



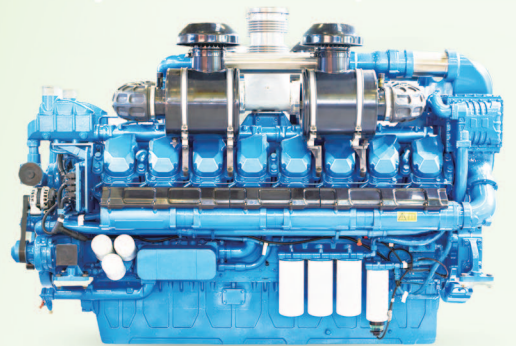
鷹普精密工業有限公司  
Impro Precision Industries Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1286

# 2025

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
REPORT





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## ABOUT THIS REPORT

### SCOPE OF THE REPORT

This ESG Report, issued by Impro Precision Industries Limited (referred to as “the Company”, “Impro”, or “Impro Group”), aims to provide comprehensive disclosure of the Group’s efforts and performance in managing environmental, social, and governance during the period from 1 January 2025 to 31 December 2025 (referred to as the “Reporting Period”). The purpose of this Report is to meet the expectations and requirements of the Group’s stakeholders. The information, policies, and representations regarding Environmental, Social and Governance (“ESG”) included in this Report pertain to the Company and its subsidiaries operating in various regions and countries, i.e., the People’s Republic of China (“China”), Turkey, Germany, Czech Republic, Mexico, United States (“U.S.”), Luxembourg, and Hong Kong.

This Report has been independently verified by Hong Kong Quality Assurance Agency (“HKQAA”) in accordance with the ISAE 3000. The HKQAA Assurance Report can be found on page 68 of this Report.

### BASIS OF PREPARATION

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the “ESG Code”) in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the GRI Standards issued by the Global Reporting Initiative (the “GRI”), and with reference to the United Nations’ Sustainable Development Goals (the “SDGs”). As a signatory to the United Nations Global Compact (“UNGC”), we also disclose how we put the UNGC’s Ten Principles into practice in this Report. The contents of this Report are determined by systematic procedures. The relevant procedures include identifying important stakeholders, and identifying and ranking key issues relevant to ESG, determining the boundary of the ESG Report, collecting the relevant materials and data, preparing the Report based on the data and reviewing the information contained in the Report.

### RELEVANT ABBREVIATIONS

For the convenience of representation and reading, references made to the “Group”, “Impro Group” and “we” in this Report shall represent Impro Precision Industries Limited and its subsidiaries.

### DATA SOURCE AND RELIABILITY ASSURANCE

The data and cases set out in this Report are mainly from the statistical reports and relevant documents of the Group. The Group undertakes that this Report does not contain any false or misleading statements, and is responsible for the existence, accuracy and completeness of its contents. HKQAA was engaged by Impro to conduct an independent assurance of the sustainability disclosures in the 2025 Environmental, Social and Governance Report. The aim of the assurance procedures is to provide a reasonable assurance on the reliability of the report contents.

### CONFIRMATION AND APPROVAL

This Report, after confirmation by the management, has been approved by the Board of Directors (“the Board”) for issuance on 17 April 2026.

### AVAILABILITY AND FEEDBACK OF THIS REPORT

This Report is provided to readers in both traditional Chinese and English versions. We recommend the electronic version for reading based on environmental protection considerations, and the electronic version of this Report is made available under the category of “Financial Statements/ESG Information” of the Group on the Stock Exchange website or on the website of the Group. We highly value the opinions from the relevant stakeholders, and welcome readers to contact us through the following contact methods. Your opinions will assist us in further improving this Report and enhance the overall environmental, social and governance performance of the Group.

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# CHAIRMAN'S STATEMENT

I am pleased to present our 2025 ESG Report, which provides a comprehensive overview of our progress and continued commitment to responsible and sustainable business practices.

Driven by unwavering commitment and sustained action, we advanced our sustainability strategy with purposes and momentum. In July 2025, we took a significant step forward by joining the United Nations Global Compact, reinforcing our commitment to its Ten Principles.

## ENVIRONMENT

As recognition of our environmental stewardship, in 2025, Impro China was designated a Jiangsu Provincial-Level Green Factory. This honor reflects our strong performance in regulatory compliance, the implementation of green manufacturing systems, the adoption of clean and intelligent production processes, and the efficient circular use of energy and resources. Building on the momentum of the previous year, we continued to advance our environmental performance even further. As of 31 December 2025, we achieved reductions of 41.5% in greenhouse gas emission intensity, 58.3% in water consumption intensity, and 58.1% in hazardous solid waste intensity compared with 2020 levels, all exceeding our 2020 targets which demonstrated our unwavering commitment to continuous improvement.

During the Reporting Period, we also made meaningful progress in advancing our understanding of value chain emissions. Building on the preliminary research undertaken in previous years, we have, for the first time, disclosed our Scope 3 emissions data for upstream categories. Looking ahead, we will continue to undertake rigorous reviews of our value chain emissions and are actively working towards broadening the coverage of our Scope 3 disclosures to incorporate downstream emissions.

## SOCIAL

With a global workforce of more than 8,200 employees, safety remains our utmost priority. We are committed to maintaining a working environment that safeguards the wellbeing of every employee. I am pleased to report that, in 2025, we recorded no fatalities or serious injuries across our operations. In line with our long-term safety commitments, we dedicate continuous efforts to achieve our target of a 20% reduction in the incident rate for our direct workforce by 2030, using 2024 as the baseline year.

## GOVERNANCE & SUSTAINABLE INNOVATION

Our products continue to play an essential role in enabling fuel efficiency and lightweighting, contributing to our customers' success while making a positive environmental impact. To support this, we invested significantly in research and development and deepened collaborations with academic institutions to pioneer market-leading and sustainability-enhancing innovations. In 2025, our total R&D expenditure reached HK\$249.8 million, representing 4.9% of total revenue. We filled in 96 new patents, covering specific key technologies in our production process. Additionally, we worked with our customers to develop 1,400 new Stock Keeping Units ("SKUs"), bringing our active portfolio to approximately 9,700 SKUs as of 31 December 2025.

## AWARD RECOGNITION

Our efforts in sustainability are recognized by sustainability ratings. In 2025, we achieved a significant leap from a Bronze to a Silver Medal on EcoVadis, recognizing our strong performance across key areas including environment, labor and human rights, ethics, and sustainable procurement, as affirmed by this globally respected assessment. At the same time, in our inaugural participation in the Wind ESG Assessment, we achieved an A-rating, with our comprehensive ESG score placing us in the top 10% of industry peers.

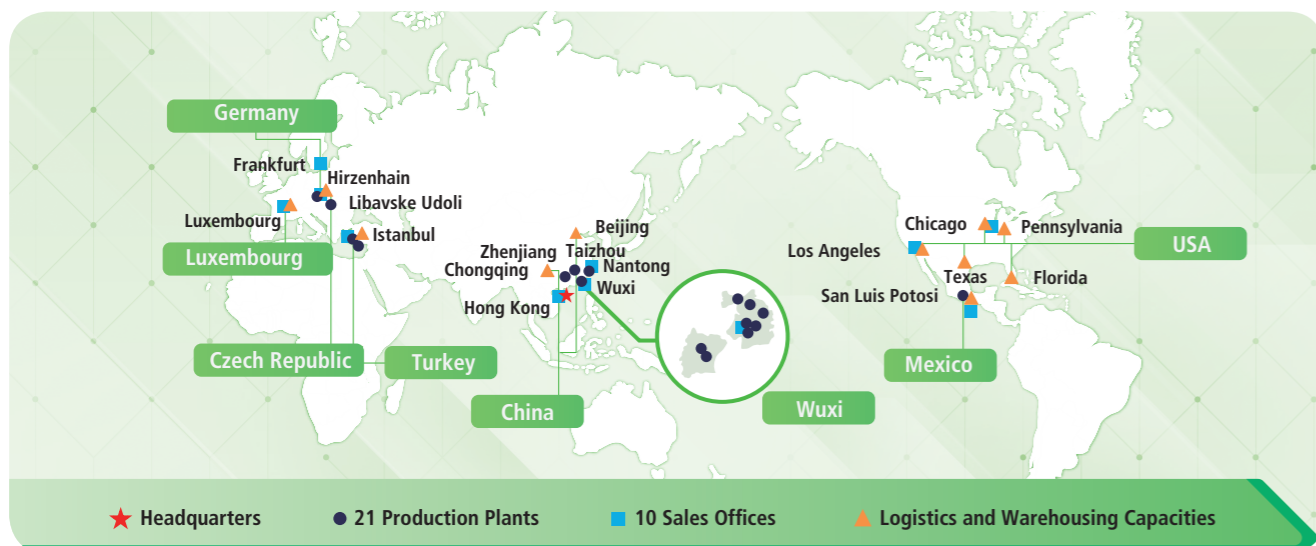
As the ESG landscape continues to evolve, we are unwavering in our commitment to enhancing our practices and disclosure standards in line with stakeholders' expectations. I am immensely proud of the progress we have achieved and remain confident in our ability to build on this momentum in the years ahead. I would also like to express my sincere appreciation to our management team, employees and partners for their steadfast dedication to advancing Impro's ESG agenda. Together, we will continue to shape a more sustainable and resilient future for all.

## LU Ruibo

*Chairman and Chief Executive Officer*

# ABOUT IMPRO

Impro Precision Industries Limited was founded in 1998 in Wuxi City and its global headquarters was moved to Hong Kong in 2011. The Group is a global top 10 manufacturer of high-precision, high-complexity and mission-critical castings, machined components and hydraulic orbital motors for diverse end-markets. According to the market statistics, the Group was the world's 6th largest independent and China's largest investment casting manufacturer and also the world's 3rd largest precision machining company in the end-markets of automotive, aerospace and hydraulics, each in terms of total revenue in 2024. The Group is also one of the few suppliers offering one-stop solutions, including initial research and development, tooling design and manufacture, casting, heat treatment, secondary machining and surface treatment.

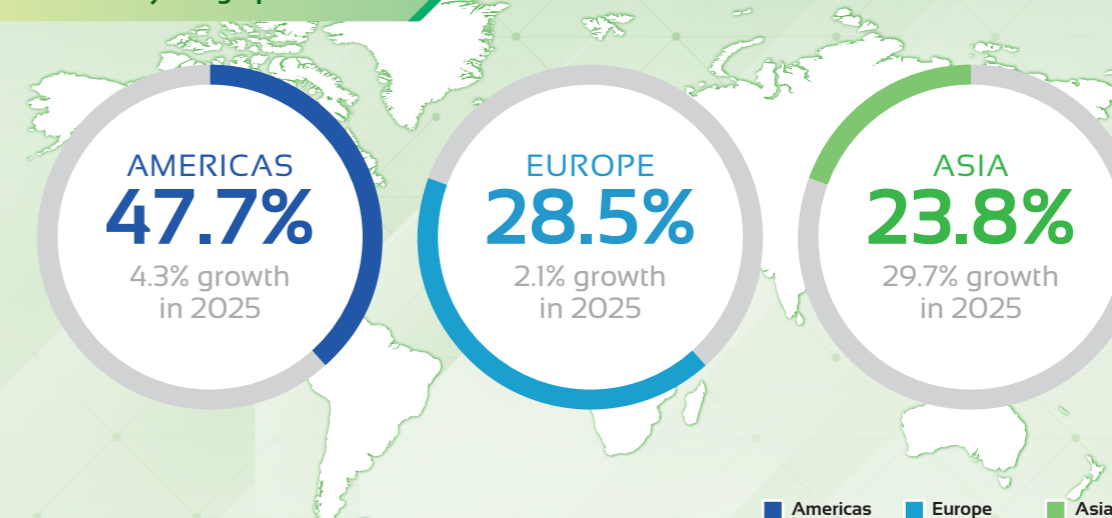


Impro Group has established a global manufacturing footprint and comprehensive service network and has 21 production plants (among which, 19 are in operation and 2 are under certification process) in China, Turkey, Germany, the Czech Republic and Mexico, which are supported by 10 sales offices in China, U.S., Luxembourg, Germany, Turkey, Hong Kong and Mexico, as well as warehousing facilities in China, U.S., Luxembourg, Mexico, Germany and Turkey. The Group has established long-term strategic cooperative relationships with globally recognized industry leaders, selling our products to more than 30 countries and regions.

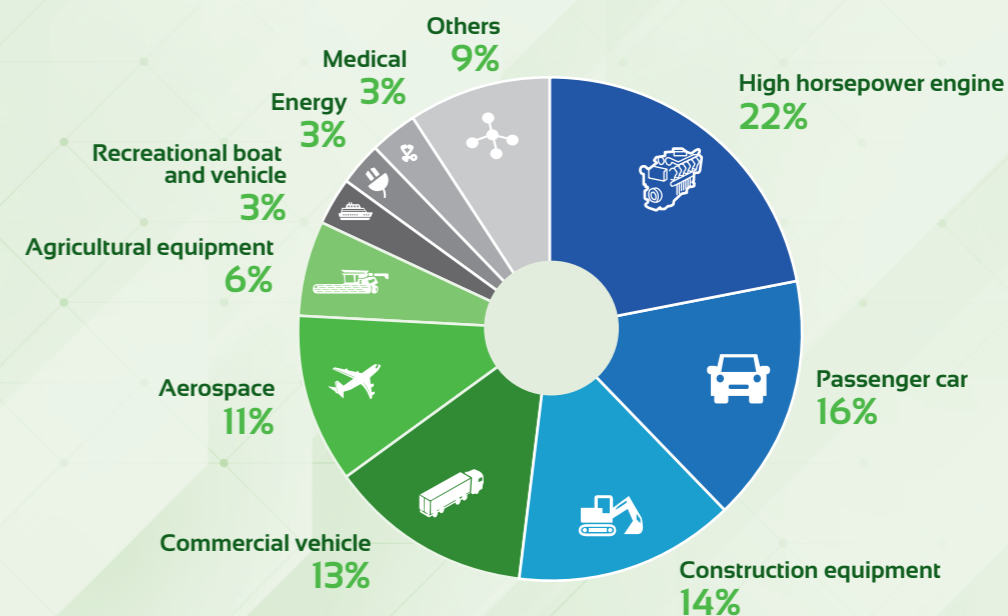
The majority of our sales are targeted at international customers. We have established a large, diverse and stable customer base, including global leaders being owners of internationally renowned brands. The renowned and diverse customer base allows us to minimize concentration risk. We have also established stable long-term business relationships with our major customers. In 2025, the average length of business relationships with the top 20 customers was 19.6 years (2024: 19.4 years). Top 10 customers in 2025 accounted for approximately 55% of the total revenue of the Group (2024: 56%).

## 2025 Record High Revenue of HK\$5,095.5 million

### Revenue by Geographical Area



### Revenue by End-market



# 2025 ESG HIGHLIGHTS

## ESG AWARDS



In February 2026, we successfully upgraded our EcoVadis sustainability rating from **Bronze to Silver**, with its score significantly improving by 15 points year-on-year to 77. This achievement places the Group among the top 15% of all companies evaluated, underscoring our sustainability efforts have garnered high recognition and marked significant breakthrough. EcoVadis, being the world’s largest and most credible provider of CSR ratings ratings, cover a wide range of non-financial management systems, including environmental, labor and human rights, business ethics and sustainable procurement.



In July 2025, we achieved an A-rating in our inaugural **Wind ESG assessment**, securing a comprehensive ESG score that places Impro in the top 10% of industry peers, outperforming more than 90% of our peers. This milestone fully reflects our achievements in sustainability strategies and social responsibility practices.



In November 2025, Impro China was recognized as a “**Jiangsu Provincial-Level Green Factory**”, a testament to our strong performance across compliance management, green manufacturing system implementation, clean production processes in smart manufacturing, and efficient energy and resource circularity.

## ENVIRONMENTAL HIGHLIGHTS



Decreased by **2.3%** to **33.5** tons of Scope 1 and Scope 2 greenhouse gas (“GHG”) emissions per unit revenue (HK\$ million)



Decreased by **5.5%** to **181.9** tons of water consumption per unit revenue (HK\$ million)



Increased by **3.1%** to **90.9%** of recyclable solid waste as a percentage of total waste disposal



Decreased by **27.5%** non-recyclable solid waste disposal per unit revenue (HK\$ million)



**15** plants have obtained ISO 14001 certification, covering **78.9%** of Impro’s operations, a year-on-year increase of **21.0%**

# 2025 ESG HIGHLIGHTS

## SOCIAL HIGHLIGHTS



**0** work-related fatalities or serious injuries



Recorded **286,330 hours** of total training and **34.6 hours** per employee  
**100%** training coverage



**27.5%** of female employees in key leadership roles, with:  
**24.4%** in top executive positions, an increase of 1.1%, and  
**28.6%** on the Board of the Company, no change vs 2024



**7 plants** obtained ISO 45001 certification, covering **36.8%** of Impro's operations

## GOVERNANCE HIGHLIGHTS



**96 new patents** filed in 2025, covering specific key technologies in our production process



**19 plants** conducted internal audits on business ethics, covering **100%** of our operating plants



**225 suppliers** obtained ISO 14001 Environmental Management System certification, a year-on-year increase of **8.7%**



In 2025, we joined the United Nations Global Compact to support its ten sustainability principles



**All** employees received anti-corruption training with **100%** training coverage



**10 plants** or **52.6%** of operating plants obtained external information security certification, including:

**7 plants** obtained TISAX Certification, covering **36.8%** of Impro's operations

**3 plants** obtained ISO 27001 Information Management System certification, covering **15.8%** of Impro's operations

# ESG TARGETS AND PROGRESS

## Environmental

### Related SDGs



| Topics                          | Targets   | 2025 Progress  |
|---------------------------------|---|--|
| <b>Climate Change</b><br>       | Reduce GHG emission intensity by <b>30%</b> by 2030 as compared to 2020               | Achieved: <b>41.5%</b> decrease in GHG emission intensity compared to 2020               |
| <b>Energy</b><br>               | Reduce energy consumption intensity by <b>30%</b> by 2030 as compared to 2020         | Achieved: <b>31.6%</b> decrease in energy consumption intensity compared to 2020         |
| <b>Resource Stewardship</b><br> | Reduce water consumption intensity by <b>40%</b> by 2030 as compared to 2020          | Achieved: <b>58.3%</b> decrease in water consumption intensity compared to 2020          |
| <b>Waste Management</b><br>     | Reduce hazardous solid waste intensity by <b>50%</b> by 2030 as compared to 2020      | Achieved: <b>58.1%</b> decrease in hazardous solid waste intensity compared to 2020      |
|                                 | Reduce non-recyclable solid waste intensity by <b>85%</b> by 2030 as compared to 2020 | Achieved: <b>85.9%</b> decrease in non-recyclable solid waste intensity compared to 2020 |

## Social

### Related SDGs



| Topics  | Targets  | 2025 Progress  |
|---|--|--|
| <b>Human Capital</b><br>                        | <b>100%</b> of employees complete training   | Achieved   |
| <b>Health and Safety</b><br>                    | <b>0</b> work-related fatalities or serious injuries   | Achieved   |
|   | Reduce the incident rate for direct workforce by <b>20%</b> by 2030, compared with the 2024 baseline | In 2025, the incident rate for direct workforce increased versus the 2024 baseline, mainly driven by the expansion of our Mexico operations and the resulting ramp-up of new employees. Excluding Mexico plants, the rate fell by <b>0.22 or 5%</b> compared with the 2024 baseline. We remain committed to strengthening our safety culture and minimizing workplace incidents. |
| <b>Human Right</b><br>                          | <b>100%</b> of employees complete anti-discrimination and human right training by 2030               | On Track: <b>92.2%</b> employees completed training on anti-discrimination and human right   |
| <b>Stakeholder and Community Engagement</b><br> | Continuing to expand community involvement   | Achieved: <b>2,195</b> employees have taken part in charitable activities, marking a more than tenfold expansion from 2024.  |

## Governance

### Related SDGs



| Topics                          | Targets   | 2025 Progress  |
|---------------------------------|---|--|
| <b>Corporate Governance</b><br> | <b>100%</b> of employees complete anti-corruption training  | Achieved   |
|                                 | <b>0</b> legal proceedings against Impro Group or our employees for corruption, fraud or anti-competitive practices | Achieved   |
|                                 | <b>100%</b> of employees complete the annual mandatory training on the Code of Conduct and Business Ethics          | On Track: <b>92.3%</b> of employees received training on the Code of Conduct and Business Ethics.            |
| <b>ESG in Supply Chain</b><br>  | Include ESG clauses in <b>100%</b> of the supplier contracts  | On Track: <b>65.0%</b> of the supplier contracts include ESG clauses   |
|                                 | By 2035, recycled and scrap metals in weight account for at least <b>70%</b> of total procured metal raw materials  | On Track: Recycled and scrap metals in weight accounted for <b>66%</b> of total procured metal raw materials |

# SUSTAINABLE DEVELOPMENT STRATEGY

Sustainability has always been a top priority for Impro Group, and we are proactive in meeting the requirements and expectations of our various stakeholders. As part of our commitment to sustainability, we are constantly improving our sustainability governance system to ensure that we maintain high standards of environmental, social and governance practices. By focusing on sustainability and engaging our stakeholders, we endeavor to create long-term values and make a positive contribution to the communities in which we operate.

Since 2020, we have established a four-tier, top-down sustainability structure comprising the Board, the Sustainability Committee, the ESG Working Group and ESG Accountable Officers across all plants and divisions. The Board serves as the leader of Impro Group’s sustainability efforts and is ultimately responsible for the Group’s sustainability strategies, policies and performance. Under the supervision of the Board, we have established a Sustainability Committee to develop the Group’s strategic framework for sustainability. As the highest governance body of Impro, the Board is also ultimately responsible for the implementation and execution of the Climate Risk Management Programme. They guide Impro’s key climate governance initiatives and provide directions for the Company’s development in this key area.

## Impro’s Approach to Sustainability

Through sustainable product development and innovation, customers of Impro can achieve their sustainability goals of reducing fuel consumption and improving efficiency;



Continuously reduce the environmental footprint by optimizing production plans, investing in renewable energy, improving production processes and other measures;

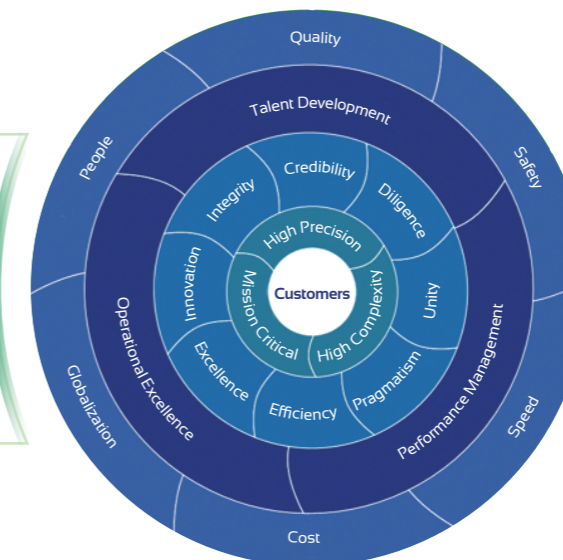


Attract and retain outstanding talents, strive to build a safe, healthy, cross-cultural, diverse and inclusive working environment so that employees at all levels can thrive, and fulfill our social responsibilities in the countries and regions where we operate; and



Continue to strengthen our governance system, improve product quality and adhere to the principle of customer centricity; identify and manage internal and external risks in accordance with the actual situation and development needs, integrate the aspirations of various stakeholders, formulate a risk management mechanism and risk prevention system, and integrate sustainable development into the processes and practices of our suppliers.

**MISSION**  
To be the global leader in high precision, high complexity, mission-critical components and solutions; and to be a reliable, flexible and global business partner to industry leaders.

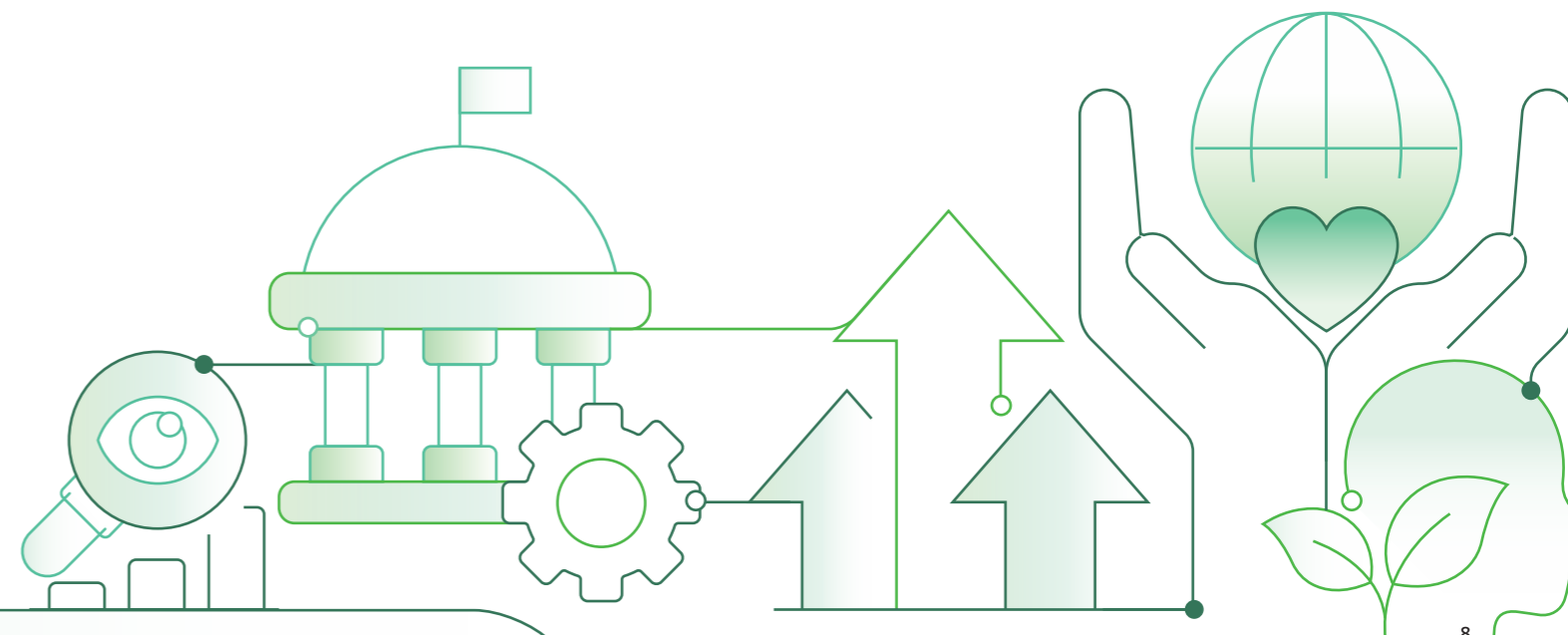


**VISION**  
To be an enterprise truly valued by our customers, stockholders, employees, and the society at large.

We are a **Customer-Centric** company.

## Stakeholder Identification and Communication

We are committed to building strong, collaborative relationships with both internal and external stakeholders, driven by a shared commitment to mutual value creation and sustainable outcomes. Our key stakeholders span a broad spectrum, including employees, shareholders, investors, regulators, suppliers, customers, media, and more. Throughout the Reporting Period, we proactively engaged with these groups through consistent and transparent communication, deepening our understanding of their expectations and concerns. In response, we implemented targeted actions that reflect our dedication to meaningful dialogue, accountability, and responsive governance.



# SUSTAINABLE DEVELOPMENT STRATEGY

## STAKEHOLDERS IDENTIFICATION AND COMMUNICATION METHODS

| Stakeholders   | Communication Channel  | Communication Frequency  |
|--|--|--|
|  <b>Employees</b>                                   | Staff training<br>Employee activities<br>Employee satisfaction survey<br>Group internal newsletter   | Regular/irregular<br>Regular/irregular<br>Regular/irregular<br>Regular/irregular                                   |
|  <b>Shareholders/<br/>Prospective<br/>Investors</b> | Annual general meeting<br>Interim/annual report<br>Results announcement<br>Quarterly sales performance announcement<br>Monthly investor newsletter<br>Roadshow<br>Press release<br>Plant visit | Regular<br>Regular<br>Regular<br>Regular<br>Regular<br>Regular/irregular<br>Regular/irregular<br>Regular/irregular |
|  <b>Regulators</b>                                | Press release/announcement<br>Interim/annual report<br>Regular communication   | Regular/irregular<br>Regular<br>Regular  |
|  <b>Suppliers</b>                                 | On-site review<br>Assessment of suppliers<br>Technical training<br>Online/offline communication  | Regular/irregular<br>Regular<br>Regular/irregular<br>Irregular   |
|  <b>Customers</b>                                 | Customer satisfaction survey<br>Handling complaints from customers<br>On-site visit<br>Online/offline communication<br>Trade show  | Regular<br>Regular/irregular<br>Regular/irregular<br>Irregular<br>Regularly/irregular                              |
|  <b>Media</b>                                     | Press release/announcement<br>Press interview (TV/Radio/Newspaper/<br>Magazine)<br>Results announcement meeting<br>Social media posting on LinkedIn & WeChat                                   | Regular/irregular<br>Regular/irregular<br>Regular<br>Regular/Irregular   |

## Materiality Analysis

As there were no significant changes in the market conditions, business operations, or risks profile during the Reporting Period, and considering the Group’s business development priorities and the stakeholders’ expectations, we have reviewed the list of material issues for 2025 to ensure the continuity and alignment of the Group’s ESG focus. The assessment reaffirms that the current set of material issues are still applicable and relevant in 2025. We have identified 16 issues with a high degree of materiality, 7 issues with a medium degree of materiality, and 2 issues with a low degree of materiality. In this report, we prepared detailed disclosures for the topics that are of high materiality, reflecting our commitment to transparency and accountability.

## THE METHODOLOGY FOR IDENTIFYING MATERIAL ISSUES



## IMPRO 2025 MATERIALITY MATRIX



### Governance and Operational issues

- 1 Financial performance
- 2 Corporate governance
- 11 Sustainable product design and innovation
- 19 Product quality assurance
- 20 Customer privacy protection
- 21 Maintenance of customer relationship
- 22 Protection of intellectual property
- 23 Anti-corruption management
- 24 Resilience of suppliers
- 25 Stakeholder and community engagement

### Environmental issues

- 3 Utilization of resources
- 4 Discharge of pollutants
- 5 Environmental impact on soil and ground
- 6 Emission of greenhouse gases
- 7 Waste management
- 8 Water stewardship
- 9 Use of packaging materials
- 10 Noise reduction
- 12 Climate change risk and actions

### Employment issues

- 13 Employee remuneration and benefits
- 14 Health and safety management
- 15 Career development and training
- 16 Diversity and equal opportunities
- 17 Protection for human rights
- 18 Employee retention and turnover reduction

THROUGH  
CONTINUOUS  
RESEARCH &  
INNOVATION, WE ARE  
DRIVING FORWARD  
FOR SOLUTIONS  
TO REDUCE WASTE,  
IMPROVE ENERGY  
AND WATER  
CONSERVATION

# 01 ENVIRONMENT

- 1.1 Compliance and Management
- 1.2 Climate Change
- 1.3 Energy and GHG Management
- 1.4 Resource Stewardship
- 1.5 Waste Management
- 1.6 Pollutant Emissions
- 1.7 Biodiversity

# ENVIRONMENT

At Impro, we are committed to cultivating environmental awareness and embedding ESG principles throughout our business model. Through continuous research and innovation, we are driving forward bold, scalable solutions that enhance operational efficiency, reduce waste, and improve energy and water conservation. These initiatives reflect our unwavering dedication to sustainable decision-making and our broader mission of environmental responsibility and integrated ESG performance.

## 1.1 COMPLIANCE AND MANAGEMENT

We acknowledge our responsibility to the environment and the critical importance of preserving environmental resources across all business activities. Committed to environmental sustainability, we actively adopt eco-friendly practices and implement sustainable processes to minimize our environmental impact. Environmental compliance and management are deeply embedded in our organizational culture and governance approach, reflecting our steadfast commitment to environmental stewardship.

### Management System

Impro Group strictly abides by the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Promotion of Clean Production, Basic Law of Germany, Environmental Law of Turkey and Waste Prevention and Management Law of Mexico as well as environmental industry standards, in all places of operation. We regularly review applicable environmental laws and regulations, promptly identify updates to legal requirements and compliance terms, and disseminate key insights across the organization to ensure timely and effective implementation, thereby strengthening our environmental compliance.

Impro Group remains committed to driving continuous improvement in environmental performance as part of its sustainability strategy. We have established our Environmental Policy, which applies across the Group and all subsidiaries and has been actively communicated to employees at all levels and departments. All employees, suppliers and contractors are informed of and required to comply with the Environmental Policy, which serves as the foundation of our Environmental Management System. It addresses key areas of environmental stewardship, including energy efficiency, water conservation, wastewater management, safe storage and handling of hazardous chemicals, waste reduction, emissions control, and biodiversity protection.

The Environmental Policy also sets clear, measurable targets for reducing energy consumption, water usage, emissions, and waste generation. These targets guide our actions toward achieving sustainable development and minimizing environmental impact. The Board will review the policy every three years to ensure its continued relevance to Impro's operations and stakeholder expectations. The Sustainability Committee also is entrusted with overseeing the implementation of this policy, ensuring its effective execution.

Additionally, we have established a dedicated environmental protection management team responsible for identifying potential environmental risks in production processes and implementing proactive mitigation measures. The team oversees the professional treatment and disposal of waste, continuously monitors updates to local environmental regulations, and ensures timely alignment of internal operational standards, thereby strengthening compliance, enhancing environmental performance, and institutionalizing risk management practices across the organization. During the Reporting Period, environmental risk assessments were conducted in 18 plants, accounting for 94.7% of the total operating plants as of 31 December 2025. Throughout the year, no confirmed incidents of non-compliance with applicable environmental laws and regulations were recorded.

To continuously strengthen employees' environmental compliance awareness, the Impro Group has actively conducted targeted environmental training programs. During the Reporting Period, 7,741 staff participated in environmental training, equivalent to 93.6% of the total workforce and representing an increase of 5.5% compared to 2024.

### Certification and Recognition

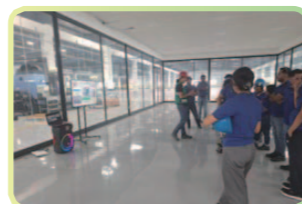
To strengthen environmental management capabilities and drive continuous improvement in environmental performance, we actively promote the adoption of ISO 14001 environmental management system certification across our manufacturing facilities, alongside the implementation of cleaner production practices.

During the Reporting Period, our 3 Mexico plants has newly attained ISO 14001 certification. As of 31 December 2025, 15 plants across China, Turkey, Germany, the Czech Republic, and Mexico have achieved ISO 14001 Environmental Management System (EMS) certification, representing 78.9% of the total number of operational plants. Additionally, 9 plants in China, Turkey and Germany have obtained ISO 50001 Energy Management System certification, accounting for 47.4% of the total plants in operation.

# ENVIRONMENT



Mexico plants newly obtained ISO 14001 certification



Employees in Mexico plants received training for ISO 14001 certification

## 1.2 CLIMATE CHANGE

Climate change remains one of the key challenges we face. We have implemented rigorous risk management and strategic planning approaches to address climate-related risks and have been actively identifying opportunities arising from climate change.

Our climate disclosures are prepared in accordance with the latest requirements under Part D: Climate-related Disclosure of the ESG Code, providing transparency on how we manage climate-related risks and opportunities.

### Climate Governance

The Group has established a four-tier, top-down climate governance framework to ensure effective oversight and accountability. The Board serves as the leader of Impro Group’s climate-related efforts and is ultimately responsible for the Group’s climate strategy, policies and performance. Under the supervision of the Board, the Sustainability Committee assists the Board in its oversight of climate-related issues and reports to the Board at least once a year through formal Sustainability Committee meetings. The ESG Working Group reports to the Board and the Sustainability Committee, and responsible for coordinating climate-related initiatives across the Group’s plants and divisions. At the operational level, each plant and each division is supported by a designated ESG Accountable Officer and a dedicated management team responsible for implementation the climate strategies and initiatives.

This multi-level governance structure ensures that climate considerations are effectively addressed at both strategic and operational levels, while reinforcing the Group’s overall commitment to decarbonization and green transition.

|   |  |
|---|--|
| Board   | <ul style="list-style-type: none"> <li>Establishes and endorses the company’s strategic vision and priorities on sustainability and ESG matters, including climate-related issues.</li> <li>Oversees and endorses the development of climate-related policies, targets, and priorities.</li> <li>Oversees the Group’s management and performance of climate-related risks and opportunities through the Sustainability Committee and the ESG Working Group, as well as the implementation of the Climate Risk Management Programme.</li> </ul> |
| Sustainability Committee  | <ul style="list-style-type: none"> <li>Develops and reviews climate-related policies, priorities, goals and strategies.</li> <li>Oversees and evaluates the effectiveness of climate-related measures and the performance against established targets.</li> <li>Reviews the Group’s climate-related disclosure and provides recommendations to the Board.</li> </ul>   |
| ESG Working Group   | <ul style="list-style-type: none"> <li>Coordinates and implements climate-related initiatives across plants and divisions to achieve the Group’s climate-related targets.</li> <li>Monitors and evaluates operational-level performance and progress toward climate-related targets.</li> <li>Reports the updates and progress to the Board and the Sustainability Committee.</li> </ul>   |
| ESG Accountable Officers and Management Team of Each Plant and Division | <ul style="list-style-type: none"> <li>Monitor, collect and analyze plant-level climate-related data, including GHG emissions, energy consumption and other relevant metrics.</li> <li>Develop plant-specific climate action plans in collaboration with the management team, such as energy efficiency programs, renewable energy adoption, waste management strategies, or other initiatives to reduce carbon footprint.</li> <li>Report the latest developments and progress to the ESG Working Group.</li> </ul>                           |

To ensure the Board and management have the appropriate skills and competencies to oversee climate-related risks and opportunities, we provide them with regular training, covering topics such as regulatory landscape and carbon management. During the Reporting Period, we provided education to the Board about the latest disclosure requirements on climate-related issues.

### Climate-related Risks and Strategies

Given the complex and ever-evolving nature of climate-related risks, it is crucial for businesses to manage these risks effectively to ensure the continuity of their operations. We considered various factors when identifying and managing climate-related risks and opportunities, such as geographic location, local policies and regulations, future government plans, historical records of extreme weather events, and more.

# ENVIRONMENT


The Group acknowledges the importance of climate-related risks and has established a comprehensive framework to identify, evaluate, and manage them. Our climate-related risk assessment considers a board range of factors and is structured to deliver a thorough understanding of the potential impacts on our business. While the Group has not yet conducted scenario analyses, we are actively assessing its feasibility and value as part of our ongoing efforts to strengthen climate risk management.

| Physical Risk  |   |  |
|--|---|--|
| Risk Types   | Implications  | Mitigation Measures  |
| <b>Acute Risk</b><br><i>(Time horizon: short-term/medium-term)</i><br>Extreme weather conditions (flood, storms, drought, etc.)  | <ul style="list-style-type: none"> <li>Physical damage to infrastructure, buildings, and equipment due to floods, storms, or other severe weather events.</li> <li>Increased operational costs for repairs, maintenance, and recovery efforts following weather-related damage.</li> </ul>  | <ul style="list-style-type: none"> <li>Prioritizing staff safety by working closely with local management teams to monitor weather forecasts to ensure employee safety and make necessary preparations.</li> <li>Installing membrane insulation on plant roofs to improve durability against heavy rains.</li> <li>Assessing flood risks for plant locations and implementing measures where required.</li> <li>Installing rope systems to prevent window breakage and ensuring occupational safety during natural events.</li> <li>Implementing an automatic natural gas cutoff system to mitigate hazards during earthquakes.</li> </ul> |
| <b>Chronic Risk</b><br><i>(Time horizon: medium-term/long-term)</i> <ul style="list-style-type: none"> <li>Sea level rise</li> <li>Increased temperatures and a linked drop in water availability</li> </ul> | <ul style="list-style-type: none"> <li>Increased coastal erosion, flooding, and damage to infrastructure, including buildings, ports, and transportation systems.</li> <li>Disruption of supply chains, leading to delays in the delivery of raw materials or finished products.</li> </ul> | <ul style="list-style-type: none"> <li>Identifying and mitigating risks by assessing vulnerable areas and taking actions, including capital investments, management strategies, insurance coverage, and emergency planning, to minimize the impacts of chronic risks.</li> <li>Monitoring temperatures exceeding seasonal norms and installing automatic cooling systems in critical areas to protect equipment and prevent overheating.</li> <li>Enhancing chiller capacity and efficiency to address production issues caused by rising air temperatures.</li> </ul>   |

| Transitional Risk<br><i>(Time horizon: medium-term/long-term)</i>   |  |   |
|---|--|---|
| Risk Types  | Implications   | Mitigation Measures   |
| <b>Policy Change Risk</b> <ul style="list-style-type: none"> <li>Launch of policies in relation to energy conservation and emission reduction</li> <li>More stringent reporting obligations and compliance requirements on emissions</li> <li>Changes in regulatory requirements and standards</li> </ul> | <ul style="list-style-type: none"> <li>Increased regulatory scrutiny by the local regulators may introduce new policies and regulations to address climate change, such as carbon pricing or emission reduction targets. This could lead to stricter compliance requirements and additional costs for businesses.</li> <li>Shift in investment incentives often favors renewable energy and sustainable practices may create opportunities for businesses operating in these sectors, while industries heavily reliant on fossil fuels may face challenges and need to adapt or diversify their operations.</li> </ul> | <ul style="list-style-type: none"> <li>Setting energy conservation and consumption reduction targets and GHG emission reduction targets, actively taking relevant measures to reduce GHG emissions, and promote the gradual reduction of GHG emission intensity and total volume.</li> <li>Developing green and low-carbon production techniques, reducing production costs and increasing profit margins.</li> </ul> |
| <b>Technology Risk</b> <ul style="list-style-type: none"> <li>Costs to transition to low-emission product and technology</li> </ul>   | <ul style="list-style-type: none"> <li>Climate change mitigation efforts often require the development and deployment of new technologies and solutions. Businesses that invest in and successfully adopt innovative technologies can gain a competitive advantage, while those slow to adapt may face market obsolescence.</li> </ul>   | <ul style="list-style-type: none"> <li>Upgrading to high energy-consuming equipment to save energy; promoting resource recycling.</li> </ul>  |
| <b>Market Risk</b> <ul style="list-style-type: none"> <li>Customers' demand for environmental protection and green production</li> <li>Surges in electricity fees and fuel expenses</li> </ul>  | <ul style="list-style-type: none"> <li>Growing environmental awareness and concerns about climate change can influence consumer behavior. Businesses that fail to align with evolving consumer values and expectations may experience reduced demand for their products or services.</li> </ul>  | <ul style="list-style-type: none"> <li>Paying close attention to market signals and energy policy changes to ensure timeliness of information.</li> </ul>   |

# ENVIRONMENT

| Transitional Risk<br>(Time horizon: medium-term/long-term)   |  |   |
|--|--|---|
| Risk Types   | Implications   | Mitigation Measures   |
| <b>Reputation Risk</b> <ul style="list-style-type: none"> <li>Customers' attention to corporate responsibilities</li> <li>Stakeholders' concern about negative news</li> </ul> | <ul style="list-style-type: none"> <li>Investors, employees, and other stakeholders are increasingly scrutinizing companies' environmental performance. Negative publicity or stakeholder activism related to unsustainable practices can harm a company's reputation, leading to financial consequences such as reduced investment or difficulty in attracting top talent.</li> </ul> | <ul style="list-style-type: none"> <li>Strengthening energy conservation and emission reduction management, training and publicity in the overall production and operation process, and raising employees' awareness of energy conservation.</li> </ul> |



### Climate Risk Mitigation Measures for Floods in Germany

Our plant in Germany incorporates high-performance waterproofing systems designed to withstand varying water exposure classes. Critical structural elements are protected with multi-layered sealing systems, reinforced joints, and integrated drainage solutions to ensure long-term durability and watertightness. These measures enable us to safeguard the structural integrity of the plant, as well as to support operational continuity in the face of increasing climate challenges such as heavy rainfall and rising groundwater levels.

For more details about our decarbonization efforts and energy management, please refer to 1.3 Energy and GHG Management of this Report.

## Climate-related Risk Management

The Group engaged a third-party consultant to identify and assess climate related-risks and opportunities through desktop research and in-depth analysis. During the assessment, we assessed the likelihood, impact, adaptability, and resilience of various climate-related risks and opportunities and studied their impact on our business operations and their priority relative to other types of risks identified by the Group.

The Group has established a comprehensive risk management framework and processes to manage our enterprise risks, including the identified climate-related risks. We are in the process of integrating climate-related risks into our company-wide enterprise risk management (ERM). In addition, we are exploring the feasibility of conducting climate scenario analysis to better identify, prioritize and manage risks in the future.

## Metrics and Targets

In our ongoing efforts to minimize our environmental impact and address climate change, we have embedded energy conservation and emission reduction practices across all our operations. Building on the preliminary research on value chain emissions, we have disclosed our Scope 3 emissions data for the first time this year. During the Reporting Period, we made progress in quantifying 4 categories of upstream carbon emissions, covering emissions from purchased goods and services, capital goods, fuel- and energy-related activities, and waste generated in operations. The disclosed categories were selected as the first step of our Scope 3 accounting efforts based on data readiness and materiality and relevance to the Group's business operations. These figures were calculated using a combination of spend-based emission factors and activity-based methodologies, in accordance with the Greenhouse Gas Protocol, and based on the methodology detailed in the Scope 3 Emission Reporting Methodology. During the Reporting Period, the Group has generated a total of 170,505 tons of carbon dioxide ("tCO<sub>2</sub>e") Scope 1 and Scope 2 greenhouse gas emissions, and 129,446 tCO<sub>2</sub>e greenhouse gas emissions in Scope 3.

### Greenhouse Gas Emissions

|                          | 2025                       |
|--------------------------|----------------------------|
| Scope 1                  | 11,642 tCO <sub>2</sub> e  |
| Scope 2 (location based) | 158,863 tCO <sub>2</sub> e |
| Scope 3                  | 129,446 tCO <sub>2</sub> e |

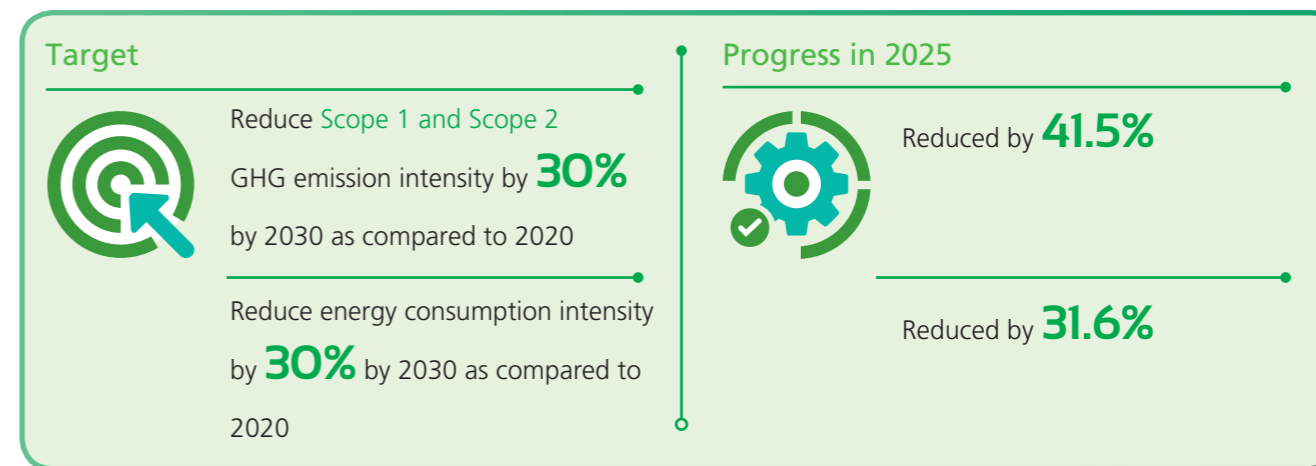


# ENVIRONMENT

## Scope 3 Emissions Reporting Methodology

| Scope 3 Category                                   | Calculation Methodology Description   |
|--|---|
| Category 1:<br>Purchased goods and services        | Impro quantifies GHG emissions from metal and non-metal purchases with reference to Environmentally Extended Input-Output (“EEIO”) based emission factors published by the US Environmental Protection Agency (“EPA”) and the UK Government GHG Conversion Factors for Company Reporting issued by the Department for Energy Security & Net Zero (“DESNZ”). Impro’s procurement team provided the purchase records for our operations in China, Germany, Turkey and Mexico during the Reporting Period. |
| Category 2:<br>Capital goods                       | We use accounting data and emission factors published by the UK DESNZ to calculate the spend-based scope 3 emissions for capital goods. In accordance with the Greenhouse Gas Protocol, Impro distinguishes purchased goods and services included in Category 1 from capital goods included in Category 2 following our own financial accounting practices to ensure clear boundaries and prevent double counting.  |
| Category 3:<br>Fuel- and energy-related activities | We calculate emissions from fuel- and energy-related activities by using utility data provided by each operating plant. Cradle-to-gate emissions and transportation and distribution losses for various fuels and energy are calculated using country-specific emission factors where available or those recommended by the UK DESNZ.   |
| Category 5:<br>Waste generated in operations       | We calculate emissions from waste generated in operations based on our waste data reported by our plants and emission factors published by the UK DESNZ and China Products Carbon Footprint Factors Database.   |

To guide our decarbonization efforts, we established our initial climate goals in 2022, following a structured and data-driven process. Based on plant-level data, our ESG Working Group consolidates, analyses, and forecasts performance trends to formulate target proposals, which are then submitted to the Sustainability Committee and the Board for final review and approval. During the Reporting Period, the greenhouse gas emission intensity (Scope 1 and Scope 2) reached 33.5 tCO<sub>2</sub>e/HK\$ million, reducing by 41.5% compared with the 2020 baseline.

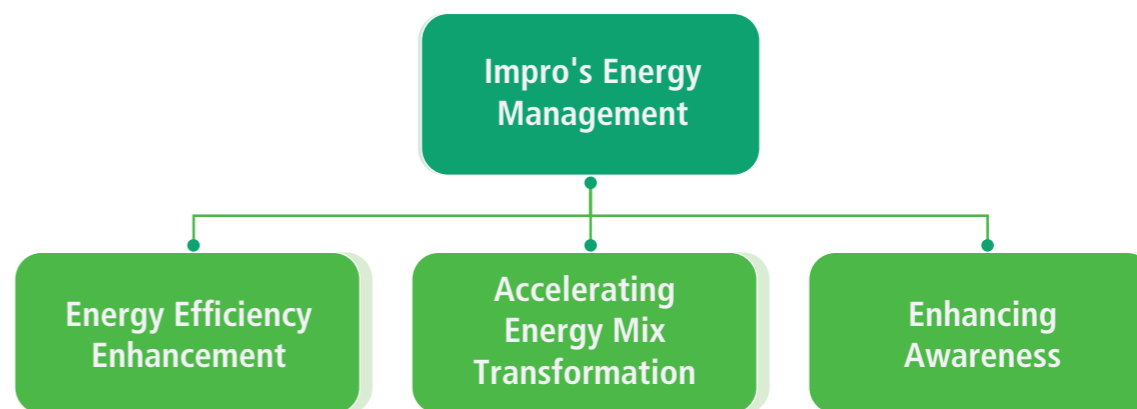


Additionally, the Group maintains adherence to emissions limits and climate policies and regulations across its operating regions. Our plant in Germany purchased carbon certificates to comply with applicable regulatory requirements of the European Union.

Due to the complexity of Scope 3 calculations, the Group is taking a phased approach to complete the Scope 3 inventory and will continue to develop data collection processes across our global operations to gather other relevant Scope 3 emission data. Comparative data will therefore be available upon the completion of the Scope 3 inventory in upcoming years. We will continue to rigorously review our value chain emissions and are actively progressing our Scope 3 disclosures to include downstream emissions in forthcoming reports.

### 1.3 ENERGY AND GHG MANAGEMENT

At Impro, we recognize energy management and efficiency as a cornerstone of sustainable manufacturing in the precision industry and an important aspect to decarbonize our operations. Through strategic investments in energy efficiency enhancement, accelerating energy mix transformation, and enhancing awareness, we are actively reducing our energy consumption and carbon footprint.



# ENVIRONMENT

## Pathway 1: Energy Efficiency Enhancement

Through continuous process optimization, smart automation, and the deployment of high-efficiency equipment, we are systematically reducing energy consumption.

### Replacement of Equipment to Enhance Efficiency in China

In 2025, our China plants conducted a comprehensive equipment upgrade to enhance efficiency and reduce energy use. Following a full motor assessment, 21 outdated units were phased out, and energy-efficient water pump and air conditioning motors are now being installed. These high-efficiency models are expected to cut electricity consumption, lowering operational energy demand and improving environmental performance.

### GHG Management Certification in China

In 2025, Impro China has successfully obtained certification against two internationally recognized standards: ISO 14067 for product carbon footprint and ISO 14064 for greenhouse gas emission verification.



### Upgrade Equipment to Enhance Efficiency in Germany

In 2025, our German plant installed a heat recovery system in the cooling pipes of the melting furnace. This initiative saved 180,000 kWh of natural gas for heating purposes during the Reporting Period.



### Office Upgrades in our Mexico plants to Enhance Energy Efficiency

During the Reporting Period, our Mexico plants implemented a series of automation and energy efficiency initiatives, primarily in office areas, to reduce unnecessary energy consumption. These initiatives include scheduling air conditioner shutdowns outside operating hours, installing occupancy sensors, and optimizing lighting with segmented circuits and multi-switch controls to illuminate only necessary zones.



## Pathway 2: Accelerating Energy Mix Transformation

Accelerating the transformation of energy mix is a key priority under our decarbonization strategy, driven by a strategic shift toward a cleaner energy mix. By increasing the share of renewable energy, we are significantly reducing our carbon emissions and advancing our commitment to a sustainable future.

### Energy Storage Power Station at Impro China's Headquarters

Impro's second energy storage station has been operating efficiently throughout 2025. With a maximum output of 20 MW and a storage capacity of 40 MWh, the system operates by storing electricity during off-peak hours and discharging it during periods of high demand — a strategy that has consistently been proven effective in reducing energy costs, enhancing grid stability through demand-supply balancing, and ensuring a reliable power supply for our ongoing operations. During the Reporting Period, the energy storage discharge amount was 15,897,203 kWh.

Beyond delivering clear economic and operational advantages, the energy storage system has also played a crucial role in improving the overall utilization of renewable energy. By enabling more efficient integration of clean power into the grid, it continues to support Impro's broader decarbonization goals and reinforces our commitment to sustainable industrial practices.

### Photovoltaic Projects and Solar Energy Projects in China

Impro Zhenjiang has installed a solar energy system, fully covering the rooftop of the carpark with photovoltaic panels to energy generation potential.

By the end of 2025, the solar project has generated 2,489 MWh of electricity and contributed to a decrease of 24% of the plant's total electricity consumption, demonstrating tangible progress in reducing reliance on grid-supplied power and lowering carbon emissions.



Our progress in renewable energy generation and consumption:

|   | 2025                 | 2024          |
|---|----------------------|---------------|
| Photovoltaic solar power generated and consumed | <b>4,813,190 kWh</b> | 3,189,419 kWh |
| % of total electricity consumption              | <b>1.6%</b>          | 1.2%          |
| % of total energy consumption                   | <b>1.3%</b>          | 0.9%          |

Our operations in Mexico and Germany are actively discussing collaboration opportunities with local governments to develop solar energy projects and are exploring the feasibility of investing in solar power stations, and we will disclose the outcomes in our future reports.

# ENVIRONMENT

## Pathway 3: Enhancing Awareness

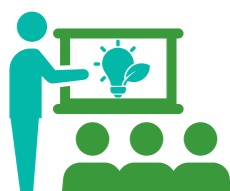
As a key component of our Environmental Policy, Impro seeks to reduce our energy consumption through ongoing education and raising employee’s awareness. We provide annual training sessions covering topics such as energy-saving practices and environmental protection encourage energy conservation.



Designing and displaying posters, and screening educational videos in staff canteens to raise energy conservation awareness



Promoting energy-saving concepts during environmental protection festivals, such as World Environment Day



### Environmental Protection Training in China

In 2025, Impro conducted environmental training for all employees, covering pollution control, environmental protection, leak prevention, and energy conservation. The program raised employees’ awareness for reducing environmental impacts, and promoted energy-saving practices across all operations, reinforcing the Group’s commitment to environmental responsibility.

## 1.4 RESOURCE STEWARDSHIP

Impro acknowledges the critical importance of conserving resources and managing them responsibly. By embracing innovative technologies, refining operational processes, and adopting sustainable usage practices, we are committed to minimizing our overall water footprint, and promoting the responsible use of packaging materials.

By establishing realistic yet aspirational targets to reduce water intensity, and implementing sustainable packaging practices, we are actively advancing towards our resource-saving objectives.

## Water Stewardship

The prudent management of water and the safeguarding of water resources are fundamental to the long-term wellbeing and resilience of our local ecosystems and communities. At Impro, the protection of water resources and the promotion of efficient water use remain central priorities. We place significant importance on strengthening our resource management practices and have set clear targets to steer our efforts in conserving water and ensuring the sustainable use of resources.

### Target



Reduce water consumption intensity by **40%** by 2030 as compared to 2020

### Progress in 2025



Reduced by **58.3%**

In 2025, our total water consumption was 926,634 tons, with a consumption intensity of 181.9 tons/HK\$’M, a decrease of 5.5% as compared to 2024, as a result of our continuous efforts on water efficiency improvement. When comparing to 2020, our total water consumption intensity reduced by 58.3%, exceeding our 2030 goal.



### Infrared Electromagnetic Sensor-Activated Water Supply Device in China

In 2025, we upgraded the restroom water systems in our facilities by replacing continuous flow taps with infrared electromagnetic sensor-activated faucets. As a result of this retrofit, mains water consumption decreased by **61,575 tons** compared to 2024.



### Real-time Monitoring in China

Our plants in China conduct daily water-meter readings to closely monitor usage. We review the consumption patterns of each production line and adjust water use accordingly to improve efficiency and avoid unnecessary consumption.

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## Packaging Management

We place strong emphasis on minimizing the environmental impact of packaging materials. Committed to advancing circularity, we have introduced initiatives centered on reducing, reusing, and recycling these materials. By embracing these sustainable practices, we reinforce our dedication to environmental stewardship and support a more sustainable and responsible approach to packaging. Our comprehensive packaging management strategy seeks to reduce environmental impact through three core principles: recycling, reusing, and returning.



### Utilizing Packaging Bags with Recycled Materials in China

To minimize the generation of plastic waste, we have strengthened source management in our production and packaging processes and actively promoted the use of recycled materials in our export packaging. Currently, to meet customer needs, we use eco-friendly anti-rust bags with 20% recycled content for export packaging, replacing virgin plastic anti-rust bags. These environmentally friendly anti-rust bags now account for approximately 10% of the total anti-rust bags used in the plants, effectively reducing the consumption of new plastic and further mitigating the negative impact on the environment.



### Utilizing Returnable Packaging Materials in Turkey

Our plants in Turkey adopts returnable and reusable packaging materials to significantly cut down on single-use packaging and minimize waste generation. This sustainable approach is primarily applied in internal logistics and inbound shipments from suppliers.

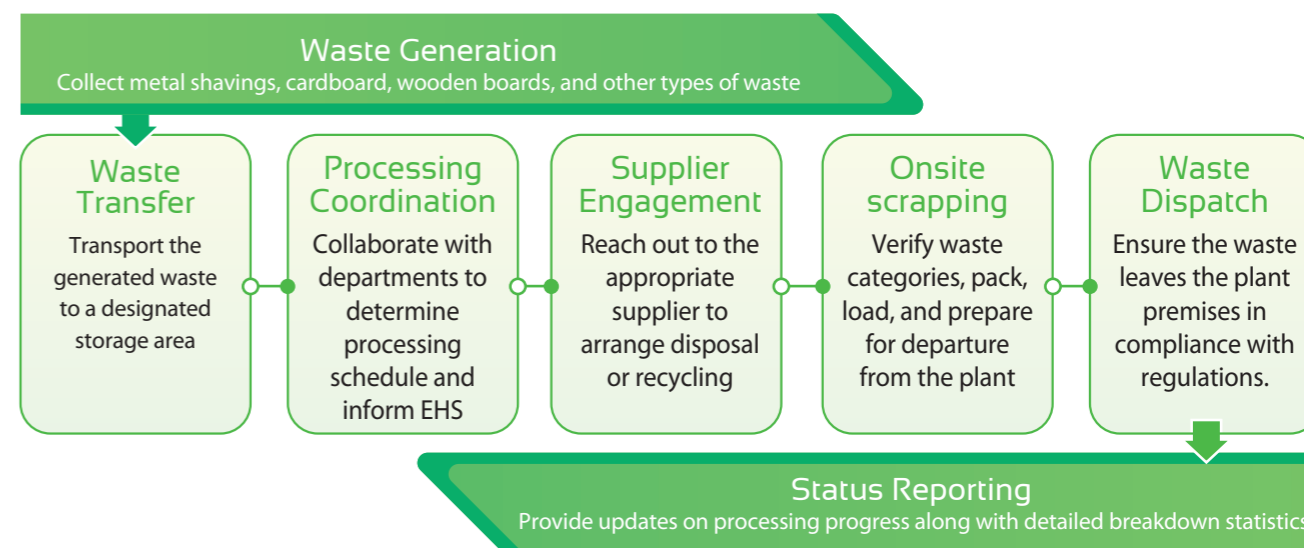
## 1.5 WASTE MANAGEMENT

Aligned with the principles of the circular economy, Impro Group is committed to minimizing the generation of both hazardous and non-hazardous waste arising from our production processes. We adhere to the guiding principles of “maximum reduction and reuse, classification and recycling, centralized storage, and unified treatment” to ensure that all waste is managed, handled, and disposed of responsibly.

Our Group-wide environmental policy stipulates that each department is accountable for reducing waste at source by enhancing processes, standardizing operations, and strengthening employee awareness. We also provide employees with the necessary support and guidance to improve waste management practices and to make full and effective use of available resources.

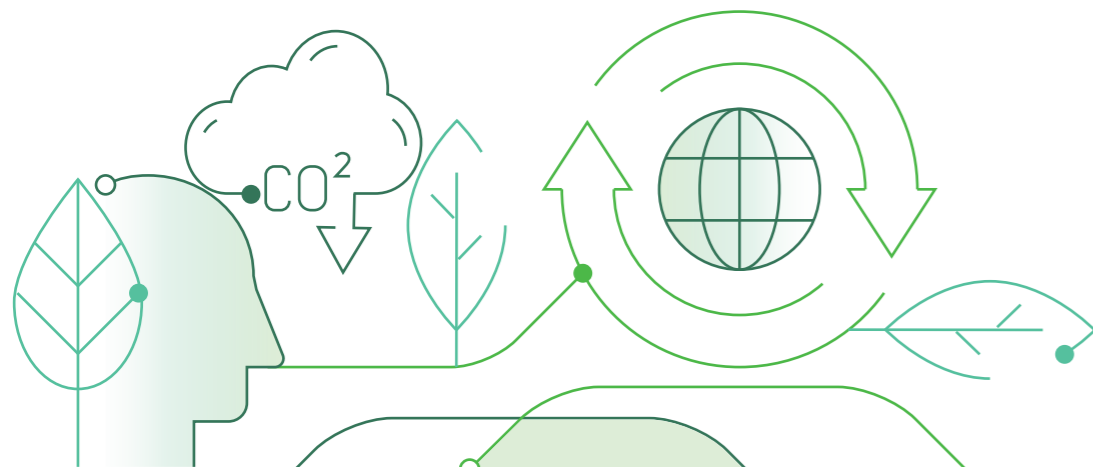
### Non-Hazardous Solid Waste

#### WASTE DISPOSAL FLOWCHART



To ensure robust waste management, we maintain rigorous oversight over the collection, classification, storage, and transfer of all waste streams arising from our plants and daily operations. Non-hazardous waste is segregated into clearly defined categories, including recyclable materials, general industrial solid waste, and household waste. Through the implementation of thorough internal waste management protocols and the provision of ongoing employee training in proper waste separation practices, we ensure that non-hazardous solid waste is handled appropriately and disposed of responsibly across all our sites.

The Group has recycled 78,851 tons of non-hazardous solid waste in 2025, accounting for 90.9% of the total solid waste disposal. During the Reporting Period, the intensity of non-recyclable solid waste has decreased by 27.5%. When comparing to 2020, our non-recyclable solid waste intensity decreased by 85.9%.



# ENVIRONMENT

Through these proactive measures, we strive to promote sustainable practices, minimize waste generation, and actively contribute to environmental preservation and regulatory compliance.

| Target   | Progress in 2025   |
|--|--|
|  <p>Reduce non-recyclable solid waste intensity by <b>85%</b> by 2030 as compared to 2020</p> |  <p>Reduced by <b>85.9%</b></p> |

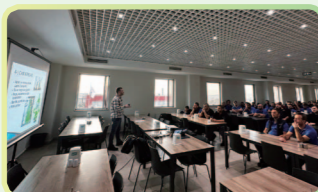
## Waste Collection and Segregation in China

Our China plants classify waste into general industrial solid waste, domestic waste, and hazardous waste, storing each category separately within designated areas. During the storage process, appropriate anti-leakage and containment measures are implemented to avoid leakage and to minimize environmental impact. Following the proper collection procedures, all waste is duly reported through the required online platform and subsequently transferred and treated by certified and qualified contractors for handling and disposal.



## Waste Management Training in Turkey

In our Turkey plants, we provide regular waste management training to all employees, to ensure proper waste segregation and full compliance with the Zero Waste Management System. The training program covers waste classification, corrects labeling practices, temporary storage requirements and disposal procedures.



## Zero Waste Certificate in Turkey

Our Turkey plants have maintained their Zero Waste Certificates, which remain valid until August 2027. In 2025, we continuously monitored and improved waste segregation and recycling performance. We also installed additional recycling bins to enhance efficient waste collection.





## Hazardous Waste Management

Impro Group has established a rigorous system to ensure comprehensive management and responsible disposal of hazardous waste. Across all production plants, the Group complies with the classification, labelling, and storage requirements set out in the national standard GB18597-2001 in China, alongside other applicable local regulations, to maintain full regulatory conformity.

We exercise stringent control over the handling of hazardous substances throughout our production processes. The unauthorized disposal, discharge, or transfer of such materials is strictly prohibited. All hazardous substances are utilized in accordance with prescribed container and packaging specifications, and storage areas are clearly marked and properly identified to ensure safety and traceability.

During operations, hazardous waste is categorized and collected by the relevant departments before being promptly stored in designated hazardous waste facilities. Qualified contractors are engaged to collect and transport the waste in compliance with regulatory requirements. In addition, we provide dedicated training to employees to ensure they fully understand their responsibilities under our waste management standards and procedures, thereby preventing hazardous materials from entering landfills.

The hazardous waste intensity increased by 11.4% as compared to 2024, mainly due to the expansion of our production, as well as the trial runs of the painting line and machinery relocation activities at our plants in Mexico with additional hazardous waste generation. When comparing to 2020, our hazardous waste intensity reduced by 58.1%.

| Target  | Progress in 2025   |
|---|--|
|  <p>Reduce hazardous solid waste intensity by <b>50%</b> by 2030 as compared to 2020</p> |  <p>Reduced by <b>58.1%</b></p> |



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## Wax Recycling in China

Impro China has introduced advanced hot-melt material purification equipment to efficiently purify, refine, and recover waste or used wax generated during production. This initiative enables us to reclaim valuable resources by converting residual wax into materials suitable for reuse. Through the use of state-of-the-art purification technologies, we ensure that the recovered wax consistently meets stringent quality standards for reintegration into our operations. This process not only reduces waste but also supports our broader sustainability objectives by minimizing the environmental impact associated with wax disposal.

## New System to Reduce Oil Waste in Turkey

In 2025, our Turkey plant upgraded its machining process with a new centrifuge system, reducing oil content on metal chips to under 1%. The initiative continues to minimize oil waste through improved collection, filtration, and recycling systems, along with regular maintenance to prevent leaks and contamination.



## Targeted Training Regarding Chemical Safety and Hazardous Waste in China

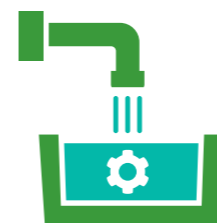
During the Reporting Period, all employees received environmental training focused on safe chemical handling and hazardous waste disposal, strengthening awareness of the potential environmental impacts caused by hazardous chemicals. Topics included spill response, waste classification, storage, and prevention of soil and water contamination. The program enhanced staff awareness and capabilities, reducing pollution risks across operations.

## 1.6 POLLUTANT EMISSIONS

We have developed the Waste Gas Emission Management Rules and the Wastewater Discharge Management Rules tailored to our production processes. We remain committed to consistently monitoring, measuring and analyzing waste gas emission and wastewater discharge.

### Wastewater Management

We are committed to continuously enhancing our wastewater treatment infrastructure and adopting advanced treatment technologies to improve pollutant removal efficiency and reduce contaminant levels in discharged water.



## Wastewater Monitoring and Collection in China

Our China plants has installed real-time effluent monitoring systems at outfalls, enabling prompt detection and response to abnormalities, reducing pollution risks. Additional monitoring for total chromium and nickel is in place, with data integrated into the local environmental bureau's system — automated alerts are triggered for any exceedances, ensuring timely regulatory compliance and environmental protection.

Additionally, we implemented rainwater downspout re-routing and upgraded the use of surface sewage collection wells, preventing stormwater from entering the sewage system and reducing wastewater generation at source.

Our plants in China maintain daily records of domestic wastewater discharge and continue to advance wastewater reduction initiatives by implementing rainwater downspout re-routing and optimizing the management of surface sewage collection wells. These measures effectively prevent stormwater from entering the sewage system and help reduce wastewater generation at the source.

## Water Recycling at the Wastewater Treatment Plant in China

Our China plants undertook an upgrade of their environmental protection facilities, including the enhancement of the wastewater recycling system to enable the reuse of treated wastewater in production processes. In 2025, a total of 12,256 tons of wastewater was recovered and reused, significantly improving water resource efficiency and further reducing the plant's reliance on external water supplies.



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## Gas Emission Management

We are committed to advancing emission management by leveraging process innovation and comprehensive facility upgrades. Through continuous optimization and retrofitting, we aim to significantly reduce both the volume and intensity of emissions. During the Reporting Period, we upgraded all exhaust gas treatment facilities for our plants in China, further strengthening our gas emission control capabilities.



### Installation of a Spray Dust Suppression System in China

Impro has installed a spray dust suppression system on the equipment within its mould shell recycling system, effectively managing dust emissions and ensuring adherence to environmental discharge standards. The system operates by moistening fine particles, promoting agglomeration, reducing airborne suspension, and capturing dust, thereby substantially decreasing the amount of particulate matter released into the atmosphere.

Through these proactive measures, Impro reaffirms its dedication to sustainable operations, actively reduces its environmental impact, and contributes to enhanced air quality and improved environmental well-being in the local community.



### Smog Hog Systems in Turkey

As a precision machining plant using CNC machines, we recognize the critical importance of maintaining high air quality throughout our production processes. Our machining operations involve the use of cutting oils, which can generate oil mist and smoke. To mitigate this, we have installed smog hog (oil mist extraction) systems in our exhaust chimneys, effectively capturing airborne oil particles and ensuring a cleaner, healthier working environment.

In Turkey, we strictly adhere to national environmental regulations. We conduct mandatory chimney emission monitoring every two years to systematically assess pollutant discharge levels and evaluate compliance with national environmental standards. These assessments provide critical data to monitor pollutant levels, evaluate the performance and effectiveness of our smog hog systems, ensuring continuous adherence to environmental regulations and reinforcing our commitment to sustainable and responsible operations.



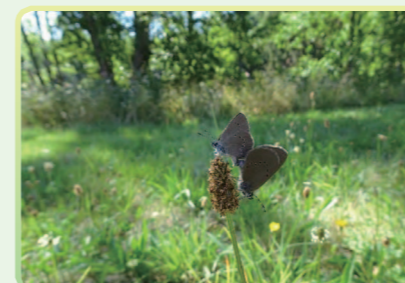
## 1.7 BIODIVERSITY

Impro's manufacturing operations do not have a significant impact on biodiversity and ecosystems. Nonetheless, we proactively integrate biodiversity protection into our site development and management practices. In our industrial parks located in Germany, we have implemented a range of nature-positive initiatives, including the establishment of green spaces, the use of native plant species in landscaping, and the creation of wildlife-friendly habitats. By embedding sustainable landscaping and biodiversity-sensitive design principles into our site planning, we aim to increase the ecological value of our facilities and foster harmonious coexistence between industrial operations and natural ecosystems.

### Promoting Biodiversity in Industrial Parks in Germany

Our plant in Germany covers 110,000 square meters, with 30,000 square meters dedicated to industrial production and 50,000 square meters preserved as green space. This area supports local biodiversity and strengthens the ecosystem. This area fosters local biodiversity and enhances the ecosystem. The plant works in collaboration with nearby livestock farmers and beekeepers to encourage sustainable agriculture and stimulate the local economy.

By harmonizing industrial operations with environmental care, Impro reduces its ecological footprint and actively supports the well-being of the surrounding community.





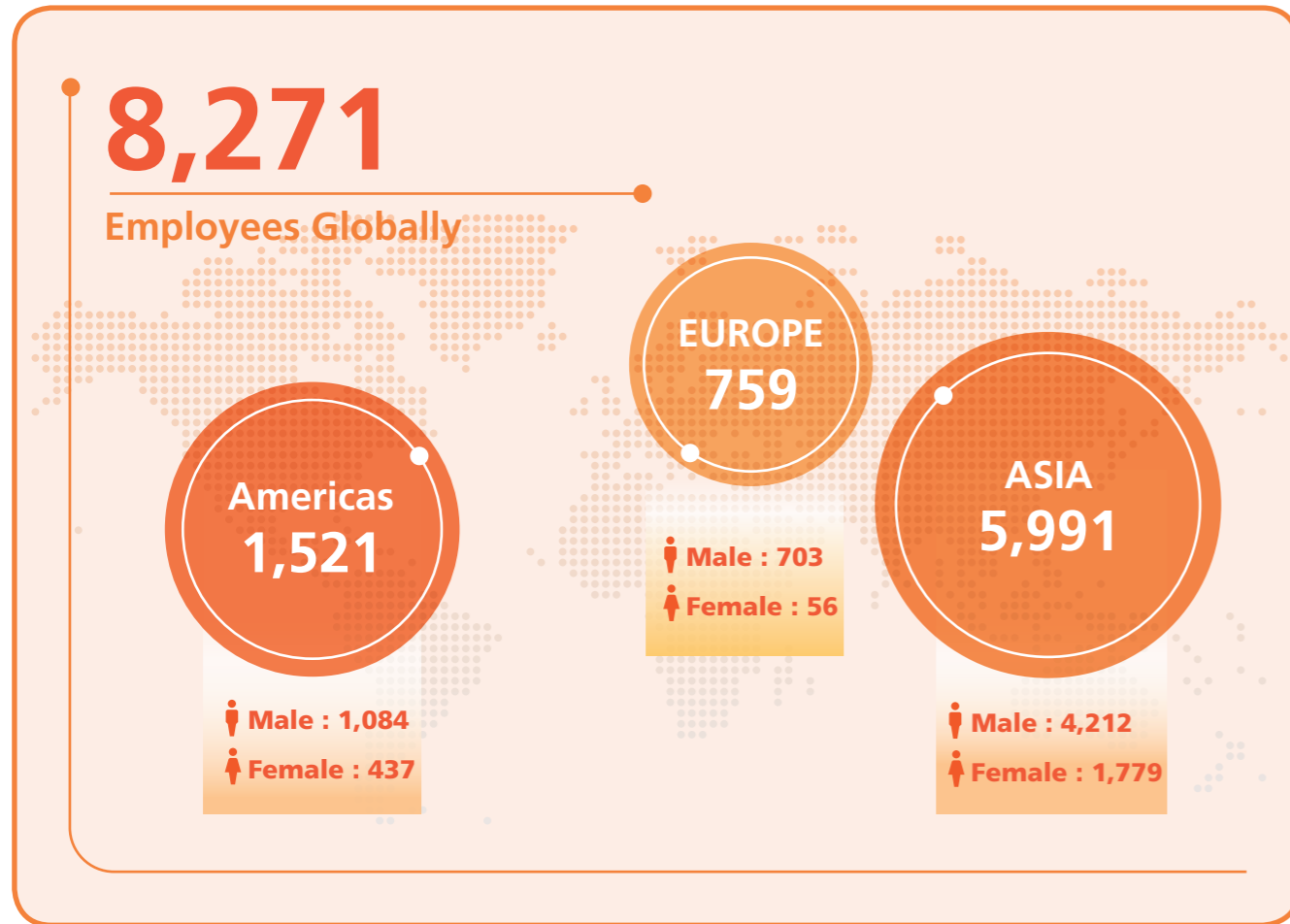
WE ENDEAVOR  
TO CULTIVATE  
A SUPPORTIVE  
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CULTURE THAT NOT  
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ALSO GENERATES  
A POSITIVE  
IMPACT WITH THE  
COMMUNITIES  
AROUND US

# 02 SOCIAL

- 2.1 | Human Capital
- 2.2 | Health and Safety
- 2.3 | Stakeholder and Community Engagement

# SOCIAL

In 2025, Impro global workforce grew to 8,271, and over 27% of workforce are outside China, reflecting the continued expansion of our global footprints.



Impro Group is committed to fostering an equitable, diverse, and safe environment for our employees and the communities we serve. We endeavor to cultivate a supportive workplace culture that not only nurtures our workforce but also generates a positive impact within the communities around us.

## 2.1 HUMAN CAPITAL

We remain dedicated to our core values of “Integrity and Credibility, Diligence and Unity, Pragmatism and Efficiency, Pursuit of Excellence and Innovation”. Our employees are central to our success and are regarded as our most strategic asset. By protecting their rights and supporting their professional growth, we aim to foster a fair, inclusive, and cohesive working environment that strengthens their sense of belonging to the Impro Group culture.

To attract and retain high-caliber talent, Impro regularly reviews the onboarding process for all new joiners, refine recruitment and selection procedures.

Since 2024, Impro has partnered with the Haimen Campus of Jiangsu Union Technical Institute to align the Nantong plant’s labor needs with talent development. HR and production representatives visited the campus to discuss job requirements, competency standards, and knowledge frameworks. As part of the collaboration, employees delivered company-culture lectures, conducted recruitment sessions, and provided both theoretical and practical training. By 2025, eight interns were placed at the plant, with three progressing to full-time roles. This partnership has strengthened our talent pipeline and created a stable channel for recruiting skilled technical professionals.

### Talent Development

Impro Group acknowledges the significance of employee career development and consistently invests in a range of programs and initiatives aimed at fostering talent and enabling staff to realize their full professional potential.



# SOCIAL

## Employee Skills Training on Safety Operations

In 2025, Impro Group strengthened workplace safety through targeted training initiatives. At the Xishan plant, a provincial-level safety instructor delivered training on safety management for team leaders, covering legal interpretations of safety-related criminal cases, safety principles, and foundational team safety practices.



Additionally, overhead crane operators underwent specialized training on safe operation procedures, electrical safety, PPE usage, and real-world accident case studies to reinforce best practices and prevent incidents. These efforts support a culture of safety and compliance with industry standards.



## Talent Empowerment

Impro has a comprehensive, multi-tiered training framework encompassing internal, external, and self-directed learning. We deliver comprehensive training programs to enhance employee capabilities, including onboarding, skills development, safety operations, and quality control. These initiatives strengthen workforce competence, promote a safety-first culture, and support continuous improvement across operations.

In our operations in Turkey, talent development is advanced through a variety of specialized training program, such as those covering the AS9100, ISO 50001, and IATF 16949 Quality Management Systems. White-collar employees are supported through a structured initiative, whereby potential candidates are identified by department heads, and a customized training plan is developed in coordination with senior management.

Our Mexico plants continued to promote talent empowerment through strategic partnerships with local universities. Our partners include the University of the Valley of Mexico (Universidad del Valle de México), Technological Institute of Monterrey (Tecnológico de Monterrey), and TecMilenio University (Universidad Tecmilenio). Through the partnerships, we provided our employees with substantial tuition discounts for their continuous learning. In addition, Impro offers internship opportunities to final-year students, enabling them to gain hands-on experience.

## English Training at Yixing Plant

At the Yixing plant, we conducted an English proficiency program for key technical engineers and quality management staff, focusing on listening and speaking skills. The program combined external instructor-led training and assessments with internal sessions on industry-specific vocabulary and terminology, delivered by the customer service team, to strengthen cross-functional communication and global collaboration.

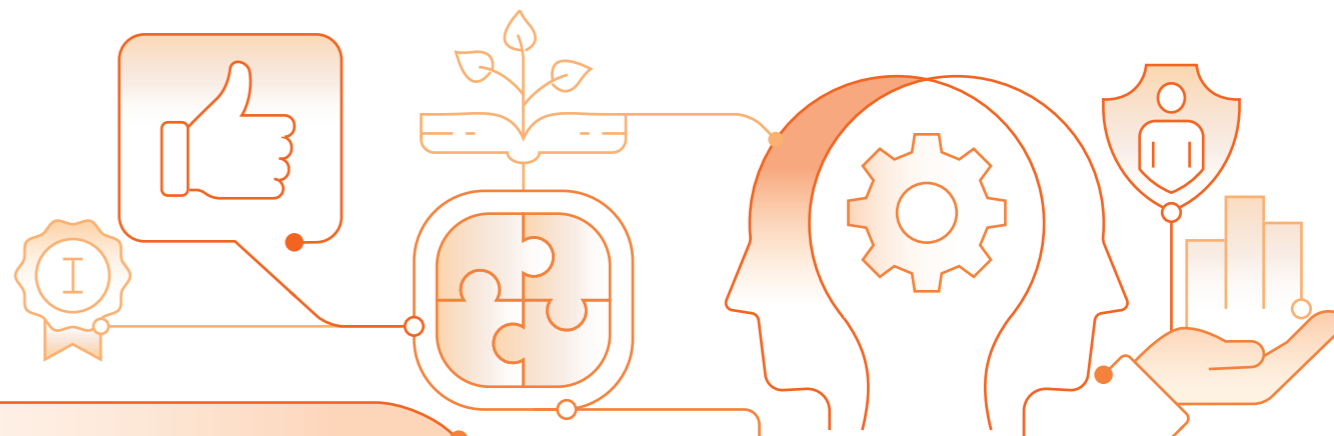


## Talent Promotion

To ensure structured and effective workforce governance, the Company has put in place the Corporate Position Management Policy, which standardizes the processes for position establishment, modification, and approval across all business units.

Integral to our approach to talent development and organizational performance is the systematic implementation of skill matrix evaluations and talent inventory reviews. These tools enable employees to pinpoint areas for improvement and align themselves with the appropriate training and development opportunities available within Impro's manufacturing sites. The skill matrix covers a broad spectrum of competencies, including leadership capability, risk and safety management, and digital proficiency. Through the performance evaluation system, 52 employees were promoted during the Reporting Period across our China plants.

Middle management undergoes annual performance reviews, with outcomes serving as a key consideration in decisions regarding contract renewals. Talent inventory assessments are conducted twice a year to evaluate young and skilled employees against current vacancies or emerging job requirements, with promotions awarded to those who demonstrate potential. During the Reporting Period, 92.0% of employees across all our sites received regular evaluations covering both performance and career development.



# SOCIAL

## EMPLOYEE DEVELOPING CHANNELS

| Young Eagle Plan  | Employee First Year Consultation Plan   | Star Mechanician and Star Technician  |
|---|---|---|
| <ul style="list-style-type: none"> <li>It is a training for university graduates that aims to foster a deep understanding of the Company’s culture while empowering them to seize opportunities and unleash their full potential.</li> <li>During the Reporting Period, a total of 8 university students participated in the “Young Eagle Plan”.</li> </ul> | <ul style="list-style-type: none"> <li>New employees (less than one year) are required to submit regular self-reflections at key milestones — second week, first month, third month, sixth month, and end of the first year — covering work content, achievements, and challenges. This supports continuous learning, performance tracking, and early development intervention.</li> <li>We engage employees through personalized reviews, provide guidance on career development, and offer tailored support to help them achieve their professional goals.</li> </ul> | <ul style="list-style-type: none"> <li>We established a structured skill framework for key technical roles to support continuous upskilling and provide clear, transparent pathways for career progression.</li> <li>During the Reporting Period, 164 technicians were selected as the star technicians after the appraisal in the China, and 1,626 were selected as star mechanics.</li> </ul> |

## Talent Retention

Impro Group continuously strengthens our talent pool and enhances organizational stability by fostering an engaging work environment and supporting long-term employee development.

We acknowledge and motivate talent through a structured reward system, which includes financial incentives for former employees who rejoin the Company, with the amount determined by their previous rank. Current employees are also encouraged to refer qualified candidates and are eligible for corresponding monetary rewards in recognition of their contributions.

To further support workforce diversity and foster cross-regional collaboration, Impro offers attractive relocation incentives to employees in China who opt to work at our manufacturing sites in Mexico. These initiatives do not only help attract and retain high-performing individuals but also reinforce team cohesion and contribute to the Company’s sustained growth and success.

During the Reporting Period, the overall employee turnover slightly increased by 0.5% to 29.6%, primarily due to the role and staffing adjustments arising from ramp up of our Mexico plants, which contributed to a rise in voluntary resignations. We will continue to implement targeted measures and initiatives to retain talent and strengthen workforce stability.

### Competitive Remuneration and Benefits

At Impro Group, we ensure fair and equitable compensation for all our employees. To support this commitment, we have established a comprehensive set of internal policies, including the Corporate Remuneration Policy, Corporate Benefit Policy, Corporate Reward and Reprimand Policy, and Corporate Overtime Policy. These frameworks are designed to provide standardized guidelines for managing pay and benefits across the organization, aligned with market standards and industry best practices.

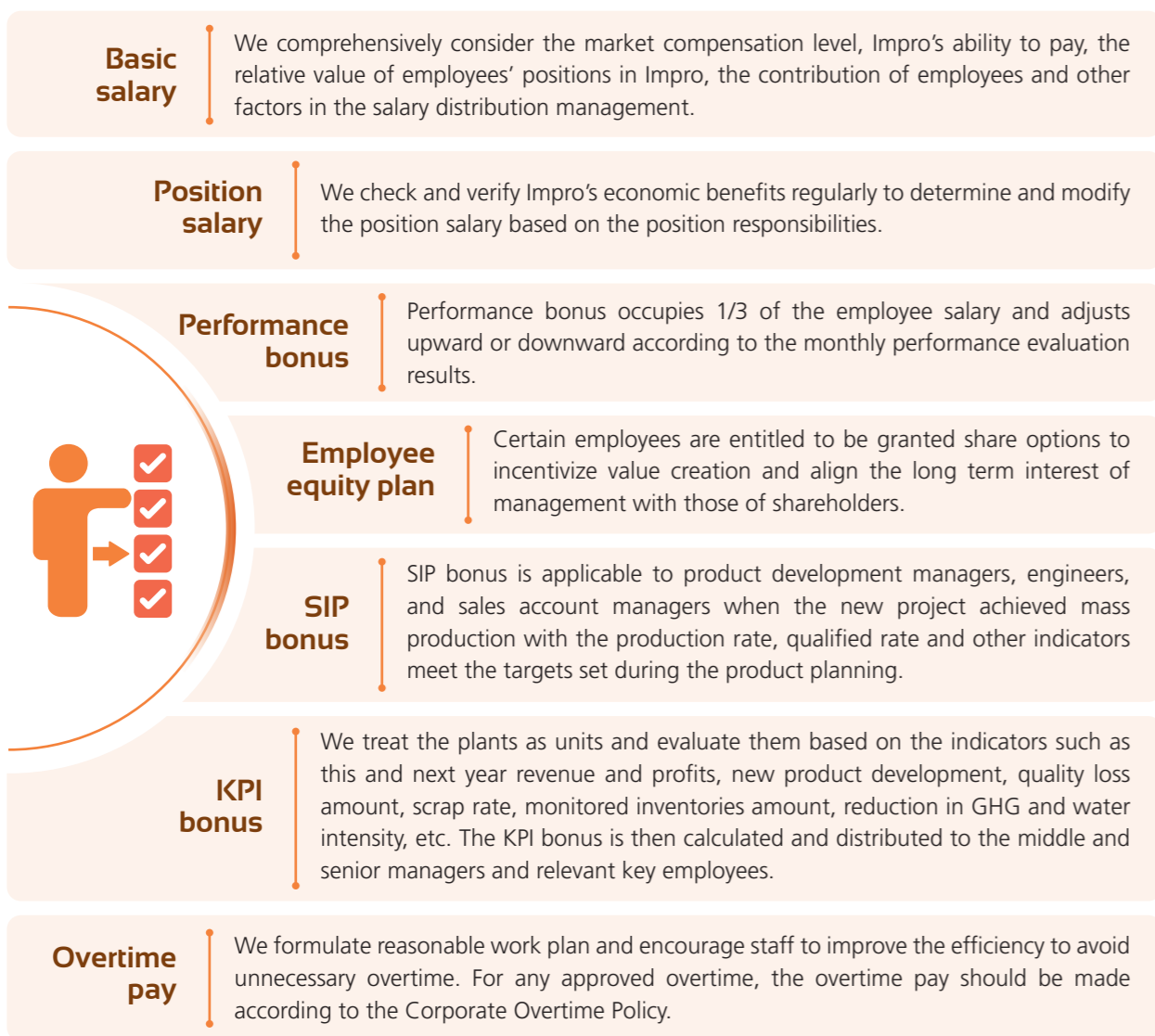
We demonstrate our appreciation for employees’ dedication and hard work through a competitive compensation and benefits package that reflects current market conditions. The remuneration structure comprises three core elements: basic salary, position-based salary, and performance-related bonuses. In addition, we offer supplementary incentives to recognize exceptional contributions and to support employee engagement and long-term retention.



# SOCIAL

In order to provide adequate and fair wages to the employees, the management of our plant in Germany sets remuneration levels with a long-term development perspective, considering industry wage benchmarks, regional wage levels, and overall inflation rate in Germany. The plant has established an employee wage negotiation group, and wage levels are determined through tripartite negotiations among the plant, the group, and representatives of the industrial trade association. The management of Mexico plants reviews and revises the wage registry with reference to local industry benchmarks, particularly the wage levels of companies in the aerospace and automotive manufacturing sectors, to ensure appropriate and competitive remuneration. These are important steps to maintain employee satisfaction and are essential to retain our talents.

## REMUNERATION AND BONUS STRUCTURE



Impro offers targeted benefits such as commuting bus services and nursing rooms to support employee well-being and work-life balance, reflecting our commitment to inclusive and employee-centric workplace practices.



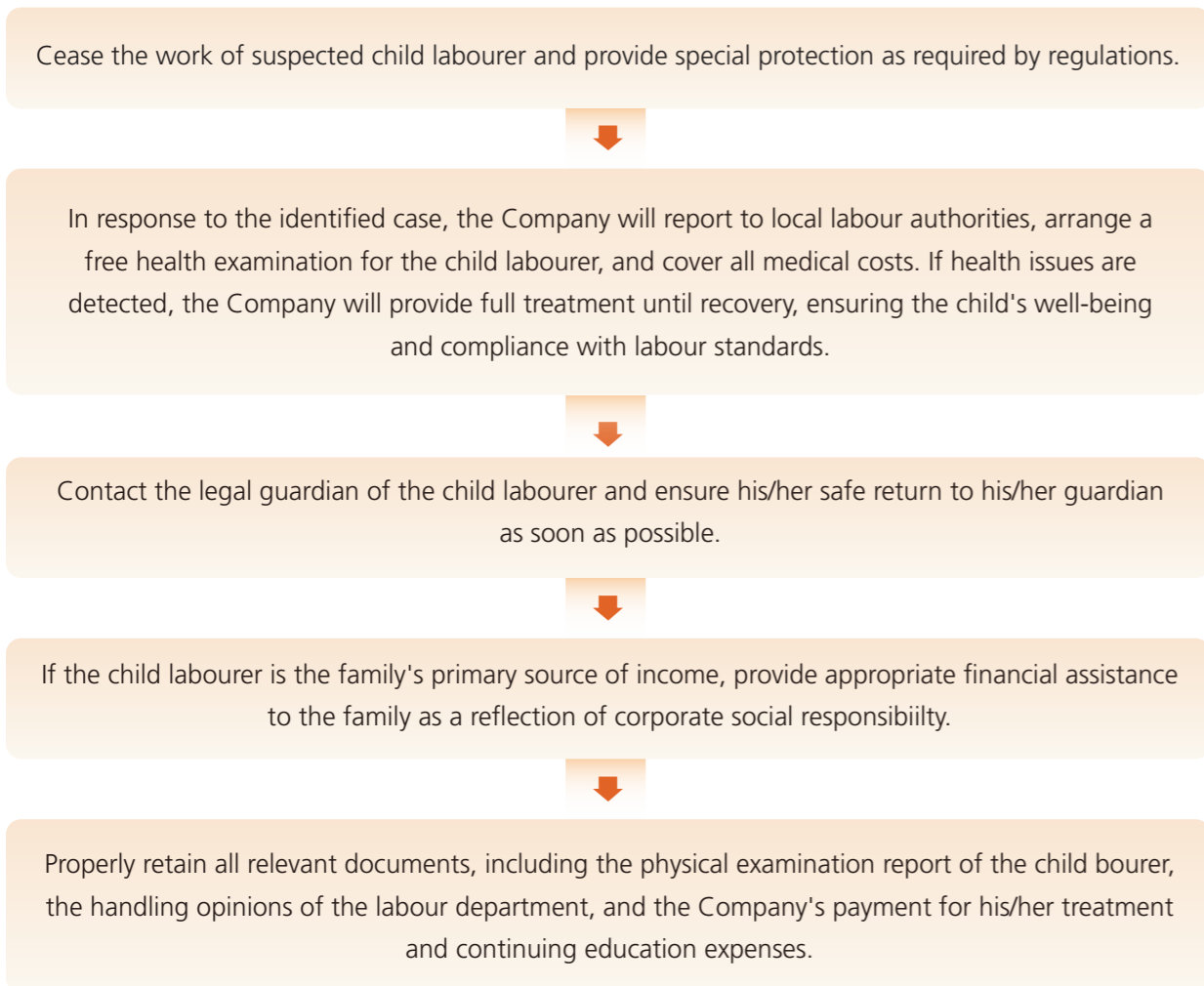
## Labor Practice and Child Labor Prevention

To safeguard employees' legal rights and ensure full compliance, Impro Group strictly adheres to the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Provisions on the Prohibition of Child Labor, the Labor Law of Turkey, as well as all other applicable laws and regulations in the countries and regions where we operate. We uphold the principles of compliance, fairness, and equality.

Impro Group does not permit the employment of any individual under the age of 16. We have implemented several internal procedures — including the Corporate Entry Policy, Child Labor Rescue Procedures, and the Impro Child Labor, Forced Labor and Human Trafficking Policy — to strengthen governance of our recruitment processes and prevent any potential cases of child and forced labor. We have also revised our Code of Conduct and Business Ethics, reaffirming our zero-tolerance stance on child labor and any form of forced or slave labor. The Child Labor Rescue Procedures and the Impro Child Labor, Forced Labor and Human Trafficking Policy are rigorously applied throughout our recruitment activities to prevent any occurrence of child or forced labor.

# SOCIAL

Impro has also established comprehensive remediation procedures in case of suspected child labor:



To gain a deeper understanding of our employees' awareness and perceptions of child labor, as well as its prevalence within business and society, we conducted a comprehensive survey in 2024 on approaches to addressing child labor and we continued to review our compliance during the Reporting Period. This aims to enhance employees' consciousness of this critical issue, fostering a more profound understanding and a stronger commitment to upholding ethical standards across all our operations. In 2025, our plant in Mexico also passed the labor inspection carried out by the Ministry of Labor and Social Welfare of Mexico (Secretaría del Trabajo y Previsión Social). The inspection evaluated and monitored potential risks related to child labor, forced labor, and human trafficking at our site.

## Measures to prevent the child and forced labor

| Training on avoiding child and forced labor   | Mitigation procedure   | Reporting channel  | Corrective measures  |
|---|--|--|--|
| <ul style="list-style-type: none"> <li>We conduct regular trainings for employees to improve the awareness and understanding on child and human trafficking.</li> </ul> | <ul style="list-style-type: none"> <li>We strictly follow Impro Child Labor, Forced Labor and Human Trafficking Policy to mitigate any risks.</li> <li>The identities of new employees are verified through various compliant methods, including document collection and verification.</li> <li>The HR and the employment department carry out annual verification.</li> </ul> | <ul style="list-style-type: none"> <li>Employees are encouraged to use established channels to report violations or suspected violations.</li> <li>We keep the whistleblower's information confidential and always protect the informer from any form of retaliation.</li> </ul> | <ul style="list-style-type: none"> <li>Any suspected case of child or forced labor is immediately reported to local authorities and employment is terminated without delay, reflecting our strict adherence to ethical labor standards.</li> </ul> |

During the Reporting Period, there were no confirmed incidents of non-compliance with laws or regulations about child labor and forced labor.

## Employee Care

Impro Group is committed to fostering an inclusive, motivating, and diverse workplace where every employee feels valued. We prioritize well-being, open communication, and equitable opportunities, building a culture that drives engagement, innovation, and sustainable success.

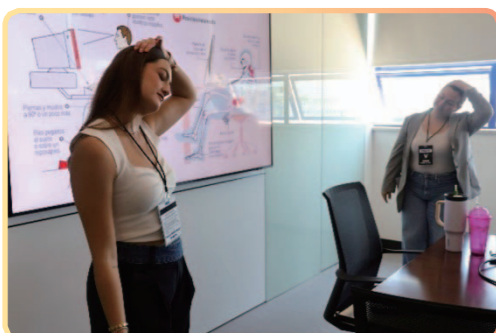
We provide safe, comfortable, and compliant housing and accommodation support to our employees. In Mexico, we promote and ensure access to decent housing for employees by providing high-standard dormitories equipped with leisure facilities such as the gym and football court to improve employees' quality of life and overall well-being. Various accommodation welfare packages are available for local and foreign employees. In our plants in China, employees with diverse accommodation needs are offered suitable housing options, including family apartments, upon the completion of a "Family Apartment Application Form". Dormitory areas are equipped with necessary living facilities and feature fire escape routes to meet government fire safety requirements.



Employee Dormitory in Mexico

# SOCIAL

We are committed to promoting the physical and mental well-being of our employees by organizing annual training sessions led by psychologists and expert trainers on a range of topics related to stress management and psychological health. At our plant in Germany, we have an on-site doctor who provides health examinations, psychological counselling, and stress assessments to support employee wellness. During the Reporting Period, our Mexico plants organized wellness talks, aiming to relieve stress and improve wellbeing of our employees.



Stretching activities at our Mexico plant to improve wellness

We also support the wellbeing of our employees through the provision of health check-ups.

## Sponsoring Female Employees with 'Two Cancers' Screening

In collaboration with the Company's labor union and the community hospital, we sponsored free general screenings for our female employees as part of the triennial breast and cervical cancer screening program. The initiative included gynecological examinations such as breast palpation and breast ultrasound. The community hospital provided on-site interpretation of the results and offered guidance on follow-up examinations should any issues be identified.



## Oral Health check-up for Employees



A dedicated oral health education and promotion initiative was carried out at our plant in Zhenjiang to more precisely address employees' health needs and to provide considerate oral health services to frontline staff. During the check-up, the dentist examined common oral health conditions such as cavities and offered one-to-one professional advice on issues frequently raised by employees, including tooth sensitivity, bleeding gums, and common misconceptions regarding daily dental care.



## Diversity, Equity and Inclusion

Impro Group is steadfast in its commitment to eliminating all forms of bullying, discrimination, and harassment, regardless of gender, age, sexual orientation, marital status, physical condition, religious belief, or any other personal characteristic. Our dedication to fostering equality and inclusivity is clearly demonstrated through the inclusion of robust anti-discrimination provisions in our Code of Conduct and Business Ethics. We uphold the fundamental rights of all employees and strive to ensure a workplace free from injustice and inequality. This commitment is reflected in the provision of equal opportunities in recruitment, promotion, remuneration, and access to benefits for all individuals.

To address prejudice and discrimination, the Company delivered comprehensive training on anti-discrimination and anti-harassment practices to all employees. The program was designed to raise awareness of the importance of mutual respect and the protection of individual rights, thereby promoting an inclusive and respectful workplace culture.

| Target   | Progress in 2025  |
|--|---|
|  Achieve <b>100%</b> employee completion of anti-discrimination and human rights training by 2030. |  <b>92.2%</b> of employees completed training on anti-discrimination and human right. |

In addition, the Company proactively identifies and assesses human rights risks across its global operations, maintaining a vigilant and responsive approach to protecting employee welfare and addressing any emerging ethical concerns.

Impro has installed accessible elevators and designated parking spaces for employees with disabilities across the plants, significantly improving their daily mobility and enhancing their overall workplace experience. The accessible elevators facilitate seamless movement between floors, ensuring employees with disabilities can reach all areas of the facility with ease. In addition, the specially designated parking lots offer a safer and more convenient alternative, located in close proximity to the plant entrances. This reduces the need for long walks or navigating through crowded parking areas, saving time and minimizing potential safety risks associated with busy lots.

Any form of discrimination is strictly prohibited and will not be tolerated. Employees are encouraged to report workplace discriminations to their supervisors, Human Resources representatives, any member of management, or contact Audit & Supervision Department through email ([speakup@improprecision.com](mailto:speakup@improprecision.com)).

To support the reporting and resolution of cases involving discrimination and harassment, we have established a dedicated remedial procedure. Further details can be found in the Compilation of Human Resource Management Systems for the China Region, Version 2023.

# SOCIAL

During the Reporting Period:

- the percentage of workplace that have undergone a human right review or human right impact assessment reached 10.5%;
- the percentage of workers from minority and/or disadvantaged groups employed in the Company was 1.9% with 3.0% in top executive positions;
- the percentage of females employed in the Company is 27.5% with 24.4% in top executive positions and 28.6% as directors of the Company.

## Celebrating Women's Day

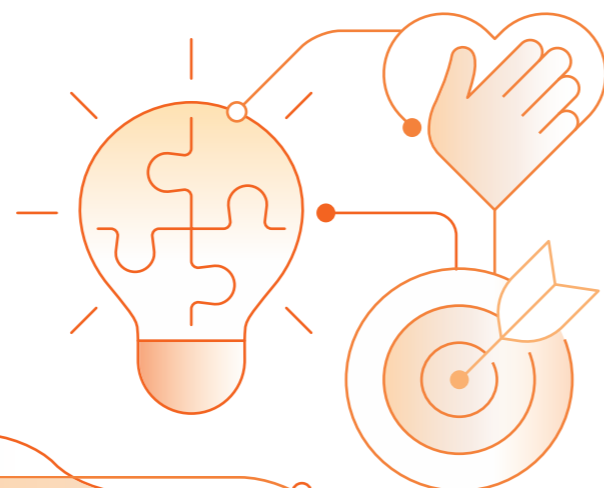
To celebrate International Women's Day, we prepared a special gift set for all female employees at our China and Mexico plants and distributed e-cards to employees globally via the IOS system, extending our warm wishes to all in a timely manner.



## Employee Engagement and Communication

Impro Group places great importance on the voices of our employees and is committed to cultivating an open and inclusive culture in which feedback is not only welcomed but valued. To facilitate open communication, we have established multiple platforms through which employees can freely express their views and suggestions without hesitation and receive timely and constructive responses.

Regular employee engagement surveys are conducted to collect insights on key areas including organizational culture, policies, workload, training and development opportunities, as well as remuneration and benefits. All feedback is thoroughly reviewed and serves as a valuable reference for ongoing improvements across the organization. During the Reporting Period, our plants in China conducted satisfaction surveys for middle-level management and key position employees, as well as for frontline employees. The satisfaction rate for middle-level managers and key position employees reached 94%, while that of frontline employees reached 77%, both exceeding our target threshold of 70%. In response to the feedback collected through the survey, department heads held regular work-related discussions with employees to strengthen team cohesion.



Impro Group is firmly committed to upholding employees' right to join trade unions or other forms of collective bargaining organizations. The Company maintains a neutral position regarding union affiliation and fully respects employees' choice of representation. In various Impro facilities, labor unions play an active role in safeguarding employee rights and interests and regularly convene meetings to support staff wellbeing. Our inclusive wellness initiatives further reinforce a collaborative and non-discriminatory workplace, regardless of gender, race, sexual orientation, disability, or union membership. In the Turkey and Mexico plants, union representatives and the HR Director hold weekly meetings to discuss employee-related matters and address any emerging concerns, with appropriate actions taken to resolve issues effectively.



Mutual Aid Committee meetings in Mexico plants

In addition, collective agreements have been established across multiple operating sites, covering a wide range of topics including health and safety, working conditions, training, career development, and anti-discrimination measures.

During the Reporting Period, employees in all plants eligible for employee representatives' election accounted for 20.6%, the collective agreement related to working conditions covered 20.9% employees in all plants.

To engage our employees, Impro organized various events to enrich their lives and enhance corporate cohesiveness.

## Cultural Performance during Mid-Autumn Festival and National Day

Our Yixing plant cordially invited the Xinjie Street Federation of Trade Unions and the Street Comprehensive Cultural Centre to the company's vibrant area to present a cultural performance for our employees, featuring dance, skits and opera.



## "Green Journey" Team Building Activity

Impro Aerotek organized a team building activity in Yixing to enhance the team's overall collaboration capabilities, deeply integrating aviation elements with environmental protection concepts.



# SOCIAL

## Yixing Plant Employee Sports Event

This sports event was organized to enrich employees' leisure time, enhance team cohesion, and showcase the vibrant spirit of our people. The event featured 6 individual competitions, including badminton and table tennis, as well as team events such as frisbee. It also featured an opening dance by cheerleading girls, and finished with a basketball exhibition match.

The organization of this employee sports event is a manifestation of Impro's corporate culture of "lasting success and employee happiness", greatly enhancing employees' sense of belonging and pride.



## Team Building Trip to Shanghai

The Yixing plant hosted the "A Trip to Shanghai, A Journey of Excellence" team-building activity, engaging 110 staff members in fostering collaboration, morale, and shared purpose through meaningful experiences.



## 2025 Plant Annual Gala

Our plant at Jiangyin held the 2025 Annual Gala, with New Year's greetings from the management, followed by a diverse array of talent performances from employees in various departments. A lucky draw and a New Year's red envelope 'grabbing' event also heightened the festive atmosphere.



## 2.2 HEALTH AND SAFETY

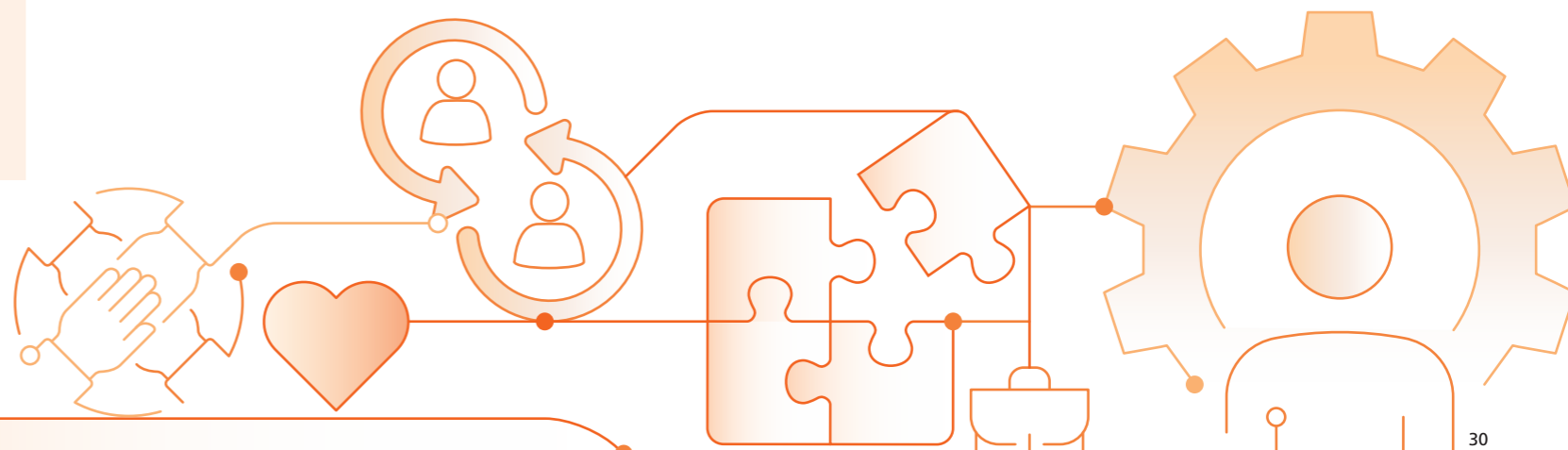
Impro Group is committed to cultivating a safe and healthy working environment through strengthened governance, thorough inspections, and the upgrades of equipment. We are dedicated to enhancing employees' awareness of occupational health and safety, and actively advancing the core principles of 7S management.



### Safety Governance

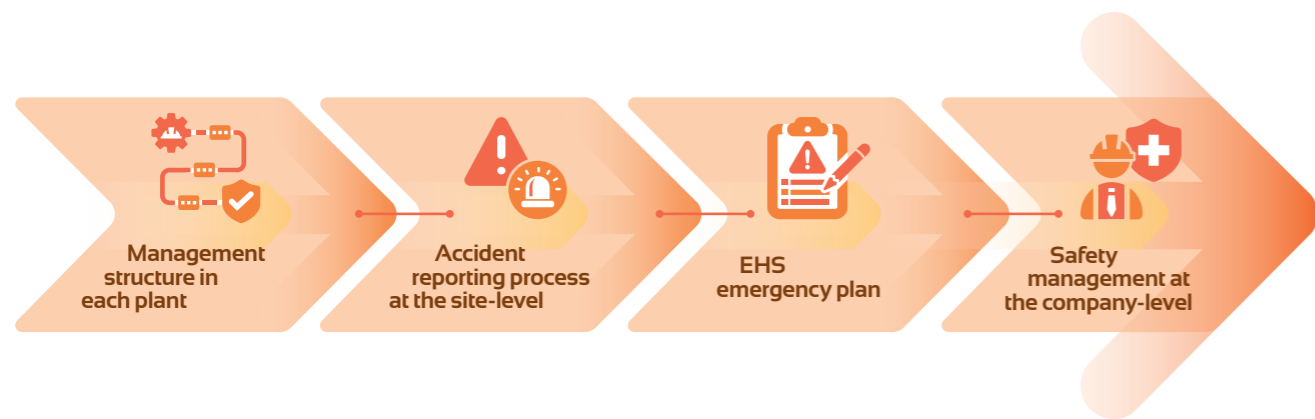
In full compliance with the Production Safety Law of the People's Republic of China, the Law on the Prevention and Control of Occupational Diseases, the Regulation on Work-Related Injury Insurance, and other applicable legal requirements across all our operational locations, Impro Group places the protection of employees from occupational hazards as a top priority. We have established and implemented internal policies across all facilities to clearly define the scope and application of our Environmental, Health, and Safety ("EHS") management system, which governs daily production and operational activities. Furthermore, our Code of Conduct and Business Ethics includes a formal safety commitment that extends to both employees and suppliers, reinforcing a unified standard of health and safety across the organization.

Impro Group has implemented a comprehensive EHS management system to ensure effective safety oversight across our manufacturing facilities in China. This system includes an EHS Control Framework, along with a clearly defined process for managing work-related injuries. The ultimate responsibility for production safety rests with the Managing Director of Impro Group. In addition, an EHS Committee oversees and coordinates EHS-related initiatives. The committee meets on a regular basis to review progress and address emerging issues, ensuring continuous improvement in EHS performance.

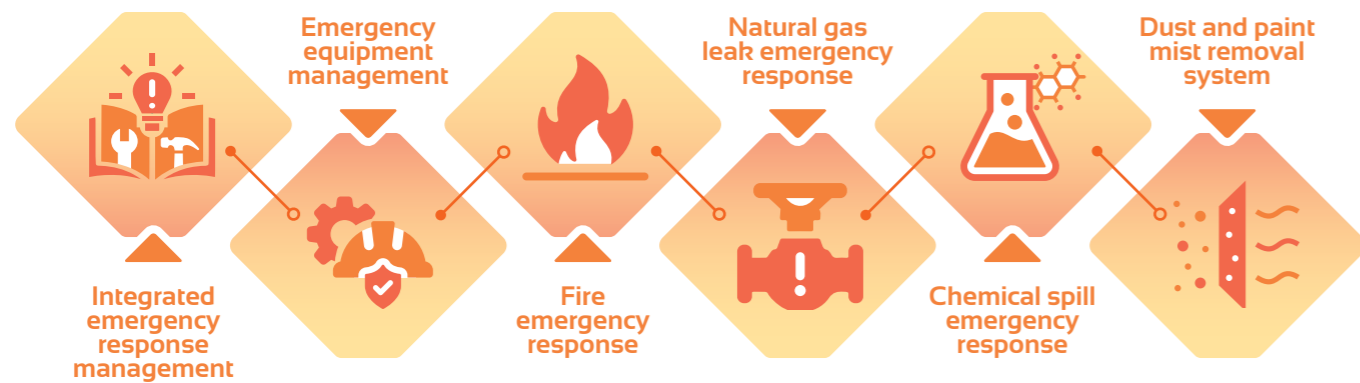


# SOCIAL

## EHS MANAGEMENT SYSTEM OF IMPRO GROUP

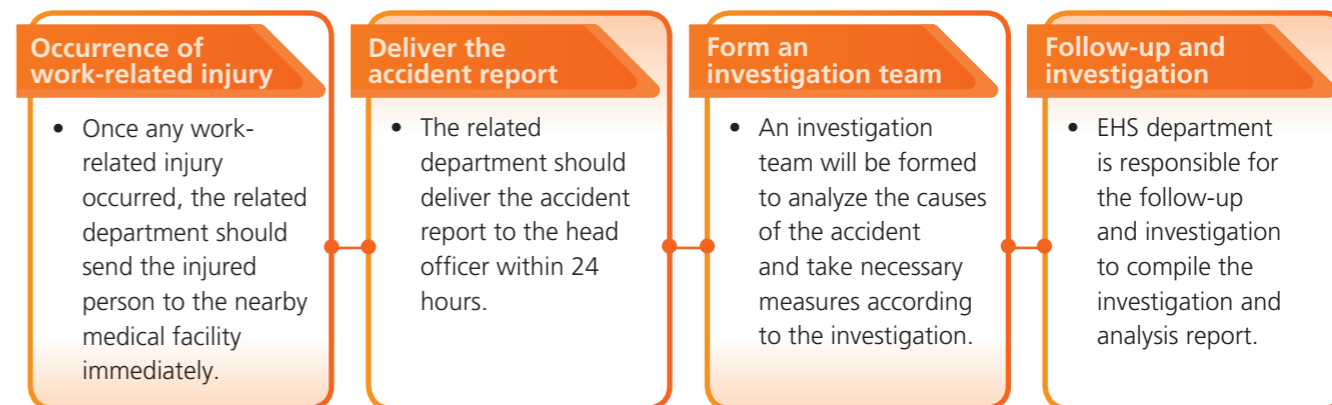


To enhance accident response capabilities and minimize potential impacts on operations, Impro Group has developed a comprehensive EHS risk management and emergency response plan, which covers the following areas:



A robust system for managing and reporting safety incidents has been implemented across all plant. Each plant is required to maintain a safety incident log without delay, allowing for random inspections and managerial oversight. Regardless of severity, all incidents must be recorded in the log. In addition, a standardized process has been established for handling work-related injuries, ensuring consistent investigation, analysis, and resolution of all reportable incidents.

## SAFETY ACCIDENT MANAGEMENT AND REPORTING PROCESS OF IMPRO GROUP



Our efforts on safety at work have been recognized. In 2025, 7 plants in China and Turkey obtained ISO 45001 certification, covering 36.8% of the Group's operations. 5 plants in China were awarded certificates for production safety standardization. During the Reporting Period, Impro China was granted Level 3 Safety Standardization Enterprise Certificate, while Impro Aerotek obtained ISO 45001 certification for the first time, demonstrating our ongoing dedication to safety responsibility, accident prevention, and the continuous improvement of enterprise-level safety management.



Our plants in China obtained ISO 45001 certification



Our plants in China were awarded certificates for production safety standardization

# SOCIAL

The Group has implemented an internal whistleblower management system to reinforce internal controls, facilitating the early identification and reporting of operational deficiencies or irregularities and supporting the prevention and detection of misconduct. This system plays a vital role in ensuring compliance with applicable laws and regulations, while promoting a culture of accountability at all levels of the organization. Through this mechanism, employees can report matters related to health and safety. Further details are outlined in our Code of Conduct and Business Ethics.

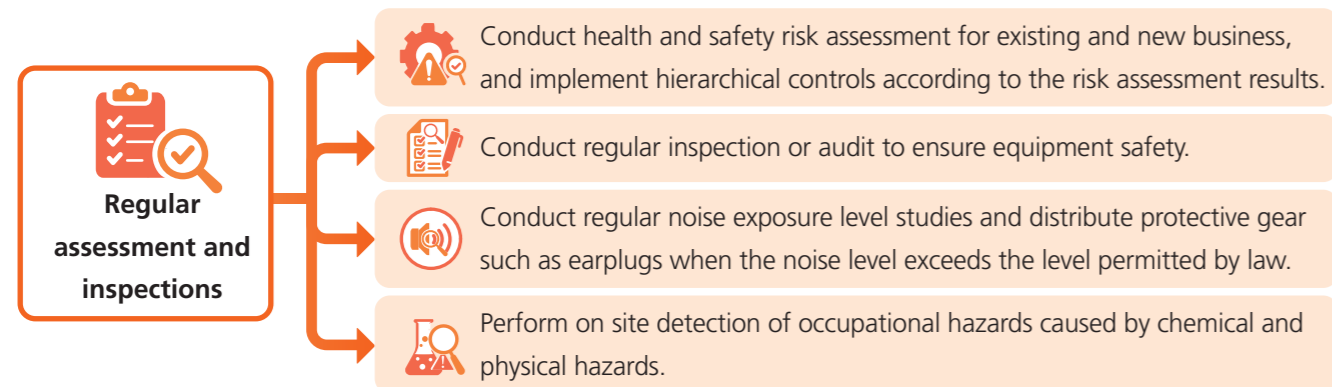
## Safety Management Training

In 2025, our plant in Zhenjiang invited a professor from Jiangsu University's Safety Engineering Department to lead a "Zero-Accident" safety management training session. The training focused on building safety management systems and accident-prevention techniques, highlighting how management gaps and human errors compound risks. The training strengthened our safety foundation and reaffirmed our long-term commitment to advancing a zero-accident goal.







## Safety Mitigation

To foster a workplace free of hazards, Impro Group integrates a comprehensive range of safety measures into our daily operations. We regularly conduct safety risk assessment and carry out routine inspections of our sites and equipment. Any identified safety risks are addressed promptly through timely corrective actions.



During the Reporting Period, 18 of our plants conducted employee health and safety risk assessment, equivalent to 94.7% of our total workplaces.

## EHS Assurance Measures of Impro Group

- 
**Compulsory physical examination**  
 - Organise physical examination for employees annually, inform them the results of health checkups.
- 
**Distribution of labor protection appliances**  
 - Equip employees with the personal protective equipment, and carry out daily inspections to ensure proper usage.
- 
**Working environment and equipment optimisation**  
 - Apply noise reduction dedusting equipment and expansion joint sound insulation cotton. Update some occupational hazard notification cards, and post the results of the latest occupational health reviews on the public notice board.
- 
**Monthly EHS meetings**  
 - Factory EHS personnel should attend the monthly EHS meetings to review the EHS issues, report accident number, analyse the causes of accidents, and take the initiative to share

## Environmentally Friendly Spray Booth

We have a catalytic combustion system capable of monitoring carbon saturation in real time.

This significantly improves our capacity to manage emissions efficiently. The catalytic combustion system enables continuous monitoring and effective treatment of emissions, minimizing the risk of carbon saturation while ensuring consistent and optimal system performance.



## Occupational Health and Safety Measures at the Plant

- The plant carries out periodic testing of occupational hazards in the workshop every year;
- Evaluation of the current situation of occupational hazards every 3 years;
- The plant carries out employees' occupational health checkups every year, establishes guardianship files for employees and issuing signatures;
- Labor insurance is issued to employees on a monthly basis, with the EHS department monitoring it regularly.

# SOCIAL

The Group has conducted thorough root cause analyses for each incident and implemented a series of targeted safety measures, including daily safety inspections, weekly checks of machinery and tools, and periodic reviews of personal protective equipment, to ensure the ongoing safety of our workforce.

To further solidify our commitment to protecting our employees, we have established a target on incident rate, underscoring our dedication to maintaining a safe and healthy working environment for every employee.

| Target   | Progress in 2025  |
|--|---|
|  <p>Reduce the incident rate for direct workforce by <b>20%</b> by 2030, compared with the 2024 baseline.</p> |  <p>In 2025, the incident rate for direct workforce increased versus the 2024 baseline, mainly driven by the expansion of our Mexico operations and the resulting ramp-up of new employees. Excluding Mexico plants, the rate fell by <b>0.22 or 5%</b> compared with the 2024 baseline. We remain committed to strengthening our safety culture and minimizing workplace incidents.</p> |

|  |  |
|--|--|
|  <ul style="list-style-type: none"> <li>Over the past three years, including the Reporting Period, <b>0</b> work-related fatalities or serious injuries were recorded.</li> </ul> | <p>During the Reporting Period:</p> <ul style="list-style-type: none"> <li>the total number of lost days due to work-related injuries amounted to <b>1,841</b>;</li> <li>the lost time incident rate for the direct workforce* was recorded at <b>0.099</b>, with the overall incident rate# standing at <b>8.50</b>.</li> </ul> |
| <p>* Lost time incident rate for direct workforce = (Days lost due to work-related injuries) X (1,000/Total hours worked)</p> <p># Incident rate for direct workforce = (Total recordable work-related incidents) X (1,000,000/Total hours worked)</p>               |  |

## Safety Culture

Impro Group recognizes the importance of enhancing safety and health awareness among both employees and suppliers. To support this, the Company has developed comprehensive safety training programs for its plants, complemented by a wide range of diverse training courses tailored for employees and suppliers.

|                        |   |
|------------------------|---|
| <h3>For employees</h3> | <ul style="list-style-type: none"> <li>Daily training for all employees, e.g. fire safety training</li> <li>Safety themed Training Courses for our Management</li> <li>Security awareness promotion activities</li> <li>ISO 45001 OHS management system training</li> <li>Safe production month activities</li> </ul> |
| <h3>For suppliers</h3> | <ul style="list-style-type: none"> <li>Pre-construction safety training for all suppliers when entering the plants</li> <li>The Procurement Department provides EHS-related training to suppliers annually</li> <li>Provide EHS presentations for new suppliers</li> </ul>  |

## Participation in Emergency Rescue Skills Competition

To implement the spirit of the 2025 Safety Production Month and to effectively improve the safety skills and emergency response capabilities of employees, Impro - Bees Plating & Painting participated in the Zhutang "Ankang Cup" Chemical and Dyeing Industry Emergency Rescue Skills Competition and the 2025 "Safety Production Month" launch ceremony. The competition was closely integrated with practical application, including proper wearing of air respirators and practical fire extinguisher operation. Impro - Bees Plating & Painting team ultimately won the "Second Prize" in this competition, showcasing our safety capabilities and commitment.



# SOCIAL

## Safety Drills across Different Plants



During the Reporting Period, our plants in China, Germany, Turkey and Mexico conducted a range of fire drills and emergency trainings, enhancing employees' safety awareness and preparedness.

In 2025, our Nantong plant organized a fire emergency drill for newly recruited employees to promote occupational safety awareness and enhance preparedness for unexpected fire incidents.

Our Wuxi plant conducted its first biannual fire evacuation and firefighting exercise. Staff evacuated swiftly from their workstations to the designated assembly point, allowing the company to evaluate its fire protection systems and improve overall emergency response capabilities.

Additionally, we carried out an emergency rescue drill for confined space accidents, aimed at strengthening safety management and emergency response in such operations and raising employees' risk awareness. The drill simulated the full rescue process following a worker entrapment scenario, testing the effectiveness and practicality of the emergency response plan.



## 2.3 STAKEHOLDER AND COMMUNITY ENGAGEMENT

Impro Group places great importance on the relationships and perspectives of its key stakeholders, including employees, customers, suppliers, shareholders, regulators, and the media. We engage with each group actively and transparently to ensure that our operations create positive and lasting impacts in the communities where we operate. By supporting local economic development and organizing meaningful charitable initiatives, we aim to foster a harmonious and inclusive society.

Community investment and development are central to our corporate responsibility strategy. Impro Group actively contributes to local economies through a range of community-driven initiatives. We make strategic investments in multiple facilities, creating new employment opportunities and attracting foreign capital to support regional growth. We also maintain close collaboration with local universities and schools, actively supporting education and talent development.

Committed to assisting disadvantaged groups, Impro Group regularly organizes community engagement activities to promote social inclusion and strengthen our connection with the communities we serve.

### Donation for Disaster Relief

In response to the tragic Tai Po fire in Hong Kong, Impro Group and our Chairman and CEO Mr. Lu, Ruibo donated a total of HK\$1 million in cash to the "Tai Po Wang Fuk Court Relief Fund", to support those affected by the fire and assist post-fire relief efforts.

### Voluntary Blood Donation

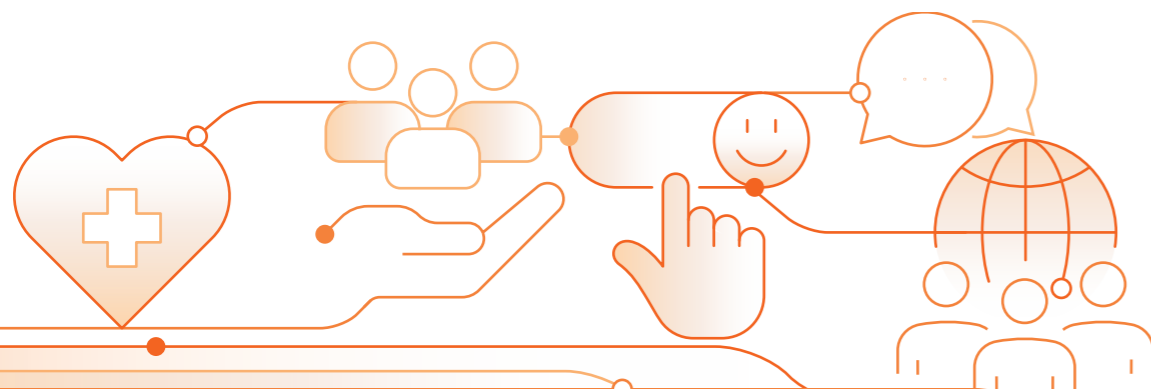
Our Yixing plant collaborated with the Yixing Red Cross Blood Centre to conduct a voluntary blood donation and publicity campaign. 25 volunteers were recruited donating a total of 6,000ml of blood.



### Celebrating the Children's Day



To promote the traditional virtue of caring for children and actively fulfilling corporate social responsibility, Impro Group has continued to visit and extend greetings to the Wuxi Children's Welfare Institute, bringing warmth and blessings to the children.



ENHANCE  
CORPORATE  
GOVERNANCE &  
ADVANCE PRODUCT  
INNOVATION &  
QUALITY WITH  
INTEGRITY,  
EFFICIENCY AND  
SUSTAINABILITY



# 03 GOVERNANCE

- 3.1 Innovation
- 3.2 Quality
- 3.3 Customer Service
- 3.4 Supply Chain
- 3.5 Corporate Governance

# GOVERNANCE

Impro Group remains steadfast in its commitment to enhancing corporate governance, advancing innovation, promoting sustainable supply chain practices, delivering high-quality products to every customer, and continuously creating greater value for all stakeholders.

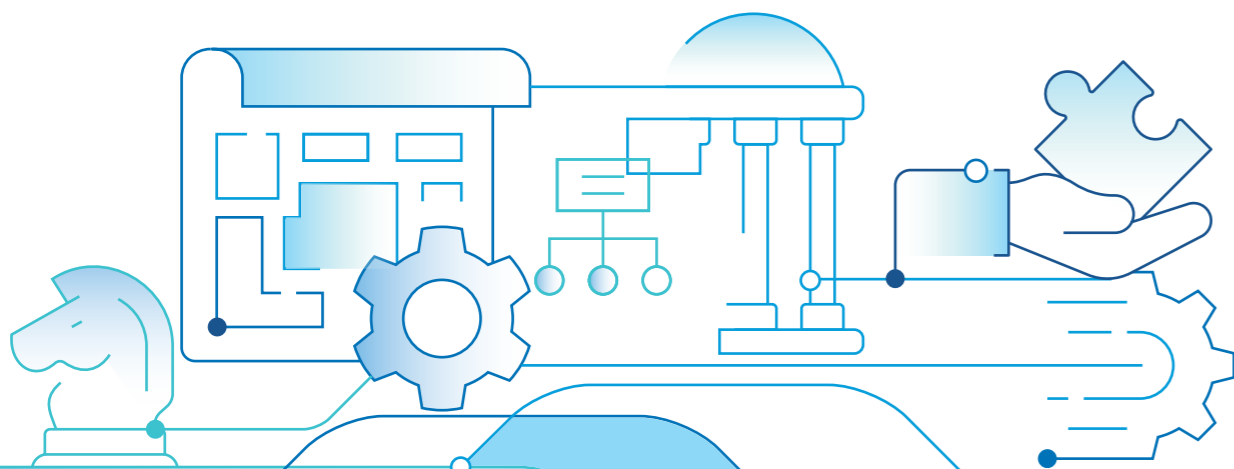
## 3.1 INNOVATION

### Innovation Management

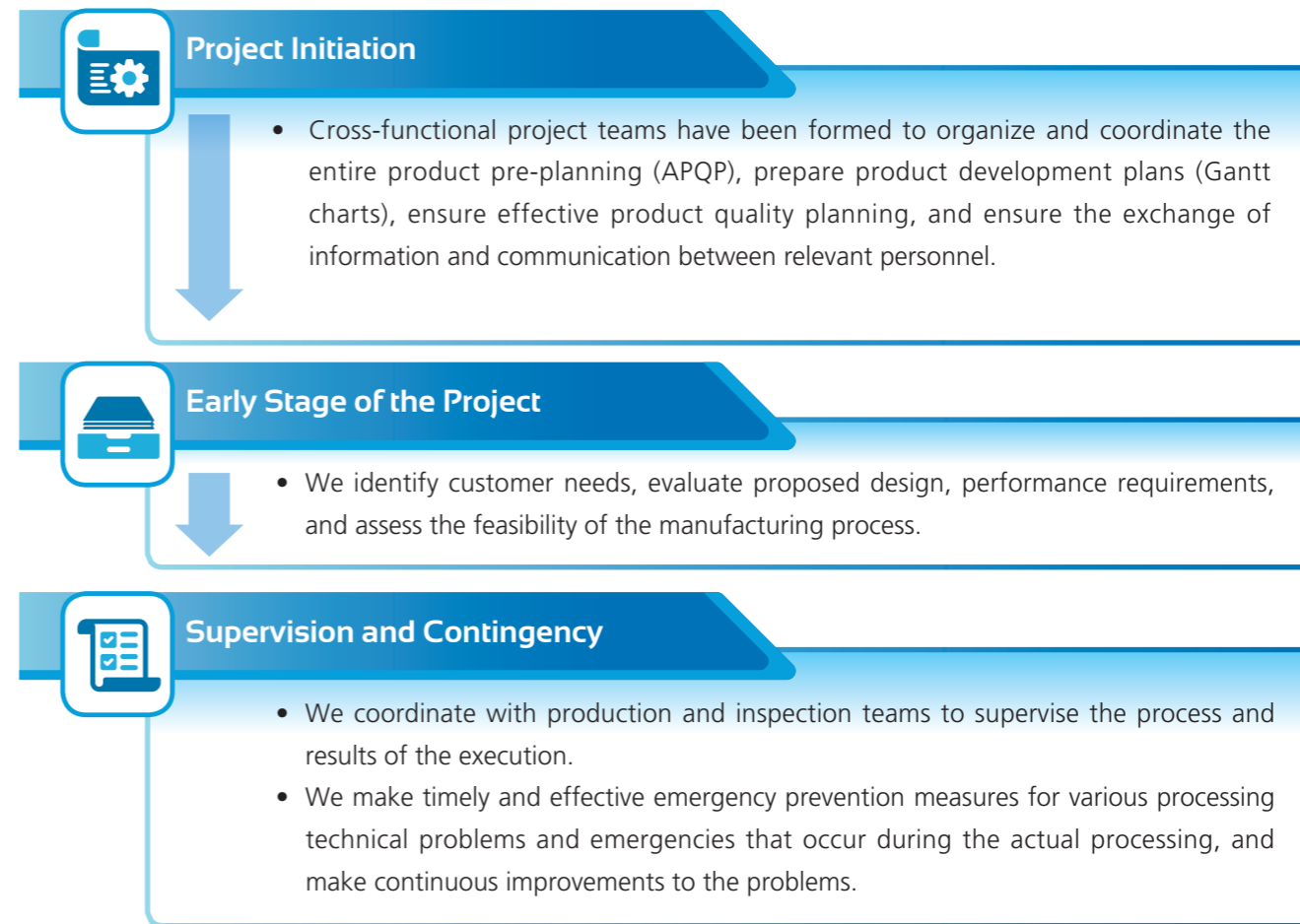
At Impro Group, we drive industry advancement by leveraging our robust R&D capabilities and collaborative culture. Through continuous investment in our research teams and key partnerships, we explore cutting-edge technologies to deliver innovative, groundbreaking products. Throughout the Reporting Period, we have made continuous investments in R&D. The total R&D expenses increased by 9.4% year-on-year to HK\$249.8 million, accounting for 4.9% of total revenue.

As part of our commitment to enhancing research and development, we have established dedicated teams in China, Turkey and Mexico. These teams are the driving force behind our innovation and our momentum towards future success. During the Reporting Period, we worked closely with our customers to develop 1,400 new SKUs in 2025, ensuring we meet their evolving demands for new applications in various markets. As of 31 December 2025, our extensive portfolio consisted of approximately 9,700 active SKUs. These components are developed in close collaboration with our customers to gain valuable insights into the preferences and demands of end users.

Impro Group fosters innovation through a dedicated incentive system that rewards patent approvals and scientific publications. Our in-house Intellectual Property Incentive System provides monetary awards and corporate recognition to employees who generate intellectual property and share knowledge, with rewards scaled to the significance of the contribution. This tangible recognition is designed to motivate our teams and underscore the value we place on pioneering ideas and technological advancement. During the Reporting Period, total individual rewards paid to employees amounted to approximately HK\$150,000.



### R&D Mechanism



Impro Group has developed an internal corporate innovative platform and launched innovative schemes of "Innovative Ideas", "3C" and "Brilliant Thoughts" to expand Impro Group's production lines. As of the end of the Reporting Period, Impro Group had a total of 30 qualified innovative projects.

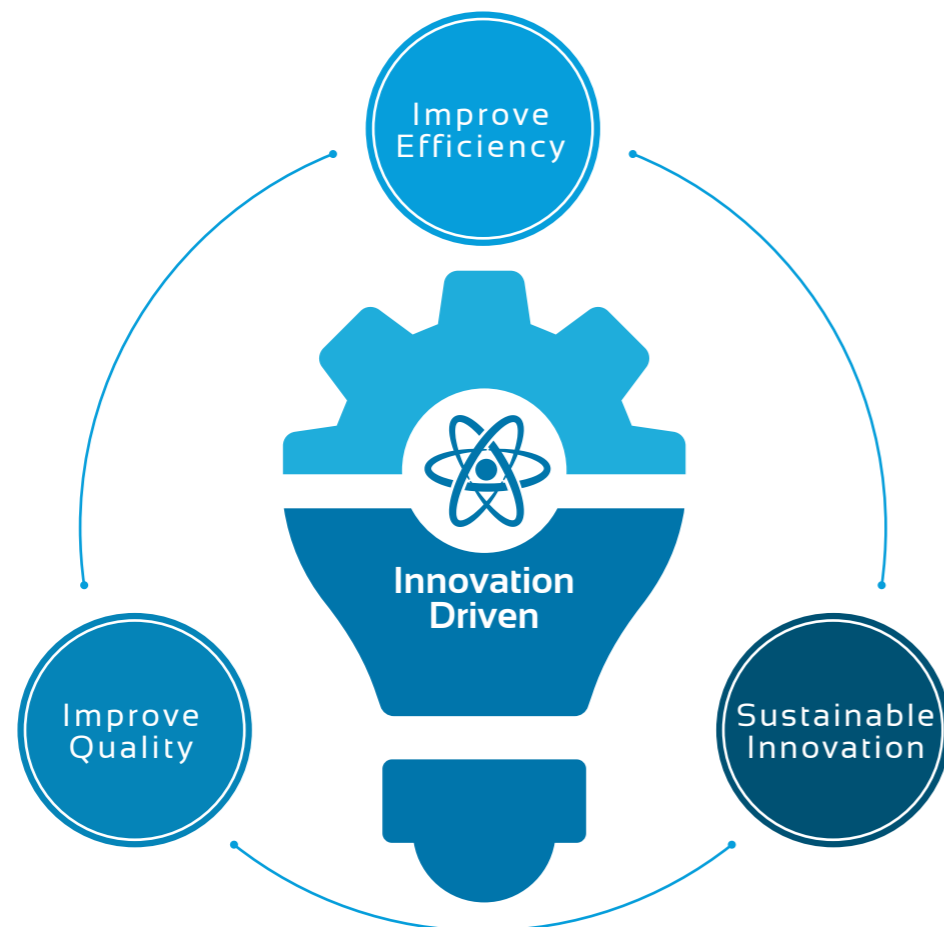
In 2025, we newly applied 96 patents. We possessed a total of 575 patents at the end of the Reporting Period.

# GOVERNANCE

## Innovation Outcomes

At Impro Group, a steadfast commitment to excellence and innovation forms the cornerstone of our values and corporate culture. We consistently place emphasis on precision and meticulous attention to detail, actively pursue continuous improvement, question conventional approaches, and promote a culture of forward-thinking innovation across all areas of our operations. It is precisely this synergy of the three core drivers that has played a pivotal role in our achievements throughout the Reporting Period.

### INNOVATION DRIVEN OF IMPRO GROUP



## Improve Efficiency

Efficiency and the optimal utilization of resources are central to Impro Group’s corporate culture. We continuously strive to enhance processes through innovation, systematically eliminating redundancies and minimizing downtime to reduce waste. This strategic focus delivers substantial benefits to the company, including significant cost savings, improved product quality, more streamlined manufacturing operations, greater energy efficiency, and a reduced environmental footprint.

### Adopting Double-end Surface Grinder in China

Disc-shaped components demand exceptionally high precision in both end-face roughness and flatness, making grinding an essential processing step. Previously, a single-end surface grinder was employed at our plants, which allowed only one end face to be ground at a time. Following the enhancement, a double-end surface grinder has been introduced, enabling simultaneous processing of both end faces and thereby significantly improving efficiency and consistency.



### Implementing Automation Projects in Turkey

In our plants in Turkey, the implementation of a Robotic Loading and Unloading Automation System across various rail production lines has significantly enhanced operational efficiency. This initiative did not only reduce manual handling errors and improve product quality but also freed up operators to focus on higher-value tasks, resulting in a more skilled and versatile workforce.



### Automatic Cutting Machines and Automatic Sandblasting Technology in Germany

In our Germany plant, we are implementing efficient, secure, and scalable automated cutting technology. With this technology, a single diamond disc can be cut into nearly 1,000 strands on average, thereby saving a significant amount of ordinary discs, resulting in savings of both labor and the materials. In addition, the production cycle was shortened as a result.

We have also achieved highly efficient and automated surface shot blasting, which, combined with other processes, significantly reduces manual labor. This technology enables one person to operate four different machines, thereby reducing the total number of employees required and our labor costs.



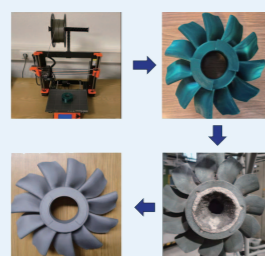
# GOVERNANCE

## Sustainable Innovation

Impro Group leads in adopting sustainable technological innovation to boost efficiency. We focus on lowering energy consumption and enhancing employee working conditions. These priorities enable us to maintain a high productivity while building a more efficient and sustainable operational environment.

### Enhancing Resource Efficiency through 3D-Printed Prototypes in Germany

To more precisely meet customer requirements and minimize material waste, we have adopted the use of 3D-printed prototypes during the product development and validation stages at our plants in Germany. By producing highly accurate sample components through additive manufacturing, we can verify dimensions, functionality, and design feasibility before entering mass production. This approach significantly reduces the likelihood of producing defective parts, thereby lowering scrap rates and conserving raw materials.



### Chip Trolley Rotating Machine in Turkey

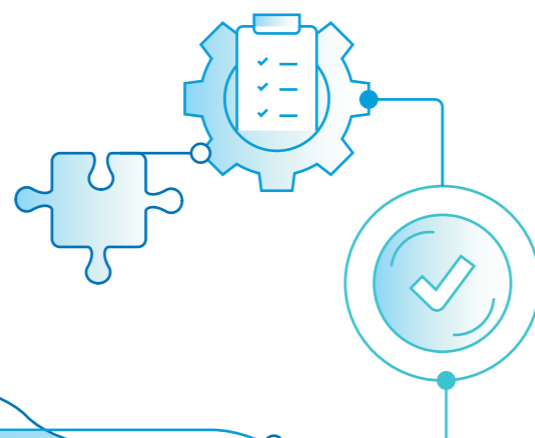
The chip trolley rotating project implemented at our plants in Turkey has enabled operators to transfer machine chips more efficiently onto the chip transfer conveyor. The improved chip management system helps to reduce overall oil consumption by minimizing the amount of cutting fluid lost during chip discharge.








## Product and Operational Sustainability

Our commitment is to advance sustainability through product innovation that enhances efficiency and reduces environmental impact. By taking a proactive R&D approach backed by substantial investment and academic partnerships, we integrate cutting-edge, sustainable features to lead our market and inspire our peers.





As a vertically integrated manufacturer, we are a one-stop solution for precision components. Our comprehensive process encompasses tooling design, casting, machining, heat and surface treatment, delivering final, ready-to-install products directly to our customers. During the Reporting Period, we have expanded our product offerings to include battery brackets for electric trucks and the development of large pressure impellers. This vertically integrated model allows us to provide cost-effective, durable products while reducing the environmental footprint from transportation and packaging, directly supporting our customers' sustainability objectives.








## SUSTAINABILITY ADVANTAGES OF OUR TYPICAL PRODUCTS

| Diversified Industrials   | Climate Change and Energy Efficiency  | Health and Safety   |
|---|---|---|
| <p>High horsepower engine components</p>                       | <p>Providing high power with low fuel consumption</p>   | <p>Key component for reducing emission from the exhaust system, thereby effectively minimizing hazardous emissions generated by high horsepower engines</p>   |
| <p>Construction equipment hydraulic system components</p>      | <p>Highly precise and high-quality precision machining to ensure the reliability of the hydraulic system and extend useful life</p>   | <p>/</p>  |
| <p>Gas detection components of the oil and gas industry</p>  | <p>/</p>  | <p>Safety components mainly used in high-risk environments including oil fields, refineries, facilities handling natural gas and liquefied gas to effectively prevent the occurrence of severe fire and explosion incidents</p> |
| <p>Hydraulic orbital motor</p>                               | <p>Valve-In-Rotor Design enabling efficient distribution of oil for higher motor efficiency, resulting in stronger scissor lift ramp climbing capability and longer working hours</p> | <p>/</p>  |
| <p>Fluid Delivery and Electronic Cooling Systems</p>         | <p>/</p>  | <p>Key component for minimizing the risk of spills and contamination, preventing equipment overheating and reducing potential hazards to ensure a safer workplace</p>   |

# GOVERNANCE

| Automotive   | New energy vehicles   | Internal combustion engine vehicles  |
|--|---|--|
| Fuel system components<br>                | /   | <ul style="list-style-type: none"> <li>Reducing fuel consumption</li> <li>Reducing risk of oil leakage and extending useful lives of vehicles</li> </ul> |
| ERG system components<br>                 | /   | <ul style="list-style-type: none"> <li>Reducing engine emissions</li> <li>Reducing hazardous gas emissions</li> </ul>                                    |
| Motor components of electric vehicles<br> | Ultra precision machining components only apply to new energy vehicles to extend useful lives of vehicles | /  |
| Automotive Engine EGR System<br>          | /   | <ul style="list-style-type: none"> <li>Reusing waste gas</li> <li>Reducing hazardous gas emissions</li> </ul>  |

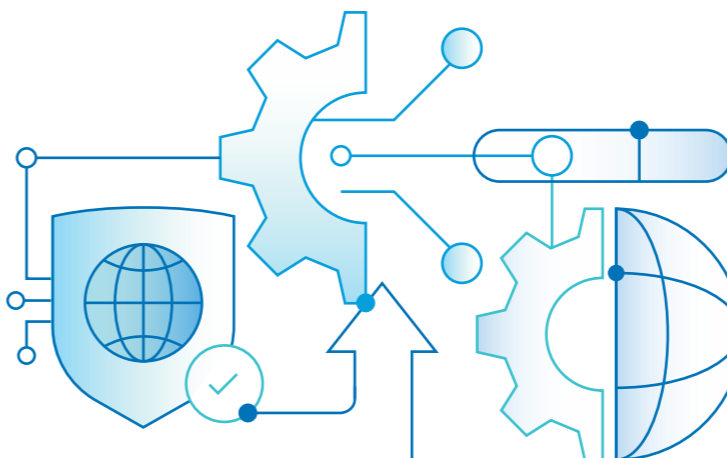
| Aerospace, Energy and Medical   | Climate Change and energy efficiency  | Health and safety   |
|---|---|---|
| Aerospace fuel nozzles of horsepower engine<br>                | <ul style="list-style-type: none"> <li>Reducing fuel consumption</li> <li>Reducing greenhouse gas emission</li> </ul>   | <ul style="list-style-type: none"> <li>Reducing noise</li> <li>Providing outstanding functions, reliability and efficiency</li> </ul>                       |
| Aerospace environment control system components<br>            | <ul style="list-style-type: none"> <li>Better managing temperature and air flow of cabins and equipment bays</li> <li>Extending product life cycle</li> </ul> | <ul style="list-style-type: none"> <li>Providing clean and moist air</li> <li>Reducing airflow-generated noise</li> </ul>                                   |
| CT scanner components<br>                                      | <ul style="list-style-type: none"> <li>High energy efficiency</li> </ul>  | <ul style="list-style-type: none"> <li>Clearer images of patients' bodies for accurate diagnosis</li> <li>Reducing noise, suitable for daily use</li> </ul> |
| Gas Turbine, Combustion components<br>                         | <ul style="list-style-type: none"> <li>High fuel flexibility</li> <li>Capability to burn a wide range of fuel mixtures with high hydrogen content</li> </ul>  | <ul style="list-style-type: none"> <li>More power, less emission</li> </ul>   |
| Oil and Gas Drilling and Logging Equipment Shaft Component<br> | <ul style="list-style-type: none"> <li>Highly energy efficiency</li> <li>Extending product lifecycle</li> </ul>   | <ul style="list-style-type: none"> <li>Reducing noise</li> <li>Real-time control and monitoring to enhance the safety of drilling operations.</li> </ul>    |

## Improve Quality

Impro Group has achieved substantial quality improvements through targeted initiatives. By expanding teams, implementing comprehensive training, and refining processes, we have strengthened quality monitoring, streamlined development, and enhanced material management. Furthermore, through strategic innovation in raw material selection and process optimization, we have significantly reduced defects and elevated our overall quality standards.

### Sensata Nut Loading and Unloading Project in Turkey

Developed in-house by the R&D department at our plant in Turkey, the system incorporates six precision measuring probes that perform comprehensive inspection of all parts during loading and unloading. This automated measurement capability ensures consistent accuracy, minimizes human errors, strengthens process control, and substantially improves quality.

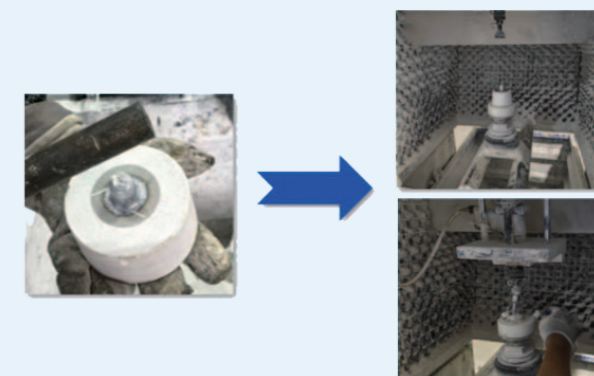


## External Cooperation and Innovation

Impro Group enhances our innovation and manufacturing excellence through strategic partnerships with academic and research entities. These alliances are vital for exchanging knowledge, accessing technological advancements, and maintaining the adaptability needed to lead in an evolving market.

### Cooperation with Jiangsu University of Science and Technology

Our plant in China collaborated with Jiangsu University of Science and Technology to resolve challenges associated with manual shell cleaning, including low efficiency, surface damage, deformation, and residual plaster. Through this cooperation, a more effective cleaning approach was developed, resulting in significantly improved operational efficiency and the elimination of safety incidents during the process.



# GOVERNANCE

## Certification of Compliance

Impro is proud to have earned certification from Spectris, one of our valued customers, for meeting the stringent criteria of SA8000, ISO 45001, and ISO 14001. This accomplishment reaffirms our commitment to high standards in social responsibility, occupational health and safety, and environmental management.



## Intellectual Property Protection

We strictly abide by the Copyright Law of the People’s Republic of China, the Patent Law of the People’s Republic of China, the Trademark Law of the People’s Republic of China, the Technology Contract Law of the People’s Republic of China and other laws, regulations and regulatory documents. We have formulated the Intellectual Property Management System within the Company, established a sound intellectual property management system, and clarified the requirements of intellectual property application, management and other aspects.

Beyond protecting our own intellectual property, we actively engage partners, customers, and stakeholders in a shared culture of intellectual property protection. We achieve this through centralized trademark management and by executing Confidentiality Agreements with customers and suppliers. This fosters mutual trust and safeguards all parties’ interests. Our collaborative approach aims to create a secure, respectful ecosystem that benefits everyone involved.

## 3.2 QUALITY

Impro Group is dedicated to exceptional quality. We achieve this by continuously advancing our integrated management systems and fostering a company-wide culture of excellence. This unwavering commitment ensures customer satisfaction and drives our relentless pursuit of improvement.

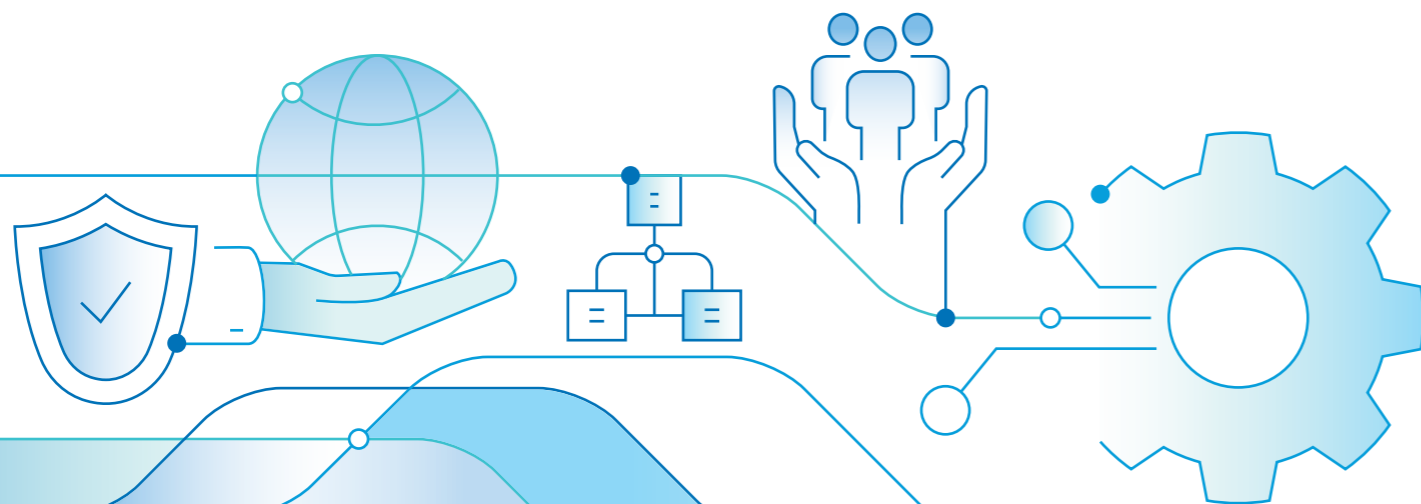
### Quality Management

Impro Group strictly complies with the requirements of the Law of the People’s Republic of China on Product Quality, the Standardization Law of the People’s Republic of China and other laws, regulations and regulatory policies, and has been improving internal quality management processes and systems. During the Reporting Period, we have strictly adhered to the Management Regulations on Advanced Product Quality Planning, the Management Regulations on Equipment and Facilities and other management policies.

Impro Group adopts a range of measures to safeguard production quality, including carrying out quality audits to identify and rectify potential product quality issues. We have strengthened our internal audit mechanisms to ensure greater rigor and effectiveness. In addition, we actively benchmark our quality standards against those of leading industries, enabling us to identify opportunities for continuous improvement and maintain high levels of competitiveness.

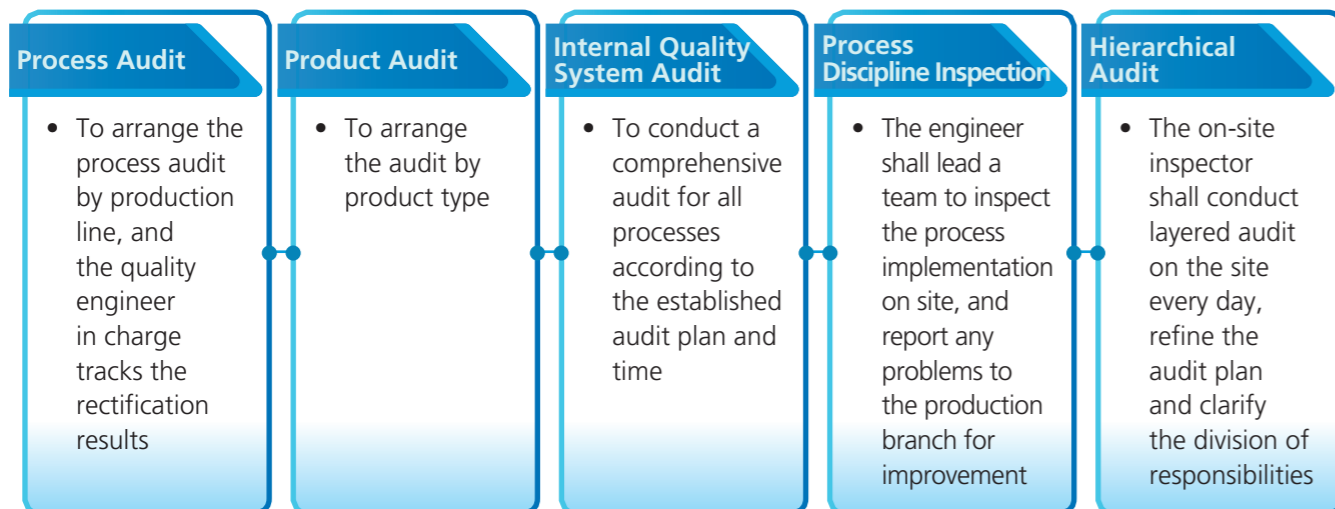
During the Reporting Period, we renewed and obtained new external certifications on our quality management system. The following are quality management system certifications of Impro at the end of the Reporting Period:

- AS9100 International Aviation and Aerospace Quality Management System Standards
- Certification for Highest Standards of Quality in Transportation and Power Generation
- IATF 16949 Automotive Quality Management System Standard
- ISO 13485 Medical Device Quality Management System
- ISO 17025:2017 Laboratory Accreditation Certificate
- ISO 3834-2 Welding Quality Management System
- ISO 9001 Quality Management System
- Nadcap Heat Treating Certification
- Nadcap Non-conventional Machining Certification
- Nadcap Non-Destructive Testing Certification
- Nadcap US National Aerospace and Defense Contractors Accreditation Program
- Nadcap Welding Certification
- PED EU Pressure Equipment Directive
- Shipping Industry Certification Program of Classification



# GOVERNANCE

## INTERNAL QUALITY AUDIT SYSTEM

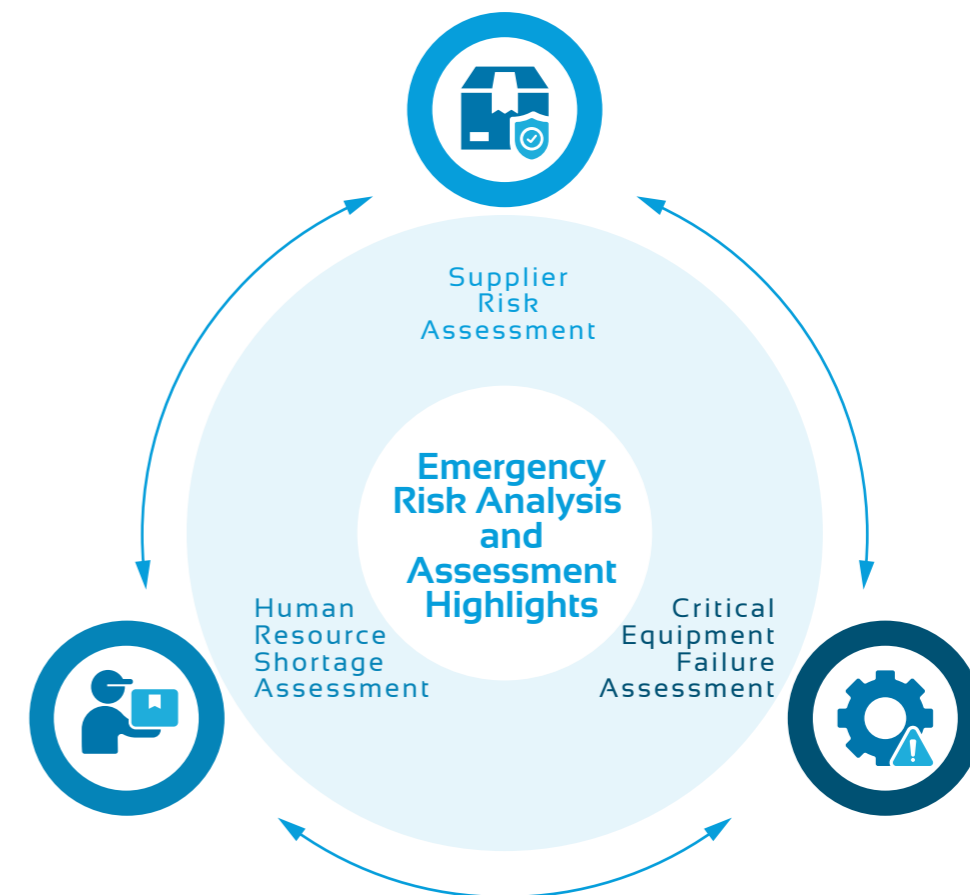


To better manage production disruptions and mitigate potential quality risks during unforeseen emergencies, we have further strengthened our production quality framework by updating the Emergency Plan Management Regulations. By applying statistical analysis methods, we now conduct comprehensive emergency risk assessments to formulate appropriate response strategies. This process involves analyzing risk levels across multiple dimensions, determining testing frequencies according to overall risk ratings, and establishing targeted emergency testing procedures for specific scenarios. These proactive measures ensure that we remain fully prepared for unexpected events while upholding the highest standards of production quality.

We attach great importance to safeguarding consumers' rights and interests, which is reflected in our comprehensive product recall policy. This policy enables us to respond promptly and systematically whenever product quality concerns arise. Upon receiving information about a potential issue — whether through customer feedback, internal audits, or regulatory notifications — we immediately convene cross-functional response teams comprising specialists from Quality Control and Research & Development. These teams carry out a thorough risk assessment to determine the nature, severity and potential impact of the issue. Where the established recall criteria are met, senior management swiftly approves the recall and activates the relevant procedures.



During the Reporting Period, there were **no incidents** of product recall due to health and safety reasons.



### Quality Improvement


Based on our quality management system, we aim to make full use of available resources to improve the quality of products, including strict adherence to the quality standards required by each customer. Below are our 2025 key initiatives:

#### **Continuous Quality Optimization through Process and Material Improvements**

Our plants in China have implemented a series of continuous quality optimization measures aimed at enhancing casting performance and reducing defects. Key improvements included:

- Optimization of heat treatment material frame design, which effectively reduced casting dents and scratches by providing better support and stability during processing.
- Enhancements to the shot peening process, including the addition of extra shot-blasting guns, which helped minimize chassis peeling and alleviated blade sagging caused by repeated re-shot peening.
- Quality improvement of gypsum powder, achieved through proactive collaboration with gypsum powder suppliers to resolve adhesion issues and other material-related inconsistencies.

# GOVERNANCE








### Advancing Machining Accuracy through Equipment Upgrades

One of our plants in China achieved notable quality improvements by upgrading its machining equipment. The manual horizontal milling machine was replaced with a CNC machining center, enabling higher-precision processing and more consistent dimensional accuracy across components. As a result, part dimensions met drawing specifications with a far greater stability, and the first-pass yield increased to 98.5%, demonstrating a substantial improvement in product quality.

Through continuous efforts, our product quality has garnered recognition from our clients. During the Reporting Period, we were honored with the title of Best Supplier of our customer Cummins, with a rolling quality level A.

## Quality Culture

Impro Group conducts extensive quality management training and sharing sessions, aiming to promote a quality culture among our employees. Our key initiatives are as follows.

|  |  |
|--|--|
|  <h3>Employee Skill Training</h3> <ul style="list-style-type: none"> <li>• Pre-job training</li> <li>• New employee training</li> <li>• Special Training</li> </ul>               |  <h3>Enrich Resources</h3> <ul style="list-style-type: none"> <li>• Prepare and update inspection guide book to guide the operation and audit related to quality control</li> </ul>           |
|  <h3>Skill Assessment</h3> <ul style="list-style-type: none"> <li>• KPI assessment</li> <li>• Employee examination</li> <li>• External qualifications</li> </ul>                  |  <h3>Post Slogans</h3> <ul style="list-style-type: none"> <li>• Post quality and safety-related slogans on machine to remind operators of quality control precautions at all times</li> </ul> |
|  <h3>Quality Analysis Session</h3> <ul style="list-style-type: none"> <li>• Review and analyse the quality performance of plants via regular quality analysis sessions</li> </ul> |  |

### Quality Month Campaign

During the Reporting Period, our China plants conducted the Quality Month Campaign. Through training and process optimization, the campaign aims to strengthen quality management, address defects such as internal voids in castings, reduce the risk of non-conforming products leaving the factory, ultimately improving product quality and competitiveness.



Taking this campaign as an opportunity, we tracked the achievement of the plant's quality objectives, identified potential issues, and continuously optimized actionable solutions. Based on participation in the Quality Month initiatives and the extent to which targets were met, outstanding teams were selected and commended.

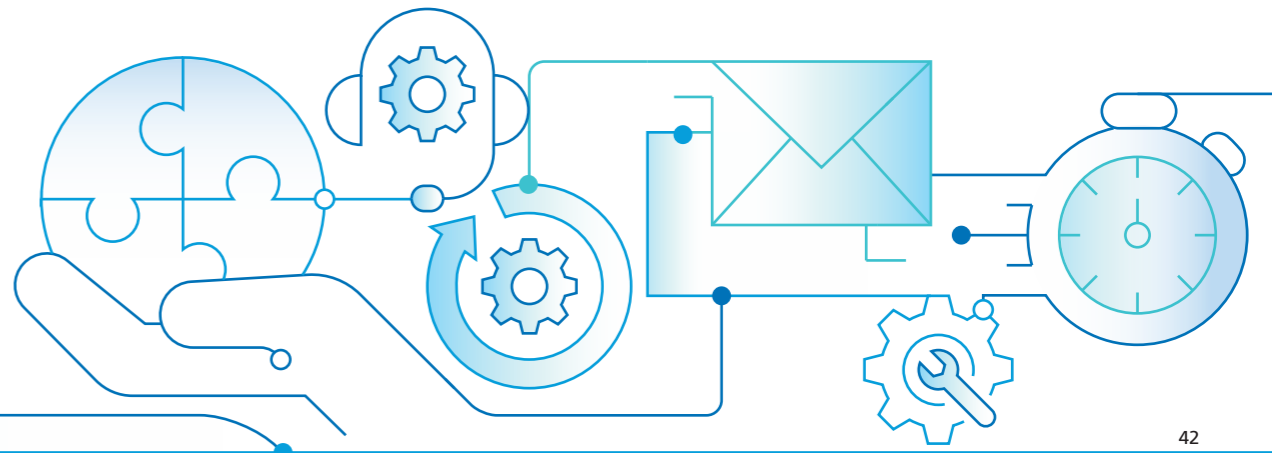
## 3.3 CUSTOMER SERVICE

As a leading global manufacturer of highly precise, intricate, and essential casting machine components and hydraulic orbital motors, we continually strive to elevate our customer service capabilities. This ongoing enhancement reflects our strong commitment to meeting the diverse expectations of customers around the world and delivering an exceptional service experience.

### Customer Management

We periodically review and update our Customer Complaint Handling Management Regulations, Customer Communication Control Procedures, and related policies to ensure they remain effective. These management policies and procedures help guide our employees in delivering an improved and consistently high-quality customer experience.

We have established a variety of customers communication channels to improve our services according to customer feedback.




# GOVERNANCE

## Customer Communication Channel



**Passive Communication**

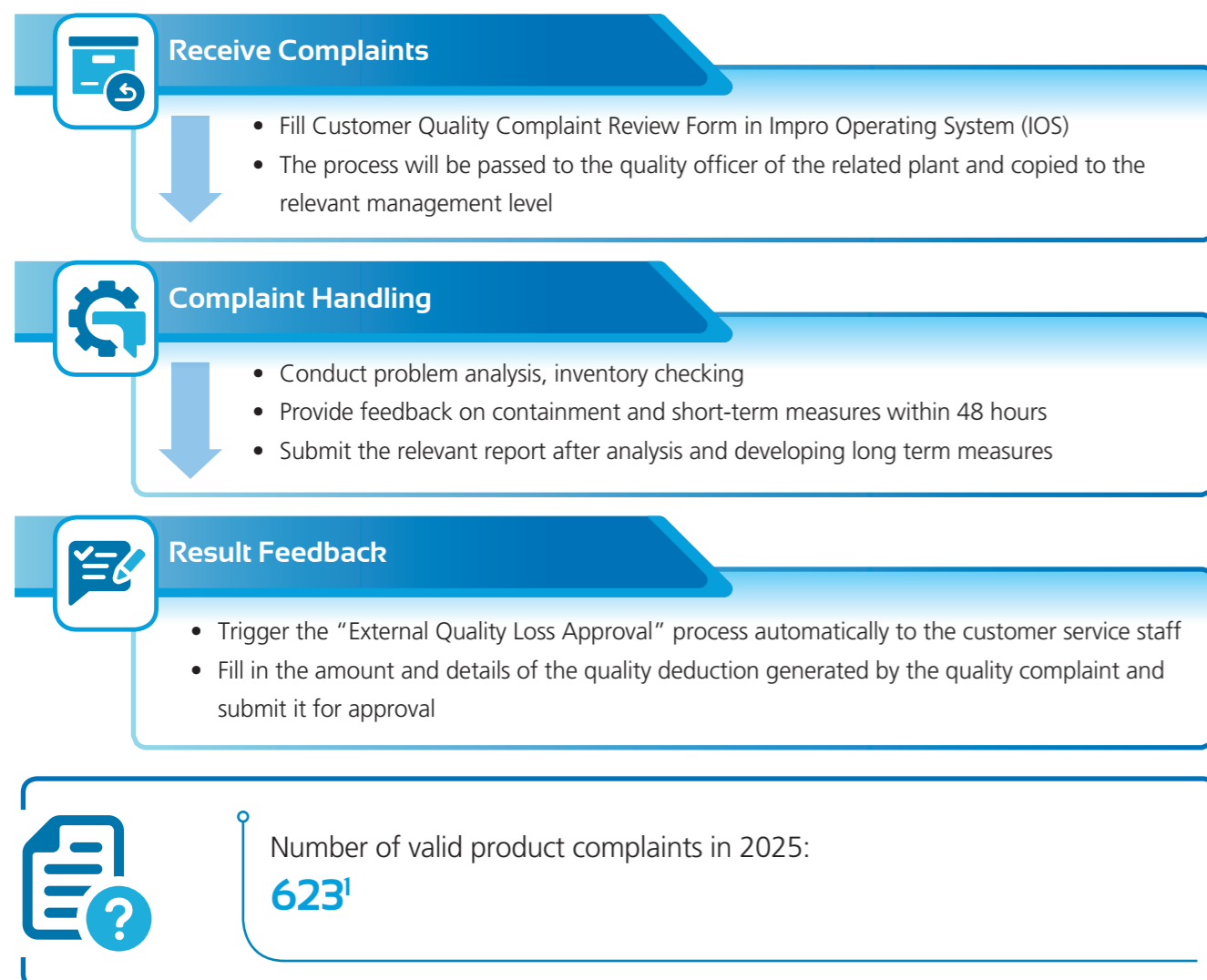
- Email
- Phone
- Website



**Active Communication**

- High-level interaction
- Customer visit
- Communication meeting

We have established a comprehensive set of stringent procedures to effectively address quality-related complaints.



Through the implementation of comprehensive quality assurance measures at every stage of production, we detect and resolve potential issues before they develop into significant problems. Our ongoing commitment to continuous improvement, supported by regular employee training, helps us uphold exceptional product quality standards. Furthermore, the integration of advanced monitoring technologies and rigorous inspection procedures has strengthened the reliability of our output, resulting in consistently defect-free products and a marked enhancement in overall customer satisfaction.

## Customer Privacy Protection

At Impro Group, privacy protection is placed with utmost importance, and we are deeply committed to safeguarding the personal information of our customers, suppliers, and employees. To ensure comprehensive data protection, we have instituted a rigorous confidentiality framework meticulously designed to secure customer information and prevent any unauthorized access or disclosure.

Our strategy encompasses conducting meticulous audits of business processes and identifying potential security risks, with particular emphasis on areas such as network security, external devices, and document management. By implementing robust access control mechanisms and leveraging an internal network security platform, we efficiently minimize the risk of confidentiality breaches across multiple channels.

## MEASURES TO PROTECT CUSTOMER PRIVACY

-  Signing confidentiality agreements with customers, employees and suppliers.
-  All customer information is classified as top confidential.
-  Customers are identified by customer codes internally.
-  Access to the engineering drawing is restricted to authorized personnel only.
-  The IT and audit department supervise and ensure the implementation of confidentiality measures through the unified management of computer software installation, computer maintenance and the control of various core meetings and documents.
-  Corrective actions have been implemented to mitigate security risks identified by regular IT audits.

<sup>1</sup> Total number of valid product complaints has increased compared with 2024. The increase was mainly attributed to the rising customer demand for the products in our Mexico plants due to the production being ramped up there. As of the date of this report, all 2025 customer complaints have been effectively resolved and improved, and integrated into our closed-loop management process. The management of Mexico plants have strengthened comprehensive quality assurance protocols at every stage of the production process to identify and address potential issues.


# GOVERNANCE

## Information Security Protection

To safeguard the information security of the Company and its employees, Impro Group takes prompt action to deploy system patches and antivirus updates. We also reinforce security across the network boundaries of each subsidiary, data center, office and our industrial internet infrastructure. Furthermore, we have established a traffic-threat monitoring and analysis system that provides real-time detection of abnormal activities associated with both known advanced cyberattacks and emerging, unidentified threats targeting core systems and servers. These measures collectively strengthen our capability to manage and mitigate information security risks effectively.

Employees retain the right to request the deletion of their personal information held by Impro. However, in certain circumstances, Impro may be required to decline such requests in accordance with applicable legal or regulatory obligations.

To strengthen employees' awareness of information security and assess their understanding of cybersecurity risks, our IT Centre conducted a series of simulated phishing email tests accompanied by targeted awareness training and promotional activities. Following a detailed evaluation of the test results, we prepared a comprehensive report and developed tailored training materials to enhance employees' ability to recognize and appropriately respond to phishing attempts. The initiatives represent a proactive enhancement of our overall information security framework, ensuring that our workforce is equipped with the necessary knowledge and vigilance to guard effectively against potential cyber threats.



In 2025, **7** plants obtained TISAX (Trusted Information Security Assessment Exchange) certification, a recognized assessment and exchange mechanism for information security in the automotive industry.

**3** plants obtained certification of ISO 27001 Information Security Management System.



In total, the coverage of external information security certification across our operating sites has reached **10** plants or **52.6%** of operating plants during the Reporting Period.

## 3.4 SUPPLY CHAIN

At Impro Group, we are dedicated to building strong, mutually beneficial relationships with our suppliers. We also maintain rigorous procurement quality controls and actively oversee both upstream and downstream suppliers to ensure consistency and reliability. By adhering to these practices, we promote a smooth, efficient supply chain and foster cooperative partnerships that create shared value for all parties involved.



### Supply Chain Management

The effective and sustainable management of our supply chain is fundamental to the long-term success of our manufacturing operations. To reinforce this foundation, during the reporting year we have refined and expanded our *Sustainable Procurement Policy*, establishing a more comprehensive procurement governance framework. This enhanced system strengthens oversight across all critical stages of supplier management, including supplier screening, onboarding, evaluation and verification. As part of our commitment to sustainable procurement, we have set clear quantitative targets to guide our progress.

| Target  | Progress in 2025  |
|---|---|
|  <p>Include ESG clauses in <b>100%</b> of the supplier contracts</p> |  <p><b>3,423</b> supplier contracts (<b>65.0%</b> of the total) include ESG clauses, a <b>13.7%</b> increase from <b>3,011</b> contracts last year</p> |
| <p>By 2035, recycled and scrap metals in weight account for at least <b>70%</b> of total procured metal raw materials</p>                                 | <p>Recycled and scrap metals in weight accounted for <b>66%</b> of total procured metal raw materials</p>   |

### ESG considerations for suppliers

When evaluating potential suppliers, we prioritize those who hold relevant environmental and labor certifications or who have demonstrated strong performance in environmental and social responsibility. By incorporating these considerations into our selection process, we aim to cultivate a supply chain that reflects our commitment to environmental stewardship and social sustainability.

| Environmental Issues  | Social Issues   |
|---|---|
|  <ul style="list-style-type: none"> <li>• Energy and resource use and conservation</li> <li>• Emission management</li> <li>• Waste management</li> <li>• Green packaging</li> <li>• Biodiversity</li> <li>• Climate change risk</li> </ul> |  <ul style="list-style-type: none"> <li>• Labor and human rights</li> <li>• Business ethics</li> <li>• Anti-corruption</li> <li>• Anti-money laundering</li> <li>• Privacy and security</li> </ul> |

# GOVERNANCE



At the end of the Reporting Period, **225** suppliers have obtained ISO 14001 Environmental Management System certification, an increase of **8.7%** over last year.

In our supplier evaluation and management process, we apply rigorous standards to ensure consistently high performance. Suppliers are evaluated through a combination of annual performance assessments, on-site audits, and social responsibility reviews. We also require all suppliers to comply with our Supplier Environmental Notice and Supplier Code of Conduct, which outline expectations related to environmental protection, anti-corruption practices, labor standards, and other ethical requirements. These criteria establish a clear foundation for suppliers to align with our values and commitment to responsible business conduct. By upholding these stringent requirements, we aim to maintain a strong, ethical, and sustainable supplier network that reflects our dedication to integrity and long-term sustainability.

|  | 2025         | 2024  |
|--|--------------|-------|
| Suppliers who have signed Sustainable Sourcing Charter or Supplier Code of Conduct                     | <b>3,423</b> | 3,023 |
| Percentage of total number of suppliers  | <b>65.0%</b> | 65.0% |
| Suppliers who have contracted with clauses covering environmental, labor and human rights requirements | <b>3,423</b> | 3,011 |
| Percentage of total number of suppliers  | <b>65.0%</b> | 64.7% |

## SUPPLIER ASSESSMENT

### Performance Assessment

- Assessment of supplier delivery, quality and other performance.

### Supplier On-site Review

- The on-site review is conducted in the form of information review and site inspection.

### Social Responsibility Review

- The supplier social responsibility review covers child labor, forced labor, labor abuse, occupational health and safety, environmental policies, laws and regulations, and business ethics.



### New Suppliers

- Identify risks through Procurement Risk Assessment Form
- Conduct social responsibility audit and follow up the rectification in case of any non-compliance when the supplier is unqualified for the assessment



### Existing Suppliers

- Conduct annual social responsibility audit and follow up the rectification in case of any non-compliance
- Closely monitor the supplier's product, figure out the stock condition of its alternative suppliers and inform the relevant department if the rectification is unqualified
- Assess supply capacity and subsequent risks if the final rectification is qualified
- Freeze the payment of the supplier, require the supplier to supply in a normal manner before the new supplier is in place, and develop new suppliers if the final rectification is still unqualified

#### For emergency risks, in addition to the above processes

- Communicate with the supplier for on-site audit

#### In the case of single source supplier when risks are identified

- Develop new suppliers
- Freeze the payment of the supplier and require the supplier to supply in a normal manner until the new supplier is in place



During the Reporting Period, **1,506** targeted suppliers have gone through a Corporate Social Responsibility ("CSR") assessment, covering **28.6%** of our suppliers; **1,506** targeted suppliers have gone through a CSR on-site audit, covering **28.6%** of our suppliers.

# GOVERNANCE

## Enhancing Supplier Engagement and Social Responsibility

### Continuous Improvement in Sustainable Procurement Training

Impro has delivered targeted training to its procurement employees on social and environmental issues within the supply chain, with the aim of enhancing their awareness and understanding of responsible and sustainable procurement practices. This initiative equips procurement staff with the capability to identify, manage and respond effectively to key sustainability risks and opportunities. During the Reporting Period, 33 staff have received training on sustainable procurement, accounting for 100% of the total number of our procurement staff.

In addition to internal capacity-building, Impro also extended sustainability training to our suppliers to promote responsible practices across the wider supply chain. During the Reporting Period, 100% of our suppliers assessed or audited are engaged in capacity building and received sustainable procurement training, strengthening their understanding of our expectations and supporting the integration of environmental and social considerations into their operations.

### Incentive Policies for Suppliers

The supplier notification letter explicitly states that, under otherwise equal conditions, suppliers achieving higher scores in social responsibility audits will be given priority. Internally, we have incorporated the development of suppliers with ESG certifications and procurement activities into the performance evaluation of procurement personnel. This approach strengthens our commitment to responsible sourcing and ensures that both supplier selection and internal incentives are aligned with our sustainability goals.

### Supplier Diversity

When selecting suppliers, we prioritize cooperation with the following groups under the same conditions:

- Disabled persons' enterprises, veterans' enterprises and other enterprises composed of members of vulnerable groups;
- Business owned by women

During the Reporting Period, we have cooperated with 8 enterprises owned by vulnerable groups in China, the majority of which are owned by women or veterans.

## 3.5 CORPORATE GOVERNANCE

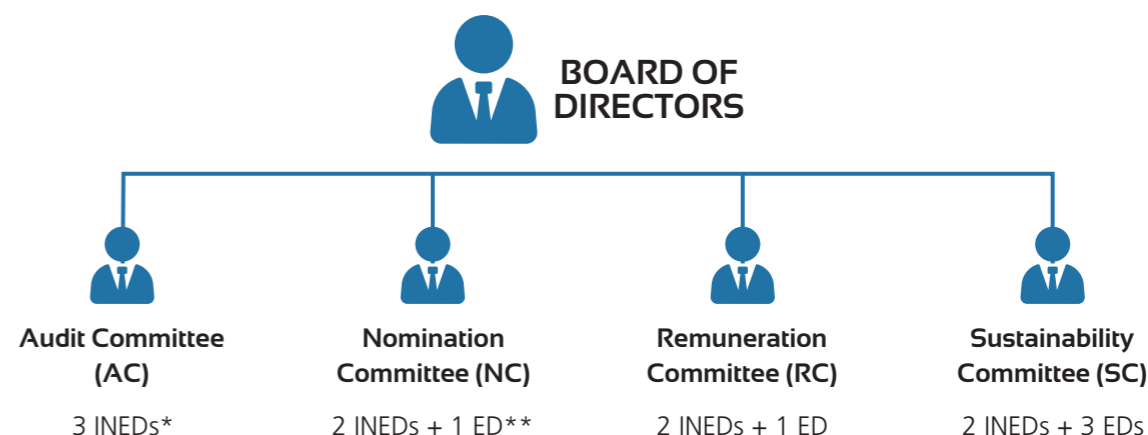
Impro Group is committed to advancing sustainable corporate development by continuously strengthening our corporate governance framework, enhancing our risk management systems, and driving ongoing improvements in our ESG governance practices.

### Our Governance Approach

Impro Group continually strengthens our governance systems and procedures to protect shareholder interests and enhance corporate value. We strictly comply with the principles and code provisions of the Corporate Governance Code ("CG Code") set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange. To support effective governance, the Board has established four committees, each with clearly defined and complementary responsibilities.

For more details about the governance structure, please refer to our 2025 Annual Report or official website. To drive the Group's ESG performance, the assessment basis for the annual bonus to Executive Directors and management from 2022 onwards, in addition to the Company's and the Group's financial targets, is also linked to performance against certain sustainability ratings, which assess aspects such as energy and emissions.

Our committee considered candidates in terms of gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of service and time devoted to performing the duties of directors. Currently, female members account for 28.6% of the Board.



\* INED refers to Independent Non-executive Director

\*\* ED refers to Executive Director

# GOVERNANCE

## Risk Oversight

Our rigorous adherence to all applicable laws and regulations has enabled us to establish a robust risk-prevention and control system. This framework encompasses comprehensive risk audits as well as the regular development and updating of risk-prevention documentation. These measures have significantly strengthened our internal control mechanisms and effectively minimized corporate risk exposure.

### KEY FACTORS RELATED TO ESG IN RISK ADVISORY



During the Reporting Period, Impro conducted a series of specialized audits to evaluate the effectiveness of internal controls within the procurement process, further strengthening the integrity and reliability of our governance structure.

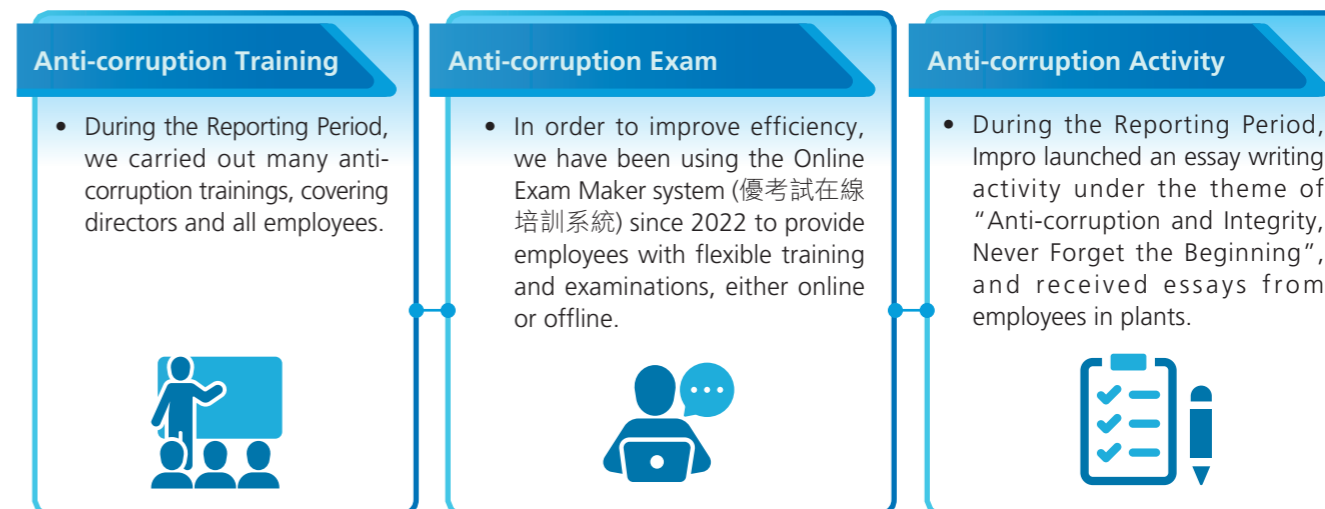
## Ethics and Compliance

At Impro Group, we remain firmly committed to responsible operations, consistently upholding the requirements of all relevant laws and regulations, including the Anti-Unfair Competition Law, Interim Provision on the Prohibition of Commercial Bribery, Criminal Law, Criminal Procedure Law, Civil Code, and Company Law of the People’s Republic of China. To ensure strict compliance, we have implemented robust operational systems such as the Compliance Evaluation Management System, Code of Conduct and Business Ethics Policy, Global Tax Policy, and Code of Conduct for suppliers. These systems align with the legal requirements of every jurisdiction in which we operate.

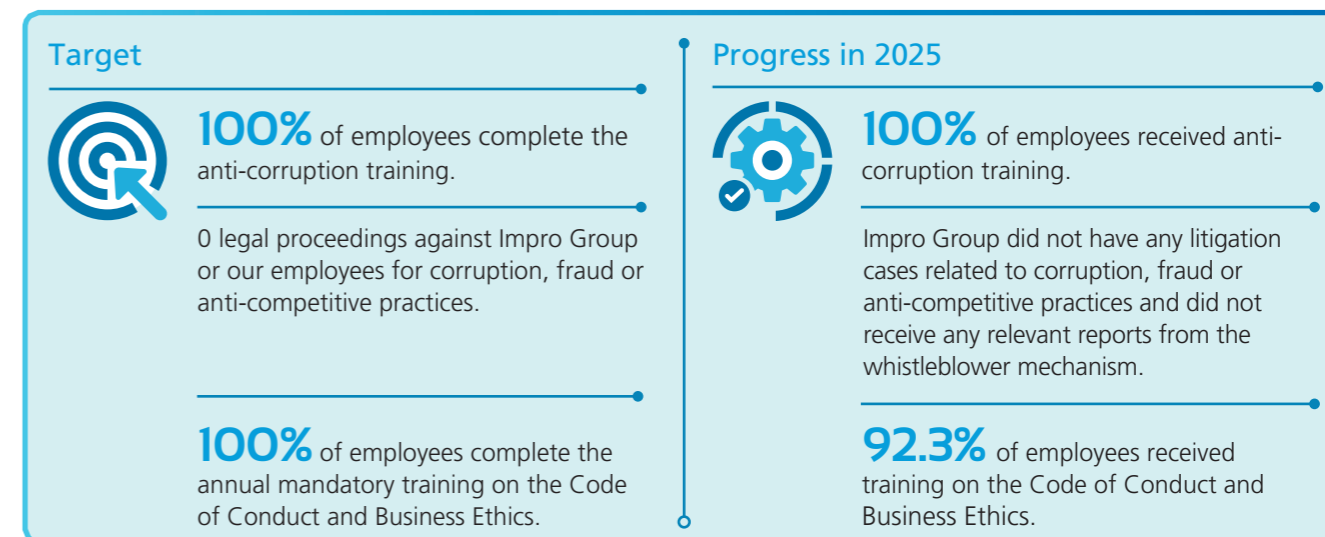
Throughout the Reporting Period, we took significant steps to further enhance our Code of Conduct and Business Ethics. The updated policy covers key areas such as bribery, conflicts of interest, money-laundering and fraud, providing detailed examples and guidelines relating to workplace conduct, privacy protection, anti-competitive and ethical business practices. The policy applies to all regular and part-time employees, temporary and dispatch workers, outsourced personnel across the Group, as well as to our suppliers, outsourcers and other business partners. Through these comprehensive enhancements, we have strengthened our ethical governance framework and reinforced responsible conduct throughout the value chain. Based on this updated policy, we also launched a training program during the Reporting Period to ensure our management and employees understand and uphold these standards. This training supports employees in identifying and addressing potential ethical and compliance risks in their daily work. Additionally, our labor management and human rights policies also ensure ethical conduct across the organization.

At Impro Group, we have established a robust anti-corruption framework grounded in our Code of Conduct and Business Ethics Policy. This framework applies across key operational areas, including procurement, human resources, finance, and sales, and incorporates strict controls on sensitive transactions to prevent potential ethical breaches. To strengthen our culture of integrity, our CEO has also issued a directive requiring employees to report any involvement in sensitive matters, such as the receipt of gifts, cash, or securities, to the Audit and Supervision Department for proper documentation and oversight.

### ANTI-CORRUPTION AWARENESS-RAISING MEASURES



We have established quantitative targets relating to business ethics and conduct, and we carry out corresponding internal audits and evaluations to monitor progress and ensure effective implementation.

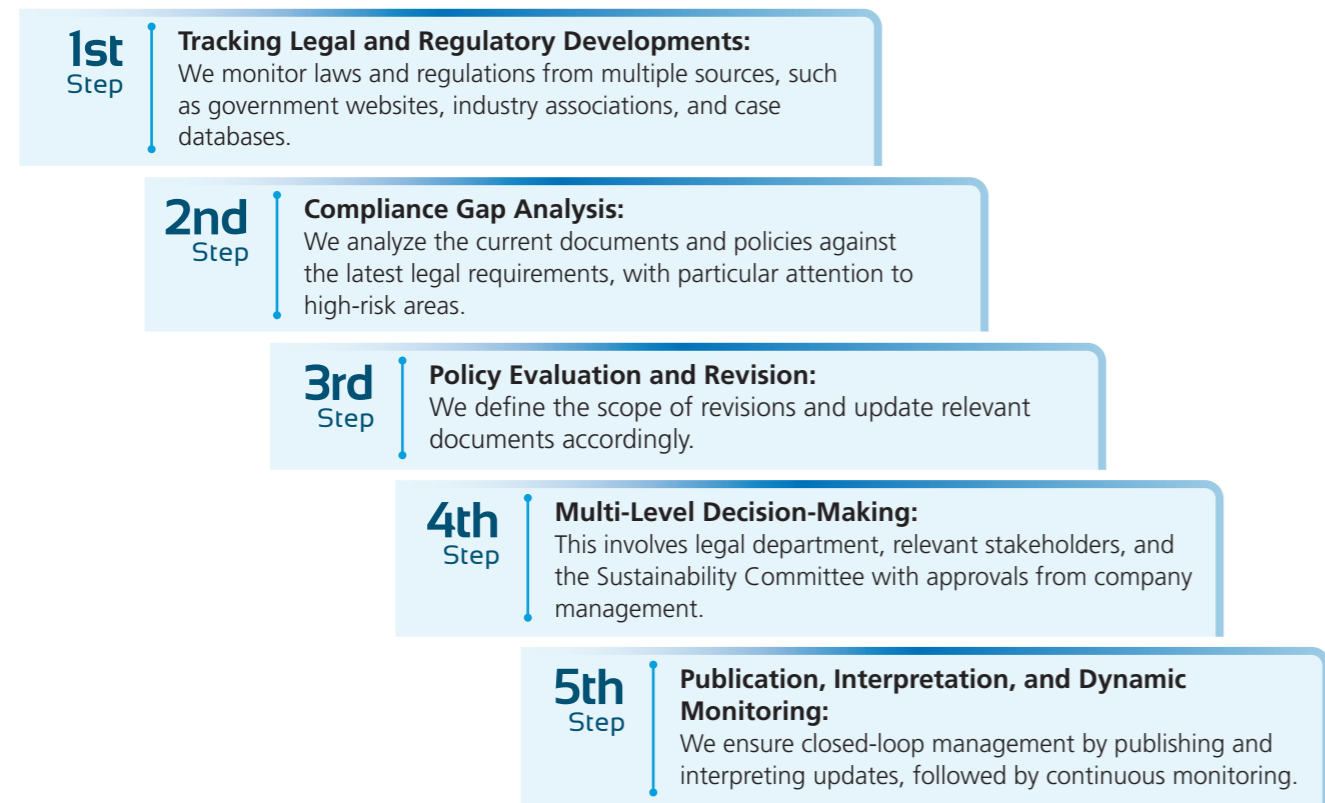


During the Reporting Period, internal audits on business ethics issues were carried out at **19** plants, achieving **100%** coverage of all plants in operation.

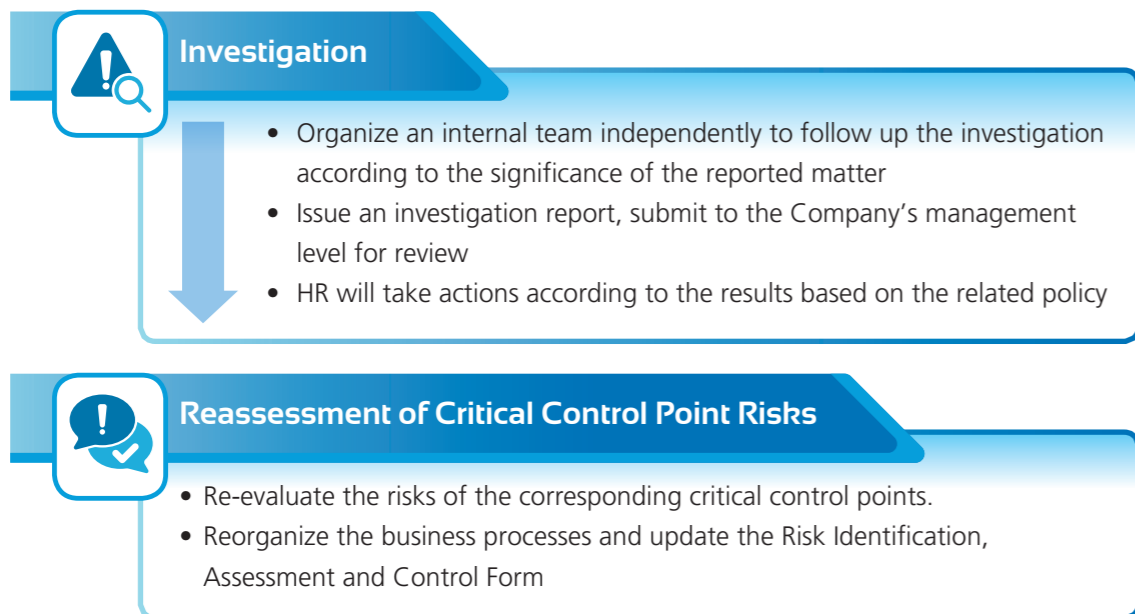
# GOVERNANCE

## Policy Review Process

The Group reviews all related policies, including Human Resource, Procurement, Ethics & Compliance at least annually.



## CORRUPTION INCIDENT HANDLING MECHANISM








## Reporting Management

Impro has established a comprehensive reporting management system that allows employees to report cases of internal corruption or fraud. To ensure accessibility and ease of use, we provide multiple reporting channels, including email, postal mail, a telephone hotline, and WeChat. Reports submitted to the management are promptly transferred to the Audit and Inspection Office for detailed investigation, ensuring that all allegations are handled with seriousness and subject to professional review by the Audit and Supervision Office. This robust reporting mechanism reflects our firm commitment to transparency, accountability, and ethical business conduct across the organization.

At Impro Group, we strive to create a workplace where employees feel encouraged to communicate openly and honestly, without any apprehension of reprisal. To further strengthen this commitment, we have implemented measures to provide greater protection and support for whistleblowers. These initiatives help foster a culture of transparency and trust, ensuring employees can raise issues confidently and contributing to a safe, respectful, and open working environment for everyone.

Our whistleblower protection mechanism:

-  The whistleblower's identity and personal information are strictly confidential and centrally kept by the Audit and Supervision Office, and are only accessible by specialized staff.
-  Strictly prohibit to transfer the reported information to the reported department or the person who is being reported.
-  When the whistleblower sends a help request, the auditors must take actions and deal with it on a timely basis.
-  The whistleblower who reports a major misconduct and successfully prevents its occurrence shall be rewarded after the case is handled.
-  The whistleblower of a major case may change to another workplace or position which is not less favorable than the original working and living conditions if he/she voluntarily accepts such arrangement.

## APPENDIX I DATA SUMMARY

### INDICATORS OF THE STOCK EXCHANGE

|  | 2025    | 2024    | 2023    | Unit         | Indicators of the Stock Exchange |
|--|---------|---------|---------|--------------|----------------------------------|
| <b>Operating Results</b>                                     |         |         |         |              |                                  |
| Revenue  | 5,095.5 | 4,686.8 | 4,604.4 | HK\$ million | N/A                              |
| Adjusted profit attributable to shareholders of the Company  | 689.9   | 615.5   | 532.0   | HK\$ million | N/A                              |
| Number of active SKUs  | 9,700   | 9,500   | 9,300   | number       | N/A                              |
| Number of new SKUs during the year                           | 1,400   | 1,200   | 1,100   | number       | N/A                              |
| Average length of business relationships of Top 20 Customers | 19.6    | 19.4    | 18.5    | years        | N/A                              |
| Revenue of top 10 customers as a % of total revenue          | 55      | 56      | 52      | %            | N/A                              |

### ENVIRONMENTAL PERFORMANCE

|  | 2025    | 2024    | 2023    | Unit                            | Indicators of the Stock Exchange    |
|--|---------|---------|---------|---------------------------------|-------------------------------------|
| <b>Greenhouse Gas Emissions<sup>1</sup></b>                    |         |         |         |                                 |                                     |
| Scope 1 greenhouse gas emissions <sup>2</sup>                  | 11,642  | 11,246  | 10,538  | tCO <sub>2</sub> e              | A1: Emission                        |
| Scope 2 greenhouse gas emissions (location-based) <sup>3</sup> | 158,863 | 149,587 | 144,434 | tCO <sub>2</sub> e              |                                     |
| Total greenhouse gas emissions (Scope 1 and Scope 2)           | 170,505 | 160,833 | 154,972 | tCO <sub>2</sub> e              |                                     |
| Greenhouse gas emission per unit revenue (Scope 1 and Scope 2) | 33.5    | 34.3    | 33.7    | tCO <sub>2</sub> e/HK\$ million |                                     |
| Scope 3 greenhouse gas emissions <sup>4,5</sup>                | 129,446 | N/A     | N/A     | tCO <sub>2</sub> e              | Part D: Climate-related Disclosures |
| Category 1: Purchased goods and services                       | 60,766  | N/A     | N/A     | tCO <sub>2</sub> e              | Metrics and                         |
| Category 2: Capital goods                                      | 10,961  | N/A     | N/A     | tCO <sub>2</sub> e              | Targets (28)                        |
| Category 3: Fuel- and energy-related activities                | 54,839  | N/A     | N/A     | tCO <sub>2</sub> e              |                                     |
| Category 5: Waste generated in operations                      | 2,880   | N/A     | N/A     | tCO <sub>2</sub> e              |                                     |

<sup>1</sup> The greenhouse gas emissions are calculated and disclosed with reference to Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).

<sup>2</sup> Scope 1 greenhouse gas consists of greenhouse gas emissions from natural gas, diesel and gasoline. Scope 1 Calculation is made with reference to AIB Carbon Footprint Report 2021 and CDP Technical Note: Conversion of fuel data to MWh.

<sup>3</sup> Scope 2 greenhouse gas consists of purchased electricity and purchased steam. Scope 2 Calculation is made with reference to the Greenhouse Gas Protocol issued by WRI and WBCSD, IEA emission factors 2021, Guidelines of the greenhouse gas emission accounting and reporting — Iron and steel production enterprises by the Ministry of Ecology and Environment of the People's Republic of China, and China's national grid average emission factor.

<sup>4</sup> Scope 3 categories are disclosed in accordance with the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). For detailed calculation methodology and the use of emission factors for Scope 3, please refer to the "Scope 3 Emissions Reporting Methodology" under the Environment section of the Report.

<sup>5</sup> In the future, we will continue to expand the coverage of our scope 3 inventories to cover more relevant upstream and downstream emissions for better transparency.

|   | 2025                | 2024    | 2023    | Unit              | Indicators of the Stock Exchange |
|---|---------------------|---------|---------|-------------------|----------------------------------|
| <b>Waste Disposal</b>   |                     |         |         |                   |                                  |
| Hazardous Waste   | 1,967               | 1,649   | 2,742   | tons              | A1: Emission                     |
| Non-hazardous waste   | 84,778 <sup>6</sup> | 73,587  | 47,957  | tons              |                                  |
| — Non-recyclable solid waste  | 5,927               | 7,504   | 8,975   | tons              |                                  |
| — Recyclable solid waste  | 78,851 <sup>6</sup> | 66,083  | 38,982  | tons              |                                  |
| Total amount of waste disposal  | 86,745              | 75,236  | 50,699  | tons              |                                  |
| Hazardous waste disposal per unit revenue                               | 0.39 <sup>7</sup>   | 0.35    | 0.60    | tons/HK\$ million |                                  |
| Non-hazardous solid waste disposal per unit revenue                     | 16.64 <sup>6</sup>  | 15.70   | 10.42   | tons/HK\$ million |                                  |
| — Non-recyclable solid waste disposal per unit revenue                  | 1.16                | 1.60    | 1.95    | tons/HK\$ million |                                  |
| — Recyclable solid waste disposal per unit revenue                      | 15.47 <sup>6</sup>  | 14.10   | 8.47    | tons/HK\$ million |                                  |
| Total weight of hazardous waste diverted from disposal <sup>8</sup>     | 1,214               | 1,318   | N/A     | tons              |                                  |
| Total weight of non-hazardous waste diverted from disposal <sup>8</sup> | 80,717              | 59,155  | N/A     | tons              |                                  |
| <b>Exhaust Gas Emission<sup>9</sup></b>                                 |                     |         |         |                   |                                  |
| Nitrogen oxides   | 2,948               | 3,937   | 3,784   | kg                | A1: Emission                     |
| Sulphur dioxide   | 628                 | 756     | 997     | kg                |                                  |
| Particulates  | 6,239               | 6,728   | 6,504   | kg                |                                  |
| <b>Wastewater Emission</b>  |                     |         |         |                   |                                  |
| Total amount of wastewater  | 252,272             | 220,147 | 211,438 | tons              | A1: Emission                     |
| Chemical oxygen demand  | 13                  | 11      | 13      | tons              |                                  |
| Ammonia nitrogen  | 1,013               | 1,158   | 1,042   | kg                |                                  |

<sup>6</sup> During the Reporting Period, several facilities commenced formal operations or increased their production output, resulting in an overall rise in the total amount and intensity of non-hazardous waste disposed.

<sup>7</sup> During the Reporting Period, the hazardous waste intensity increased as compared to 2024, mainly due to the expansion of our production, as well as the trial runs of the painting line and machinery relocation activities at our plants in Mexico with additional hazardous waste generation.

<sup>8</sup> According to the requirements of GRI 306, the total weight of hazardous and non-hazardous waste diverted from disposal has been disclosed since 2024.

<sup>9</sup> Discharge hatches are examined once a year. There are changes and fluctuations in relation to products manufactured during different periods, and data would fluctuate accordingly.

## APPENDIX I DATA SUMMARY

|  | 2025           | 2024                 | 2023                 | Unit                                 | Indicators of the Stock Exchange |
|--|----------------|----------------------|----------------------|--------------------------------------|----------------------------------|
| <b>Energy Consumption</b>                                |                |                      |                      |                                      |                                  |
| Direct energy consumption                                | <b>7,262</b>   | 7,127                | 6,617                | tons of coal equivalent              | A2: Use of Resources             |
| — Natural gas  | <b>470</b>     | 459                  | 418                  | 10,000 normal cubic meter            |                                  |
| — Diesel   | <b>418</b>     | 355                  | 413                  | tons                                 |                                  |
| — Gasoline   | <b>61</b>      | 75                   | 74                   | tons                                 |                                  |
| — Renewable energy <sup>10</sup>                         | <b>481</b>     | 319                  | 279                  | 10,000 kWh                           |                                  |
| Indirect energy consumption                              | <b>39,985</b>  | 37,105 <sup>11</sup> | 34,302 <sup>11</sup> | tons of coal equivalent              |                                  |
| — Purchased electricity                                  | <b>29,467</b>  | 26,862               | 24,467               | 10,000 kWh                           |                                  |
| — Purchased steam  | <b>41,024</b>  | 44,528               | 46,045               | tons                                 |                                  |
| Total energy consumption <sup>12</sup>                   | <b>47,247</b>  | 44,232 <sup>11</sup> | 40,919 <sup>11</sup> | tons of coal equivalent              |                                  |
| Total energy consumption per unit revenue                | <b>9.3</b>     | 9.4 <sup>11</sup>    | 8.9 <sup>11</sup>    | tons of coal equivalent/HK\$ million |                                  |
| <b>Water Resources Consumption</b>                       |                |                      |                      |                                      |                                  |
| Fresh water consumption <sup>13</sup>                    | <b>926,634</b> | 902,310              | 846,531              | tons                                 | A2: Use of Resources             |
| Water consumption per unit revenue                       | <b>181.9</b>   | 192.5                | 183.9                | tons/HK\$ million                    |                                  |
| Total amount of water recycled and reused                | <b>12,256</b>  | 11,906               | 18,125               | tons                                 |                                  |
| <b>Packaging Materials Consumption</b>                   |                |                      |                      |                                      |                                  |
| Cardboard  | <b>760</b>     | 729                  | 761                  | tons                                 | A2: Use of Resources             |
| Wood box   | <b>1,965</b>   | 1,549                | 1,371                | tons                                 |                                  |
| <b>Environmental Risk Assessment</b>                     |                |                      |                      |                                      |                                  |
| Number of plants completed Environmental Risk Assessment | <b>18</b>      | 18                   | 17                   | number                               | N/A                              |
| <b>Environment-related Training</b>                      |                |                      |                      |                                      |                                  |
| Number of staff trained on environmental issues          | <b>7,741</b>   | 6,854                | 5,376                | number                               | N/A                              |
| <b>EMS Certification</b>                                 |                |                      |                      |                                      |                                  |
| Number of plants received EMS Certification              | <b>15</b>      | 11                   | 10                   | number                               | N/A                              |

<sup>10</sup> During the Reporting Period, we have enhanced energy data collection to include the consumption of renewable energy generated from our photovoltaic projects.

<sup>11</sup> The indirect energy and total energy consumption data of 2023 and 2024 has been restated to align with the energy conversion factor used in 2025 for purchased heat in China.

<sup>12</sup> Direct energy consumption consists of natural gas, diesel and gasoline consumption. Indirect energy consumption refers to purchased electricity and consumption of purchased steam. Calculation is made with reference to GB/T 2589-2020 General rules for calculation of the comprehensive energy consumption.

<sup>13</sup> Fresh water comes from municipal pipe network and natural water body.

## SOCIAL PERFORMANCE

|   | 2025         | 2024  | 2023  | Unit   | Indicators of the Stock Exchange |
|---|--------------|-------|-------|--------|----------------------------------|
| <b>Staff Employment</b>   |              |       |       |        |                                  |
| Number of staff   | <b>8,271</b> | 7,778 | 7,681 | number | B1: Employment                   |
| <b>Number of Employees by Gender</b>                                |              |       |       |        |                                  |
| Male  | <b>5,999</b> | 5,640 | 5,537 | number | B1: Employment                   |
| Female  | <b>2,272</b> | 2,138 | 2,144 | number |                                  |
| <b>Number of Employees by Age</b>                                   |              |       |       |        |                                  |
| Below 30  | <b>1,910</b> | 1,717 | 1,745 | number | B1: Employment                   |
| 30–39   | <b>3,097</b> | 2,966 | 2,838 | number |                                  |
| 40–49   | <b>2,146</b> | 2,080 | 2,207 | number |                                  |
| 50 or above   | <b>1,118</b> | 1,015 | 891   | number |                                  |
| <b>Number of Employees by Academic Qualification</b>                |              |       |       |        |                                  |
| Master and bachelor degree  | <b>79</b>    | 78    | 79    | number | B1: Employment                   |
| Tertiary and undergraduate  | <b>1,857</b> | 2,142 | 1,851 | number |                                  |
| Below tertiary education  | <b>6,335</b> | 5,558 | 5,751 | number |                                  |
| <b>Number of Employees by Type of Employment</b>                    |              |       |       |        |                                  |
| Full time   | <b>8,267</b> | 7,774 | 7,681 | number | B1: Employment                   |
| Part time   | <b>4</b>     | 4     | 0     | number |                                  |
| <b>Number of Employees by Job Function</b>                          |              |       |       |        |                                  |
| Production  | <b>5,950</b> | 5,550 | 5,418 | number | B1: Employment                   |
| Quality management  | <b>904</b>   | 819   | 814   | number |                                  |
| Research and development and engineering                            | <b>697</b>   | 678   | 667   | number |                                  |
| Sales and marketing, customer service, supply chain and warehousing | <b>376</b>   | 365   | 373   | number |                                  |
| Legal, finance, human resources and administration                  | <b>344</b>   | 366   | 409   | number |                                  |

## APPENDIX I DATA SUMMARY

|  | 2025  | 2024  | 2023  | Unit   | Indicators of the Stock Exchange |
|--|-------|-------|-------|--------|----------------------------------|
| <b>Number of Employees by Geographical Region<sup>14</sup></b> |       |       |       |        |                                  |
| Asia   | 5,991 | 5,926 | 5,866 | number | B1: Employment                   |
| Europe   | 759   | 854   | 967   | number |                                  |
| Americas   | 1,521 | 998   | 848   | number |                                  |
| <b>Staff Retention</b>   |       |       |       |        |                                  |
| Staff Turnover Rate <sup>15</sup>                              | 29.6  | 29.1  | 27.1  | %      | B1: Employment                   |
| Voluntary  | 25.5  | 15.7  | 19.1  | %      |                                  |
| Involuntary  | 4.1   | 13.4  | 8.0   | %      |                                  |
| <b>Staff Turnover Rate by Geographical Region<sup>15</sup></b> |       |       |       |        |                                  |
| Asia   | 12.2  | 16.8  | 18.9  | %      | B1: Employment                   |
| Europe   | 15.7  | 19.1  | 18.5  | %      |                                  |
| Americas   | 120.9 | 117.8 | 97.1  | %      |                                  |
| <b>Staff Turnover Rate by Gender<sup>15</sup></b>              |       |       |       |        |                                  |
| Male   | 30.8  | 29.8  | 27.2  | %      | B1: Employment                   |
| Female   | 26.5  | 27.2  | 26.6  | %      |                                  |
| <b>Staff Turnover Rate by Age<sup>15</sup></b>                 |       |       |       |        |                                  |
| Below 30   | 67.7  | 60.7  | 52.6  | %      | B1: Employment                   |
| 30–39  | 24.5  | 25.6  | 22.5  | %      |                                  |
| 40–49  | 14.4  | 17.5  | 17.5  | %      |                                  |
| 50 or above  | 9.5   | 11.4  | 13.9  | %      |                                  |

|   | 2025    | 2024    | 2023    | Unit   | Indicators of the Stock Exchange |
|---|---------|---------|---------|--------|----------------------------------|
| <b>Occupational Health and Safety</b>   |         |         |         |        |                                  |
| Number of work-related fatalities   | 0       | 0       | 0       | number | B2: Health and Safety            |
| Work-related fatality rate  | 0       | 0       | 0       | %      |                                  |
| Recordable work-related incidents   | 158     | 122     | 121     | number |                                  |
| Incident rate for direct workforce <sup>16</sup>  | 8.50    | 7.09    | 7.04    | rate   |                                  |
| Lost days due to work-related injury  | 1,841   | 1,781   | 1,817   | days   |                                  |
| Lost time incident rate for direct workforce <sup>17</sup>                                    | 0.099   | 0.104   | 0.106   | rate   |                                  |
| Number of plans conducted employee health and safety risk assessment                          | 18      | 18      | 18      | number |                                  |
| <b>Staff Training</b>   |         |         |         |        |                                  |
| Total staff training hours  | 286,330 | 309,338 | 327,146 | hours  | B3: Development and Training     |
| Total number of trained staff   | 8,271   | 7,778   | 7,681   | number |                                  |
| Training coverage   | 100.0   | 100     | 100     | %      |                                  |
| Average training hours per staff  | 34.6    | 39.8    | 42.6    | hours  |                                  |
| Proportion of total employees with vocational or skills-related training                      | 99.3    | 93.8    | 83.2    | %      |                                  |
| Proportion of employees who have undergone regular performance and career development reviews | 92.0    | 86.6    | 82.8    | %      |                                  |
| <b>Percentage of Trained Staff by Gender</b>  |         |         |         |        |                                  |
| Male  | 72.5    | 72.5    | 72.1    | %      | B3: Development and Training     |
| Female  | 27.5    | 27.5    | 27.9    | %      |                                  |
| <b>Percentage of Trained Staff by Job Function</b>  |         |         |         |        |                                  |
| Production  | 71.9    | 71.4    | 72.7    | %      | B3: Development and Training     |
| Quality Management  | 10.9    | 10.5    | 10.0    | %      |                                  |
| Research and development and engineering  | 8.4     | 8.7     | 7.4     | %      |                                  |
| Sales and marketing, customer service, supply chain and warehousing                           | 4.5     | 4.7     | 5.3     | %      |                                  |
| Legal, finance, human resources and administration  | 4.2     | 4.7     | 4.6     | %      |                                  |

<sup>14</sup> During the Reporting Period, we have updated the definition of the geographical location to reflect employees' actual working locations. Data of 2023 and 2024 is therefore restated accordingly.

<sup>15</sup> Employee turnover rate = (Employees in the specified category leaving employment/Number of the average total workforce in the relevant category at the beginning and end of the year) × 100%. During the Reporting Period, the calculation methodology has been updated, and 2023 and 2024 turnover rates are restated accordingly.

<sup>16</sup> Incident rate for direct workforce = (Total recordable work-related incidents) X (1,000,000/Total hours worked)

<sup>17</sup> Lost time incident rate for direct workforce = (Days lost due to work-related injuries) X (1,000/Total hours worked)

## APPENDIX I DATA SUMMARY

|   | 2025                | 2024 | 2023 | Unit         | Indicators of the Stock Exchange |
|---|---------------------|------|------|--------------|----------------------------------|
| <b>Average Training Hours per Staff by Gender</b>   |                     |      |      |              |                                  |
| Male  | 35.3                | 39.3 | 40.5 | hours        | B3: Development and Training     |
| Female  | 32.8                | 41.1 | 33.0 | hours        |                                  |
| <b>Average Training Hours per Staff by Job Function</b>   |                     |      |      |              |                                  |
| Production  | 41.6                | 48.2 | 45.2 | hours        | B3: Development and Training     |
| Quality management  | 19.7                | 24.5 | 26.0 | hours        |                                  |
| Research and development and engineering  | 13.9                | 13.2 | 19.3 | hours        |                                  |
| Sales and marketing, customer service, supply chain and warehousing                                 | 7.8                 | 6.7  | 10.8 | hours        |                                  |
| Legal, finance, human resources and administration  | 23.9                | 28.6 | 20.8 | hours        |                                  |
| <b>Human Right</b>  |                     |      |      |              |                                  |
| Proportion of employees trained in anti-discrimination and human right                              | 92.2                | 94.1 | 96.3 | %            | N/A                              |
| Proportion of workplace that have undergone a human rights review or human rights impact assessment | 10.5                | 26.3 | 10.5 | %            | N/A                              |
| Proportion of employees who have duly elected employee representatives                              | 20.6                | 16.5 | 24.5 | %            | N/A                              |
| Proportion of all employees who covered by a formal collective agreement on working conditions      | 20.9                | 19.2 | 20.2 | %            | N/A                              |
| <b>Social Contributions</b>   |                     |      |      |              |                                  |
| Total number of staff who have taken part in charitable activities                                  | 2,195 <sup>18</sup> | 173  | 307  | staff        | B8: Social Investment            |
| Total number of hours of participation in community events  | 1,702 <sup>18</sup> | 101  | 703  | hours        |                                  |
| Social donations  | 0.6                 | 0.2  | 0.1  | HK\$ million |                                  |

## GOVERNANCE PERFORMANCE

|  | 2025  | 2024  | 2023  | Unit         | Indicators of the Stock Exchange |
|--|-------|-------|-------|--------------|----------------------------------|
| <b>Equity and Diversification</b>  |       |       |       |              |                                  |
| Proportion of female members on the Board  | 28.6  | 28.6  | 25    | %            |                                  |
| The percentage of female employed in top executive positions                         | 24.4  | 23.3  | 21.7  | %            |                                  |
| Confirmed discrimination or harassment incidents                                     | 0     | 0     | 0     | incident     |                                  |
| <b>Commercial Ethics Performance</b>   |       |       |       |              |                                  |
| Corruption litigation cases  | 0     | 0     | 0     | incident     | B7: Anti-corruption              |
| Confirmed information security incidents   | 0     | 0     | 0     | incident     |                                  |
| Number of directors and employees who have participated in anti-corruption training  | 8,271 | 7,778 | 6,528 | number       |                                  |
| Number of plants which have been conducted internal audits on business ethics issues | 19    | 19    | 15    | number       |                                  |
| Proportion of employees who have been trained on business ethics issues              | 92.3  | 100.0 | 85.0  | %            |                                  |
| <b>Product Innovation</b>  |       |       |       |              |                                  |
| Total patents newly applied  | 96    | 111   | 103   | number       | B6: Product Responsibility       |
| — utility  | 65    | 83    | 69    |              |                                  |
| — invention  | 17    | 22    | 24    |              |                                  |
| — others   | 14    | 6     | 10    |              |                                  |
| Total existing patents   | 575   | 562   | 559   | number       |                                  |
| — utility  | 426   | 404   | 432   |              |                                  |
| — invention  | 127   | 142   | 121   |              |                                  |
| — others   | 22    | 16    | 6     |              |                                  |
| Research and development expenditures  | 249.8 | 228.3 | 225.1 | HK\$ million |                                  |
| Research and development expenditures as a % of total revenue                        | 4.9   | 4.9   | 4.9   | %            |                                  |

<sup>18</sup> The data collection for total number of staff who have taken part in charitable activities and total number of hours of participation in community events in 2023 and 2024 covered only our operations China. In 2025, the data collection scope was expanded to include our operations in Germany, Turkey, and Mexico.

## APPENDIX I DATA SUMMARY

|  | 2025  | 2024  | 2023  | Unit   | Indicators of the Stock Exchange |
|--|-------|-------|-------|--------|----------------------------------|
| <b>Product Quality</b>   |       |       |       |        |                                  |
| Total number of valid product complaints   | 623   | 516   | 475   | number | B6: Product Responsibility       |
| Percentage of product recall due to safety and health reasons  | 0     | 0     | 0     | %      |                                  |
| <b>Supplier Performance</b>  |       |       |       |        |                                  |
| Total number of suppliers  | 5,269 | 4,653 | 3,971 | number | B5: Supply Chain Management      |
| <b>Number of Suppliers by Geographical Region</b>  |       |       |       |        |                                  |
| Asia   | 1,401 | 1,249 | 1,142 | number | B5: Supply Chain Management      |
| Europe   | 2,624 | 2,411 | 2,006 | number |                                  |
| Americas   | 1,244 | 993   | 486   | number |                                  |
| <b>Suppliers' Environmental and Social Considerations</b>  |       |       |       |        |                                  |
| Total number of suppliers obtaining ISO 14001 certification  | 225   | 207   | 156   | number | B5: Supply Chain Management      |
| Suppliers who have signed the Sustainable Sourcing Charter/Supplier Code of Conduct                    | 65.0  | 65.0  | 55.0  | %      |                                  |
| Suppliers who have contracted with clauses covering environmental, labor and human rights requirements | 65.0  | 64.7  | 30.9  | %      |                                  |
| <b>Supplier Improvement and Sustainable Procurement Training</b>                                       |       |       |       |        |                                  |
| Percentage of assessed suppliers engaged in corrective actions or capacity building                    | 100   | 100   | 100   | %      | N/A                              |
| Percentage of procurement staff received training on sustainable procurement                           | 100   | 100   | 100   | %      | N/A                              |

## APPENDIX II HKEX: ESG REPORTING CODE

| Subject Areas, Aspects, General Disclosures and KPIs |                    |   | Respective chapter and remarks  |
|--|--------------------|---|---|
| <b>Part C: "Comply or explain" Provisions</b>        |                    |   |   |
| <b>A. Environmental</b>                              |                    |   |   |
| A1: Emissions  | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | 1.1 Compliance and Management   |
|  | A1.1               | The types of emissions and respective emissions data.   | Appendix I Data Summary   |
|  | A1.2               | [Repealed 1 January 2025]   | N/A   |
|  | A1.3               | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | Appendix I Data Summary   |
|  | A1.4               | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | Appendix I Data Summary   |
|  | A1.5               | Description of emissions target(s) set and steps taken to achieve them.   | ESG Targets and Progress<br>1.2 Climate Change<br>1.6 Pollutant Emissions |
|  | A1.6               | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.  | 1.5 Waste Management  |

## APPENDIX II HKEX: ESG REPORTING CODE

| Subject Areas, Aspects, General Disclosures and KPIs |                           |  | Respective chapter and remarks  |
|--|---------------------------|--|---|
| <b>Part C: "Comply or explain" Provisions</b>        |                           |  |   |
| A2: Use of Resources                                 | General Disclosure        | Policies on the efficient use of resources, including energy, water and other raw materials.   | 1.2 Climate Change<br>1.3 Energy and GHG Management<br>1.4 Resource Stewardship |
|  | A2.1                      | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | Appendix I Data Summary   |
|  | A2.2                      | Water consumption in total and intensity (e.g. per unit of production volume, per facility).   | Appendix I Data Summary   |
|  | A2.3                      | Description of energy use efficiency target(s) set and steps taken to achieve them.  | 1.3 Energy and GHG Management   |
|  | A2.4                      | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.                       | 1.4 Resource Stewardship  |
|  | A2.5                      | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.   | Appendix I Data Summary   |
| A3: The Environment and Natural Resources            | General Disclosure        | Policies on minimising the issuer's significant impacts on the environment and natural resources.  | 1.1 Compliance and Management<br>1.3 Energy and GHG Management                  |
|  | A3.1                      | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.  | 1.1 Compliance and Management<br>1.6 Pollutant Emissions<br>1.7 Biodiversity    |
| A4: Climate Change                                   | [Repealed 1 January 2025] | N/A  | N/A   |
|  | A4.1                      | [Repealed 1 January 2025]  |   |

| Subject Areas, Aspects, General Disclosures and KPIs |                       |   | Respective chapter and remarks  |  |
|--|-----------------------|---|---|--|
| <b>Part C: "Comply or explain" Provisions</b>        |                       |   |   |  |
| <b>B. Social</b>                                     |                       |   |   |  |
| <b>Employment and Labour Practices</b>               |                       |   |   |  |
| B1: Employment                                       | General Disclosure    | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | 2.1 Human Capital   |  |
|  | B1.1                  | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.  | 2.1 Human Capital<br>Appendix I Data Summary  |  |
|  | B1.2                  | Employee turnover rate by gender, age group and geographical region.  | 2.1 Human Capital<br>Appendix I Data Summary  |  |
|  | B2: Health and Safety | General Disclosure  | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | 2.2 Health and Safety                            |
|  |                       | B2.1  | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.   | 2.2 Health and Safety<br>Appendix I Data Summary |
|  |                       | B2.2  | Lost days due to work injury.   | Appendix I Data Summary                          |
| B2.3   |                       | Description of occupational health and safety measures adopted, and how they are implemented and monitored.   | 2.2 Health and Safety   |  |

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| Subject Areas, Aspects, General Disclosures and KPIs |                            |  | Respective chapter and remarks               |
|--|----------------------------|--|--|
| <b>Part C: "Comply or explain" Provisions</b>        |                            |  |  |
| B3: Development and Training                         | General Disclosure         | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.  | 2.1 Human Capital                            |
|  | B3.1                       | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).   | Appendix I Data Summary                      |
|  | B3.2                       | The average training hours completed per employee by gender and employee category.   | 2.1 Human Capital<br>Appendix I Data Summary |
| B4: Labour Standards                                 | General Disclosure         | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | 2.1 Human Capital                            |
|  | B4.1                       | Description of measures to review employment practices to avoid child and forced labour.   | 2.1 Human Capital                            |
|  | B4.2                       | Description of steps taken to eliminate such practices when discovered.  | 2.1 Human Capital                            |
|  | <b>Operating Practices</b> |  |  |
| B5: Supply Chain Management                          | General Disclosure         | Policies on managing environmental and social risks of the supply chain.   | 3.4 Supply Chain                             |
|  | B5.1                       | Number of suppliers by geographical region.  | Appendix I Data Summary                      |
|  | B5.2                       | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.                        | 3.4 Supply Chain                             |
|  | B5.3                       | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.   | 3.4 Supply Chain                             |
|  | B5.4                       | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.                            | 3.4 Supply Chain<br>Appendix I Data Summary  |

| Subject Areas, Aspects, General Disclosures and KPIs |                    |   | Respective chapter and remarks                      |
|--|--------------------|---|---|
| <b>Part C: "Comply or explain" Provisions</b>        |                    |   |   |
| B6: Product Responsibility                           | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | 3.2 Quality   |
|  | B6.1               | Percentage of total products sold or shipped subject to recalls for safety and health reasons.  | Appendix I Data Summary                             |
|  | B6.2               | Number of products and service related complaints received and how they are dealt with.   | 3.3 Customer Service<br>Appendix I Data Summary     |
|  | B6.3               | Description of practices relating to observing and protecting intellectual property rights.   | 3.1 Innovation<br>Appendix I Data Summary           |
|  | B6.4               | Description of quality assurance process and recall procedures.   | 3.2 Quality   |
|  | B6.5               | Description of consumer data protection and privacy policies, and how they are implemented and monitored.   | 3.3 Customer Service                                |
| B7: Anti-corruption                                  | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.  | 3.5 Corporate Governance                            |
|  | B7.1               | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.  | 3.5 Corporate Governance<br>Appendix I Data Summary |
|  | B7.2               | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.  | 3.5 Corporate Governance                            |
|  | B7.3               | Description of anti-corruption training provided to directors and staff.  | 3.5 Corporate Governance<br>Appendix I Data Summary |
| B8: Community Investment                             | General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.  | 2.3 Stakeholder and Community Engagement            |
|  | B8.1               | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).   | 2.3 Stakeholder and Community Engagement            |
|  | B8.2               | Resources contributed (e.g. money or time) to the focus area.   | Appendix I Data Summary                             |

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| Part D: Climate-related Disclosures   | Respective chapter and remarks  |
|---|---|
| <b>Governance</b>   |   |
| (19) An issuer shall disclose information about:  |   |
| (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:   |   |
| (i) How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;  | 1.2 Climate Change: Governance<br>We currently do not incorporate climate-related considerations into the remuneration policy, but we will explore the feasibility in the future. |
| (ii) How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;  |   |
| (iii) How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer’s strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; |   |
| (iv) How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and   |   |
| (b) management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate related risks and opportunities, including information about:  |   |
| (i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and   | 1.2 Climate Change: Governance  |
| (ii) Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.  |   |

| Part D: Climate-related Disclosures  | Respective chapter and remarks   |
|--|--|
| <b>Strategy</b>  |  |
| Climate-related risks and opportunities  |  |
| (20) An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: |  |
| (a) Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term;  | 1.2 Climate Change: Strategy<br>We have disclosed the preliminary qualitative information of the potential climate-related risks through desktop research. As a comprehensive climate scenario analysis and financial impact assessment have not been conducted, the quantitative information on financial impacts of climate-related risks and opportunities was not available during the Reporting Period. We will consider the feasibility of conducting a comprehensive climate scenario analysis in the future to identify and better understand the impacts of the relevant climate-related risks and opportunities over the short, medium or long-term. |
| (b) Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;  | 1.2 Climate Change: Strategy   |
| (c) Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons — short, medium or long term — the effects of each climate-related risk and opportunity could reasonably be expected to occur; and  | As a comprehensive climate scenario analysis and financial impact assessment have not been conducted, and given the measurement uncertainties, the information and definition the time horizons of each climate-related risk and opportunity was not available during the Reporting Period. We will consider the feasibility of conducting a comprehensive climate scenario analysis in the future to better understand the impacts of our identified climate-related risks and opportunities over the short, medium or long-term.   |

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| Part D: Climate-related Disclosures   | Respective chapter and remarks  |
|---|---|
| (d) Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.  |   |
| <b>Business model and value chain</b>   |   |
| (21) An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:  |   |
| (a) A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and   | 1.2 Climate Change: Strategy<br><br>We have disclosed the preliminary qualitative information of the potential current and anticipated effects of climate-related risks through desktop research. As a comprehensive climate scenario analysis has not been conducted, the information of geographic and asset concentration for climate-related risks and opportunities was not available during the Reporting Period.<br><br>We will consider the feasibility of conducting a comprehensive climate scenario analysis in the future to better understand the impacts of our identified climate-related risks and opportunities over the short, medium or long-term. |
| (b) a description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).   |   |
| <b>Strategy and decision-making</b>   |   |
| (22) An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose information about:   |   |
| (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: |   |
| (i) Current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;  | 1.2 Climate Change: Strategy  |
| (ii) Current and anticipated adaptation and mitigation efforts (whether direct or indirect);  |   |
| (iii) Any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan;  | We do not currently have a climate-related transition plan, and we are taking steps to assess our climate-related risks and opportunities before we develop a climate transition plan in the future.  |

| Part D: Climate-related Disclosures  | Respective chapter and remarks   |
|--|--|
| (iv) How the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and  | 1.2 Climate Change: Strategy<br>1.2 Climate Change: Metrics and Targets<br>1.3 Energy and GHG Management<br><br>Currently, the capital expenditure, financing, or investments have not yet been separately identified, classified, or tracked as dedicated climate-related or non-climate-related within Impro's internal accounting and financial reporting system. Considering the uncertainty involved, the specific resourcing plans for responding to climate-related risks and opportunities were not available during the Reporting Period.   |
| (b) Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).  |  |
| (23) An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).  | 1.2 Climate Change: Strategy   |
| <b>Financial position, financial performance and cash flows</b>  |  |
| (24) An issuer shall disclose qualitative and quantitative information about:  |  |
| (a) How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and   | 1.2 Climate Change: Strategy<br><br>During the Reporting Period, Impro has not recorded material financial impact currently from climate-related risks and opportunities. We have disclosed the preliminary findings of the qualitative climate financial impacts through desktop research, and we do not anticipate a significant risk of a material adjustment to the financial position, financial performance and cash flows within the next reporting period. As a comprehensive climate scenario analysis and financial impact assessment have not been conducted, and given the measurement uncertainties, quantitative information on the financial impacts of climate-related risks and opportunities was not available. In the future, we will explore the feasibility of conducting a comprehensive financial impact assessment to assess and disclose the quantitative financial impact of identified climate-related risks and opportunities. |
| (b) The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. |  |

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| Part D: Climate-related Disclosures  | Respective chapter and remarks   |
|--|--|
| (25) The issuer shall provide qualitative and quantitative disclosures about:  |  |
| (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: |  |
| (i) Its investment and disposal plans; and   | 1.2 Climate Change: Strategy   |
| (ii) Its planned sources of funding to implement its strategy; and   | We have disclosed the preliminary findings of the qualitative climate financial impacts through desktop research and our actions to mitigate climate-related risks. As a comprehensive climate scenario analysis and financial impact assessment have not been conducted, and given the measurement uncertainties, Impro has not yet disclosed the expected changes in its financial performance, financial results, and cash flow in the short, medium, and long-term based on its strategy for managing climate-related risks and opportunities. |
| (b) How the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.           | In the future, we will explore the feasibility of conducting a comprehensive financial impact assessment to assess and disclose the quantitative financial impact of identified climate-related risks and opportunities.   |

| Part D: Climate-related Disclosures  | Respective chapter and remarks  |
|--|---|
| <b>Climate resilience</b>  |   |
| (26) An issuer shall disclose information that enables an understanding of the resilience of the issuer’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer’s identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer’s circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: |   |
| (a) The issuer’s assessment of its climate resilience as at the reporting date, which shall enable an understanding of:  | As a comprehensive climate scenario analysis has not been conducted, the assessment results of Impro’s climate resilience were not available during the Reporting Period. We will consider the feasibility of conducting a comprehensive climate scenario analysis in the future to better understand the impacts and resilience of our identified climate-related risks and opportunities. |
| (i) The implications, if any, of the issuer’s assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;   |   |
| (ii) The significant areas of uncertainty considered in the issuer’s assessment of its climate resilience; and   |   |
| (iii) The issuer’s capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term  |   |
| (b) how and when the climate-related scenario analysis was carried out, including:   |   |
| (i) Information about the inputs used, including:  |   |
| (1) Which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;  |   |
| (2) Whether the analysis included a diverse range of climate-related scenarios;  |   |
| (3) Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;  |   |
| (4) Whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;  |   |
| (5) Why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;   |   |
| (6) Time horizons the issuer used in the analysis; and   |   |
| (7) What scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis);   |   |
| (ii) The key assumptions the issuer made in the analysis; and  |   |
| (iii) The reporting period in which the climate-related scenario analysis was carried out.   |   |

# APPENDIX II HKEX: ESG REPORTING CODE

| Part D: Climate-related Disclosures  | Respective chapter and remarks   |
|--|--|
| <b>Risk Management</b>   |  |
| (27) An issuer shall disclose information about:   |  |
| (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:   | 1.2 Climate Change: Risk Management  |
| (i) The inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);  | We have disclosed the qualitative information on the processes used to identify, assess, prioritize and monitor climate-related risks. We will consider the feasibility of conducting a comprehensive climate scenario analysis in the future to better identify, assess, prioritize and monitor climate-related risks and integrate the results into our overall risk management process to inform decision making. |
| (ii) Whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;  |  |
| (iii) How the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);   |  |
| (iv) Whether and how the issuer prioritises climate-related risks relative to other types of risks;  |  |
| (v) How the issuer monitors climate-related risks; and   |  |
| (vi) Whether and how the issuer has changed the processes it uses compared with the previous reporting period;   |  |
| (b) The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and |  |
| (c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer’s overall risk management process.   |  |
| <b>Metrics and Targets</b>   |  |
| <b>Greenhouse gas emissions</b>  |  |
| (28) An issuer shall disclose its absolute gross greenhouse gas emissions generated during the Reporting Period, expressed as metric tons of CO <sub>2</sub> equivalent, classified as:  |  |
| (a) Scope 1 greenhouse gas emissions;  | 1.2 Climate Change: Metrics and Targets;   |
| (b) Scope 2 greenhouse gas emissions; and  | Appendix I Data Summary  |
| (c) Scope 3 greenhouse gas emissions.  |  |

| Part D: Climate-related Disclosures   | Respective chapter and remarks   |
|---|--|
| (29) An issuer shall:   |  |
| (a) Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;   | Appendix I Data Summary  |
| (b) Disclose the approach it uses to measure its greenhouse gas emissions including:  | As Impro does not use contractual instrument in relation to Scope 2 greenhouse gas emissions, no applicable information is disclosed accordingly.  |
| (i) The measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;   |  |
| (ii) The reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and   |  |
| (iii) Any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;  |  |
| (c) For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer’s Scope 2 greenhouse gas emissions; and |  |
| (d) For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer’s measure of Scope 3 greenhouse gas emissions.  |  |
| <b>Climate-related transition risks</b>   |  |
| (30) An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.  | As a comprehensive climate scenario analysis and financial impact assessment have not been conducted, and given the measurement uncertainties, the amount or proportion of assets or business activities potentially vulnerable to climate-related transition risks was not available during the Reporting Period. |
|   | We will consider the feasibility of conducting a comprehensive climate scenario analysis in the future to quantify the amount and percentage of assets or business activities that are vulnerable to climate-related risks and opportunities under different time horizons.  |

# APPENDIX II HKEX: ESG REPORTING CODE

| Part D: Climate-related Disclosures  | Respective chapter and remarks   |
|--|--|
| <b>Climate-related physical risks</b>  |  |
| (31) An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks. | <p>As a comprehensive climate scenario analysis and financial impact assessment have not been conducted, and given the measurement uncertainties, the amount or proportion of assets or business activities potentially vulnerable to climate-related physical risks was not available during the Reporting Period.</p> <p>We will consider the feasibility of conducting a comprehensive climate scenario analysis in the future to quantify the amount and percentage of assets or business activities that are vulnerable to climate-related risks and opportunities under different time horizons.</p> |
| <b>Climate-related opportunities</b>   |  |
| (32) An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.   | <p>As a comprehensive climate scenario analysis and financial impact assessment have not been conducted, and given the measurement uncertainties, the amount or proportion of assets or business activities potentially aligned with climate-related opportunities was not available during the Reporting Period.</p> <p>We will consider the feasibility of conducting a comprehensive climate scenario analysis in the future to quantify the amount and percentage of assets or business activities that are vulnerable to climate-related risks and opportunities under different time horizons.</p>   |

| Part D: Climate-related Disclosures   | Respective chapter and remarks  |
|---|---|
| <b>Capital deployment</b>   |   |
| (33) An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.  | <p>1.2 Climate Change: Metrics and Targets</p> <p>Currently, the capital expenditure, financing, or investments have not yet been separately identified, classified, or tracked as dedicated climate-related or non-climate-related capital deployment within Impro’s internal accounting and financial reporting system. As a result, considering the high level of measurement uncertainty involved in collecting and estimating such relevant data, the amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities was not available during the Reporting Period.</p> |
| <b>Internal carbon price</b>  |   |
| (34) An issuer shall disclose:  |   |
| (a) An explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and  | We currently do not apply a carbon price in decision-making, but we will explore opportunities to incorporate carbon pricing considerations in the future.  |
| (b) The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;   |   |
| or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.  |   |
| <b>Remuneration</b>   |   |
| (35) An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).   | We currently do not incorporate climate-related considerations into the remuneration policy, but we will explore the feasibility in the future.   |
| <b>Industry-based metrics</b>   |   |
| (36) An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks. | We will consider disclosing industry-based metrics in the future.   |

## APPENDIX II HKEX: ESG REPORTING CODE

| Part D: Climate-related Disclosures   | Respective chapter and remarks   |
|---|--|
| <b>Climate-related targets</b>  |  |
| (37) An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: |  |
| (a) The metric used to set the target;  | 1.2 Climate Change: Metrics and Targets  |
| (b) The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);  |  |
| (c) The part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);   |  |
| (d) The period over which the target applies;   |  |
| (e) The base period from which progress is measured;  |  |
| (f) Milestones or interim targets (if any);   | We currently do not have interim targets in place, but we will explore the feasibility of establishing them in the future considering our progress toward achieving long-term targets. |
| (g) If the target is quantitative, whether the target is an absolute target or an intensity target; and   | 1.2 Climate Change: Metrics and Targets  |
| (h) How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.   | We will consider the feasibility of updating climate-related targets based on the Paris Agreement and other international frameworks in the future.                                    |
| (38) An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:   |  |
| (a) Whether the target and the methodology for setting the target has been validated by a third party;  | Our climate target has not been validated by the third party, and we will explore this feasibility in the future.  |
| (b) The issuer's processes for reviewing the target;  | 1.2 Climate Change: Metrics and Targets  |
| (c) The metrics used to monitor progress towards reaching the target; and   |  |
| (d) Any revisions to the target and an explanation for those revisions.   | Our climate-related target was not revised during the Reporting Period.  |
| (39) An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.   | 1.2 Climate Change: Metrics and Targets  |

| Part D: Climate-related Disclosures   | Respective chapter and remarks   |
|---|--|
| (40) For each greenhouse gas emissions target disclosed in accordance with paragraphs 37–39, an issuer shall disclose:  |  |
| (a) Which greenhouse gases are covered by the target.   | 1.2 Climate Change: Metrics and Targets  |
| (b) Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.   | We have set gross target regarding our Scope 1 and 2 greenhouse gas emissions intensity.   |
| (c) Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target. |  |
| (d) Whether the target was derived using a sectoral decarbonisation approach.   | We currently do not adopt the sectoral decarbonization approach to set our greenhouse gas emission targets, but we will explore the feasibility of updating our targets using such approach in the future. |
| (e) The issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. The issuer shall disclose information including:  | We currently do not utilize carbon credits, but we will consider the feasibility of procuring carbon credits in the future.  |
| (i) The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;  |  |
| (ii) Which third-party scheme(s) will verify or certify the carbon credits;   |  |
| (iii) The type of carbon credit, including whether the underlying offset will be nature-based or based on technology carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and  |  |
| (iv) Any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).  |  |
| <b>Applicability of cross-industry metrics and industry-based metrics</b>   |  |
| (41) In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).                         | We will consider disclosing industry-based metrics in the future.  |

# APPENDIX III GRI STANDARDS

GRI 1 Foundation 2021: Impro Precision Industries Limited has reported in accordance with the GRI Standards for the Reporting Period.

## General Disclosures 2021

| Disclosure  | Location   | Omission               |             |
|---|--|------------------------|-------------|
|   |  | Requirement(s) Omitted | Explanation |
| <b>Organization and Reporting Practices</b>                                       |  |                        |             |
| 2-1: Organizational details   | Headquartered in Hong Kong. Impro Precision Industries Limited is listed on the Main Board of The Stock Exchange of Hong Kong (stock code: 1286)<br>Impro Global Locations |                        |             |
| 2-2: Entities included in the organization’s sustainability reporting             | About this Report  |                        |             |
| 2-3: Reporting period, frequency and contact point                                | About this Report  |                        |             |
| 2-4: Restatements of information  | Appendix I Data Summary  |                        |             |
| 2-5: External assurance   | About this Report<br>Appendix VI Assurance Report  |                        |             |
| <b>Activities and Workers</b>   |  |                        |             |
| 2-6: Activities, value chain and other business relationships                     | About Impro Markets – Impro Market Overview  |                        |             |
| 2-7: Employees  | 2.1 Human Capital<br>Appendix I Data Summary   |                        |             |
| 2-8: Workers who are not employees  | Appendix I Data Summary  |                        |             |
| <b>Governance</b>   |  |                        |             |
| 2-9: Governance structure and composition   | List of directors and their roles and functions<br>3.5 Corporate Governance  |                        |             |
| 2-10: Nomination and selection of the highest governance body                     | 3.5 Corporate Governance   |                        |             |
| 2-11: Chair of the highest governance body  | List of directors and their roles and functions  |                        |             |
| 2-12: Role of the highest governance body in overseeing the management of impacts | Sustainable Development Strategy   |                        |             |
| 2-13: Delegation of responsibility for managing impacts                           | Sustainable Development Strategy   |                        |             |

## General Disclosures 2021

| Disclosure  | Location   | Omission  |  |
|---|--|---|--|
|   |  | Requirement(s) Omitted                                | Explanation  |
| 2-14: Role of the highest governance body in sustainability reporting | Sustainable Development Strategy                                   |   |  |
| 2-15: Conflicts of interest   | 3.5 Corporate Governance   |   |  |
| 2-16: Communication of critical concerns                              | 3.5 Corporate Governance   |   |  |
| 2-17: Collective knowledge of the highest governance body             | Sustainable Development Strategy                                   |   |  |
| 2-18: Evaluation of the performance of the highest governance body    | 3.5 Corporate Governance   |   |  |
| 2-19: Remuneration policies   | 2.1 Human Capital  |   |  |
| 2-20: Process to determine remuneration                               | 2.1 Human Capital  |   |  |
| 2-21: Annual total compensation ratio                                 |  | Limited disclosure on annual total compensation ratio | Incomplete assessment on annual total compensation ratio |
| <b>Strategy, Policies and Practices</b>                               |  |   |  |
| 2-22: Statement on sustainable development strategy                   | Sustainable Development Strategy                                   |   |  |
| 2-23: Policy commitments  | 3.5 Corporate Governance   |   |  |
| 2-24: Embedding policy commitments                                    | 3.5 Corporate Governance   |   |  |
| 2-25: Processes to remediate negative impacts                         | 3.5 Corporate Governance   |   |  |
| 2-26: Mechanisms for seeking advice and raising concerns              | 3.5 Corporate Governance   |   |  |
| 2-27: Compliance with laws and regulations                            | 3.5 Corporate Governance   |   |  |
| 2-28: Membership associations   | Appendix V the Ten Principles of the United Nations Global Compact |   |  |
| <b>Stakeholder Engagement</b>   |  |   |  |
| 2-29: Approach to stakeholder engagement                              | Sustainable Development Strategy                                   |   |  |
| 2-30: Collective bargaining agreements                                | 2.1 Human Capital  |   |  |
| <b>GRI 3: Material Topics 2021</b>                                    |  |   |  |
| 3-1: Process to determine material topics                             | Sustainable Development Strategy                                   |   |  |
| 3-2: List of material topics  | Sustainable Development Strategy                                   |   |  |
| 3-3: Management of material topic                                     | Sustainable Development Strategy                                   |   |  |

## APPENDIX III GRI STANDARDS

### General Disclosures 2021

| Disclosure   | Location  | Omission               |             |
|--|---|------------------------|-------------|
|  |   | Requirement(s) Omitted | Explanation |
| <b>GRI 201: Economic Performance 2016</b>  |   |                        |             |
| <b>201-2:</b> Financial implications and other risks and opportunities due to climate change | 1.2 Climate Change                                  |                        |             |
| <b>201-3:</b> Defined benefit plan obligations and other retirement plans                    | 2.1 Human Capital                                   |                        |             |
| <b>GRI 205: Anti-corruption 2016</b>   |   |                        |             |
| <b>3-3:</b> Management of material topic   | 3.5 Corporate Governance                            |                        |             |
| <b>205-1:</b> Operations assessed for risks related to corruption                            | 3.5 Corporate Governance                            |                        |             |
| <b>205-2:</b> Communication and training about anti-corruption policies and procedures       | 3.5 Corporate Governance                            |                        |             |
| <b>205-3:</b> Confirmed incidents of corruption and actions taken                            | 3.5 Corporate Governance                            |                        |             |
| <b>GRI 302: Energy 2016</b>  |   |                        |             |
| <b>3-3:</b> Management of material topic   | 1.1 Compliance and Management                       |                        |             |
| <b>302-1:</b> Energy consumption within the organization                                     | Appendix I Data Summary                             |                        |             |
| <b>302-2:</b> Energy consumption outside of the organization                                 | Appendix I Data Summary                             |                        |             |
| <b>302-3:</b> Energy intensity   | Appendix I Data Summary                             |                        |             |
| <b>302-4:</b> Reduction of energy consumption  | 1.2 Climate Change                                  |                        |             |
| <b>302-5:</b> Reductions in energy requirements of products and services                     | 1.2 Climate Change                                  |                        |             |
| <b>GRI 303: Water and Effluents 2018</b>   |   |                        |             |
| <b>3-3:</b> Management of material topic   | 1.1 Compliance and Management                       |                        |             |
| <b>303-1:</b> Interactions with water as a shared resource                                   | 1.4 Resource Stewardship<br>1.6 Pollutant Emissions |                        |             |
| <b>303-2:</b> Management of water discharge-related impacts                                  | 1.4 Resource Stewardship<br>1.6 Pollutant Emissions |                        |             |
| <b>303-3:</b> Water withdrawal   | Appendix I Data Summary                             |                        |             |
| <b>303-4:</b> Water discharge  | Appendix I Data Summary                             |                        |             |
| <b>303-5:</b> Water consumption  | Appendix I Data Summary                             |                        |             |

### General Disclosures 2021

| Disclosure  | Location                                      | Omission               |             |
|---|---|------------------------|-------------|
|   |   | Requirement(s) Omitted | Explanation |
| <b>GRI 305: Emissions 2016</b>  |   |                        |             |
| <b>3-3:</b> Management of material topic  | 1.1 Compliance and Management                 |                        |             |
| <b>305-1:</b> Direct (Scope 1) GHG emissions  | 1.2 Climate Change<br>Appendix I Data Summary |                        |             |
| <b>305-2:</b> Energy indirect (Scope 2) GHG emissions   | 1.2 Climate Change<br>Appendix I Data Summary |                        |             |
| <b>305-3:</b> Other indirect (Scope 3) GHG emissions  | 1.2 Climate Change<br>Appendix I Data Summary |                        |             |
| <b>305-4:</b> GHG emissions intensity   | 1.2 Climate Change<br>Appendix I Data Summary |                        |             |
| <b>305-5:</b> Reduction of GHG emissions  | 1.2 Climate Change                            |                        |             |
| <b>305-7:</b> Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | Appendix I Data Summary                       |                        |             |
| <b>GRI 306: Waste 2020</b>  |   |                        |             |
| <b>3-3:</b> Management of material topic  | 1.1 Compliance and Management                 |                        |             |
| <b>306-1:</b> Waste generation and significant waste-related impacts                          | 1.5 Waste Management                          |                        |             |
| <b>306-2:</b> Management of significant waste-related impacts                                 | 1.5 Waste Management                          |                        |             |
| <b>306-3:</b> Waste generated   | Appendix I Data Summary                       |                        |             |
| <b>306-4:</b> Waste diverted from disposal  | Appendix I Data Summary                       |                        |             |
| <b>306-5:</b> Waste directed to disposal  | Appendix I Data Summary                       |                        |             |
| <b>GRI 308: Supplier Environmental Assessment 2016</b>  |   |                        |             |
| <b>308-1:</b> New suppliers that were screened using environmental criteria                   | 3.4 Supply Chain                              |                        |             |
| <b>308-2:</b> Negative environmental impacts in the supply chain and actions taken            | 3.4 Supply Chain                              |                        |             |
| <b>GRI 403: Occupational Health and Safety 2018</b>   |   |                        |             |
| <b>3-3:</b> Management of material topic  | 2.2 Health and Safety                         |                        |             |
| <b>403-1:</b> Occupational health and safety management system                                | 2.2 Health and Safety                         |                        |             |
| <b>403-2:</b> Hazard identification, risk assessment, and incident investigation              | 2.2 Health and Safety                         |                        |             |
| <b>403-3:</b> Occupational health services  | 2.2 Health and Safety                         |                        |             |

# APPENDIX III GRI STANDARDS

## General Disclosures 2021

| Disclosure  | Location   | Omission   |   |
|---|--|--|---|
|   |  | Requirement(s) Omitted   | Explanation   |
| <b>403-4:</b> Worker participation, consultation, and communication on occupational health and safety                       | 2.2 Health and Safety                            |  |   |
| <b>403-5:</b> Worker training on occupational health and safety   | 2.2 Health and Safety                            |  |   |
| <b>403-6:</b> Promotion of worker health  | 2.2 Health and Safety                            |  |   |
| <b>403-7:</b> Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 2.2 Health and Safety                            |  |   |
| <b>403-8:</b> Workers covered by an occupational health and safety management system  | 2.2 Health and Safety                            |  |   |
| <b>403-9:</b> Work-related injuries   | 2.2 Health and Safety<br>Appendix I Data Summary |  |   |
| <b>403-10:</b> Work-related ill health  |  | Limited disclosure on work-related ill health                                | Incomplete assessment on work-related ill health                        |
| <b>GRI 405: Diversity and Equal Opportunity 2016</b>  |  |  |   |
| <b>3-3:</b> Management of material topic  | 2.1 Human Capital                                |  |   |
| <b>405-1:</b> Diversity of governance bodies and employees  | 2.1 Human Capital<br>Appendix I Data Summary     |  |   |
| <b>405-2:</b> Ratio of basic salary and remuneration of women to men  |  | Limited disclosure on ratio of basic salary and remuneration of women to men | Incomplete assessment on basic salary and remuneration of women and men |
| <b>GRI 414: Supplier Social Assessment 2016</b>   |  |  |   |
| <b>414-1:</b> New suppliers that were screened using social criteria  | 3.4 Supply Chain                                 |  |   |
| <b>414-2:</b> Negative social impacts in the supply chain and actions taken   | 3.4 Supply Chain                                 |  |   |



## General Disclosures 2021

| Disclosure   | Location             | Omission   |  |
|--|----------------------|--|--|
|  |                      | Requirement(s) Omitted   | Explanation  |
| <b>GRI 416: Customer Health and Safety 2016</b>  |                      |  |  |
| <b>3-3:</b> Management of material topic   |                      | Limited disclosure on management of customer health and safety   | No significant impact on customer health and safety          |
| <b>416-1:</b> Assessment of the health and safety impacts of product and service categories                |                      | Limited disclosure on health and safety impacts of product and service categories                                  | No significant impact on customer health and safety          |
| <b>416-2:</b> Incidents of noncompliance concerning the health and safety impacts of products and services |                      | Limited disclosure on noncompliance concerning the health and safety   | No significant impact on customer health and safety          |
| <b>GRI 418: Customer Privacy 2016</b>  |                      |  |  |
| <b>3-3:</b> Management of material topic   | 3.3 Customer Service |  |  |
| <b>418-1:</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data |                      | Limited disclosure on substantiated complaints concerning breaches of customer privacy and losses of customer data | Incomplete assessment on customer privacy-related complaints |


# APPENDIX IV UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS



Impro Group integrates ESG's goal formulation, management system and governance model into the United Nations' Sustainable Development Goals. During the Reporting Period, we identified 9 sustainable development goals closely related to Impro Group, the environment and the community.

| SDG Goals   | Description of Relevant Goals   | Our Actions  | Our Report                                 |
|---|---|--|--|
|  <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Good health and well-being</p> | <p>To significantly reduce the number of deaths, diseases and incident rate caused by hazardous chemicals and air, water and soil pollutions by 2030</p>  | <p>We manage and store hazardous chemicals in strict compliance with all relevant laws and regulations to protect lives and ensure employee safety. We have also established an EHS risk management emergency plan for chemical spill response and conduct regular hazardous chemical leakage drills to strengthen employees' emergency preparedness and response capabilities.</p> <p>We are committed to reduce incident rate for direct workforce by 20% by 2030 as compared to 2024.</p> | 2.2 Health and Safety                      |
|   | <p>To achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p> | <p>We provide social insurance for our employees in accordance with the laws of each operating location, and offer regular occupational health assessments and physical examinations for all staff members.</p>  | 2.1 Human Capital<br>2.2 Health and Safety |




| SDG Goals   | Description of Relevant Goals   | Our Actions  | Our Report              |
|---|---|--|-------------------------|
|  <p>4 QUALITY EDUCATION</p> <p>Quality Education</p> | <p>To significantly increase the number of adolescents and adults with technical and vocational skills by 2030, so as to promote their employment, decent work and entrepreneurship</p> | <p>We organized various training programs, namely the "Young Eagle Plan" and "Employee First Year Consultation Plan", to support fresh graduates and new recruits in enhancing their professional skills</p>   | 2.1 Human Capital       |
|   | <p>To ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university</p>  | <p>We established comprehensive development pathways for all employees, including the "Young Eagle Plan", the "Employee First-Year Consultation Plan", and the "Star Mechanician and Star Technician Program". In addition, we implemented a skill matrix evaluation system to ensure employees continually enhance the skills and knowledge required for their roles.</p> | 2.1 Human Capital       |
|  <p>5 GENDER EQUALITY</p> <p>Gender Equality</p>   | <p>To ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p>                | <p>During the Reporting Period, female members account for 28.6% of the Board.</p>   | Appendix I Data Summary |
|   | <p>To realize gender equality by empowering women and girls</p>   | <p>We strictly comply with labor laws and regulations across all operating locations and firmly uphold employees' fundamental rights to eliminate injustice and inequity. We ensure equal employment and promotion opportunities, as well as fair compensation and benefits for all individuals, regardless of gender.</p>   | 2.1 Human Capital       |

# APPENDIX IV UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

| SDG Goals  | Description of Relevant Goals   | Our Actions  | Our Report                                 |
|--|---|--|--|
| <br>Decent Work and Economic Growth | To focus on high value-added and labor-intensive sectors to achieve a higher level of economic production by way of diversification, technical upgrading and innovation | We improve production efficiency through innovation and introduction of new equipment.   | 3.1 Innovation                             |
|  | To take immediate and effective measures to eradicate forced labor, secure the prohibition and elimination of the worst forms of child labor                            | We strictly comply with labor laws and regulations across all operating sites, and have updated and implemented internal procedures, such as the Impro Child Labor, Forced Labor, and Human Trafficking Policy, to govern our recruitment practices and prevent any form of child or forced labor. In addition, we have established a comprehensive remediation procedure to address any cases in which child labor may be identified. | 2.1 Human Capital                          |
|  | To reduce substantially the proportion of youth not in employment, education or training  | We continue to broaden our talent pool and optimize our workforce structure by diversifying our recruitment channels. We also contribute to local education and talent development by actively collaborating with local universities and schools.  | 2.1 Human Capital                          |
|  | To protect labor rights and promote safe and secure working environments for all workers  | We respect employee rights and have established a comprehensive EHS management system. We also implement a range of measures to ensure the occupational health and safety of all employees. We are committed to upholding fair labor practices, ensuring that all employees are treated with dignity, equity, and respect.   | 2.1 Human Capital<br>2.2 Health and Safety |

| SDG Goals  | Description of Relevant Goals  | Our Actions  | Our Report  |
|--|--|--|---|
| <br>Industry, Innovation and Infrastructure | To support technology development, research and innovation in developing countries to ensure a favorable policy environment for industrial diversification and adding value to commodities                               | We continuously increase investment across our sites, strengthen our R&D capabilities, refine R&D mechanisms, and foster an environment that unleashes the innovation potential of our talent.<br><br>In 2025, the Impro Group's total investment in innovation ups to HK\$249.8 million. Also, we have around 697 R&D staff as of 31 December 2025. | 3.1 Innovation  |
|  | To upgrade infrastructure and retrofit industries by 2030 to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes | We are committed to reducing energy consumption and enhancing operational efficiency through a range of energy-saving measures, including the promotion of clean energy and the retrofitting of equipment.   | 1.3 Energy and GHG Management   |
| <br>Sustainable Cities and Communities    | To reduce urban per capita environmental impact, with a special focus on air quality, municipal and other waste management by 2030   | We continuously advance technological improvements to reduce air emissions and maintain strict control over wastewater and waste discharge.  | 1.3 Energy and GHG Management<br>1.4 Resource Stewardship<br>1.5 Waste Management |

## APPENDIX IV UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

| SDG Goals   | Description of Relevant Goals  | Our Actions  | Our Report  |
|---|--|--|---|
| <br>Responsible Consumption and Production | To encourage companies to integrate sustainability information into their reporting cycle  | We have established Sustainability Committee and hold regular meetings to discuss Impro's performance on ESG issues.   | Sustainable Development Strategy<br>1.1 Compliance and Management<br>1.2 Climate Change |
|   | To realize the sustainable management and effective use of natural resources by 2030   | Impro Group actively drives low-carbon development through technological innovation. We strive to reduce energy consumption throughout our production processes, develop energy-efficient products, and minimize pollution through continuous innovation.  | 1.4 Resource Stewardship<br>3.1 Innovation  |
|   | To substantially reduce waste generation through prevention, reduction, recycling and reuse by 2030  | We continue to promote waste management by improving our waste classification and recycling efforts. We target to reduce solid and hazardous waste intensity by 85% and 50% respectively by 2030, using a 2020 baseline.   | 1.5 Waste Management  |
| <br>Climate Action                       | To incorporate climate change measures into national policies, strategies and plans  | We enhanced our environmental policy, set climate goals and disclosed Scope 3 emissions. We are committed to: <ul style="list-style-type: none"> <li>Reducing GHG intensity by 30% by 2030 as compared to 2020;</li> <li>Reducing energy consumption intensity by 30% by 2030 as compared to 2020;</li> </ul> Please see Environmental section for more actions we have taken. | 1.3 Energy and GHG Management<br>1.4 Resource Stewardship<br>1.5 Waste Management       |
| <br>Partnerships for the Goals           | To enhance the global partnership for sustainable development, complemented by multi stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries | We continue to increase our investments at sites around the world and actively collaborate with local universities and schools to support local education and talent development.  | 2.1 Human Capital<br>2.3 Stakeholder and Community Engagement                           |

## APPENDIX V THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

In 2025, Impro joined the United Nations Global Compact as a signatory. As part of our sustainability strategy, we remain steadfast in advancing practices aligned with the UNGC's Ten Principles and disclosing our relevant practices, contributing to broader societal goals.

| Aeras           | Principles  | Our Report   |
|-----------------|---|--|
| Human Rights    | Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights, and                     | 2.1 Human Capital  |
|                 | Principle 2: make sure that they are not complicit in human rights abuses.  |  |
| Labour          | Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; |  |
|                 | Principle 4: the elimination of all forms of forced and compulsory labour;  |  |
|                 | Principle 5: the effective abolition of child labour; and   |  |
|                 | Principle 6: the elimination of discrimination in respect of employment and occupation.   |  |
| Environment     | Principle 7: Businesses should support a precautionary approach to environmental challenges;  | 1.1 Compliance and Management<br>1.2 Climate Change<br>1.3 Energy and GHG Management<br>1.4 Resource Stewardship<br>1.5 Waste Management<br>3.1 Innovation |
|                 | Principle 8: undertake initiatives to promote greater environmental responsibility; and   |  |
|                 | Principle 9: encourage the development and diffusion of environmentally friendly technologies.  |  |
|                 |   |  |
| Anti-Corruption | Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.                            | 3.5 Corporate Governance   |

## APPENDIX VI ASSURANCE REPORT



### Independent Assurance Report

#### Introduction

Hong Kong Quality Assurance Agency (“HKQAA”, “we”, “our”, “us”) was engaged by Impro Precision Industries Limited (“the Company”) to conduct an independent assurance of the sustainability disclosures (“Sustainability Disclosures”) presented in its Environmental, Social, Governance Report 2025 (“the Report”) for the reporting period from 1 January 2025 to 31 December 2025 (“Reporting Period”) and issue this Independent Assurance Report (“Assurance Report”). For the avoidance of doubt, the Appendices listed at the end of this Assurance Report form an integral part of it, though certain Appendices are intended for the Company’s internal use only. Our sustainability assurance activities and this Assurance Report are undertaken based on the assumptions, dependencies, boundaries, limitations, exclusions, roles and responsibilities and independence as set out under Appendix A. A generic version of Appendix A is available for reference on the HKQAA website (www.hkqaa.org) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

The objective of this sustainability assurance service is to provide an independent conclusion, with a limited level of assurance, on whether the Sustainability Disclosures have been prepared in accordance with the following reporting criteria:

The Environmental, Social and Governance Reporting Code (“ESG Reporting Code”) set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited

The assurance team also reviewed whether the Sustainability Disclosures have been prepared with reference to the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”).

#### Assurance Methodology

HKQAA’s assurance procedure was conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000”), issued by the International Auditing and Assurance Standards Board (“IAASB”).

The evidence gathering processes were designed to obtain a limited level of assurance, as set out in the ISAE 3000, using a risk-based approach. Our assurance procedures included, but were not limited to:

- reviewing relevant policies, procedures, relevant documentation and records provided by the Company, including those related to sustainability-related information such as governance, risk identification, and performance metrics;
- interviewing key management and responsible personnel of the Company for reporting and sustainability-related governance;



- conducting analytical reviews of disclosures for plausibility and consistency with relevant external frameworks and internal supporting data;
- selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling;
- evaluating the transparency of disclosed assumptions, dependencies, and boundaries; and
- assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

#### Conclusion

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions, nothing has come to our attention that causes us to believe that the Sustainability Disclosures in Environmental, Social, Governance Report 2025 for the Reporting Period from 1 January 2025 to 31 December 2025 are not presented, in all material respects, in accordance with the requirements of the ESG Reporting Code, and with reference to the reporting criteria as stated in the Introduction section of this Assurance Report.

This Assurance Report is made solely for the use of Impro Precision Industries Limited and the users of its Environmental, Social, Governance Report 2025, and for use in accordance with the reporting criteria set out in the Introduction section of this Assurance Report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Assurance Report is shown or in whose hands it may come. We confirm our independence from the Company in conducting this engagement.

The engagement leader on the assurance engagement resulting in this Assurance Report is K T Ting.

**Signed on behalf of Hong Kong Quality Assurance Agency**

9 April 2026  
Ref: 14995779

# ***Impro***

*Reliable · Flexible · Global*

