Germany has emerged as a pivotal event in the global energy industry. The exhibition brought together industry elites to showcase innovative achievements, fostering professional exchanges, collaborative partnerships, technological advancement, and sustainable development. NR, as a leading enterprise in the field of power protection control and intelligent power equipment, showcased its innovative achievements at the exhibition, drawing significant attention.

During the exhibition, NR unveiled its NR-ISGrid Grid-Forming Solutions (abbreviated as NR-ISGrid), an ideal synchronous power source grid-forming product. Leveraging its comprehensive expertise and multidisciplinary integration strengths, coupled with mature experience accumulated in the flexible power transmission sector, NR pioneered the concept of constructing an ideal synchronous power source based on energy storage systems. The NR-ISGrid can independently construct new energy power systems at any scale and seamlessly integrate with conventional power systems for friendly coordination with other equipment. It supports the smooth transition from traditional power systems to next-generation power systems while exhibiting full-process voltage source characteristics. With natural delay-free response capabilities, it effectively ensures the stable operation of high-penetration renewable energy power systems. This innovative solution has garnered full attention for its outstanding technical performance and extensive application scenarios. During the exhibition, NR simultaneously launched a 2.5 MW PCS along with integrated solutions including a 5 MW all-in-one unit in a standard 20-foot container and a 10 MW all-in-one unit in a standard 40-foot container. They feature significant improvements in power density, conversion efficiency, and reliability, with reduced size and increased capacity, effectively lowering the construction costs of energy storage power stations. Advanced technologies enable its leading conversion efficiency, minimize energy loss, enhance economic viability, and demonstrate strong flexibility and compatibility to meet diverse energy storage requirements across various scenarios.

The NR booth attracted overwhelming attention, with clients, partners, and experts from around the globe engaging in in-depth discussions with NR's professional team regarding the NR-ISGrid grid-forming technology and 2.5 MW PCS solutions. During the exhibition, NR hosted several significant signing ceremonies. On the morning of May 8, the contract was signed with Zhongtian, leveraging respective strengths to jointly develop the energy storage market. In the afternoon, an agreement was reached with German developer Enerpeak, focusing on the innovative application and promotion of grid-forming energy storage technologies in Germany. This collaboration aims to deliver premium energy storage solutions that address stability challenges in high-renewable-penetration power grids. These signed achievements will significantly propel NR's international business expansion and industry advancement. At the exhibition site, NR also hosted the awarding ceremony for the German VDE-AR-N 4110 & 4120 and G99 certifications issued by TÜV Rheinland, along with multiple technical forums and product demonstrations. These events provided a platform for international experts and industry peers to exchange insights and collaboratively chart a blueprint for green development.



Case | NR was invited to participate in the TNB GridTech 2025 Technical Forum in Malaysia, enhancing cooperation to jointly promote power grid technology upgrades.

From December 3 to 4, 2025, the GridTech 2025 Technology Forum, hosted by Malaysia's national utility Tenaga Nasional Berhad (TNB), was grandly convened in Kuala Lumpur. As a global leader in power system control and protection, NR Electric Co., Ltd. (NR for short) was invited to participate in this prestigious industry event. During the conference, NR prominently showcased its pioneering NR-ISGrid Ideal Synchronous Grid-Forming Technology along with innovative power electronic solutions including DPFC and FCL, engaging with Southeast Asian power industry counterparts to explore the future development of power grids.

During the forum and exhibition, NR's booth attracted numerous experts and delegates for in-depth discussions and exchanges. Senior executives from Malaysia's TNB, including the Chief Grid Officer, personally visited NR's exhibition booth and engaged in in-depth and detailed discussions with the NR team. The Chief Grid Officer of TNB expressed high recognition for NR's technical capabilities in innovative fields such as grid-forming technology, and presented an honorary certificate in appreciation of the Company's long-term technical collaboration and support. The discussion primarily focused on the application prospects of grid-forming energy storage systems in enhancing TNB's renewable energy integration capacity, as well as the implementation pathways of innovative products such as DPFC and FCL in addressing specific grid challenges and planning future demonstration projects. This high-level dialog signifies a solid step forward in advancing bilateral cooperation from technical exchanges to the implementation of concrete projects.



Case | NR makes debut at UK Energy Storage Summit 2025, unveiling NR-ISGrid Grid-Forming Solutions

The Energy Storage Summit 2025 was recently held in London, UK. This summit convened over 2,000 delegates representing the entire European energy storage industry chain. NR participated in this summit and unveiled its "NR-ISGrid Grid-Forming Solutions" (abbreviated as NR-ISGrid) overseas for the first time, namely the Ideal Synchronous Power Grid-Forming Solution, highlighting its latest applications and developmental achievements in grid-forming technologies and products.

NR leverages its comprehensive expertise and multidisciplinary integration strengths, drawing upon mature experience in flexible power transmission, to pioneer the concept of constructing an ideal synchronous power source based on energy storage. This innovation delivers an enhanced grid-supporting "synchronous generator" – the NR-ISGrid solution featuring grid-forming technology with ideal synchronous characteristics. The NR-ISGrid can independently construct new energy power systems at any scale and seamlessly integrate with conventional power systems for friendly coordination with other equipment. It supports the smooth transition from traditional power systems to next-generation power systems while exhibiting full-process voltage source characteristics. With natural delay-free response capabilities, it effectively ensures the stable operation of high-penetration renewable energy power systems. This innovative solution has garnered full attention for its outstanding technical performance and extensive application scenarios.

NR's participation in Energy Storage Summit 2025 and the overseas debut of its "NR-ISGrid" system marks a pivotal milestone, demonstrating both its formidable expertise in energy storage technologies and its resolute commitment to global market expansion while advancing the worldwide energy storage industry. In the future, NR will continue to uphold its core values of "Practicality, Excellence; Collaboration, Innovation", intensify investment in technological R&D, and drive continuous innovation. Together with global partners, leveraging the concept and products of NR-ISGrid Ideal Synchronous Grid-Forming Technology, we will contribute to building a more stable, efficient, and sustainable new power system, playing an increasingly vital role on the international energy storage stage!



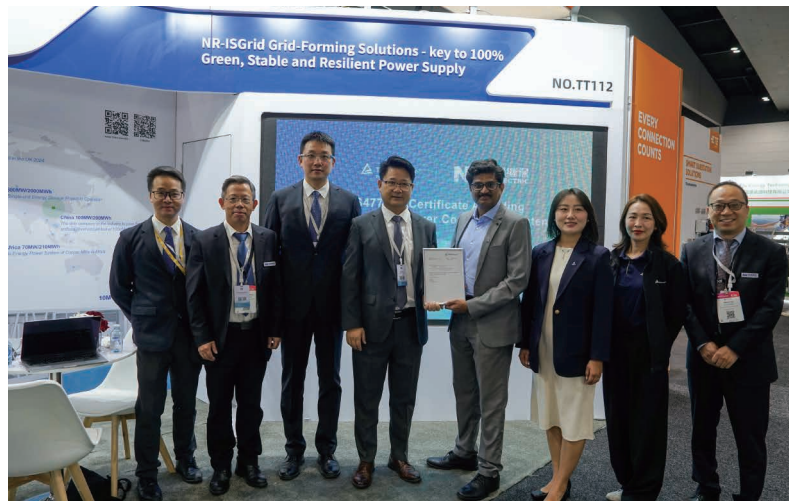
Case | NR showcases at All Energy Australia 2025

From October 29 to 30, 2025, against the backdrop of global energy transition and accelerated renewable energy development, NR showcased its innovative integrated AC-side energy storage solutions and the NR-ISGrid (Ideal Synchronous Grid-forming Power Source) technology at All Energy Australia 2025 in Melbourne. As one of the most influential clean energy summits in the Asia-Pacific region, this exhibition has gathered hundreds of enterprises and institutions worldwide, showcasing innovative technologies and application achievements in renewable energy for sustainable development.

NR's NR-ISGrid Ideal Synchronous Power Grid-Forming Solution enables both standalone power system construction and seamless coordination with other power sources including hydro, thermal, and synchronous condensers. The NR-ISGrid solution perfectly aligns with the requirements of the Australian power grid for grid-forming technologies, effectively addressing challenges such as insufficient grid strength and weakened system stability caused by high-penetration renewable energy integration. During the exhibition, TÜV Rheinland awarded NR the AS4777.2 certification for energy storage inverters.

At the exhibition site, NR's team of technical experts engaged in in-depth discussions with multinational clients and partners, sharing the company's practical experience in grid-forming technology and control-protection solutions for new power systems. The team received unanimous acclaim, particularly for its industry-unique capability in fault ride-through of 100 MW-level energy storage systems under islanded conditions and full-process voltage source characteristics. These achievements fully demonstrate NR's leading expertise in global energy equipment manufacturing and smart grid technologies.

This exhibition not only showcased NR's latest advancements in grid-forming technology, but also demonstrated the company's unwavering commitment to supporting global energy transition and its continuous innovation capabilities. In the future, NR will continue to embrace an open, collaborative, and win-win approach, driving the energy industry toward a cleaner, more efficient, and intelligent future!



Case | Successful commissioning of Peru's highest voltage level and largest capacity SVC project

On August 18, 2025, the 500 kV MIGUEL GRAU substation's 150-300 MVar SVC project in Peru successfully passed its energization test in a single attempt and officially commenced commercial operation. This project represents Peru's highest voltage level and largest installed capacity SVC system to date. It not only injects robust dynamic reactive power regulation capability into the Peruvian grid, significantly enhancing voltage stability, but also provides solid support for future power interconnection projects between Peru and Ecuador.

The MIGUEL GRAU substation, located in northwestern Peru, has persistently faced severe voltage fluctuations and poor power quality due to its remote location from the main grid. NR supplied a complete SVC solution for this project, undertaking comprehensive responsibilities including system studies, scheme design, equipment installation, system testing, and commissioning throughout the entire project lifecycle. By employing TCR and TSC phase control technology along with TSC damping control technology, the performance of the complete equipment set has been optimized, enabling precise regulation of grid voltage. This fully meets the stringent requirements of overseas power grids for high-performance and high-reliability equipment.

During project implementation, NR's project team demonstrated exceptional collaboration capabilities and a strong sense of responsibility when confronted with multiple challenges including tight schedules and extreme heat conditions. The team leveraged its technical expertise to formulate a scientifically rigorous system testing protocol, provided on-site installation guidance throughout the process, and ensured first-pass acceptance of the equipment.

In recent years, NR has consistently increased R&D investment and application efforts in flexible AC transmission system (FACTS) equipment. Adhering to the philosophy of technological innovation, the Company remains committed to providing global clients with high-quality, highly reliable solutions. NR will continue to uphold its core values of "Practicality, Excellence; Collaboration, Innovation", focusing on the practical needs of power grids. We are committed to actively promoting grid upgrades and transformations, consistently creating value and earning trust for our customers, and striving to deliver more NR-branded premium projects.



Case | NR supports successful black start test of Mongolia's first 80 MW/200 MWh grid-side energy storage power station

Mongolia's energy sector has achieved a historic milestone with the successful completion of a one-time black start test for the country's first large-scale grid-side energy storage power station—the 80 MW/200 MWh energy storage project. This landmark facility, constructed by ZTT Group and equipped with core components supplied by NR Electric, represents a significant advancement in Mongolia's power infrastructure modernization. The successful implementation of this national-level key project signifies a significant advancement in Mongolia's modernization of power systems and enhancement of energy security capabilities.

As Mongolia's first energy storage facility equipped with black start capability for power plants, this project addresses a critical gap in the nation's power system emergency recovery technology. Under extreme power outage scenarios, it enables rapid restoration of electricity supply, significantly enhances grid disaster resilience and emergency support capabilities, serving as a "cardiac defibrillator for power systems" for critical infrastructure and civilian electricity demand.

The project achieved stable operation under extreme frigid conditions, marking a groundbreaking accomplishment. NR, as the core technology provider, delivered a comprehensive solution encompassing PCS energy storage converters, PMS coordinated control systems, and EMS energy management systems. Through proprietary cold-resistant equipment technology and intelligent regulation systems, it overcame the technical challenges of energy storage operation in extreme cold regions, accumulating invaluable experience for similar climate-conditioned energy storage projects.

The successful implementation of this project marks a significant milestone in Mongolia's energy development history and serves as a model case for new energy infrastructure construction along the Belt and Road Initiative. The cutting-edge technological solutions and construction expertise employed in this project will serve as a significant catalyst for advancing energy storage technologies in frigid regions worldwide.

Upon the official commissioning of the project, the reliability and stability of Mongolia's power grid will achieve qualitative enhancement, providing more robust energy security for the nation's socioeconomic development. NR will continue to optimize technological innovation, providing global users with more efficient integrated energy storage solutions to facilitate worldwide energy transition and sustainable development in the power industry.



3. Lead the Industry Development

NR actively takes the lead or participates in the formulation of international and domestic industry standards, fully utilizing the supporting and guiding role of standards and technical specifications in industry development. This initiative aids the industry in advancing towards a new phase characterized by high-end, intelligent and green development. The Company is involved in the standardization efforts of IEC international committees such as TC95, TC38, and TC22, spearheading the development and publication of several international standards, including those for relay protection functions, electrical terminology, and power electronic water cooling systems.

Data on NR

- In 2025, the Company led and participated in the formulation of 10 national standards.

Standard Name	Standard Level	Standard Number	Participation
Measuring relays and protection equipment - Part 1: Common requirements	National Standard	GB/T 14598.2-2025	First Completed
Application Directives for Layer of Protection Analysis (LOPA)	National Standard	GB/T 32857-2025	Participated
Technical Requirements for Relaying Protection of Photovoltaic Power Station	National Standard	GB/T 32900-2025	Participated
Technical Specifications of Remote Terminal Unit of Distribution Automation	National Standard	GB/T 35732-2025	Participated
Industrial Systems, Installations and Equipment and Industrial Products - Identification of Terminals within a System	National Standard	GB/T 18656-2025	Participated
Communication Networks and Systems for Power Utility Automation - Part 9-2: Specific Communication Service Mapping (SCSM) - Sampled Values over ISO/IEC 8802-3	National Standard	GB/T 42151.92-2025	Participated
Graphical Symbols for Electrical Diagrams - Guidance on Design for Standardization in IEC 60617	National Standard	GB/Z 160-2025	Participated
Water Cooling Equipment for Converter Valves for High Voltage Direct Current (HVDC) Power Transmission	National Standard	GB/T 30425-2025	Participated
Technical specification of energy absorption device for high voltage direct current (HVDC) power transmission - Part 1: DC controllable and self-recovery energy absorption device	National Standard	GB/T 45648.1-2025	Participated
Technical specification of energy absorption device for high voltage direct current (HVDC) power transmission - Part 2: AC controllable and self-recovery energy absorption device	National Standard	GB/T 45648.2-2025	Participated



On March 5, 2025, the inaugural meeting of the revision working group for the national standard "General Specifications for Integrated Protection and Control Equipment in Smart Substation" was convened in Nanjing. NR, as the leading standardization entity, dispatched multiple experts to participate in the technical deliberations.

Care for Community Development >

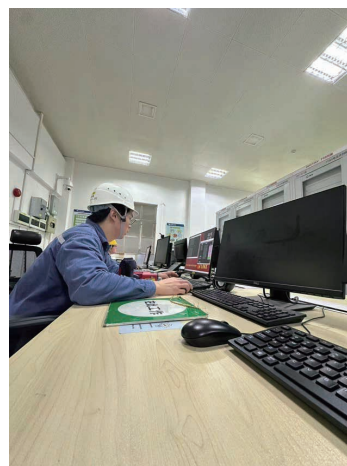
NR has been actively engaged in social welfare for many years, embracing social responsibilities with enthusiasm and initiative. The Company participates in public services, supports rural revitalization, and conducts charity activities, aiming to share development benefits with society and work together with the public to create a harmonious community and build a better life.

1. Ensure the Power Supply

NR has effectively fulfilled its responsibility for ensuring power supply by establishing a power supply guarantee mechanism led by safety and quality departments at all levels, and coordinated across multiple specialties. An expert core team has been formed to proactively undertake power supply tasks, providing high-quality support for major events and managing peak electricity demand in summer and winter. Additionally, the Company is fully committed to earthquake relief efforts, ensuring power supply during rain, snow and ice disasters to guarantee stable and reliable electricity in extreme situations.

Case | NR participated in the critical battle against super typhoon "Ragasa" to ensure power supply stability.

On September 23, 2025, typhoon "Ragasa" made landfall on Hailing Island, Yangjiang, Guangdong Province, with Category 13 winds, causing severe damage to power facilities in Yangjiang, Jiangmen, and surrounding areas, posing a critical challenge to grid security. During the critical period, NR, as the primary equipment supplier, proactively deployed resources and took initiative: Prior to the typhoon's landfall, we mobilized technical experts to station in projected disaster zones for emergency response, simultaneously activating Guangzhou's spare parts repository for 24/7 standby—this preemptive preparedness secured crucial time for subsequent disaster mitigation. Amid the typhoon's devastation, our support team maintained 24-hour vigilance and coordinated seamlessly with power preservation efforts, providing pivotal support to minimize grid impact and accelerate power restoration. These actions earned formal commendation from Guangdong Power Grid Company.



2.Promote the Rural Revitalization

Confronted with the epochal mission of rural energy revolution and rural revitalization, NR has positioned technological innovation as the core driving force, establishing robust support for stable electricity supply and intelligent grid upgrades in rural areas. Simultaneously, leveraging advanced technologies such as the "source-grid-load-storage-data-carbon" collaborative system, we will develop distinctive application scenarios like agricultural-photovoltaic complementation to facilitate rural grid transformation. This intelligent grid infrastructure will provide robust power support for rural revitalization.

Case | NR assisted the 100 MW Agricultural-Photovoltaic Complementary Power Generation Project in Yangjiang Town, Qionghai, Hainan Province.

The 100 MW Agricultural-Photovoltaic Complementary Power Generation Project in Yangjiang Town, Qionghai City, Hainan Province is located in Jiangnan Village, Yangjiang Town. It covers an area of approximately 1,750 mu. Upon completion, the project will meet the annual electricity demand of approximately 39,000 households. It serves as a model rural revitalization initiative integrating "green power generation, land efficiency enhancement, and farmer income growth", providing stable revenue for all 426 households in the village. This initiative has become their cherished "green bank". The most remarkable feature of this project lies in its innovative "agricultural-photovoltaic complementary" three-dimensional land management model, which enables "solar power generation above panels while maintaining agricultural cultivation beneath". Notably, the project has revitalized vast tracts of previously abandoned or low-yield "distressed land" – areas rendered unproductive by devastating areca palm yellow leaf disease – transforming them into highly productive "prosperity fields". NR provided the project with several key pieces of equipment, including the Booster Station Automation Monitoring System, Relay Protection, Stability Control System, AGC/AVC System, Video and Fire System, Communication and Secondary Security System, Secondary Anti-Terrorism System, and Intelligent Integrated Management and Control System, etc. These effectively ensured the safe and stable operation of the power grid in Yangjiang Town, supporting the advancement of the Rural Revitalization Project in Yangjiang Town. Once operational, the project will help local villagers increase their income by renting out land and working in the photovoltaic area, with the potential for an annual income increase of over CNY 10,000 per person.



Panoramic View of the 100 MW Agricultural-Photovoltaic Complementary



*Power Generation Project Booster Station in Yangjiang Town, Qionghai
100 MW Agricultural-Photovoltaic Complementary Power Generation Project PV Array in Yangjiang Town, Qionghai*

3. Engage in the Public Welfare

NR actively promotes the spirit of philanthropy, with employees participating in the NR Foundation to complete charitable projects, accumulating a total donation of CNY 10,010,711 in cash and supplies throughout the year. Donations were precisely allocated to multiple public welfare sectors: CNY 2,542,200 for disability assistance, medical aid, elderly support, and poverty alleviation; CNY 1,422,500 for emergency disaster response and post-disaster reconstruction; CNY 4,246,000 for educational initiatives (including Hope Primary School construction); CNY 600,000 for healthcare development; and CNY 1,200,000 for rural revitalization assistance. These allocations demonstrate the Company's commitment to fulfilling its corporate social responsibility through concrete actions.

Data on NR.....

- Employee participation in volunteer activities: 986 person-times;
- Total volunteer hours: 1,972 hours;
- Total donations: CNY 10,010,711

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Case | Inheriting the Red Legacy, demonstrating responsibility through educational assistance

On November 26, 2025, the Jiangsu Provincial Committee of the Communist Youth League, NR Foundation, Huai'an Municipal Committee of the Communist Youth League, and Huaiyin District jointly organized a philanthropic donation event titled "Perpetuating the Revolutionary Legacy Through Educational Support" at the Liulaozhuang Red Army Primary School in Huai'an City.



Liulaozhuang Red Army Primary School in Huai'an is located in the revolutionary old district of Liulaozhuang Town. The school boasts a long history, profound revolutionary heritage, and a glorious revolutionary tradition. The institution was originally established in 1942 as Liulaozhuang Central Primary School. In 2020, to commemorate the heroic deeds of the 82 martyrs of the Liulaozhuang Company, it was renamed Liulaozhuang Company Red Army Primary School. This donation of CNY 200,000 was specifically allocated to support financially disadvantaged students and enhance teaching facilities. This donation has not only enhanced the teaching facilities of the Liulaozhuang Red Army Primary School but also fostered a profound integration of revolutionary spirit and compassionate warmth within the campus. We will continue to support various public welfare initiatives in the future, ensuring that warmth and hope are perpetually disseminated throughout society.

Case | Employee voluntary blood donation

In 2025, the Company trade union organized two voluntary blood donation campaigns on September 26 and October 9 respectively. The employees participating in blood donation demonstrated immense enthusiasm. Whether first-time donors or seasoned veterans, they all extended their arms with courage, driven by reverence for life and a profound sense of social responsibility. Among them were frontline employees who rushed over immediately after finishing their shifts, staff members who proactively adjusted their schedules to participate, and colleagues who encouraged each other to attend together. Every face radiated the pride and joy of having contributed. A total of 143 employees successfully donated blood during two voluntary blood drives, with a cumulative donation volume reaching 44,000 milliliters.







Prospects

2026 marks the beginning of the 15th Five-Year Plan period. NR will unwaveringly adhere to the Core Values of "Practicality, Excellence; Collaboration, Innovation", resolutely taking the responsibility of meeting the power demand for economic and social development as its primary mission. Committed to improving people's livelihood and well-being, with exceptional wisdom and solid strength, we contribute to building a stable and healthy economic ecology, a social atmosphere of national prosperity and people's peace, and a beautiful natural environment.

Having just overcome the first challenge, we press forward with greater determination. NR will inject inexhaustible impetus into high-quality development with new quality productive forces, steadfastly implement the national energy security strategy and new development philosophy, actively pursue the requirements of the "carbon peak and carbon neutrality" goals, and plan its future development blueprint with a scientific and rigorous attitude and a high sense of social responsibility. We are committed to working hand in hand with all stakeholders to achieve a strong start for the 15th Five-Year Plan period, drive the high-quality and sustainable development of NR, and make greater contributions to enhancing national energy security and supply capacity, as well as building China into an "energy powerhouse".

Appendix

Key Performance >

Topics		Indicators	Unit	2023	2024	2025
Governance Performance	Corporate Governance	Total assets	CNY100 million	170.13 / 267.89 ^[1]	193.81 / 303.79 ^[1]	See 2025 Financial Report (Under Audit)
		Operating revenue	CNY100 million	152.88 / 156.99 ^[1]	169.24 / 183.27 ^[1]	
		Total profit	CNY100 million	8.56 / 35.94 ^[1]	12.13 / 38.87 ^[1]	
		Total tax paid	CNY100 million	3.92 / 12.34 ^[1]	5.57 / 13.87 ^[1]	
	Protection of Employees' Rights and Interests	Total number of employees	Person	1656 / 6055 ^[1]	1753 / 6484 ^[1]	1,933/7,064 ^[1]
		Total number of new employees	Person	205	116	199/687
		Female employees	Person	179	195	197/706
			%	10.8	10.1	10.2/10.0
		Ethnic minority employees	Person	43	44	49/175
			%	2.60	2.50	2.55/2.50
		Female managers	Person	6	8	9/35
			%	3.20	4.50	4.5/5.0
		Labor contract signing rate	%	100	100	100/100
		Social security coverage rate	%	100	100	100/100
		Employee Satisfaction	%	98.50	98.50	98.6/98.6
		Employee turnover rate	%	1.80	1.50	1.0/1.3
	Innovation and R&D	R&D investment	CNY10,000	5.06	6.34	7.25
		National key research projects undertaken	Item	1	4	5
		Core papers published	Piece	12	6	10
		Authorized patents obtained	Item	279	273	314
		Granted invention patents	Item	199	213	260
		Software copyrights obtained	Item	47	42	40
	Information Security	Number of confirmed information security breach incidents	Case	0	0	0
Social Performance	Environmental Management System	Environmental protection investment	CNY10,000	172	182	210
	Energy management	Electricity consumption (thermal power)	10,000 kWh	1811.25	2230.36	2,981.81
		Electricity consumption (photovoltaic power generation)	10,000 kWh	228.19	209.71	189.78
		Surplus photovoltaic power generation fed into the grid	10,000 kWh	13.41	10.72	0.66
		Natural gas consumption	10,000 m³	17.51	17.79	15.98
		Quantity of steam	Tons	17519	19370	18,843
		Total energy consumption	Ton of standard coal	4099.22	4774.36	5,639.21
	Water Resources Management	Energy intensity	kg standard coal/CNY10,000	3.02	2.99	
		Water consumption	10,000 tons	21.35	21.22	25.89
		Water consumption intensity	Tons per million RMB	0.14	0.13	

Topics		Indicators	Unit	2022	2023	2024
	Waste Management	Wastewater discharge	10,000 tons	13.92	15.19	17.981
		Amount of hazardous waste generated	Tons	9.42	13.96	30.4116
		Waste transfer volume	Tons	9.41	9.24	29.78363
		General waste generation volume	Tons	137.28	137	141.685
		Disposal amount of general waste	Tons	137.28	137	141.685
	Addressing Climate Change	Greenhouse gas emissions (Scope 1+2)	Unit: Tons of CO ₂ e	16,452.42	15,551.31	21,768.45
		GHG emissions (Scope 1)	Unit: Tons of CO ₂ e	312.01	339.16	345.55
		Greenhouse gas emissions (Scope 2)	Unit: Tons of CO ₂ e	16,140.41	15,212.15	21,422.9
Social Performance	Employee health and safety	Safety investment	CNY10,000	654	742	1,137
		Safety Training	Times	25	40	50
		Number of participants in safety training	Persons	13,900	14,589	25,475
		Average safety training hours per person	Hours	18	18	19
		Recordable work injuries	Case	0	4	3
		Severe work-related injuries	Case	0	0	0
		Number of individuals undergoing occupational health examinations	Person	17	18	18
		Number of occupational disease cases detected	Person	0	0	0
		Number of employees with occupational restrictions	Person	0	0	0
		Occupational health examination coverage rate (for hazardous positions)	%	100	100	100
	Supply Chain Management	Total number of suppliers	Unit	2,017	2,117	2,067
		Number of suppliers reviewed during the reporting period	Unit	871	940	895
		Number of suppliers suspended due to non-compliance	Unit	0	0	2
	Customer service	Service satisfaction	Score	9.91	9.92	9.94
		Complaint resolution rate	%	100	100	100
	Community contributions and impact	Total amount of employee charitable donations	CNY10,000	1,056.99	1,059.64	1,001.07
		Employee volunteer activity duration	Hours	1,930	1,360	1,972
		Number of employees participating in volunteer activities	Persons	1,368	680	986

(Note: ^[1] The wastewater discharge volume only includes the Jiangjun Road Factory.

^[2] Converted according to the GB/T 2589-2020 standard.

^[3] Excludes emissions of other greenhouse gases in Scope 3. The Company focuses on secondary power and information communication, serving the national power system's safety and stability. With a large customer base, quantifying Scope 3 emissions is challenging, but the Company actively seizes development opportunities, fully supports the construction of new power systems, and promotes the low-carbon transformation of energy.)

Index >

Instructions for Use	NR has reported the information referenced in this GRI Content Index in accordance with the GRI Standards for the period from January 1, 2025, to December 31, 2025.
GRI1 used	GRI 1: Foundation 2021

GRI Standard	Disclosures	Chapter
GRI 2: General Disclosures 2021	1. The organization and its reporting practices	
	2-1 Organizational details	About Us - Company Profile
	2-2 Entities included in the organization's sustainability reporting	About Us - Company Profile
	2-3 Reporting period, frequency and contact person	Report Introduction
	2-4 Restatements of information	Report Introduction
	2-5 External assurance	Report Introduction
	2. Activities and Workers	
	2-6 Activities, value chain and other business relationships	About Us - Customer and Market Segmentation Chapter IV - Strengthen the Supply Management
	2-7 Employees	Chapter IV - Support the Employee Growth
	3. Governance	
	2-9 Governance structure and composition	ESG Management - ESG Governance Framework
	2-16 Communication of critical concerns	ESG Management - ESG Governance Framework
	4. Strategy, Policies and Practices	
	2-22 Statement on sustainable development strategy	Message from General Manager
	2-25 Processes to remediate negative impacts	Chapter I – Upholding Business Integrity
	2-27 Compliance with laws and regulations	Chapter I - Compliance Management
	2-28 Membership of associations	About Us - Major Social Organizations We Participate in
	5. Stakeholder Participation	
	2-29 Approach to stakeholder engagement	ESG Management - Stakeholder Communication
	2-30 Collective bargaining agreements	Undisclosed
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Management - ESG Topics Management
	3-2 List of material topics	ESG Management - ESG Topics Management
	3-3 Management of material topics	ESG Management - ESG Topics Management
GRI 201: Economic Performance 2016	3-3 Management of material topics	Chapter I - Financial and Tax Management
	201-1 Direct economic value generated and distributed	Chapter I - Financial and Tax Management
	201-2 Financial implications and other risks and opportunities due to climate change	Chapter II - Addressing Climate Change
GRI 205: Anti-corruption 2016	3-3 Management of material topics	Chapter I - Anti-corruption and Integrity Building
	205-2 Communication and training about anti-corruption policies and procedures	Chapter I - Anti-corruption and Integrity Building
	205-3 Confirmed incidents of corruption and actions taken	Chapter I - Anti-corruption and Integrity Building
GRI 207: Tax 2019	3-3 Management of material topics	Chapter I - Financial and Tax Management
	207-1 Approach to tax	Chapter I - Financial and Tax Management
	207-2 Tax governance, control, and risk management	Chapter I - Financial and Tax Management

GRI Standard	Disclosures	Chapter
GRI 302: Energy 2016	3-3 Management of material topics	Chapter II - Energy and Resource Conservation
	302-1 Energy consumption within the organization	Management
	302-2 Energy consumption outside the organization	Appendix: Key Performance
	302-3 Energy intensity	Appendix: Key Performance
	302-4 Reduction of energy consumption	Appendix: Key Performance
	302-5 Reductions in energy requirements of products and services	Appendix: Key Performance
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Appendix: Key Performance
	303-2 Management of water discharge-related impacts	Chapter II - Enhance the Environmental Management
	303-3 Water withdrawal	Chapter II - Enhance the Environmental Management
	303-4 Water discharge	Undisclosed
	303-5 Water consumption	Undisclosed
GRI 305: Emissions 2016	3-3 Management of material topics	Appendix: Key Performance
	305-1 Direct (Scope 1) GHG emissions	Chapter II - Addressing Climate Change
	305-2 Energy indirect (Scope 2) GHG emissions	Appendix: Key Performance
	305-4 GHG emissions intensity	Appendix: Key Performance
GRI 306: Waste 2020	3-3 Management of material topics	Appendix: Key Performance
	306-1 Waste generation and significant waste-related impacts	Chapter II - Strengthen the Pollution Prevention and Control
	306-2 Management of significant waste-related impacts	Chapter II - Strengthen the Pollution Prevention and Control
	306-3 Waste generated	Chapter II - Strengthen the Pollution Prevention and Control
	306-4 Waste diverted from disposal	Appendix: Key Performance
	306-5 Waste directed to disposal	Appendix: Key Performance
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	Appendix: Key Performance
	308-1 New suppliers that were screened using environmental criteria	Chapter IV - Work Together for Industry Progress
	308-2 Negative environmental impacts in the supply chain and actions taken	Chapter IV - Work Together for Industry Progress
GRI 401: Employment 2016	3-3 Management of material topics	Chapter IV - Work Together for Industry Progress
	401-1 New employee hires and employee turnover	Chapter IV - Support the Employee Growth
	401-2 Benefits provided to full-time employees that are not provided to	Chapter IV - Support the Employee Growth
GRI 403: Occupational Health and Safety 2018	temporary or part-time employees	Chapter IV - Support the Employee Growth
	3-3 Management of material topics	Chapter IV - Focus on Occupational Health
	403-1 Occupational health and safety management system	Chapter IV - Focus on Occupational Health
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter IV - Focus on Occupational Health
	403-3 Occupational health services	Chapter IV - Focus on Occupational Health
	403-4 Worker participation, consultation, and communication on occupational health and safety	Chapter IV - Focus on Occupational Health

GRI Standard	Disclosures	Chapter
GRI 403 Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Chapter IV - Focus on Occupational Health
	403-6 Promotion of worker health	Chapter IV - Focus on Occupational Health
	403-9 Work-related injuries	Appendix: Key Performance
	403-10 Work-related ill health	Appendix: Key Performance
GRI 404: Training and Education 2016	3-3 Management of material topics	Chapter IV - Promote Employee Development
	404-1 Average hours of training per year per employee	Chapter IV - Promote Employee Development
GRI 406: Non-discrimination 2016	3-3 Management of material topics	Chapter IV - Safeguard the Employee Rights and Interests
	406-1 Incidents of discrimination and corrective actions taken	Chapter IV - Safeguard the Employee Rights and Interests
GRI 410 Security Practices 2016	3-3 Management of material topics	Chapter IV - Safeguard the Employee Rights and Interests
	410-1 Security personnel trained in human rights policies or procedures	Chapter IV - Safeguard the Employee Rights and Interests
GRI 416 Customer Health and Safety 2016	3-3 Management of material topics	Chapter III - Enhance the Quality Assurance
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Chapter III - Enhance the Quality Assurance
GRI 417: Marketing and Labeling 2016	3-3 Management of material topics	Chapter III - Enhance the Quality Assurance
	417-1 Requirements for product and service information and labeling	Chapter III - Enhance the Quality Assurance
	417-2 Incidents of non-compliance concerning product and service information and labeling	Chapter III - Enhance the Quality Assurance
	417-3 Incidents of non-compliance related to marketing communications	Chapter III - Enhance the Quality Assurance
GRI 418: Customer Privacy 2016	3-3 Management of material topics	Chapter III - Maintain the Information Security
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter III - Maintain the Information Security



ASSURANCE STATEMENT

REPORT ON SUSTAINABILITY ACTIVITIES IN THE NR ENGINEERING CO., LTD.'S ESG REPORT FOR 2025

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by NR Engineering Co., Ltd. (hereinafter referred to as NR) to conduct an independent assurance of the ESG Report for 2025 for the period of January 1, 2025 to December 31, 2025.

INTENDED USERS OF THIS ASSURANCE STATEMENT

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

RESPONSIBILITIES

The sustainability information in the ESG Report for 2025 and its presentation are the responsibility of NR's ESG Management Committee. SGS-CSTC has not been involved in the preparation of any of the material included in the ESG Report for 2025.

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

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

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

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

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

Assurance Standard	Level of Assurance
ISAE 3000	Limited

SCOPE OF ASSURANCE

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

Reporting Criteria
GRI Standards 2021 (With Reference to)

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at No.69, Suyuan Avenue, Jiangning District, Nanjing City, Jiangsu Province, P. R. China, including documentation and record review and validation where relevant.

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

LIMITATIONS AND MITIGATION

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

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

STATEMENT OF INDEPENDENCE AND COMPETENCE

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

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

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

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

ADHERENCE TO GRI STANDARDS 2021

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

Signed:



For and on behalf of SGS-CSTC

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

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WWW.SGS.COM



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Feedback

Dear reader:

Hello!

Thank you for taking the time to read this report. To improve our reporting process and enhance NR's ESG management and practices, we greatly value your feedback and suggestions. Your insights would be highly appreciated!

1. Which category of stakeholder do you belong to?

Government Officials ☐ Regulatory Agencies ☐ shareholders and Investors ☐ Employees ☐
Customer ☐ Supplier and Partner ☐ Community Residents ☐ Others ☐

2. What is your overall evaluation of this Report?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

3. What do you think of the quality of the ESG information disclosed in this Report?

High ☐ Relatively high ☐ Average ☐ Relatively low ☐ Low ☐

4. What do you think of the structure of this Report?

Very reasonable ☐ Reasonable ☐ Average ☐ Below average ☐ Poor ☐

5. What do you think of the layout design of this Report?

Very reasonable ☐ Reasonable ☐ Average ☐ Below average ☐ Poor ☐

6. How do you rate the readability of this Report?

High ☐ Very High ☐ Average ☐ Low ☐ Very Low ☐

7. Please provide your opinions and suggestions on the ESG work of NR and this Report here.



Creating value, serving society





NR ENGINEERING CO., LTD.

69 Suyuan Avenue, Nanjing 211102, China
Tel +86 25 8717 8888 Fax +86 25 8717 8999
NRservices@nrec.com / NRsales@nrec.com