



2025 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

Zhejiang Sunparl Zkong Technology Co., Ltd.

ONE STEP SMARTER
ONE STEP GREENER

Sustainability & ESG Report
Powered by Sunparl & ZKONG

Drive Better Connections
through Smart Display Solutions

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About This Report

This is the first Environmental, Social and Governance (ESG) Report issued by Zhejiang Sunparl Zkong Technology Co., Ltd. (hereinafter referred to as "Sunparl" or "the Company"). Aimed at internal and external stakeholders, the Report fully discloses the Company's practices in implementing ESG concepts, as well as its measures and performance in promoting sustainable economic, environmental and social development.

Basis of Preparation

This Report is prepared with reference to the GRI Standards (2021) issued by the Global Sustainability Standards Board (GSSB).

Scope of the Report

Unless otherwise specified, the organizational scope for information and data in this report covers Zhejiang Sunparl Zkong Technology Co., Ltd. and its controlled entities, including its Beijing Branch, Shenzhen Branch, as well as Hangzhou ZKONG Networks Co., Ltd. (hereinafter referred to as "ZKONG"), ZKONG HK CO., LIMITED and its subsidiaries such as Zkong Systems GmbH and ZKONG Japan Co., Ltd. As an annual report, its time scope covers January 1 to December 31, 2025. For improved comparability and completeness, certain content and data may extend beyond the aforementioned period.

Data Notes

ESG data and information in this Report are derived from original records of the Company's actual operations. Monetary amounts and values stated in this Report are denominated in Renminbi (RMB).

Guiding Principles

This Report has been reviewed and approved for issuance by the Company's Board of Directors. The Company warrants that the Report contains no false records, misleading statements or material omissions, and assumes full responsibility for the authenticity, accuracy and completeness of its contents.

Report Release

This Report is publicly released in electronic format. Please visit the Company's official website for viewing and downloading.

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Message from the Leadership

2025 is a pivotal year for Sunparl to deepen our presence in the smart display sector and advance sustainable development. As a technology company deepening expertise in smart display systems, we always regard fulfilling social responsibility as a key part of our mission. Guided by our core philosophy "Innovation Illuminates a Responsible Future", we actively integrate principles of environmental protection, social care, and business ethics into every aspect of our innovation and global operations.

Strengthening the Foundation of Accountability, Advancing ESG in Practice

This year, we took sound governance as the foundation and established a comprehensive ESG governance framework. We embedded compliant operation, information security and business ethics into the entire operational process, and consolidated the foundation of corporate sustainable development through a sound institutional system and supervision mechanism. We took green development as the priority, strengthened environmental management, and advanced energy conservation, emission reduction and resource recycling. Since 2017, we have installed a solar photovoltaic power generation system on the rooftop of our No.1 Factory to continuously scale up the application of clean energy. During the reporting period, the system generated 715,894 kWh of electricity annually. Through self-generation and self-consumption, we effectively reduced traditional energy consumption, took concrete actions to address climate change, and contributed to the achievement of China's carbon peaking and carbon neutrality goals.

Driven by innovation, we continued to increase R&D investment, iterated and upgraded electronic shelf labels and cloud platform solutions, and boosted core competitiveness via automated technological transformation and process optimization. Meanwhile, we further deepened university-enterprise cooperation to advance the coordinated development of technological innovation and

talent cultivation. We adhered to a people-oriented approach, upheld the principles of compliant employment, diversity and inclusion, improved employee career development channels and welfare security systems, and strengthened the occupational health and safety protection system to enable employees to grow and progress together with the Company. We actively fulfilled social responsibilities, deepened industrial cooperation, optimized the green supply chain, and engaged in education public welfare and people's livelihood care initiatives. While creating commercial value, we proactively give back to society.

Anchoring Long-Term Value Creation on the Path to a Sustainable Future

The Company firmly believes that sustainable development serves as the core driving force for long-term corporate growth. Only by embedding sustainable development concepts into our core strategy can we achieve win-win progress for corporate growth and social value creation. In the course of business development, we always leverage technological innovation in smart display as the starting point to connect people, products and scenarios. While driving technological upgrading and industrial development of the industry, we actively fulfill environmental responsibilities, deliver social value and undertake governance obligations.

Looking ahead, Sunparl will stay true to its original aspiration, deepen sustainable development practices with firmer determination and more pragmatic measures, and continue to empower green development and social progress through technological innovation. Committed to leading the smart retail industry toward a more sustainable and responsible direction via technological innovation and model optimization, we will work together with stakeholders to make greater contributions to building a green, efficient and sustainable business ecosystem.

Kai Zhong
General Manager



About Sunparl

Company Profile

Founded in 2006 in Haining, Jiaxing, Zhejiang, Zhejiang Sunparl Zkong Technology Co., Ltd. is a national-level "Specialized, Refined, Distinctive and Innovative 'Little Giant'" enterprise.

The Company's production base covers approximately 80,000 square meters and is equipped with advanced fully automated electronic product production lines. Through its MES digital production management system, the Company enables end-to-end management of key processes, including production planning, process flow and quality traceability. Its business spans intelligent hardware R&D and design, software development, platform customization, manufacturing and scenario-based applications, providing customers with systematic solutions from product development to practical deployment. The Company is a leading provider of intelligent hardware products and solutions in China.

Guided by continuous innovation and green development, Sunparl established its subsidiary ZKONG Networks in 2017 to expand into smart new retail solutions. For industry customers, ZKONG Networks provides wireless intelligent hardware products, including electronic shelf labels (ESLs) and LCD commercial displays, as well as one-stop digital store solutions based on its self-developed SaaS cloud platform. It is committed to advancing digital transformation and green development across the industry, and is one of China's leading companies in smart retail digitalization.

Corporate Culture

Built on Trust and Innovation, Driven by Curiosity



Values

Steady Growth, Lean
Manufacturing, Practical
Innovation, Long-Term
Shared Success.



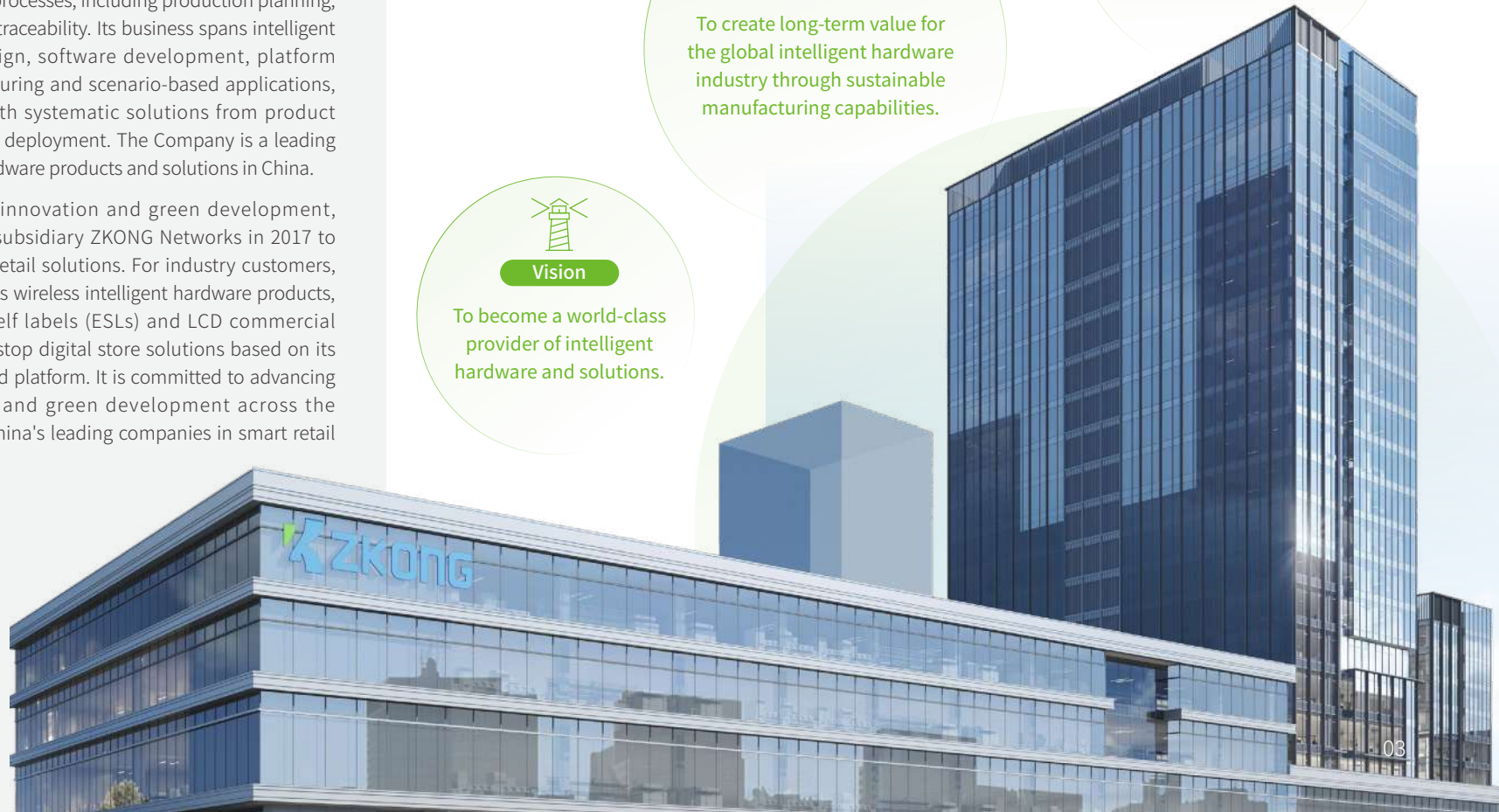
Mission

To create long-term value for
the global intelligent hardware
industry through sustainable
manufacturing capabilities.



Vision

To become a world-class
provider of intelligent
hardware and solutions.



Development Timeline

2006-2025

Established Foundation

Launched core business in wireless communication technology, integrating R&D, manufacturing, and sales of intelligent hardware.

Technology Maturation

Expanded into WLAN and IoT smart hardware development, introducing fully automated electronic production lines and Manufacturing Execution System (MES).

Smart Retail Breakthrough

Founded ZKONG Networks and launched the world's first SaaS-based Electronic Shelf Label (ESL) solution, leading the paperless transformation of the retail industry.

Global Expansion

Accelerated international footprint and diversified applications across IoT, smart offices, and logistics.

Continued Leadership

Served over 3,000 enterprise clients with more than 200,000 store deployments globally.

2006

2010

2017

2019

2025

ZKONG Networks

As a wholly owned core subsidiary of Sunparl, Hangzhou ZKONG Networks Co., Ltd. is mainly engaged in the R&D and sales of wireless smart hardware such as electronic shelf labels (ESLs) and LCD commercial displays, as well as new retail-related products, providing one-stop digital store solutions. Leveraging Sunparl's accumulated R&D strength in wireless communication technology and supply chain advantages, and through in-depth exploration of market demands across industries and continuous product iteration, ZKONG has grown into a world-leading provider of ESL products and IoT solutions, setting industry benchmarks in both products and technologies.

Market Layout

Headquartered in Hangzhou, ZKONG Networks has established offices in Beijing, Shenzhen, Chengdu, Zhengzhou, Wuhan, Shijiazhuang and other cities, building a service network that covers key regions across China. As part of its global expansion, the Company has also set up offices in Hong Kong, Germany and Japan, continuously providing digital solutions for diverse scenarios including smart retail, consumer electronics, logistics and warehousing, and smart office applications.



Retail Stores



Pharmacy & Healthcare



Smart Office

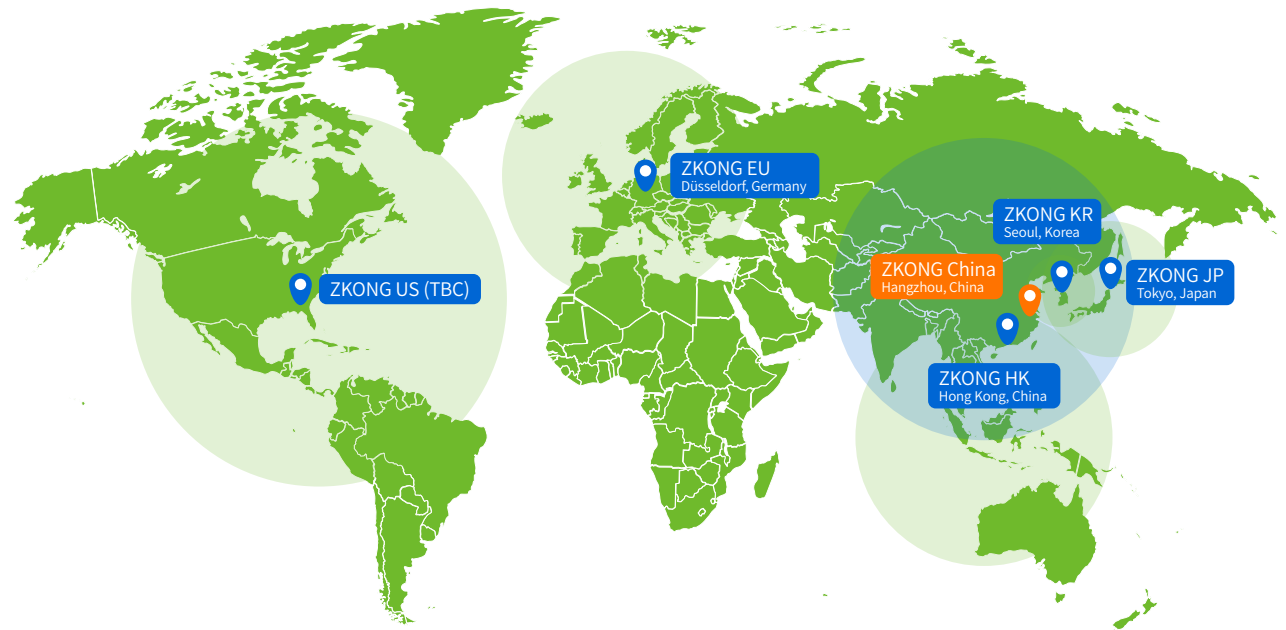


Warehousing & Logistics

ZKONG delivers tailored and personalized services to customers through professional local teams coupled with strong technological R&D capabilities.

On the basis of its leading position in the Chinese market, more than half of ZKONG's business revenue has come from overseas markets by the end of the reporting period. Its products and services cover over 60 countries and regions worldwide, serving more than **3,000** renowned brands with a total of over **200,000** store deployments.

Building a global brand is ZKONG's next strategic development priority. The Company will further expand its overseas market layout and strive to become a leading global brand in display smart IoT.



Awards Highlights

Sunparl

ZKONG

National-level Specialized, Sophisticated, Unique, and New "Little Giant" Enterprise 2024

Haining Municipal Government

Europe's Finest Annual Special Issue 2025
ESM (European Supermarket Magazine)

Jiaxing Green Factory 2024

Jiaxing Municipal Bureau of Economy and Information Technology

Sustainable Office Solution Award 2023
Electronic Paper Industry Alliance

Leading Enterprise in Scientific and Technological Innovation 2023

Haining Municipal Government / High-tech Zone Administrative Committee

Outstanding Practice Award for Paperless Office 2022

China Electronic Energy Conservation Technology Association



Special Topic

Green Products
and Solutions

Low-Carbon Features of Electronic Paper

Electronic paper display technology works on the reflective principle without relying on backlights. It delivers display via ambient light and consumes little to no power when maintaining static images, cutting energy consumption from the source. As a green technology, it can replace traditional paper consumables, reduce resource loss, and enable reusable content display, featuring distinct low-carbon and eco-friendly attributes. It is widely applied across consumer electronics and industrial sectors, helping diverse industries achieve green transformation toward low-carbon development, digitalization and circular economy.

In 1997, Electronic paper entered commercial application, with the first e-paper reader launched in 2004. It expanded to non-reading application scenarios starting in 2012, and IoT-based e-paper applications have been successively deployed since 2018. Over nearly two decades of industrialization, e-paper has been advancing the replacement of traditional paper through green technology innovation.

For the consumer end (ToC), e-paper is valued for its ease of use and versatile functions, replacing traditional display solutions with low energy consumption. Representative products include e-readers, e-paper notebooks, e-paper monitors, e-paper mobile phones and electronic word learning devices. For the industrial end (ToB), while enabling digital replacement and streamlined management, its quantifiable low-carbon and recyclable attributes have become a key driver of market expansion, aligning with the national policy orientation for green industries.

Carbon Footprint Certification
for Electronic Paper Devices

The Company has carried out carbon footprint accounting and certification for complete e-paper devices, providing authoritative support for the low-carbon value of our products.



Quantifying the Low-Carbon Value of E-Paper



Low-Carbon Display Principles of E-Paper

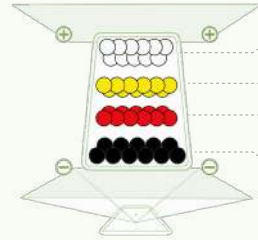
E-paper display technology is based on the principle of electrophoretic electronic ink. By controlling the movement of charged electrophoretic particles within the display unit, electronic ink creates corresponding light, dark or color display effects. When the electronic ink film is combined with a thin-film transistor circuit, the driving IC controls changes in pixel states to enable e-paper display.

Low-Carbon Attribute 1 Reflective Display

- Content is presented by reflecting ambient light, eliminating the need for a backlight source and reducing continuous energy consumption during terminal display.

Low-Carbon Attribute 2 Bistable Display

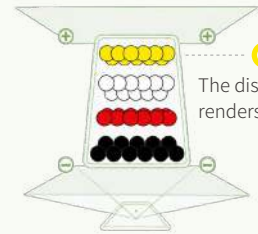
- After the screen is refreshed, the display state can be maintained, with driving power consumed only when information is updated.



- ⊖ White particles carry a negative charge.
- ⊖ Yellow particles carry a negative charge.
- ⊕ Red particles carry a positive charge.
- ⊕ Black particles carry a positive charge.

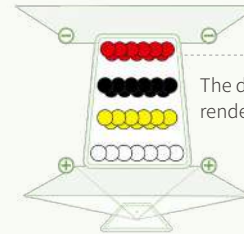
The four-color electronic ink system consists of upper and lower electrodes, a transparent medium and micro display units. Charged particles of different colors are suspended within the system and form corresponding display states under the action of an electric field.

ZKONG currently uses a four-color electronic ink system that introduces red and yellow particles in addition to black-and-white display. By controlling the migration of different colored particles within the display units through driving waveforms and electric fields, the system enables black, white, red and yellow display effects, allowing richer presentation of information and content while better adapting to diverse application scenarios such as retail stores, cold chain, fresh food and warehousing.



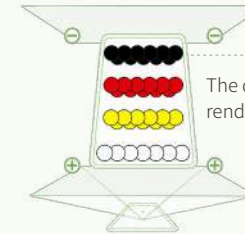
The display renders yellow

Through corresponding driving waveforms and electric field control, yellow particles are moved to the display surface, causing the pixel to appear yellow.



The display renders red

Through corresponding driving waveforms and electric field control, red particles are moved to the display surface, causing the pixel to appear red.



The display renders black

Through corresponding driving waveforms and electric field control, black particles are moved to the display surface, causing the pixel to appear black.



ZKONG Product Carbon Footprint and Low-Carbon Value

Using the closing price of China Carbon Emission Allowances (CEA) on the national carbon emissions trading market as of December 31, 2025, at RMB 74.63 per tonne, as the reference carbon price, the theoretical carbon cost corresponding to the cradle-to-gate carbon footprint of each ZKC26B electronic shelf label is approximately RMB 0.0669. Based on a single-store deployment of 10,000 units, the corresponding theoretical carbon cost is approximately RMB 669. By converting product carbon footprint data into a calculable carbon price reference, ZKONG further demonstrates the quantified value of electronic shelf labels in low-carbon retail scenarios. While reducing paper label replacement and the energy burden of terminal displays, it also provides customers with a more intuitive reference for green procurement, low-carbon store development and ESG information disclosure.

Green Product Design



Low-Power Hardware Design for Full-Lifecycle Carbon Reduction

The Company is a long-term ecosystem partner of E Ink in the e-paper sector. Leveraging EPD's backlight-free, non-reflective and zero-power static display features, along with its strengths in low-power communication, terminal hardware design and system integration, the Company continues to enhance the energy efficiency of its electronic shelf labels. Equipped with low-power Bluetooth 5.4 and long-life replaceable batteries, its products significantly reduce battery replacement frequency, helping lower resource consumption and carbon emissions from battery production and disposal.



Ecological Structural Design for Enhanced Durability and Reusability

Our ESL products feature a modular and detachable structure, allowing independent battery replacement and component reuse to avoid scrapping of whole devices. The ZKONG Blade series adopts a protective acrylic panel with wear-resistant and impact-resistant performance, suitable for harsh scenarios such as cold storage and high-foot-traffic environments. Its service life is longer than that of traditional paper labels and ordinary electronic shelf labels, reducing the frequency of product iteration and replacement.



Eco-Friendly Materials and Smart Manufacturing for Lower Environmental Impact

Our products comply with international communication and market access certifications including the FCC (US Federal Communications Commission) and CE (EU Conformity), as well as environmental compliance certifications such as the EU RoHS (Restriction of Hazardous Substances). We strictly control the use of hazardous substances and adopt recycled environmental-friendly materials. In the production process, we apply lead-free SMT (Surface Mount Technology). Our self-owned smart factory has passed ISO environmental management system and energy management system certification. Supported by MES and ERP digital systems, we precisely control production energy consumption and material wastage, achieving energy conservation, consumption reduction, pollution prevention and carbon mitigation in manufacturing.

ZKONG Arrow Series Products

The ZKONG Arrow Series ESLs adopt a strip-shaped design with modular assembly structure, which reduces housing material consumption and improves multi-scenario adaptability and reusability. With unified templates and cloud collaborative management, the system enables real-time information synchronization and avoids information fragmentation and repetitive operations. While improving display efficiency and operational consistency, it replaces paper labels with digital display, fundamentally cutting consumption of paper, ink and other resources caused by frequent label replacement.



ZKONG Arrow Series ESLs 30/45/50/60cm

Multi-Scenario Low-Carbon Solutions

Paperless Information Management Trends Driven by New Retail

New retail represents a disruptive modern business model. Supported by big data, artificial intelligence and other technologies, it realizes in-depth integration of online and offline experiences and reshapes the traditional retail format. The core of new retail lies in its effective connection between digital and physical retail, setting a new industry benchmark. Through the integration of intelligent management systems and modern logistics, new retail not only simplifies operational procedures but also greatly improves overall efficiency, driving the retail industry toward a smarter and more interconnected future.

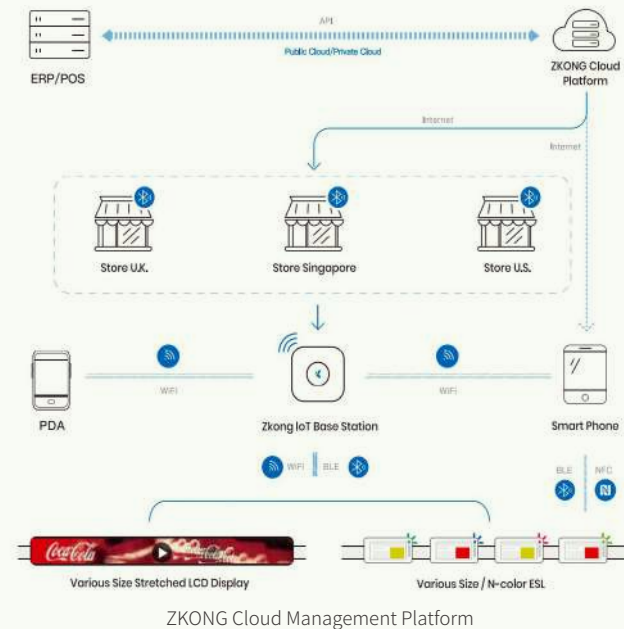
Under the new retail model, ZKONG ESL solutions replace traditional paper labels with digital information management, enabling real-time linkage and unified management of online and offline information. It reduces the consumption of paper, ink and other consumables to lower resource use and carbon emissions. Meanwhile, it cuts extra consumption arising from manual label replacement and logistics links, improves operational efficiency and resource utilization, and accelerates the upgrade of store operations toward high efficiency, low carbon and sustainability.



SaaS Cloud Platform for Lower Operational and Supply Chain Carbon Footprint

ZKONG's one-stop digital store solution relies on the SaaS cloud platform to support second-level price adjustment and remote management. It eliminates the need for on-site manual label replacement and verification, substantially reducing store labor input and carbon emissions from business travel. The system supports centralized management of multiple stores and real-time data synchronization, optimizes supply chain pricing and inventory scheduling efficiency, and reduces resource waste and logistics carbon emissions caused by unsold goods and redundant replenishment.

Leveraging the ZKONG cloud management platform, the Company has built an integrated low-carbon service solution covering omnichannel stores, IoT communication terminals and front-end smart display hardware. It helps clients realize collaborative and efficient operation of cloud computing capability, store networks and terminal devices, and consolidate the foundation of carbon reduction at the platform level.



Multi-Scenario Low-Carbon Solutions



Empowering Green Transition Across Scenarios to Extend Carbon Reduction Value

Beyond new retail, the solution is applicable to multiple scenarios including retail, warehousing and logistics, office, medical care and smart factories. In warehousing and logistics, Pick-to-Light (PTL) electronic labels improve order picking efficiency and reduce the empty loading rate and energy consumption of logistics vehicles. In office and medical scenarios, e-paper replaces traditional signs and bulletin boards to achieve zero-energy information display. Enabled by IoT technology to connect people, goods and venues across the whole retail ecosystem, we help clients optimize resource allocation, improve operational efficiency and reduce carbon intensity along the entire supply chain.

Digital Intelligence Factory

Replacing paper-based labels and printed work documents with multi-format electronic paper (e-paper) tags across core operational scenarios — including material trolleys, pallets, and shelving units — to enable real-time production information updates and paperless management, thereby reducing consumable consumption and carbon emission intensity.



In warehousing and logistics

Pick-to-Light (PTL) electronic labels improve order picking efficiency and reduce the empty loading rate and energy consumption of logistics vehicles.

In office and medical scenarios

e-paper replaces traditional signs and bulletin boards to achieve zero-energy information display.



GOVERNANCE FOUNDATION, COMPLIANCE SUPPORT

Sunparl is committed to establishing a standardized and efficient corporate governance system. It integrates ESG principles into the whole process of decision-making, operational management and supervision. By continuously optimizing management mechanisms, strengthening risk control and safeguarding information security, the Company adheres to strict business ethics and the compliance bottom line, laying a solid foundation for the coordinated improvement of economic, environmental and social benefits.

- ESG Management
- Risk and Compliance
- Anti-Corruption
- Intellectual Property Rights
- Information Security



Sustainable Development Governance

Sunparl deeply integrates sustainable development concepts into its corporate development strategy and full-cycle business operations. Supported by a sound ESG governance framework, the Company clarifies its social responsibility orientation, incorporates sustainable development requirements into all business segments, and promotes the implementation of ESG initiatives through a systematic management system. It strives for coordinated development of the enterprise, society and the environment, and creates long-term value for stakeholders.

Social Responsibility Positioning

▾ Innovation Illuminates a Responsible Future

As a technology enterprise dedicated to smart display systems, Sunparl regards social responsibility fulfillment as an integral part of its corporate mission. Throughout its development, the Company embraces the concepts of environmental protection, social care and business ethics, and incorporates them into product innovation and daily operation and management. We firmly believe that embedding sustainable development into core strategies is essential to achieving win-win outcomes for the enterprise and society, and creating long-term value by continuously connecting people, products and venues. We aspire to lead the industry toward a more sustainable and socially responsible future through persistent efforts.

Sunparl's PRISM Sustainability Strategy

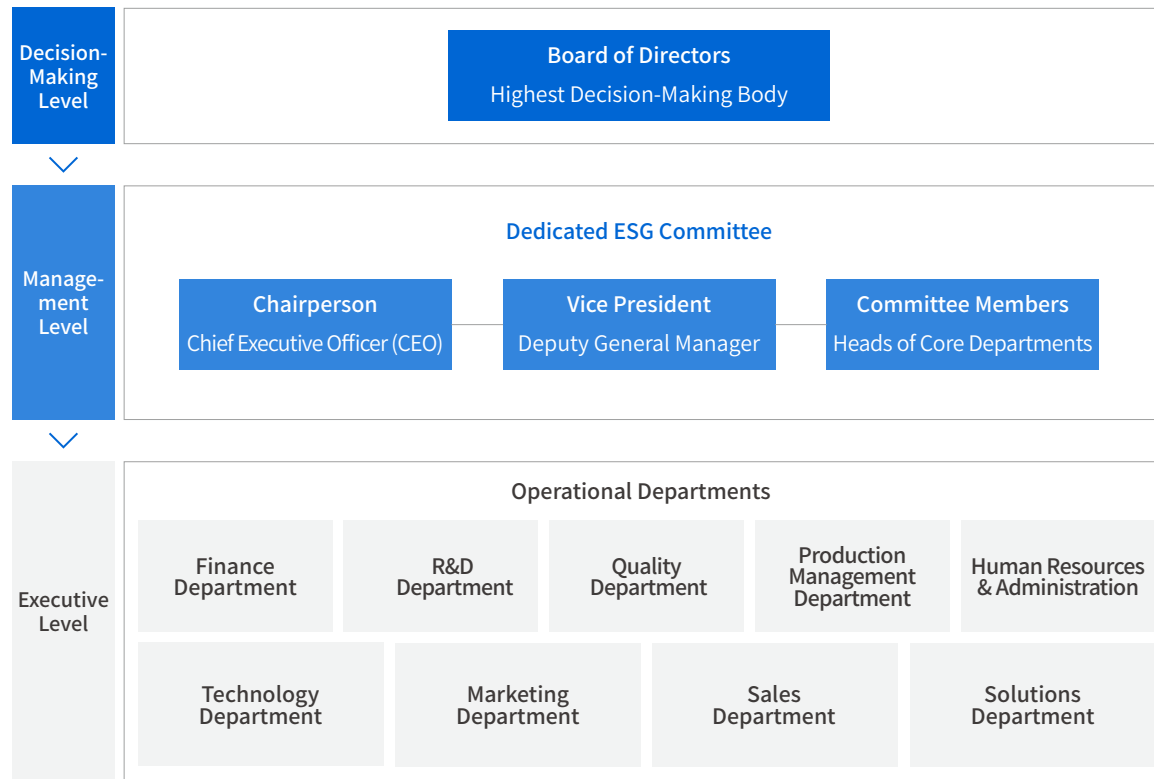


ESG Management

The Company has set up a dedicated ESG Committee and established an ESG governance framework led by senior management with collaboration from all core departments. The Committee is chaired by the CEO and assisted by the Vice President, with members comprising department heads of R&D, production, quality, procurement, marketing, sales, human resources, technology and solution businesses. It coordinates the overall advancement of ESG work at the strategic level and ensures scientific decision-making and effective execution. Each department has appointed dedicated ESG focal persons with clear job responsibilities, forming an operational mechanism featuring unified decision-making by the Committee, specialized implementation by departments, and full participation of all employees. This ensures sustainable development concepts are embedded across the entire business workflow, covering product R&D, manufacturing, market operation and customer service.

ESG Governance Structure and Responsibilities

Sunparl has built a three-tier ESG governance system covering the decision-making, management and executive levels, with the Board of Directors acting as the highest decision-making body.



Strategy & KPI Formulation

In light of industry trends, business realities and sustainable development requirements, the Committee formulates medium and long-term ESG strategic goals and annual key performance indicators (KPIs), clarifying the direction and assessment criteria for ESG advancement.

Review of Major Matters

It reviews and approves major ESG matters including ESG project initiation, carbon emission management and green supply chain development, ensuring full alignment with corporate strategies and sustainable development goals.

Implementation & Supervision

It oversees the execution of ESG work across departments, regularly monitors the progress of ESG indicators, identifies and resolves operational issues in a timely manner, and ensures compliant ESG practices and transparent information disclosure.

External Disclosure

It coordinates the compilation and public release of corporate ESG reports and sustainable development statements, ensures the authenticity, accuracy and completeness of disclosed information, and clearly communicates the Company's ESG performance and development roadmap to stakeholders.

External Engagement & Cooperation

It represents the Company in liaising with ESG rating agencies, industry associations including the Electronic Paper Industry Alliance, and international certification bodies. It actively participates in the formulation and exchange of industrial ESG standards to align the Company's ESG practices with international norms.

Stakeholder Engagement

Sunparl regards stakeholder engagement as an important foundation for sustainability management and information disclosure. It focuses on key stakeholders including governments and regulators, shareholders and investors, employees, customers, suppliers and partners, as well as local communities. Through interviews, written surveys and other approaches, the Company conducts communication and research to identify stakeholder expectations on various issues and respond proactively to their demands.

Stakeholder	Expectations & Demands	Our Responses	Communication Channels
 Government and Regulators	<ul style="list-style-type: none"> • Business operation in compliance with laws • Implementation of national policies • Support for industrial development 	<ul style="list-style-type: none"> • Tax payment in accordance with laws • Full compliance with regulatory requirements • Participate in industrial cooperation 	<ul style="list-style-type: none"> • Policy implementation • Information submission • Regulatory supervision
 Shareholders and Investors	<ul style="list-style-type: none"> • Sustainable investment value • Transparent information disclosure • Optimized corporate governance • Steady performance growth 	<ul style="list-style-type: none"> • Create sustained business value • Scientific governance and decision-making • Timely information disclosure • Enhance investor relations 	<ul style="list-style-type: none"> • Regular reports; • Investor Open Day • Performance briefings • Online and offline roadshows
 Employees	<ul style="list-style-type: none"> • Protection of legitimate rights • Career development opportunities • Physical and mental wellbeing 	<ul style="list-style-type: none"> • Career development planning • Improve employee welfare • Guarantee health and safety 	<ul style="list-style-type: none"> • Regular training and promotion • Employee care activities • Employee satisfaction surveys
 Customers	<ul style="list-style-type: none"> • High-quality products and services • Protection of customer rights and privacy • Adherence to business ethics 	<ul style="list-style-type: none"> • Optimize quality and service management • Innovative product R&D • Strengthen information security governance 	<ul style="list-style-type: none"> • Customer satisfaction surveys • Regular customer visits • Product exhibitions
 Suppliers and Partners	<ul style="list-style-type: none"> • Fair competition assurance • Mutually beneficial cooperation 	<ul style="list-style-type: none"> • Promote communication and collaboration • Implement transparent procurement • Eliminate commercial bribery 	<ul style="list-style-type: none"> • Supplier review and evaluation • Industry association and exhibitions • Formulation of industry norms
 Local Communities and Public	<ul style="list-style-type: none"> • Support for community development • Ecological environmental protection • Climate change response 	<ul style="list-style-type: none"> • Enhance economic contribution • Participate in public welfare and charity • Identify and manage environmental risks 	<ul style="list-style-type: none"> • Volunteer services • Charitable donations • Environmental information disclosure

Materiality Issue Analysis

Sunparl conducts in-depth analysis of stakeholder demands and expectations, and takes materiality identification as the foundation of ESG management and information disclosure. Covering the three core pillars of environment, society and governance, the Company combines industry characteristics, operational realities, risk and opportunity analysis, as well as communication outcomes with internal and external stakeholders. It prioritizes relevant issues from two dimensions, importance to sustainable development and importance to financial impacts, and compiles the annual materiality issue list accordingly.

Materiality Assessment Process

Identification

Based on national policies, corporate development strategies, regulatory disclosure guidelines, capital market concerns and industry best practices, the Company systematically sorts out material issues closely related to business operations and establishes an ESG issue library.

Assessment

The Company defines key stakeholders and collects their expectations through questionnaires and in-depth interviews. The ESG Special Committee, senior management and external industry experts jointly conduct review and screening to identify core issues with material impacts.

Confirmation

Based on assessment results, the Company finalizes the materiality issue list and submits it to senior management for review and approval. This ensures the selected issues align with the Company's strategic priorities and long-term sustainable development goals, and determines the disclosure focus of the annual ESG report.

Double Materiality Assessment Matrix



Governance Issues

- 01 ESG Management
- 02 Risk and Compliance
- 03 Anti-Corruption
- 04 Intellectual Property Rights
- 05 Information Security














Social Issues
















- 06 Technology and Innovation
- 07 Product & Service Quality and Safety
- 08 Employee Rights and Interests
- 09 Training and Development
- 10 Employee Welfare
- 11 Occupational Health and Safety
- 12 Industry Cooperation
- 13 Supply Chain Management
- 14 Community Public Welfare
















Environmental Issues

- 15 Environmental Management
- 16 Greenhouse Gas and Carbon Emissions
- 17 Energy Usage
- 18 Resource Utilization
- 19 Emissions
- 20 Green Operations

Annual Material Topics and Management Response Table

Category	Material Topic	Key Management Measures & Performance	SDGs Response
 Governance Issues	ESG Management	A three-tier ESG governance framework spanning the decision-making, management and execution levels has been established, with the Board of Directors as the highest decision-making body. The dedicated ESG Committee oversees strategy formulation, review of major matters, implementation supervision and information disclosure, embedding sustainability principles across product development, manufacturing, marketing and customer service.	 
	Risk and Compliance	Policy documents including the Risk Management and Internal Control System and the Risk & Opportunity Evaluation and Response Plan have been formulated. A full-cycle risk management loop of "identify-assess-respond-monitor" has been established, covering key areas such as finance, operations, human resources and information security, ensuring lawful, compliant and orderly business conduct.	
	Anti-Corruption	Internal compliance codes, codes of conduct and conflict-of-interest avoidance policies have been established, prohibiting all forms of commercial bribery, improper benefit transfer and unfair competition. A whistleblowing and complaint channel is in place, with violations investigated and handled in accordance with applicable rules. In 2025, zero cases of fraud- or corruption-related violations were recorded, and zero legal proceedings related to unfair competition or anti-monopoly matters were initiated.	
	Intellectual Property Rights	A full-cycle IP management system has been established covering creation, application, protection, utilisation and compliance, standardising patent filing, trademark registration, software copyright registration and IP risk screening. As of end-2025, the Company holds a cumulative total of 135 patents and software copyrights, spanning core domains including electronic shelf labels, wireless communications, low-power technology and cloud platform architecture.	 
	Information Security	An information security management system compliant with international standards and national regulations has been established. ZKONG has obtained ISO 27001 certification and National Cybersecurity Level-3 Protection Certification. The platform employs HTTPS/TLS transmission encryption, AES-128 storage encryption and a "one device, one key" hardware security architecture, with tiered data classification management in place. In 2025, zero confirmed information security incidents and zero customer privacy breaches were recorded.	 
 Environmental Issues	Environmental Management	ISO 14001 environmental management system certification has been obtained. Environmental management policies have been formulated with clearly defined departmental responsibilities, and targets set including zero fire or explosion incidents, 100% classified disposal of solid waste and a 2% year-on-year reduction in hazardous waste generation. The Company was included in the first batch of Jiaying Municipal Green Factories in 2024. Zero major environmental incidents occurred in 2025.	 
	Greenhouse Gas and Carbon Emissions	The national "dual carbon" targets have been integrated into the Company's development strategy. A carbon emission management system has been established to identify emission sources and reduction potential across production operations, logistics and energy consumption. Total GHG emissions in 2025 amounted to 1,337.11 tCO ₂ e, comprising Scope 1 emissions of 37.91 tCO ₂ e and Scope 2 emissions of 1,299.20 tCO ₂ e, verified by a third party in accordance with ISO 14064-1.	

Category	Material Topic	Key Management Measures & Performance	SDGs Response
 <p>Environmental Issues</p>	Energy Usage	An energy management system has been established and operated in accordance with ISO 50001, with automation upgrades, process optimisation and equipment efficiency improvements implemented to reduce unit energy consumption. A solar photovoltaic system has been deployed to expand clean energy utilisation. In 2025, on-site PV generation totalled 715,894 kWh, with grid electricity purchases of 2,611,991.00 kWh.	 
	Resource Utilization	A Water and Electricity Conservation Improvement Plan has been formulated, with water and electricity management measures implemented across office areas, production zones and meeting rooms. Renewable paper materials are used in product packaging, PET turnover boxes are circulated for shared use, and electronic shelf label designs have been optimised to reduce battery replacement frequency and electronic waste generation. Total water consumption in 2025 was 29,798.161 tonnes.	
	Emissions	The Waste Disposal Specification has been formulated, setting out management requirements for wastewater, exhaust emissions, noise and solid waste, and establishing a full-process management mechanism covering waste classification, collection, transportation and treatment. In 2025, all pollutant discharges and waste disposal activities complied with applicable laws and standards. Hazardous waste generation amounted to 205.4 tonnes, and organised non-methane total hydrocarbon (NMHC) emissions totalled 62.4 kg.	 
	Green Operations	Green and low-carbon principles have been integrated into product R&D, solution design and full lifecycle management, driving the development of low-energy, long-life, resource-efficient electronic shelf label products and solutions. Leveraging the SaaS cloud platform, remote management, second-level price updates and centralised multi-store operations are enabled, reducing resource consumption and carbon emissions associated with paper use, manual replacement and on-site travel.	  
	Green Products	Leveraging electronic paper display (EPD) technology developed in collaboration with E Ink Holdings, the Company has developed electronic shelf label products featuring zero static display power consumption and Bluetooth Low Energy 5.4. A modular, detachable structure supports individual battery replacement and component reuse, minimising electronic waste. Products have obtained FCC, CE and RoHS certifications, with strict controls on hazardous substance use and lead-free SMT manufacturing processes. MES+ERP digital systems enable precise management of production energy consumption and material loss, achieving full-process green manufacturing control.	 
 <p>Social Issues</p>	Technology and Innovation	R&D investment has been sustained and increased, with continuous iteration of electronic shelf label, commercial display and cloud platform solutions driven by accumulated expertise in wireless communications, IoT, smart display and cloud services. In 2025, R&D expenditure accounted for 8.2% of operating revenue, with R&D personnel comprising 42% of the total workforce.	
	Product & Service Quality and Safety	An ISO 9001 quality management system has been established, with policies including the Non-Conforming Product Control Procedure formulated to continuously optimise product quality control, customer complaint handling and after-sales service processes. In 2025, the product qualification rate reached 99.62%, customer satisfaction stood at 92.986%, and the resolution rate for customer complaints and returns reached 100%.	 

Category	Material Topic	Key Management Measures & Performance	SDGs Response
 <p>Social Issues</p>	Employee Rights and Interests	In strict compliance with national labour laws and regulations and SA8000 Social Accountability Standard, a comprehensive employment management mechanism has been established covering onboarding, probation, regularisation, role transfer, promotion and departure. Employee legal rights are fully protected, with zero tolerance for child labour, forced labour and any form of employment discrimination. In 2025, labour contract signing rate reached 100% and social insurance coverage rate reached 100%.	 
	Training and Development	A dual-track career development system spanning management and professional pathways has been established, supported by a diversified training mechanism covering new employee onboarding, compliance awareness, professional skills and safety-specific topics, providing equal development opportunities for all staff. In 2025, 13 training sessions were conducted, reaching 175 person-times, with a training coverage rate of 55% for both male and female employees.	 
	Employee Welfare	A multi-tiered employee benefits system has been established, encompassing statutory benefits, festival and birthday allowances, hardship assistance, commercial insurance and expedited hospital access. Full statutory social insurance and housing fund contributions are made, with comprehensive support provided for employee leave entitlements, remuneration, health and general wellbeing.	 
	Occupational Health and Safety	With ISO 45001 as the core framework, a full-cycle risk management process of "hazard identification–risk assessment–control measures–dynamic monitoring" has been established, covering production, R&D and office environments. In 2025, zero major safety incidents occurred, zero new occupational disease cases were diagnosed, and four safety emergency drills were conducted.	 
	Industry Cooperation	Active participation is maintained in industry organisations including the E-Paper Industry Alliance, China Chain Store & Franchise Association, Germany's EHI Retail Institute and the US National Retail Federation (NRF). The Company engages continuously in major domestic and international trade events and industry standard-setting initiatives, advancing collaborative industry development around green manufacturing, technological innovation and standards harmonisation.	 
	Supply Chain Management	The Supplier Management Policy has been formulated, establishing a "multi-dimensional screening–tiered review–dynamic evaluation" supplier management mechanism that incorporates ESG requirements into supplier qualification and assessment criteria. Qualified suppliers are required to sign procurement framework agreements, quality agreements, environmental agreements and integrity pledges. On-site factory audits are conducted for suppliers of key materials.	 
	Community Public Welfare	The Company actively engages in educational philanthropy and community development through university-enterprise collaboration, charitable donations, technology sharing and internship base development. In 2025, ZKONG donated RMB 500,000 to the Zhejiang Sci-Tech University Foundation, providing dedicated support for talent development and scientific research in the fields of IoT technology and data security.	 

Compliant Operation

Sunparl always upholds integrity and compliance as the cornerstone of corporate operation and development. It strictly abides by domestic and foreign laws and regulations, and has established a compliance management system and risk management framework covering internal management, financial risk control and business operations. With sound management norms, normalized supervision mechanisms and company-wide compliance cultivation, the Company ensures all business activities are carried out in a legal, compliant and orderly manner.

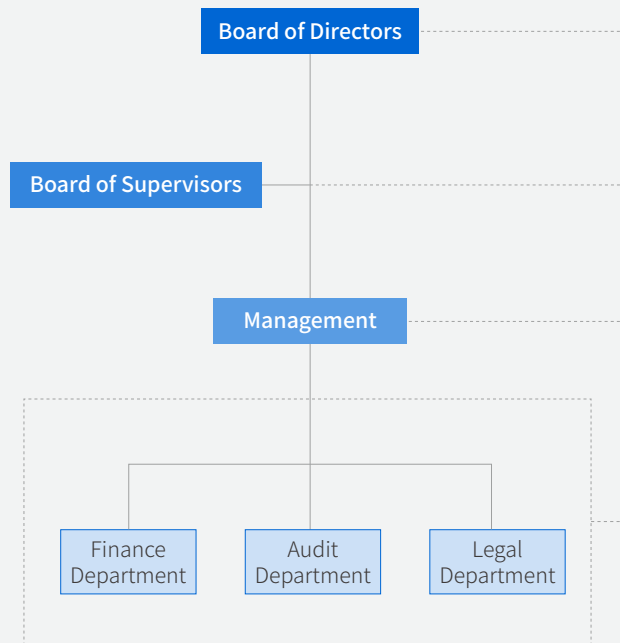
Consolidating Governance Foundations

In accordance with business development realities and industry regulatory requirements, the Company has formulated the Risk Management and Internal Control System and Risk & Opportunity Evaluation and Response Plan, clarifying compliance requirements and risk control standards in finance, business, human resources, information security and other fields.

Guided by the core principles of risk orientation, full coverage, effective checks and balances, cost-effectiveness and dynamic optimization, the system applies to all financial activities and relevant business links of the Company, covering all functional departments, subsidiaries and personnel engaged in financial workflows.

It also stipulates that compliance and risk management shall be dynamically optimized in light of changes in the macroeconomic environment, industry competition landscape, policies and regulations, so as to maintain the scientificity and applicability of the institutional system.

Compliance and Risk Management Accountability System



As the highest decision-making body for financial risk management, the Board of Directors approves core matters such as compliance and risk management strategies and major risk response plans.

The Board of Supervisors oversees the compliance and effectiveness of the performance of the Board of Directors and senior management.

Management coordinates the advancement of company-wide compliance and risk management, as well as cross-departmental governance matters.

The Finance Department takes the lead in establishing, maintaining and implementing the financial risk management and internal control system; the Audit Department conducts audits on internal control effectiveness and oversees risk management performance; the Legal Department, together with external law firms, provides professional legal support for compliant operation.

Optimizing Risk Prevention and Control

Sunparl embeds compliance requirements into the full business chain including recruitment, compensation, procurement, sales, investment and financing, and data management. It has formulated clear operational norms and code of conduct for key compliance areas such as anti-corruption, anti-bribery, data privacy protection, labor employment and tax administration.

Risk Management Measures for Core Compliance Areas

◆ Compensation Management

The Company has established a gender-neutral recruitment and job allocation system, and built a transparent compensation decision-making framework. By quantifying compensation coefficients and standardizing salary adjustment procedures, it upholds the principles of equal opportunity and equal pay for equal work.

◆ Data Security and Privacy Protection

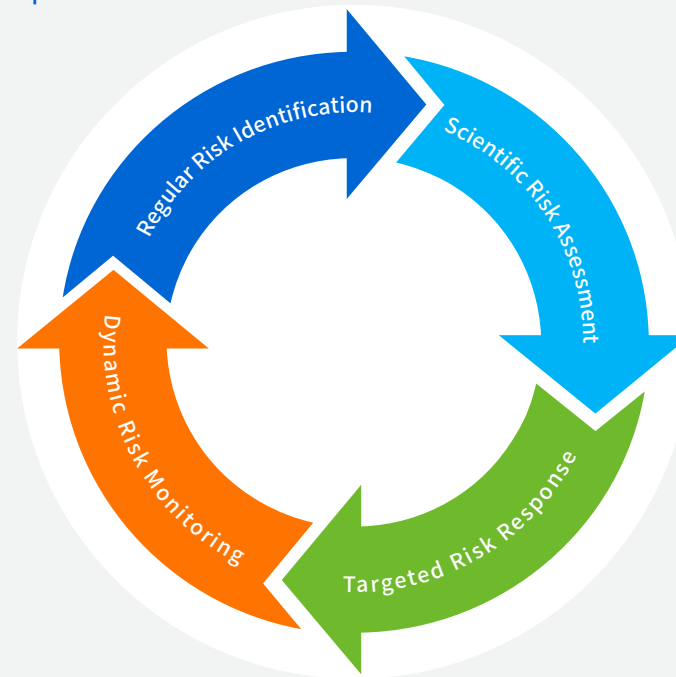
Complying strictly with relevant information security management standards, the Company adopts encryption algorithms to secure data transmission and storage, and implements classified protection for critical customer and internal corporate information.

◆ Tax Management

The Company maintains complete tax filing ledgers and arranges dedicated personnel to monitor updates in tax policies, ensuring timely and accurate tax declaration. Major tax planning proposals are implemented only after review by the Legal Department.

Covering seven major financial risk categories, capital management, budget and cost, investment and financing, receivables and payables, financial accounting, asset management and compliance risks, the Company has established a full-cycle risk management closed loop of identification, assessment, response and monitoring. It enables accurate risk identification, scientific grading, effective response and dynamic refined monitoring.

Financial Risk Response Mechanism

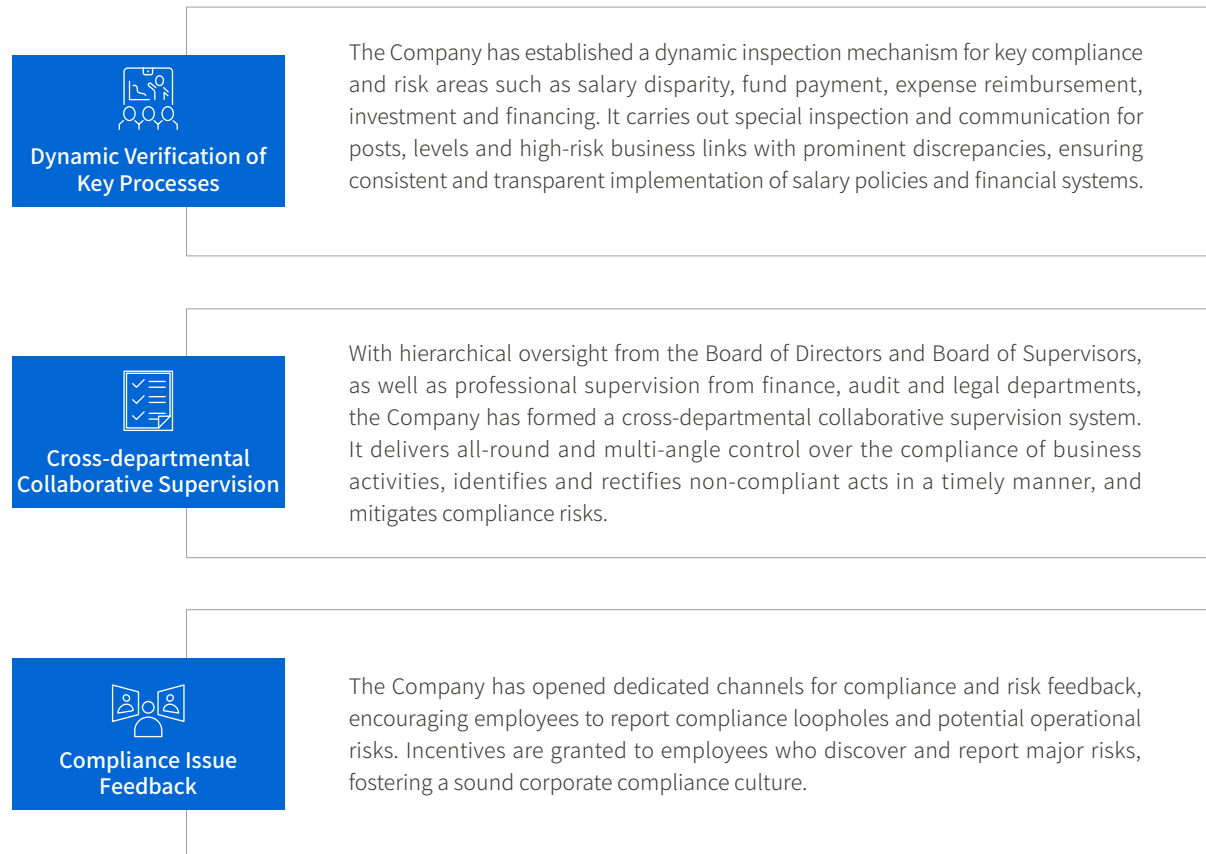


In addition, the Company has formulated detailed internal control rules covering key financial segments including capital management, budget and cost, investment and financing, receivables, payables and assets, as well as financial accounting and taxation. It adopts mechanisms such as dual-person review, multi-level approval, quota control and ledger management to standardize business procedures and prevent risks from the source.

Improving the Supervision Mechanism

Sunparl conducts compliance and risk supervision through audit oversight, departmental self-inspection and dynamic inspection. This ensures business operations in all regions comply with local laws and social norms, and wins long-term trust with a responsible corporate attitude.

Compliance and Risk Supervision Mechanism



On this basis, the Company has established a regular compliance training mechanism covering all employees. Training contents include laws and regulations, internal systems, codes of conduct, anti-corruption and anti-bribery, and data privacy protection, to raise company-wide compliance awareness and risk prevention capability.



Business Ethics and Compliance Training of ZKONG in 2025

Information Security

Sunparl fully recognizes the fundamental importance of data security to customer operations, corporate governance and industrial development. It has established an information security management system aligned with international standards and national regulations, and built a multi-dimensional security defense system covering technical architecture, software and hardware protection and institutional improvement. It fully safeguards the security, integrity and confidentiality of customer data and core internal information, and consolidates a solid digital security foundation for business development with professional security governance capabilities.

Guided by international standards and national regulatory requirements, the Company has built a systematic and standardized information security management system. ZKONG has obtained **ISO 27001 Information Security Management System Certification and National Cybersecurity Level-3 Protection Certification in succession**, marking that its information security management and technical protection capabilities have reached authoritative international and national standards.



ISO 27001 Information Security Management System Certification of ZKONG

ZKONG ESL Cloud Platform Awarded National Cybersecurity Class-3 Protection Certification

In 2025, the ZKONG ESL Cloud Platform met Level-3 requirements in core security dimensions including **physical environment, network communication, system protection and management systems, with an overall compliance rate of 85.1%**. The result reflects the platform's mature capabilities in data security, system stability and risk prevention.

The cloud platform can support multi-scale, multi-scenario and cross-regional business operations securely, providing reliable and credible digital support for retail, warehousing, manufacturing and other scenarios.



The Company embeds information security requirements into the entire business workflow, clarifies information security responsibilities of all departments, and establishes normalized security management and supervision mechanisms. It conducts regular information security training and system audits, continuously optimizes security management processes, ensures effective implementation and dynamic upgrading of the information security management system, eliminates information security risks at the institutional level, and builds a full-process, multi-dimensional information security management system.



Data Security Protection and Privacy Compliance

Building a Robust Platform Security Barrier ↘

At the platform level, the Company builds a multi-layered cybersecurity protection architecture and deploys professional firewall devices to form a secure network boundary, effectively defending against external cyber attacks, illegal intrusions and other security risks and ensuring stable and secure platform network environment. Meanwhile, the platform adopts **HTTPS/TLS encrypted protocols** for all data transmission, **and uses AES-128 advanced encryption standards for data storage**, realizing end-to-end data protection in both transmission and storage. The Company implements strict data desensitization and hierarchical access control, carries out graded protection for key customer and internal information, and achieves independent data isolation among different tenants to avoid cross-tenant data leakage and ensure data security in the whole process of usage and circulation.

For core business systems and cloud architecture platforms, the Company implements a full-lifecycle security management mechanism. It conducts regular security vulnerability scanning and remediation, and engages third-party professional security institutions to carry out irregular security evaluation, so as to discover and eliminate potential platform security hazards in a timely manner and guarantee stable system operation and data security.

Strengthening Terminal Hardware Security ↘

At the hardware level, all our smart hardware products follow the security design principle of "one device, one key". Each hardware terminal is equipped with an exclusive unique key, adopting private communication protocols and professional encryption technology to secure communication between hardware devices and the platform, and effectively prevent illegal interception, tampering and decryption of hardware data. In addition, hardware products adopt anti-disassembly and anti-tampering physical design; unauthorized operation will trigger security alerts, ensuring hardware information security at both physical and data layers.

At the terminal level, the Company establishes an independent authorization and authentication mechanism. Each operating terminal must pass dedicated authorization verification before accessing the system. Differentiated operation permissions are assigned according to different posts and roles to realize authorized access with clear accountability, preventing unauthorized operation and information leakage at the terminal access layer and ensuring safe and standardized terminal operation.

Implementing Hierarchical and Classified Management ↘

The Company implements a hierarchical and classified management mechanism for customer data and internal core information. Information is divided into different security protection levels according to importance and sensitivity, with differentiated security protection measures and usage specifications formulated.

It establishes a dedicated security protection system for customers' core business information such as business operation data, inventory data and pricing data, strictly controlling information access and circulation scope to ensure the exclusivity and confidentiality of customer data. For internal core information including R&D data, operational data and personnel data, it formulates internal information security management rules to standardize information usage and transmission and avoid internal information leakage.

Furthermore, the Company has established a rigorous full-lifecycle data security management mechanism covering data collection, storage, usage, circulation and destruction. A professional information security team is in place to conduct daily information security monitoring and risk disposal, ensuring the safety and controllability of customer and internal information throughout the entire lifecycle.



2025 Annual Performance

0 confirmed information security incidents

0 customer privacy leakage incidents

Business Ethics




Sunparl has formulated stringent internal compliance codes, codes of conduct and conflict of interest avoidance systems. It integrates anti-corruption, anti-bribery and anti-unfair competition requirements into the entire operation and management process, setting clear behavioral red lines for employees and business partners.

Anti-Corruption

The Human Resources and Administration Department is designated as the responsible department for anti-corruption and anti-bribery management. Employees are strictly prohibited from soliciting or illegally accepting money, valuables or improper benefits in any form, or abusing their positions to seek improper gains for themselves or others, including but not limited to privately accepting rebates and commissions from customers and cooperating partners. Employees are also forbidden from offering commercial bribery to business counterparts and public officials, ensuring fairness and transparency in all commercial activities.

In terms of anti-unfair competition, the **Company strictly abides by the *Anti-Unfair Competition Law* and other relevant laws and regulations.** It prohibits theft or disclosure of competitors' trade secrets, false publicity, commercial defamation and other behaviors that disrupt industrial competition order. The Company advocates participating in market competition through legitimate means such as technological innovation, service upgrading and compliant operation, so as to maintain a healthy and orderly industrial ecosystem.

Upholding Business Ethics to Build a Responsible Value Chain

 <p>Fostering Ethical Consensus</p>	<p>The Company has established a company-wide business ethics cultivation system with regular compliance training for all employees. During onboarding training, business ethics, anti-corruption, anti-bribery and anti-unfair competition are set as core training modules. Through case analysis and system interpretation, new employees can quickly grasp compliance requirements and behavioral norms. In daily operation, the Company organizes regular company-wide compliance training and special lectures, combining typical industry cases and corporate actual conditions to deeply analyze ethical risk points and countermeasures.</p>
 <p>Extending Ethical Standards</p>	<p>The Company extends business ethics requirements to the entire supply chain, and promotes partners to jointly abide by business ethics norms through rigorous supplier management mechanisms and integrity cooperation agreements. In supplier access and daily management, business ethics performance is taken as one of the core evaluation indicators. The Supplier Questionnaire clearly examines suppliers' compliant operation status and integrity records, and refuses to cooperate with suppliers with bad records such as corruption and unfair competition.</p> <p>Qualified suppliers are required to sign the Procurement Framework Agreement and relevant integrity agreements, clarifying the mutual responsibilities and obligations of both parties in anti-corruption and anti-bribery. Suppliers are prohibited from providing improper benefits to any Company employee. Any violation will lead to immediate termination of cooperation and corresponding legal accountability.</p>
 <p>Improving the Supervision Mechanism</p>	<p>In terms of internal supervision, the Company conducts all-round inspection on the implementation of business ethics through special audits, departmental self-inspection and cross-departmental supervision, focusing on high-risk links such as procurement, sales, investment and financing. It sets up smooth complaint and reporting channels to encourage employees and stakeholders to report clues of business ethics violations. All reported information is kept strictly confidential and investigated and handled in a timely manner. Verified violations are severely punished in accordance with the Employee Handbook and relevant systems, and those with serious circumstances shall be held legally liable.</p> <p>For external supervision, the Company voluntarily accepts oversight from industry regulators, partners and the public. It regularly shares progress in ethical development with stakeholders to ensure full openness and transparency in business activities.</p>



Business Ethics and Compliance Training
2025 of ZKONG

2025 Annual Performance

0 illegal cases caused by fraud and corruption

0 legal lawsuits related to unfair competition and anti-monopoly

Intellectual Property

Sunparl has established a full-process institutional system covering the creation, application, protection, utilization and compliance management of intellectual property rights. The Technology Department takes the lead in maintaining the Company's proprietary copyrights, patents and trademarks, and standardizes the procedures for patent application, trademark registration and software copyright registration to ensure timely legal protection for innovative achievements. The Company has formulated IP compliance management specifications, clarifying requirements for IP retrieval, design-around and infringement risk screening during R&D, so as to comply with legal and ethical standards and prevent IP disputes from the source.

We attach great importance to the compliant application and all-round protection of intellectual property rights. While maximizing the value of self-owned IP assets, the Company firmly safeguards the legitimate IP interests of itself and its partners.

Utilization and Protection of Intellectual Property

◆ **Utilization**

The Company deeply integrates patented technologies into product design and solution delivery. The transformation of technological achievements improves product performance and core competitiveness, and drives technological upgrading in the smart retail industry. We actively participate in the formulation of industry standards, including Zhejiang Manufacturing Standard 1434-2019 Electronic Shelf Labels for Commodities. Independent innovative technological achievements are translated into commonly recognized industry standards, leading the industry toward standardized and high-quality development.

◆ **Protection**

The Company has established a rigorous IP protection mechanism to guard against infringement through technical encryption, legal remedies and other means. It provides key protection for core patents and software copyrights, conducts regular IP risk screening, and takes timely response measures against potential infringement risks. We strictly abide by IP-related laws and regulations, respect the IP achievements of other enterprises in the industry, and firmly oppose any act of infringing upon third-party intellectual property rights.

By the end of 2025

the Company owned a total of **135** patents and software copyrights including **126** patents and **9** software copyrights

Covering core fields such as electronic shelf labels, wireless communication, low-power technology and cloud platform architecture, these IP assets lay an important foundation for supporting product innovation and market competitiveness.



ECOLOGY FIRST, GREEN DEVELOPMENT

Sunparl upholds the green development philosophy and takes sustainable development as its core guideline. The Company continuously improves its environmental management system, promotes efficient resource utilization and pollution prevention and control, actively fulfills environmental responsibilities, and undertakes corporate obligations through ecological conservation, striving for harmonious coexistence between the enterprise and nature.

- Environmental Management
- Emissions
- Greenhouse Gases and Carbon Emissions
- Green Operations
- Green Products
- Energy Usage
- Resource Utilization



Environmental Management

Sunparl has always embedded the green development philosophy into the whole production and operation workflows, and strictly complies with national and local environmental laws and regulations. By formulating sound environmental management rules, establishing a standardized environmental management system and setting clear green development goals, the Company steadily increases investment in environmental protection, and advances coordinated development between the enterprise and the ecological environment with practical actions.

Environmental Protection Investment

The Company has formulated standard administrative documents including the **Quality / Environment / Occupational Health and Safety Management System Manual**, clarifying environmental management duties of each department and forming a management mechanism of overall planning by the lead department and coordinated implementation by all departments. It has also established regular monitoring and annual review mechanisms, conducted yearly management reviews, and dynamically optimized environmental management measures to ensure effective system operation. The Company has obtained ISO 14001 Environmental Management System Certification, achieving standardized and regulated environmental management.



ISO 14001 Environmental Management System Certification

The Company has set clear and quantifiable environmental goals: zero fire and explosion accidents, adoption of harmless and eco-friendly raw materials, **100% classified disposal rate of solid waste**, and a **2% year-on-year decline in annual hazardous waste generation**. To ensure goal delivery, environmental protection investment is incorporated into the financial budget, covering system operation, equipment maintenance, waste disposal, environmental training and other fields.

The Company has improved the inspection and maintenance mechanism for production equipment, signed waste disposal agreements with licensed professional institutions, and carried out regular energy conservation and emission reduction inspections. Supported by a robust environmental management system and solid green practices, **the Company was selected into the 2024 first batch of Jiaxing Green Factory List.**

2025 Annual Performance


0

major unexpected environmental incidents

0

major administrative penalties or criminal liabilities imposed by ecological and environmental authorities due to environmental incidents

Note: In accordance with the classification criteria for sudden environmental incidents specified in the Measures for the Reporting of Sudden Environmental Incidents issued by the Ministry of Ecology and Environment.



Environmental Risk Analysis

The Company attaches great importance to environmental risk prevention and control. Through systematic analysis of internal and external environmental factors, it has built a full-process risk prevention and monitoring mechanism and strengthened chemical management, ensuring all environmental risks are controllable and manageable.



Full-process Environmental Risk Prevention and Control

Environmental Risk Prevention

Establish a normalized risk identification mechanism with regular internal and external environmental factor analyses. Internally, targeted response measures are formulated for major risks such as insufficient financial resources and infrastructure failures. Externally, close attention is paid to political and regulatory developments, economic policies, climate change impacts and other external factors; potential risks are mitigated through tiered assessment and proactive response.

Environmental Risk Monitoring

Build a multi-dimensional monitoring system and implement focused controls on high-risk items based on the Risk and Opportunity Control List. The Human Resources and Administration Department conducts monthly routine inspections covering water and electricity usage, hazardous waste handling and other areas. All departments collaborate to implement emergency response plans, ensuring rapid response when risks materialize, while fulfilling compliance monitoring requirements for waste sorting, energy conservation and consumption reduction.

Chemical Management

Formulate the Chemical Management Operation Specification, establishing a full-process control system covering procurement, transportation, storage, requisition, and disposal. Suppliers are required to provide Material Safety Data Sheets (MSDS) and ensure that packaging labels are clear and compliant. Transportation is managed by designated personnel; storage facilities include dedicated hazardous chemical warehouses equipped with firefighting equipment. Chemical requisition follows the principle of on-demand application and minimum usage; disposal is carried out in accordance with the Hazardous Waste Management Measures.

Environmental Awareness Cultivation

The Company has established a normalized emergency response mechanism, conducts special drills for sudden environmental safety incidents, and delivers specialized environmental training. It comprehensively fosters employees' environmental protection awareness, integrates environmental management requirements into daily operations, and solidifies the foundation for green development.

Environmental Emergency Drill

In April 2025, the Company held an emergency drill for sudden power outage, simulating a blackout scenario in the high-voltage distribution room. Participants completed key procedures including switchgear operation, backup generator startup and system power restoration with close collaboration and standardized operation, verifying the effectiveness and feasibility of the Energy Security Emergency Plan.

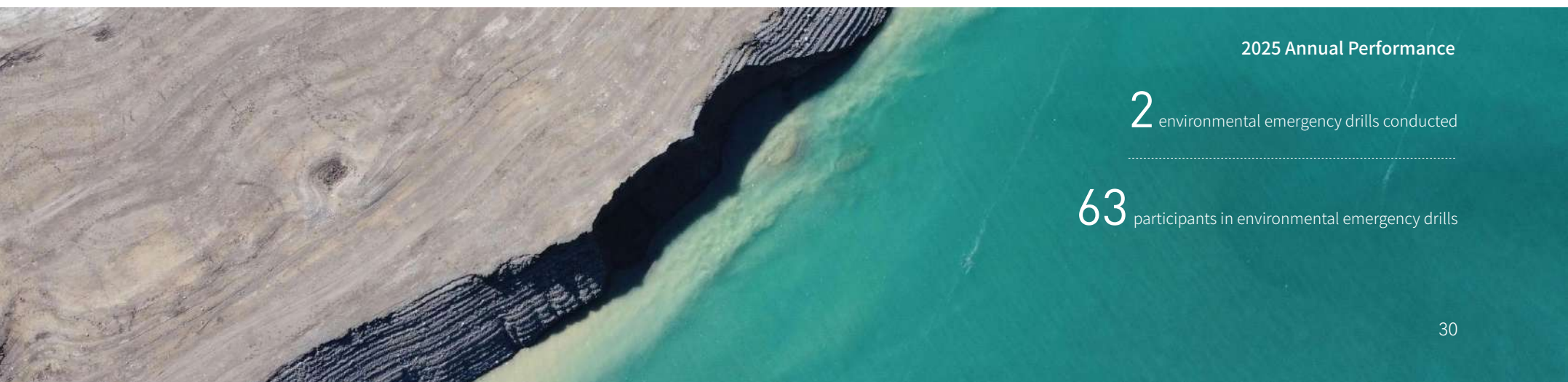
The Company has also formulated the Hazardous Chemical Emergency Plan, clarifying the emergency organization structure, disposal procedures and personnel responsibilities for incidents such as chemical leakage and fire. Equipped with dedicated fire-fighting and protective supplies, the Company organizes annual special drills to ensure employees master professional emergency response skills and minimize environmental risk losses.

The Company has formulated a systematic annual training plan. In 2025, multiple special training sessions were held covering energy management, environmental compliance, emergency response and other themes. Training contents include basic energy management knowledge, energy management system specifications, internal auditor competencies, safe operation of hazardous chemicals, electricity safety and pollution discharge management, delivered jointly by external experts and internal management personnel.

Training covers corporate managers, department principals and frontline operators. Learning outcomes are assessed through written examinations and on-site Q&A. Complete attendance records and effectiveness evaluation reports are properly retained to ensure employees fully grasp environmental safety expertise and practical skills. In addition, the Company incorporates environmental protection requirements into daily management, and continuously strengthens employees' environmental awareness through on-the-job guidance and safety promotion meetings.



Environmental Safety Training



2025 Annual Performance

2 environmental emergency drills conducted

63 participants in environmental emergency drills



Climate Change Response

Sunparl attaches great importance to climate change response and integrates the national dual carbon goals into corporate development strategies. By establishing a robust carbon emission management system, identifying climate-related risks and opportunities, and implementing diversified emission reduction initiatives, the Company steadily cuts greenhouse gas emissions and facilitates the green and low-carbon transformation of the industry.

Climate Governance Assurance

The Company has established and improved institutional mechanisms for climate change response, and incorporated carbon emission control into the overall arrangement of the energy management system. In line with ISO 50001 energy management system requirements, it clarifies management responsibilities and standard procedures for carbon emission accounting, monitoring and emission reduction.

Climate Impact Identification

The Company regularly identifies and assesses climate-related risks and opportunities, focusing on core links including production and operation, logistics and transportation, and energy consumption. It sorts out greenhouse gas emission sources, and focuses on identifying carbon emission risks and mitigation potential from fossil fuel combustion, power consumption and transportation activities, providing a scientific basis for targeted emission reduction planning. Meanwhile, the Company closely monitors the potential impacts of extreme weather and other climate changes on production facilities and supply chain stability.

Green and Low-carbon Actions

Clean Energy Replacement

The Company has deployed solar photovoltaic power generation systems, steadily promoted the application of clean energy, and optimized its energy mix structure.

Operational Efficiency Improvement

The Company advances emission reduction in production processes. By promoting automated technological upgrading, optimizing production workflows and improving equipment energy efficiency, it reduces energy consumption per unit product and indirectly lowers carbon emissions.

Green Logistics Initiatives

Focusing on the logistics sector, the Company adopts optimized supply chain and logistics route planning by referencing industry collaboration best practices. It gives priority to local cooperation and short-distance transportation to reduce carbon emissions from long-haul delivery. The Company also integrates logistics resources via centralized procurement and unified distribution, increases vehicle loading rates, and lowers carbon emission intensity per unit of goods.



The Company not only pursues climate-friendly operation on its own, but also integrates green, low-carbon and eco-efficient concepts into the full lifecycle of product R&D, solution design and operation. Drawing on years of accumulated expertise in wireless communication and IoT technologies, it continuously develops low-power, long-lifespan and high-resource-efficiency green products and solutions. Through technological innovation, the Company helps itself, customers and supply chain partners achieve carbon reduction targets, and drives the green digital transformation of the retail and other industries.



Greenhouse Gas Verification Statement of Sunparl

2025 Annual Performance

1,337.11

tCO₂e for total greenhouse gas emissions

37.91

tCO₂e for greenhouse gas emissions (Scope 1)

1,299.20

tCO₂e for Greenhouse gas emissions (Scope 2)

Note: The accounting boundary for 2025 greenhouse gas emissions is Zhejiang Sunparl Zkong Technology Co., Ltd. (No. 19 Xinxing Road, Lianhang Development Zone, Chang'an Town, Haining City, Jiaxing City, Zhejiang Province, China). The operational control approach is applied. Emission scopes include Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity).

For emission factors, gasoline/diesel values are adopted from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. For purchased electricity, factors are sourced from the Announcement on Issuing the 2023 Power Sector Carbon Dioxide Emission Factors and the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Enterprises in Other Industrial Sectors issued by the Ministry of Ecology and Environment and the National Bureau of Statistics. The data has been verified by a third-party institution and complies with the ISO 14064-1 standard.

Energy and Resource Utilization

Sunparl conducts overall planning for energy conservation, clean energy application and resource recycling utilization. It practices the green and low-carbon development philosophy throughout production, operation and the full product lifecycle, and continuously improves energy and resource utilization efficiency.

Energy Management

The Company has established and effectively operated an energy management system in accordance with ISO 50001 standards. It has compiled the Energy Management Manual and supporting procedural documents, set up an energy management team and confirmed key energy-consuming positions, clarified authority and responsibilities at all levels, and incorporated energy performance into department and position performance appraisal to ensure effective system implementation.

The Company systematically collects and screens applicable energy-related laws, regulations and standards, and formulates the List of Applicable Laws, Regulations and Other Requirements for the Energy Management System, covering national, local and industrial norms. Annual compliance evaluation is conducted to ensure full compliance of all energy management activities.



ISO 50001 Energy Management System Certification

The Company conducts regular internal audits of the energy management system. In 2025, it identified major energy consumption links and energy-saving potential, and formulated targeted improvement plans. Centering on the goals of reducing unit energy consumption, improving energy efficiency and increasing the proportion of clean energy, the Company keeps optimizing energy management benefits through technological innovation, process upgrading and clean energy layout.

Optimizing Production Processes and Promoting Automated Technical Renovation

The Company promotes energy management and energy conservation in the production of electronic shelf labels. In light of the characteristics of each production process, the Company has implemented a series of targeted energy-saving and consumption-reducing measures, focusing on three core directions: replacing manual/semi-automatic operations with automated equipment, integrating production lines, and introducing intelligent systems. Ranging from the optimization of individual processes to the improvement of full-process production capacity, the Company achieves efficient energy utilization in the production process, reduces energy consumption per unit product, minimizes unnecessary resource waste caused by manual operations, and promotes green and low-carbon development in the production link.



Automation of Core Processes to Improve Output Efficiency per Unit Energy Consumption

For key ESL manufacturing processes, the Company has upgraded manual and semi-automated operations to **automated and unmanned production**, with selected processes achieving fully unattended operation. These improvements not only increase production capacity but also reduce energy waste associated with equipment idling and repetitive manual tasks, improve productivity per unit of energy consumed, and deliver process-level energy savings and efficiency gains.



Production Line Integration and Continuous Operation to Reduce Energy Loss in Production Turnover

The Company has integrated production lines to realize one-stop completion from processing to assembly and testing, reducing additional energy consumption such as equipment standby and on-site lighting caused by product transfer. For multi-process collaboration links, the Company has built **automated assembly lines**; through continuous operation, it reduces equipment shutdowns and restarts between processes, improves equipment operation efficiency, and lowers the overall energy consumption of the production line.



Introduction of Specialized Equipment and Intelligent Systems to Optimize Equipment Energy Efficiency

The Company has introduced adaptive production equipment such as automatic welding robots, matching the equipment operation power with product process requirements to reduce no-load energy consumption. Meanwhile, it has introduced intelligent systems: **the AI inspection system** reduces the false alarm rate of manual re-judgment and reduces repeated energy consumption caused by reworking defective products.

The **intelligent material tower** realizes automatic warehousing and delivery through code scanning, replacing the manual material searching mode, and reducing energy consumption for lighting and equipment operation in the warehousing link.



Process Innovation and Material Optimization to Reduce Energy Consumption at the Source

The Company has carried out process innovation, such as replacing traditional double-sided tape with **automatic pressure-sensitive hot melt glue application**. This not only reduces manual operations but also optimizes the material lamination process, improving the energy utilization efficiency of equipment operation.

The Company has also changed the placement of reel-mounted terminal materials to **bulk material placement**, reducing the frequency of equipment shutdowns for material replacement and connection, improving the production capacity of the placement process, saving the cost of reel material tape, and reducing energy and resource consumption in production auxiliary links from the material side.

The Company actively responds to **the national dual carbon strategy and new energy development policies in Jiaxing City**. It has built rooftop solar power generation systems to form an energy supply structure with complementary renewable and conventional energy sources, effectively reducing reliance on fossil fuels such as coal and cutting overall carbon emissions. In 2025, the solar PV system operated stably with an annual power generation of 715,894 kWh.

2025 Annual Performance

715,894

kWh solar power generation



Solar Photovoltaic Power Generation System

Resource Recycling

The Company has formulated **the Water and Electricity Conservation Improvement Plan**, implemented water-saving management in office areas, production workshops and meeting rooms, carried out full-site water leakage inspections to eliminate running water waste, and optimized production water workflows to reduce water consumption. Meanwhile, responsibility reminder notices are posted in prominent positions such as offices, workshop switch panels and air conditioner areas. Resource conservation requirements are also included in new employee induction training to strengthen conservation awareness across the Company.

Beyond its own operations, the Company integrates the concept of resource conservation into the entire product lifecycle. Through systematic management measures and innovative practices, it minimizes resource consumption and environmental impact, and maximizes resource value.

Paperless Innovation Leading Green Retail

▼ Application of Eco-friendly Materials

- Renewable paper is used in product packaging to reduce the consumption of non-degradable materials.
- Collaborating with suppliers, the Company fully promotes the circular sharing of anti-static PET turnover boxes in cargo circulation, so as to reduce packaging waste and improve the efficiency of the green supply chain.



PET Turnover Boxes

▼ Reduction of Electronic Waste

- The design of electronic shelf labels is optimized with energy-saving e-paper displays, reducing battery replacement frequency and electronic waste generation.
- Product structural design emphasizes durability and maintainability to extend service life and reduce scrap volume.

▼ Digital Innovation

- The electronic shelf label system realizes paperless price management, reducing paper consumption, deforestation and carbon footprint.
- It supports one-click cloud price updates and real-time inventory synchronization. With product shelf-life management, it automatically alerts staff to near-expiry items, helping merchants reduce inventory and food waste and improve resource efficiency in the retail industry.

Pollutant and Waste Management

Sunparl strictly complies with environmental protection laws and regulations. With clear institutional norms, quantified control indicators and targeted measures, the Company ensures the compliant discharge of all pollutants and the standardized disposal of waste.

1



The Company has formulated the Waste Disposal Specification as the core system for waste management, clarifying requirements for the entire process of waste classification, collection, transportation and disposal.

2



Waste is officially classified into four categories in line with national standards: recyclables, hazardous waste, kitchen waste and other waste. Corresponding collection containers, disposal standards, collection frequency and responsibility requirements are clearly defined for each category.

3



A special control mechanism is established for hazardous waste. Dust cloths contaminated with hazardous chemicals in workshops and activated carbon recovered from exhaust pipes are classified as hazardous waste. The Administrative Department takes the lead in sorting, packaging and storing such waste in a standardized hazardous waste warehouse, and maintains complete management ledgers. Finally, the hazardous waste is entrusted to qualified contractors for recycling and disposal.

Meanwhile, the Company strictly implements the recording system for solid waste and hazardous waste disposal, and retains vouchers for key links such as waste handover and recycling. This ensures the traceability and verifiability of the entire waste management process.

Clear control indicators are set in accordance with national and local standards. The Company aims to achieve "up-to-standard discharge of pollutants and 100% standardized disposal of waste".

Implementation of Pollutant and Waste Management Measures

Wastewater

Through systematic control measures, the Company's pollutant discharge and waste treatment fully complied with applicable laws and standards in 2025.

Waste Gas

Organized waste gas discharge outlets are standardized, professional methods are adopted to monitor non-methane total hydrocarbon emissions, and production processes and operating parameters of environmental protection facilities are optimized to reduce the generation and discharge of waste gas.

Noise

The layout of production workshops is rationally planned, low-noise production equipment is selected, and noise monitoring points are set at key locations on the factory boundary. Regular monitoring is carried out during daytime and nighttime to avoid the impact of noise on the surrounding environment.

Waste

Special four-color trash bins (blue, red, green, and gray) are configured in accordance with classification requirements, and clear collection processes for various types of waste are formulated. Recyclable materials are handed over to qualified institutions for recycling and reuse; hazardous waste is strictly subject to closed-loop management of "classified storage, account recording, and compliant transfer" to eliminate secondary pollution from the source.



INNOVATION DRIVEN, SMART UPGRADE

Sunparl has always taken innovation as its core driving force, continuously deepening R&D strength and expanding the innovation ecological platform, and empowering the digital transformation process of various industries through technology. The Company upholds product quality as its lifeline, constantly optimizes service experience, and is committed to providing customers with high-quality, efficient, stable and reliable products and solutions.

- Technology and Innovation
- Product/Service Quality and Safety



R&D and Innovation

Adhering to the product innovation principle of "Innovative Technology, Seamless Connection; Human-Centric, Smart Design; Stay True to the Original Intention, Look Forward to the Future", Sunparl firmly believes that dedicated R&D can stimulate new development drivers, break through new industrial boundaries through relentless innovation, and continuously promote the benefits of development to cover a wider range of groups.

Sunparl Product Innovation Philosophy

Innovative Technology, Seamless Connection

- Drive brand strength through product strength. Use cutting-edge display innovation to bridge people and scenarios
- Let flagship products set the pace and redefine interaction boundaries
- Empower deeper customer engagement and elevate scenario experience
- Infuse "connection" into every design detail-reflecting ZKONG's innovation DNA

Human-Centric, Smart Design

- Deliver flexible, customized, and user-friendly smart solutions
- Decode real user needs and address pain points with precision
- Go one step further: optimize across diverse scenarios
- Center every design around care, usability, and experience

Stay True, Look Forward

- Ensure product direction aligns with ZKONG's long-term brand vision
- Lead with foresight in emerging sectors: healthcare, logistics, offices, smart cities
- Move beyond industry silos-explore full-spectrum human-machine interaction and set the standard for intelligent, connected environments



2025 Annual Performance

8.2% of revenue for R&D investment

42% R&D personnel ratio



Innovation-driven Transformation

Focusing on smart display and data value, the Company has always adhered to independent R&D and innovation. Based on its **software-hardware integrated smart display technologies and cloud service solutions**, it seamlessly integrates end-to-end IoT value. Through continuous enhancement, it constantly integrates technological care, empowers scenario experiences, and promotes the digital transformation of various industries.

Comprehensive Upgrade of ZKONG Cloud Platform APP 7.0 for Stronger Mobile Management

Having identified the in-depth needs amid the rapid development of smart stores, the Company launched the **ZKONG Cloud Platform App 7.0 (ZKONG ESL)** during the reporting period. Focusing on five core highlights, it completed comprehensive system-level optimization by creating a brand-new visual interface and layout, launching a device list, restructuring ESL and digital signage management, and introducing an announcement system, providing a stable and convenient mobile management tool tailored for the retail and service industries.

Highlight 1 New Visuals and Layout

The upgraded App has an overall updated interface, which is more modern, professional and lightweight. Colors, icons and information hierarchy have been fully refreshed, and high-frequency operation paths have been reorganized to enable faster access to commonly used functions.

Highlight 2 Device List Introduced

Store patrols, troubleshooting and maintenance can now be carried out without relying on the computer terminal. The new device list presents all key information of ESLs and digital signage screens, allowing the status and health of devices to be visible at the first time.

Highlight 4 Announcement System Launched

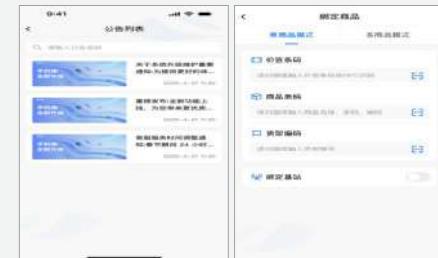
The new version of the App adds a system announcement center, realizing the synchronous display of announcements on the APP terminal for the first time. Whether it is headquarters notices, system updates or operation prompts, they can all be viewed instantly on the homepage.

Highlight 3 Restructured ESL & Digital Signage Management

In the new version, the management interface for ESLs and digital signage screens has been deeply optimized, achieving more aggregated information, more intuitive logic and a smoother mobile management experience.

Highlight 5 Optimized Upgrade Mechanism

To avoid the interference of frequent pop-ups on operations, the new version of the App has made user-friendly optimizations to the upgrade mechanism.



ZKONG Cloud Platform APP 7.0 (ZkongESL) Fully Upgraded



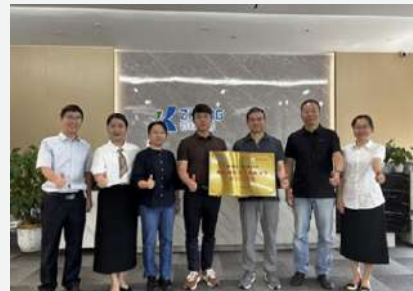
Industry-Education Integration

The Company values university resources and actively expands the depth and breadth of university-enterprise cooperation. It integrates its cutting-edge business scenarios, rich industry experience and innovative concepts in the field of wireless intelligence into educational resources, building a bridge from "career cognition enlightenment" and "professional skill advancement" to "scientific research collaboration and achievement transformation" in terms of talent supply and demand, and scientific research and industry integration.

Cooperation with Zhejiang Sci-Tech University

Hangzhou ZKONG Networks Co., Ltd. joins hands with Zhejiang Sci-Tech University to continuously explore methods of complementary advantages, and give full play to the characteristic strengths and resource advantages of both parties.

During the reporting period, Hangzhou ZKONG Networks Co., Ltd. and Zhejiang Sci-Tech University jointly established the **Joint Laboratory of IoT Technology and Data Security**, and held the signing ceremony of the "Joint Laboratory of IoT Technology and Data Security" in September 2025. This cooperation marks a solid step forward in industry-education integration and collaborative innovation. The two parties will jointly promote the research and development of key IoT technologies, as well as talent training and achievement transformation in the field of data security.



Signing Ceremony of the Joint Laboratory of IoT Technology and Data Security Held by ZKONG and Zhejiang Sci-Tech University

Awards and Recognition

By the end of the reporting period, with outstanding technical strength and innovation capabilities, Sunparl was successfully selected into the 6th batch of **Specialized, Sophisticated, Unique and New "Little Giant" Enterprises** by the General Office of the Ministry of Industry and Information Technology. It also won a number of honors and qualifications, including "Zhejiang Made Certification", "Green Factory", "Zhejiang Provincial High-tech Enterprise R&D Center" and "Jiaxing Municipal High-tech R&D Center".

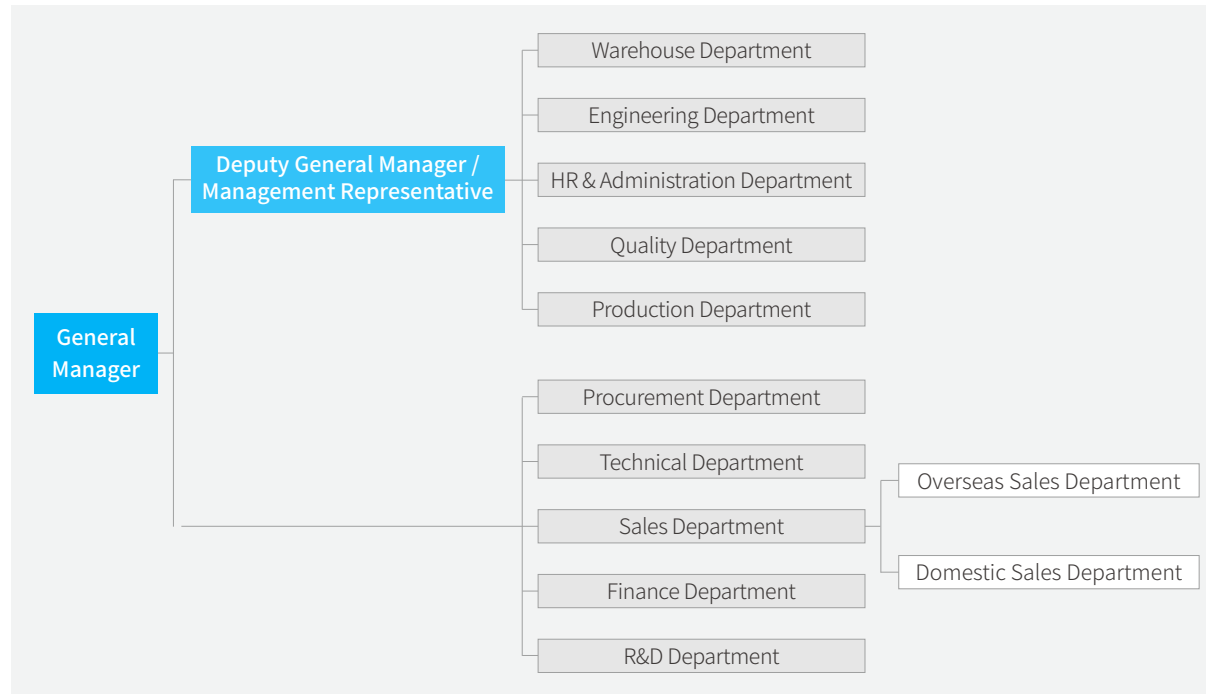



Quality Management

At Sunparl, we believe that the ultimate purpose of technology is to improve the quality of human connection. Adhering to the quality policy of "People-oriented, Quality First, Customer Supreme, and Pursuit of Excellence", the Company has formulated the Quality, Environment, Occupational Health and Safety Management System Manual. It has established a quality management system leadership structure where the General Manager bears the ultimate responsibility for the company's quality management system and the Deputy General Manager serves as the management representative of the company's quality management system. Strict quality control is carried out in accordance with the ISO 9001 Quality Management System.

Strengthening Quality Management

Sunparl Quality Management System Structure






ISO 9001 Quality Management System Certification of Sunparl

Guided by precise quality objectives, the Company conducts scientific planning and strengthens the quality line through regular monitoring. During the reporting period, the Company has set and fully achieved its quality objectives, including a product yield of $\geq 99\%$ and an Outgoing Quality Control (OQC) batch acceptance rate of $\geq 95\%$, with remarkable results in quality control.

2025 Annual Performance

99.62%

for product qualification rate



Product Quality Improvement

The Company has always pursued quality improvement with rigorous standards, penetrating into all links of production and management. Through multi-dimensional means such as inspection and identification, data analysis and process review, it continuously explores potential quality improvement points, and strives to improve product quality with stricter standards and better solutions.

Development of Special Operating Fixtures to Improve Quality

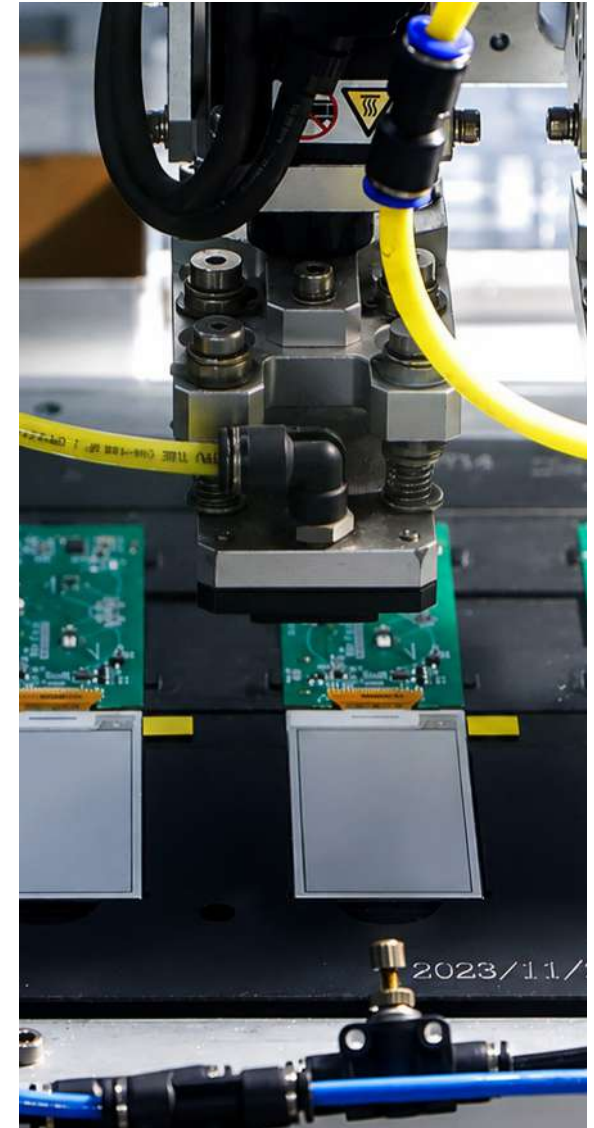
During the reporting period, when inspecting the antenna assembly station, it was found that there was no special tooling fixture to fix the products during the vibrator sheet assembly process. Workers had to hold the products manually during operation, which was extremely inconvenient and had the risk of sliding during alignment, seriously affecting production efficiency and product yield.

To improve the alignment effect and enhance operation yield and efficiency, the Company developed and produced **special error-proofing auxiliary operation fixtures** in accordance with the operation requirements of this process. The introduced fixtures and operation requirements were improved into standard operating procedures SOPs, and inspections were carried out. At the same time, operation training was conducted for production personnel to ensure the effective implementation of quality improvement measures. After adding the new tooling fixtures, **the overall production efficiency increased by 24.8% and the production yield increased by 10.6%.**

Introduction of Automation to Reduce Product Defect Rate

During the reporting period, the Company conducted an annual summary of the top process defect issue: screen breakage. It was found that screen breakage in the manual assembly process accounted for 32.86% of the total defect rate, resulting in huge losses and greatly affecting the overall yield and factory efficiency. After research, the root cause was found to be the severe current employment environment: it is difficult to recruit and retain long-term workers, the skill training cost for short-term workers is relatively high, and the staff turnover is frequent, making it difficult to achieve stable quality output in key positions.

To address this quality issue, the Company introduced automation transformation, realizing automatic assembly of the automatic alignment and identification **Module Assembly Cell (MAC)**. This reduced the screen breakage rate caused by manual operators and unstable skills, greatly improving the operation yield and efficiency. Compared with before the improvement, **the production capacity increased by 42.24% and the screen breakage rate decreased by 71.43%.**



Quality Issue Prevention

To handle product quality-related issues more quickly and effectively, **the Company has established the Non-Conforming Product Control Procedure** and has continuously optimized and upgraded its key related processes. It standardizes the full process of non-conforming products from discovery, judgment, isolation to disposal, preventing the unintended use, transfer to the next process or delivery of non-conforming products, and ensuring product quality. Among them, for non-conforming products after delivery, **Customer Quality Engineers (CQE)** are required to promote internal and external risk investigations, and each recall case is reviewed through the **8D (Eight Disciplines)** problem rectification report.

Internal

- The Customer Complaint Engineer immediately investigates the inventory. For products that need to be sealed and reworked, the Quality Department issues a **Controlled Quarantine Disposal Notice**, the Engineering Department provides rework plans, and the Sales and Distribution Department arranges production to implement rework.

External

- After compiling the detailed list of risky products, the CQE organizes a meeting with the Technology Department, Quality Department and Engineering Department to assess the risk level and output meeting minutes.
- If a recall is involved, it can only be implemented after being authorized and signed by the General Manager. Prior to recall and sales management, it is necessary to first conduct consultation and communication with the customer on the recall matters. The recalled products are received and accepted by the warehouse, the Engineering Department outputs rework plans, the Sales and Distribution Department issues rework orders, and other departments cooperate with the rework; after the rework is completed, the products are returned to the customer (replacement can also be arranged through prior communication).

By the end of the reporting period, the Company's products have obtained multiple compliance and quality-related certifications. With excellent quality, the Company collaborates with upstream and downstream industrial partners and various scenario formats to enhance the comprehensive competitiveness of its product solutions and provide diversified smart display solutions for global customers.



ZKONG's ESL products have obtained **the EU RoHS 2.0 certification**, complying with EU restrictions on hazardous substances.



ZKONG products have obtained **the TDRA certification of the UAE**, meeting local compliance requirements for radio and telecommunications equipment.



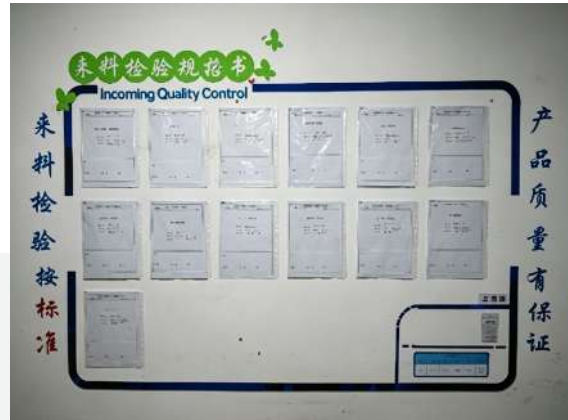
ZKONG products have obtained **the MIC certification of Japan**, complying with technical requirements for radio terminal equipment in Japan.



ZKONG's ESL products have obtained **the KCC certification of the Republic of Korea**, meeting local requirements for radio frequency bands and equipment safety.

Quality Culture Development

Sunparl emphasizes the full-staff quality culture construction. To enable employees to deeply understand the philosophy, connotation and objectives of quality culture, the Company holds a variety of quality promotion activities. It also sets up quality promotion boards in workshops and carries out multi-theme quality culture training, covering "ESL Inspection Specifications", "Product Naming Rules", "Quality Awareness", "Importance of First Article Inspection" and other topics, to enhance the full-staff quality awareness and support high-quality development.



Sunparl Set Up Quality Promotion Boards in Workshops

Sunparl Carried Out Multi-Theme Quality Culture Training

Customer Service

Sunparl cherishes every customer and emphasizes its commitment to long-term customer relationships. Based on the core needs of customers, the Company provides customized solution design and technical implementation, and offers help to customers with enthusiasm, sincerity and patience. It wins long-term trust from customers through excellent quality details and thoughtful service, regards helping customers solve specific and practical problems as the key driving force to overcome various challenges, and grows together with customers.

Service Quality Improvement

As a leader in new retail technology and IoT industry solutions, Sunparl takes the best customer experience as the center. While continuously enhancing product strength, it optimizes customer experience and iterates its service system. Through constant practice and upgrading, it demonstrates its adherence to the concept of building a "trustworthy partner". During the reporting period, the Company continuously refreshed customer satisfaction and achieved the targets of "100% handling rate for customer complaints and returns" and "customer satisfaction score \geq 90 points".

2025 Annual Performance

92.986 points
customer satisfaction score



Knowledge Promotion

As an important component in the Company's product system, the safe storage and use of batteries are related to user safety and environmental protection. Therefore, the Company attaches great importance to battery safety publicity and training, and has carefully compiled the Battery Use and Storage Guide, covering stacking requirements, prohibited items, risk notifications, old battery recycling and other contents, to provide users with clear and comprehensive professional guidance.

In addition, the Company pays special attention to agent management. By conducting regular agent training covering on-site installation and implementation requirements, common problem troubleshooting and solutions, it improves the professional capabilities of agents and ensures unified, efficient and high-quality global service standards.



Global Service Practices

Leveraging cutting-edge smart display technologies and solutions, Sunparl has gradually improved its global influence and industry leadership, and its service practices have been widely covered in different regions and industries around the world. With professional and efficient services, it helps customers in various fields achieve digital transformation and upgrading.

ZKONG Helps Anhui Lianjia Supermarket Upgrade Operational Capabilities

As a leading enterprise in the regional retail market, Anhui Lianjia Supermarket has the advantages and characteristics of a large number of stores, a huge number of Stock Keeping Units (SKUs), a wide supply chain radiation range, and stable customer flow with obvious peak fluctuations. However, it also faces difficulties such as long price adjustment cycles, delayed promotion execution and insufficient inventory management accuracy.

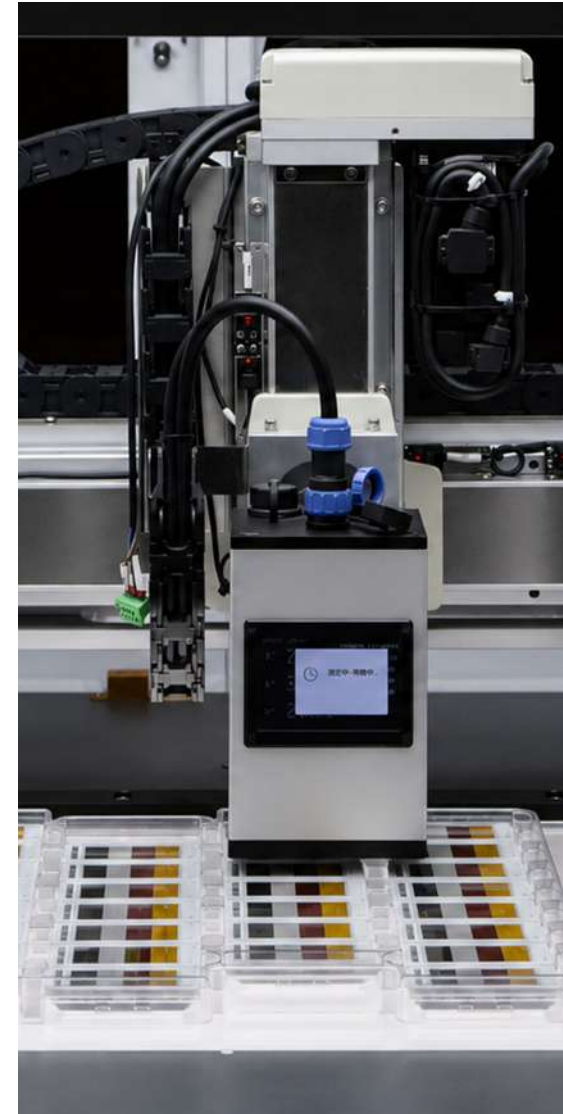
During the reporting period, Anhui Lianjia Supermarket joined hands with Sunparl to promote digital upgrading. **By deploying more than 20,000 ESLs and Sparkle series digital signage screens, covering 5 stores and more than 50,000 SKUs,** the ZKONG cloud platform realized the unified management of prices, inventory and promotions, shortening price change cycles and improving operational efficiency. It ensured accurate pricing, sufficient inventory and timely promotions, significantly optimizing the customer service experience and providing an excellent example for the smart transformation of regional retail.



ZKONG ESL Project Featured in Authoritative European Publication, Highlighting Global Retail Influence

During the reporting period, **ZKONG cooperated with CONAD, a leading Italian supermarket chain brand,** on the Le Befane Rimini store project. The project has more than **50,000 product SKUs fully applying ZKONG's ESL and LCD screen display solutions.** Combined with ZKONG's independently developed SaaS cloud platform, it realizes the centralized management, real-time synchronization and multi-language support of product information, meeting the complex environment and management needs of large-scale stores, improving operational efficiency, and helping the retail brand build a distinctive terminal image through technologically aesthetic ESLs.

With its outstanding performance in customer service influence, **the project was successfully selected into Europe's Finest 2025, an annual special issue published by ESM (European Supermarket Magazine),** an authoritative European retail medium, demonstrating the Company's strong influence in the global retail industry.



Accessible Communication Channels

The Company attaches great importance to the smoothness of customer feedback mechanisms. It has opened up multiple **customer communication channels** including WeChat, DingTalk, Feishu, WhatsApp, Google Chat, Slack, Teams, E-mail and telephone, and established a global localized service team that can provide professional multilingual services. The Company has formulated clear process systems including **the Customer Complaint Handling Process** and **Customer Service Support Response Standards**, dividing issues into different response levels and providing corresponding response cycles to ensure the rapid resolution of issues for global customers, improve the convenient experience, simplify technical support, and make solutions more flexible, easy to use and accessible.

Response Level	Issue Description	Domestic Team		Overseas Team	
		Mon–Fri	Weekends & Holidays	Mon–Fri	Weekends & Holidays
Level 1 Response	Server inaccessible, database abnormality, massive data docking errors, large number of price tags offline, multiple base stations offline, major risks and issues affecting production.	<ul style="list-style-type: none"> 8:00–22:00: Response within 1 hour 	<ul style="list-style-type: none"> 8:00–22:00: Response within 2 hours 	<ul style="list-style-type: none"> 9:00–23:00: Response within 1 hour 	<ul style="list-style-type: none"> 9:00–23:00: Response within 2 hours
Level 2 Response	Functional risks and issues, performance issues (e.g. lag, slow refresh), backup server issues, individual docking errors, failed docking of individual products, small number of price tags offline, abnormal individual price tags, abnormal individual base stations, other hardware damage.	<ul style="list-style-type: none"> 22:00–8:00: Response by 10:00 next day 	<ul style="list-style-type: none"> 22:00–8:00: Response by 10:00 next day 	<ul style="list-style-type: none"> 23:00–9:00: Response by 10:00 next day 	<ul style="list-style-type: none"> 23:00–9:00: Response by 10:00 next day
Level 3 Response	Function optimization requests, product experience optimization requests, non-impacting errors, individual price tag issues (unreproducible but resolvable by replacement).	<ul style="list-style-type: none"> 8:00–22:00: Response within 3 hours 22:00–8:00: Response by 12:00 next day 	<ul style="list-style-type: none"> 8:00–22:00: Response within 3 hours 22:00–8:00: Response by 10:00 next day 	<ul style="list-style-type: none"> 9:00–23:00: Response within 3 hours 23:00–9:00: Response by 12:00 next day 	<ul style="list-style-type: none"> 9:00–23:00: Response within 3 hours 23:00–9:00: Response by 12:00 next day

The Company has established a standardized service process for customer complaints and after-sales handling, which is operated collaboratively by the sales, quality, technology, R&D and other departments. It forms a complete closed-loop of "acceptance, research and judgment, disposal, review and optimization", covering the receipt of customer complaint information, written sorting and issue qualification, internal analysis led by the Quality Department, cross-departmental collaborative research and judgment, classified disposal of software and hardware issues, whole-process control of return and rework, special analysis of defective products and follow-up on quality improvement. This ensures that customer demands are responded to and resolved efficiently and professionally, and customer satisfaction is continuously improved.

Brand Management

Sunparl has always regarded brand management as an important support. On the 19th anniversary of its founding, the Company released a new brand white paper focusing on "Smart Display × Scenario Connection". It systematically interprets how to drive more efficient business connections with smart display as the medium, covering brand positioning, core values and future development directions. In the white paper, the Company focuses on emphasizing the responsible marketing principles it upholds. In the marketing process, it pays attention to maintaining "transparency, concreteness and result-orientation" in communication, avoiding vague terminological expressions and the overuse of technical terms.



Brand White Paper Released by ZKONG

2025 Annual Performance

0 legal or regulatory violations related to marketing and communications



EMPOWERING TALENTS, INCLUSIVE DEVELOPMENT

Sunparl always prioritizes the protection of employee rights and interests as the core of corporate development. It fosters a diverse and inclusive corporate culture, and commits to the career growth and competency enhancement of every employee. The Company attaches great importance to employee health and safety, further strengthens the development of the occupational health and safety management system, and strives to create a safe and comfortable workplace for all employees.

- Employee Rights and Interests
- Training and Development
- Employee Benefits
- Occupational Health and Safety



Compliant Employment

Sunparl strictly complies with national labor laws and regulations as well as the SA8000 Social Accountability Standard. With robust employment mechanisms, employee rights protection policies and a diverse and inclusive corporate culture, the Company safeguards employees' legitimate rights and interests, revitalizes team vitality, and realizes coordinated development of the enterprise and its employees.

Sound Employment System

Centered on the Employee Handbook, the Company has established a standardized management mechanism covering the full lifecycle of employee onboarding, probation, confirmation, transfer, promotion and separation, ensuring all employment procedures are compliant, standardized and transparent. In terms of onboarding and contract management, the Company strictly enforces labor contract signing rules. All newly recruited employees sign labor contracts upon entry, clarifying key clauses including job responsibilities, remuneration and benefits, and contract period. Meanwhile, special agreements such as the Training Agreement and Non-Disclosure Agreement are signed as required by position roles to clearly define the rights and obligations of both parties. Employees are required to submit true and valid personal information during onboarding, which is strictly reviewed by the Company to prevent entry with false information. The Company strictly prohibits the use of child labor and forced labor in any form.

We strictly follow the requirements of the SA8000 Social Accountability System and integrates social responsibility concepts into the whole employment management process. It implements standardized management in terms of labor remuneration, working arrangements and labor protection, so as to effectively safeguard employees' basic rights and interests.

Anti-Discrimination Principle

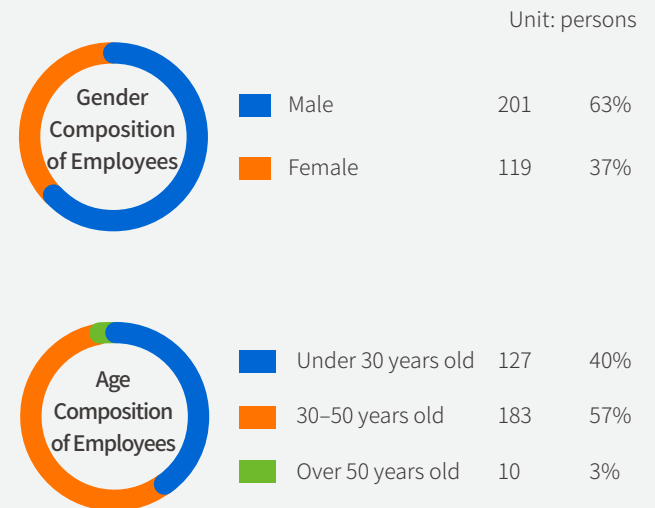
Upholding the recruitment principles of fairness, impartiality and openness, the Company firmly opposes all forms of employment discrimination and provides equal opportunities for all job seekers and in-service employees. In recruitment, candidates are selected strictly based on job requirements. Recruitment criteria are only linked to professional competence and role suitability, without any discriminatory restrictions involving race, religion, gender, age or geographical origin, so as to avoid unfair treatment caused by personal background differences. Applicants will not be asked to provide irrelevant personal information, and all personal data is kept strictly confidential to guarantee employment fairness from the source.

In terms of remuneration and career development, the Company implements an equitable position allocation and remuneration decision-making mechanism. By quantifying salary coefficients and standardizing pay adjustment procedures, it fully implements the principle of equal pay for equal work. Employees are entitled to equal opportunities in remuneration, training and promotion free from any discriminatory influence. The Company clearly stipulates that remuneration and benefits, performance appraisal, rewards, sanctions and promotions are all determined based on employees' work performance and contributions, and any form of differential treatment is prohibited.

Promotion of Diversity

The Company respects employees' individual differences and cultural backgrounds, and actively fosters a diverse and inclusive corporate culture, enabling employees with different traits and backgrounds to gain a strong sense of belonging and ample room for development. Our business covers more than 60 countries and regions with branches established at home and abroad. Employees boast diverse cultural, educational and professional backgrounds, forming a mutually complementary and diversified team structure. By irregularly organizing team-building events and cross-departmental exchanges, the Company strengthens mutual understanding and trust among employees, encourages the collision of diverse ideas, and takes diversity as an important driving force for innovation.

2025



Note: The 2025 employee-related data excludes three subsidiaries, namely ZKONG Systems GmbH, ZKONG Japan Co., Ltd. and ZKONG HK CO.

Career Development

Sunparl has formulated systematic training and career development plans, and built a complete career development ecosystem featuring comprehensive training systems, clear promotion paths and personalized development support. The Company offers equal growth opportunities and broad development space for employees, encourages continuous learning and self-improvement, and achieves a win-win development of personal career growth and corporate progress.

Clear Promotion Paths

The Company has set up a clear and transparent internal promotion system, designing tailored career development paths for employees in different job sequences, and ensuring fair promotion opportunities based on personal competence and work performance.

Dual Career Paths to Broaden Employee Growth

In 2025, ZKONG launched the dual-track career development system of Management Path and Professional Path, providing employees with diversified growth options. The non-management path consists of three categories: **Technology (T), Marketing (S) and Professional Function (P)**, graded into six hierarchical levels based on competency and contribution, including Junior, Professional, Backbone and Senior, forming a complete promotion ladder.

The technology path is oriented to R&D and technical positions, encouraging technical talents to deepen professional expertise. The marketing path serves sales and sales support roles, focusing on the comprehensive improvement of business capabilities and market expansion ability. The professional path covers administrative, human resources and other functional positions, focusing on professional skill improvement and comprehensive management capability cultivation. Meanwhile, ZKONG has established an independent management development path covering four levels: **Supervisor, Manager, Director and Senior Executive**, supporting employees with management aspirations in career advancement.

The dual-track system realizes two-way development between professional specialization and management promotion. Employees may select suitable growth paths according to personal career planning and strengths, achieving coordinated progress of individual value realization and corporate development.

With an open communication platform in place, employees can feedback their career development demands through direct supervisors and the Human Resources Department. The HR department provides personalized career development suggestions based on employees' aspirations and corporate needs, helping employees clarify development directions, formulate tailored career plans, and realize coordinated growth of individuals and the enterprise.

Employee promotion is comprehensively evaluated based on corporate development needs, vacancy arrangement, work performance, job qualification and development potential, without discriminatory restrictions on gender, age or geographical origin. The Company conducts regular performance appraisals and annual comprehensive assessments to fully evaluate employees' work performance, provide promotion opportunities for qualified employees, and foster a benign internal competition atmosphere.



Outstanding Employee Recognition

Diversified Training Mechanism

The Company has established a full-coverage, life-cycle oriented and diversified training system. It formulates differentiated training contents according to different positions, levels and development needs, and provides equal training opportunities for employees of all genders, ages and roles, so as to continuously improve employees' compliance awareness, professional skills and safety literacy.

Hierarchical & Categorized Training for Precise Demand Matching

New Employee Onboarding Training

As a fundamental link for employee integration into the enterprise, the Company regularly organizes new employee onboarding training. The curriculum covers corporate rules and regulations, corporate culture, basic personnel and administrative policies, professional knowledge, practical operational skills and safety training, helping new employees quickly adapt to the workplace and job requirements and accelerate role transition.

Compliance & Literacy Training

ZKONG incorporates compliance training into daily normalized management, and regularly carries out training on business ethics, data privacy protection and other compliance topics to strengthen employees' compliance awareness. Meanwhile, cross-cultural exchange activities and team-building events are held to enhance mutual understanding and collaboration among employees from diverse backgrounds and boost team cohesion.

Professional Skill Training

Centering on business development needs, the Company irregularly organizes training on management skills and professional technologies, covering core areas such as BLE communication, positioning technology and low-power R&D, as well as skill improvement courses for sales, marketing and product roles, helping employees expand professional boundaries and enhance core competitiveness.

Specialized Safety Training

Attaching great importance to employee safety protection, the Company conducts special training on fire safety, information security and office safety, clarifies relevant safety requirements, and improves employees' safety awareness and emergency response capabilities.



Training on Rational Time Allocation



New Employee Onboarding Training

2025 Annual Performance

13

employee training sessions held



175

employee participations in training



55%

for male employee training coverage rate



55%

for female employee training coverage rate



Welfare and Care

Sunparl fully protects employee rights and interests through a standardized remuneration system, comprehensive welfare provisions, open communication mechanisms and rich cultural and sports activities. It enhances employees' sense of belonging and happiness, and realizes integrated development and shared benefits for the Company and all employees.

Standardized Salary System

The Company has established a scientific, compliant and performance-linked remuneration system. It standardizes payroll administration, motivates employees via differentiated incentive mechanisms, and continuously improves pay equity to ensure employees share the fruits of corporate development. The remuneration structure consists of basic salary, performance-based pay and various welfare allowances. Employee pay is closely linked to personal performance, appraisal results and corporate contribution, adhering to the principle of distribution by work contribution. Year-end bonuses are determined comprehensively by individual performance and corporate operating performance to form a sound incentive framework. The Company strictly enforces overtime approval and payroll calculation procedures, pays overtime remuneration in full in accordance with statutory standards, and safeguards employees' legitimate rights to additional labor compensation.

Pay Gap Statistics and Analysis

The Company continuously monitors and manages internal pay gaps, and conducts regular multi-dimensional analysis covering gender differences, job hierarchy gaps and business segment variations. Statistics show the overall gender pay gap remains modest. At the job level, the pay gap widens with higher hierarchical levels; the gap is relatively notable in R&D and manufacturing, while mild in functional support departments.

Based on analytical findings, the Company adopts gender-neutral recruitment and job allocation mechanisms and prohibits discriminatory clauses. Job rotation and internal recruitment are promoted to help women enter high-value positions, with a target of raising **female representation in technical and management roles to 40% within three years**. The Company improves the transparency of remuneration decision-making by quantifying job value and performance into compensation coefficients. Any pay adjustment requires formal written justification to ensure equal remuneration for employees in the same position with equivalent performance. It also optimizes performance appraisal indicators to reduce biased assessment criteria against female employees, expands the coverage of long-term incentives, and ensures equal participation of female staff in equity incentives and core talent allowances.

Comprehensive Welfare Protection

Centering on employees' work and life needs, the Company builds a multi-level welfare system covering statutory benefits and personalized humanistic care. It provides full contributions to five social insurances and housing fund for all employees in strict compliance with national labor laws and regulations, laying a solid foundation for social security. Entitlements to statutory leave including sick leave, marriage leave, bereavement leave and maternity leave are clearly stipulated and fully guaranteed.

The Company offers traditional festival benefits with customized gifts on the Dragon Boat Festival, Mid-Autumn Festival, Spring Festival and other occasions to convey corporate care. Birthday benefits are also provided, with gift cards issued to employees on their birthdays as a token of sincere blessing. A special assistance mechanism is established for employees facing financial difficulties, to timely understand their needs and deliver targeted support, reflecting the Company's humanistic care. In addition, supplementary commercial insurance and hospital green channel services are provided to further improve the employee health protection system and ensure more convenient and reassuring medical access.

2025 Annual Performance

100%

for labor contract signing rate

100%

for social insurance coverage rate

Open Communication Mechanism

The Company has built open and inclusive communication channels to protect employee voices and legitimate rights. Employees may provide feedback opinions and reasonable suggestions through direct supervisors and the Human Resources Department, with all opinions valued and responded to in a timely manner. The Company continuously improves employee complaint handling and dispute appeal procedures. All appeals are based on factual evidence and allow secondary review, ensuring fair and timely settlement of employee demands. A clear reward and punishment system guides positive workplace behavior. Employees with outstanding performance, diligent work and valuable rational suggestions are rewarded or promoted, while disciplinary sanctions are imposed proportionally based on the severity of violations, ensuring fair and standardized management

Employee Appeal Channels

Direct Communication

Employees may have one-on-one communication with direct supervisors and department leaders to discuss workplace concerns and difficulties

Online Channels

Employees may submit anonymous or real-name feedback via DingTalk, internal OA system and corporate email, with relevant departments providing regular official responses

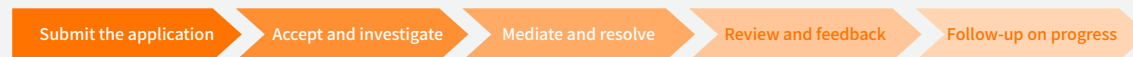
Admin & HR Support

Dedicated staff from the Administration and Human Resources Departments provide professional consultation on labor contracts, remuneration and benefits, attendance management and other related matters

Themed Communication Sessions

The Company holds regular employee forums and tea gatherings to collect collective demands and synchronize the latest corporate development progress

Dispute Appeal Procedure



Recreational and Cultural Activities

The Company attaches great importance to work-life balance for employees. It holds various recreational and cultural activities on an irregular basis throughout the year to enrich employees' spare time and strengthen team cohesion and solidarity. By organizing team building, cultural and sports competitions, and social networking events, the Company provides a platform for communication and interaction, helping employees relax, foster teamwork spirit and build a harmonious workplace atmosphere



Sunparl Team Building Activities in 2025

Health and Safety

With the **ISO 45001** occupational health and safety management system as the core framework, Sunparl builds a full-process, all-round occupational health and safety protection network by optimizing institutional systems, strengthening safety training, conducting emergency drills and implementing comprehensive health protection measures, creating a safe, healthy and reassuring working environment for all employees.

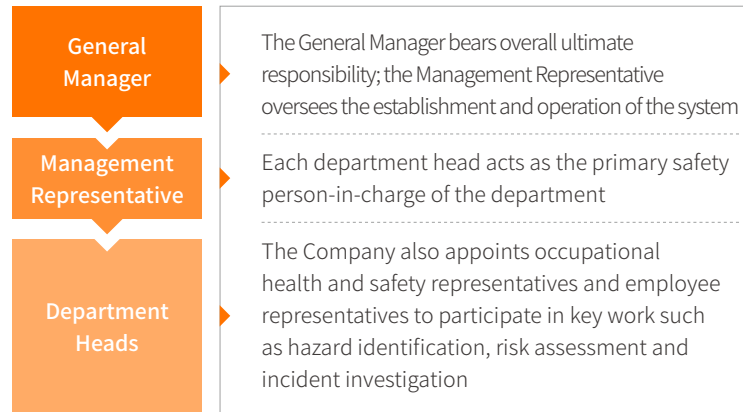
Establishment of Standardized Management System

In accordance with **ISO 45001 standards** and combined with its own business characteristics and production scenarios, the Company formulates the Quality, Environment, Occupational Health and Safety Management System Manual, clarifying management objectives, responsibility division and operational mechanisms.



ISO 45001 Occupational Health and Safety Management System Certification of Sunparl

In terms of organizational structure, the Company establishes a hierarchical accountability system.



forming a management pattern of full staff participation and accountability at all levels.

Occupational Health and Safety Objectives

- 0 work-related fatalities
- 0 serious work-related injuries
- Annual minor accidental injuries controlled within 3 cases

The Company implements a full-cycle risk control process covering **hazard identification, risk assessment, control measure formulation and dynamic monitoring**, covering all scenarios including production, R&D and office areas, as well as routine and non-routine activities. Adopting process sorting and post investigation methods, the Company systematically identifies ten major categories of hazard sources such as mechanical, electrical and chemical energy. It considers normal, abnormal and emergency operating states, as well as past, present and future time dimensions, and compiles formal hazard lists and unacceptable risk lists. The Company adopts a two-dimensional quantitative assessment based on impact severity and occurrence probability, classifying risks into four levels. Targeted control measures are formulated for high-level risks, including hazard elimination, substitution of harmful substances, deployment of protective facilities and standardized work permits, so as to prevent safety incidents from the source.

2025 Annual Performance

0 major safety accidents occurred



Strengthened Safety Operation Management

The Company integrates safety management into the whole daily operation process. Through standardized operation procedures, regular safety training and themed special activities, it strengthens employees' safety awareness and self-protection capabilities to ensure the effective implementation of all safety measures. The Company has formulated the Environmental and Occupational Health & Safety Operational Control Procedure, which standardizes operational workflows in key areas such as production workshops, warehouses and R&D laboratories.

A company-wide safety training system is fully implemented

New employees receive three-level safety training.



Covering safety regulations, hazard identification and emergency response procedures. Personnel engaged in special operations are required to hold valid certificates for employment, with regular qualification reviews and skill upgrading training arranged periodically.

2025 Work Safety Month Campaign

In 2025, taking the National Work Safety Month as an opportunity, the Company launched a series of promotional activities including safety knowledge lectures, case reviews and skill competitions. By posting safety posters, distributing manuals and releasing notifications via internal OA system, the Company popularizes knowledge on fire safety, electrical safety and mechanical operation safety, fostering a sound workplace safety culture.

The Company formulates the Emergency Preparedness and Response Control Procedure. Special emergency response plans are developed for potential emergencies such as fire, electric shock, mechanical injury, traffic accidents and hazardous chemical leakage, clarifying the emergency organizational structure, response procedures, rescue measures and material support guarantees.

Safety Emergency Drills in 2025

The Company organized multiple emergency drills in 2025

In April

An electric shock emergency drill was held to simulate electric shock accidents caused by operational errors. Key links including power cutoff disposal, cardiopulmonary resuscitation and wound dressing were practiced to optimize rescue procedures and improve emergency efficiency.

In May

A company-wide fire emergency drill was carried out, including fire safety training, fire extinguisher operation practice and fire evacuation drills. It strengthened employees' four core capabilities: inspecting and eliminating fire hazards, putting out initial fires, organizing personnel evacuation and participating in fire safety publicity and training. Targeted improvement plans were formulated after the drill to address problems such as unskilled fire extinguisher operation.

In October

The Company collaborated with Chang'an Town Full-time Fire Brigade and Hongsecun Fire Outpost to carry out practical fire safety training, drills and skill teaching, helping employees raise fire prevention awareness and master standard emergency response skills.



2025 Annual Performance

4
safety emergency drills conducted

1
occupational health and safety training session held



Occupational Health Protection

The Company attaches great importance to employees' occupational health, and protects both their physical and mental well-being through pre-employment physical examinations and on-the-job health management.

We implement mandatory pre-employment physical examinations and regular on-the-job health checkups. Regular physical examinations are arranged for incumbent employees according to job characteristics to detect potential health risks in a timely manner. For employees in special positions exposed to hazardous chemicals or high-intensity work, individual health monitoring files are established to track physical condition changes. Job adjustment or targeted protective measures will be adopted when necessary to reduce occupational health risks.



Occupational Hazard Notification

The Company continuously optimizes the workplace environment, ensuring that temperature, humidity, lighting and ventilation in production workshops and office areas fully comply with occupational health standards, and reduce the adverse impact of noise, dust and other harmful factors on employees. Necessary personal protective equipment including safety helmets, protective gloves, protective clothing and goggles is provided for all relevant employees, with clear usage specifications and replacement cycles. Staff in special positions are required to wear protective equipment on duty.

In addition, the Company eases work pressure and prevents job burnout by arranging reasonable work shifts, controlling overtime hours and organizing team-building activities, protecting employees' physical and mental health in an all-round manner.

2025 Annual Performance

0

newly confirmed occupational diseases

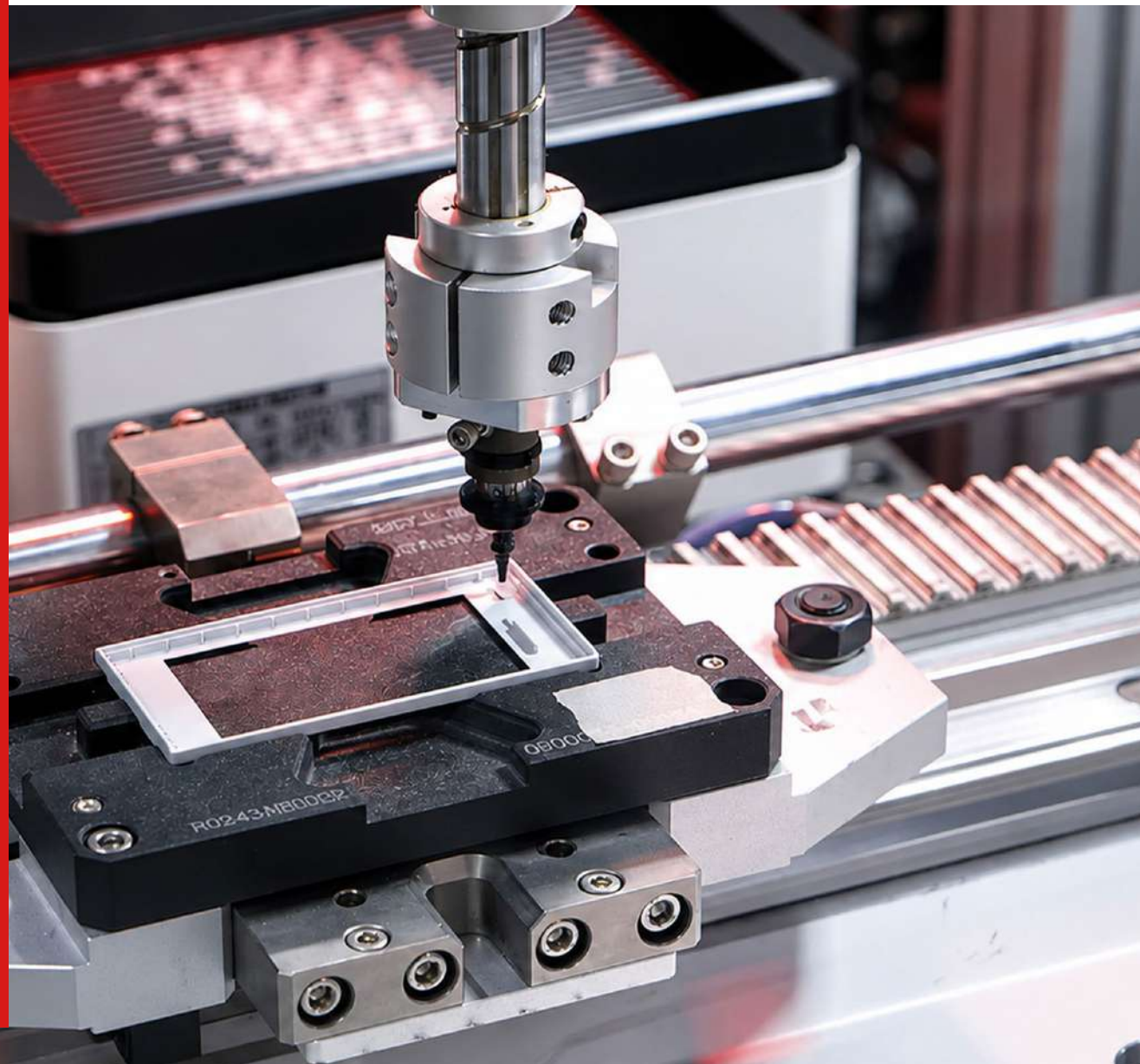




SOCIAL RESPONSIBILITY, VALUE SHARING

Sunparl commits to social value creation, maintains in-depth communication with stakeholders, and advances industry collaboration. The Company continuously optimizes the full lifecycle supplier management process and implements sustainable procurement practices. It also actively engages in public welfare and charitable initiatives, promotes community development with tangible actions, and collaborates with all partners to build a harmonious and inclusive society.

- Industry Cooperation
- Supply Chain Management
- Community Public Welfare



Industry Cooperation

Committed to integrating into the global industrial ecosystem, Sunparl bridges technical exchange, resource sharing and industrial collaboration through in-depth participation in industry associations, attendance at major domestic and overseas exhibitions, and engagement in industry standard setting. It drives the upgrading of the Company's technologies and business layout, and empowers the sustainable development of the entire industry.

In-depth Participation in Industry Associations

The Company actively joins authoritative industry associations such as the E-Paper Industry Alliance. It participates extensively in technical seminars, policy interpretation, industrial matchmaking and other events, sharing its practical experience and innovative concepts in the smart display field.

Joining Industry Associations to Unify Industrial Development Synergy

ZKONG

Vice Chair Member, E-Paper Industry Alliance

Member, China Chain Store & Franchise Association (CCFA)

Director Member, Zhejiang Chain Store & Franchise Association

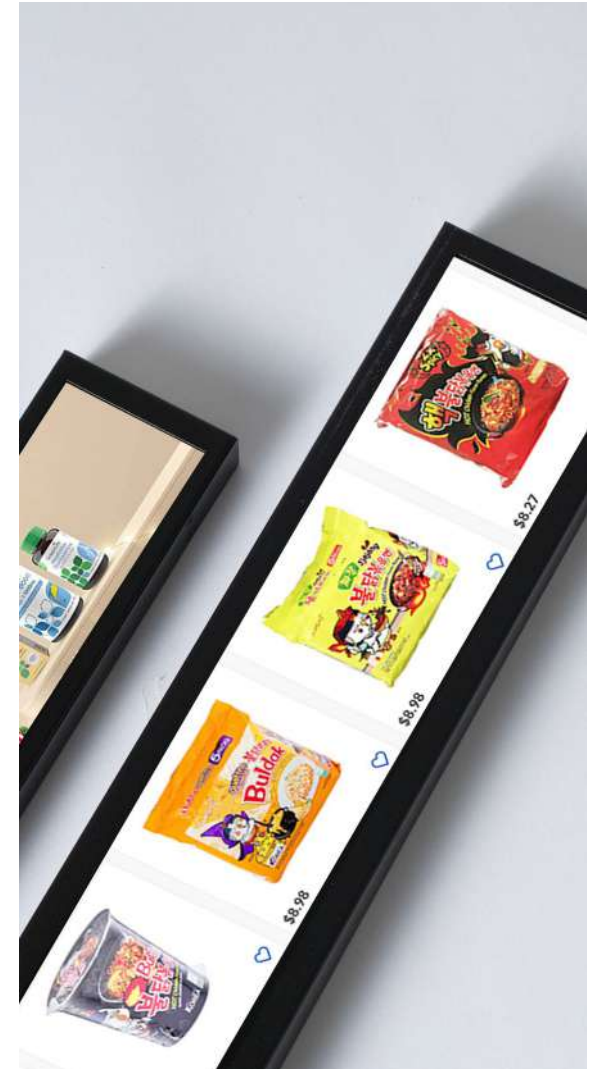
Director Member, Shenzhen Retail Intelligent Information Association

EHI Retail Institute, Germany

National Retail Federation (NRF), USA

Japan Association of Chain Drug Stores (JACDS)

Within association platforms, the Company maintains close communication with upstream and downstream enterprises, research institutions and industry experts. It puts forward professional suggestions on common industry topics including green manufacturing, technological innovation and standard alignment, jointly breaking through industrial development bottlenecks. Leveraging the resources of industry associations, the Company accurately captures industry trends and policy orientations, provides scientific guidance for corporate strategic layout and product R&D, and helps foster a collaborative, efficient and sustainable industrial ecosystem.



Global Exhibition Participation

The Company takes industry exhibitions as a core window for technology display, market expansion and business cooperation negotiation. It actively participates in high-standard domestic and international exhibitions to fully demonstrate its technical strengths and solution advantages in the smart display sector. Long-term participation in global exhibitions has broadened the Company's global cooperation network and established strategic partnerships with more than 3,000 renowned brands. It also facilitates two-way exchange of technical ideas, accumulating solid industry experience for product iteration and application scenario optimization.

Participate in Global Exhibitions to Connect Cutting-edge Industrial Resources

International Exhibitions

In 2025, ZKONG attended top global retail technology exhibitions, including **EuroCIS** in Düsseldorf (Germany), **NRF EUROPE** in France, and **NRF Retail's Big Show APAC 2025** in Singapore. The Company exchanged in-depth insights on smart retail development trends with international partners, showcased core products such as electronic shelf labels and commercial displays, as well as SaaS cloud platform solutions. Its core advantages in paperless innovation and low-power technology have drawn widespread attention from overseas customers.



Domestic Exhibitions

Domestically, ZKONG further deepens its layout in the industry ecosystem by participating in benchmark exhibitions including the 26th China Retail Expo (**CHINASHOP 2025**), China Commercial Information Industry Conference, and **CCFA China International Retail Innovation Conference**. With diversified application scenarios and a complete product portfolio, it displays innovative achievements in smart retail and digital terminals, further consolidating its leading position in the domestic market.

ZKONG has participated in CHINASHOP for six consecutive years. As an **exclusive special partner of the exhibition** (one enterprise per industry), it engages in in-depth industry exchanges and ecological co-construction.



Participation in Standard Setting

The Company regards participation in industry standard setting as an important way to fulfill industry responsibilities and highlight technological leadership. Boasting profound technical accumulation and rich practical experience in the smart display field, it has participated in the compilation of multiple industry standards, driving the industry toward standardized and high-quality development.

As the lead drafting organization, Sunparl spearheaded the formulation of **Zhejiang Manufacturing Standard 1434—2019 Electronic Shelf Labels for Commodities**, with ZKONG acting as a participating drafting unit. Issued in 2019, the standard specifies core contents including technical requirements, test methods and inspection rules for electronic shelf labels. It sets strict criteria for key indicators such as product appearance, electrical performance and environmental adaptability, effectively promoting the standardization of product consistency, energy efficiency requirements and safety specifications in the ESL industry, and providing important technical support for the sound and orderly development of the industry.

Supply Chain Management

Sunparl integrates sustainable development requirements into the full lifecycle of supply chain management. By establishing standardized supplier management systems, rigorous audit mechanisms and win-win cooperation models, the Company builds a transparent, efficient and responsible supply chain ecosystem, and drives upstream and downstream partners to jointly attain sustainable development goals.

Standardized Management

The Company has formulated and continuously optimized the Supplier Management System, forming a full-process management system covering supplier admission, daily management, regular audit, grading evaluation and exit mechanism, and providing standardized institutional support for supply chain management. The system clarifies the core principles and responsibility allocation for supplier management. The Procurement Department takes the lead in supplier screening, evaluation and daily coordination, while the R&D, Technology, Quality and Engineering departments jointly assess suppliers in terms of technical capability, production strength and quality control level, ensuring clear responsibilities and efficient collaboration in all links.

Rigorous Supplier Audit Mechanism

The Company has established a supplier audit mechanism featuring multi-dimensional screening, graded review and dynamic evaluation, ensuring all admitted suppliers meet the Company's sustainability requirements.



Responsible Supply Chain

We set clear core requirements for supplier cooperation. Qualified suppliers are required to sign framework procurement contracts, quality agreements, environmental agreements and integrity pacts, clarifying the rights and obligations of both parties in terms of product quality, environmental protection, occupational health and safety, and business ethics, so as to ensure the compliance and sustainability of the supply chain at the institutional level.

Strengthening Supplier Compliance Commitments

The Company explicitly requires cooperating suppliers to sign **the Supplier Integrity Agreement and Supplier Environmental & EHS Commitment Letter**, setting clear cooperation red lines in business ethics, environmental compliance, and occupational health and safety.



..... In terms of integrity and ethics

the agreements strictly prohibit suppliers from offering kickbacks, gifts, securities and other improper benefits to the Company and its employees, as well as irregular acts such as commercial fraud and bid rigging. Any violation will result in liquidated damages as stipulated in the agreement; serious violations will lead to termination of cooperation and pursuit of corresponding legal liabilities. Dedicated hotline and email reporting channels have been set up to encourage joint supervision by suppliers and employees, fostering a clean and upright cooperation atmosphere.



..... In terms of environmental protection

health and safety, the commitment letter requires all products, components and materials supplied by suppliers to strictly comply with domestic and international environmental regulations such as **RoHS, REACH and TSCA. All products shall be verified by CNAS-accredited third-party testing institutions with valid test reports provided.** Suppliers shall abide by relevant environmental and occupational health and safety regulations throughout production, transportation and packaging processes, reduce energy consumption and environmental pollution, and protect employees' health and safety.

Green Supply Chain

The Company actively promotes the green transformation of the supply chain. Through environmental collaboration and resource recycling with suppliers, it jointly reduces the environmental impact of the supply chain. The Company encourages suppliers to adopt recycled materials and optimize packaging design, drives the overall supply chain toward green and low-carbon development, and builds a sustainable supply chain ecosystem through joint efforts.

Carton Recycling to Promote Circular Supply Chain Economy

Packaging material consumption constitutes one of the key environmental impact factors in the supply chain. Traditional disposable cartons are mostly discarded after use, causing both resource waste and increased environmental burden. At the end of 2024, the Company reached a carton recycling cooperation with a supplier and signed **a dedicated Carton Recycling Agreement**, establishing a circular mechanism of delivery - recycling - reuse. Both parties agreed on the cyclic recycling of special packaging cartons generated during the supply process.

In the practical operation in 2025, after goods arrival, the Company disassembles, sorts and properly stores reusable special packaging cartons. During subsequent deliveries, the supplier counts and recycles qualified cartons on site for repackaging goods supplied to the Company. This cooperation model effectively reduces carton consumption. Recycled cartons are highly matched with original packaging needs with a high reuse rate, avoiding secondary waste in the circulation process, cutting packaging costs for both parties, and realizing resource recycling. It provides a replicable practical model for the green development of the supply chain.

Social Welfare

Sunparl deeply integrates social responsibility into corporate development DNA. While pursuing commercial value, the Company actively engages in social welfare undertakings, gives back to society through education empowerment, livelihood care and other diversified initiatives, and fulfills the responsibility and mission of a corporate citizen with practical actions.

Commitment to Educational Philanthropy

We attach great importance to educational philanthropy, and support university talent training and scientific innovation through resource investment and industry-university-research collaboration.

University-Enterprise Cooperation to Foster Innovative Talent Development

Centering on in-depth university-enterprise cooperation, Sunparl has built a diversified educational public welfare system to precisely align higher education talent training with industrial needs. On October 25, 2025, ZKONG, a subsidiary of Sunparl, held the donation signing ceremony for the "ZKONG Networks Education Fund" at the "Smart Information · Linking the Future" University-Enterprise High-quality Development Forum of Zhejiang Sci-Tech University. **ZKONG donated RMB 500,000 to the Zhejiang Sci-Tech University Foundation**, specially used for talent cultivation and scientific research in the fields of IoT technology and data security at the School of Information Science and Engineering (School of Cyberspace Security), providing substantial support for disciplinary innovation in universities.

The fund directly supports the development of scientific research projects, the upgrading of experimental equipment and scholarships for outstanding students, laying a solid material foundation for disciplinary innovation and talent cultivation. The two parties have jointly built multiple joint laboratories to carry out technical cooperation in core fields such as BLE communication, positioning technology and low-power R&D. Further in-depth cooperation in scientific research collaboration and achievement transformation was confirmed after the ceremony. Corporate representatives including the Deputy General Manager have been appointed as industry mentors. Through practical guidance and project tutoring, they bring frontline industrial technical experience and application demands into classrooms, building a dual-track growth platform combining theoretical learning and practical training for students.

In addition, Sunparl continues to deepen the connotation of university-enterprise cooperation through technical sharing and internship base construction. It provides industrial perspectives and practical resources for university talent training, reserves interdisciplinary talents with both theoretical foundation and practical capabilities for the industry, realizes a win-win situation for educational philanthropy and industrial development, and demonstrates the Company's long-term philosophy and sense of responsibility in the field of educational public welfare.



Warmth to People's Livelihood

Beyond long-term investment in educational philanthropy, the Company actively pays attention to people's livelihood demands, organizes life-benefiting public welfare activities close to daily life, and conveys corporate warmth through small but tangible actions.

In terms of employee and community care, the Company organizes internal employees to participate in public welfare activities such as voluntary blood donation and free haircut services, encouraging employees to fulfill social responsibilities and contribute to public welfare causes. In voluntary blood donation activities, employees signed up enthusiastically, helping ease the shortage of medical blood supply in society.

The free haircut service provides convenient and affordable daily services for employees and surrounding community residents, bringing special convenience to the elderly group. Such thoughtful initiatives strengthen emotional bonds between the Company, employees and the local community.

Appendix

Key Performance

Indicators	Unit	2025
Governance		
Confirmed information security incidents	Cases	0
Customer privacy leakage incidents	Cases	0
Illegal cases caused by fraud and corruption	Cases	0
Legal litigation related to unfair competition and anti-monopoly	Cases	0
Patents	Items	135
Software copyrights	Items	9
Environment		
Major sudden environmental incidents	Cases	0
Major administrative penalties or criminal liabilities imposed by ecological authorities due to environmental incidents	Cases	0
Environmental emergency drills	Sessions	2
Participants in environmental emergency drills	Person-times	63
Total greenhouse gas emissions ¹	tCO ₂ e	1,337.11
Scope 1 greenhouse gas emissions	tCO ₂ e	37.91
Scope 2 greenhouse gas emissions	tCO ₂ e	1,299.20
Comprehensive energy consumption ²	tced	336.19
Photovoltaic power generation	kWh	715,894
Social		
R&D investment as a percentage of operating revenue	%	8.2


Indicators	Unit	2025
R&D personnel ratio	%	42
Product qualification rate	%	99.62
Customer satisfaction score	points	92.986
Violations related to marketing and communication	Cases	0
Total number of employees	Persons	320
Male employees	Persons	201
Female employees	Persons	119
Employees under 30 years old	Persons	127
Employees aged 30–50	Persons	183
Employees over 50 years old	Persons	10
Employee training sessions held	Sessions	13
Training participant person-times	Person-times	175
Male employee training coverage rate	%	55
Female employee training coverage rate	%	55
Labor contract signing rate	%	100
Social insurance coverage rate	%	100
Major safety accidents occurred	Cases	0
Safety emergency drills	Times	4
Occupational health and safety training sessions	Sessions	1
Newly confirmed occupational diseases	Persons	0

¹ In 2025, energy consumption data covers Zhejiang Sunparl Information Technology Co., Ltd. (No.19 Xinxing Road, Lianhang Development Zone, Chang'an Town, Haining City, Jiaxing, Zhejiang Province, China).

² Total comprehensive energy consumption is calculated in accordance with GB/T 2589-2020 General Principles for Calculation of Comprehensive Energy Consumption, adopting the national unified standard coal conversion coefficient; electricity consumption is calculated using the equivalent value coefficient.

³ The 2025 employee-related data excludes three subsidiaries: Zkong Systems GmbH, ZKONG Japan Co., Ltd. and ZKONG HK CO., LIMITED.

Assurance Statement



ASSURANCE STATEMENT

REPORT ON SUSTAINABILITY ACTIVITIES IN THE ZHEJIANG SUNPARL ZKONG TECHNOLOGY CO., LTD.'S ESG REPORT FOR 2025

NATURE OF THE ASSURANCE/VERIFICATION
 SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by Zhejiang Sunparl Zkong Technology Co., Ltd. (hereinafter referred to as Sunparl Zkong) to conduct an independent assurance of the ESG Report for 2025 (Chinese version) for the period of January 1, 2025 to December 31, 2025.

INTENDED USERS OF THIS ASSURANCE STATEMENT
 This Assurance Statement is provided with the intention of informing all Sunparl Zkong's Stakeholders.

RESPONSIBILITIES
 The sustainability information in the Sunparl Zkong's ESG Report for 2025 and its presentation are the responsibility of Sunparl Zkong's ESG governing body and the management. SGS-CSTC has not been involved in the preparation of any of the material included in the ESG Report for 2025.

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

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

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
 The SGS Group ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the ISAE 3000.

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

Assurance Standard	Level of Assurance
ISAE 3000	Limited

SCOPE OF ASSURANCE
 The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as in Sunparl Zkong's ESG Report for 2025 and evaluation of adherence to the following reporting criteria:

Reporting Criteria
GRI Standards 2021 (With Reference to)

ASSURANCE METHODOLOGY
 The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at Building 1, No. 19 Xinxing Road, Agricultural Development Zone, Chang'an Town, Haining, Jiaxing, Zhejiang Province, P.R. China, including documentation and record review and validation where relevant. This assurance engagement was restricted to the group level of Sunparl Zkong and did not include traceability of all original data from subordinate institutions.



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

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

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

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

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

FINDINGS AND CONCLUSIONS

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

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

Signed:



For and on behalf of SGS-CSTC

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

May, 15th, 2026
 WWW.SGS.COM



CN26/00003430

Indicator Index

Statement	During the reporting period from January 1, 2025 to December 31, 2025, Zhejiang Sunparl Zkong Technology Co., Ltd. has reported the information referenced in this GRI Content Index in accordance with GRI Standards.
GRI 1 Applied	GRI 1: Foundation 2021

GRI Standards	Disclosure Items	Location
General Disclosures		
2-1	Organizational details	Corporate Overview
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	About This Report
2-5	External assurance	Assurance Statement
2-6	Activities, value chain and other business relationships	Corporate Overview
2-7	Employees	Compliant Employment
2-9	Governance structure and composition	Compliant Operation
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Development Governance
2-13	Delegation of responsibility for managing impacts	Sustainable Development Governance
2-14	Role of the highest governance body in sustainability reporting	Sustainable Development Governance
2-15	Conflicts of interest	Business Ethics
2-16	Communication of critical concerns	Sustainable Development Governance
2-17	Collective knowledge of the highest governance body	Sustainable Development Governance
2-22	Statement on sustainable development strategy	Sustainable Development Governance
2-25	Processes to remediate negative impacts	Compliant Operation
2-26	Mechanisms for seeking advice and raising concerns	Sustainable Development Governance

GRI Standards	Disclosure Items	Location
2-27	Compliance with laws and regulations	Compliant Operation Environmental Management Pollutant and Waste Management Quality Management Compliant Employment
2-28	Membership associations	Industry Cooperation
2-29	Approach to stakeholder engagement	Sustainable Development Governance
Material topics		
3-1	Process to determine material topics	Sustainable Development Governance
3-2	List of material topics	Sustainable Development Governance
3-3	Management of material topics	Sustainable Development Governance
205-2	Communication and training about anti-corruption policies and procedures	Sustainable Development Governance
205-3	Confirmed incidents of corruption and actions taken	Sustainable Development Governance
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainable Development Governance
301-3	Reclaimed products and their packaging materials	Energy and Resource Utilization
302-1	Energy consumption within the organization	Energy and Resource Utilization
302-4	Reduction of energy consumption	Energy and Resource Utilization
302-5	Reductions in energy requirements of products and services	Energy and Resource Utilization
305-1	Direct (Scope 1) GHG emissions	Climate Change Response

GRI Standards	Disclosure Items	Location
305-2	Energy indirect (Scope 2) GHG emissions	Climate Change Response
305-5	Reduction of GHG emissions	Climate Change Response
306-1	Waste generation and significant waste-related impacts	Pollutant and Waste Management
306-2	Management of significant waste-related impacts	Pollutant and Waste Management
308-1	New suppliers that were screened using environmental criteria	Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management
401-1	New employee hires and employee turnover	Career Development
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Welfare and Care
403-1	Occupational health and safety management system	Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety
403-3	Occupational health services	Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety
403-5	Worker training on occupational health and safety	Health and Safety
403-6	Promotion of worker health	Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
403-8	Workers covered by an occupational health and safety management system	Health and Safety
403-9	Work-related injuries	Health and Safety
403-10	Work-related ill health	Health and Safety
404-2	Programs for upgrading employee skills and transition assistance programs	Career Development

GRI Standards	Disclosure Items	Location
404-3	Percentage of employees receiving regular performance and career development reviews	Career Development
405-1	Diversity of governance bodies and employees	Compliant Employment
406-1	Incidents of discrimination and corrective actions taken	Compliant Employment
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Supply Chain Management
408-1	Operations and suppliers at significant risk for incidents of child labor	Negative social impacts in the supply chain and actions taken
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Assessment of the health and safety impacts of product and service categories
414-1	New suppliers that were screened using social criteria	Incidents of non-compliance concerning the health and safety impacts of products and services
414-2	Negative social impacts in the supply chain and actions taken	Requirements for product and service information and labeling
416-1	Assessment of the health and safety impacts of product and service categories	Incidents of non-compliance concerning product and service information and labeling
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Negative social impacts in the supply chain and actions taken
417-1	Requirements for product and service information and labeling	Customer Service
417-2	Incidents of non-compliance concerning product and service information and labeling	Customer Service
417-3	Incidents of non-compliance concerning marketing communications	Customer Service
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security

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