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ARN



Report Guide

Reference Standards

《Guidelines for Chinese Corporate Social Responsibility Reporting》、《Social Responsibility Guidelines for Chinese Industrial Enterprises and Associations》、《Anhui Industrial Enterprise Social Responsibility Guidelines》

Reliability Assurance

The company warrants that this report contains no false statements, misleading statements, or material omissions, assuming full responsibility for the authenticity, accuracy, and completeness of this report.

Organizational Scope

This report covers Anhui ARN Group and its joint ventures, wholly-owned, and controlled subsidiaries.

Reporting Period & Frequency

This 9th CSR report covers January 1–December 31, 2024. Some content extends beyond this period for continuity. Published annually.

Report Formats

Available in simplified Chinese and English. Distributed as PDF (downloadable from the company website) and printed copies (for internal use; request via csr@aqam.com).

Data Notes

Financial data comes from audited statements; other data from statistical reports. All monetary figures are in RMB unless specified.

Abbreviations

To facilitate concise expression and readability throughout this report, 'Anhui ARN Group Co., Ltd.' may be referred to as 'ARN', 'Group', or 'Company'. The Group's major companies are designated as follows:

| Full Name of Subsidiaries | Abbreviation | Full Name of Subsidiaries | Abbreviation |
|---|--------------|--|--------------|
| Anqing TP Goetze Piston Ring Co., Ltd. | ATG | Anhui Huanming Precision Control Co., Ltd. | AHM |
| Anqing TP Powder Metallurgy Co., Ltd. | ATP | Anqing TP Engine Plastic Co., Ltd. | ATEP |
| Anqing ART TP Piston Co., Ltd. | AAT | Samsung SDI-ARN(X'an) Power Battery Co., Ltd. | SAPB |
| Anqing TP Goetze Liner Co., Ltd. | ATGL | Federal-Mogul ARN (Anqing) Powder Metallurgy Co., Ltd. | FMAP |
| Anqing TP Goetze Engine Co., Ltd. | ATGE | Anhui Tsusho Logistics Co., Ltd. | ATL |
| Anqing Scherdel Automobile Parts Co.,Ltd. | ASP | Aisin Anqing Automotive Parts Co., Ltd. | AAAC |
| Anqing ARN Auto Trade Investment Co.,Ltd. | AAI | TPR ARN (Anhui) New Energy R&D Co., Ltd. | TANE |
| Anqing Ring New Auto Parts Co.,Ltd. | ASC | Anhui ARN Digital Intelligence Co., Ltd. | ADI |

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Innovation
Coordination
Green
Openness
Sharing

Preface

The automotive industry is a pillar of China's economy. In 2024, China's automotive sector achieved new heights:

- Global leader in auto production & sales (16 consecutive years)
- Global leader in new energy vehicle production & sales (9 years)
- World's top auto exporter (2 consecutive years)

Auto parts form the foundation of the industry, enabling sustainable growth amid intensive technological innovation.

ARN group has specialized in auto parts for 56 years. Our core products lead in technology, quality, and sales in China. Globally, we supply over 30 countries including Europe, America, Japan, South Korea, Southeast Asia and South Africa, certified by NDRC and MOFCOM as a National Auto Parts Export Base.

Guided by the Innovation–Coordination–Green–Openness–Sharing development principles proposed at the 18th CPC National Congress, ARN embraces these as our CSR compass. We deepen global collaboration on China's modernization path, demonstrating our sustainability commitment to set industry benchmarks and drive positive impact.

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Statement



Pan Yixin Chairman
Anhui ARN Group Co., Ltd.

Dear Stakeholders,

Thank you for your attention and support regarding Anhui ARN Group Co., Ltd.'s fulfilment of social responsibilities and sustainable development. This marks the ninth Corporate Social Responsibility Report released by our company.

In 2024, amid a complex and volatile global economic landscape, the automotive industry navigated challenges and opportunities through continuous innovation. Driven by technological advancement, the Group adhered to stringent quality control and cost optimization, overcoming developmental hurdles while consolidating strengths. The annual sales revenue reached 11.451 billion yuan, with tax contributions of 498 million yuan. The Group was honored as a National Top-tier Smart Factory, Anhui Outstanding Private Enterprise, and ranked among Anqing's Top 30 Tax Contributors.

We remain committed to developing cutting-edge technologies and serving the nation through industry. A strong nation fuels thriving industries. Upholding a high-entry strategy, the Group embraces "open cooperation and independent innovation," integrating global expertise to provide advanced products for China's automotive sector. In recent years, the Group accelerated digital transformation and supported vertical industries like automotive and equipment manufacturing with full-scenario digital solutions, enhancing social productivity.

People-oriented values define our caring corporate culture. With over 7,000 employees, the Group integrates social responsibility into strategic planning and daily operations under the principles of "innovation-driven development, coordinated growth, green orientation, open governance, and shared future." We actively fulfill responsibilities to customers, employees, partners, communities, and the environment, building a principled, accountable, and compassionate organization dedicated to sustainable governance.

Growing the enterprise while giving back to society remains our pledge. In 2024, the Group continued initiatives like educational donations, poverty alleviation, and blood donations. Despite a challenging job market, we stabilized employment opportunities to promote social harmony.

2025 concludes the Group's 14th Five-Year Plan and heralds a pivotal year for new breakthroughs. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we will implement the spirit of the 20th CPC National Congress and its plenary sessions. Embracing new development philosophies, we will cultivate advanced productive forces, accelerate transformation, and pursue a dual-circulation strategy to achieve high-quality growth—advancing from national leadership toward global excellence.

About Us

Anhui ARN Group Co., Ltd. is a group enterprise specializing in the R&D, production, and sales of key engine components and new energy vehicle (NEV) parts. Adhering to the philosophy of "Innovation-Driven Development, Technology Leads the Future," the company is committed to providing high-quality products and services to global clients while actively fulfilling social responsibilities and promoting sustainable industry development.

The company's product portfolio includes core components such as piston rings, valve seats and guides, power batteries, and aluminum alloy structural parts, with leading industry positions in both technology and market share. In 2024, it achieved sales revenue of ¥11.451 billion and paid taxes amounting to ¥498 million.

With 7,302 employees, including 777 R&D personnel covering six major fields (new energy, machinery, electronics, electrical engineering, materials, and thermal management), the company developed 34 projects in 2024 with R&D expenditures exceeding ¥220 million. It holds 786 patents to date. The company co-established the National Engineering Research Center for Superhard Materials and Products and operates 20 provincial R&D platforms, including the Anhui Provincial NEV Parts Engineering Research Center. It has led or participated in formulating 38 national (industry) standards and undertaken 7 provincial major projects.

The company's core products occupy a dominant share in the domestic market



Product Application

Automobile, New Energy, Aerospace and other fields

Product Service

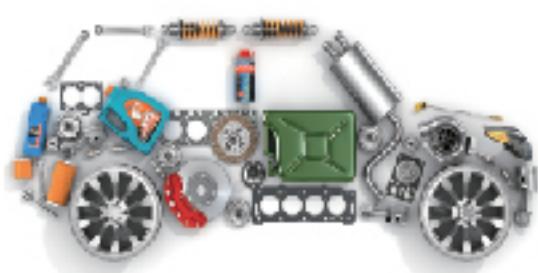
Toyota, Suzuki and other famous enterprises

International Market

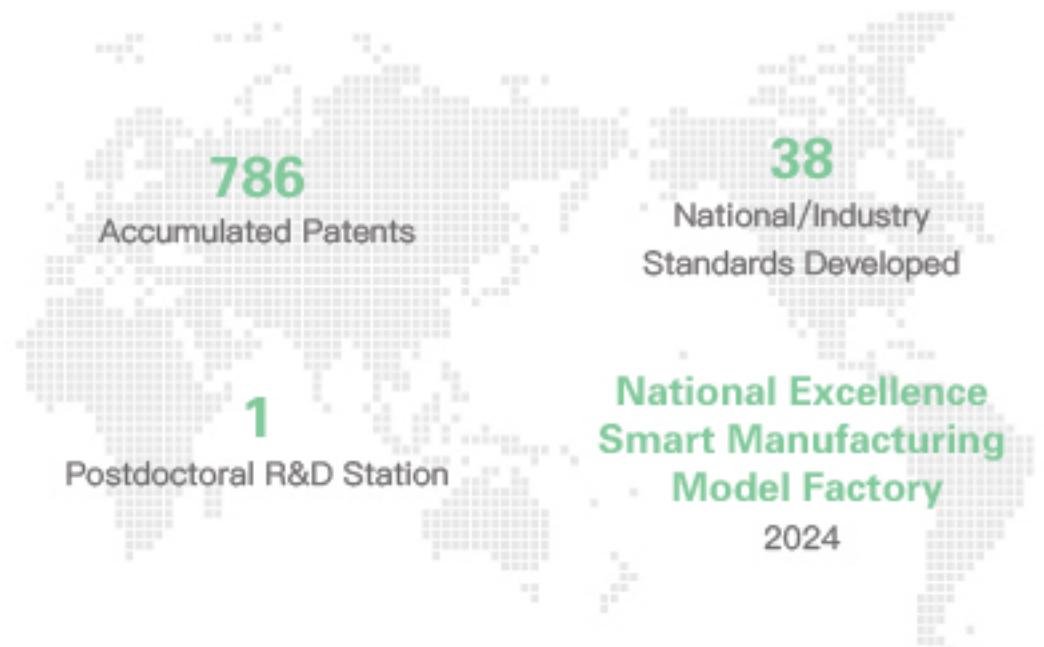
Products are exported to Japan, Korea, Europe and the United States, etc.

Product Recognition

National Automobile Components Export Base Enterprises
2024 Awarded the title "National Excellent Intelligent Factory"



Future commitments center on leveraging technological innovation for sustainable growth to establish globally competitive auto parts supply leadership, thereby driving industrial transformation and societal advancement.



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Production and Trade Base

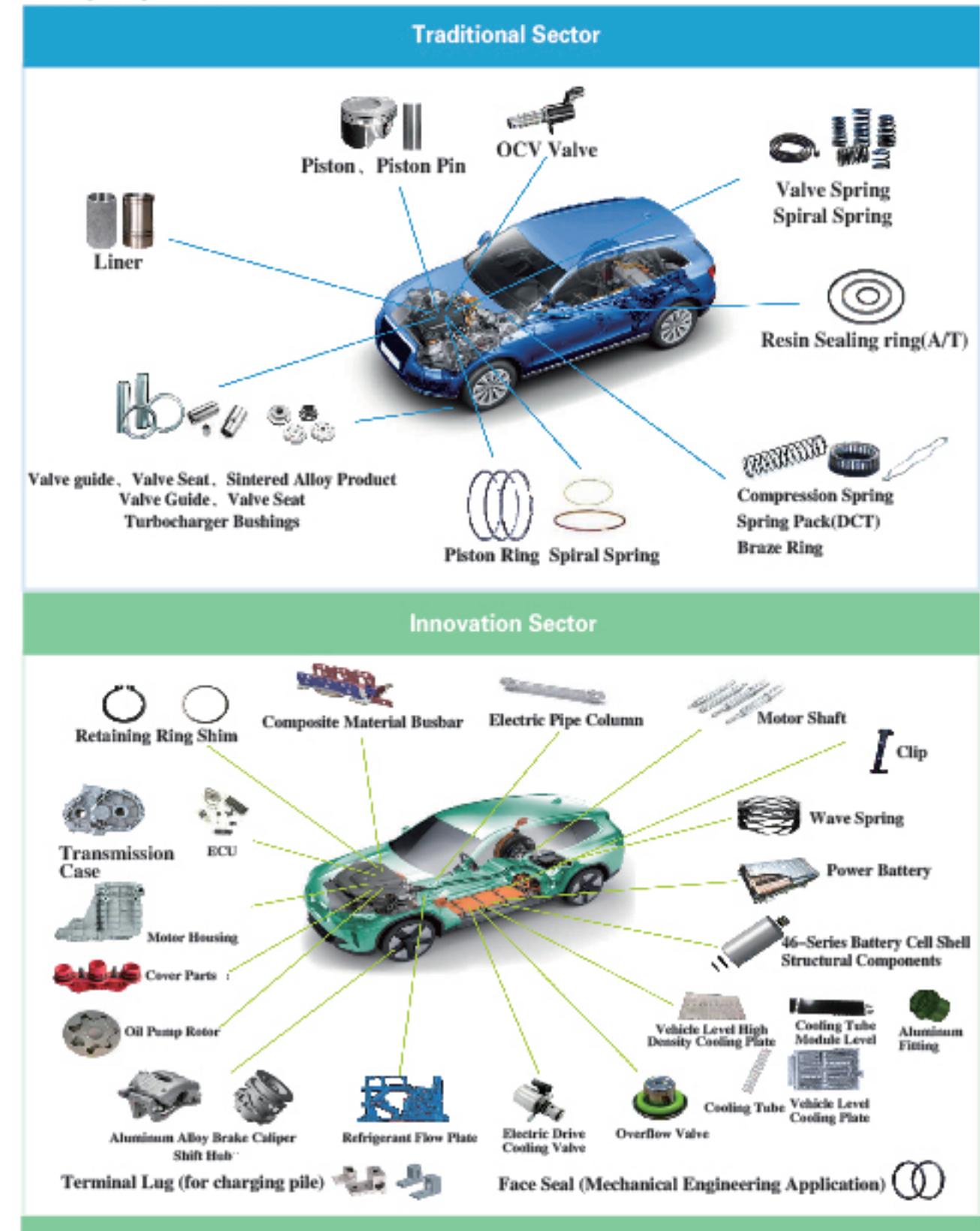
General Base:
Anqing City, Anhui Province

Sub Base:
Hefei City, Anhui Province
Dalian City, Liaoning Province
Xi'an City, Shaanxi Province
Langfang City, Hebei Province
Hong Kong, China

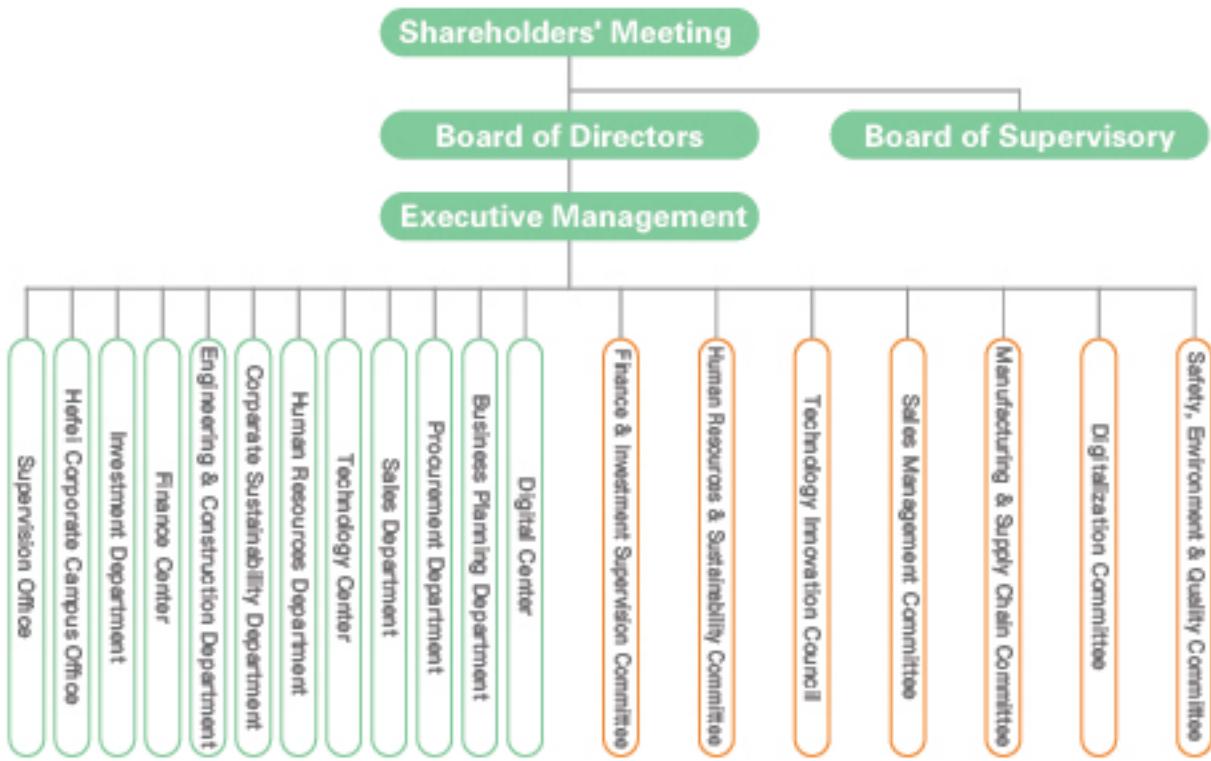
Foreign Base:
Japan
Mexico



Company Products



Organization Structure



The Company strictly adheres to the provisions of the Company Law and its Articles of Association, establishing a modern corporate governance system comprising the Shareholders' Meeting, the Board of Directors, the Board of Supervisors, and the managerial team. This structure features a clear division of responsibilities, well-defined roles, and an efficient operational mechanism characterized by synergy, scientific decision-making, and mutual checks and balances among the authority, decision-making, supervisory, and executive bodies. This solid foundation underpins the Company's sustainable development.

As the supreme authority of the Company, the Shareholders' Meeting exercises decision-making power over major matters in accordance with the law, including business policies, investment plans, financing strategies, and profit distribution, ensuring the full protection of shareholders' rights and interests.

The Board of Directors, composed of 9 directors, is responsible for formulating corporate strategy and reviewing significant issues, driving the Company's long-term and steady growth.

The Board of Supervisors, consisting of 3 supervisors (including 1 employee representative), independently performs supervisory duties to safeguard the legitimate rights and interests of the Company and all employees.

Compliance & Integrity

Compliance

Three-Tier Risk Governance Framework

First Line Functional Department
Identify, analyze, and manage departmental risks; execute critical internal controls

Second Line Management Committee
Oversee internal control implementation; identify deficiencies; propose improvements

Third Line Audit & Supervision
Conduct multi-dimensional audits (self-assessments, special audits, exit reviews) to identify control gaps and major risks; track remediation progress

Whistleblowing Management System

To strengthen corporate integrity governance and protect employee rights, the Group has established a comprehensive standardized system covering the entire process from report reception, verification, handling, to adjudication. Multiple channels (e.g., email, mailbox, phone, website) ensure accessible reporting. Whistleblower information and content are strictly confidential; retaliation is prohibited. Real-name reports are prioritized with timely feedback to safeguard whistleblowers' rights.

Zero Violation Record

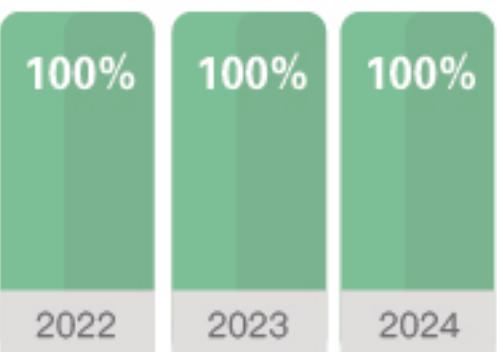
During the reporting period, ARN Group strictly complied with the *Law of the People's Republic of China on the Administration of Tax Collection* and relevant regulations, fulfilling tax obligations without any administrative penalties or violations. It also maintained a zero-violation record across multi-dimensional supervision (e.g., Ministry of Commerce, NDRC, SAMR), ensuring operational compliance.

Sustained Tax Credit Rating: Class A (highest accreditation)

Integrity

ARN Group embeds integrity in all operations, establishing it as the cornerstone of sustainable growth. We honor all contractual obligations with clients and suppliers, rigorously opposing fraud and unethical conduct to foster fair, transparent business ecosystems.

Strict Contract Adherence: 100% Fulfillment



We strengthen supplier compliance frameworks by explicitly mandating requirements across business ethics, anticorruption, antitrust, data privacy, and information security, establishing binding commitments through formalized Code of Conduct sign-off protocols.

| ARN | BBB | AAA |
|------|------|------|
| 2022 | 100% | 100% |
| 2023 | 100% | 100% |
| 2024 | 100% | 100% |

» RESPONSIBILITY MANAGEMENT



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- Innovation-Driven**
Tech-Convergence and Digital Integration for New-Quality Manufacturing;
- Coordinated Development**
Co-Building a New Home for Shared Growth
- Green Orientation**
Carbon Exploration for a New Industrial Landscape;
- Open Governance**
Embracing Diverse New Partnerships
- Shared Future**
Co-Forging a Goodness-Oriented New Industry

Responsibility Philosophy

ARN Group advances sustainable development under President Xi Jinping's Five-Pillar Development Philosophy (Innovation, Coordination, Green, Openness, Sharing). By advancing practice and innovation in the following five key areas—Innovation-Driven, Coordinated Development, Green Orientation, Open Governance, Shared Future. We holistically address the expectations and demands of stakeholders to better drive sustainable corporate development.

Organizational Structure

ARN Group has established a three-tier sustainability governance framework:

Steering Committee formulates strategic direction

Management Committee oversees priority implementation

Operations Group executes initiatives across business units

This integrated structure defines clear roles, reporting relationships, and issue management protocols for sustainability matters, enhancing organizational effectiveness.

In 2024, the Corporate Strategy & Sustainability Department was established with dedicated CSR professionals.

Leading Team

Chair: Group General Manager

Members: Group Executives

Management Team

Chair: Director of HR & Sustainability Committee

Members: Subsidiary Management Representatives, Office Directors of All Committees

Implementation Team

Lead: Director of Sustainability Office

Members: Sustainability Office Staff

CSR Officers of All Committees

Company-level CSR Officers

CSR Report Editorial Team

Accountability Framework

Functional Committee System:

ARN Group operates seven specialized committees with defined mandates:

Finance & Investment Oversight Committee:

Accountable for financial strategy, operational liquidity, risk governance, M&A, and tax compliance

Technology Innovation Committee:

Leads technology roadmap planning, R&D advancement, and commercialization of innovations

Digital Transformation Committee:

Governs digital platforms and intelligent management systems

Manufacturing & SCM Committee:

Manages end-to-end supply chain operations: vendor development, procurement, import/export

Sales Management Committee:

Oversees integrated sales lifecycle (presales to aftersales), including strategy execution and client retention

HR & Sustainability Committee:

Directs HR strategy, employee relations, corporate culture, philanthropy, and community support

EHSQ Committee:

Ensures environmental stewardship (energy optimization), safety compliance, quality assurance, and stable product supply

Responsibility Implementation

Capacity Building Framework

ARN Group prioritizes systematic capacity building through:

- Quarterly audits of departmental CSR systems/ performance
- Regular assessments using ISO 26000 KPIs
- Multi-stakeholder engagement forums

This structured approach cultivates accountability-driven corporate culture while institutionalizing a comprehensive CSR metrics framework to reinforce execution capabilities.

Weekly Alignment: Task deployment for routine CSR operations

Monthly Optimization Forum: Cross-functional process refinement and best practice sharing

Bi-annual Strategy Summa: Leadership deliberation on material ESG topics (CEO/Committee Heads)

Annual Reporting & Disclosure: GRI-compliant report compilation and public dissemination

Performance Management System

ARN Group elevates CSR management as integrated governance refinement, enhancing systems by:

- Innovating metrics/weighting/protocols using historical insights
- Embedding material ESG KPIs into unit evaluations
- Linking results directly to performance-based pay

To advance accountability culture, we optimized incentives for enterprise-wide engagement.

Training facilitation & engagement

The Sustainability Office drives our sustainable development initiatives by:

- Disseminating specialized expertise
- Developing and implementing tailored CSR training programs
- Organizing mandatory employee participation
- Cultivating enterprise-wide responsibility culture"



Responsibility Integration

Stakeholder Engagement & Materiality Assessment

Stakeholder Participation Framework

ARN Group prioritizes multi-channel stakeholder dialogue to cultivate mutual trust, systematically identifying concerns and expectations through structured engagements to deliver timely, substantiated responses.

| Stakeholders | Focus Areas | Communication Channels |
|-------------------------------------|--|---|
| Government & Regulatory Authorities | <ul style="list-style-type: none"> • Ethical & Compliant Operations • Innovation-Driven Development • Occupational Safety • Local Socio-Economic Advancement | <ul style="list-style-type: none"> ➢ Public-private Dialogues ➢ Formal Performance Briefings ➢ Periodic ESG Disclosures |
| Customers | <ul style="list-style-type: none"> • Product Safety & Quality • Competitive Pricing & Services • Product Technology & Innovation • Supply Chain Stability | <ul style="list-style-type: none"> ➢ Executive Engagement ➢ CRM System Optimization ➢ Satisfaction Surveys ➢ Technical Exchange Forums ➢ Exhibition Organization & Participation |
| Employees | <ul style="list-style-type: none"> • Managing Occupational Health and Safety • Protecting Employee Compensation, Benefits, and Rights • Advancing Employee Education, Training, and Career Development • Promoting Work-Life Harmony • Supporting Vulnerable Groups | <ul style="list-style-type: none"> ➢ Employee Satisfaction Surveys ➢ Employee Listening Sessions ➢ Established Employee Grievance Channels |
| Investors and Strategic Partners | <ul style="list-style-type: none"> • Robust Corporate Governance and Compliance • Enhanced Risk Management and Control • Asset Preservation, Value Enhancement, and Profitability Improvement • Global Business Expansion | <ul style="list-style-type: none"> ➢ General Meeting of Shareholders ➢ Board of Directors ➢ Annual Report / Interim Report ➢ Sustainability Report |
| Suppliers | <ul style="list-style-type: none"> • Integrity and Ethical Conduct • Long-Term Perspective and Collaboration for Mutual Success • Building a Responsible Supply Chain | <ul style="list-style-type: none"> ➢ Supplier Conference ➢ Mutual Exchange and Site Visits |
| Industry Associations | <ul style="list-style-type: none"> • Driving Industry Advancement • Product Technology and Innovation | <ul style="list-style-type: none"> ➢ Peer Experience Exchange Forum ➢ Industry Statistical Reports ➢ Industry Best Practice Sharing Sessions |
| Social Media & General Public | <ul style="list-style-type: none"> • Corporate Social Initiatives • Philanthropic Contributions • Community Development Partnerships • Environmental Stewardship • Industry Insights and Sustainable Growth | <ul style="list-style-type: none"> ➢ Community Engagement ➢ Public Communications via Corporate Website and Social Media Platforms ➢ Media Interviews |

Key Communication Initiatives



January 2024: German partners conducted face-to-face exchanges at ARN Group headquarters



May 2024: Party cadres participated in Anqing's "Party History & Discipline" exemplary training program



March 2024: Municipal Leadership of Anqing Met with ARN's Overseas Partners to Facilitate Cooperation



Jul 2024: ARN convened CPC Member Assembly commemorating the Party's 103rd anniversary



Aug 2024: Employees conducted technical study tours at international partner facilities



Mar/Oct 2024: Spring & Autumn Board of Directors sessions convened



Jan 2024: Hosted the 4th Technology Innovation Summit



Jul 2024: Employee feedback forum implemented (listening/Q&A/Improvement)



Apr 2024: Company-wide team-building retreats organized



Mar 2024: Women's leadership outdoor program conducted



Nov 2024: Annual corporate sports gala held



Dec 2024: New hire onboarding sessions launched



Responsibility Integration

Identification of Issues

ARN Group integrates core stakeholder expectations into corporate governance to steer sustainable development.

Aligned with Chinese CSR reporting standards, we conducted an anonymous materiality survey across government, customers, investors, distributors, suppliers, and the public.

Key Outcomes:

Identified 25 material issues from 1,512 valid responses

Committed to regular disclosure of prioritized topics

Process refined annually to enhance accountability



Social Responsibility Topics & Categorization

Governance & Accountability

1. Organizational Structure & Management Systems for CSR Implementation
2. Stakeholder Engagement and Collaboration

Economic Performance

3. Ethical and Compliant Operations
4. Alignment with National Development Priorities
5. Global Business Expansion
6. Industrial Chain Synergy Development

Product & Service Stewardship

7. Product Quality and Safety Assurance
8. Continuous Quality Improvement
9. Stable Supply and Demand Fulfillment
10. Responsive Service & Complaint Resolution

Responsible Innovation

11. Product and Technological Innovation
12. Innovation Incentive Mechanisms
13. Green Product Development
14. Digital Transformation for Enterprise Upgrade

Environmental Stewardship

15. Eco-Friendly Raw Material Sourcing
16. Pollution-Free Manufacturing Process Optimization
17. Green Supply Chain Management System

Employee Wellbeing

18. Occupational Health and Safety Management
19. Compensation, Benefits and Rights Protection
20. Professional Development and Value Enhancement
21. Employee Care Programs

Social Commitment

22. Local Economic Development Support
23. Philanthropic Initiatives
24. Industry Advancement Promotion
25. Rural Revitalization Engagement

>> CSR PERFORMANCE



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Co-Forging a Goodness-Oriented New Industry

CSR PERFORMANCE | Innovation-Driven

New-Quality Manufacturing via Tech Convergence & Digital Integration



Key indicators for 2024

| Total Investment | New Energy Investment | Proportion of Total |
|-------------------|-----------------------|---------------------|
| 838million | 739million | 88.24% |



Technology Empowerment Innovation Catalyst

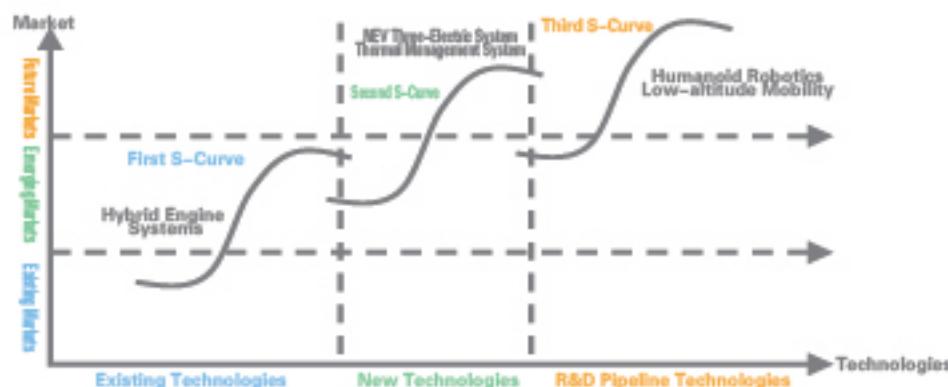
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Technology Innovation Strategy

Deepening Transformation & Collaborative Innovation

We consolidate leadership in internal combustion engine (ICE) technologies while advancing green energy transition solutions. Our future breakthroughs will focus on humanoid robotics applications and low-altitude mobility systems.



Robust Innovation Ecosystem

ARN Group has established a comprehensive R&D management system centered on its Technology Innovation Committee, with collaborative participation from product technology departments across subsidiaries, the New Ventures Development Division, and TANE R&D Company, advancing both internal combustion engine (ICE) and new energy vehicle (NEV) technologies to underpin sustainable enterprise growth.



Innovation Governance Reform

Aligned with corporate strategic planning and technology roadmaps, ARN Group has institutionalized frameworks including the Innovation Achievement Evaluation Procedures, Outstanding Innovator Recognition Program, and Intellectual Property Incentive Regulations—systematically enhancing technological capabilities while stimulating innovation vitality across the organization.

ESTABLISH CROSS-FUNCTIONAL TASK FORCES

Streamlining resource allocation to drive innovation, enhance operational efficiency, and strengthen problem-solving capabilities.



LAUNCH INNOVATION ACHIEVEMENT AWARDS

Motivating technical talent through recognition programs, cultivating a culture that champions breakthrough innovation.

DESIGNATE PRINCIPAL & SENIOR TECHNICAL FELLOWS

Empowering technical leaders to leverage their expertise in advancing core technological advancements.

In 2024, ARN Group executed 217 R&D projects, with 36 receiving the Outstanding Innovation Award. These initiatives also led to the designation of 2 Principal Technical Fellows and 9 Senior Technical Fellows.

Building Innovation Capabilities

Laboratory Infrastructure Development

The R&D Center has established a dual-track simulation-testing platform architecture, providing a robust foundation for technological innovation through integrated virtual validation and physical verification capabilities.



Core Process Capability Development

Developed

| Six Advanced Surface Technologies | Enhanced Five Thermal Processing Methods | Expanded Four Cold Working Techniques |
|-----------------------------------|--|---------------------------------------|
| Copper Plating | Tin Plating | Vacuum High-Pressure Die Casting |
| Electroplating & Electrophoresis | Plasma Nitriding | Lost-Foam Low-Pressure Casting |
| Plasma Jet | Carbonitriding | Hot Melt Welding |
| | Arc Thermal Spraying | Ring Laser Welding |
| | | Deep Stretching |
| | | Liquid Silicone Rubber |





R&D Platform Development

Adhering to our principle of "Strengthening Technological Innovation, Developing High-Tech Industries, and Achieving Industrialization", the Group concentrates on major projects and critical industry challenges. We are dedicated to building cutting-edge R&D innovation platforms, focusing efforts on core technology breakthroughs, and comprehensively enhancing independent innovation capabilities. Over the past three years, we have achieved significant milestones.



1 National Engineering Research Center for Superhard Materials & Products

1 Anhui New Energy Vehicle Components Engineering Research Center

3 Anhui Engineering Technology Research Center

20 Anhui Technology R&D Platform

1 Leading National-Level R&D Programs

2 Leading Provincial/Ministerial-Level Research Initiatives

3 Provincial & National Science Progress Awards

11 Provincial New Product & First-Set Major Technical Equipment Certification

Conversion of Technology Innovation

Green Technology R&D

development of Thin-walled valve seat technology

development of needle liner technology

development of high thermal conductivity duct materials

development of high wear resistant coating technology for piston rings

Lost foam application

development of integrated caliper technology

development of hollow shaft technology

Development of "plastic instead of metal" resin gasket



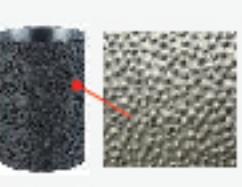
Hollow technology



Internal cooling oil passage



plastic instead of steel



Surface needling technology

Advancing resource-efficient technologies, eco-materials adoption, and circular systems implementation, we drive enterprise transformation toward resource-conserving, eco-efficient, and innovation-driven sustainable models—establishing strategic positioning for enduring competitive advantage in the low-carbon economy.

Lightweighting mitigates EV range anxiety

Higher curb weight increases motor power demand while reducing range. Advanced lightweight technologies significantly reduce vehicle mass without compromising safety performance (crash-worthiness), vibration resistance, or ride comfort.

Lightweighting enables ICEV emission compliance

Increased vehicle mass elevates fuel consumption and impairs drivability, whereas a 10% weight reduction achieves 5% faster 0–100km/h acceleration, and every 100kg mass decrease reduces CO₂ emissions by 5–15g/km (validated per WLTP testing protocols).

| China's Automotive Light weighting Targets | Vehicle Type | 2025 mass reduction target | 2030 mass reduction target | 2035 mass reduction target |
|--|------------------------|----------------------------|----------------------------|----------------------------|
| | ICE Passenger Vehicles | 10% | 18% | 25% |
| | BEV Passenger Vehicles | 15% | 25% | 35% |
| | Buses | 5% | 10% | 15% |



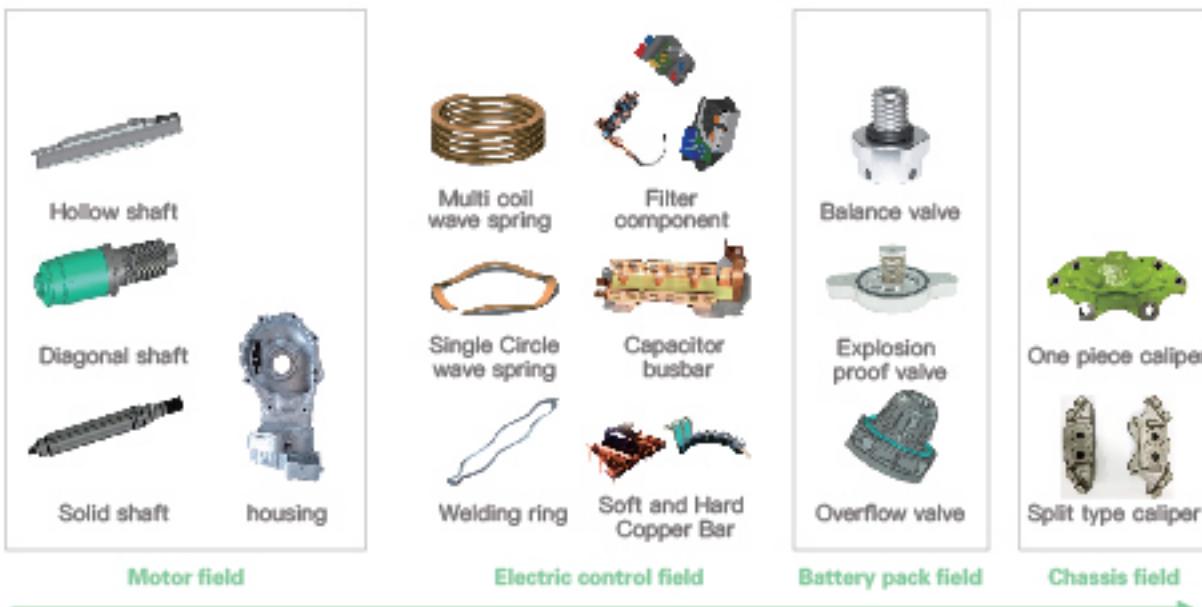
Responsibility Stewardship/Patents Achievements

Responsibility Stewardship



As a leading automotive components enterprise, we drive growth through technological innovation, maintaining sustained high-level R&D investment to elevate technological barriers and ensure enduring product leadership.

Developed 23 product categories encompassing 78 new variants in 2024.



Patents Achievements

Anhui Provincial Outstanding Patent Award

Invention Patent

178



Utility Model Patent

608



New Product Certification

42

National Key New Product

1

Digital Intelligence Integration Empowering the Industry



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Digital Intelligence Integration Empowering the Industry

Comprehensive Overview of Digital Intelligence Integration

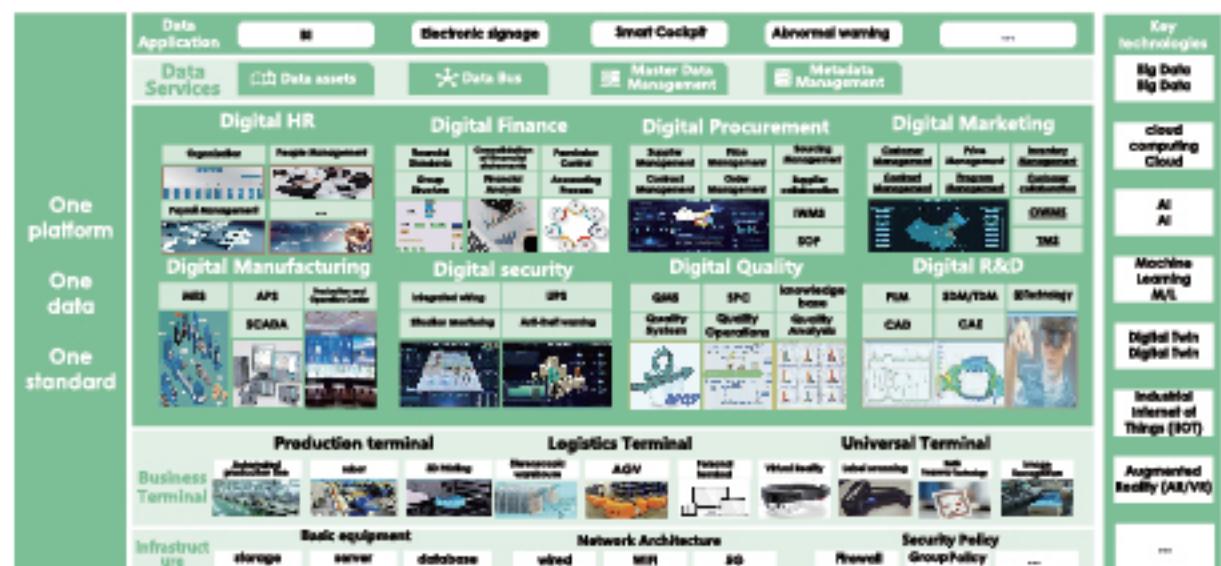
As the policy and technology environment matures, digital transformation has become an indispensable development choice for enterprises. In the reform of the new generation of information technology, the development of digitalization and intelligence has also promoted the upgrading and transformation of the industrial structure.

"123" action plan, ARN promotes the deep integration of business and systems, reconstructs the traditional industrial value chain with digitalization as the core, cultivates new quality productivity, and achieves a leap in industrial capacity and sustainable development.

ARN has developed 47 industrial apps in 2024 about digital transformation, obtained 34 software copyrights, applied for 49 invention patents, and won 2 national honorary awards, 4 provincial awards, and 2 municipal awards, for a total of 8 awards, such as "National Excellence Smart Factory", "National Smart Manufacturing Demonstration Factory", "Anhui Provincial Regional Industrial Internet Platform", and "2024 China Industrial Internet Outstanding Application Award".

Blueprint of Strategic Actions

A blueprint to guide action

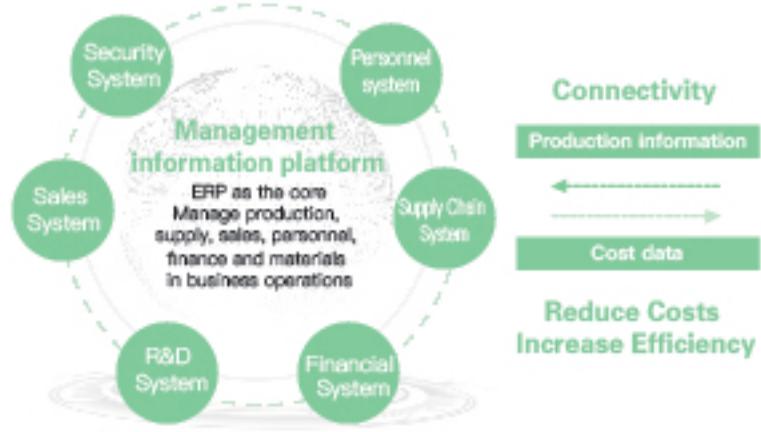


Promote the group management of each platform according to the blueprint

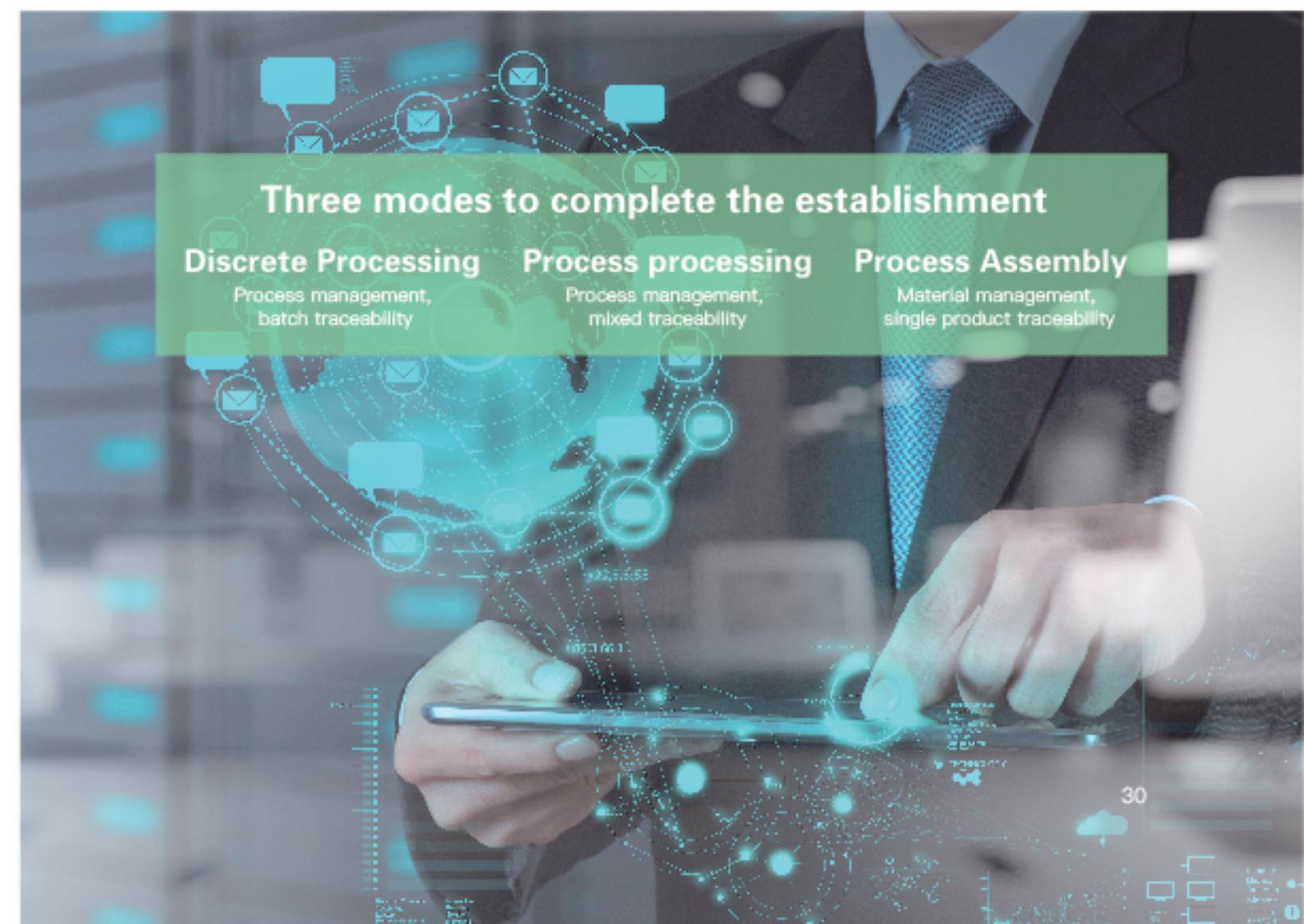
* Complete the three modules of procurement, marketing and security in 2024

The two platforms are interconnected

Information Management Platform (IT)



Industrial Internet Platform (IT+OT)



Smart Visual Platform

The core achievements of ARN's Industrial Internet Platform in 2024:

Platform capabilities have increased

A national-level smart factory for the entire industrial chain of key automotive parts (an excellent project of the Ministry of Industry and Information Technology), and was awarded the title of National Smart Manufacturing Demonstration Enterprise and the "China Industrial Internet Outstanding Application Award".

Breakthrough in production efficiency

Through the in-depth application of the 5G+ platform, production efficiency has increased by more than 30%, production energy consumption has decreased by 20%, per capita efficiency has increased by 25%, and annual electricity bills have been saved by 6 million yuan; the monthly output of pistons has exceeded 2.7 million;

Deepening of industrial chain collaboration

The platform has access to 70 regional enterprises and 688 industrial equipment, driving suppliers' product defect rate down by 3% and improving staff efficiency by 10%; 34 industrial models have been formed to empower upstream and downstream enterprises;

Innovation and economic benefits

The conversion rate of innovative achievements exceeded 80%, and new product sales exceeded 2.5 billion yuan; the annual benefits of digital transformation exceeded 6 million yuan, helping to boost sales revenue to 11.45 billion yuan in 2024.



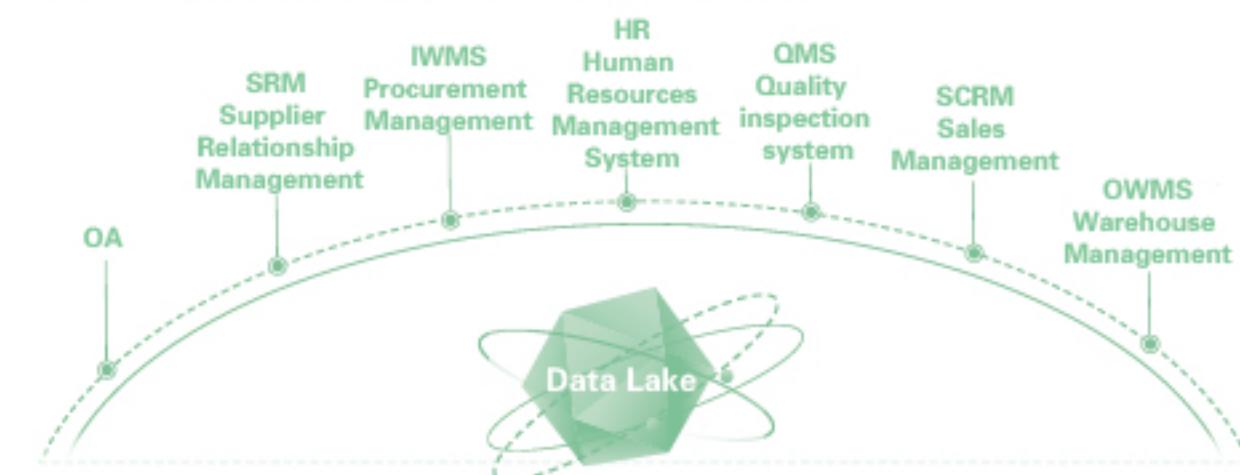
Digital dashboard:

Actual output and achievement rate
Abnormal distribution map: GIS map shows the distribution density of abnormal workstations
Energy consumption dashboard: Displays real-time energy consumption by region / equipment type
Material completeness warning: Displays the material shortage work order and the estimated impact on production capacity
OEE trend analysis: showing weekly / monthly changes



Realize deep integration of multiple systems by entering data into the lake

Break through the barriers of ERP, MES, QMS, PLM and other systems to build a full-process data resource pool covering R&D, manufacturing and logistics.

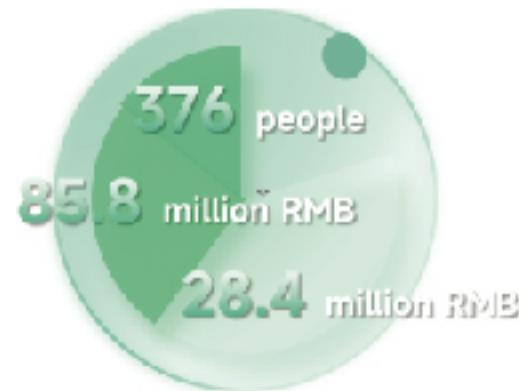


Purchase Sale Finished product warehouse data is stored in the lake
The data entry rate increased to 36%



Innovative Application Practice

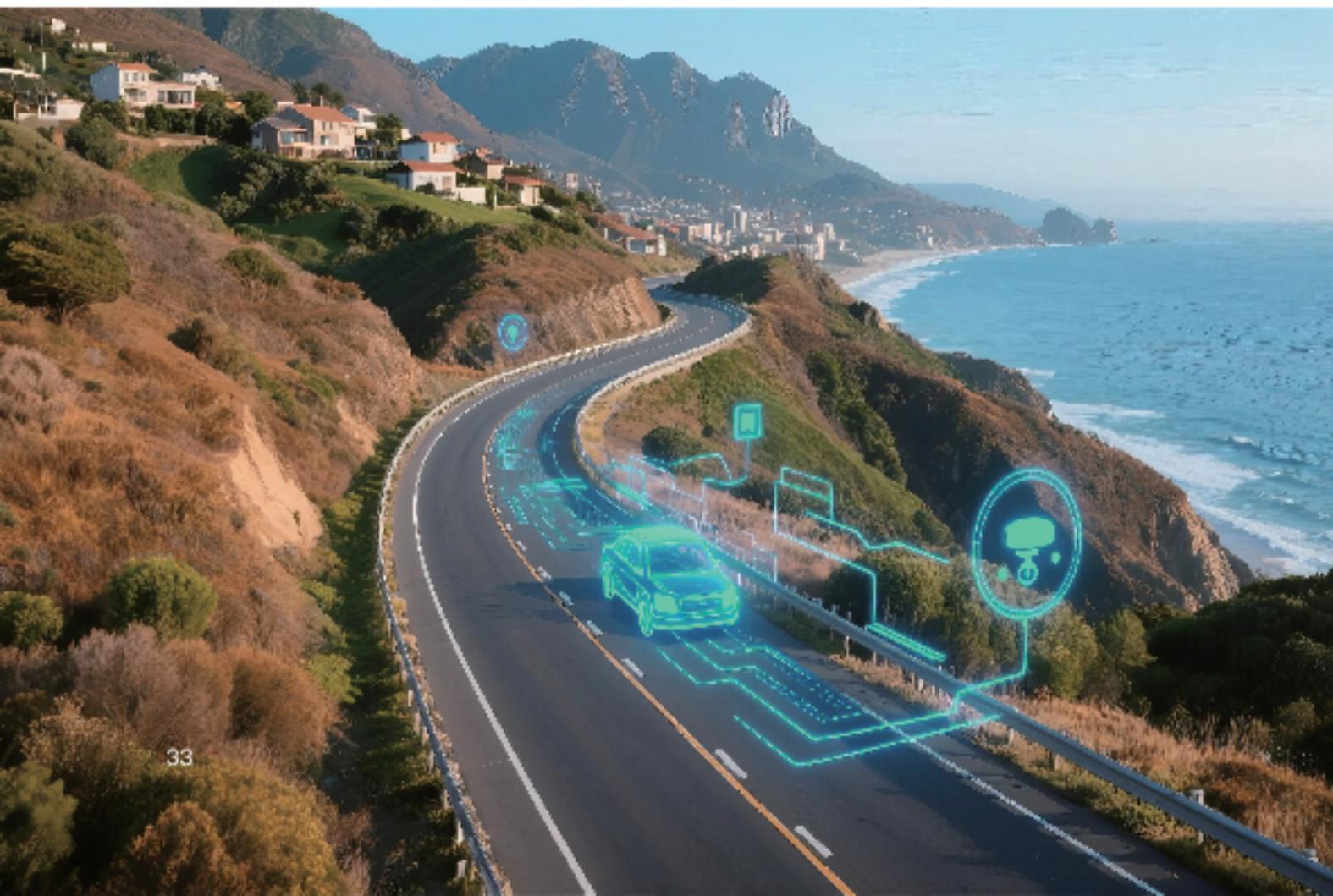
2024



The Group's production saving performance reached **376 people**

The group invested RMB **85.8 million RMB**
in smart manufacturing projects

The Group's annual cost improvement through smart
manufacturing projects exceeded **28.4 million RMB**



Joint venture(ATG) : Digital Benchmarking Workshop of Inspection Department



illustrate:

1. Developed 19 sets of automation equipment and 8 process connections;
2. Real-time monitoring of 23 quality factors to prevent abnormal outflow;
3. Launched 18 dashboards to optimize production management and promote departmental collaboration.

2024:

- 1.0 Efficiency improvement saves 36 people;
The improvement amount is 1.2 million yuan.

Joint venture (ATG) : Automatic loading of double-end grinder



illustrate:

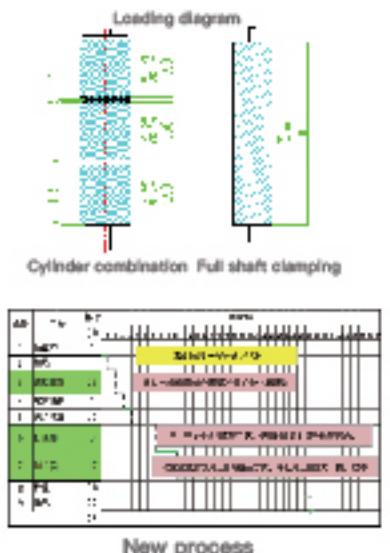
1. Industrial robots automatically pick up and place materials instead of manual loading;
2. Use digital tracking device to achieve reliable material discharge;
3. Equipment human-machine configuration: changed from 1 machine /1 person operation to 2 machines /1 person operation.

2024:

1. Staffing changed from 24 people (RMB 251,600 / month) to 12 people (RMB 125,800 / month);
Reduce 12 operating personnel.



Joint venture(ATG) : Improvement of magnetically controlled arc filter



illustrate:

1. Improved loading method:

The 3- cylinder combined structure loading is improved to the whole-axis open fixed loading;

The loading height was increased from 450mm to 600mm, and the loading capacity increased by 33.3% ;

2. Process improvement:

Reduce the merging process by 3 steps and save 2.5 hours;

The combination of magnetron filtration and DLC layer reduces stress and improves deposition efficiency.

2024:

Reduce the investment amount of one set of equipment by 8.964 million yuan;

The electricity cost was saved by 204,000 yuan, and the total amount saved was 1.384 million yuan.

Joint venture (AAT) : Improved efficiency of piston production line



illustrate:

1. Adjust the processing procedures, reduce the bottleneck workstation peak, and shorten the whole line cycle;

2. Design a special tool holder to reduce the number of tool changes by 70% ;

3. Modify the processing program to reduce the ineffective travel of the tool.

2024:

Efficiency increased by 7% , and annual output increased to 340,000 yuan;

The improvement amount is 1.73 million yuan.

Joint venture(ATGL): 2.0 variable pressure paper automatic production line



illustrate:

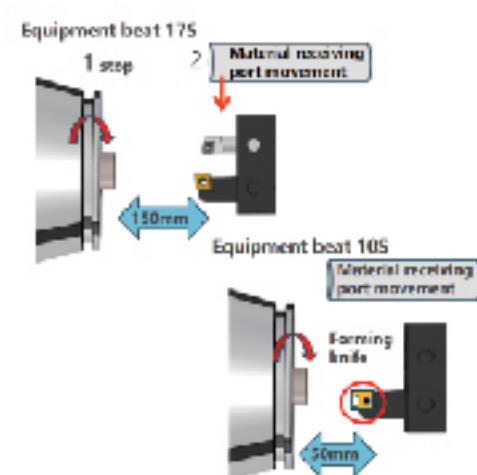
Developed automatic paper cutting and stamping equipment by changing from outsourcing to in-house production of variable pressure paper.

2024:

Raw material utilization rate increased by 21% ;

The amount of cost reduction and efficiency improvement was 5.91 million yuan.

Joint venture (AAT) : Improved processing efficiency at both ends of piston pins



illustrate:

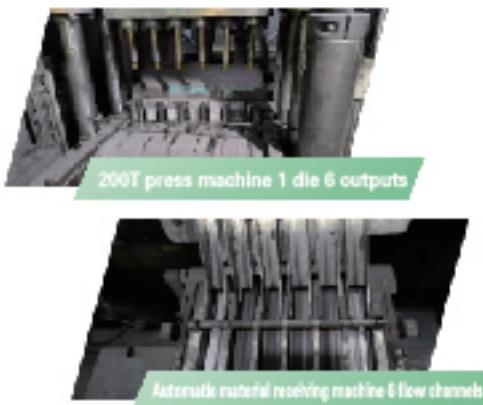
Through technological innovation, the process will be gradually optimized, the equipment cycle time will be shortened, production problems will be improved, and production costs will be reduced .

2024:

The equipment cycle was shortened from 17s to 10s (for some products), and the efficiency was increased by 41% ;

The total investment is 0 , saving 1.2 million yuan per year, and reducing investment in 3 production lines by 1.5 million yuan.

Joint venture (ATP): Improved catheter molding efficiency



illustrate:

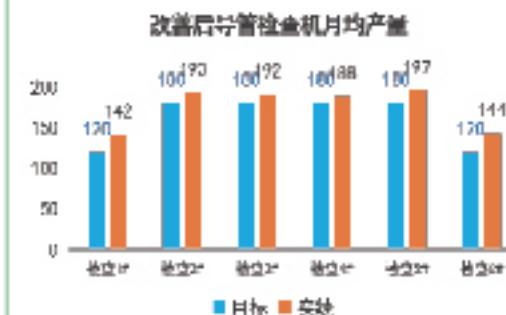
1. The 4- hole mold frame is changed to 6- hole mold frame through mold frame redesign ;
2. The automatic receiving machine's receiving channel is redesigned to have 6 channels;
3. Redesign and transform the existing equipment at the lowest cost, indirectly reducing the investment in two new equipment .

2024:

1 worker was saved in the process , and the efficiency was increased by 33% ;

The improvement amount is 1.59 million yuan.

Joint venture (ATP): Improvement of catheter inspection machine efficiency



illustrate:

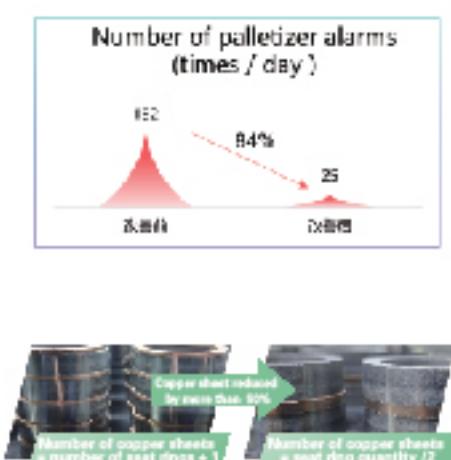
1. Through observation and improvement of equipment operation, the number of alarms has been reduced;
2. Improve the equipment tooling so that the equipment can be compatible with inspecting more products and reduce waiting time.

2024:

The efficiency was increased by 28% , and the inspection machine capacity was increased by 3.3 million pieces per month;

Saved 3 jobs, reduced equipment investment by 2 units, and improved 2.1 million yuan.

Joint venture(ATP): Improvement of efficiency in the molten ring molding process



illustrate:

1. The number of copper sheets required in a single cycle is reduced;
2. The downtime of the palletizer waiting for materials is reduced;
3. Improve the overall efficiency of the leaching seat ring forming process.

2024:

Efficiency increased by 10% , and the monthly production capacity of the process increased by more than 1 million pieces;

The improvement amount is 1.86 million yuan.

Joint venture(ATP): integrated improvement of weighing process



illustrate:

1. Develop automatic weighing equipment to replace manual work;
2. Connect the automatic weighing equipment to the back end of the existing inspection machine to reduce the number of manual weighing operators and equipment operation personnel.

2024:

11 process-related workers ;

The improvement amount is 1.32 million yuan.

Data collection scope

Realize real-time data collection of the entire process of enterprise production, operation, and quality, integrate internal and external data sources, and build a complete data asset system.

Data processing and analysis

Clean, convert and store the collected data. At the same time, use data mining and analysis model establishment to enhance the value of data.

Business scenario application

Provide data support for corporate decision-making, identify potential problems and improvement points through data analysis, and formulate optimization strategies and action plans based on data.

Data collection and analysis system



Intelligent supply chain platform upgrade

The SRM supplier relationship management platform will be officially launched in 2023, and by the end of 2024, the supplier SRM platform online rate will be 100%.

In order to achieve online control of procurement activities such as orders and deliveries, the supplier SOP system online rate has reached 87%.

Through the SRM system to establish a risk radar, conduct supplier searches for regional disasters or temporary emergencies, and initiate emergency plans.

Suppliers of core raw materials (such as pig iron, wire rod, aluminum ingots, powder, etc.) achieve 100% dual or multi-source supply.



【SRM system supplier distribution】

Case: In 2024, the pig iron supplier of a company in the group stopped production due to the local heating energy reduction policy. The company quickly started the second supply and successfully avoided the supplier's supply interruption crisis, ensuring zero production interruption.

Fixed asset module development completed, multi-language OA completed



OA Office Automation



High-tech Enterprise

Top 20 High-tech Enterprises

Specialized and Innovative Enterprise

Provincial Enterprise Technology Center

Provincial Engineering Research Center

Anhui Industrial Design Center

Provincial Science and Technology Progress Award

National key new products



Quality First Mutual Success

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Quality Management System

ARN Group pursues a "China-leading, world-class" strategy with "Pursuing zero-defect products and zero-customer-complaint objectives" quality goals. We enhance customer satisfaction through robust QMS, addressing market/production issues via preventive measures and systematic improvements to ensure product excellence.

Established Quality Committee (2010) with dedicated department and three-tier inspection (self/mutual/sampling). Applied QC circles, Jidoka, and Six Sigma for continuous improvement. Products exceed GB, industry, and international standards (e.g., CE/UL).

Five subsidiaries awarded Municipal Quality Award since 2012.

Supplier tiered management with raw material validation (chemical/strength/dimensional tests). Third-party verification when needed. 100% batch qualification rate (2024).



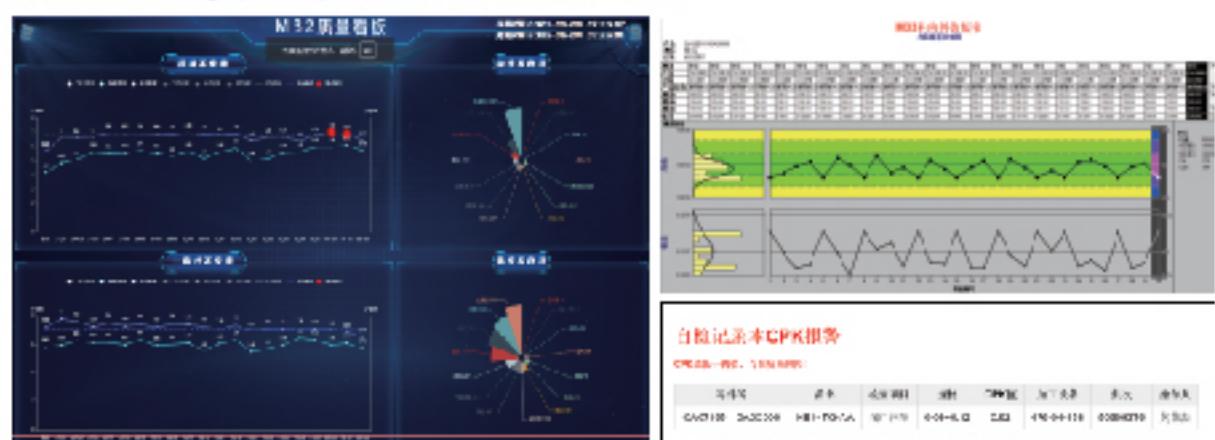
Through company-wide, process-integrated participation and data-driven assessment, we conduct regular system, product, process, and quality audits to validate QMS effectiveness. For audit follow-up, our proprietary Layered Audit System (2023) digitizes corrective workflows—transitioning from manual tracking to automated monitoring. This ensures rigorous root cause analysis, consolidates recurring issues, generates one-click reports, and drives continuous PDCA cycle implementation.



In manufacturing, we continuously implement technological upgrades—adopting advanced equipment, tools, and collaborative systems with suppliers like Huawei—to enhance workshop automation and digitalization levels, ensuring production quality consistency and stability at the hardware foundation.



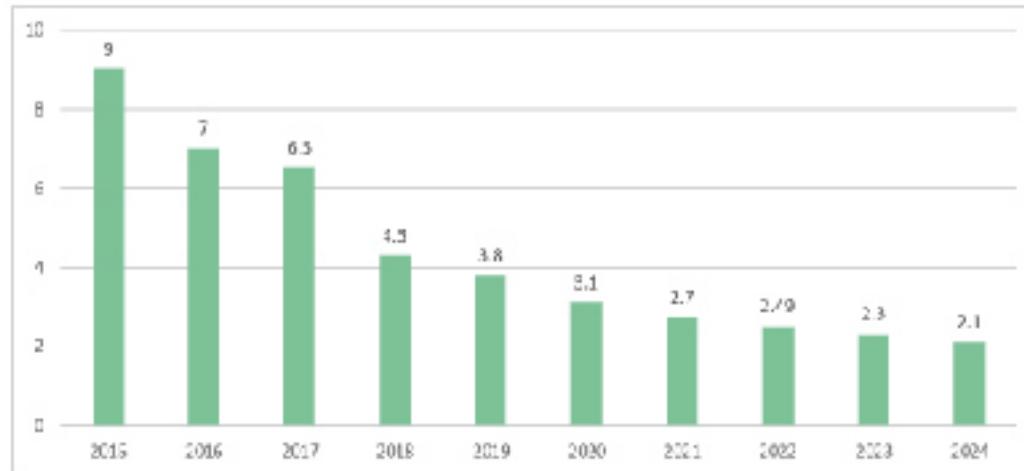
We advance information-based and intelligent quality control through data-driven methodologies, implementing online data collection and analytics. Our integrated systems—QMS, automated data acquisition, precise traceability, and visual dashboards—enable end-to-end quality governance. Real-time monitoring, alerting, and analytics for critical products/processes allow rapid anomaly detection and containment. Data mining identifies root causes and improvement opportunities, reducing quality prevention costs by 18–35%.



Through quality system process analysis, we established risk/opportunity response measures. Functional departments identify and analyze risks/opportunities within their operations, products, and services, implementing actions to mitigate risks while leveraging new technologies, markets, customers, and partnerships to seize emerging opportunities.

R&D and Production teams lead DFMEA/PFMEA development, incorporating lessons from recalls, audits, and defects. All processes are ISO 9001 documented.

Achieved 100% first-pass yield (FPY) at customer assembly lines. Defect PPM declined for 10 consecutive years—industry-leading performance.



Certification & Continuous Improvement

Since the late 1990s, over ten manufacturing subsidiaries have implemented integrated systems certified to ISO 9001, ISO 14001, IATF 16949, ISO 45001, and ISO 27001 standards.

In 2020, the Group obtained CNAS (China National Accreditation Service for Conformity Assessment) certification for laboratory competence.

Complementing our systems, we achieved ISO/IEC 27001 information security certification in 2023.



IATF16949



ISO9001



ISO45001



CNAS



ISO27001



Continuous Improvement – Quality Training

Quality training is central to ARN Group's product safety, customer satisfaction, and sustainable development. Our systematic program elevates organization-wide quality awareness and competencies.

Methodology: Blended online/offline learning via in-house instructor-led sessions, third-party certified courses, hands-on drills, and case study workshops.

Training Materials: Custom-developed resources including PPT modules, handbooks, and instructional videos—ensuring learning effectiveness through diversified formats.



ARN Group advances quality talent development through expert-led training programs. Partnering with DNV, KraiG, and automotive OEMs, we deliver comprehensive online/offline training for management and key staff—training 200+ participants in 2024.

We host high-quality development forums with DNV to track industry shifts and emerging best practices.

Continuous Improvement — QC Circle Implementation

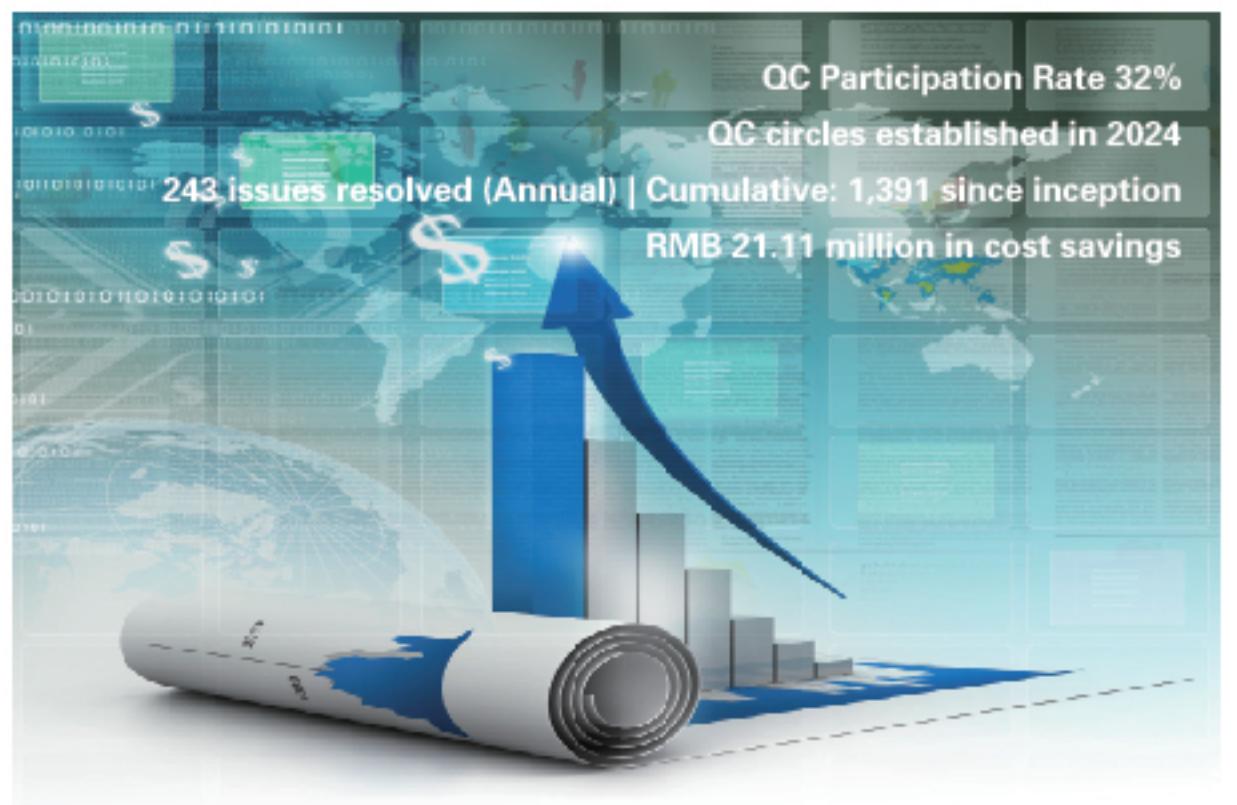
Through iterative QC activities, we cultivate a distinctive quality culture ecosystem—enhancing employee quality awareness and building an ARN-featured value-driven quality community.

Since 2012, ARN Group has sustained QC circle initiatives driving cost, efficiency, and quality improvements, with subsidiaries presenting achievements at national, provincial, client, and overseas parent company forums—earning the "National Machinery Industry QC Excellence Award" and "Anhui QC Activity Outstanding Enterprise" honors while gaining broad customer recognition.

Through 14 years of QC circle implementation, ARN Group has achieved significant enhancements in activity effectiveness, team competencies, and innovative outcomes—yielding cumulative cost savings of RMB 134.44 million via systematic improvements across all subsidiaries.

Continuous Improvement — QC Circle Implementation

In 2024, ARN Group established 244 QC circles with 32% employee participation rate, resolving 243 critical issues and achieving RMB 21.11 million in annual cost savings.



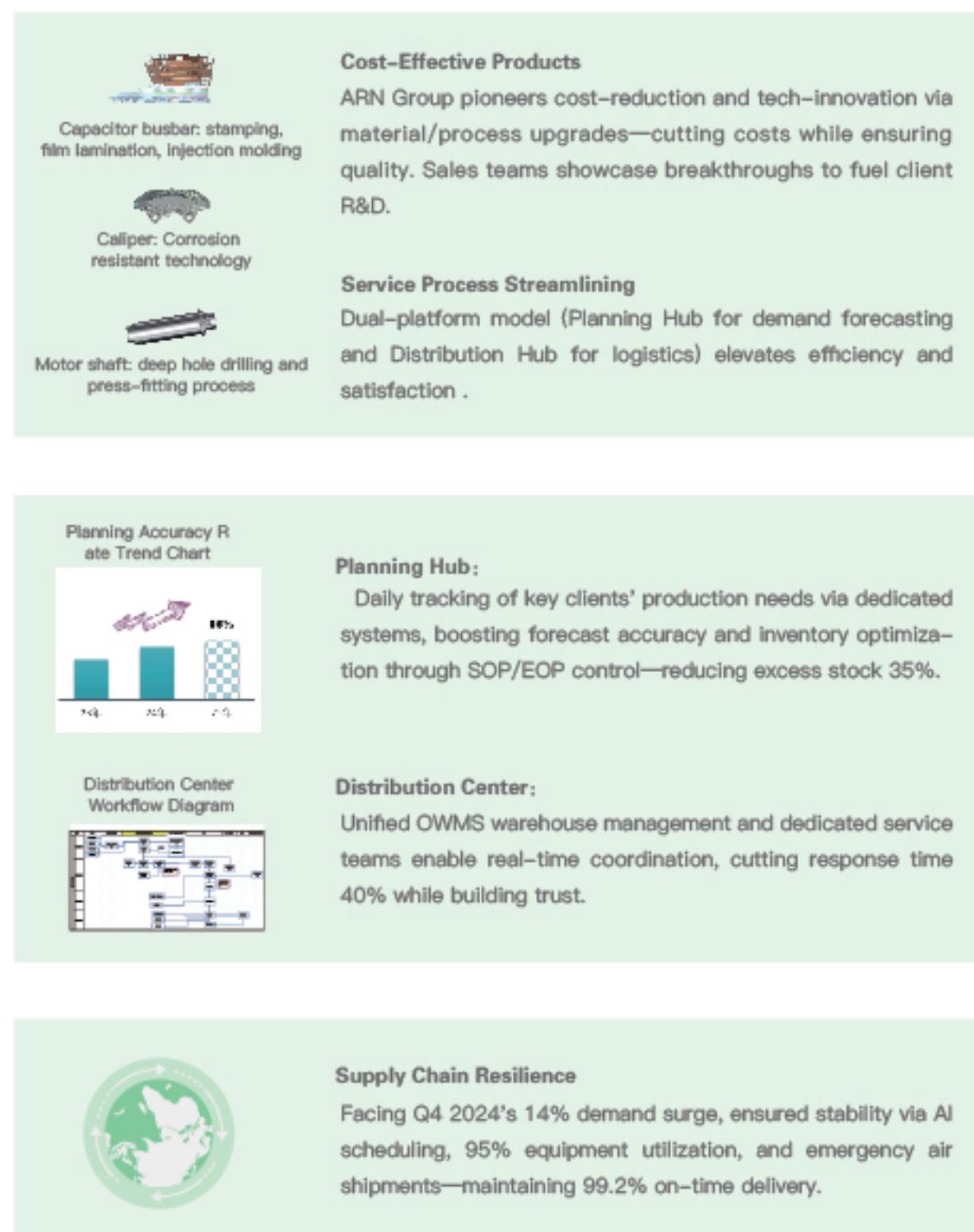
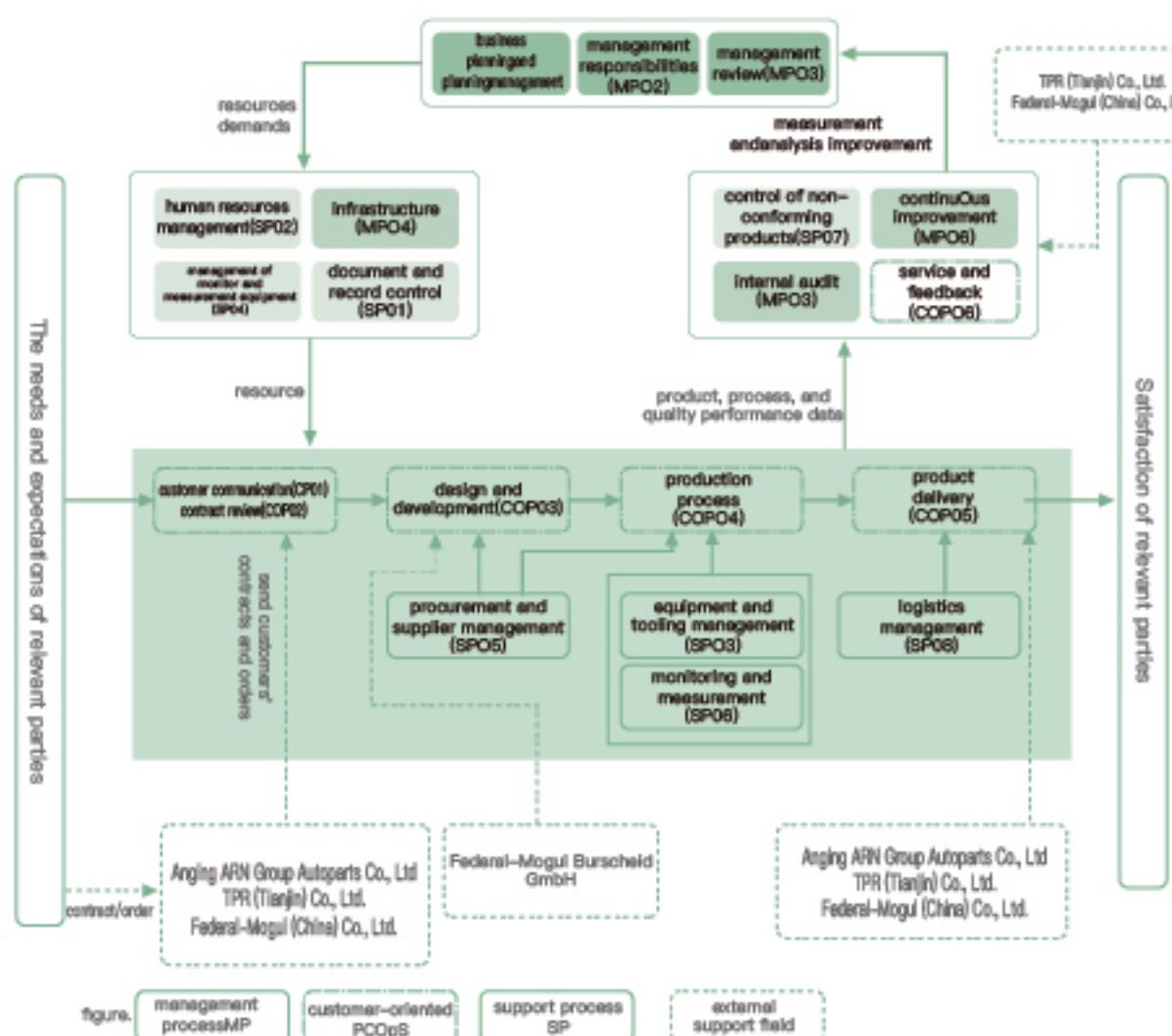
Supply Chain Resilience

Core values integrated into QMS via manuals/procedures, driving audits, reviews, and KPI performance management.

Complementing this framework, Total Quality Management (TQM) and PDCA (Plan-Do-Check-Act) methodologies ensure a scientifically effective quality management system, establishing a robust quality foundation (as illustrated in Figure 1).

Product liability insurance introduced in 2023 to enhance stability and security.

Quality Management System Framework Diagram



Transparency & Disclosure

A customer-centric approach directs all efforts, focused on meeting or exceeding expectations as the ultimate goal.



ARN Group conducts regular client visits and facility tours, collaborating on innovations in processes, technologies, and functionalities. Joint test platforms demonstrate product excellence, with open access to R&D center data—building unwavering trust in our high-quality solutions.

Our APQP-certified project teams utilize management software to maintain end-to-end client communication—from technical specs, quoting, and bidding to design, manufacturing, sales, and after-service. Full visibility across all stages builds complete trust.

Deepening Strategic Mutual Trust — Joint Technology Breakthroughs

ARN Group constructs a global engagement ecosystem through strategic foresight. Executive exchange mechanisms deepen ties with industry leaders, enabling board-level alignment. Top-down collaboration drives joint R&D, co-invested capacity, and shared market expansion.

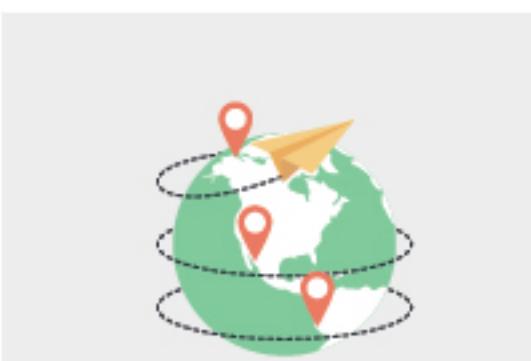
Amid the tidal wave of energy transition, we forge strategic partnerships with key clients—launching ecosystem-level collaboration on electrification and lightweighting. Mutual trust reshapes industrial value networks, building moats against market volatility.



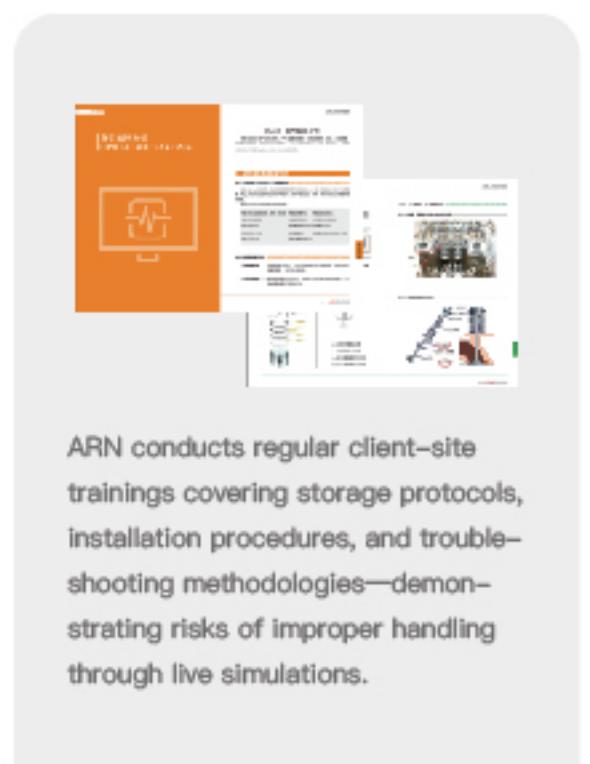
Product Safety Guidance



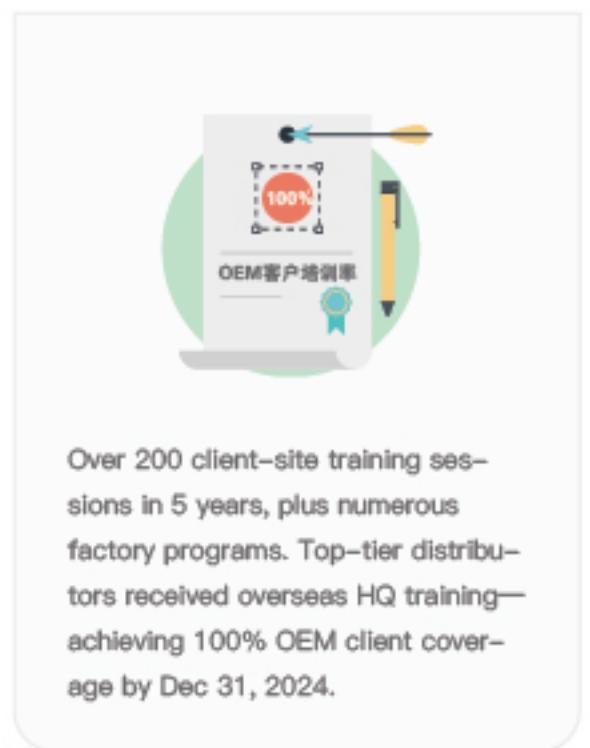
We compile and continuously update the Customer Service Manual, detailing component packaging, storage, installation procedures, and maintenance protocols—clarifying proper usage scenarios and potential risks arising from misuse.



Face-to-face dialogues identify operational challenges and needs, enabling real-time countermeasures and solutions—resolving issues at the point of use.



ARN conducts regular client-site trainings covering storage protocols, installation procedures, and troubleshooting methodologies—demonstrating risks of improper handling through live simulations.



Over 200 client-site training sessions in 5 years, plus numerous factory programs. Top-tier distributors received overseas HQ training—achieving 100% OEM client coverage by Dec 31, 2024.

Responsive After-Sales Service



ARN Group fosters collaborative customer relationships through multi-channel engagement via portals, official accounts, service hotlines, surveys, and regular on-site visits.

ARN Group formed key account teams managing strategic clients across tech/product/quality/pricing/complaint dimensions. A specialized CRM module delivers process-driven, systematic, professional, and digital services—boosting satisfaction.

ARN Group conducts annual satisfaction surveys, with analysis integrated into management reviews. Dedicated account managers monitor client platforms to capture requirements, driving internal implementation of critical insights.

ARN Group established a comprehensive after-sales service system with dedicated customer service departments, implementing standardized and institutionalized processes to ensure timely and effective resolution of complex customer issues.

Aligned with national automotive three-guarantees (GB/T 29632) and recall regulations, ARN Group enhanced product traceability systems through recall simulation drills and critical supplier audits. As of December 31, 2024, the company maintained zero market recalls, with all customer feedback resolved collaboratively—demonstrating effective recall and warranty management.

Responsive & Precision Service Delivery

Guided by our mission to "Co-shape the Industry Future with Clients," ARN Group built a tripartite digital marketing ecosystem featuring end-to-end intelligent tracking for precision demand response, cross-functional synergy platforms enabling tech-quality-production-logistics integration, and customized solutions addressing client-specific challenges—achieving industry-leading 96% customer satisfaction.

Customer Relationship Management

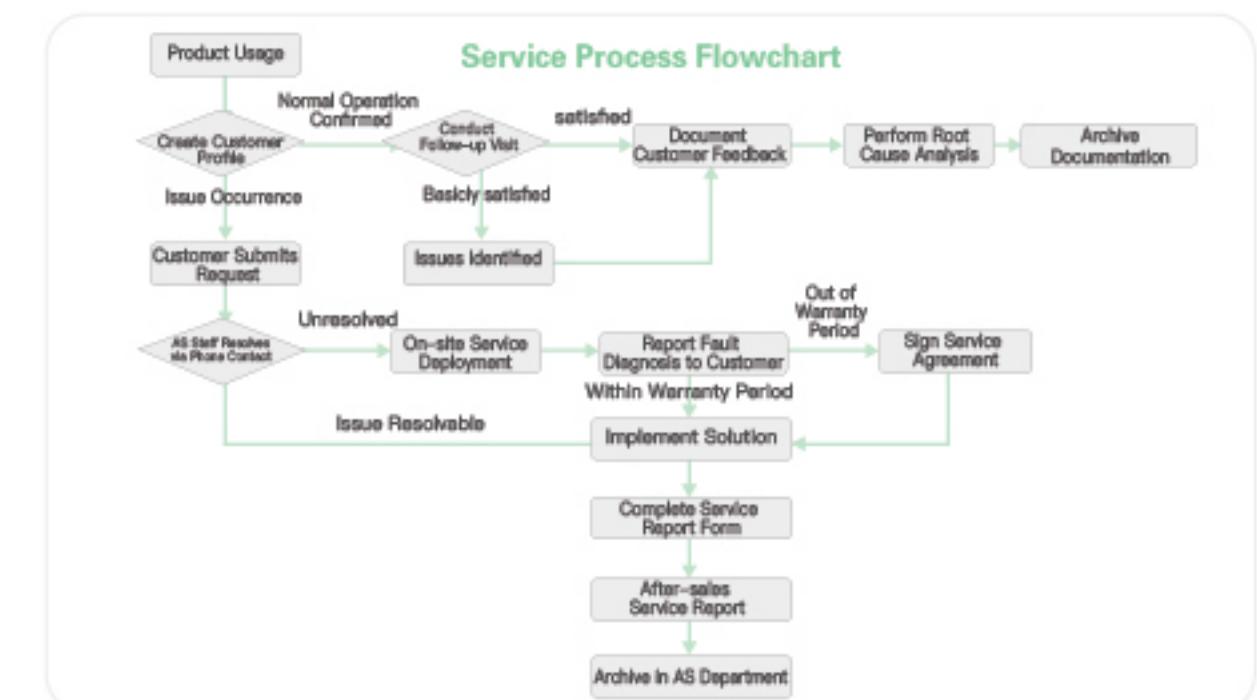
The CRM system integrates customer data, tracks sales activities, analyzes behavior, optimizes marketing/service efficiency, and boosts satisfaction—generating strategic reports from centralized data to support data-driven decisions.

Social Customer Relationship Management

Established an intelligent digital hub integrating contract-price-planning-warehousing-shipping-settlement processes, enabling global sales synergy and end-to-end visual control.

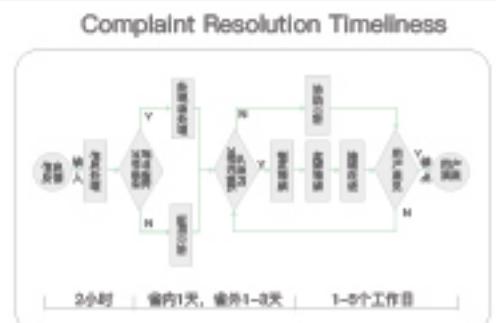
2024 Key Improvement Initiatives

| | | | |
|--|--|---|---|
| Customer Resource Optimization Systematic talent mobility risk mitigation | Customer Intelligence & Marketing Analytics Standardized management of strategic marketing assets | Development Information Systems Cross-company development collaboration platform | Marketing Decision Architecture Data-driven decision support systems |
| Service Operations Excellence Digital trading platform deployment | Workforce Capability Enhancement Digitally managed field operations (attendance/KPI) | Sales Process Reengineering Real-time tracking of production/logistics/warehousing | Business Process Digitization End-to-end visual control |



Complaint Resolution Volume & Improvement Outcomes

ARN Group established a dedicated customer complaint department operating under standardized protocols per Customer Complaint Handling Guidelines, ensuring timely resolution of complex issues through institutionalized workflows.



CRM tiered tracking enables rapid cross-functional response to all feedback. Our centralized complaint database applies 8D/5Why analysis to field/in-transit cases—ensuring transparent communication, scientific compensation, and rights protection.



Customer Satisfaction Survey

ARN Group delivers premium after-sales services guided by a customer-centric philosophy, fulfilling comprehensive needs through multi-channel engagement (hotlines/digital platforms/e-mails/on-site visits) and structured interaction frameworks.

24/7 hotline ensures swift complaint resolution. Quarterly QDSC surveys (Quality/Delivery/Service/Cost-Performance) pinpoint improvement gaps. Achieved 90%+ satisfaction and multiple quality awards.



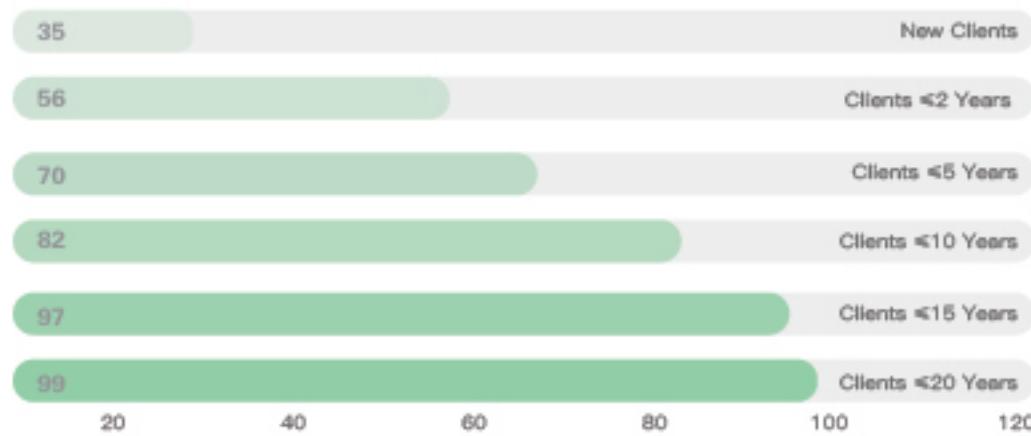
Sustainable Consumption Guidance

ARN Group prioritizes societal/consumer interests through sustainability advocacy. We educate clients on overstated market claims and manufacturing waste risks, promoting eco-engineered solutions with certified green designs.

We showcase tech-economic evolution of advanced materials/designs at exhibitions, educating customers toward value-driven purchasing.

By fulfilling latent customer needs, we deliver unexpected quality breakthroughs in products/services. ARN Group focuses on demand mining, innovative development, and continuous service enhancement—implementing service benchmarking to refine processes, ultimately achieving value-exceeding attractive quality that drives sustainable consumption.

Customer Loyalty Trend Chart
Collaborative Client Tenure Statistics(as of Dec 31, 2024)



ARN Group safeguards client interests via encryption, biometric access, restricted data custodianship, hierarchical permissions, and NDAs—preventing external risks and losses.

Guided by reciprocal knowledge exchange principles, we foster close client engagement to achieve collaborative synergy and mutually beneficial outcomes.

| | |
|--|---|
| JAC Motors Outstanding Supplier |  |
| Weichai Gold Supplier |  |
| FAW Jiefang Collaborative Development Supplier Award |  |
| Great Wall Heartfelt Partner Award |  |



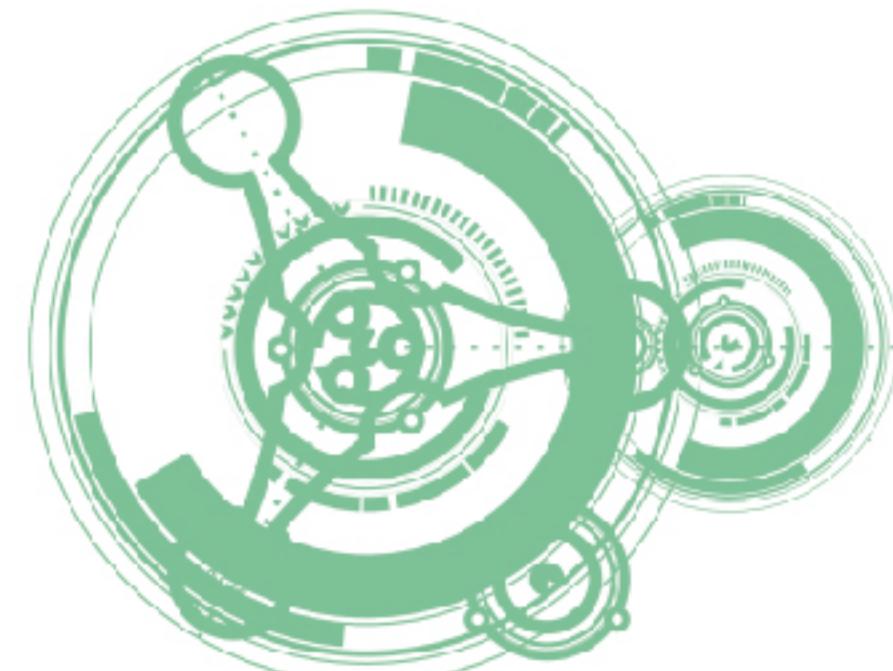
CSR PERFORMANCE | Coordinated Development

Co-Building a New Home for Shared Growth



Key indicators for 2024

| | | | |
|------------------------------------|-----------------------------------|--------------------------------------|-----------------------------|
| Employees on Labor Contracts | Ethnic Minority Employees | Female Employees | Recruited Employees |
| 7302 person | 104 person | 1731 person | 611 person |
| Number of Labor Contracts Expiring | Number of labor Contracts Renewed | Number of New Labor Contracts Signed | Signed Open-Ended Contracts |
| 687 person | 687 person | 189 person | 552 person |



CSR PERFORMANCE | Coordinated Development

Co-Building a New Home for Shared Growth



| | |
|---|----|
| Equal Employment Opportunity (EEO) ,Diversity and Inclusion (D&I) | 63 |
| Workplace Protections, Rights Backed by Systems | 65 |
| Empower Growth, Grow Together with the Company | 71 |
| Employee Care, Holistic Well-being | 75 |



Equal Employment Opportunity (EEO) ,Diversity and Inclusion (D&I)

The Company strictly adheres to the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Labour Dispute Mediation and Arbitration Law of the People's Republic of China and other relevant laws and regulations.

The Company adheres to all relevant regulations concerning employee hiring, termination, working hours, leave entitlements, equal pay for equal work, and provides equal employment opportunities to all candidates.

The Company upholds the principles of equality and fairness in employment, and strictly prohibits all forms of forced labour and child labour.

The Company has established and continuously improves the following standards and regulations:Onboarding Medical Examination Standards, Shift Scheduling Standard Operating Procedures, Offboarding Administrative Regulations.

The Company develops and refines robust employment mechanisms to foster harmonious and stable industrial relations.

Currently, the company is in a period of transformation and development. Aligned with our strategic imperatives of technological innovation and digital upgrading, we leverage our recruitment system to attract outstanding new graduates from universities and high-caliber experienced professionals with relevant expertise. Simultaneously establish internal systems for talent selection, development, and competitive appointment to positions, providing more opportunities for outstanding young individuals. This will energize the organization and foster vitality, forming a full-chain talent team system.



Industry-Academia Collaboration
Institution Unveiling with Nanchang University



Industry-Academia Collaboration Signing & Institution
Unveiling Ceremony with Fuyang Normal University



Industry-Academia Collaboration

collaborated with higher education institutions on Industry-academia-research initiatives to propel knowledge-to-action transformation. Signed a cooperative training agreement with Anqing Talent Development Group, engaging 7 foreign instructors to launch the "ARN Class" English salon.

Internal Recruitment

In 2024, the company conducted 12 rounds of internal recruitment, selecting 9 employees to managerial-technical positions. Established reserve of talents systems for critical positions including the Golden Eagle High-Potential Talent Program, Elite Nurturing Program, and Navigation Initiative. In 2024, 118 candidates were selected for training, with 32 individuals subsequently matched to key positions.

Flexible Talent Engagement

Explored new staff employment mode, in-depth cooperation with external experts "without work card": For instance, engaging specialists as technical consultants to guide 2.0 product R&D and provide technical training instruction.



Workplace Protections, Rights Backed by Systems

The company acknowledges employee diligence and contributions, enabling personnel to benefit from corporate development milestones. Guided by the principle of "enhanced strategic alignment and operationally effective incentives," we have established a market-competitive and equitable compensation, performance, and holistic benefits framework.



Our performance evaluation system is designed to equitably and objectively measure individual contributions and cross-functional collaboration efficacy. We have implemented a comprehensive feedback mechanism. If an employee disagrees with the results of an appraisal, he or she can appeal by e-mail or other means.

Establishing democratic management system and deploying multi-channel communication.; Convening periodic collective bargaining sessions on remuneration, where trade union delegates and management representatives deliberate annual salary raise frameworks.

Enhancing governance efficacy in labour relations through regularly convening Staff Consultation Forums and statutory Workers' Congresses as institutionalized dialogue mechanisms. Listen to employees, resolve tangible issues, and foster belonging to curb attrition.

| | | | |
|---|--|--|--|
| <p>Employee well-being forms the foundation for a company's technological advancement, superior products, and top-tier services. Therefore, we are committed to continuously refining our welfare system to enhance staff happiness and sense of belonging.</p> | | | |
| <p>Health and Wellness Benefits</p> | | | |
| Statutory Benefits | <p>Corporate Benefits</p> | | |
| Basic Medical Insurance | Supplemental Medical Insurance | Annual Health Screen & Interpretation Service | |
| Large Amount Medical | personal accident insurance | Employee Recreation Lounge | |
| Mutual Aid Insurance | Health Consultation Services | Recreational & Sports Activities, Employee Recognition Trips | |
| Statutory Annual Leave | | | |
| <p>Family Support Benefits</p> | | | |
| Statutory Benefits | <p>Corporate Benefits</p> | | |
| Marriage Leave | lactation leave | Childcare Leave | Bereavement Support Grant (only next of kin) |
| Prenatal Check-up Leave (Full Pay) | Family Reunion Leave | Nursing Room | University Enrollment Grant |
| Maternity Leave | Bereavement Leave | Japanese Culinary Restaurant | (One-time award for Tier 1 university admission) |
| paternity leave | | | |
| <p>Financial Support</p> | | | |
| Statutory Benefits | <p>Corporate Benefits</p> | | |
| Mandatory Pension Insurance, Job Security Insurance, Work Injury Compensation, Maternity Coverage Fund | zero-down payment home purchase | retirement souvenir | |
| Housing Provident Fund (Premium Contribution) | housing purchase subsidy | holiday allowance | |
| | car purchase subsidy | birthday gift money | |
| <p>Workplace Amenities</p> | | | |
| Benefits | | | |
| free shuttle bus service | overtime allowance for extended work (including meal allowance and transportation allowance) | | |
| ¥1 breakfast and ¥2 lunch/dinner | | | |
| distribution of heatstroke prevention and cooling supplies | allowance for middle/night shifts and high-temperature allowance | | |

In accordance with the requirements of the national, provincial, and municipal authorities, employees shall enjoy their entitlements to annual leave, marriage leave, maternity leave, caregiver leave, parental leave, and bereavement leave.

Overtime pay shall be paid in full, while overtime hours shall be strictly controlled and employees' right to rest and leave shall be protected in accordance with the following requirements.

— We shall endeavor to ensure that employees are provided with adequate rest. —

The average monthly overtime shall not exceed 36 hours.

The daily working hours shall not exceed 11 hours.

Employees shall have at least one rest day per week.

For night shifts and shift work, two rest days shall be guaranteed.

The company engages health consultants, assigns full-time factory doctors, and tracks and manages employees' health conditions.

The coverage rate of physical examinations for active employees 100%

Annual health examinations are arranged for all employees. Health consultants analyze and interpret the results, applying these insights to enhance personnel allocation, dining arrangements, and workplace environment optimization. Employees identified with abnormal indicators are arranged for follow-up examinations and provided with hospital treatment where necessary.

| 年龄 | 性别 |
|---------|----|---------|----|---------|----|---------|----|---------|----|---------|----|
| 18-29 | 男 | 30-39 | 男 | 40-49 | 男 | 50-59 | 男 | 60-69 | 男 | 70-79 | 男 |
| 18-29 | 女 | 30-39 | 女 | 40-49 | 女 | 50-59 | 女 | 60-69 | 女 | 70-79 | 女 |
| 30-39 | 男 | 40-49 | 男 | 50-59 | 男 | 60-69 | 男 | 70-79 | 男 | 80-89 | 男 |
| 30-39 | 女 | 40-49 | 女 | 50-59 | 女 | 60-69 | 女 | 70-79 | 女 | 80-89 | 女 |
| 40-49 | 男 | 50-59 | 男 | 60-69 | 男 | 70-79 | 男 | 80-89 | 男 | 90-99 | 男 |
| 40-49 | 女 | 50-59 | 女 | 60-69 | 女 | 70-79 | 女 | 80-89 | 女 | 90-99 | 女 |
| 50-59 | 男 | 60-69 | 男 | 70-79 | 男 | 80-89 | 男 | 90-99 | 男 | 100-109 | 男 |
| 50-59 | 女 | 60-69 | 女 | 70-79 | 女 | 80-89 | 女 | 90-99 | 女 | 100-109 | 女 |
| 60-69 | 男 | 70-79 | 男 | 80-89 | 男 | 90-99 | 男 | 100-109 | 男 | 110-119 | 男 |
| 60-69 | 女 | 70-79 | 女 | 80-89 | 女 | 90-99 | 女 | 100-109 | 女 | 110-119 | 女 |
| 70-79 | 男 | 80-89 | 男 | 90-99 | 男 | 100-109 | 男 | 110-119 | 男 | 120-129 | 男 |
| 70-79 | 女 | 80-89 | 女 | 90-99 | 女 | 100-109 | 女 | 110-119 | 女 | 120-129 | 女 |
| 80-89 | 男 | 90-99 | 男 | 100-109 | 男 | 110-119 | 男 | 120-129 | 男 | 130-139 | 男 |
| 80-89 | 女 | 90-99 | 女 | 100-109 | 女 | 110-119 | 女 | 120-129 | 女 | 130-139 | 女 |
| 90-99 | 男 | 100-109 | 男 | 110-119 | 男 | 120-129 | 男 | 130-139 | 男 | 140-149 | 男 |
| 90-99 | 女 | 100-109 | 女 | 110-119 | 女 | 120-129 | 女 | 130-139 | 女 | 140-149 | 女 |
| 100-109 | 男 | 110-119 | 男 | 120-129 | 男 | 130-139 | 男 | 140-149 | 男 | 150-159 | 男 |
| 100-109 | 女 | 110-119 | 女 | 120-129 | 女 | 130-139 | 女 | 140-149 | 女 | 150-159 | 女 |
| 110-119 | 男 | 120-129 | 男 | 130-139 | 男 | 140-149 | 男 | 150-159 | 男 | 160-169 | 男 |
| 110-119 | 女 | 120-129 | 女 | 130-139 | 女 | 140-149 | 女 | 150-159 | 女 | 160-169 | 女 |
| 120-129 | 男 | 130-139 | 男 | 140-149 | 男 | 150-159 | 男 | 160-169 | 男 | 170-179 | 男 |
| 120-129 | 女 | 130-139 | 女 | 140-149 | 女 | 150-159 | 女 | 160-169 | 女 | 170-179 | 女 |
| 130-139 | 男 | 140-149 | 男 | 150-159 | 男 | 160-169 | 男 | 170-179 | 男 | 180-189 | 男 |
| 130-139 | 女 | 140-149 | 女 | 150-159 | 女 | 160-169 | 女 | 170-179 | 女 | 180-189 | 女 |
| 140-149 | 男 | 150-159 | 男 | 160-169 | 男 | 170-179 | 男 | 180-189 | 男 | 190-199 | 男 |
| 140-149 | 女 | 150-159 | 女 | 160-169 | 女 | 170-179 | 女 | 180-189 | 女 | 190-199 | 女 |
| 150-159 | 男 | 160-169 | 男 | 170-179 | 男 | 180-189 | 男 | 190-199 | 男 | 200-209 | 男 |
| 150-159 | 女 | 160-169 | 女 | 170-179 | 女 | 180-189 | 女 | 190-199 | 女 | 200-209 | 女 |
| 160-169 | 男 | 170-179 | 男 | 180-189 | 男 | 190-199 | 男 | 200-209 | 男 | 210-219 | 男 |
| 160-169 | 女 | 170-179 | 女 | 180-189 | 女 | 190-199 | 女 | 200-209 | 女 | 210-219 | 女 |
| 170-179 | 男 | 180-189 | 男 | 190-199 | 男 | 200-209 | 男 | 210-219 | 男 | 220-229 | 男 |
| 170-179 | 女 | 180-189 | 女 | 190-199 | 女 | 200-209 | 女 | 210-219 | 女 | 220-229 | 女 |
| 180-189 | 男 | 190-199 | 男 | 200-209 | 男 | 210-219 | 男 | 220-229 | 男 | 230-239 | 男 |
| 180-189 | 女 | 190-199 | 女 | 200-209 | 女 | 210-219 | 女 | 220-229 | 女 | 230-239 | 女 |
| 190-199 | 男 | 200-209 | 男 | 210-219 | 男 | 220-229 | 男 | 230-239 | 男 | 240-249 | 男 |
| 190-199 | 女 | 200-209 | 女 | 210-219 | 女 | 220-229 | 女 | 230-239 | 女 | 240-249 | 女 |
| 200-209 | 男 | 210-219 | 男 | 220-229 | 男 | 230-239 | 男 | 240-249 | 男 | 250-259 | 男 |
| 200-209 | 女 | 210-219 | 女 | 220-229 | 女 | 230-239 | 女 | 240-249 | 女 | 250-259 | 女 |
| 210-219 | 男 | 220-229 | 男 | 230-239 | 男 | 240-249 | 男 | 250-259 | 男 | 260-269 | 男 |
| 210-219 | 女 | 220-229 | 女 | 230-239 | 女 | 240-249 | 女 | 250-259 | 女 | 260-269 | 女 |
| 220-229 | 男 | 230-239 | 男 | 240-249 | 男 | 250-259 | 男 | 260-269 | 男 | 270-279 | 男 |
| 220-229 | 女 | 230-239 | 女 | 240-249 | 女 | 250-259 | 女 | 260-269 | 女 | 270-279 | 女 |
| 230-239 | 男 | 240-249 | 男 | 250-259 | 男 | 260-269 | 男 | 270-279 | 男 | 280-289 | 男 |
| 230-239 | 女 | 240-249 | 女 | 250-259 | 女 | 260-269 | 女 | 270-279 | 女 | 280-289 | 女 |
| 240-249 | 男 | 250-259 | 男 | 260-269 | 男 | 270-279 | 男 | 280-289 | 男 | 290-299 | 男 |
| 240-249 | 女 | 250-259 | 女 | 260-269 | 女 | 270-279 | 女 | 280-289 | 女 | 290-299 | 女 |
| 250-259 | 男 | 260-269 | 男 | 270-279 | 男 | 280-289 | 男 | 290-299 | 男 | 300-309 | 男 |
| 250-259 | 女 | 260-269 | 女 | 270-279 | 女 | 280-289 | 女 | 290-299 | 女 | 300-309 | 女 |
| 260-269 | 男 | 270-279 | 男 | 280-289 | 男 | 290-299 | 男 | 300-309 | 男 | 310-319 | 男 |
| 260-269 | 女 | 270-279 | 女 | 280-289 | 女 | 290-299 | 女 | 300-309 | 女 | 310-319 | 女 |
| 270-279 | 男 | 280-289 | 男 | 290-299 | 男 | 300-309 | 男 | 310-319 | 男 | 320-329 | 男 |
| 270-279 | 女 | 280-289 | 女 | 290-299 | 女 | 300-309 | 女 | 310-319 | 女 | 320-329 | 女 |
| 280-289 | 男 | 290-299 | 男 | 300-309 | 男 | 310-319 | 男 | 320-329 | 男 | 330-339 | 男 |
| 280-289 | 女 | 290-299 | 女 | 300-309 | 女 | 310-319 | 女 | 320-329 | 女 | 330-339 | 女 |
| 290-299 | 男 | 300-309 | 男 | 310-319 | 男 | 320-329 | 男 | 330-339 | 男 | 340-349 | 男 |
| 290-299 | 女 | 300-309 | 女 | 310-319 | 女 | 320-329 | 女 | 330-339 | 女 | 340-349 | 女 |
| 300-309 | 男 | 310-319 | 男 | 320-329 | 男 | 330-339 | 男 | 340-349 | 男 | 350-359 | 男 |
| 300-309 | 女 | 310-319 | 女 | 320-329 | 女 | 330-339 | 女 | 340-349 | 女 | 350-359 | 女 |
| 310-319 | 男 | 320-329 | 男 | 330-339 | 男 | 340-349 | 男 | 350-359 | 男 | 360-369 | 男 |
| 310-319 | 女 | 320-329 | 女 | 330-339 | 女 | 340-349 | 女 | 350-359 | 女 | 360-369 | 女 |
| 320-329 | 男 | 330-339 | 男 | 340-349 | 男 | 350-359 | 男 | 360-369 | 男 | 370-379 | 男 |
| 320-329 | 女 | 330-339 | 女 | 340-349 | 女 | 350-359 | 女 | 360-369 | 女 | 370-379 | 女 |
| 330-339 | 男 | 340-349 | 男 | 350-359 | 男 | 360-369 | 男 | 370-379 | 男 | 380-389 | 男 |
| 330-339 | 女 | 340-349 | 女 | 350-359 | 女 | 360-369 | 女 | 370-379 | 女 | 380-389 | 女 |
| 340-349 | 男 | 350-359 | 男 | 360-369 | 男 | | | | | | |

Emergency management



Company leadership demonstrated strong commitment to enhancing emergency response capabilities, repeatedly emphasizing the continuous refinement of emergency plans and the strengthening of drill exercises. Throughout 2024, ARN Group and its subsidiaries revised and filed a total of 324 emergency response plans.

This portfolio included 108 comprehensive plans, 96 specialized plans, and 120 immediate response plans. Furthermore, the group successfully conducted a total of 396 emergency drills as scheduled during the year.

Hidden danger inspection and management

The company consistently implements multi-modal and high-frequency safety inspection initiatives, including cross-subsidiary peer audits, specialized task force assessments, surveillance team reviews, TOP process verifications, targeted campaign inspections, pre-holiday safety sweeps.



In 2024, the company conducted a total of 245 safety inspections of various types, identified 1,456 general potential hazards, and completed rectification for all identified issues, achieving a 100% hazard rectification rate.

Safety education and training



The company adheres to the principle of "Full Coverage, Uncompromising Excellence" in safety education and training. We continuously conduct diverse safety programs, including three-tiered onboarding training for new employees, fire safety instruction, supplier security training, and critical safety boundary awareness sessions. Throughout 2024, over 450 safety training sessions were organized, engaging more than 7,000 participants.

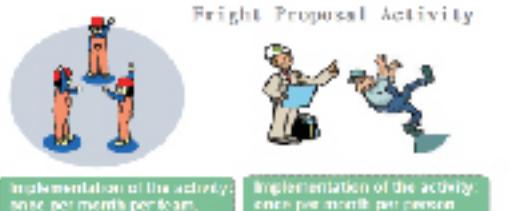
To further enhance training effectiveness, the company introduced VR accident simulators in 2024. This immersive technology allows employees to experience various accident scenarios firsthand, fostering profound safety awareness by learning from simulated incidents. We achieved a 100% participation rate among employees scheduled for the VR experience during the year.

Safe development—Safeguard employees' rights and interests

In 2024, the Group completed the construction and operation of the Major Safety Operation Control Center. Online linkage and early warning are implemented for fire prevention, explosion warning, gas leakage prevention, pollution prevention and control, etc.; Major environmental protection complaint risks are promptly known and stopped in a timely manner, etc.



Safety activities — All employees' participation.



Implementation of the activity: once per month per team.

Implementation of the activity: once per month per person.

Focus on supplier security

ARN Group extends its safety commitment beyond employees to encompass supplier life safety, demonstrating its core operational priority of placing Occupational Health and Safety (OHS) at the forefront through verifiable actions.



Attach great importance to the construction safety of suppliers within the factory premises; In 2024, 18 safety knowledge training sessions for outsourcing suppliers were organized; The training coverage rate of outsourcing suppliers is 100%; Achieving zero safety incidents and zero disasters throughout 2024 for all contract supplier construction activities within the Group's premises.

Zero accidents Zero disasters

18times Safety Training 100% Training rate of outsourcing suppliers



Empower Growth, Grow Together with the Company

The company steadfastly implements its Talent-Driven Enterprise Strategy, advancing the comprehensive development of its talent pipeline. We place paramount importance on employee growth and cultivation, offering multiple career tracks while continuously optimizing our training infrastructure to empower professional advancement.

Growth and development space.



Management Track: Designed for employees aspiring to leadership roles, covering Frontline Supervisors, Mid-Level Managers, and Senior Executives.

Professional Track: For non-frontline employees dedicated to deep specialization within their fields.

Skills Track: For frontline employees focused on mastering technical skills and craftsmanship.

Talent Development Resources

The company prioritizes talent development, having established a robust ecosystem encompassing training management, learning advancement, and resource allocation systems. This framework is supported by comprehensive institutional documentation and operates through a four-tiered training structure, ensuring complete coverage across all position levels – from executive leadership to frontline personnel.

Concurrently, since the 2022 launch of our digital learning platform, we have cultivated an online ecosystem featuring substantive content and engaging delivery. This initiative drives business growth while elevating organizational performance.



| Course content | Management Training | High-Potential Talent Program | Change Adaptation Training | Specialized Project Training |
|---------------------------------|--|--|--|---|
| Project name | Executive Leadership Development Mid Level Management Academy Frontline Leadership Program | For different types of skilled reserve talents, we offer a rich array of vocational skills training courses. | In response to employees' onboarding, transfer, job rotation and promotion, we provide corresponding professional skills training courses. | we also offer a wide range of general skills training programs. |
| Pathfinder Program | Succession Excellence Program | Icebreaking Program | Legacy Learning Program | |
| Challenge Boldly Program | Elite Cultivation Program | Project Mobility Program | Ivy Talent Program | |
| Golden Eagle Leadership Program | Voyager Development Program | Cornerstone Initiative | Professional Ladder Program | |
| Metamorphosis Program | Torchbearer Program | Pioneer Expedition Program | Project Accelerator Program | |
| | Meslcraft Program | Ascend Career Program | | |

Pathfinder Program

(Executive Leadership Development)

Centering on the company's development plan, senior management personnel are organized to exchange and learn about industry development trends and advanced corporate management concepts through various methods such as classroom training, mobile classes, and "Hundred Schools Forum".



In November 2024, the company's senior management training program was successfully launched at Anqing Talent Development Group. A total of 26 people participated in this training, including group executives, heads of various branches, and department directors.



Independent professional title evaluation

To thoroughly implement the national and provincial decisions on deepening the reform of the professional title system and further improve the enterprise talent evaluation mechanism, our company has been approved to establish an Intermediate Engineering Professional Title Evaluation Committee. As the first enterprise in Anqing City authorized to conduct independent professional title evaluations, we have successfully certified 41 outstanding employees with intermediate engineering titles in the inaugural review session based on their exceptional professional achievements..

Craftsman Program

(High-Potential Talent Program)

We were awarded the "Outstanding Organizing Unit" in the 2nd "Yuanmeng Cup" Staff Skills Competition of Anqing City, with a total of 6 employees winning prizes in the competition.



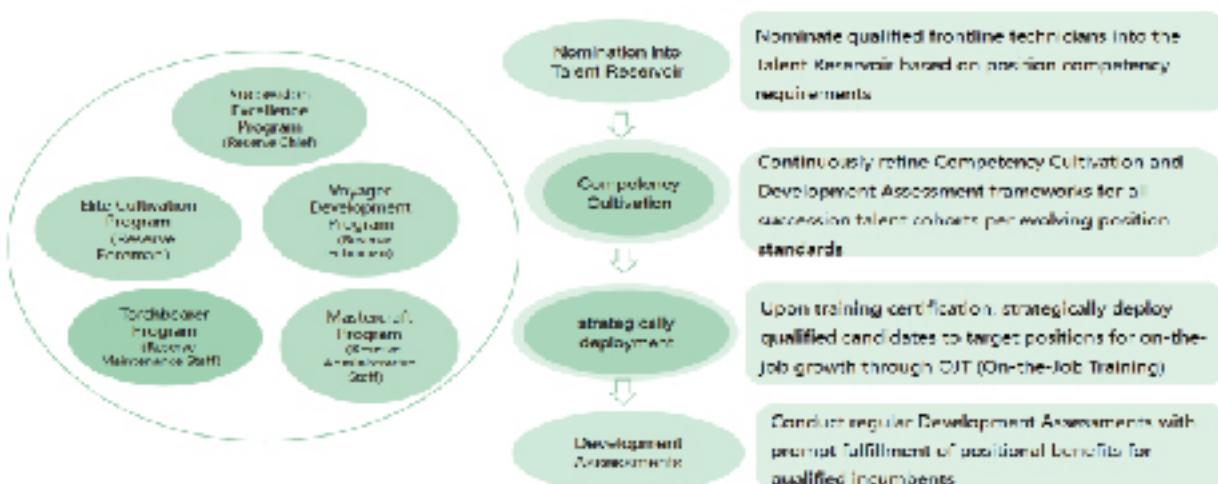
Sailing Program

(Training for New College Graduates)

To help new employees adapt to the new environment and integrate into the new team, activities such as outdoor development training for new employees were carried out in 2024.



Cultivation of Reserve Personnel



Integrated Incentive Framework



Declaration Rate of Eligible Candidates 100%

Talents form the cornerstone of corporate development. We proactively implement government talent policies, focusing on cultivating capabilities and strengthening retention mechanisms to enhance talent retention in Anqing. This provides robust human capital assurance for high-quality economic growth in Anqing Economic Development Zone.

Living Allowance

Over the past triennium, 192 qualified talents were successfully enrolled with total approved funding reaching RMB 8.262 million.

Housing Purchase Subsidy

Over the past triennium, 8 qualified talents were successfully enrolled with total approved funding reaching RMB 353,000.



Employee Care, Holistic Well-being

Fostering Dialogue Platforms, Opening Engagement Channels

"Wisdom flows from listening widely, while bias stems from heeding few". We cultivate a multiplex, open-door, and glass-box communication culture. Proactively harvest employee voices, incentivize improvement proposals, and drive organizational upgrades.



Employee Roundtable Dialogue

we cultivate multiplex feedback channels:
IdeaDrop Portals ;
Staff Representative Assembly ;
Listening Tour Sessions ;
Performance Grievance Channel ;
BlindSpot Surveys ;
measuring our 5-Pillar Engagement Diagnostic (Leadership Efficacy, Growth Enablement, Total Rewards, Engagement Index, Cultural Alignment)*

Forging a Melting Pot Workplace that fuels sustainable growth with collective vitality.

Recreational Excellence&Special Care

We champion wholehearted engagement in Recreational Excellence programs, leveraging collective activities to cultivate holistic enrichment, forge organizational belonging and ignite team synergy.



With 100% Unionization Coverage

Through fully-funded statutory union levies, we drive recreational excellence initiatives, caresphere programs, compassionate Support operations.



Recreational Excellence



Dual-Employee Family Celebration



Outstanding Employee Overseas Incentive Program in June 2024

Care For Female Employees



Annual "March 8th Honor" Recognition Awarded to 1.5% of female employees demonstrating outstanding job performance

NextGen Scholarship



"Golden Autumn Student Aid" Activity for employees whose children are admitted to universities



ARN Community Benefit Charity Run



The 22nd ARN Group Sports Meet in November 2024



Lactation Rooms Established Across All Manufacturing Sites

The Group Union awards Education Empowerment Grants of ¥2,000 per eligible child to employees whose children secure university admission. This initiative has benefited 256 employee families over the past seven academic cycles.



CSR PERFORMANCE | Green Orientation

Carbon Innovation for Industrial Transition

Key indicators for 2024

| | |
|--------------------------|---------------------------------------|
| Eco-Investment Capital | Environmental Gains; Economic Returns |
| CNY 12.36 Million | ≈ 5.206 million kWh |
| Saving Electricity | Saving Water |
| 2.685 million kWh | 29,000 tonnes |
| Reduce Wastewater | Reduce Hexavalent Chromium |
| Lower COD Emissions | Control NOx Emissions |
| 0.26 tonnes | 0.12 tonnes |
| Reduce Hazardous Waste | |
| 215 tonnes | 0.12 tonnes |



CSR PERFORMANCE | **Green Orientation**

Carbon Innovation for Industrial Transition



| | |
|--|----|
| Green Manufacturing, Green Transition | 81 |
| Carbon Reduction, Energy Efficiency | 82 |
| Rigorous Green Sourcing, Traceable Accountability | 84 |
| Ecological Co-Prosperity, Shared Sustainability Fruits | 84 |

Green Manufacturing, Green Transition

Optimized Production; Minimized Environmental Impact

Advanced manufacturing processes minimize pollution through clean technologies, significantly cutting emissions. For instance: DLC and PVD surface treatments now replace traditional electroplating, eliminating heavy metal pollutants while enhancing product corrosion resistance and finish quality.

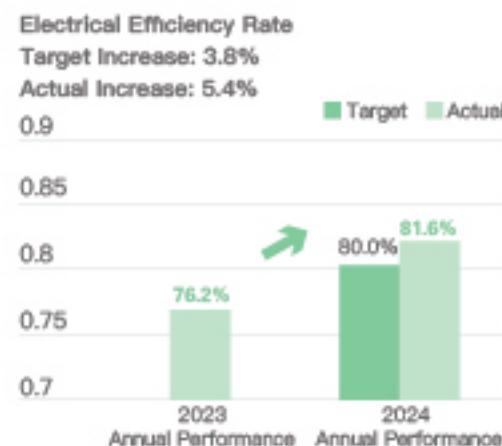
Per PVD Unit Annually:

Cuts 2.83 tonnes of chromium trioxide usage
Reduces 0.53 tonnes of chromium-containing slag
Decreases 4.65 tonnes of chromium-laden sludge
Saves 5,000 tonnes of water



Elevating Energy Efficiency; Reducing Production Consumption

Through strategic R&D and adoption of energy-saving technologies, we deploy high-efficiency motors and VFD systems across production lines, significantly reducing operational energy use. Intelligent equipment upgrades enable precision control and optimized performance, driving further efficiency gains. Result: 3% year-over-year reduction in total energy consumption.



Intelligent Monitoring; Advancing Sustainable Development

Leveraging IoT, Big Data, and AI, we enable intelligent production monitoring and management. Real-time data analytics allow instant detection and resolution of energy waste and environmental risks. Smart manufacturing adoption simultaneously boosts productivity while curbing human-induced energy waste and operational errors.

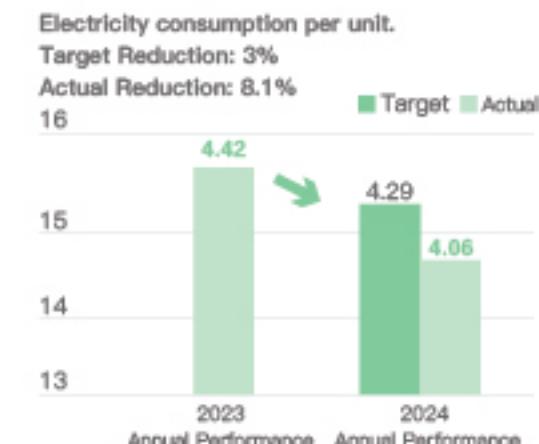


Converging IoT and Green Innovation

Carbon Reduction, Energy Efficiency

2024 Group Companies Green Strategy Results

Electricity consumption per unit decreased, water consumption per unit decreased, significantly exceeding target expectations.



Aligning with Global & National Standards; Advancing Sustainable Development

Dual-Certified (ISO 14001 & ISO 45001), we rigorously benchmark against international and domestic frameworks to drive emission reduction initiatives.

ESG principles are embedded throughout corporate strategy and operations, with proactive carbon reduction initiatives systematically implemented.



Integrating Low-Carbon Development into Corporate Strategy

ARN Group has established clear decarbonization targets and roadmaps, including:

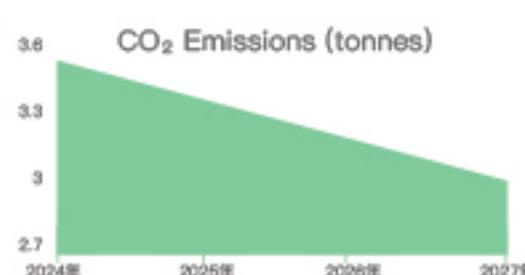
5% reduction in energy consumption per unit product

3% decrease in water usage per unit product

10% cut in total pollutant emissions

5% reduction in overall CO₂ emissions

within three years. Regular assessment and strategy refinement ensure target attainment.

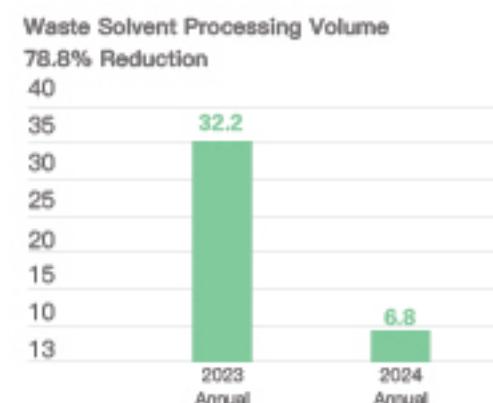
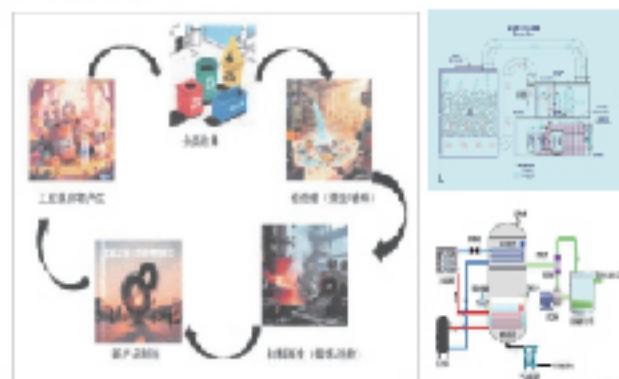


Advancing Circular Economy

We implement resource recovery initiatives, including:

Metal Reclamation: Smelting and reprocessing scrap metal for production reuse;

Solvent Regeneration: Reclaiming waste carbon-hydrogen cleaning agents into new industrial cleaners



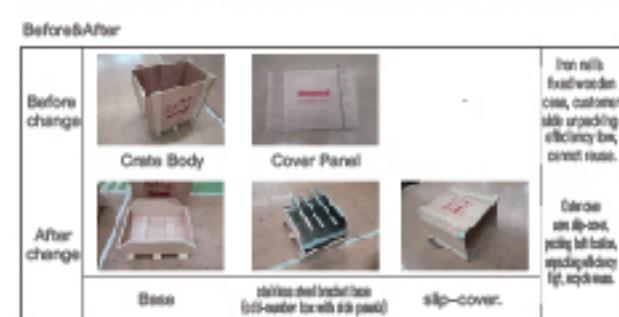
Our circular model drives efficient resource cycling, achieving:

60% overall waste recovery rate

>80% reuse rate for prioritized waste streams

Implement green packaging, paperless office.

Promote the use of recyclable packaging, degradable packaging, or reduce excessive packaging, establish a packaging recycling and reuse mechanism.



Advance paperless office effect quantification



Save main-hours 225,000 hours, annual savings 3,375,000 CNY.

Case A group company through plastic turnover box recycling, achieve annual procurement cost savings of 168,000 CNY.

Rigorous Green Sourcing, Traceable Accountability

Implement supply chain carbon footprint management

Jointly with suppliers implement "Green Electricity Replacement Plan".

Promote suppliers' energy storage, solar PV and other work to reduce carbon emissions.

In 2024 promoted 5 suppliers to implement green electricity, energy storage, solar PV.

Group companies also actively promote solar PV construction.

After AAAC company completed solar PV project implementation in 2022

2024 newly added AAT, FMAP 2 companies completed solar PV project implementation.

Simultaneously launched ASP company's solar PV project construction.

In 2024, group companies' solar PV power generation total reached 2.971 million kWh.

Peak period yield electricity to residents

During summer high-temperature period, actively cooperate with power supply company to reduce load supporting residential electricity.

June to August 2024, ARN Group companies cumulatively reduced load 341,000KW.

Case

ATG company: June~August 2024: Foundry workshop daytime shutdown furnaces, nighttime 24:00 production, load compared same period reduced 2,000kW/day.

ATGL company: June~August 2024: Shut down one foundry production line, load daily reduction 2,900kW.

Ecological Co-Prosperity, Shared Sustainability Fruits

Provincial-level Green Factory.

Provincial-level Green Factory certified 6 entities.

National-level Green Factory.

National-level Green Factory certified 4 entities.

Carbon Peak and Carbon Neutrality Pioneering Award.

Carbon Peak and Carbon Neutrality Pioneering Award 1 entity.

Carbon Footprint Report Verification.

Carbon Footprint Verification 1 entity.





CSR PERFORMANCE | Open Governance

Embracing Diverse New Partnerships

Key indicators for 2024

Global Cooperative
Partners

14

Establish
Joint Ventures

15 companies

Establish University
-enterprise Cooperation
with Domestic Universities

9universities



CSR PERFORMANCE | Open Governance

Embracing Diverse New Partnerships



- Compliance-Built Governance, Transparent Co-Governance 89
- Open Culture, Inclusiveness and Diversity 91
- Chinese Ingenuity, Global Resonance 93



Compliance-Built Governance, Transparent Co-Governance

Ensuring Transparent Internal Organizational Structures

Disclose board composition, responsibilities, and decision-making mechanisms to demonstrate oversight transparency to stakeholders.

Enforcing Anti-Corruption & Integrity Building

Case-based deterrence pedagogy illustrates disciplinary violations, ingraining compliance with the "Triple Guardrails" doctrine (Rules-Discipline-Redlines) across procurement teams. Conducted 12 integrity training sessions in 2024.

Establishing Robust Internal Controls

The Supply Chain Committee conducts annual cross-functional oversight with Finance and Digital Committees, auditing group-wide supply chain practices.

Clean
Compliance
Record



Preventive integrity training
for supply chain personnel



To accelerate innovation and unlock potential, ARN Group will leverage internal assets through spin-off restructuring for capital market access. This strategy injects triple engines:

Governance Evolution

Market-driven mechanisms catalyze management innovation, optimizing governance while enhancing operational transparency. We're building an open, compliant enterprise embracing public oversight.

Innovation Empowerment

Capital markets fuel R&D acceleration, targeting breakthroughs in new energy and smart technologies. We're cultivating high-value patent portfolios and fast-tracking IP commercialization.

Ecosystem Construction

Capital linkages integrate industrial resources, forging a virtuous "R&D-Commercialization-Expansion" cycle. This builds core competitiveness and risk resilience, anchoring sustainable development.

This transformation propels ARN Group from traditional manufacturing to innovation-driven leadership, delivering dual enhancement of shareholder and societal value.

Open Culture, Inclusiveness and Diversity

5-Country Collaboration: Japan, Korea, USA, Germany, UK

14 Key Global Partners Including 3 Fortune Global 500 Enterprises:

Samsung • Aisin • Toyota Tsusho



Build global influence, deeply participate in industrial dialogue.

ARN Group uses exhibitions as strategic pivot points, deeply participating in global industrial dialogue. In 2024 traveled to Nigeria, Turkey, Mexico and other countries totaling 5 international and 3 domestic exhibition fairs, attracted numerous overseas customers for deep docking, bringing positive outcomes for further international business expansion. Through exhibitions, with scenario-based displays, reshape customer value cognition and achieve dual breakthroughs in brand influence and commercial conversion.

15 joint venture companies



In June 1996, Anqing Piston Ring Factory, together with Tenneco Inc. (the world's largest auto parts manufacturer) and TPR Company (one of Japan's top three piston ring manufacturers), jointly established Anqing TP Goetze Piston Ring Co., Ltd., abbreviated as ATG.



In December 1999, Anqing TP Powder Metallurgy Co., Ltd. (abbreviated as ATP) was established as a joint venture formed by three parties: ARN Group, Japan's TPR Company, and Federal-Mogul (China) Co., Ltd.

AAT



In June 2002, Anqing ART TP Piston Co., Ltd. (abbreviated as AAT) was established as a joint venture jointly formed by ARN Group, Japan's TPR Company, and Japan's ART Corporation.

ATGE



In December 2004, ARN Group, Japan's TPR Company, and Anqing TP Goetze Piston Ring Co., Ltd. (ATG) jointly established Anqing TP Goetze Liner Co., Ltd., known as ATGL.

In December 2004, Anqing ATGE Precision Machinery Co., Ltd. (abbreviated as ATGE) was established as a joint venture between ARN Group and Japan's TPR Company.

In February 2005, Liu Bo An Li Piston Ring Co., Ltd. (abbreviated as CUPR) was established in Hebei Province as a joint venture formed by ARN Group, Korea's YPR Company, and Japan's TPR Company.

ASP

In October 2006, Anqing Scherdel Automotive Parts Co., Ltd. (abbreviated as ASP) was established as a joint venture between ARN Group and Germany's Scherdel.

AHM

In May 2013, Anhui Huanmin Precision Control Co., Ltd. (abbreviated as AHM Company) was established as a joint venture between ARN Group, Japan Melko Selki, and Japan Melnan Precision Works.

SAPB

In January 2014, Samsung ARN (Xi'an) Power Battery Co., Ltd. (abbreviated as SAPB) was established as a joint venture between ARN Group and Samsung SDI of South Korea.

ATEP

In March 2014, Anqing TPR-ARN Functional Plastics Co., Ltd. (abbreviated as ATEP) was established as a joint venture between ARN Group and Japan's TPR Corporation.

FMAP

In June 2014, Federal-Mogul ARN (Anqing) Powder Metallurgy Co., Ltd. (abbreviated as FMAP) was established as a joint venture among ARN Group, Japan's TPR Corporation, and Federal-Mogul (China) Co., Ltd.

ATL

In April 2015, Anhui Tsusho Logistics Co., Ltd., abbreviated as ATL Company, was established through a joint venture between ARN Group and Toyota Tsusho in Japan.

AAAC

In November 2018, AISIN (Anqing) Automotive Components Co., Ltd. (abbreviated as AAAC) was established as a joint venture between ARN Group and AISIN Corporation (Aisin Selki Co., Ltd.) of Japan.

TANE

In March 2022, ARN-TPR (Anhui) New Energy R&D Co., Ltd. (abbreviated as TANE) was established as a joint venture between ARN Group and Japan's TPR Corporation.

TAM

On March 20, 2024, ARN Group and TPR Corporation established TPR ARN Manufacturing Mexico S.A. de C.V. (TAM).

Chinese Ingenuity, Global Resonance

Innovation as Our Vessel; Precision as Our Oars—

We absorb global technologies to fuel progress, then
expand capacities worldwide;
We take root locally to understand markets, then pio-
neer futures with global standards.

**The core identity of Chinese manufacturing
now resonates across the world map.**



“Bring In”

Since 1996, ARN Group has formed JVs with global partners, introducing core products:piston ring, valve seats, valve guides, pistons and aluminum-clad cylinder liners,establishing leading JV brands with top-tier domestic market share.

“Step Out”

ARN Group in globalization process consistently upheld sustainable development principles,between 2008 and 2024, successively established five overseas companies, continuously pro-
moted international business development and localized win-win.



“Root In”

In 2024,ARN Group and partner TPR established TPR ARN Manufacturing Mexico S.A. de C.V. in Mexico, mainly producing new energy vehicle overflow valves, supplying global leading NEV automakers.

“Rise Up”

ARN Group leveraging technology and talent advantages accumulated through joint ventures,–
successfully independently developed key NEV components,supplying global top-tier NEV auto-
makers,achieving leapfrog development of self-owned brands.



CSR PERFORMANCE | **Shared Future**
Co-Forging a Goodness-Oriented New Industry



Key indicators for 2024

Taxes Paid in 2024

RMB 498 Million

Jobs Provided

For **611** Individuals

Social Welfare Donations

Over **RMB 1.349** Million

Number of Volunteers

Nearly **500** Participations



CSR PERFORMANCE | Shared Future

Co-Forging a Goodness-Oriented New Industry



| | |
|--|-----|
| Tax Compliance, Integrity in Business Operations | 99 |
| Global Sourcing & Integration, Collaborative Value Chain | 100 |
| Ingenuity in Action, Impact Within Reach | 102 |



Tax Compliance, Integrity in Business Operations

ARN Group strictly complies with national tax laws and regulations, making timely and full payment of all taxes due. This ensures compliant and accurate corporate tax practices. By establishing a robust tax management system, the Group meticulously calculates every tax payable, faithfully fulfills its tax obligations, and makes a positive contribution to national fiscal revenue. In 2024, with company sales reaching RMB 11.451 billion, taxes paid amounted to RMB 498 million:

| Sales Revenue | Taxes Paid |
|---------------------------|-------------------------|
| RMB 114.51 Million | RMB 4.98 Million |



Cross-Regional Supply Chain Network Optimization

Cross-Regional Supply Chain Network Optimization

In response to the Opinions of the Central Committee of the Communist Party of China and the State Council on Accelerating the Development of a Nationwide Unified Market, we are breaking down regional barriers and enhancing industrial chain resilience through diversified supply chain deployment.



In 2024, cross-regional procurement as a proportion of total sourcing increased by **80%**, Diversification rate of strategic material suppliers achieved **100%**.

Global Sourcing & Integration, Collaborative Value Chain

Empowering Supplier Growth

Partnering with the Technical & Quality Division, we mentored suppliers in quality enhancement and production capacity expansion to achieve collaborative development.

case

In 2024, one of our Group subsidiaries assisted a local contract manufacturing supplier in implementing equipment automation upgrades. This advancement increased operational efficiency from **one operator managing three machines** to **one operator managing eight machines**, significantly reducing the supplier's labor costs.

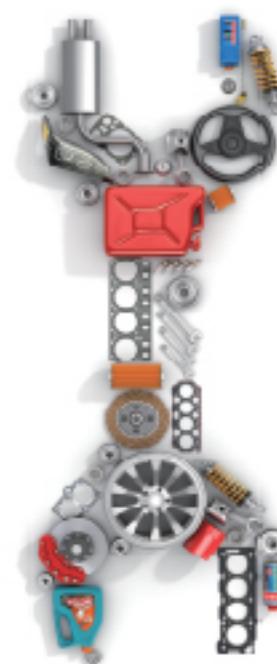
Strategic Partner Deep Integration

Implementing an end-to-end approach from the initial product design phase, we engage in deep collaboration with suppliers to achieve mutual improvement and shared value creation.

case

In 2024, the technical department of one Group subsidiary participated in a product development initiative with a wire materials supplier. By transitioning the manufacturing process from rolling to pressing techniques, we successfully reduced production stage costs for the supplier.





External empowerment

ANHUI ARN DIGITAL INTELLIGENCE TECHNOLOGY

Based on Anhui ARN's 30 years of industrial accumulation, it has built a national intelligent manufacturing demonstration platform, focused on industrial Internet research and development, provided full-scenario digital solutions for the automotive, equipment manufacturing and other industries, and built an "industrial Internet + data intelligence" innovation ecosystem.

Core technology platform

Full-stack industrial interconnection system: the first "5G+ ERP + MOM" The three-body fusion architecture creates an intelligent central platform covering all elements of "man, machine, material, method, environment and measurement", achieving millisecond-level response of production data and coordination of the entire industrial chain.

Digital Twin Factory System: A production management system with virtual-reality mapping is built based on the industrial Internet platform, which helps enterprises improve their operational efficiency by more than 40% through equipment IoT, process optimization and AI prediction.

Full value chain cloud service: connecting CRM, SCM, and PLM system, forming a chain from customer demand to supplier. The digital closed loop delivered has served more than 200 companies to achieve visual management of the entire business chain.

R&D team proportion

60%

Master degree or above

30%

The backbone of overseas technical training experience

30%

Innovation Strength

Talent Highland: The R&D team accounts for 60%, of which 30% have a master's degree or above, and more than 30% have overseas technical training experience. Technical collaboration centers have been established in Mexico and Japan.

Hard core certification: Anhui Province Smart Factory → National Intelligent Manufacturing Demonstration Factory → National Excellence-level Smart Factory.

Digital diagnosis of surrounding enterprises

Current status of the enterprise:

The equipment is mainly semi-automated and relies on manual on-site operation and control, which makes it difficult to stably meet production efficiency and quality standards. At the same time, the equipment is not connected to the Internet, which makes it impossible to achieve remote monitoring, data collection and intelligent production. Production data still needs to be recorded manually, which restricts digital upgrades.



Achievements of digital transformation:

Equipment networking : realize automatic collection of production data and eliminate manual recording errors;

System upgrade : Deploy MES/WMS system to increase production efficiency by more than 30% ;

Intelligent management and control : Establish a quality traceability system and increase abnormal response speed by 50% ;

Cost optimization : Annual operating cost savings of 140,000 yuan, with an investment payback period of 5 years.



Ingenuity in Action, Impact Within Reach

Driving Employment Growth

ARN has actively expanded its business domains. By continuously scaling up operations and commissioning new production lines, the group has increased employment opportunities in Anqing and surrounding regions, including graduates from universities and vocational colleges, as well as specialized talents. From frontline workers to technical professionals, and from production roles to management positions, the group provides career opportunities for individuals across diverse levels and disciplines.

In 2024, the group recruited a total of 611 employees, including 73 university graduates hired through campus recruitment for managerial roles. To enhance international management standards, the group plans to further elevate both the quality and quantity of talent recruitment in 2025. For new hires, the group implements tailored talent development programs to facilitate graduates' transition into the workplace and career launch. The company remains committed to fostering mutual growth between the enterprise and its employees, offering clear pathways and opportunities for individual career advancement.

Total Recruitment

611 employees

Campus Recruitment

73 employees



Students from Hefei University of Technology Visit ARN



Technology Achievement Sharing

Amidst the Wave of Scientific and Technological Innovation, enterprises, as key drivers of innovation, must not only pursue their own development but also shoulder the responsibility of advancing societal progress. In 2024, ARN actively engaged in industry-academia-research collaboration with universities and scientific institutions. The group regularly invited supply chain partners for technical exchanges and dispatched professional teams to conduct technical seminars for clients and distributors.



Inviting supply chain partners for technical exchange at the group

Rural Revitalization

Following the initial victory in poverty eradication, the Party Committee of ARN has adhered to the principle of "continued support post-poverty elimination", actively participating in rural industrial development to consolidate the achievements.

In 2024, ARN allocated RMB 312,000 in donations to boost characteristic rural industries, including poultry farming, goat breeding, organic vegetable cultivation, and photovoltaic power generation.

Additionally, ARN implemented consumption-based poverty alleviation by purchasing agricultural products at above-market prices, expanding sales channels for rural goods. Total procurement of local produce (poultry, vegetables, dried goods, and rapeseed oil) reached RMB 638,000.

| | |
|--------------------|--|
| Donated funds | Funds for agricultural product procurement |
| RMB 312,000 | RMB 638,000 |



Huixin Group's Targeted Assistance Project Forest-Raised Poultry Initiative in Wangjiang County's Mashan Village, Anqing

Amount of assistance

RMB 166,000



Party members and cadres visit impoverished households to extend sympathy and support

Donate blood for free

We regularly organize employees to participate in blood donation activities to contribute to the social medical cause. Through extensive publicity and mobilization, employees are encouraged to sign up and support the public welfare cause of blood donation with practical actions.

At the beginning of 2024, affected by various factors such as rain, snow, cold wave and low temperature, Chinese New Year and so on, the clinical blood consumption in Anqing continued to climb, and the blood inventory had reached the lowest alert line. ARN Group actively launched the initiative of blood donation, organized party members, cadres and employees to actively participate in the blood donation activity, a total of 248 people participated in the blood donation, donated 73,200 ml of blood. In order to carry forward the spirit of "patriotic dedication, solidarity and mutual help", during the "May 4th" Youth Day, ARN Group again launched the initiative of blood donation, with 104 participants and 29,300 ml of blood donated.

| | |
|------------------------------|-----------------------|
| Total number of blood donors | Total blood donations |
| 352 | 102500ml |



ARN Employees Actively Participate in Blood Donation Activities

| | |
|--------------------------|-----------------|
| Tree Planting Volunteers | Tree planting |
| 40 | 160trees |



ARN staff went to Anqing City, Yingjiang District, Yanjiang East Road, Bundland to carry out tree-planting activities.

Compulsory tree planting

In order to accelerate the high-quality development of land greening and promote the harmonious coexistence of man and nature, ARN Group organized 40 volunteers to participate in tree planting activities in the Bund on Yanjiang East Road, Yingjiang District, Anqing City, in 2024, and "settled" 160 large willows in the corporate forest, adding a new green to the Bund and contributing to the construction of a beautiful China with the strength of ARN Group.



Engaging in and Supporting Social Good & Environmental Initiatives

ARN Group will actively participate in social welfare activities and environmental protection actions, promote the transformation of green production methods and consumption patterns, and reduce resource consumption and environmental pollution.



Participate in "6.5" Environment Day activities



Participate in the activities of the Anqing Environmental Protection Federation



Participate in the Provincial Conference on Emission Reduction

Participate in industry cooperation and win-win

ARN Group will strengthen cooperation with governments, industry associations and non-governmental organizations to promote safety, sustainable development and fulfillment of social responsibility in the industry.

Donation to help students

ARN Group focuses on the cultivation of local talents, is enthusiastic about education and public welfare, and sets up scholarships in schools in order to provide students in difficulties with equal educational opportunities. 2024, ARN Group donated 32,000 RMB to Hefei Vocational and Technical College and other institutions to subsidize students in difficulties.

For a long time, ARN Group has accumulated more than 3.5 million yuan in donations for school aid, and donated funds for the construction of schools and programs:

- 1.Yixiu District, Yangting Project Hope Primary School
- 2.Yingjiang District, Jiangjun Village Project Hope Primary School
- 3.Zongyang County, Yutan Township Project Hope Primary School
- 4.Huaining County, Gaohe Town Xieshan Primary School
- 5.Qianshan County, Kunlun Village Project Hope Primary School
- 6.Taihu County, Tengda Project Hope Primary School
- 7.Tongcheng City, Xiangpu Town Project Hope Primary School
- 8.Wangjiang County, Changling Town Project Hope Primary School
- 9.Susong County, Jiugu Township Central Primary School
- 10.Yuexi County, Wangcheng Village Project Hope Primary School
- 11.Wangjiang County, Cihu Village Primary School
- 12.Anqing No.1 Middle School Digital Library
- 13.Anqing Normal University Physics Laboratory
- 14.Anqing Vocational and Technical College Scholarships

Donation to charity

In 2024, ARN Group continued to fulfill its responsibility of "people-oriented and giving back to the society" by donating RMB 211,000 to Anqing Charity Federation, Tencent 99 Charity and other organizations.



Flood Fighting and Emergency Response



Helping workers in difficulty



Free Volunteer Rides for College Students

徽环新集团爱心助学仪式



Commemorative Donation



Donation to build hope elementary school



Hope Project



Contributing to the building of digital libraries



2019年“中阳文广”PR百年奖学金”捐资仪式

Open ARN Group "public welfare book", more than 20 years, for public welfare education, poverty alleviation, rural revitalization, charitable donations and other public welfare undertakings cumulative funds of nearly 20 million yuan. Among them, in the face of natural disasters, the 2008 Sichuan Wenchuan earthquake, donated funds of 1 million yuan; in 2010, the Qinghai Yushu earthquake, donated funds of 1 million yuan; 2016 summer floods, donated 1.05 million yuan for flood relief; in 2020, in order to combat the new crown epidemic, donated 1.35 million yuan. Behind this string of figures, all of them are full of passion and convey a true love. In the future, ARN Group will continue to uphold the public welfare sentiment, and walk hand in hand with all walks of life to write a new chapter of corporate social responsibility in the new era with a more solid pace and stronger actions, so that goodwill will continue to grow and warmth will be passed on forever.

>> Responsibility Outlook



The year 2025 marks the conclusion of China's 14th Five-Year Plan and a pivotal phase for deepening comprehensive reforms. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, ARN Group will actively implement the new development philosophy—

Innovation · Coordination · Green · Openness · Sharing
—to embrace our corporate mission with unwavering commitment.

Embedding 'Shared Responsibility' into our corporate DNA, we drive transformative growth toward greater efficiency, sustainability, and inclusiveness. Collaborating with partners, we contribute to high-quality industry advancement and a sustainable societal future aligned with UN SDGs.



2025 Outlook

Advancing Digital Transformation to Elevate
Industrial Digitization Maturity
Seize Technological High Ground Incubate New
Growth Vectors
Accelerating Green Transformation; Fulfilling
Dual Carbon Goals
Compliance & Shared Responsibility Ecosystem
People-centric Ethical Warmth
Forge Organizational Antifragility Build Global
Architecture

Key Performance

| 指标名称 | Unit | 2024 | 2023 | 2022 |
|--|------------|-----------|-----------|-----------|
| Sales revenue | 10K Yuan | 1,145,050 | 1,368,857 | 1,393,655 |
| Including sales revenue from affiliated companies | 10K Yuan | 197,938 | 61,581 | 46,367 |
| Payment of taxes | 10K Yuan | 49,801 | 61,258 | 58,900 |
| Industrial sales revenue | 10K Yuan | 848,350 | 1,101,966 | 1,131,332 |
| New product sales revenue | 10K Yuan | 489,922 | 578,532 | 670,348 |
| Proportion of new product sales | % | 57.75% | 52.50% | 48.10% |
| New product profit tax | 10K Yuan | 95,535 | 114,549 | 128,707 |
| Total assets | 10K Yuan | 1,340,606 | 1,462,783 | 1,412,236 |
| Net assets | 10K Yuan | 912,767 | 926,580 | 861,704 |
| Own capital ratio | % | 68.09% | 63.34% | 61.02% |
| R&D investment | 10K Yuan | 30,541 | 28,761 | 27,980 |
| R&D to sales ratio | % | 3.6% | 2.6% | 2.50% |
| Technological innovation research and development project approval | Pcs | 293 | 172 | 188 |
| Number of new technologies, processes, and products developed | Pcs | 390 | 191 | 189 |
| Total number of employees | Person | 7302 | 7429 | 7151 |
| Number of employees in affiliated companies | Person | 1187 | 1041 | — |
| Number of male employees | Person | 5571 | 5650 | 5417 |
| Number of male employees in affiliated companies | Person | 979 | 847 | — |
| Number of female employees | Person | 1731 | 1779 | 1734 |
| Number of female employees in affiliated companies | Person | 208 | 194 | — |
| Number of foreign employees | Person | 47 | 52 | 50 |
| New recruitment | Pcs | 611 | 903 | 904 |
| New job positions in affiliated companies | Pcs | 342 | 351 | — |
| Labor contract signing rate | % | 100% | 100% | 100% |
| Social insurance coverage rate | % | 100% | 100% | 100% |
| Union coverage | % | 100% | 100% | 100% |
| Proportion of female managers | % | 14% | 15% | 15% |
| Skilled talent training | Per Person | 869 | 3184 | 3041 |
| New employee training | Per Person | 578 | 885 | 846 |
| Management training | Per Person | 5706 | 687 | 657 |
| Professional technical training | Per Person | 431 | 1213 | 1073 |
| Employment rate of disabled people | % | 0.52% | 0.81% | 0.81% |

| 指标名称 | Unit | 2024 | 2023 | 2022 |
|--|--------------------------|--------|--------|--------|
| Employee physical examination coverage | % | 100% | 100% | 100% |
| Incidence rate of occupational diseases | % | 0% | 0% | 0% |
| Labor violations | Pcs | 0 | 0 | 0 |
| Total investment in employee training | 10K Yuan | 292.67 | 248.34 | 171.62 |
| Employee training coverage rate | % | 100% | 100% | 100% |
| Per capita training time | Hours | 100 | 106 | 105 |
| Employee satisfaction | Score | 85.7 | 89.8 | 89.8 |
| Employee turnover rate | % | 7.50% | 7.99% | 6.30% |
| Number of volunteers | Person | 490 | 500 | 600 |
| Accumulative donation of social | 10K Yuan | 1936 | 1864.5 | 1,743 |
| Investment in safety production funds | 10K Yuan | 3405 | 3389 | 3126 |
| Serious injury or above safety accidents | Pcs | 0 | 0 | 0 |
| Total investment in environmental protection | 10K Yuan | 436 | 410 | 370 |
| Energy consumption per unit output value | Tons of standardcoal/10K | 0.15 | 0.15 | 0.15 |
| Water consumption per unit output value | Tons of water/10K Yuan | 4.076 | 4.089 | 4.197 |
| Energy savings per unit output value | Tons of standardcoal/10K | 0.02 | 0.02 | 0.02 |
| Unit water consumption | m ³ /10K Yuan | 18.75 | 19.04 | 20.41 |
| Unit power consumption | Kwh/10K Pcs | 4.36 | 4.42 | 4.33 |
| Unit consumption of hazardous waste treatment capacity | kg/10K PCS | 32.26 | 32.31 | 32.39 |
| COD emissions | Ton | 70.82 | 71.01 | 73.9 |
| Recycling rate of waste residue | Ton | 0.65 | 0.65 | 0.65 |
| Wastewater recycling rate | Ton | 0.58 | 0.58 | 0.58 |
| Total number of Class A & B material suppliers | Pcs | 464 | 409 | 316 |
| Proportion of cooperative suppliers with more than 10 years | % | 20% | 19% | 27% |
| Number of strategic alliances | Pcs | 52 | 44 | 41 |
| Contract performance rate | % | 100% | 100% | 100% |
| Number of corruption and bribery cases that occurred throughout the year | Pcs | 0 | 0 | 0 |
| Internal system audit rate | % | 100% | 100% | 100% |
| Product qualification rate | % | 100% | 100% | 100% |
| Customer complaint resolution rate | % | 100% | 100% | 100% |
| Participation rate of quality training activities | % | 100% | 100% | 100% |
| Customer information leakage incident | Pcs | 0 | 0 | 0 |

Dear Reader,

Thank you for taking time to review the Anhui ARN Group Co., Ltd. 2024 Corporate Social Responsibility Report. To advance our CSR reporting practices, we particularly value your insights. Kindly complete the feedback form and return it to: csr@aqarn.com

Multiple-Choice Questions: (Check the appropriate box

- This report comprehensively and accurately reflects ARN Group's significant impacts on economic, social, and environmental dimensions. Excellent Good Fair Poor Very poor
- We address and disclose issues of concern to stakeholders throughout this report. Excellent Good Fair Poor Very poor
- All disclosed data maintains clarity, accuracy, and completeness. Excellent Good Fair Poor Very poor
- Report readability encompasses logical narrative flow, information architecture, textual expression, and typographic design. Excellent Good Fair Poor Very poor

Open-Ended Questions:

What do you consider the most satisfactory aspects of this CSR report?

Which essential information not reflected in this report do you need to know?

What suggestions do you have for improving our future sustainability reports?

If convenient, please provide your professional details:

Name: _____ Organization: _____ Professional Position: _____

TEL: _____ Email: _____