



2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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CEO's Message: Synergizing Chervon's Power for a Sustainable Future

Dear Shareholders, Partners, and Stakeholders,

Looking back at 2025, the global landscape underwent profound adjustments. As climate challenges grew more pressing and geopolitical and economic uncertainties heightened, Chervon remained steadfast in its core conviction: only by embedding sustainability into our corporate DNA and countering short-term volatility with long-termism can we achieve steady, enduring progress.

The past year has witnessed a strategic evolution in our ESG (Environmental, Social, and Governance) efforts—moving from "advocating concepts" to "deepening governance," and ultimately to "systemic implementation."

Deepening ESG Governance to Fortify Our Foundation

We recognize that exceptional ESG performance stems from a rigorous governance structure. This year, the Board of Directors (the "Board") further strengthened its oversight of ESG matters. We optimized operational mechanisms across all levels and enhanced synergy between our China headquarters and regional offices. This ensures that critical issues—particularly risks and opportunities related to environmental impact, social responsibility, and ethical compliance—are given full attention and fully integrated into our corporate strategy and operational planning. This

governance-level optimization has not only bolstered our management of non-financial risks but also injected certainty into our long-term value creation.

Building a Systemic Framework to Drive Implementation

Turning vision into reality requires the support of a robust management system.

In our dual pursuit of Quality and Green Growth, we uphold excellence in products and services through the ISO 9001 Quality Management System. Concurrently, we leverage ISO 14001 (Environmental) and ISO 50001 (Energy) systems to systematically drive energy conservation, emissions reduction, and green development. In the realms of Operations and Innovation, we utilize the "Integration of Information and Industrialization" management system as our core framework. This drives the deep convergence of digitalization and industrial processes, fully empowering our digital transformation and intelligent operations to treat data as a vital new factor of production.

Regarding People-Centricity and Operational Safety, we

strictly adhere to ISO 45001 (Occupational Health and Safety) to safeguard every employee. Meanwhile, ISO/IEC 27001 (Information Security) provides a resilient shield for data in the digital age. To ensure the international credibility of our R&D and quality control, our laboratories strictly follow ISO/IEC 17025 (Laboratories Competence System for Testing and Calibration), ensuring global mutual recognition of our technical results. Furthermore, we have deepened the application of ISO 31000 Risk Management principles, conducting systematic risk assessments and closed-loop monitoring to protect core assets, ensure compliance, and guarantee the sustainable growth of long-term value.

This suite of mutually reinforcing and authoritative certifications forms the core management framework and the bedrock upon which Chervon achieves high-quality development and fulfills its environmental and social responsibilities.

Renewing Our Sustainability Strategy, Mapping a Future Blueprint

Guided by our long-term mission and vision, and addressed to the developmental needs of the future, we officially

introduce our new sustainability strategic framework: "BE BETTER WITH POWER." This is more than a slogan; it is Chervon's actionable roadmap for its future commitments. "Power" represents our core business identity as a leader in the power tool industry, and it also symbolizes our internal drive to propel the world toward a better future.

PRODUCT INNOVATION:

We embed sustainability at the very source of product design, driving a dual transformation of green and intelligent solutions. By developing industry-leading, high-performance products, we not only meet users' pursuit of peak performance but also empower customers to build low-carbon, high-efficiency work environments—truly "achieving customer success."

OPERATIONAL EXCELLENCE:

We are building a modern manufacturing system that is safe, lean, and green. While pursuing zero-defect quality, we continuously optimize production processes to reduce energy consumption and emissions, earning the lasting trust of the global market through superior delivery capabilities and reliable product quality.

WORKPLACE WELLBEING:

We view our employees as the company's most precious asset. We are committed to fostering a safe, inclusive, and vibrant workplace, providing diverse career development pathways so that every partner can realize their self-worth and unify as the core force driving the company forward.

ENVIRONMENTAL LEADERSHIP:

We proactively embrace our climate responsibilities,

extending environmental action throughout the entire value chain lifecycle. Focused on creating green products and building low-carbon operational systems, we continuously benchmark against high standards, exploring "Chervon Solutions" through practical actions to protect our planet.

RESPONSIBLE PARTNERSHIP:

We strictly uphold business ethics, working alongside both upstream and downstream supply chain partners to build a transparent and compliant responsibility ecosystem. Meanwhile, we actively give back to society through community philanthropy, creating shared value and achieving long-term prosperity with our partners and the public.

The journey ahead is long, but steadfast action will lead us to our destination. Chervon Holdings will continue to uphold the belief of "Be Better with Power." With our robust management system as our vessel and innovative ESG practices as our sails, we will move forward hand-in-hand with all stakeholders to co-create a greener, smarter, and better world.

Thank you.



**Chairman and CEO
Chervon Holdings Limited
Longquan PAN (Peter)**

OVERVIEW

An aerial photograph of a modern, multi-story building complex. The building features extensive green roofs with various plantings and structures. A central courtyard with a glass-enclosed walkway and a small pyramid-shaped structure is visible. The building is surrounded by a paved area, trees, and a road with a blue car. The image is overlaid with a green graphic element on the left side.

- ABOUT CHERVON
- AWARDS & RECOGNITION
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- BOARD STATEMENT
- OUR SUSTAINABLE DEVELOPMENT GOALS
- OUR ESG JOURNEY
- ESG MANAGEMENT SYSTEM
- ESG MANAGEMENT STRUCTURE
- STAKEHOLDER ENGAGEMENT
- MATERIALITY ASSESSMENT
- ESG STRATEGY AND REPORTING FRAMEWORK

ABOUT CHERVON

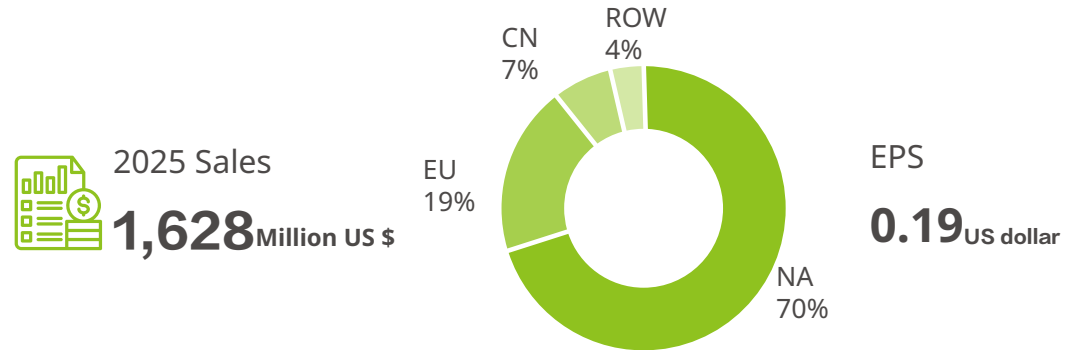
Chervon Holdings Limited (hereinafter referred to as "Chervon Holdings," "Chervon," "the Company," and its subsidiaries, "the Group," or "we") is a limited liability company incorporated in Hong Kong and was listed on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEX") in 2021. We are a leading global total solution provider specializing in product development, manufacturing, testing, sales and after-sales service of power tools, outdoor power equipment ("OPE") and related industries.

Chervon is dedicated to delivering superior products to users worldwide through continuous innovation, aiming to be an innovation-driven leader in power tools and outdoor power equipment industry in the lithium-ion, intelligent and digital era. Guided by user-centric innovation, we advance intelligent manufacturing and refine our expansive sales and distribution networks to provide premium brands and products worldwide. We have established deep-seated strategic partnerships with world-leading home centers, chain stores, distributors, and power tool manufacturers, with our products sold in over 100 countries. Through internal incubation and strategic acquisitions, we have built a portfolio of renowned brands, including EGO, FLEX, SKIL, and DEVON. These brands span the industrial, professional, and consumer power tool sectors, as well as both the premium and mass OPE markets.

Our Business



Our Performance



Our Brands



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OUR VISION & MISSION



**造好工具，助世界一臂之力！
Better Tools. Better World.**

Providing superior products to users worldwide through continuous innovation, we are determined to become a global leader in power tools and outdoor power equipment in the lithium-ion, intelligent and digital era.

AWARDS & RECOGNITION

Guided by our customer-centric core values, Chervon has garnered numerous honors and accolades from governments, industry, media, and business partners, a testament to our relentless investment in R&D innovation and our commitment to high-quality products and services.

- ▶ National High-Tech Enterprise
- ▶ National Green Factory
- ▶ National Industrial Design Center
- ▶ National Demonstration Enterprise for Green Design of Industrial Products
- ▶ Standardization Demonstration Enterprise of China Electrical Appliance Industry Association
- ▶ AAA-level Enterprise for Integration of Informatization and Industrialization Management System
- ▶ Jiangsu Province Smart Manufacturing Demonstration Factory
- ▶ Jiangsu Province New Energy Tools Engineering Technology Research Center
- ▶ Jiangsu Province Enterprise Technology Center
- ▶ Jiangsu Province Leading Manufacturing Enterprise
- ▶ Jiangsu Province Foreign-invested R&D Center
- ▶ Jiangsu Province Integrated Foreign and Domestic Trade Pilot Demonstration Enterprise
- ▶ Jiangsu Province Five-Star Cloud Adoption Enterprise
- ▶ Jiangsu Province Quality Credit AAA-level Enterprise
- ▶ Outstanding Enterprise of Jiangsu Province
- ▶ Top 100 Enterprises of Nanjing
- ▶ Waste-free Factory of Nanjing
- ▶ Water-saving Enterprise of Nanjing
- ▶ National Intellectual Property Model Enterprise Candidate
- ▶ Jiangsu Provincial Advanced Smart Factory
- ▶ DouYin 2025 Annual Trending New Product
- ▶ JD.com 2025 Strategic Trendsetter Product
- ▶ iF Design Award (EGO 56V LineIQ)
- ▶ iF Design Award (FLEX Giraffe GE 6R)
- ▶ IDEA Design Award (EGO 56V MINI BIKE)
- ▶ Markt Intern Best Partner for Professional Channels
- ▶ Pro Tool Innovation Awards (PTIA)
- ▶ Nanjing Innovative Product (EGO 56V LineIQ)
- ▶ ACE Supplier of the Year
- ▶ CTR Supplier of the Year
- ▶ JD.com Excellence in Industrial Supply Chain Award

ABOUT THIS REPORT

Chervon Holdings Limited is pleased to present its fifth Environmental, Social, and Governance Report (hereinafter referred to as "this Report" or "the ESG Report"). This Report provides a comprehensive overview of our efforts, performance, and progress in fulfilling our ESG responsibilities throughout 2025.

Reporting Scope

The disclosure scope of this Report is consistent with Chervon Holdings' 2025 Annual Report. The reporting period covers from January 1, 2025, to December 31, 2025 (hereinafter referred to as the "Reporting Period"). To enhance comparability and forward-looking insights, certain content may extend to or trace back to previous years. Unless otherwise specified, all data and case studies cited herein are derived from the Company's internal statistical reports or official public documents.

Reporting Standards

This Report has been prepared in accordance with the ESG Reporting Code set out in Appendix C2 to the HKEX Main Board Listing Rules (the "ESG Code"), the Global Reporting Initiative (GRI) Standards, and the United Nations Sustainable Development Goals (SDGs). Furthermore, we have referenced the IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) by International Sustainability Standards Board (ISSB). This Report strictly adheres to the reporting principles of Materiality, Quantitative, Balance, and Consistency. For detailed indices regarding the ESG Code, GRI, and SDGs, please refer to the Appendix.

Report Publication

This Report is published in both Chinese and English in electronic format. It is available for viewing and download on the HKEX website (<https://www.hkexnews.hk>) and the Company's official website (<https://global.chervongroup.com>). Should you have any comments, suggestions, or inquiries regarding this Report or our ESG performance, please contact us via email at: esg@cn.chervongroup.com.



BOARD STATEMENT

Chervon Holdings has established a robust ESG governance structure. As the highest decision-making and oversight body, the Board assumes full responsibility for the Group's ESG strategy and reporting. The Board is responsible for integrating ESG principles, implementing ESG risk management, and monitoring ESG performance outcomes to ensure the effective implementation of the Group's ESG strategy. The Board has appointed a Director (Ms. Zhang Tong) specifically responsible for ESG planning, execution, and reporting. This role reports to the Board and supports the Board by managing ESG risks, monitoring progress toward targets, and driving improvements in ESG performance.

The Board values the requirements of stakeholders and, through active communication and engagement, has completed the assessment of material ESG issues, refined ESG strategic policies, and set ESG management targets. On an annual basis, the Board reviews the ESG report, evaluates progress against targets, and examines any necessary adjustments or improvements to ensure the Group continuously optimizes its ESG performance and creates long-term value for stakeholders.

This ESG Report provides a detailed disclosure of Chervon Holdings' ESG progress and achievements in 2025. It was reviewed and approved at a Board meeting on March 25, 2026.



OUR SUSTAINABLE DEVELOPMENT GOALS

We have established a series of sustainability targets to continuously drive our ESG initiatives forward. By achieving meaningful progress, we ensure that our employees, customers, suppliers, communities, and the Company itself can all benefit.



- Reduce Scope 1&2 carbon emissions by 30% by 2030¹
- Lead OPE industry in achieving green energy transformation
- Optimize the design and development process, enhance the level of green design, improve product energy efficiency and reparability, increase the use of recycled materials, and reduce energy consumption during product development, testing, production and use



- Continuously improve customer satisfaction by providing them with great and innovative products and services
- Attract and retain outstanding talents, protect their rights and interests, motivate and guide them to grow together with the Company

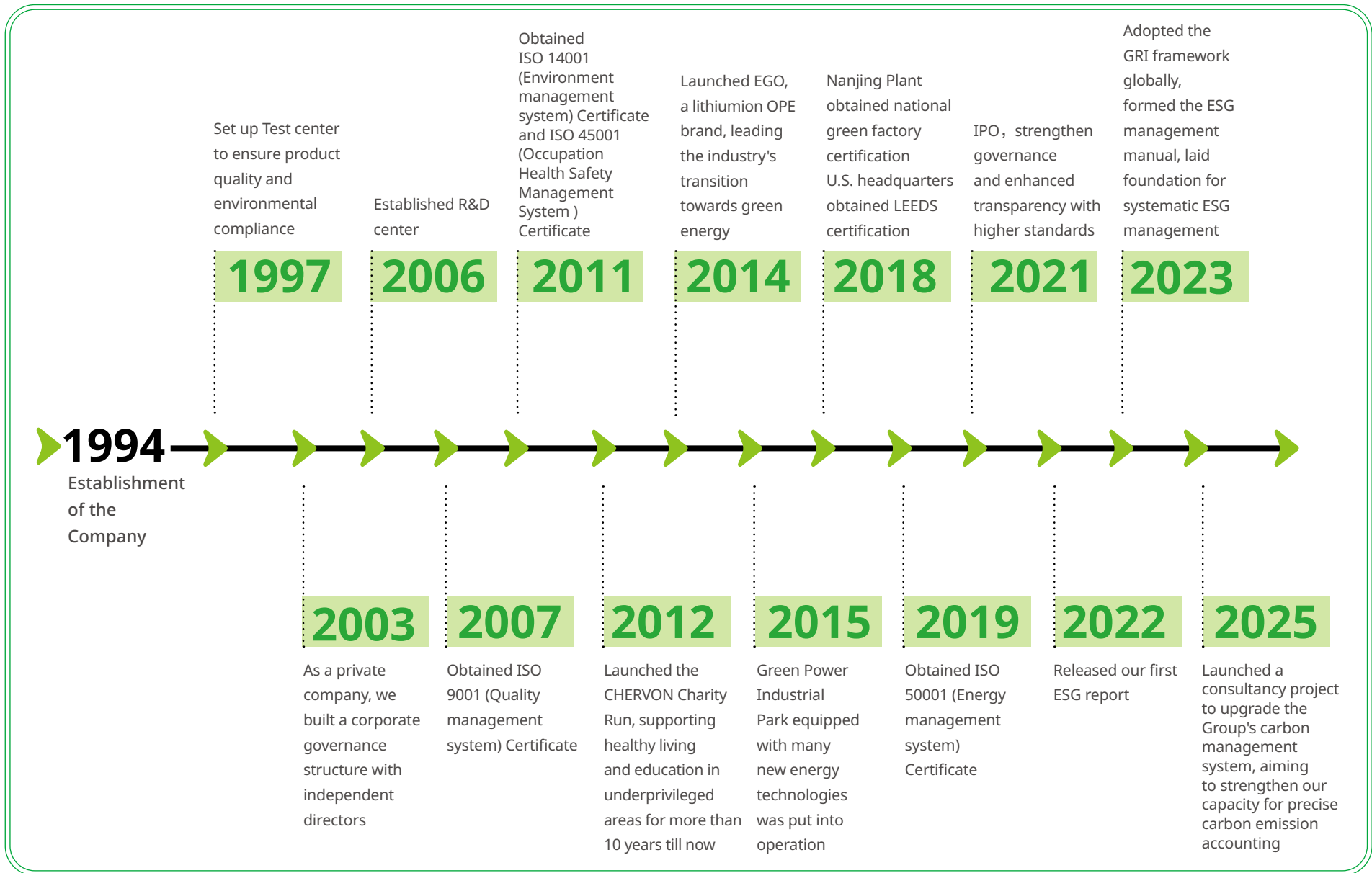


- Strengthen corporate governance capabilities to ensure sustainable development through sound and effective governance structure, authorization arrangements and risk control mechanism
- Ensure full compliance with business ethics and data privacy regulations



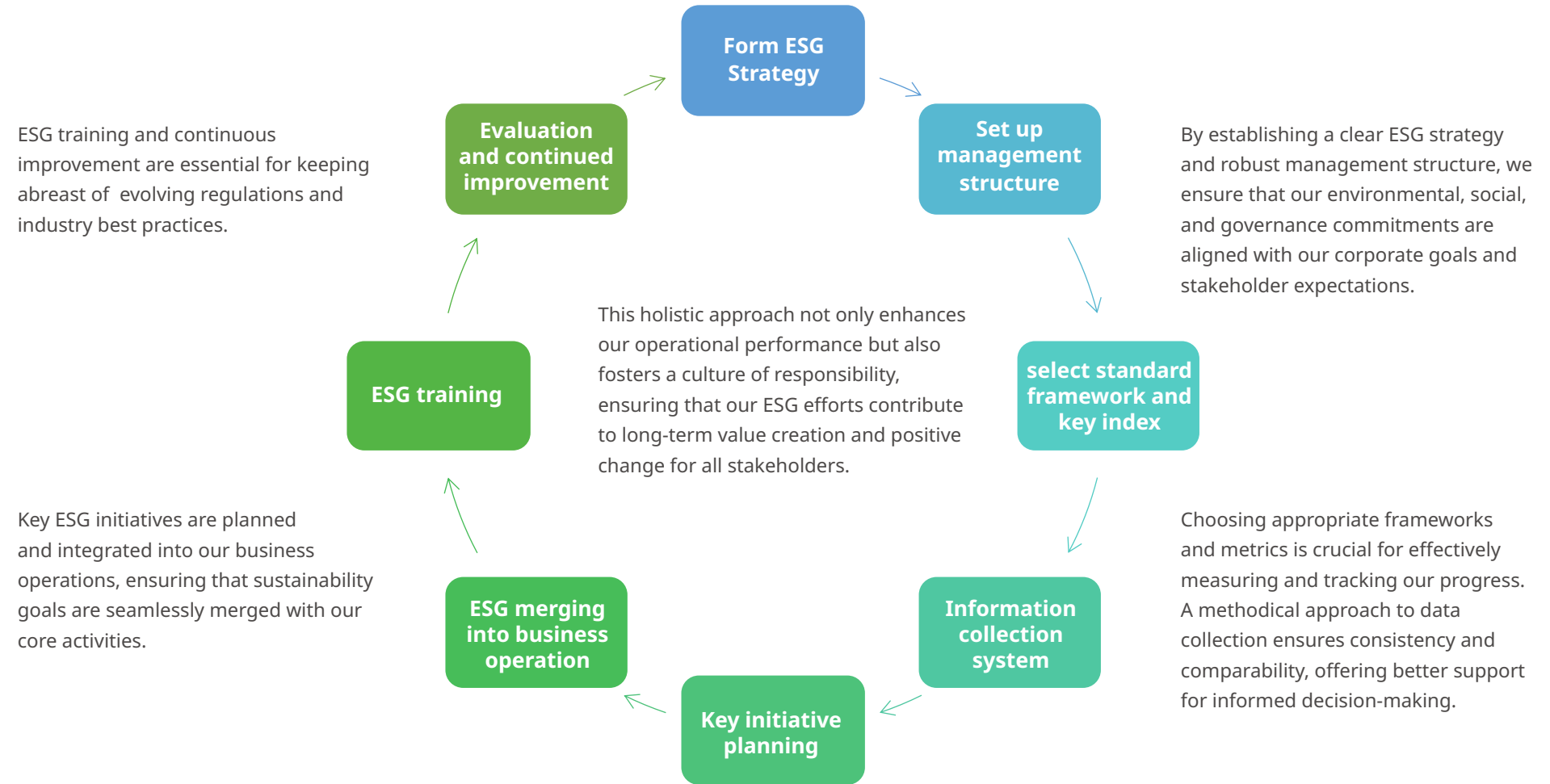
¹ For more details, please refer to the "Environmental Leadership" section

OUR ESG JOURNEY



ESG MANAGEMENT SYSTEM

Our ESG workflow is designed to seamlessly integrate sustainability into our core operations, driving meaningful impact across our organization.



ESG MANAGEMENT STRUCTURE

We have established an ESG governance system with the Board as the highest decision-making body. This system is supported by an ESG Management Committee and an ESG Execution Working Group, forming a top-down, three-tier management structure. These levels are respectively responsible for the strategic decision-making, supervision and coordination, and implementation and promotion of the Company's ESG initiatives, guiding all departments in carrying out ESG-related activities.



| Level | RESPONSIBILITY | |
|--------------------------|---|---|
| The Board | The top decision-making body for ESG matters | <ul style="list-style-type: none"> Establish the direction for ESG implementation; approve ESG and climate strategies, targets, and information disclosures. Oversee ESG practices and key issues; monitor the progress of target implementation; and evaluate ESG performance. Supervise the identification and assessment of ESG and climate-related risks to ensure the effectiveness of risk management and internal control systems. |
| ESG Management Committee | Chaired by the Board member Ms. Zhang Tong | <ul style="list-style-type: none"> Assist the Board in fulfilling its decision-making and oversight responsibilities. Formulate the ESG and climate strategic framework; decompose targets into phased work plans. Organize discussions and research with relevant stakeholders, and provide necessary information support for the Board's strategy formulation. Supervise and evaluate the implementation and effectiveness of ESG initiatives. Assess ESG and climate-related risks to ensure the Board's effective oversight of risk management and internal control systems. |
| ESG Execution Team | Composed of members from key operational functional departments | <ul style="list-style-type: none"> Report to the ESG Management Committee. Execute ESG and climate strategic initiatives and drive the achievement of targets. Formulate and implement specific ESG and climate work plans. Regularly provide ESG and climate-related performance data and analysis. |

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STAKEHOLDER ENGAGEMENT

Chervon has identified its key stakeholders, including customers, employees, suppliers, shareholders, communities, industries, and governments. We fully understand the mutual influence between the Group's business operations and our stakeholders.

We are committed to building diverse, effective, and accessible communication mechanisms to establish close ties with stakeholders. Through active and extensive exchange and communication, we seek to understand the needs and priorities of all parties, while conveying the Company's developmental achievements and strategic plans. Furthermore, during the preparation of this report, we proactively collect, identify, and respond to the issues of concern to stakeholders, integrating these results into our corporate decision-making process to create greater value and enhance our capacity for sustainable development.

| Stakeholders | Communication channel | Topics of concern |
|-----------------------------------|--|--|
| Customer | <ul style="list-style-type: none"> • Satisfaction survey • Service hotline • Business meetings • Service manager | <ul style="list-style-type: none"> • Solution and experience providing • Product quality • Responsiveness and good service • Consumer rights protection • Social and environmental responsibility |
| Employee | <ul style="list-style-type: none"> • Employee activity • Performance appraisal • Employee complaints • Labor union | <ul style="list-style-type: none"> • Protection of legitimate rights and interests • Compensation and benefits • Safe and healthy work environment • Career development opportunities |
| Supplier | <ul style="list-style-type: none"> • Bidding and review process • Supplier meeting | <ul style="list-style-type: none"> • Supply chain management • Fair play • Order and payment |
| Shareholders and Investors | <ul style="list-style-type: none"> • Shareholders meeting • Information disclosure • Investor meeting | <ul style="list-style-type: none"> • Operation and performance • Corporate governance • Environment and social responsibility |
| Community | <ul style="list-style-type: none"> • Community activity • Environmental protection | <ul style="list-style-type: none"> • Social welfare |
| Government | <ul style="list-style-type: none"> • Policies and documents • Information submission • Meetings and symposia | <ul style="list-style-type: none"> • Legal and operational compliance • Industrial advantages • Energy conservation & emission |
| Industry | <ul style="list-style-type: none"> • Industry research institutes and association exchanges | <ul style="list-style-type: none"> • Industry rules and standards • Industry collaboration and advancement |



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MATERIALITY ASSESSMENT

We refer to the Sustainability Accounting Standards Board (SASB) Sustainability Accounting Standards to identify and assess various issues of concern to stakeholders. Through operational analysis, stakeholder engagement and feedback, we have collected diverse perspectives and opinions from all parties, providing strong support for the optimization of the Group's ESG strategy, work implementation, and performance management.

We conduct an ESG materiality assessment every 2-3 years. The process and results of this year's ESG materiality assessment are as follows:

Step 1 Identification and Research

Taking full account of industry characteristics, operational status, business development stage, and ESG disclosure requirements, we identified 19 material issues.

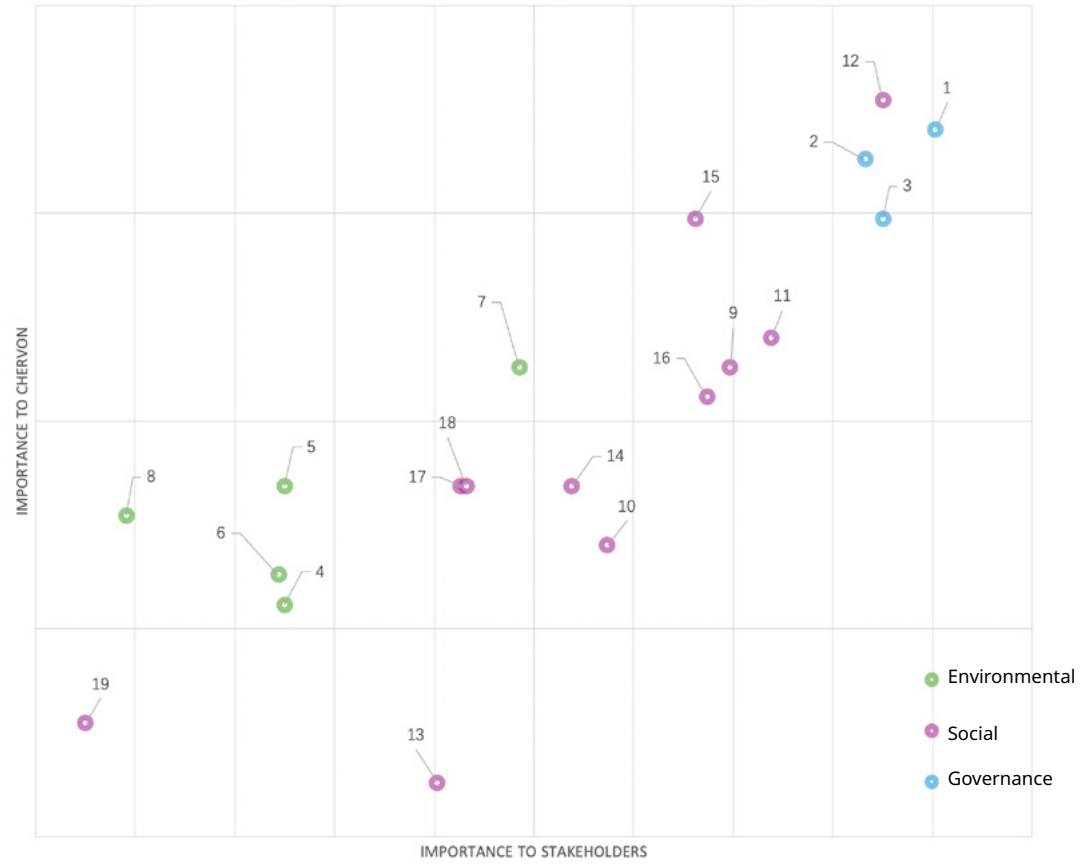
Step 2 Screening and Assessment

Stakeholders were invited to participate in questionnaires and interviews to conduct a comprehensive scoring based on two dimensions: "Importance to Stakeholders" and "Importance to Chervon." We also collected feedback and expectations regarding the Company's ESG performance.

Step 3 Review and Confirmation

Based on the materiality matrix, we confirmed the analysis results and the disclosure priorities of this report. We have responded to these priorities in the report and adopted targeted measures to provide reference for the next steps of the Company's sustainable development.

| No. | Topic |
|-----|---|
| 1 | Compliance and Business Integrity |
| 2 | Risk Management |
| 3 | Business Ethics and Anti-Corruption |
| 4 | Greenhouse Gas and Air Emissions Management |
| 5 | Energy Use and Management |
| 6 | Resource Use and Management |
| 7 | Hazardous and Non-Hazardous Waste Management |
| 8 | Climate Change Response |
| 9 | Employee Compliance, Equality, Diversity, and Inclusion |
| 10 | Employee Development and Talent Attraction |
| 11 | Employee Health and Safety |
| 12 | Product Quality and Safety |
| 13 | Product Lifecycle Management |
| 14 | R&D and Technological Innovation |
| 15 | Customer Relation Management |
| 16 | Information Security and Data Privacy |
| 17 | Sustainable Products |
| 18 | Supply Chain Management |
| 19 | Social Investment and Community Engagement |



MATERIALITY ASSESSMENT

Prioritized Topics

| Topic | Why it's important | Key impacted stakeholders | | | | | | |
|-------------------------------------|---|---------------------------|----------|----------|-------------|-----------|------------|----------|
| | | Customer | Employee | Supplier | Shareholder | Community | Government | Industry |
| Product Quality and Safety | Providing high-quality products and services builds customer trust and enhances corporate reputation. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Compliance and Business Integrity | Operating in compliance ensures effective governance and supports stronger business outcomes. | | ✓ | | ✓ | ✓ | ✓ | |
| Risk Management | Effective risk management provides a foundation for stable operations, long-term development, and sustainable growth. | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ |
| Business Ethics and Anti-Corruption | Ethical business conduct is fundamental to being a responsible enterprise and a good corporate citizen. | ✓ | ✓ | ✓ | ✓ | | ✓ | |
| Customer Relation Management | Strong customer relationships drive loyalty and support sustained business growth. | ✓ | | | ✓ | | | |
| Employee Health and Safety | Ensuring employee health and safety helps build trust within the workforce and enhances social recognition. | | ✓ | ✓ | ✓ | | ✓ | |

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"Better Tools, Better World" is the mission that Chervon has always upheld. Meanwhile, "Be Better with Power" serves as our core commitment and action guide for practicing our ESG strategy. Deeply rooted in our brand vision, this philosophy not only sets a clear direction for our ESG practices but also strives to achieve exceptional customer value, unite the strength of all employees, and work together to build a sustainable and great future.

By integrating our long-term corporate strategy with the annual materiality assessment, we have iterated our top-level ESG design. We have materialized the core commitment of "Be Better with Power" into an executable and measurable "POWER" strategic framework. This framework is not only our guide for addressing global sustainability challenges but also a bridge connecting our brand vision with daily operations.

We are dedicated to achieving customer value through Product Innovation, solidifying our developmental foundation through Operational Excellence, unifying organizational strength through Workplace Wellbeing, protecting our planet through Environmental Leadership, and co-building an industrial ecosystem through Responsible Partnership. These five dimensions complement each other, collectively driving Chervon toward a steady progression of "Better Products, Better Us, Better World."

**BETTER
TOOLS
BETTER
WORLD**

BE BETTER WITH



PRODUCT INNOVATION

Reshaping the Value of Tools through Green and Intelligent Innovation

We embed sustainability at the very source of product design, driving a dual transformation of green and intelligent solutions. By developing industry-leading, high-performance products, we not only meet users' pursuit of peak performance but also empower customers to build low-carbon, high-efficiency work environments—truly "achieving customer success."



OPERATIONAL EXCELLENCE

Lean Manufacturing, Building the Bedrock of Trust

We are building a modern manufacturing system that is safe, lean, and green. While pursuing zero-defect quality, we continuously optimize production processes to reduce energy consumption and emissions, earning the lasting trust of the global market through superior delivery capabilities and reliable product quality.



WORKPLACE WELLBEING

Fostering Inclusion, Fueling the Momentum of Growth

We view our employees as the company's most precious asset. We are committed to fostering a safe, inclusive, and vibrant workplace, providing diverse career development pathways so that every partner can realize their self-worth and unify as the core force driving the company forward.



ENVIRONMENTAL LEADERSHIP

Full-Value Chain Decarbonization, Practicing Green Responsibility

We proactively embrace our climate responsibilities, extending environmental action throughout the entire value chain lifecycle. Focused on creating green products and building low-carbon operational systems, we continuously benchmark against high standards, exploring "Chervon Solutions" through practical actions to protect our planet.



RESPONSIBLE PARTNERSHIP

Transparent Win-Win Cooperation, Co-creating a Value Ecosystem

We strictly uphold business ethics, working alongside both upstream and downstream supply chain partners to build a transparent and compliant responsibility ecosystem. Meanwhile, we actively give back to society through community philanthropy, creating shared value and achieving long-term prosperity with our partners and the public.

This report is structured around these five key dimensions and presents our major initiatives and progress over the past year, offering stakeholders a true, multi-dimensional, and continuously evolving view of Chervon.

PRODUCT INNOVATION

At Chervon, we are dedicated to delivering industry-leading tools, driving the continuous evolution of our products and services through relentless R&D and innovation. By staying attuned to user needs and advancing sustainable business models, we strive to achieve a harmonious synergy between corporate value, user empowerment, and socio-environmental impact.

IN THIS CHAPTER ►

- SUSTAINABLE BUSINESS MODEL
- SUSTAINABLE PRODUCT
- INNOVATION PRACTICES
- DRIVING INDUSTRY DEVELOPMENT



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SUSTAINABLE BUSINESS MODEL

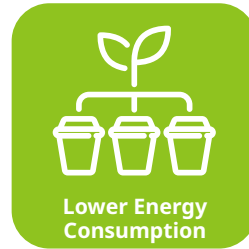
We hold the belief that excellent products must benefit both users and the environment. This belief guides our definition of sustainable products, focusing on two core dimensions: optimizing user centric performance and incorporating environmental responsibility.

User Dimension: Performance Optimization and Value Creation

User needs are the core driving force behind product design. We focus on health and safety, long-lasting durability, efficiency improvement, and experiential enhancement to continuously imbue our products with sustainable value.

Environmental Dimension: Life-Cycle Decarbonization and Circularity

On the environmental responsibility front, we focus on resource conservation, low-carbon transition, and circularity. By deeply integrating ecological benefits into our product design DNA, we drive green development through a comprehensive life-cycle approach.

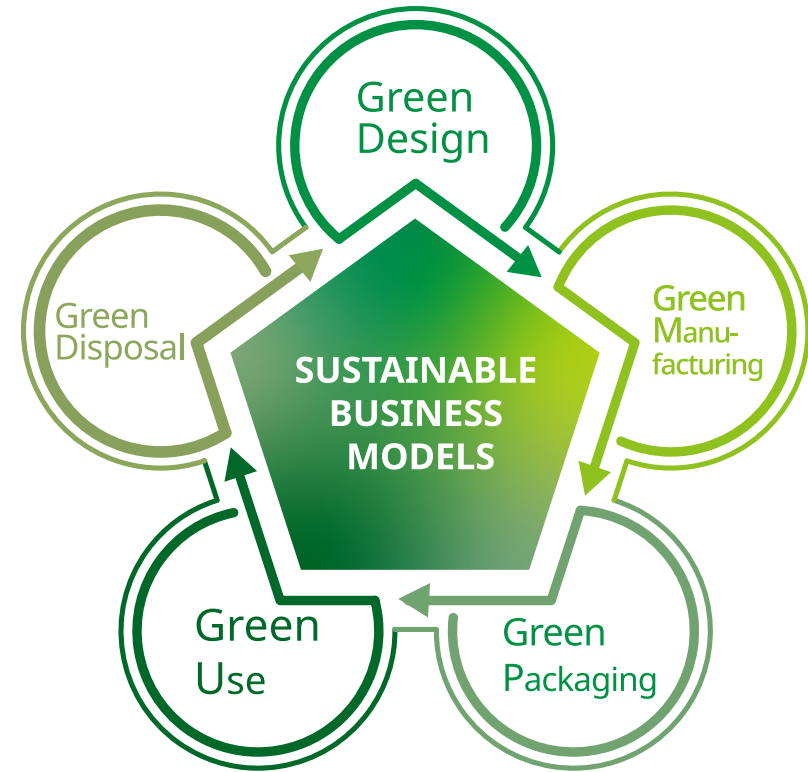


Based on this dual-dimensional framework, we dynamically integrate user needs with environmental impact analysis. Through practices such as product line updates, battery design optimization, and packaging simplification, we achieve a synergy between user value and environmental responsibility, fulfilling our brand promise to "Build a Better World."



SUSTAINABLE PRODUCT

Chervon remains committed to implementing sustainable business models and advancing sustainable product innovation. Through life-cycle green management encompassing design, manufacturing, packaging, usage, and disposal, we minimize our environmental footprint. This approach not only enhances product competitiveness and user value but also contributes to carbon reduction and the circular economy. By fostering a synergistic symbiosis between ecological benefits and economic returns, we provide long-term momentum for the sustainable development of industry.



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GREEN DESIGN

Guided by the principle of “Design with Accountability”, we comprehensively evaluate the environmental footprint of materials, performance, and usage patterns from the very inception of product definition, striving to develop exceptional green products. By formulating and releasing a series of guiding documents, including the General Principles for Design for Repairability and Disassembly, the General Principles for Design for Recyclability, and the Green Design Specifications, we have successfully internalized green standards as mandatory constraints within our R&D processes, ensuring that sustainability is implemented from the very beginning. This deep-seated green design philosophy has been accelerating its penetration across various product lines, with the scope of implementation continuing to expand over the past years.

Material Application

By continuously optimizing our material application strategies, we provide users with more eco-friendly product choices and drive the sustainable development of the industrial value chain. Our power tools and outdoor power equipment (OPE) are composed of lithium-ion battery cells, electronic components, and various metal and plastic materials.

We are accelerating our green transition in material selection across three key dimensions:

| | |
|-----------------------------|--|
| Performance First | In material selection, our primary consideration is the performance characteristics and quality required to meet product design and functional standards. |
| Environmental Safety | We strictly comply with material restriction regulations such as RoHS, REACH, EU POPs, and the US TSCA, while continuously elevating our own environmental protection requirements. |
| Green Alternatives | We implement the application of environmentally friendly materials, including expanding the use of PCR (Post-Consumer Recycled) materials, progressively replacing spray painting with powder coating, and adopting more eco-friendly inks. We also promote the use of renewable resources, including the application of PC/PBT "super plastics" and piloting biodegradable lubricants and eco-friendly greases. |

Energy Efficiency Improvement

Through steady technical improvements, we have consistently enhanced the energy conversion efficiency of our products. This not only provides users with more power and longer runtimes to effectively tackle tough jobs in demanding conditions, but also fundamentally reduces energy consumption for every task. This boost in efficiency leads directly to a lower carbon footprint throughout the product's lifespan, turning energy conservation from a mere slogan into a tangible competitive advantage. Our goal is to ensure that while users rely on our tools for solid performance, they can also participate in the global low-carbon transition in a simple way.



EGO Commercial Single Sided Hedge Trimmer/83006- The new meshing transmission system doubles the runtime.



Resource-friendly

In the design stage, we integrate resource-friendly considerations to enhance resource utilization efficiency while maintaining high performance standards.

Case Study: Water Conservation — SKIL 12V/20V Power Scrubber

Our SKIL 12V/20V Power Scrubber is equipped with multiple brush heads and pads suitable for various surfaces and stain types. By significantly improving cleaning efficiency and reducing the need for repetitive rinsing, the tool minimizes water usage and delivers tangible water-saving benefits.



Design for Reusability

We design for reusability by focusing on modular compatibility and multi-functional integration, allowing a single tool to adapt to diverse applications. By replacing redundant purchases with flexible configurations, we maximize resource efficiency and value.

Case Study: FLEX 24V 1/4" Sheet Sander (with Interchangeable Sanding Pads)

Equipped with interchangeable rectangular and triangular base plates, this single tool covers both flat surfaces and corner sanding, meeting the requirements of diverse applications.



Spotlight: Battery Platform Strategy — Greater Flexibility, Greater Economy

Battery platform strategies are redefining the logic of power tool usage across diverse sectors, including construction, infrastructure maintenance, and landscaping. By establishing a unified battery platform, users can power a wide range of equipment with a single core energy system. This high level of compatibility significantly lowers the barriers to equipment acquisition and reduces redundant investment costs while streamlining on-site energy management and charging processes. For construction crews and landscaping managers, this translates into higher asset turnover and more seamless job scheduling. By eliminating compatibility frustrations and empowering complex tasks with a single, stable energy core, we enhance overall operational efficiency while delivering a more rational, economical, and sustainable professional experience.



GREEN MANUFACTURING

By implementing green manufacturing systems and adopting clean production alongside low-carbon, eco-friendly processes, we strictly manage our manufacturing operations to minimize their environmental footprint. Our goal is to achieve waste reduction, high-efficiency resource circulation, and a continuous decline in pollutant emissions. For further details, please refer to the "Environmental Leadership: Green Operations" section.

GREEN PACKAGING

Our product packaging primarily consists of outer cartons, color boxes, packaging inserts, manuals, and plastic bags. By adopting more compact and optimized designs, we minimize packaging material consumption. We are committed to continuous packaging innovation, reducing our environmental impact and supporting sustainable development goals by selecting more eco-friendly materials.

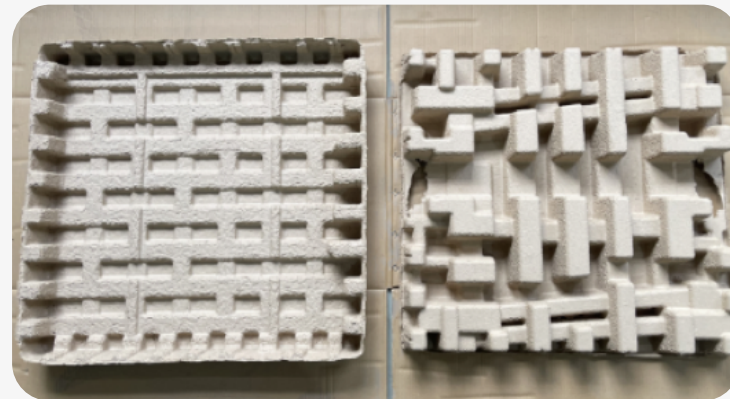
We continue to upgrade our packaging technologies and ensure the quality and environmental performance of packaging materials through rigorous incoming quality control (IQC). By formulating and updating related design specifications, we have

standardized the entire packaging design and testing process. Additionally, our packaging engineering team stays at the forefront of the industry by participating in leading exhibitions, exploring innovative applications of new materials and technologies to enhance our optimization capabilities.

Our efforts in adopting high-performance materials and innovative designs led to a reduction of 75 tons in paper usage for packaging in 2025, with a total consumption of around 21 thousand tons of paper based packaging materials. Looking ahead, we will continue to explore green packaging solutions and promote resource circularity to contribute to sustainable development.

Case Study: Eco-Friendly Packaging Materials — SKIL 254mm Table Saw with Rolling Stand

For our SKIL 254mm Table Saw with Rolling Stand, we replaced the traditional foam padding in the packaging with more eco-friendly paper-based inserts. This change reduces foam usage by 3kg per unit, actively supporting our sustainable development goals.



GREEN USE

The environmental impact of a product is defined not only by its manufacturing process but also by the hundreds or even thousands of hours it serves the user. We are committed to extending green principles throughout the entire product lifecycle, empowering our users to achieve sustainable operations through technical innovation. Our "Green Use" strategy is focused on three core dimensions:

1. Operational Efficiency Optimization:

We enhance user efficiency and reduce material consumption through optimized product design.

2. Durability and Repairability:

We pursue sustained performance under demanding conditions through structural and material innovation, supported by rigorous reliability testing. We also continuously optimize for repairability and leverage a robust spare parts supply chain to encourage users to extend the lifespan of their tools through maintenance.

Case Study: Waste Reduction — FLEX 18V 150mm (3mm & 5mm) Random Orbital Sander

The FLEX 18V 150mm (3mm/5mm) Random Orbital Sander features an upgraded 150mm sanding pad, replacing the traditional 125mm version to provide a 45% increase in effective sanding surface area. This design optimization significantly reduces the frequency of sandpaper changes. While boosting operational efficiency, it minimizes consumable waste during the use-phase, effectively enhancing overall resource utilization.



Case Study: Built to Last — EGO Commercial 30" Walk-Behind Mower (71008)

We ensure the rugged durability of our products through optimized material and structure. Our rigorous engineering enhances operational stability, providing users with a reliable and high-efficiency experience. Notably, the hollow tire design of this mower reduces the risk of tread de-beading, significantly improving both durability and field reliability.



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3. Clean Energy Transition:

We are committed to accelerating the transition to lithium-ion technology to replace traditional gas-powered equipment, eliminating exhaust emissions and noise pollution at the source. By providing high-performance cordless solutions, we enable users to achieve zero-emission operations across diverse and demanding conditions, significantly reducing the environmental footprint of our products during the use-phase.

Spotlight: 100% Green Energy — Empowering Garden Users to Reduce Environmental Impact

We are determined to lead the OPE industry transition by providing greener products, contributing to a better world.

As a global leader in electric outdoor power equipment, EGO sets industry benchmarks for efficiency, quiet operation, and cleanliness. Powered entirely by lithium-ion technology, Our full product lines offer zero emissions, low noise and vibration, and maintenance-free operation. This significantly reduces environmental impact while delivering a superior user experience.

- **Low-Noise**

Battery power significantly reduces operational noise, creating a quieter environment especially suited for residential or noise-sensitive areas, enhancing community friendliness.

- **Low-Vibration**

prolonged use can lead to hand discomfort or even occupational injuries. Electric outdoor power tools, driven by smooth-running motors, fundamentally eliminate high-frequency mechanical vibrations, significantly improving user comfort during operation.

- **Low Maintenance**

By eliminating the need for gas engine maintenance, such as oil changes and engine tune-ups, our tools significantly reduce downtime and operational costs, allows users to focus on the task at hand, greatly improving productivity and ease of use.

- **Push-Button Start (No Pull-Cords)**

Battery-powered OPE provides instant, reliable starting, eliminating the physical strain of traditional pull-cords. This boosts efficiency and ensures ease of use for all demographic groups.

- **Reduced Fuel Storage Risks**

Battery-operated equipment removes the need to store gasoline or diesel at home or in workshops, eliminating potential safety hazards associated with fuel storage.

- **Zero Emissions**

Our electric tools produce no CO₂ or toxic exhaust during use, protecting the health of operators and the safety of the environment.

As of 2025, consumers using EGO brand electric mowers and snow blowers have achieved a cumulative carbon reduction of approximately 340,000 tons¹.



Case Study: Closing the Green Energy Loop — EGO Power Station

By connecting with compatible solar panels, the EGO Power Station can charge EGO 56V battery packs directly using solar energy. This solution maximizes the utilization of clean, renewable energy, further reducing carbon emissions and environmental impact during the use-phase, and providing users with a truly zero-carbon power guarantee.

¹ Calculation Assumptions:

- Fuel consumption is based on industry-average levels

- Usage time is estimated based on internal data

- CO₂ emissions per liter of fuel are based on industry-average values

Scope: Includes lawn mowers, snow blowers, and ride-on mowers; other product categories are not included.

Industry Empowerment: Driving Industrial Partners Toward Clean Energy Transition

Beyond launching green products through our own brands, we leverage our platform and technological leadership to assist traditional equipment manufacturers in transitioning from gas power to clean energy.

In 2025, EGO partnered with John Deere to launch the Z370RS Electric Zero-Turn Mower. Powered by the EGO 56V ARC Lithium battery system, this mower integrates seamlessly into the EGO ecosystem, offering full compatibility with over 100 EGO products. This "one-battery-fits-all" approach provides users with a versatile, cross-brand green power ecology.



GREEN DISPOSAL

In the product disposal phase, we collaborate with specialized third-party partners to facilitate the recycling of products and components. By integrating environmental considerations into every stage from design to disposal, we consistently reduce the carbon footprint of our products. Furthermore, we actively promote a circular economy through recycling and reuse, contributing to global sustainable development.



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INNOVATION PRACTICES

At Chervon, we firmly believe that innovation is the foundation of product value. By cultivating a deep understanding of our customers, we pioneer new products and solutions to fulfill their evolving needs. We leverage insights into end-user requirements to guide our technological development, ensuring that we deliver superior performance, enhanced user experiences, and more sustainable products.

R&D SYSTEM

R&D remains the core pillar of our value chain. We prioritize organization building and technical talent cultivation while consistently increasing R&D investment to drive growth through innovation. Leveraging our robust R&D capabilities, we continuously launch high-performance products and solutions that address shifting market dynamics and customer needs.

Our R&D framework is organized by business units, featuring dedicated product lines for outdoor power equipment and power tools, together with an independent Research Institute. The product lines focus on market trends and customer demands, formulating strategic roadmaps and managing product lifecycles. Meanwhile, the Research Institute oversees core technology planning, develops emerging technologies, and incubates new business lines to

support product optimization. Our global team of over 1,000 designers and R&D engineers across China, Europe, and North America integrates multidisciplinary expertise to foster continuous innovation.

We have implemented sophisticated innovation processes, including Integrated Product Development (IPD), TRIZ, the V-Model, and Lean Design, alongside quality management methodologies such as Six Sigma, QFD, and FMEA.

We have established a comprehensive internal training system and an R&D Academy. Through structured knowledge- and skills-based programs, we enhance employee capabilities and strengthen our talent pipeline, supporting the continuous advancement of our overall R&D capabilities.

Product development Process



INNOVATION FOCUS

| | |
|---|---|
| INDUSTRY-LEADING BATTERY, MOTOR, AND ELECTRONIC CONTROL MANAGEMENT TECHNOLOGY | We specialize in battery product technology, combining advanced structures, innovative materials, and smart algorithms to optimize battery, motor, and control system performance, ensuring efficiency, safety, and reliability for an exceptional user experience. |
| TECHNICAL ADVANCEMENTS | The fundamental technical study in aerodynamics, kinetodynamics, vibration and other related fields significantly enhances our product performance and improve user comfort. |
| AUTONOMOUS | We are exploring AI, machine vision, and IoT technologies to keep up with emerging trends and enhance user experience. |
| ADDRESSING USER'S NEED | A small feature can make a significant difference. We focus on innovating in these areas to ensure that our product is as user-friendly as possible |
| BETTER SERVE PROFESSIONALS | We design efficient, durable power and OPE tools, optimizing performance and reliability for long-lasting use. Built for tough conditions, our tools help professionals tackle challenges with ease. |
| EXPANDING THE HORIZONS FOR USERS | Discovering new product areas to meet the passions and needs of our users. |
| ENVIRONMENTFRIENDLY | We strive to continuously optimize the use of technology and materials to reduce energy use, cut pollution, and enhance recyclability, minimizing our environmental footprint. |

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Spotlight: Smart Tech, Limitless Lifestyle

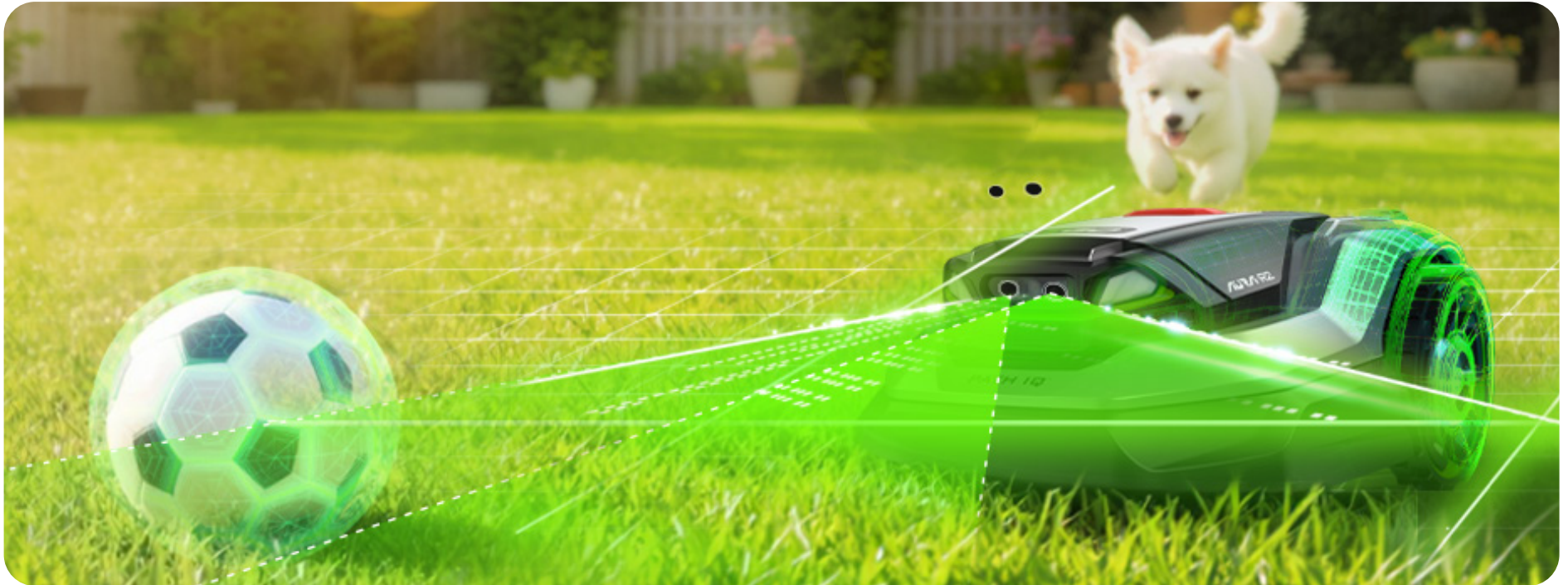
At Chervon, we believe great green innovation should make life easier. The 24V AURA-R2 Robotic Mower does exactly that. It's not just a tool—It's a smart, quiet, and hassle-free way to take care of the yard.

Intelligent Precision, Built for Safety With advanced 3D vision and intelligent obstacle detection, the AURA-R2 easily navigates around pets, and everyday yard obstacles—day or night. RTK positioning delivers centimeter-level accuracy, it can be trusted to get the job done right without constant supervision.

Wire-Free Convenience, Sustainable by Design Wireless navigation means no perimeter wires to install or maintain—saving time, reducing setup costs.. Built-in rain detection automatically pauses operation when conditions aren't ideal, helping protect both the lawn and the machine.

Powerful Performance, Minimal Noise At just 58 dB, the AURA-R2 keeps the yard quiet and enjoyable for the users and the neighborhood. With the EGO Connect app, users can check progress, adjust settings, and receive alerts from anywhere. Smart bow-shaped path planning covers up to 3,500m² per day, maximizing efficiency while minimizing energy use. Each unit can reduce annual CO₂ emissions by an estimated 0.2–0.5 tons—roughly equivalent to planting dozens of trees.

We're not just building tools—we're helping people take a simpler, cleaner approach to everyday life. Quiet, efficient, and easy to use—that's what smart technology should feel like.



PRODUCT AWARDS AND RECOGNITION

At Chervon, excellence in quality isn't a slogan—it's the standard we build into everything we do. Our products are consistently recognized by independent, respected organizations, reflecting the trust we've earned across the industry.

These awards highlight our focus on thoughtful design and meaningful innovation, as well as our team's drive to push beyond conventional limits. That commitment shows up in the solutions we bring to market—reliable, high-performing, and built to raise the bar for what users expect.

Award:
International Design Excellence Awards (IDEA)
Issued by:
Industrial Designers Society of America (IDSA)



EGO 56V MINI BIKE

Award:
Twenty for 2025 New Product Awards
Issued by:
OPE+ Website



EGO Commercial 1,000 CFM Leaf Blower

Award:
2025 iF Design Award
Issued by:
iF International Forum Design GmbH



EGO 56V String Trimmer with Line IQ™



Award:
2025 iF Design Award
Issued by:
iF International Forum Design GmbH



FLEX Giraffe GE 6R



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INTELLECTUAL PROPERTY MANAGEMENT AND PROTECTION

Intellectual property (IP) is an important asset of Chervon. We comply with applicable laws and regulations relating to IP, such as Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, seek to protect our proprietary rights, and take measures designed to avoid infringing the intellectual property rights of third parties. We have established an IP management framework that is integrated into our business operations to support the protection of our innovations, the management of compliance risks, and the development of our technical capabilities.

We maintain trademark protection programs that include routine maintenance and defensive filings for key registered marks. We also conduct internal reviews of sub-brand registrations to support brand distinctiveness and market differentiation, and to ensure brand exclusivity.

Consistent with our business strategy and product development plans, we continue to develop our patent portfolio. A dedicated team is responsible for the management of our IP assets, including portfolio planning, technical search and analysis, as well as patent prosecution and maintenance.

We maintain incentive programs intended to encourage innovation, including awards related to technical achievements, patents, and strategic projects, including Technical Invention Award, Technical Research Award, Patent Award, Strategic Project Award , among other , in order to recognize employee contributions and support ongoing innovation.

As of December 31, 2025, we had been granted a total of 4,497 patents. 2,233 of them are active, including 1,367 invention patents.



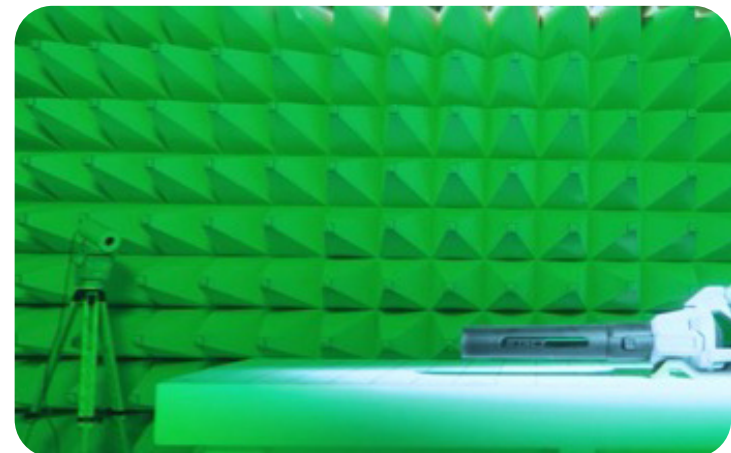
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DRIVING INDUSTRY DEVELOPMENT

We are committed to contributing to the development of industry standards and actively participate in the drafting and revision of national and industry standards. By leveraging our technical expertise, we support the advancement of industry practices and the adoption of new technologies.

In 2025, we led the development of 2 national standards and contributed to the development of an additional 2 national standards and one industry standard.

| Standard Type | Standard Title |
|---------------------|---|
| Leading | |
| National Standard | GB/T 46641-2025 Portable chain-saws — Minimum handle clearances and sizes |
| National Standard | GB/T 5390-2025 Machinery for forestry and gardening — Noise test code for portable hand-held machines with internal combustion engine — Engineering method (Grade 2 accuracy) |
| Contributing | |
| National Standard | GB/T 5395-2025 Machinery for forestry and gardening — Vibration test code for portable hand-held machines with internal combustion engine — Handle vibration |
| National Standard | GB/T 46648-2025 Powered ride-on turf care equipment — Roll-over protective structures (ROPS) — Test procedures and acceptance criteria |
| Industrial Standard | LY/T 3170-2024 Portable hedge trimmers |



We actively engage in industry-academia-research collaborations, partnering with various universities on technical development in areas such as noise optimization, reliability allocation design, and system optimization. Through joint research initiatives with universities and research institutions, we efficiently transform frontier scientific achievements into practical applications, enabling innovation to reach the market more efficiently, fostering mutual progress and shared growth.

OPERATIONAL EXCELLENCE

Chervon manages its operations with a focus on customer needs and continues to enhance its product quality management system across the full product lifecycle to support product reliability and safety. We also continue to improve our service capabilities to maintain our brand reputation. Through disciplined operations, we strengthen our core capabilities and support the long-term development of our business.

IN THIS CHAPTER ▶

- PRODUCT QUALITY MANAGEMENT
- USER SAFETY AND HEALTH

- CUSTOMER SERVICE AND SATISFACTION



PRODUCT QUALITY MANAGEMENT

Chervon considers quality control an important foundation for its global operations. We comply with applicable laws and regulations in the jurisdictions in which we operate and have established a quality management system that covers the full product lifecycle.

Our quality management practices are aligned with the ISO 9001 standard to support consistent product and service performance. To address regulatory requirements across different markets, we comply with applicable certification and technical standards, including CE requirements in Europe and UL standards in North America. In China, we comply with the Product Quality Law of the People’s Republic of China and applicable mandatory national standards.

We follow the principles of “Prevention, Monitoring, and Verification”, and have established and continue to maintain documented procedures, including process control and product monitoring and measurement. These frameworks define responsibilities and standards across each stage and form a quality management system covering design, procurement, production, inspection, packaging, and delivery. Information systems are used to support traceability throughout the product lifecycle.





In 2025, we did not experience any product recalls due to health or safety issues, nor were there any cases related to violations of advertising regulations or misleading claims, and no litigation related to product quality or consumer protection laws.



TESTING CENTER

Established in 1997, the Chervon Test Center (“the Center”) features industry-leading facilities, including a premier semi-anechoic chamber and a highly versatile, large-scale mechanical strength testing laboratory for outdoor power equipment including mowers. The center possesses comprehensive Regulatory Safety Testing capabilities for riding mowers and houses specialized laboratories covering safety standards, electronics, Battery Management Systems (BMS), load, environmental, and operational testing across a wide range of power tools and OPE.

As a Vice Chair member of the National Technical Committee on Power Tools, the Chervon Testing Center was the first laboratory among Chinese power tool manufacturers to achieve UL CTD (Client Test Data Program) qualification. The center maintains DEKRA CTF3 (Customer Testing Facility) status and is accredited by CNAS (China National Accreditation Service for Conformity Assessment) in accordance with IEC/ISO 17025.

The center is staffed by a team of test engineers recognized by international professional organizations, possessing the expertise to conduct regulatory safety testing under various

international standards and representing China in the development of international standards. Chervon Testing Center holds memberships in numerous standards and technical committees, including IEC TC 116, ISO TC 23 (SC 13 and SC 17), GB SAC/TC 68 and SAC/TC 61, as well as UL STP 82, 745, 2595, and 62841-1.

The Center provides comprehensive evaluation services spanning the entire product lifecycle. During the project initiation phase, it focuses on feasibility validation and proactive compliance benchmarking. In the development phase, it executes systematic verification across the full spectrum from functional prototypes to mass production units. During mass production, the center ensures product consistency and long-term reliability through rigorous sampling protocols. By building an evaluation framework centered on electronics and batteries, performance, reliability, and Regulatory safety, the center continuously pushes the boundaries of its testing capabilities to enhance the industry credibility of its results, fortifying the ultimate barrier for product quality.



Safety. Science. Transformation.™

UL LLC ISSUES THIS

Certificate of Participation

Nanjing Chervon Industry Co. Ltd.

Nanjing Jiangning Economic & Technical Development Zone, 529 South Jiang-Jun Rd., Nanjing, Jiangsu 211106, China

The laboratory above has been assessed and found to comply with the applicable requirements of ISO/IEC 17025 in accordance with UL’s Data Acceptance Program (DAP) and has been qualified as a DAP participant. The laboratory is hereby authorized to submit testing data to UL for product certification purposes as allowed by the schemes and for the product types and standards identified in the DAP Scope.

Client Test Data Program (CTDP)

DA File: DA3302
 Issued: 12/31/2025
 Expires: 12/26/2026

David Pincus
 David Pincus
 Program Owner



QUALITY CONTROL TRAINING

Guided by our quality policy of "full participation, continuous improvement, and excellence in quality, cost, and delivery, striving for maximum customer satisfaction", we leverage a systematic, tiered training framework to consistently strengthen quality control across the entire value chain.

In 2025, we conducted a series of open classes and specialized workshops on quality management, reaching a total of 489 participations. We organized targeted training and assessments for critical processes, involving 663 participations with an 87% qualification rate (scoring 80 or above). Furthermore, we actively supported the capacity building of our overseas quality teams, conducting 49 demonstration inspection training sessions and assessments for our Vietnam team, achieving a 90% pass rate.

To enhance the comprehensive capabilities of our Test Center, we implemented an annual training plan for engineers and technicians. This program focuses on foundational testing knowledge, equipment operating procedures, the ISO 17025 framework, regulatory standards, and market access requirements, consistently reinforcing professional expertise and compliance awareness. In 2025, the Test Center's training initiatives covered 200 employees, totaling 2,900 training hours.



CULTIVATING A CULTURE OF QUALITY

Building a culture of quality is the bedrock of Chervon's sustainable development, transforming quality awareness from a strategic management mandate into a daily behavioral standard for every employee. By embedding quality as a shared value, we not only minimize resource waste caused by rework and scrap but also enhance product reliability from the outset, reinforcing our commitment to quality excellence and customer responsibility.

The 10th annual "Quality Month," held in October 2025, served as a pivotal initiative in deepening this collective awareness. For the first time, the event was launched simultaneously across our manufacturing bases in China and Vietnam, marking the expansion of the Group's quality culture to our overseas operations and ensuring global consistency in operational standards. Celebrating its decennial milestone since its inception in 2015, this year's theme—"Get Quality Right the First Time"—focused on the integration of "Zero Defects" and "Right the First Time" (RFT) principles. More than just a review of past achievements, this event marks a shift from compliance-driven management to a more embedded culture of quality, where high standards are consistently applied across the organization by every employee. It also helps strengthen the capabilities and mindset needed to support the Group's long-term, quality-focused growth.



USER SAFETY AND HEALTH

We consider user safety and health in our product development and manufacturing processes. Through quality management measures across the product lifecycle, we support the safe use of our products and continue to assess their impact on user health. We also improve product performance and user experience through design optimization. With high-quality products and a responsible approach, we protect user rights and reinforce our brand value.

| | |
|---------------------|---|
| Fatigue | Efficiency and lightweight design are key to reducing user fatigue. We incorporate ergonomic features into our products to significantly improve work efficiency, reduce fatigue, and help minimize potential health impacts. |
| Vibration | We adopt various solutions, including patented suspended structures and low-vibration designs, to effectively reduce arm fatigue and lower the health risks associated with prolonged exposure to high vibration. |
| Dust | To meet the need for low-dust operations, we provide high-efficiency dust collection solutions and equip multiple products with dust shrouds, dust bags, or extraction ports to reduce dust exposure. |
| Noise | Compared with traditional fuel-powered products, battery-powered tools offer significantly lower noise levels. We leverage advanced motor and control technologies to deliver quieter operation. |
| Trip Hazards | We offer battery-powered alternatives to corded or pneumatic tools, significantly reducing the risk of tripping in the workplace |

DUST



FLEX 12V Jigsaw –

Dust extraction efficiency increased by 10%, effectively reducing airborne dust in the work environment, lowering the risk of inhaling harmful particles, and helping protect respiratory health.

VIBRATION\NOISE



DEVON 20V Brushless Cordless Tile Vibrator

The DEVON 20V Brushless Cordless Tile Vibrator represents a perfect synergy between high-efficiency construction and user well-being. Engineered with an innovative suspended spring damping system, the tool slashes vibration levels by approximately 50% at high settings, significantly alleviating hand and arm fatigue while ensuring superior comfort during grueling, extended tiling sessions. This breakthrough in vibration control doesn't just protect the operator—it boosts tiling efficiency by roughly 30%, enabling faster project completion and reduced physical strain. Furthermore, its high-frequency brushless motor delivers formidable power with optimized energy consumption and whisper-quiet operation, minimizing noise pollution and fostering a healthier, more sustainable workspace for every professional.

FATIGUE



FLEX 24V Cordless Caulking Gun

In construction, repetitive manual task is a leading cause of chronic strain and conditions like tenosynovitis. The FLEX 24V Cordless Caulking Gun addresses this with a formidable 670 lbs of automatic pushing force, effectively liberating users from high-strain manual labor. This innovation significantly reduces physical fatigue and serves as a proactive shield against repetitive strain injuries (RSI). By transforming heavy manual tasks into seamless automated processes, FLEX enhances job site efficiency while fortifying its commitment to the long-term health and professional longevity of industry specialists

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CUSTOMER SERVICE AND SATISFACTION

Chervon is committed to delivering a high-quality service experience. Through our subsidiaries and representative offices in key global markets, we have built a multi-channel feedback network that gives both direct customers and end-users convenient ways to reach us and share their needs.

We have established a structured customer service management framework, where dedicated service teams work across functions to manage feedback from intake through resolution. Depending on the nature and severity of each case, inputs are categorized as either customer feedback or customer complaints. Using structured methods such as 8D and 3D, we manage issues through a closed-loop process—from identification and corrective actions to verification and final customer response.

In North America, we use Salesforce as our customer relationship management (CRM) platform. The system integrates phone, email, social media, and AI-enabled self-service channels to streamline service processes and improve responsiveness. In 2025, our AI self-service solution achieved a First Contact Resolution (FCR) rate of 81.2%.

The Company has optimized its customer satisfaction management framework, establishing a comprehensive evaluation system across four dimensions: product experience, service experience, channel and compliance, and loyalty and sustainability. Through quantitative indicators, such as return rates, product and after-sales satisfaction, net promoter score(NPS), and repurchase rates and strategic weight allocations, we monitor consumers in core markets. Furthermore, by assessing dimensions such as the on-time delivery rates of channel partners, we ensure service quality across the entire value chain. In 2025, the Company achieved a consolidated score of 4.1, with the core brand EGO performing strongly in both NPS and repurchase rates.

Through this institutionalized satisfaction monitoring system, we drive cross-functional collaboration and continuous quality improvement. The Quality Management team performs regular trend analyses on after-sales data to identify potential quality risks and trigger internal process improvements. The R&D team

utilizes a Closed-Loop Issue Management (CLIM) mechanism to integrate customer feedback into the product development lifecycle, enabling technology iterations based on market insights. Simultaneously, the Sales team leverages monitoring results to optimize channel distribution and service responsiveness. This closed-loop mechanism facilitates risk early warning and resource synergy from the market to R&D and production, ensuring the systematic optimization of product quality and customer experience.

In 2025, we did not receive any material complaints related to our products or services.

• Customer Communication Channels

| | | | | | |
|--------------|----------------|------------|-------------------|--------------|--------------------|
| Call centers | We-chat applet | CRM system | Website and email | Social media | Product-Linked App |
|--------------|----------------|------------|-------------------|--------------|--------------------|

• After-sales Service Channels

| | | | |
|--------------------|-----------------|-----------------------------|-----------------------------|
| Authorized dealers | Ship and repair | Third-party service company | Manufacturer replace/repair |
|--------------------|-----------------|-----------------------------|-----------------------------|

CUSTOMER SERVICE TRAINING

To better support our customers and strengthen the capabilities of our service teams, we provide in-depth product and service training across different regions. These programs help ensure that our customer service teams can effectively diagnose product issues and provide appropriate solutions.

We also conduct regular training for authorized service centers and third-party partners to continuously improve service efficiency and quality, supporting a more integrated after-sales service experience for our customers.



WORKPLACE WELLBEING

Chervon places a strong emphasis on employee well-being, upholding social responsibility and a people-centered approach. We view employees as the cornerstone of sustainable business growth and strive to grow together with them, fostering long-term development while advancing our business objectives. Through this approach, we aim to build a responsible and engaged employer brand that supports both the company's and employees' success.

IN THIS CHAPTER ▶

- EMPLOYEE RIGHTS PROTECTION
- TALENT ATTRACTION AND RETENTION

- TRAINING AND DEVELOPMENT
- CAREER DEVELOPMENT AND PERFORMANCE MANAGEMENT

- OCCUPATIONAL HEALTH AND SAFETY



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TALENT ACQUISITION AND TEAM BUILDING

Guided by a people-first philosophy, Chervon continues to attract talent from around the world. We follow fair and compliant employment practices, including equal opportunity, non-discrimination, diversity, and inclusion. Employees' rights are respected and protected across all aspects of employment, including recruitment, compensation and benefits, and labor and human rights.

We implement a comprehensive labor contract system and maintain a positive working environment and harmonious labor relations, helping employees achieve their potential while supporting the company's ongoing growth.

| Total employee number | | |
|-----------------------|-----------|-----------|
| | Year 2024 | Year 2025 |
| Global Total | 6,481 | 6,887 |
| Male | 3,938 | 4,133 |
| Female | 2,543 | 2,754 |
| Full-time | 6,340 | 6,792 |
| Part-time | 141 | 95 |
| Age 20-40 | 4,333 | 4,560 |
| Age 40+ | 2,148 | 2,327 |
| China | 5,124 | 4,843 |
| Non-China | 1,357 | 2,044 |

| Employee turnover rate | | |
|------------------------|-----------|-----------|
| | Year 2024 | Year 2025 |
| Global Total | 24% | 29% |
| Male | 26% | 29% |
| Female | 22% | 28% |
| Age 20-40 | 32% | 38% |
| Age 40+ | 11% | 12% |
| China | 20% | 20% |
| Non-China | 46% | 68% |
| Labor | 34% | 43% |
| non-Labor | 13% | 16% |



Notes: The increase in overseas and worker turnover rates was primarily due to the expansion of operations in Vietnam, which led to higher short-term workforce mobility.

EMPLOYEE RIGHTS PROTECTION

Chervon is committed to respecting and protecting the legitimate rights and interests of all employees, in compliance with applicable laws and regulations in the regions where we operate. We maintain fair and consistent practices throughout the employment lifecycle and do not discriminate based on gender, age, region, ethnicity, race, religion, or disability in hiring, promotion, or compensation.

We have established internal monitoring mechanisms and provide channels for reporting misconduct, including accessible communication methods for employees to raise concerns and share feedback.

PROHIBITION OF CHILD LABOR AND FORCED LABOR

Chervon complies with applicable laws and regulations, including the Law of the People’s Republic of China on the Protection of Minors, the Provisions on the Prohibition of Child Labor, and relevant international standards such as the International Labour Organization’s Forced Labour Convention. We implement strict identity and age verification procedures during recruitment to prevent the employment of child labor. If any such cases are identified, corrective actions are taken promptly and accountability measures are enforced. We also provide human rights-related training for security personnel to help ensure the protection of employee rights.

We comply with the Labor Law of the People’s Republic of China and the Labor Contract Law of the People’s Republic of China, and prohibit all forms of forced or compulsory labor, including coercion, threats, or deception. We respect employees’ rights to freely choose employment and to resign in accordance with applicable procedures. Practices such as withholding identity documents, requiring deposits, or failing to pay wages are strictly prohibited. Employees who choose to leave the company are supported through established offboarding procedures.

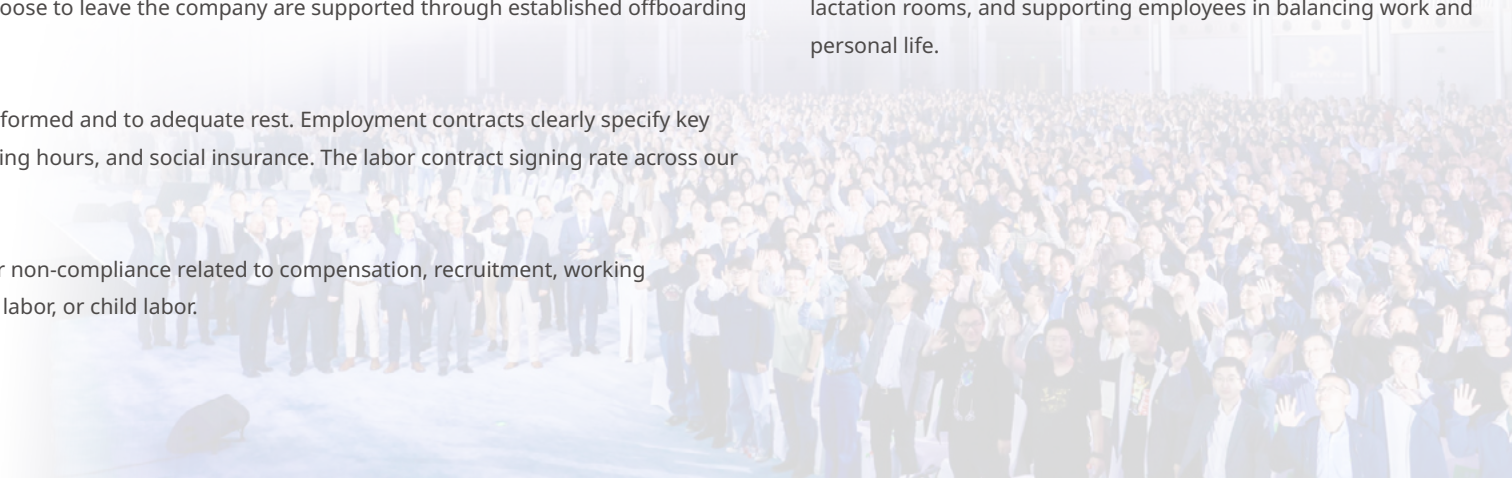
We respect employees’ rights to be informed and to adequate rest. Employment contracts clearly specify key terms, including compensation, working hours, and social insurance. The labor contract signing rate across our workforce is 100%.

In 2025, we did not identify any major non-compliance related to compensation, recruitment, working conditions, equal opportunity, forced labor, or child labor.

DIVERSITY, EQUAL OPPORTUNITY, AND ANTI-DISCRIMINATION

Chervon actively fosters a diverse and inclusive team culture, ensuring that all employees are treated with respect and supported in their work. We value differences in gender, age, race, and cultural background, and we do not tolerate any form of discrimination or unfair treatment. We are committed to providing equal employment opportunities and maintaining a workplace free from harassment or inappropriate behavior.

As of December 31, 2025, Chervon employed 12 individuals with disabilities. We pay attention to the rights and needs of female employees, offering maternity, parental, and nursing leave, providing lactation rooms, and supporting employees in balancing work and personal life.



TALENT ATTRACTION AND RETENTION

RECRUITMENT

To meet the company's workforce needs and enhance overall team capability, Chervon has established a Recruitment Management Policy to standardize hiring processes. We recruit through external channels such as online job portals, career fairs, campus recruitment, headhunting, and employee referrals, as well as internal promotion and selection, ensuring that all candidates have equal opportunities regardless of gender, age, nationality, or beliefs.

Recruitment steps—including job postings, resume screening, phone interviews, and on-site interviews—are designed to comprehensively assess candidates' skills and qualifications. Upon selection, employment contracts or internship agreements are signed.

In addition, to strengthen our employer brand and engage with the community, we collaborate with universities to deliver corporate expert courses. These initiatives not only give back to society but also lay a solid foundation for campus recruitment. Interviewers for campus hiring undergo systematic training, and feedback is continuously monitored to ensure high-quality and efficient recruitment outcomes.



COMPENSATION AND BENEFITS

Chervon strives to build a competitive compensation and benefits system, including base salary, performance-related bonuses, interest-free loans, and housing and transportation allowances. We comply with all applicable national and local laws and regulations, pay wages in full on a monthly basis, and provide all full-time employees with comprehensive social insurance and housing fund coverage. In addition, we offer supplementary commercial insurance and paid leave, including annual leave and family care leave for only children, to support employees' basic rights and well-being.

We show care about employees' physical and mental health by ensuring reasonable work intensity, adequate rest areas, and break times. The Company provides annual health check-ups, as well as a medical assistance fund covering certain hospitalization and outpatient expenses to help reduce financial burdens during illness.

To foster team cohesion and engagement, we support team-building activities, outdoor programs, and cultural and sports events. At the same time, we recognize employees as individuals by providing birthday gifts or gift cards. Employees who make significant contributions are further acknowledged through performance-based rewards.

In addition, shareholders of the Company has reviewed and approved a Share Scheme and the Scheme Mandate Limit at an Extraordinary General Meeting (EGM). The Board may implement grants as appropriate in the future to further optimize incentive mechanisms, encourage employee potential, and promote long-term shared success.



EMPLOYEE CARE AND SMOOTH COMMUNICATION

Chervon values open communication and employee well-being, fostering a workplace that is equitable, respectful, harmonious, and supportive. We have developed a diverse system of benefits and care programs tailored to employee needs, including festive benefits, team-building activities, cultural and sports events, and health initiatives, all designed to enhance employee engagement and overall well-being.

| | |
|--------------------------------|--|
| Festive Benefits | Organize celebrations for Dragon Boat Festival, Mid-Autumn Festival, and International Women's Day, providing employees with holiday gifts and cash bonuses |
| Team-Building Activities | <ul style="list-style-type: none"> •Host a variety of team-building events, including outdoor development programs and themed activities to strengthen teamwork. •Conduct an annual year-end dinner to review achievements and foster a sense of unity and motivation. |
| Cultural and Sports Activities | <ul style="list-style-type: none"> •Support employee interest groups such as badminton, basketball, and cycling clubs. •Organize an annual running event, encouraging broad participation across the company. |
| Health and Well-being | <ul style="list-style-type: none"> •Provide periodic health check-ups for all employees. •Invite traditional Chinese medicine experts for shoulder and neck massage sessions, promoting physical and mental health. |



In addition, we actively listen to our employees and gather feedback through email, workshops, surveys, and other channels. Based on this input, we implement improvements aimed at continuously enhancing employee satisfaction and well-being.

• Chervon Open Day

On August 23, Chervon held its 8th Open Day under the bright late-summer sun, welcoming 60 employee families and 190 Chervon family members for a warm homecoming gathering. The event was filled with laughter and a festive atmosphere. At the Open Day, visitors enjoyed a “Star Product Experience Zone,” showcasing the ingenuity of our great technologies and smart manufacturing .A family photo area captured smiles and memories, while the Handicraft Workshop invited employees and their families to make traditional mugwort hammers, symbolically “knocking away fatigue and embracing good health.”



TRAINING AND DEVELOPMENT

Chervon is committed to building a cohesive and high-performing team. We place strong emphasis on employee growth by providing structured and professional career development pathways and training programs. Through these efforts, we aim to unlock employees' strengths and potential while strengthening organizational capabilities through talent development and incentive mechanisms.

We have established a tiered and role-based capability development system, covering onboarding programs for new hires, campus recruitment development initiatives, general skills training, professional skills training, leadership development programs, high-potential talent programs, and management academy courses. With a focus on leadership, professional expertise, and core competencies, we design and deliver targeted frameworks and learning programs to continuously develop industry-ready talent.

| | |
|---|---|
| <p>New Hire Training Program</p> | <ul style="list-style-type: none"> • Focuses on building specialized capabilities and accelerating the development of early-career professionals. Through close collaboration with business units, the program aims to cultivate new talent that is well-integrated into the company culture, demonstrates strong behaviors, performs effectively in their roles, and shows solid growth potential. • Establishes structured, stage-based training and mentoring plans to help participants clearly understand priorities at each phase. Activities such as running teams and DIY competitions are also organized to strengthen engagement and deepen cultural integration. |
| <p>Leadership Development Programs</p> | <ul style="list-style-type: none"> • These curricula are systematically designed to cover everything from corporate strategy and culture to specialized modules such as "HR Management for Non-HR Managers," "Finance for Non-Finance Managers," and "Data Analytics for Non-Data Professionals." • Directors act as mentors and panel reviewers, providing guidance on project implementation from a professional perspective, encouraging strategic thinking, and offering direct, practical feedback to support leadership development. • Line managers develop individualized growth plans for participants, covering capability building, goal achievement, and cultural alignment. These structured four-month plans are supported by regular monthly check-ins and feedback, reinforcing accountability for talent development. |
| <p>High-Potential Talent Development Program</p> | <ul style="list-style-type: none"> • Focuses on building management awareness among professionals, including self-management, team management, and business management. • Replicates proven development pathways within technical domains to support talent pipeline development and strengthen succession planning. |
| <p>Management Academy Open Courses</p> | <ul style="list-style-type: none"> • Annual and quarterly training plans are developed, with course offerings covering office software applications, professional mindset, communication and presentation skills, personal effectiveness, and industry insights, supporting employees' well-rounded development. |
| <p>Internal Trainer Development</p> | <ul style="list-style-type: none"> • Establish an internal trainer certification system, offering certification opportunities to trainers who meet requirements such as training hours and satisfaction ratings, and who have completed foundational TTT (Train-the-Trainer) programs, supporting their progression to advanced, star-level trainers. • Provide dedicated recognition for internal trainers, including customized gifts and themed activities during Teachers' Day. • Create an internal trainer community platform, the "Quanzhitang Club," to facilitate knowledge sharing and broaden perspectives through themed activities and exposure to emerging insights and best practices. |

| Year 2025 | Participation / Percentage of Employees Trained | Average Training Hours per Employee (Hour) |
|------------------|---|--|
| Total | 4,146 | 8.3 |
| Male | 63% | 9.1 |
| Female | 57% | 7.0 |
| Base & mid level | 59% | 7.9 |
| Management level | 147% | 6.7 |



CAREER DEVELOPMENT AND PERFORMANCE MANAGEMENT

To ensure objective and fair evaluations, Chervon has implemented a robust Performance Management Policy in accordance with legal regulations and operational needs. This system serves as a strategic tool to enhance the efficiency of individuals, departments, and the Company as a whole, while providing a factual basis for promotions, compensation adjustments, and training initiatives. Through annual talent reviews and performance retrospectives, we conduct comprehensive assessments of professional knowledge, industry skills, adaptability, problem-solving, and leadership qualities. These insights allow us to craft personalized career development plans that empower employees to reach their professional goals and personal growth.

We continuously optimize our organizational performance framework by integrating the DSTE (Design Strategy to Execution) methodology, ensuring

that individual goal-setting is tightly aligned with corporate strategy. We have strengthened our tracking and accountability mechanisms while refining performance disclosure procedures and grievance channels to ensure transparency. This ensures that performance outcomes are not only fair but also serve as effective drivers for employee motivation and development.

To meet the diverse aspirations of our workforce, we have established a dual-track career path consisting of Management and Professional sequences. Both tracks offer equal status and matching benefits, allowing employees to choose a path that best fits their strengths and career goals. We also support cross-functional development, providing a clear and actionable "career ladder" that facilitates long-term professional advancement.



OCCUPATIONAL HEALTH AND SAFETY

Chervon strictly adheres to the Production Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and other relevant regulations. We have established a comprehensive occupational Health and Safety management system and obtained ISO 45001 certification. Our safety management is rigorously integrated into every critical stage, including production, performance appraisal, risk control, hazard identification, emergency response, occupational disease prevention, and safety education. By embedding these protocols into our core operations, we continuously enhance working conditions and ensure a healthy, secure environment for all employees.

Chervon places the highest priority on the health and safety of our workforce. We are committed to nurturing both the physical and mental well-being of our employees by providing comprehensive health programs, specialized resources, and a robust support network. By promoting a balanced and healthy lifestyle, we aim to enhance overall vitality and productivity, fostering a harmonious and sustainable partnership between the company and our people.

In 2025, we successfully achieved our safety targets: Zero Work-related Death or Major Injury¹, Zero Fire Accidents, and Zero Occupational Disease Cases.



| Indicator | 2023 | 2024 | 2025 |
|---|-------|-------|-------|
| Work related injuries (person) | 27 | 29 | 15 |
| Work related death (person) | 0 | 0 | 0 |
| Working days lost due to work injuries (days) | 1,182 | 1,261 | 1,345 |

¹ Major Injury here refers to disabilities or injuries of Grade 8 or above caused by work-related incidents

ENSURE JOBSITE SAFETY

To safeguard occupational health and workplace safety, the Company has continuously improved its safety management system and established a structured and well-defined safety governance framework. A Safety Committee has been formed to clarify safety responsibilities across all levels and positions, regularly review safety performance, coordinate safety-related matters, and analyze occupational injury cases, thereby driving ongoing improvement in safety management.

The Safety Committee consists of two tiers:

- **Decision-Making Committee:** Chaired by the principal person in charge, with heads of business units as members, responsible for providing strategic direction and oversight on safety-related matters;
- **Execution Committee:** Chaired by the executive responsible for safety, with full-time and part-time safety management personnel as members, responsible for organizing and implementing various safety management initiatives and ensuring effective execution of safety requirements.

In addition, the Company has established specialized technical committees, including the Lithium Battery Safety Committee and the Mechanical Safety Committee. These committees are responsible for enhancing safety standards, developing training programs, and carrying out inspections, thereby strengthening risk control capabilities in relevant segments.

In terms of risk management, the Company conducts regular hazard identification and risk assessments through a hazard identification and evaluation system, dynamically updates its risk map, and defines preventive measures, response procedures, and emergency plans for significant risks. Safety risk assessments are also integrated into the design and introduction of new projects, materials, and equipment, strengthening risk control from an early stage and enhancing the proactive management of safety risks.

For workplace safety incidents, the Company has established a dedicated investigation mechanism to ensure rapid response and standardized handling. Through systematic analysis of incidents and implementation of corrective actions, the Company continuously improves its safety management processes and reduces the likelihood of recurrence.

To enhance employees' safety awareness and operational compliance, the Company has reviewed potential safety hazards and developed materials such as the Safety Visualization Manual and the EHS Essential Knowledge Handbook, providing employees with clear, structured, and practical guidance on safety knowledge and operational standards.

At the institutional level, the Company has established and continuously improved a comprehensive set of safety and occupational health management systems covering factories, workshops, and production lines. These include the Hot Work Management Policy, Hazard Identification and Risk Classification Management Regulations, Hazard Inspection and Rectification Management Policy, Personal Protective Equipment Management Policy, Lithium Battery Safety Management Standards, Electrical Safety Management Policy, Incident Management Regulations, and Special Operations Personnel Safety Management Policy. These systems are designed to protect employee health and safety, prevent accidents, and ensure compliant and stable production operations.

OCCUPATIONAL DISEASE PREVENTION AND CONTROL

The Company has established and implemented the Occupational Disease Prevention and Control Management Policy, which sets out requirements for hazard communication, workplace management, and occupational health surveillance, thereby continuously enhancing the standardization and systematic management of occupational health.

For positions involving occupational hazards, the Company truthfully informs employees of potential occupational health risks in accordance with applicable requirements, establishes strict operating procedures, and provides appropriate personal protective equipment (PPE). In addition, the Company conducts occupational health examinations covering pre-employment, during employment, and post-employment stages. Pre-employment examinations are used to assess employees' fitness for roles involving specific hazards; periodic examinations during employment support the early detection, early diagnosis, timely reassignment, and early treatment of occupational health risks; and post-employment examinations are conducted to evaluate employees' health status upon cessation of exposure and to clarify related health responsibilities.

For all employees, the Company provides regular health check-ups and occupational health examinations, and delivers a range of first-aid training programs to continuously enhance employee health awareness and emergency response capabilities

SAFETY AWARENESS TRAINING

The Company continuously strengthens employee safety awareness through systematic and diversified safety culture initiatives. During the reporting period, the Company organized first-aid training, occupational health and safety awareness campaigns, Safety Month and Fire Safety Month activities, heat stress care programs, and emergency drills. These initiatives ensured year-round training coverage, enhanced employees' safety awareness and emergency response capabilities, and contributed to the continuous improvement of the Company's overall safety management performance.

| First-Aid Training | Safety Month Activities | Fire Safety Month Activities | Fire Evacuation Drills | Emergency Drills |
|---|--|---|--|---|
| <p>Employees are organized to learn and practice "cardiopulmonary resuscitation (CPR)" techniques and the use of automated external defibrillators (AEDs), continuously enhancing their first-aid skills.</p> | <p>The Company held Safety Month activities under the theme "Everyone Talks Safety, Everyone Knows Emergency Response - Spotting Hazards Around Us," including safety knowledge quizzes and a "Hazard Hunter" initiative, aimed at strengthening employees' safety awareness and improving their ability to identify and mitigate workplace hazards.</p> | <p>The Company organized Fire Safety Month activities under the theme "Fire Safety for All, Life Comes First - Safe Use of Fire and Electricity," including fire incident awareness campaigns, specialized electrical safety training and inspections, and emergency response drills. These initiatives effectively enhanced employees' fire safety awareness and significantly strengthened their practical emergency response skills.</p> | <p>The Company organizes fire evacuation drills for employees to test emergency plans, train response teams, raise safety awareness, and reinforce preventive measures. These exercises promote the principle of "safety first, prevention foremost"</p> | <p>The Company organizes emergency drills covering heatstroke, confined space incidents, machinery-related injuries, and electric shock accidents. These exercises enhance employees' emergency response skills and help prevent the escalation of accidents.</p> |
| | | | | |

ENVIRONMENTAL LEADERSHIP

As a leading manufacturer of power tools and outdoor power equipment, the Company integrates sustainability into its business operations, actively fulfills its environmental responsibilities, and strives to reduce its environmental footprint. It is committed to protecting ecosystems and natural resources while working with value chain partners to promote a greener future.

IN THIS CHAPTER ▶

- ENVIRONMENTAL MANAGEMENT SYSTEM
- CLIMATE CHANGE

- GREEN OPERATION
- GREEN CULTURE



ENVIRONMENTAL MANAGEMENT SYSTEM

The Company has established a structured environmental management system and has obtained ISO 14001 Environmental Management System certification and ISO 50001 Energy Management System certification. The environmental management structure is led by the General Manager, with implementation carried out by heads of various departments. Dedicated management policies have been formulated for key areas, including wastewater, air emissions, solid waste, and chemicals.

The Company conducts pollution prevention and environmental management in accordance with applicable laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Law on the Prevention and Control of Atmospheric Pollution, the Law on the Prevention and Control of Water Pollution, and the Law on the Prevention and Control of Environmental Pollution by Solid Waste. Air emissions comply with the Integrated Emission Standard of Air Pollutants, while wastewater discharges comply with the Integrated Wastewater Discharge Standard. The Company also applies for and operates under pollutant discharge permits in accordance with the Regulations on the Administration of Pollutant Discharge Permits, and is subject to regulatory supervision.

By diligently fulfilling its responsibilities for energy conservation and emissions reduction, actively developing green products, continuously investing in the adoption of clean energy, optimizing production processes and technologies, applying energy-efficient technologies, promoting a circular economy, reducing pollutant emissions, and improving overall resource efficiency, the Company is committed to building a sustainable business model and operating environment.

In 2025, the Company was not involved in any incidents of non-compliance with environmental laws and regulations.



CLIMATE CHANGE

The Company closely monitors the impacts of global climate change on its operations, proactively identifying associated risks and opportunities. It is committed to implementing effective mitigation measures, promoting green development, and continuously reducing the environmental footprint.

GOVERNANCE

The Company has established a three-tier governance framework—comprising the Board, the ESG Management Committee, and the ESG Execution Team—to oversee climate-related matters. The Board authorizes the ESG Committee to supervise all climate-related activities, including identifying and managing climate risks and opportunities, setting carbon emission targets, tracking progress toward these targets, and ensuring the effective implementation of climate governance initiatives.

The Board also conducts annual review of the ESG report and climate-related matters to remain informed of climate risks and opportunities, ensuring that climate considerations are integrated into the Company’s overall strategic planning. In 2025, the Board held one meeting addressing ESG and climate-related issues, while the ESG Management Committee and ESG Execution Team held quarterly and ad hoc meetings focusing on ESG and climate-related topics, CDP questionnaire submissions, and compliance with CBAM and CSRD requirements.

The Company ensures that its ESG governance framework possesses sufficient expertise and capability. Professional ESG consultants have been engaged to assist in identifying climate-related risks and opportunities, developing response strategies, and providing training on global and domestic sustainable development best practices, thereby equipping the governance framework with the necessary knowledge to effectively fulfill its ESG and climate-related responsibilities. At present, the Company has not incorporated climate-related performance indicators into its remuneration and incentive mechanisms. Going forward, the Company will, in line with the progress of its climate strategy, gradually explore the integration of such indicators into management performance evaluation and incentive systems, in order to enhance the execution of its climate management objectives.



STRATEGY

Climate Scenario Analysis

In accordance with the ISSB International Sustainability Standards and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and taking into account its business operations, the Company conducts scenario analysis to assess the financial and operational resilience of its business under different temperature scenarios. Two representative and science-based scenarios from Intergovernmental Panel on Climate Change Sixth Assessment Report (IPCC AR6) have been selected:

Transition Scenario (SSP1-2.6):

This scenario assumes that strong global mitigation actions are implemented to achieve the temperature goals of the Paris Agreement. It focuses on assessing transition risks and opportunities arising from policy, technological, and market changes during the low-carbon transition.

Physical Risk Scenario (SSP5-8.5):

This scenario assumes insufficient or delayed global mitigation efforts, resulting in continued growth in greenhouse gas emissions and leading to an approximate temperature increase of 4°C+ by the end of the century. It focuses on assessing physical risks associated with climate change, including acute risks (such as extreme precipitation and severe typhoons) and chronic risks (such as prolonged heatwaves and sea level rise), as well as their impacts on the Company's assets and supply chain stability.

Time Horizon Definition

To align with the Company's internal financial planning cycles and key global climate transition milestones, climate risk analysis is categorized into short-, medium-, and long-term horizons:

Short term (0-3 years):

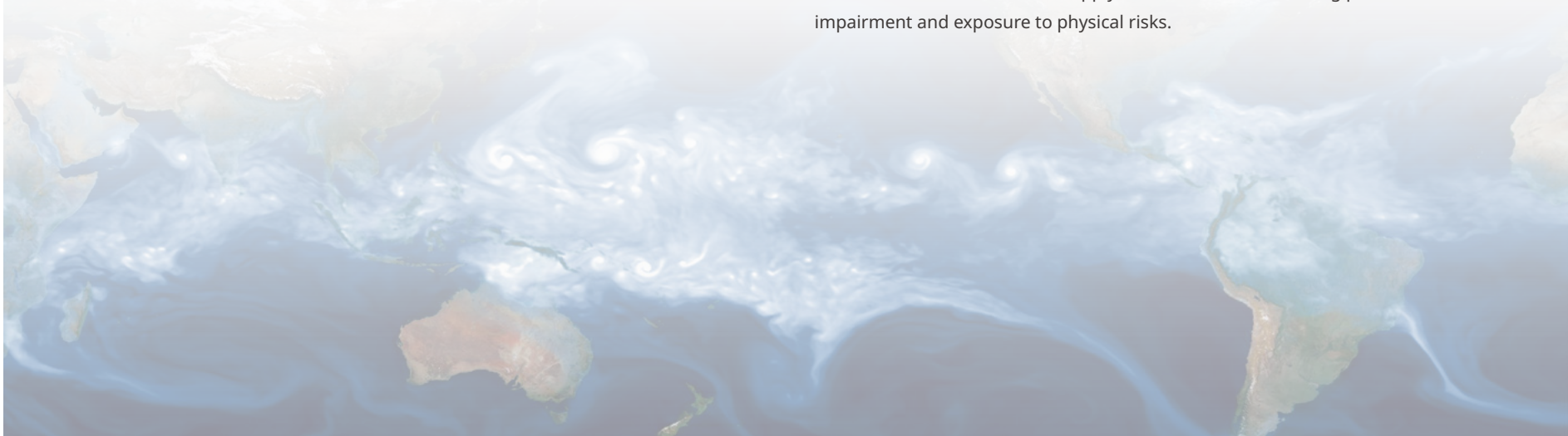
Corresponding to the Company's annual budgeting and capital expenditure cycles, with a focus on immediate compliance pressures arising from policy changes and regulatory requirements, as well as impacts on operational continuity.

Medium term (3-10 years):

Extending to around 2030, a critical transition period aligned with product development cycles and evolving industry standards. The focus is on transition risks arising from strengthened decarbonization policies, technological substitution, and changes in market access requirements.

Long term (beyond 10 years):

Taking a forward-looking perspective aligned with the 2050 net-zero target, this horizon assesses the long-term impacts of climate change and transition pathways on asset values, business models, and supply chain structures, including potential risks of asset impairment and exposure to physical risks.



Climate-related risks

| | Risk Type | Time Horizon | Potential Financial Impacts | Response Measures |
|------------------|---|---------------------|---|---|
| Physical Risks | <p>Acute Risks</p> <p>Extreme weather events and natural disasters, such as typhoons, heatwaves, floods, and droughts:</p> <ul style="list-style-type: none"> •May disrupt employee commuting and reduce productivity; •May cause damage to plant facilities and equipment, leading to decreased operational efficiency; •May result in transportation disruptions, congestion, or interruptions in logistics routes, leading to delivery delays. | Short-term | May lead to impairment of fixed assets, increased operating costs, and reduced revenue. | <ul style="list-style-type: none"> •Closely monitor weather conditions and issue early warnings in advance of extreme weather events; •Develop contingency plans for extreme weather and strengthen risk inspection and hazard identification; •Issue heatwave alerts and provide heatstroke prevention supplies, such as cooling beverages and materials; •Adopt a localized procurement approach, establish backup suppliers, and implement contingency plans to ensure supply chain stability; •Obtain appropriate insurance coverage to enhance risk resilience. |
| | <p>Chronic Risks</p> <p>Long-term shifts in climate patterns, such as global warming, sea level rise, and broader environmental and climate changes:</p> <ul style="list-style-type: none"> •May lead to resource scarcity, thereby affecting operations. | Long term | May result in impairment of fixed assets, reduced revenue, and increased operating costs. | <ul style="list-style-type: none"> •Encourage employees to reduce waste and improve resource and energy efficiency; •Conduct forward-looking identification and assessment of chronic climate risks and incorporate such considerations into site selection decisions for office locations. |
| Transition Risks | <p>Policy and Legal Risks</p> <p>Evolving regulatory requirements, including compliance obligations, industry-specific regulations, and enhanced ESG disclosure requirements:</p> <ul style="list-style-type: none"> •May require the Company to continuously monitor regulatory developments and respond in a timely manner; •May lead to higher operational standards and increased employee awareness requirements. | Medium to long term | May result in increased compliance costs. | <ul style="list-style-type: none"> •Closely track regulatory developments and ensure timely and compliant disclosures in accordance with applicable requirements; •Integrate ESG and climate-related risks into the overall risk management framework; •Provide various training programs to employees to ensure compliance in products and services. |
| | <p>Technology Risks</p> <ul style="list-style-type: none"> •Technological advancements and product upgrading driven by industry development may require increased investment in research and development; •Market and regulatory expectations for low-carbon technologies and innovation may have an impact on the Company. | Medium term | May result in increased research and development investment and higher operating costs. | <ul style="list-style-type: none"> •Monitor technological developments and continuously increase investment in research and innovation; •Pay close attention to demand for green products and services and integrate sustainability considerations into product planning; •Incorporate environmental and non-toxicity requirements into supplier selection criteria and include suppliers' ESG performance in evaluation and scoring. |
| | <p>Market Risks</p> <ul style="list-style-type: none"> •Increasing customer expectations regarding lifecycle carbon emissions management of products; •The cost of resources such as electricity, fuel, and water may fluctuate due to climate change; •Climate variability may lead to fluctuations or declines in demand for gardening tools. | Short to long term | May result in increased research and development investment, higher operating costs, and reduced revenue. | <ul style="list-style-type: none"> •Evaluate and optimize material usage strategies for products to balance environmental and economic benefits; •Continue to increase investment in lithium battery products to support the transition from traditional energy to renewable energy; •Strengthen energy conservation and emissions reduction management, prioritize the use of energy-efficient equipment, and reduce unnecessary energy consumption. |
| | <p>Reputation Risks</p> <ul style="list-style-type: none"> •Increasing public and stakeholder expectations for corporate social responsibility; •Poor environmental and climate performance, as well as negative publicity, may adversely affect the Company's reputation. | Long-term | May result in increased compliance costs and reduced revenue. | <ul style="list-style-type: none"> •Monitor sustainability and climate-related disclosure requirements and enhance external communication on corporate social responsibility; •Support public welfare and charitable initiatives, actively fulfill corporate social responsibilities, and strengthen brand reputation. |

Climate-related opportunities

| | Opportunity Type | Time Horizon | Potential Financial Impacts | Response Measures |
|-----------------------|--|----------------------|--|--|
| Market | •Growing customer awareness of environmental issues presents opportunities for lithium battery substitution in the OPE industry. | Short to long term | May lead to increased revenue. | •Continue to invest in the innovative design, research and development, production, and upgrading of lithium battery products, providing customers with greener products and services. |
| Resource Efficiency | •Adoption of more efficient operational approaches to improve resource utilization and support sustainable development. | Short to Medium term | May result in reduced operating costs. | •Explore and enhance operational efficiency and the use of clean energy, promote water recycling, reduce operational emissions, and minimize waste. |
| Products and Services | •Enhance market competitiveness through the development of green products. | Short to Medium term | May lead to increased revenue. | •Understand customer demand for green products and services and integrate sustainability considerations into product usage scenarios. |



RISK MANAGEMENT

The Company continuously explores and enhances its approach to managing climate-related risks and integrates such risks into its overall risk management framework. For further details on the risk management structure and processes, please refer to the section “Responsible Partnership – Corporate Governance – Internal Control and Risk Management” of this report. We expect that, in the short to medium term, climate-related risks will not have a material adverse impact on the Company’s financial position. To date, the Company has not identified any significant climate-related risks that would result in material adjustments to the carrying amounts of assets and liabilities in the financial statements for the next reporting year.

STRATEGIC RESILIENCE

Based on the risk identification and stress testing under the aforementioned scenarios, the Company’s climate resilience is assessed as follows:

Adaptability to Transition Risks:

Under the SSP1-2.6 scenario, the Company’s long-term focus on lithium battery technology applications has resulted in a product portfolio with relatively low embedded carbon intensity. The global transition toward low-carbon tools may, to some extent, reduce the Company’s exposure to policy-driven impairment risks and enhance the competitiveness of its products under increasingly stringent low-carbon market access requirements.

Resilience to Physical Risks:

Under the SSP5-8.5 scenario, extreme weather events may cause disruptions to certain production or logistics nodes. Through a diversified production layout and a certain degree of supply chain redundancy, the Company is able to mitigate, to some extent, the financial impacts arising from localized physical disruptions. In addition, climate-related risk factors have been incorporated into the Company’s asset insurance arrangements and infrastructure upgrade standards.

STATEMENT ON DISCLOSURE COMPLETENESS

Due to current limitations in the granularity of climate-related data collection and the complexity of quantifying financial impacts, this report primarily adopts qualitative disclosures and strategic alignment, in accordance with the data, capability and financial impact relief provisions provided by the Stock Exchange. Detailed disclosures on cross-industry metrics and industry-specific indicators are not currently provided. The Company is committed to continuously enhancing its internal climate risk assessment tools, with the aim of progressively improving the financial impact disclosures in future reporting periods. At present, the Company has not introduced an internal carbon pricing mechanism. Going forward, it will continuously assess the applicability of such tools in light of evolving policy developments and the implementation needs of its climate strategy.

METRICS AND TARGETS

We are fully aware of the potential impact of our operations on global climate change and are committed to responding to the Paris Agreement through concrete actions. Based on our identification of key climate risks and opportunities, the Company’s climate action plan focuses on reducing emissions. Following review and approval by the Board of Directors, the Company set its emissions reduction target in 2023 - We targeted to reduce Scope 1&2 carbon emissions by 30%¹ by 2030 and aim to achieve this through three primary pathways: advancing green products, enhancing green operations, and fostering a green culture.

| Green Product ² | GREEN OPERATION | GREEN CULTURE |
|--|---|--|
| <ul style="list-style-type: none"> •Expand the application of green energy technologies in products •Improve product performance and efficiency •Use green materials and manufacturing processes •Focus on full life-cycle emission management | <ul style="list-style-type: none"> •Improve operational efficiency and reduce waste •Optimize energy structure and improve energy utilization efficiency •Strengthen pollution and emission management •Green supply chain management | <ul style="list-style-type: none"> •Strengthen the promotion of green concepts to users and markets •Encourage and support employees to practice green lifestyle •Support green community environment |

In addition, we have proactively invested in our low-carbon transition with a total of RMB 76.48 million invested in distributed photovoltaic systems, ground-source heat pumps, daylighting systems, solar street lighting, and solar water heaters across our facilities.

During the reporting period, We received RMB 60,000 in green development subsidies from the Jiangning Development Zone in Nanjing.

1. The total emissions of Scope 1 and Scope 2 (based on the market) in 2030 will be reduced by 30% compared to the base year of 2021. The target is a net target, and is not derived using a sectoral decarbonization approach. The associated gross GHG emissions target is not disclosed but is in development, pending supporting data and methodologies. For details on the emission scope, please refer to the “Key Environmental Indicators” section.
 2. Please refer to Product Innovation section.



GREEN OPERATION

GREEN FACTORY CARBON MANAGEMENT

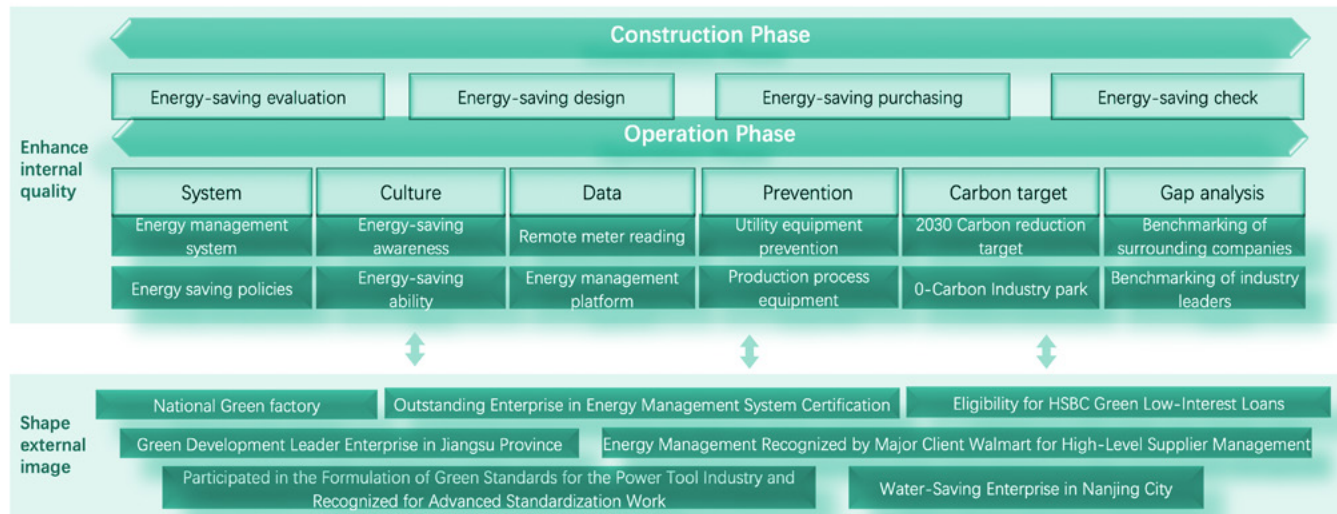
Since being recognized as the first “National Green Factory” in Nanjing in 2018, the Company has continued to advance the development of its energy and carbon management system, with related efforts progressing toward a more structured and systematic approach. The Company has established a carbon and energy management framework with standardized accounting boundaries and methodologies, forming consistent accounting principles, strengthening the underlying data foundation, and defining internal processes and responsibilities to support the planning of its carbon neutrality pathway.

In its green factory practices, the Company adopts its energy management system as the core and implements comprehensive management across the full lifecycle. During the construction phase of its industrial parks, energy-saving and environmental protection principles are integrated into planning, design, and completion acceptance to promote low-carbon infrastructure. During the operational phase, the Company has established a management framework built on four key pillars: standardized energy management systems, a culture of employee engagement in energy conservation, data monitoring platforms, and preventive maintenance mechanisms. Through ongoing industry benchmarking and internal optimization, the Company continues to strengthen the management of Scope 1 and Scope 2

emissions and enhance its overall energy and carbon management performance.

The Company has engaged Shanghai Greenment Environmental Technology Company to carry out a group-level ESG carbon management strategy consulting project, supporting its low-carbon transition and sustainable development objectives. The project focuses on establishing a unified and standardized carbon management system across major domestic and overseas operations, including the accounting of Scope 1 and Scope 2 emissions and the exploration of Scope 3 emissions management. In parallel, the project advances several key workstreams, including industry benchmarking and baseline assessment, organizational-level carbon verification and system development, science based carbon target setting and pathway planning, and pilot carbon footprint assessments for key products.

The key workstreams of the project have progressed as planned. Details of the organizational-level carbon verification and assurance are set out in the appendix to this report.



WATER RESOURCE MANAGEMENT

Water Use

The Company's primary source of water is municipal supply, and no issues were encountered in obtaining water for operations. To strengthen water resource management, the Company has established a water conservation leadership team and conducted water balance testing to identify and address inefficiencies in water use.

We have updated our water conservation management system through internal reviews, including water-saving measures, inspection and maintenance standards, and energy-saving guidelines for utility equipment. A green roof has been installed at the headquarters to collect rainwater for landscaping irrigation, enabling rainwater reuse and reducing the consumption of municipal water for irrigation. We have adopted closed-loop water-saving cooling towers and closed-loop cooling systems to reduce leakage, evaporation, and overflow during daily operations and to enable water reuse. Sensor-based faucets have been installed, and water-saving signage has been placed in water usage areas to remind employees to conserve water.

Wastewater

We control and treat both production and domestic wastewater, and have formulated and implemented the Wastewater Discharge Management Regulations. The EHS department leads other departments in developing and implementing wastewater reduction plans, ensuring that wastewater is managed and discharged by qualified personnel in accordance with relevant standards.

| | |
|-------------------------------------|--|
| <p>Industrial Wastewater</p> | <ul style="list-style-type: none"> •Industrial Wastewater, primarily from machining processes and containing emulsions, is managed through established pipelines that channel it to treatment stations. •For irregularly discharged industrial wastewater, we use specialized drainage trucks to transport them to these treatment facilities. •The Company has installed online wastewater monitoring equipment connected to the government's regulatory platform and engaged a third-party provider to conduct regular inspection and comparison tests, enabling real-time monitoring of key wastewater discharge indicators. |
| <p>Domestic Wastewater</p> | <ul style="list-style-type: none"> •Domestic wastewater originates from employee canteens and restrooms. In the canteens, isolation nets and containment structures are installed at drainage outlets to filter and settle wastewater containing food waste. •Additionally, we employ professionals to regularly clean and maintain the pipes, preventing overflow and ensuring effective wastewater management. |

Through compliance evaluations, we have established a wastewater monitoring plan and incorporated it into the pollutant discharge permit management system. Self-monitoring is conducted at appropriate intervals for rainwater, domestic wastewater, and industrial wastewater to ensure continuous compliance with discharge requirements.



ENERGY AND RESOURCE UTILIZATION

Chervon places strong emphasis on the efficient use of natural resources and is committed to building a resource-efficient and environmentally responsible enterprise, promoting the harmonious and sustainable development of people, resources, and the environment. Although our operations do not directly rely on natural resource extraction, we carefully consider the environmental impact of our manufacturing and business activities. When establishing new production and operating facilities, we conduct comprehensive environmental impact assessments to ensure that our practices do not harm biodiversity or the surrounding environment.

We have obtained ISO 50001 Energy Management System certification and continuously optimize our energy structure and improve utilization efficiency through various initiatives. These efforts help ensure that key performance indicators, such as energy intensity, remain aligned with leading industry and regional standards, supporting our broader strategy for energy conservation, sustainability, and low-carbon development.

Since 2014, we have invested in clean energy and expanded the use of renewable energy across our facilities, including solar water heating systems, solar street lighting, and daylighting systems. We have established and operate an Energy Management System (EMS) to enable real-time monitoring and intelligent control of utilities such as electricity, water, and gas. In addition, we have implemented digital tools, including ERP, MES, WCS, and WPS systems, to optimize production scheduling, reduce idle equipment time, and minimize unnecessary energy consumption.

We also prioritize the adoption of energy-efficient equipment, such as variable frequency air compressors and high-efficiency transformers and air conditioning systems with top-tier energy ratings. Furthermore, we generate power for our production and office facilities through rooftop photovoltaic systems and ground-source heat pumps. Our Germany facility operates on 100% green electricity, while our Nanjing facility utilizes solar energy and procures green electricity, with cumulative green electricity consumption reaching 19,900 MWh.

We are committed to improving energy efficiency through energy management, process optimization, equipment upgrades, operational control, and employee capability enhancement. During the reporting period, we implemented 10 new energy-saving projects, bringing the cumulative total to 45 projects, which have reduced carbon dioxide emissions by approximately 5,000 tons annually and generated cost savings of over RMB 3 million.

In addition, we strengthen process control through enhanced accountability and timely issue resolution. In 2025, through routine energy-saving inspections and internal reviews, we identified and addressed 215 instances of energy waste, supporting the achievement of our energy-saving targets.

The proportion of clean energy used across the Company exceeds 30%.



WASTE MANAGEMENT

By fostering a “right-first-time” zero-defect quality culture and a mindset of continuous improvement, we promote efficient resource utilization, control overproduction and excess inventory, and minimize waste generation.

For waste management, we adopt advanced treatment equipment and implement strict handling procedures for ongoing control. We have obtained the required discharge permits and conduct regular internal inspections as well as third-party testing to ensure compliance with applicable operational standards.

Air Emissions

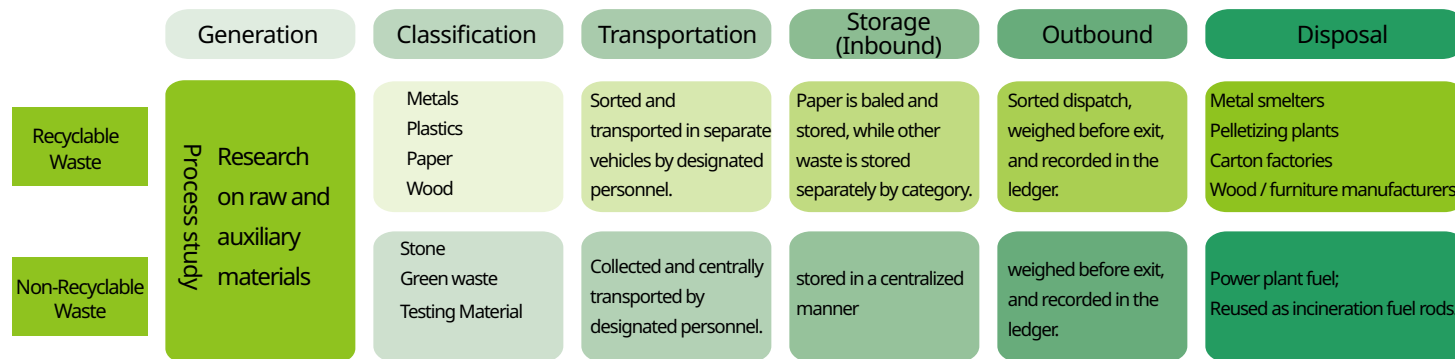
To ensure that air emissions comply with applicable emission standards, we have established internal Air Emissions Management Procedures and installed advanced treatment systems, which are operated on an ongoing basis. Relevant teams conduct daily monitoring of system performance and carry out regular maintenance, inspection, and repair of emission equipment, exhaust systems, and treatment facilities, with detailed records maintained as required.

We adhere to emission standards that in certain cases exceed national requirements, cooperate with inspections conducted by environmental authorities, and engage qualified third-party agencies to perform periodic testing in accordance with regulatory requirements.

Solid Waste

We follow the principles of reducing, recycling, and safe disposal in managing solid waste. We have established Solid Waste Management Procedures and implement standardized management practices for both solid waste and scrap materials, with clear accountability assigned across relevant functions.

We have identified the main categories of solid waste, including industrial waste, waste wood, paper waste, metal scrap, plastic waste, and used batteries. These materials are managed through a full lifecycle process covering generation, classification and collection, internal transfer, storage, and final disposal. All waste is ultimately handled by qualified third-party service providers to ensure compliant and responsible treatment.



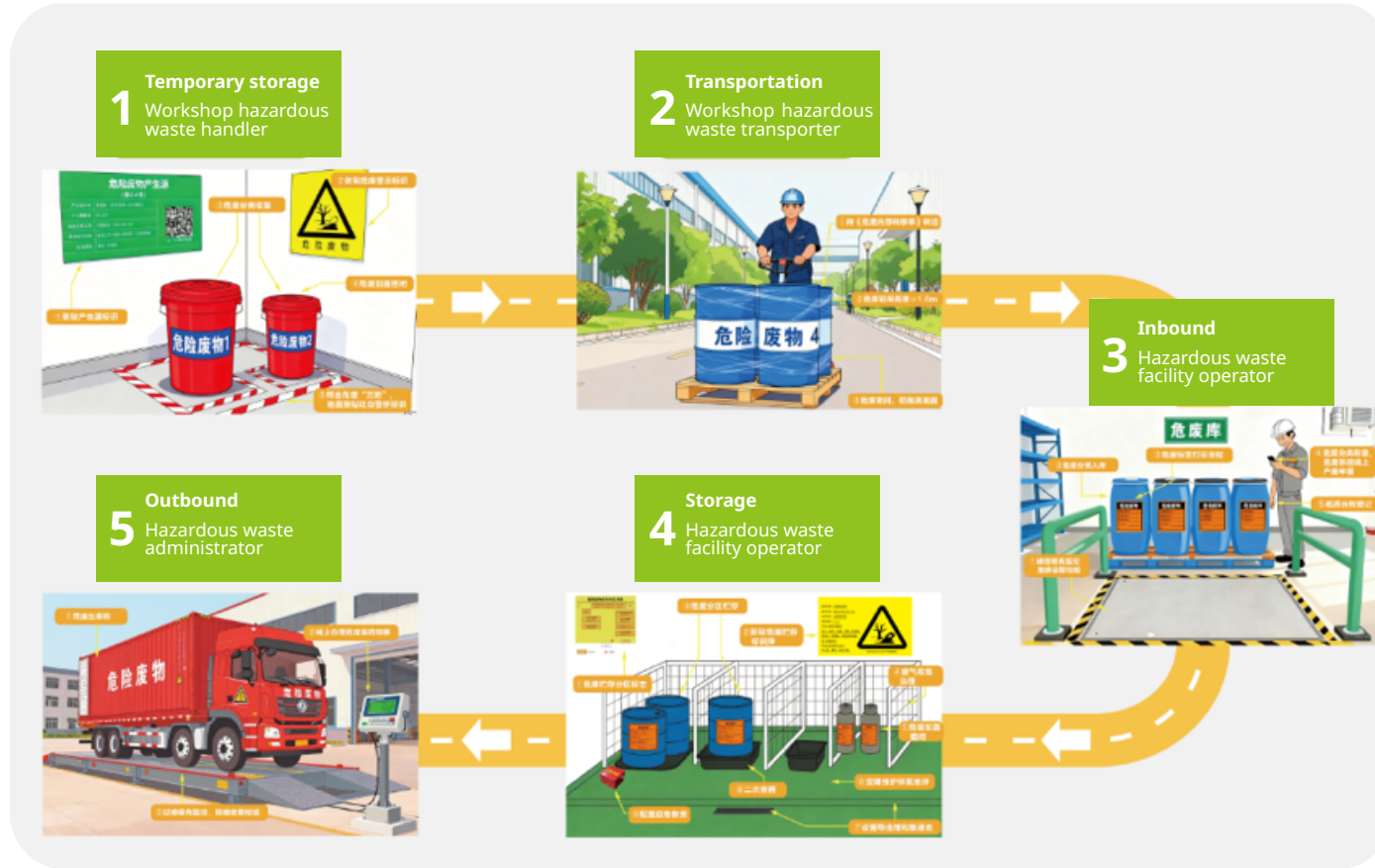
We have established dedicated storage areas for the recycling and reuse of scrap materials, supported by relevant management procedures. Reusable items are repurposed where feasible, and durable, reusable plastic turnover boxes are used to replace easily damaged cardboard packaging, helping to reduce solid waste and packaging waste generation.



Hazardous Waste

We apply stringent management practices for hazardous waste. Dedicated temporary storage areas and hazardous waste storage facilities are established with clear labeling. Designated personnel are responsible for classification and collection, on-site transfer, weighing upon entry, categorized storage, and outbound handling, ensuring full lifecycle control. The process is verified by environmental engineers and supervised by the EHS department, and all hazardous waste is regularly disposed of by qualified third-party service providers.

The entire life cycle of hazardous waste and key control points



We improve adhesive utilization rates on production lines to reduce the generation of waste adhesive and packaging waste, thereby minimizing hazardous waste emissions.

P
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KEY ENVIRONMENTAL INDICATORS

| indicator | | Year 2024 | Year 2025 |
|---|---|------------|------------|
| Water | Water consumption (ton) | 479,214 | 522,308 |
| | Water consumption per thousand unit of product | 24.2 | 36.9 |
| | Sewage discharge (ton) | 426,828 | 305,515 |
| | Sewage discharge per thousand unit of product | 21.5 | 21.6 |
| Energy | Electricity (kWh) | 36,928,011 | 35,551,529 |
| | Natural gas (m3) | 247,794 | 302,190 |
| | Gasoline (liters) | 23,616 | 12,171 |
| | Diesel (liters) | 140,345 | 8,534 |
| | Steam (ton) | 4,235 | 3,609 |
| | Comprehensive energy consumption (ton of standard coal) | 5,478 | 5,092 |
| | Energy consumption per thousand unit product (ton/thousand units) | 276 | 352 |
| Emissions | Total GHG (Scope 1+2) emissions (tons CO ₂ equivalent) | 22,253 | 22,015 |
| | GHG (Scope 1) emissions (tons CO ₂ equivalent) | 1,083 | 2,494 |
| | GHG (Scope 2) emissions (tons CO ₂ equivalent) | 21,170 | 19,520 |
| | GHG (Scope 3) emissions (tons CO ₂ equivalent) | | 1,532 |
| | Total amount of hazardous waste (ton) | 279 | 217 |
| | Amount of hazardous waste per unit product (kg/thousand units) | 14 | 15 |
| | Total amount of industrial solid waste / non-hazardous waste (ton) | 5,896 | 4,875 |
| | Amount of industrial solid waste / / non-hazardous waste per unit product (kg/thousand units) | 297 | 345 |
| | Total amount of recyclable waste (ton) | 5,423 | 4,404 |
| | Amount of recyclable waste per unit product (kg/thousand units) | 273 | 311 |
| Total VOCs emission (kg) | 3,523 | 1,614 | |
| VOCs emission per unit product (g/thousand units) | 178 | 114 | |

Notes:

- Greenhouse gas (GHG) emissions (Scope 1 and Scope 2) are accounted in accordance with the GHG Protocol and relevant national standards.
- Greenhouse gas (GHG) emission sources include: Scope 1—stationary combustion, process emissions, mobile combustion, and fugitive (unorganized) emissions; Scope 2—purchased electricity and purchased heat/steam. The emitted gases include CO₂, CH₄, N₂O, R-410, R-134, and SF₆, among others.
- Key emission factor calculation results are derived from, but not limited to, the following sources:
 - GB/T 32151.29: Requirements for the Accounting and Reporting of Greenhouse Gas Emissions — Part 29: Machinery Manufacturing Enterprises
 - 2006 IPCC Guidelines for National Greenhouse Gas Inventories
 - Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors by China's Ministry of Ecology and Environment and the National Bureau of Statistics
 - Official Document No. 1726/BĐKH-PTCBT issued by the Department of Climate Change under Vietnam's Ministry of Natural Resources and Environment
 - Report published by the German Federal Environment Agency (UBA): Development of Specific Greenhouse Gas Emissions of the German Electricity Mix from 1990 to 2023
 - U.S. RFC Western Factors (Version date: 6/12/2025; dataset: eGRID with 2023 Data)
- Scope 3 emissions are categorized and accounted for in accordance with the GHG Protocol. At the current stage, the primary coverage includes indirect emissions from business travel and emissions associated with waste treatment processes. Other categories of Scope 3 emission sources will be progressively incorporated into the inventory as data availability improves and accounting methodologies mature, with continuous expansion and enhancement of disclosure scope.
- The reporting boundary covers our main production and operational sites. Some smaller sales offices are not included in the scope of this disclosure.
- The Company does not currently use carbon credits to offset greenhouse gas emissions.



GREENHOUSE GAS EMISSION

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|--------|--------|--------|--------|--------|
| Total GHG emissions, Scope I & II (tons CO ₂ equivalent) | 27,194 | 27,264 | 23,242 | 22,253 | 22,015 |
| Carbon reduction against 2021 Baseline | - | 0% | -15% | -18% | -19% |

Restatement:

In the 2021 and 2022 ESG reports, total greenhouse gas (GHG) emissions (Scope 1 and Scope 2) were disclosed as 23,824 tons and 24,584 tons, respectively. Following verification and a revision of the reporting boundary, these figures have been restated to 27,194 tons and 27,264 tons, respectively.

The restatement is primarily attributable to a change in the reporting boundary. Previously, only emissions from the Group's manufacturing facility in Nanjing, China were included. The revised figures now cover total emissions from the Group's major global production and operational sites, including leased facilities.

The 2021 baseline used for target setting is also adjusted accordingly to reflect the updated reporting boundary.



GREEN CULTURE

To advance sustainable development, the Company actively promotes a green culture and encourages employees to adopt environmentally friendly lifestyles.

The Company organizes a variety of initiatives, including carpooling programs during the Spring Festival travel season and tree-planting activities, to embed sustainability principles into daily practices. In addition, thematic communication campaigns are conducted to facilitate in-depth discussions on the Company's internal carbon emissions, enhancing employees' awareness of green products, clean energy, and sustainable behaviors, and further promoting green office practices and low-carbon lifestyles.

These initiatives have effectively strengthened employees' environmental awareness, fostered a strong culture of sustainability across the organization, and contributed to the achievement of the Company's sustainable development goals.

Tree-Planting Day Activity

In 2025, the Company organized a tree-planting event ("A Tree for Me at Chervon") at its Green Power Industrial Park. A total of 166 employees participated in the activity, planting 53 saplings, including cherry blossom, bauhinia, and hibiscus trees, adding vibrant greenery to the park and contributing to a more sustainable environment.



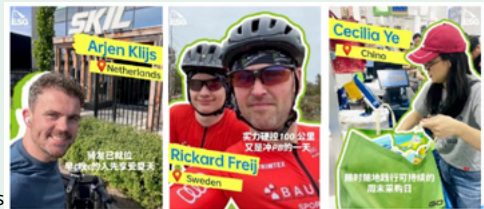
Representatives from the Jiangning Development Zone Ecology and Environment Bureau, as well as local enterprises, participated in the Company's World Environment Day activities. They observed and learned about the Company's environmental initiatives, including the full-process operation of its industrial solid waste management facilities.



World Environment Day Activity

June 5, 2025 marked the 54th World Environment Day. The Company launched a "Low-Carbon Environment Week" campaign, featuring a series of themed engagement activities.

Employees from regions including China, the Netherlands, and Northern Europe actively participated by sharing their low-carbon practices. Through these initiatives, employees demonstrated their commitment to personal well-being and environmental responsibility, reinforcing that sustainable living can be integrated into everyday actions.



Mountain Cleanup Activity

In 2025, participants of the "2025 Chervon Leadership Development Program" gathered at the foot of Zijin Mountain to carry out a "Mountain Cleanup" initiative, bringing a refreshing green impact to the area. Equipped with eco-friendly bags and litter pickers, the team carefully collected waste such as plastic bottles and packaging along hiking trails and within forested areas.



RESPONSIBLE PARTNERSHIP

Chervon adopts "comprehensive systems, clear responsibilities, process-driven operations, and cultural leadership" as its governance philosophy. By establishing clear standards and ethical codes, we promote the stable operation of the value chain and achieve win-win cooperation.

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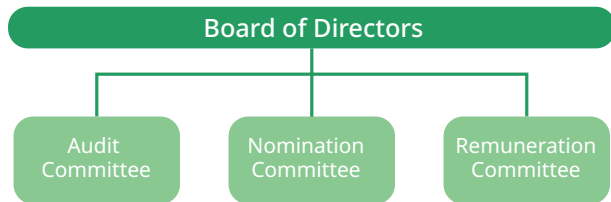
- CORPORATE GOVERNANCE
- ANTI-CORRUPTION AND BUSINESS ETHICS
- INFORMATION SECURITY AND PRIVACY PROTECTION
- SUPPLY CHAIN MANAGEMENT
- SUPPORT OUR COMMUNITY



CORPORATE GOVERNANCE

We have established a diverse Board and management team with exceptional capabilities. The Board provides comprehensive leadership, oversees strategic decisions, and monitors business performance. Executive Directors, as senior management of the Company, are authorized by the Board to manage day-to-day operations and make operational and business decisions within the Company's control and authorization framework.

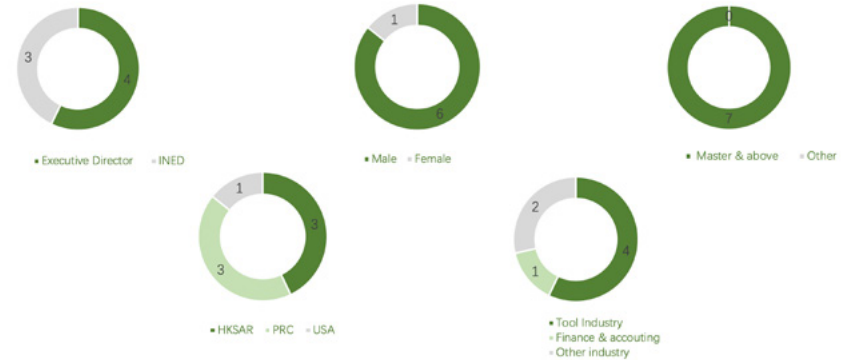
The Board has established three committees: the Audit Committee, the Remuneration Committee, and the Nomination Committee, each bearing clear responsibilities within its scope. We have publicly disclosed the Terms of Reference for each committee. Our Executive Directors all hold master's degrees or higher, with over 30 years of experience in the power tool industry and extensive expertise in corporate management. Our Independent Non-Executive Directors meet the independence criteria of the Listing Rules, with tenures not exceeding nine years, and possess substantial experience in business operations, strategy, or investment oversight.



| Chairperson | Dr. Li Minghui | Mr. Jiang Li | Mr. Tian Ming |
|-------------|----------------|----------------|------------------|
| Members | Mr. Tian Ming | Mr. Tian Ming | Dr. Li Minghui |
| | Mr. Jiang Li | Ms. Zhang Tong | Mr. Pan Longquan |

Note: Mr. Tian Ming resigned as an Independent Non-Executive Director on November 28, 2025, and concurrently stepped down from his positions in several committees. On February 4, 2026, Dr. Fan Hao was appointed as an Independent Non-Executive Director and simultaneously took office as the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. As this report aims to provide a comprehensive reflection of the overall governance structure and performance for the 2025 fiscal year, and given that Mr. Tian Ming served for more than ten months during that year, the statistics and presentation of governance data within the reporting period remain based on his contributions during his tenure.

BOARD STRUCTURE



For more information on our directors and corporate governance, please refer to the Corporate Governance Report in the Company's 2025 Annual Report.

SHAREHOLDER COMMUNICATION POLICY

The Company has established a Shareholder Communication Policy and regularly reviews it to ensure effectiveness and alignment with best practices. Key communication channels include the annual report, interim report, Annual General Meeting (AGM), and other general meetings, with all relevant disclosures available on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (<https://global.chervongroup.com>). The AGM fosters constructive dialogue with shareholders, encouraging active participation. Notices, circulars, and proxy forms are sent in advance in accordance with the requirement set out in Listing Rule and Articles of Association before the general meetings, providing details on proposed business and relevant information. In 2025, we held two shareholder meetings and multiple investor exchange sessions, including annual and interim results briefings, analyst meetings, and shareholder roadshows.

INTERNAL CONTROL AND RISK MANAGEMENT

To better identify and manage business and compliance risks, our internal control system is modeled after the COSO framework. We have constructed a standardized "Three Lines of Defense" management model to regulate business processes, effectively mitigate operational risks, and provide solid support for the Company's strategic objectives.



The Company has established an Internal Control and Risk Management Team under the Audit Committee, which is responsible for supervising the daily operations of business departments, conducting risk inspections, aggregating risk results, and issuing risk warnings. Meanwhile, an audit function independent of management provides ex-post audit supervision and evaluation.

We have formulated the "Internal Control Management System" and the "Internal Control Self-Assessment Management Measures" to conduct in-depth reviews of key business processes and functional segments. We continuously optimize our institutional management system and have utilized intelligent and digital platforms to build a Legal and Compliance Department Resource Center, enhancing the efficiency of information sharing. We implement internal control assessments in stages, identifying functional control points in detail and promoting the implementation of rectifications to continuously improve compliance management and fortify our control lines. In 2025, the rectification rate of internal control deficiencies reached 97%.

Based on ISO 31000 risk management principles and risk management guidelines for central enterprises, and in alignment with the Company's strategic planning, we have constructed a risk database comprising 169 risks across strategic, market, financial, legal, and operational, as well as ESG and Climate dimensions. We have also established a tiered management mechanism to continuously enhance the Company's ability to navigate complex market environments, providing solid support for steady operations. In the future, we will continue to optimize internal control processes and drive improvements in management efficiency.



ANTI-CORRUPTION AND BUSINESS ETHICS

We maintain strict adherence to all applicable laws and regulations, setting high ethical standards for our directors, employees, consultants, and business partners. Our commitment lies in fostering a corporate culture rooted in integrity and accountability. By implementing a comprehensive suite of measures, we continue to fortify our anti-corruption framework and uphold the highest standards of business conduct.

Our internal governance is anchored by policies such as the Anti-Fraud Management System and the Code of Conduct and Corporate Regulations Manual. These frameworks ensure that every member of our team operates with integrity, fairness, and a steadfast commitment to compliance.

In our engagements with third parties, we leverage our SRM system to perform robust supplier due diligence. We require all partners to sign a Partner Integrity Commitment, pledging to conduct business with impartiality and honesty. This approach ensures that our value chain remains built on mutual trust, fostering a transparent and clean procurement environment.

Professional ethics and compliance training are mandatory for all directors and staff. In 2025, our Board members completed dedicated anti-corruption training, and we launched a company-wide awareness campaign featuring five specialized articles on business ethics. Furthermore, we conducted targeted anti-fraud and compliance workshops for our procurement teams—both full-time and part-time—achieving a total of 100 training participations.

MISCONDUCT REPORTING

We have established a comprehensive whistleblowing system that allows employees to report potential conflicts of interest directly to their supervisors or the compliance department. While anonymous reports are accepted, we encourage whistleblowers to provide their names and contact information to facilitate follow-up investigations and feedback on results. We strictly prohibit any form of discrimination or retaliation against whistleblowers and are committed to maintaining the confidentiality of all allegations. Every report undergoes a thorough investigation to effectively address and resolve any misconduct.

In 2025, the Company received no complaints or reports related to breaches of business ethics, nor were there any legal cases regarding corruption brought against the Company or its employees.

Compliance Management Email: chervoncompliance@cn.chervongroup.com

Compliance Reporting Hotline: 025-87729110

ANTI-UNFAIR COMPETITION

The Company strictly adheres to the relevant laws and regulations in all jurisdictions where we operate and resolutely opposes participation in any unfair or improper forms of market competition. In 2025, the Company was not involved in any legal proceedings related to unfair competition, anti-trust, or anti-monopoly laws.

INFORMATION SECURITY AND PRIVACY PROTECTION

The Company strictly complies with relevant laws and regulations, including the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Personal Information Protection Law (PIPL), and the EU General Data Protection Regulation (GDPR). We have formulated policies such as the Information Security Management Manual, the Information Security Compliance Management Regulations, the Access Control Management Regulations, and the Network and Communication Management Regulations. Furthermore, we have obtained ISO/IEC 27001 Information Security Management System certification to fortify our information security defenses.

The Group's information security department, adhering to principles of in-depth defense and continuous improvement, has designed a multi-layered, regionally integrated network security architecture. Horizontally, each area is safeguarded by relevant security devices, such as firewalls. Vertically, we apply a defense-in-depth approach, employing multiple layers of security technologies—from peripheral borders and intermediate network transmission to user terminals—to ensure comprehensive control and recording of network transmission, authorization, access control, threat monitoring, event alerts, and responses.



We implement disk encryption, mandatory strong password policies, and automatic screen locking on company computers; remote work must be conducted via VPN access. Following the Principle of Least Privilege, permissions for external network access, external email, USB usage, and local administrator rights must be formally requested and are subject to regular reviews. Simultaneously, we have deployed Data Loss Prevention (DLP) systems to block the unauthorized transfer of sensitive data via email or USB devices. All terminals are equipped with Endpoint Detection and Response (EDR), which undergoes regular updates and scans. We have also defined clear requirements for user account management: employees must apply for system and network drive permissions through the collaboration portal, with authorizations granted based on roles and modules only after formal approval.

Protecting consumer data and privacy is also a key priority. We have established the Personal Information Protection Management Regulations to publicly disclose the rules for collecting and using personal information and our protection commitments. We adhere to the principles of lawfulness, legitimacy, necessity, and minimization, obtaining separate consent for processing sensitive information and implementing data masking in our systems. We partner with leading, world-renowned cloud service providers to manage customer and user data, implementing robust privacy protection measures across all regions.

We regularly organize information security training for employees to enhance their awareness and knowledge of cybersecurity protection.

In 2025, the Company received no complaints related to customer privacy or data breaches.



SUPPLY CHAIN MANAGEMENT

At Chervon, effective supply chain management is a strategic priority. Our procurement activities span a diverse range of categories, including production equipment, raw materials, logistics, warehousing, and professional consulting services. Given that non-productive procurement represents a minor portion of our total spend and carries less social risk, our management focus is strategically concentrated on production-related suppliers. The disclosures provided in this section primarily focus on this critical group.

Guided by our core philosophy of "openness, mutual trust, and win-win synergy," we strive to cultivate enduring, stable, and mutually beneficial partnerships. We are steadfast supporters of the United Nations Guiding Principles on Business and Human Rights (UNGPs), positioning compliance with local regulations and Chervon's Code of Conduct as the baseline for any collaboration. These expectations are institutionalized as binding legal obligations through our standard procurement agreements and contractual frameworks, ensuring ethical integrity across our value chain.

Our supply chain mission is to harness rigorous screening protocols and digital management tools to forge a high-quality supply chain that is accountable, transparent, and anchored in sustainability. This approach is essential to strengthening our business resilience. We maintain a high-standard lifecycle management mechanism that governs every phase of the supplier relationship—from initial development and evaluation to onboarding, regular auditing, and strategic exit. By embedding ESG principles into every facet of our procurement process, we ensure our supply chain remains fully aligned with our long-term sustainability vision.

Supplier Onboarding

We conduct comprehensive assessments of new suppliers, with a primary focus on their qualifications, management systems, operational stability, product quality, and ESG performance. Our selection process integrates insights from business, finance, legal compliance, and procurement departments to ensure a holistic evaluation.

Supplier Management

We implement a tiered management system based on supplier capabilities and performance. Through a comprehensive assessment of environmental, labor, operational, collaborative, and commercial risks, we categorize suppliers into five risk levels. This allows us to execute customized procurement strategies and management plans tailored to each supplier's risk profile, enhancing overall risk mitigation and procurement efficiency.

Our Supplier Relationship Management (SRM) system facilitates closed-loop, full-lifecycle management—encompassing supplier development, qualification onboarding, dynamic assessment, and performance review, through to eventual exit.

Our primary manufacturing facilities are located in China, Vietnam, and Germany. To optimize logistics, reduce greenhouse gas emissions, and support local communities and economies, we prioritize localized sourcing from suppliers near our production sites, provided that quality and cost requirements are met. In 2025, we worked with a total of 798 global suppliers. Among them, 88.6% were based in China, while 11.4% were located in other regions.

SUPPLY CHAIN EMPOWERMENT



3D and 8D training for Vietnam-based suppliers focused on quality management

Using training as a bridge, we are committed to building a mutual-growth supply ecosystem. In 2025, the Company implemented a phased supply chain empowerment initiative: starting at the beginning of the year with the promotion of new product development, ISIR processes, and environmental compliance to fortify the entry barrier; moving to mid-year training on key process specifications such as wire harness crimping to consolidate the manufacturing foundation; and concluding the year with workshops on 3D y and 8D quality problem-solving methodology to enhance core analytical and problem-solving capabilities. By transitioning from procedural standardization to specialized skills, we aim to drive our supply chain partners from "standard compliance" to "operational excellence" through comprehensive knowledge-sharing, collectively promoting the high-quality development of the industry chain.

SUPPLY CHAIN INTEGRITY COMMITMENT

We maintain a zero-tolerance policy toward corruption and bribery.

We require our manufacturing and trading suppliers to sign commitments regarding integrity and honesty. Furthermore, we conduct various forms of procurement compliance reviews to establish fair, transparent, honest, and trustworthy business relationships. In 2025, 100% of our domestic suppliers signed the "Partner Integrity and Honesty Commitment."

To further standardize supply chain management and enhance the compliance awareness and social responsibility of our partners, the Company has integrated requirements across procurement, quality, factory audits, and client standards to formulate and issue the "Supplier Red Line Commitment." This document defines the fundamental principles for cooperation and requires all partners to strictly adhere to all regulations. To ensure the effective implementation of these commitments, the Company has established robust oversight mechanisms, including periodic compliance audits and unannounced on-site inspections. Partners are required to actively cooperate by providing relevant supporting documents, opening production sites for inspection, and completing rectifications within specified timeframes. Additionally, suppliers are expected to maintain a comprehensive compliance record-keeping system to ensure that all information provided is authentic, accurate, and complete.

We have clearly defined breach-of-contract mechanisms for suppliers, whereby we will take appropriate measures based on the severity of the violation, including but not limited to required rectifications within a time limit, financial compensation, business downgrading, or termination of cooperation. Meanwhile, we encourage suppliers to establish continuous improvement mechanisms to constantly elevate their compliance management through periodic self-inspections and employee training.

Looking ahead, we will continue to optimize our supplier management system and drive the overall compliance level of our supply chain, laying a solid foundation for the Company's steady operations.

SUPPLY CHAIN SUSTAINABILITY

Chervon aspires to collaborate closely with our partners to collectively drive improvements and refinements within the ESG framework, ensuring long-term and stable cooperation. We have formulated the Supplier ESG Management Commitment as the fundamental principle governing the partnership between Chervon and our partners. This document sets out explicit provisions regarding environmental responsibility, the prohibition of hazardous chemicals, social responsibility, counter-terrorism security, the avoidance of "conflict minerals," compliance requirements, intellectual property and confidentiality, integrity and anti-bribery, operational commitments, and enforcement and accountability. Both parties acknowledge and sign this commitment to ensure behavioral compliance and to advance the sustainable development of our supply chain.



SUPPORT OUR COMMUNITY

Through participation in community education and charitable initiatives, we are committed to enhancing the well-being of residents and creating value for society. Our efforts include providing educational resources, sponsoring scholarships, and supporting sustainable local development projects. By nurturing talent, strengthening education, and creating opportunities, we strive to promote a more equitable and sustainable society, ultimately contributing to a better world.

In 2025, the value of the Company's charitable donations reached approximately RMB 2.4 million, and employee volunteer service hours totaled 465 hours.

Nanjing , China

Charity Run and the "Seeds of Hope Program"

In 2025, the 11th Chervon Run kicked off with passion along the shores of Baijia Lake. More than 1,500 Chervon partners ran for a cause, raising RMB 288,170.57 in donations to support the "Seeds of Hope Program", marking the beginning of Chervon Run's "New Decade." Through the "Fun Run Charity Bazaar," we created a vibrant "energy station" for runners, with all sales proceeds contributed to public welfare initiatives.



Shanghai, China

During the grand finals of the 2nd National "Golden Craftsman Cup" Door and Window Installation Competition, DEVON provided professional tool support for elite craftsmen from across the country.



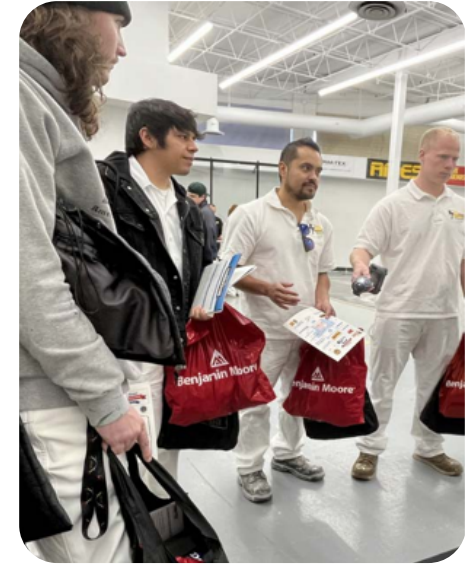
Remseck, Germany

FLEX, in collaboration with Scholl Concepts, conducted four sessions of Automotive Detailing Masterclasses, catering to a diverse audience ranging from entry-level enthusiasts to seasoned professionals. The program successfully completed professional accreditation for multiple groups of participants. As a deep-seated partnership spanning five years, FLEX continues to drive the evolution of industry service standards through systematic talent cultivation, delivering professional technical value to the sector.



Chicago, USA

FLEX has established deep-seated partnerships with the Finishing Trades Institute of DC14 Chicago and Carpenters Local 27. We assist the institutes in designing practical tool-based curriculum modules and provide customized tool training for union members, empowering practitioners' vocational advancement with professional tool technology.



Naperville, USA

The Chervon North America team partnered with the local non-profit organization, The Conservation Foundation, to actively participate in community environmental enhancement projects, powered by EGO's green energy products. This collaboration serves as a tangible demonstration of green technology empowering community development and a vivid implementation of Chervon's ESG strategy—translating brand vision into visible community action through the hands-on efforts of our employees.



APPENDIX

Appendix 1. List of Business Units of Chervon Holdings

America

CHERVON NORTH AMERICA, INC.
CHERVON CANADA, INC.

Europe

CHERVON EUROPE LIMITED
CHERVON GMBH
SKIL B.V.
EGO EUROPE GMBH
FLEX GESCHÄFTSFÜHRUNGS GMBH
FLEX VERWALTUNGS GMBH & CO. KG
FLEX ELEKTROWERKZEUGE GMBH
FLEX POWER TOOLS BV
FLEX ITALIA S.R.L
FLEX POWER TOOLS B.V.
FLEX POWER TOOLS LIMITED
FLEX ELEKTRONÁŘADÍ, S.R.O
FLEX ELECTROPORTATIF MACHINES ET ACCESSOIRES-FEMA
FLEX SCANDINAVIA AKTIEBOLAG
CHERVON NORWAY AS
STIERMAN DE LEEUW B.V.

Oceania





















CHERVON AUSTRALIA PTY
CHERVON NZ SUBSIDIARY LIMITED

Asia

CHERVON HOLDINGS LIMITED
CHERVON OVERSEAS HOLDINGS LIMITED
CHERVON (CHINA) INVESTMENT CO. LTD¹
NANJING CHERVON INDUSTRY CO. LTD
CHERVON (HK) LIMITED
CHERVON(CHINA) TOOLS SALES CO. LTD
CHERVON(CHINA) TRADING CO.LTD
CHERVON INDUSTRY (VIETNAM) CO.,LTD
FLEX POWER TOOLS MIDDLE EAST FZCO

¹ The Company obtained shareholder approval at an extraordinary general meeting in May 2025 and subsequently completed the disposal in June 2025.

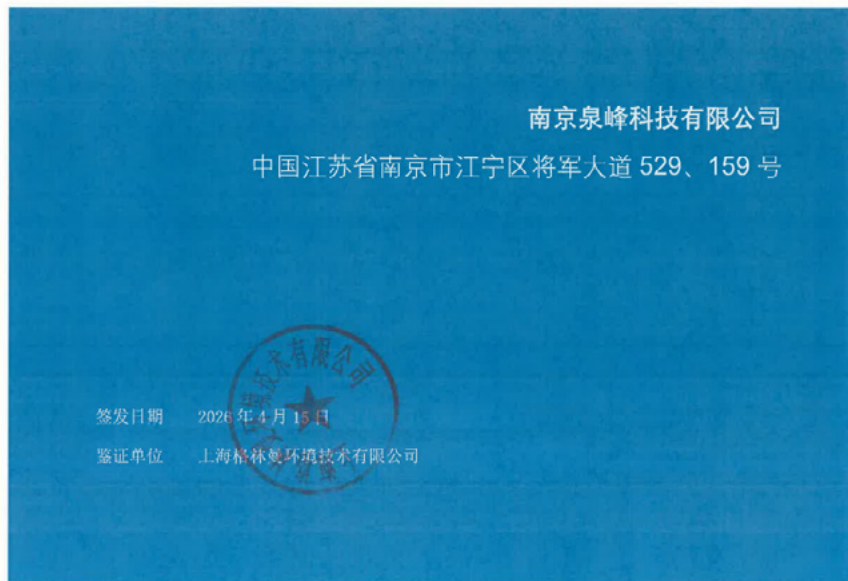
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Appendix 3. GHG Assurance Report

上海建工 环境科技

南京泉峰科技有限公司 2025年度温室气体鉴证报告



鉴证结论

上海格林曼环境技术有限公司（以下简称“格林曼”）受南京泉峰科技有限公司（以下简称“泉峰科技”）委托，根据《温室气体核算体系：企业核算与报告标准》（以下简称“《GHG Protocol》”）标准要求，对泉峰控股有限公司（以下简称“泉峰控股”）披露的 ESG 报告中纳入温室气体核算范围的四家公司（以下简称“泉峰公司”，详见附录 A）开展 2025 年度自身运营层面（范围 1&范围 2）的温室气体核查清册（以下简称《清册》）结果的鉴证，确保《清册》计算结果完整准确，满足用于泉峰控股内部报告的目的，最终完成本《2025 年度泉峰温室气体鉴证报告》（以下简称“本鉴证报告”），鉴证结论如下：

格林曼已根据《GHG Protocol》标准要求，对泉峰公司在 2025 年 1 月 1 日至 2025 年 12 月 31 日期间的组织边界范围（见附录 A）内《清册》的温室气体排放量进行了有限保证等级核查。泉峰公司的组织层面《清册》的核算结果经核查符合《GHG Protocol》的要求，其中：

- 范围 1 温室气体排放
2,494.44 吨二氧化碳当量；
- 范围 2 温室气体排放
24,565.98（基于位置）吨二氧化碳当量；
19,520.44（基于市场）吨二氧化碳当量；
- 经量化的范围 1&范围 2 总排放量
27,060.42（基于位置）吨二氧化碳当量；
22,014.88（基于市场）吨二氧化碳当量。

泉峰公司温室气体排放的具体类别详见本鉴证报告的附件，本鉴证报告附件是鉴证结论的重要组成部分。

附录A

泉峰公司温室气体鉴证核查组织边界范围清单

| 序号 | 企业名称 | 简称 | 国家 | 省市 | 地理边界范围 |
|----|-------------------------------------|---------|----|-----------------------------|--------------------------------------|
| 1 | 南京泉峰科技有限公司（研发中心） | NJ-99 | 中国 | 南京 | Nanjing HQ (99) |
| 2 | 南京泉峰科技有限公司（529基地） | NJ-529 | 中国 | 南京 | Green Power Ind. Park (529) |
| 3 | 南京泉峰科技有限公司（308基地） | NJ-308 | 中国 | 南京 | Industry park (308) |
| 4 | Flex Verwaltungs GmbH & Co.KG | Flex DE | 德国 | Baden-Württemberg/Steinheim | Flex HQ |
| 5 | Chervon North America Inc. | NA-HQ | 美国 | USA / Naperville, IL | USA / Naperville, IL NA Headquarters |
| 6 | Chervon Industry (Vietnam) Co., Ltd | CVN | 越南 | Vietnam/Ho chi minh | Vietnam/Ho chi minh Vietnam factory |

附录B

泉峰公司温室气体各排放源分类排放情况

| 排放源分类 | 基于位置排放量 (吨二氧化碳当量) | 基于市场排放量 (吨二氧化碳当量) |
|-----------|-------------------|-------------------|
| 固定源 | 656.63 | 656.63 |
| 移动源 | 50.00 | 50.00 |
| 制程排放 | 20.69 | 20.69 |
| 逸散（无组织）排放 | 1,767.13 | 1,767.13 |
| 外购电力 | 24,271.74 | 19,226.20 |
| 外购蒸汽 | 294.24 | 294.24 |

● 鉴证核查目的

通过有限保证核查泉峰公司的温室气体《清册》在内部报告目的上是否完整准确，具体涉及：

- 1) 温室气体排放量如《清册》所声明；
- 2) 《清册》的数据准确、完整、一致、透明，且无重大错误或遗漏。

● 适用范围

泉峰科技委托格林曼基于《GHG Protocol》进行一次独立鉴证核查，以确保泉峰公司《清册》所报告的温室气体排放量，在下述的核查范围内符合《GHG Protocol》的要求。泉峰公司的温室气体《清册》基于历史数据与信息编制完成。

- 1) 范围覆盖组织边界范围（见附录A）内人类活动引起的温室气体排放的鉴证核查。
- 2) 温室气体种类包括：二氧化碳、甲烷、氧化亚氮、氢氟碳化物、全氟碳化物、六氟化硫、三氟化氮。
- 3) 以下期间的温室气体信息已被核查：2025年01月01日至2025年12月31日。
- 4) 采用的全球变暖潜能：IPCC第5次评估报告。
- 5) 本鉴证报告的预期用户：私人使用者。

● 标准/准则

格林曼进行鉴证核查评估所依据的标准/准则：《GHG Protocol》。

● 格林曼的鉴证核查方法包括但不限于收集和分析以下内容：

- 1) 通过与管理层沟通或问卷调研获取的定量数据；
- 2) 通过接收来自信息管理系统的数据文件获取的定量数据；

- 3) 数据的支持性证据文件。

● 责任

泉峰科技指定自身为责任方，负责根据《GHG Protocol》中规定的要求，准备并公允呈现其温室气体《清册》所需的其他支持信息。格林曼负责基于核查活动的结果对温室气体《清册》表达意见，这些核查活动旨在评估温室气体《清册》在定量和定性阈值方面是否存在重大失实。评估的数据具有历史性质，本鉴证报告仅针对此特定期间的温室气体声明有效。

● 保证等级

有限保证等级。

● 重要性

根据《GHG Protocol》建议的定量重要性阈值，即如果错误值超过温室气体声明报告总量的5%，则该错误被视为具有重大误导性。

● 鉴证意见签发

未发现泉峰公司的温室气体《清册》：

- 1) 在重大方面不准确，未能公平呈现温室气体数据和信息；
- 2) 未按照相关的温室气体量化、监测和报告国际标准或相关国家标准或泉峰公司内部报告要求编制。

上海格林曼环境技术有限公司（盖章）

签发日期：2025年4月15日



Translation of key information

Assurance Conclusion

Shanghai Greenment Environmental Technology Co., Ltd. (hereinafter referred to as “Greenment”) was entrusted by Nanjing Chervon Industry Co., Ltd. (hereinafter referred to as “Chervon Industry”), in accordance with the requirements of the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (hereinafter referred to as the “GHG Protocol”), to carry out assurance on the results of the greenhouse gas verification inventory (hereinafter referred to as the “Inventory”) of four companies (hereinafter referred to as the “Chervon Companies”, see Appendix A for details) included in the greenhouse gas accounting boundary disclosed in the ESG report of Chervon Holdings Limited (hereinafter referred to as “Chervon Holdings”) for the year 2025 at the operational level (Scope 1 & Scope 2), to ensure that the calculation results of the Inventory are complete and accurate and meet the purpose of internal reporting for Chervon Holdings, and to ultimately complete this 2025 Chervon Greenhouse Gas Assurance Report (hereinafter referred to as the “Assurance Report”), the assurance conclusion is as follows:

Greenment has, in accordance with the requirements of the GHG Protocol, conducted a limited assurance level verification of the greenhouse gas emissions in the Inventory of the Chervon Companies within the organizational boundary (see Appendix A) for the period from January 1, 2025 to December 31, 2025. The accounting results of the organizational-level Inventory of the Chervon Companies have, upon verification, been found to be in compliance with the requirements of the GHG Protocol, including:

Scope 1 greenhouse gas emissions

2,494.44 tons of carbon dioxide equivalent;

Scope 2 greenhouse gas emissions

24,565.98 (location-based) tons of carbon dioxide equivalent;

19,520.44 (market-based) tons of carbon dioxide equivalent;

Total quantified Scope 1 & 2 emissions

27,060.42 (location-based) tons of carbon dioxide equivalent;

22,014.88 (market-based) tons of carbon dioxide equivalent.

For the specific categories of greenhouse gas emissions of the Chervon Companies, please refer to the appendices of this Assurance Report. The appendices of this Assurance Report constitute an important part of the assurance conclusion.

Purpose of assurance verification

To verify, through limited assurance, whether the greenhouse gas Inventory of the Chervon Companies is complete and accurate for internal reporting purposes, specifically including:

1. The greenhouse gas emissions are as stated in the Inventory;
2. The data in the Inventory are accurate, complete, consistent, and transparent, and free from material errors or omissions.

Scope of application

Chervon Industry entrusted Greenment to conduct an independent assurance verification based on the GHG Protocol, in order to ensure that the greenhouse gas emissions reported in the Inventory of the Chervon Companies comply with the requirements of the GHG Protocol within the following verification scope. The greenhouse gas Inventory of the Chervon Companies has been prepared based on historical data and information.

1. The scope covers the assurance verification of greenhouse gas emissions caused by human activities within the organizational boundary (see Appendix A).
2. The types of greenhouse gases include: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride.
3. The following period of greenhouse gas information has been verified: January 1, 2025 to December 31, 2025.
4. The global warming potentials adopted: IPCC Fifth Assessment Report.
5. The intended users of this Assurance Report: private users.

Standards/Criteria

The standards/criteria on which Greenment conducts the assurance verification assessment: the GHG Protocol.

Greenment’s assurance verification methods include but are not limited to collecting and analyzing the following contents:

1. Quantitative data obtained through communication with management or questionnaire surveys;
2. Quantitative data obtained through receiving data files from information management systems;
3. Supporting documentary evidence of the data.

Responsibilities

Chervon Industry designates itself as the responsible party, responsible for preparing and fairly presenting the greenhouse gas Inventory and other supporting information required in accordance with the requirements specified in the GHG Protocol. Greenment is responsible for expressing an opinion on the greenhouse gas Inventory based on the results of the verification activities. These verification activities are intended to assess whether there are material misstatements in the greenhouse gas Inventory in terms of quantitative and qualitative thresholds. The data assessed are of a historical nature. This Assurance Report is only valid for the greenhouse gas assertions of this specific period.

Level of assurance

Limited assurance level.

Materiality

According to the quantitative materiality threshold recommended by the GHG Protocol, if the error exceeds 5% of the total greenhouse gas emissions reported, such error is considered to be materially misleading.

Issuance of assurance opinion

No findings have been identified in the greenhouse gas Inventory of the Chervon Companies that:

1. Are materially inaccurate or fail to fairly present greenhouse gas data and information;
2. Have not been prepared in accordance with relevant international standards or national standards for greenhouse gas quantification, monitoring and reporting, or the internal reporting requirements of the Chervon Companies.

Appendix A

List of Organizational Boundary for GHG Inventory Verification of Chervon Companies

| No. | Company Name | Abbreviation | Country | City/Region | Geographical Boundary |
|-----|---|--------------|---------|-------------------------------|--------------------------------------|
| 1 | Nanjing Chervon Industry Co., Ltd. (R&D Center) | NJ-99 | China | Nanjing | Nanjing HQ (99) |
| 2 | Nanjing Chervon Industry Co., Ltd. (529 Base) | NJ-529 | China | Nanjing | Green Power Industrial Park (529) |
| 3 | Nanjing Chervon Industry Co., Ltd. Co., Ltd. (308 Base) | NJ-308 | China | Nanjing | Industry Park (308) |
| 4 | Flex Verwaltungs GmbH & Co. KG | Flex DE | Germany | Baden-Württemberg / Steinheim | Flex HQ |
| 5 | Chervon North America Inc. | NA-HQ | USA | Naperville, Illinois | USA / Naperville, IL NA Headquarters |
| 6 | Chervon Industry (Vietnam) Co., Ltd. | CVN | Vietnam | Ho Chi Minh City | Vietnam / Ho Chi Minh Factory |

Appendix B

Breakdown of GHG Emissions by Source Category of Chervon Companies

| Emission Source Category | Location-based Emissions (tCO ₂ equivalent) | Market-based Emissions (tCO ₂ equivalent) |
|----------------------------------|--|--|
| Stationary Sources | 656.63 | 656.63 |
| Mobile Sources | 50.00 | 50.00 |
| Process Emissions | 20.69 | 20.69 |
| Fugitive (Unorganized) Emissions | 1,767.13 | 1,767.13 |
| Purchased Electricity | 24,271.74 | 19,226.20 |
| Purchased Steam | 294.24 | 294.24 |